



NEWS RELEASE

Pivotree Announces First Quarter 2026 Results

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Consecutive Quarters of Positive Adjusted EBITDA and Positive Free Cash Flow as Pivotree Accelerates AI-Enabled Service Transformation

TORONTO, ON / **ACCESS Newswire** / May 14, 2026 / Pivotree Inc. (TSXV:PVT) ("Pivotree" or the "Company"), a leader in frictionless commerce solutions, today reported financial results for the three month period ended March 31, 2026. All amounts are expressed in Canadian dollars unless otherwise stated.

"Q1 reflects the disciplined transition we expected: solid profitability, positive free cash flow, and our sixth consecutive quarter of positive Adjusted EBITDA," said Bill Di Nardo, CEO of Pivotree. "Client conversations have shifted from 'should we invest in AI?' to 'how do we deploy AI against outcomes on top of our data?' This is where our Real Intelligence (RI) and AI capabilities intersect, and it is reshaping how we pitch, contract, and deliver."

Pivotree also announced today that it has released a letter to shareholders from Bill Di Nardo, CEO. The letter can be accessed from the Company's website at investor.pivotree.com and filed on SEDAR at www.sedar.com.

First Quarter 2026 Financial Highlights

(All figures are in Canadian dollars and all comparisons are relative to the three-month period ended March 31, 2025 unless otherwise stated):

- Net income of \$0.6 million compared to net income of \$0.2 million for the prior year period, marking the fifth consecutive quarter of positive net income.
- Adjusted EBITDA¹ of \$1.2 million (8.9% margin), compared to Adjusted EBITDA¹ of \$2.0 million (10.3% margin) for the prior year period. The sixth consecutive quarter of positive Adjusted EBITDA demonstrates the durability of operating discipline as the Company transitions its revenue mix toward AI-enabled services.

- Total revenue of \$13.9 million, a decline of 27.6% (24.9% in constant currency) versus Q1 2025, driven primarily by the continued planned wind-down of Legacy Managed Services (LMS) and timing delays in Professional Services project starts, partially offset by MIPS growth:
 - Managed and IP Solutions (MIPS) Revenue increased 7.9% to \$4.0M in Q1 2026, from \$3.7M in Q1 2025, driven by increased transactional SKU volumes delivered to customers. MIPS has now grown year-over-year for two consecutive quarters.
 - Legacy Managed Services (LMS) Revenue declined 52.3% to \$2.1M in Q1 2026, from \$4.3M in Q1 2025, related to churn and melt of Legacy Oracle customers.
 - Professional Services Revenue of \$7.9 million, a decrease of 29.7%. The decline was driven by start-date slippage on a handful of expansion engagements rather than lost business - most affected work has since shifted into Q2 and Q3. A \$2.5 million contract, including approximately \$800K of MIPS deals, was signed subsequent to quarter-end.
- Gross margin of 47.3% yielding gross profit of \$6.6 million, compared to \$8.4 million or 44.1% of revenue for the prior year period. The improvement in gross margin percentage reflects continued delivery discipline, automation and early benefits of AI-enabled projects working their way into delivery.

1 Please refer to "Non-IFRS Measures and Reconciliation of Non-IFRS Measures" section of this press release.

First Quarter 2026 Business Highlights

- Commerce Total Contract Value (TCV) bookings were primarily driven by the extension of existing Professional Services engagements, including significant contracts for Integration Services and Shopify projects. Additionally, Commerce successfully secured several Managed Services support contract extensions during the quarter including contracts for SAP and VTEX projects.
- The Commerce group continued to progress managed services and professional services engagements across its application and integration services. Q1 bookings reflect the contribution of MIPS renewals and shorter-cycle PS extensions, with a number of larger multi-phase implementations delayed in start timing.
- The Data team secured five new logos in Q1 supporting demand for our solutions. The team also secured renewals and extensions in our strategic data solutions and across partner platforms including Syndigo, Stibo, and Precisely.
- Supply Chain booking in Q1 was primarily driven by the expansion and renewal of contracts within the Fluent OMS platform. The post-quarter \$2.5M signing mentioned within - encompassing both MIPS and PS components - confirms pipeline conversion is on track.

First Quarter 2026 Results

Selected Financial Measures

	Three months ended March 31,			
	2026	2025	\$ Change	% Change
	\$	\$	\$	%
MIPS.....	<u>3,953,912</u>	<u>3,665,717</u>	<u>288,195</u>	<u>7.9%</u>
LMS.....	<u>2,061,556</u>	<u>4,318,946</u>	<u>(2,257,390)</u>	<u>-52.3%</u>
Total MIPS & LMS..	<u>6,015,468</u>	<u>7,984,663</u>	<u>(1,969,195)</u>	<u>-24.7%</u>
Professional Services	<u>7,858,087</u>	<u>11,179,344</u>	<u>(3,321,257)</u>	<u>-29.7%</u>
Total Revenue	<u>13,873,555</u>	<u>19,164,007</u>	<u>(5,290,452)</u>	<u>-27.6%</u>

Results of Operations

The following table outlines our consolidated statements of comprehensive income (loss) for the three months ended March 31, 2026 and 2025.

	Three months ended March 31,	
	2026	2025
	\$	\$
Revenue.....	13,873,555	19,164,007
Cost of revenue.....	<u>7,314,525</u>	<u>10,714,877</u>
Gross profit.....	<u>6,559,030</u>	<u>8,449,130</u>
Operating expenses	1,743,214	2,178,360
General and administrative.....	2,134,683	1,902,935

Sales and marketing.....	425,677	492,247
Research and development.....	1,301,401	1,787,560
IT and Operations.....	(282,303)	118,669
Loss (gain) on foreign exchange.....	494,486	1,323,306
Amortization and Depreciation.....	152,228	225,876
Stock based compensation.....	14,566	36,771
Interest.....	<u>5,983,952</u>	<u>8,065,724</u>
	<u>575,078</u>	<u>383,406</u>
Income before other items.....	57,374	4,926
Interest income.....	<u>632,452</u>	<u>388,332</u>
Income before income taxes	(58,130)	(156,347)
Current taxes.....	<u>574,322</u>	<u>231,985</u>
Net income.....	<u> </u>	<u> </u>
Other comprehensive income (loss)	120,797	(388,870)
Foreign translation adjustment.....	<u>695,119</u>	<u>(156,885)</u>
Comprehensive income (loss).....	<u> </u>	<u> </u>
	0.02	0.01
Earnings per share - basic.....	26,324,521	26,408,516
Weighted average number of common shares outstanding - basic.....	0.02	0.01
Earnings per share - diluted.....	28,564,431	27,272,475
Weighted average number of common shares outstanding - diluted.....		

Cash Flows

Three months ended March 31,

2026 2025

\$ \$

12,759,400 3,877,687

Cash and cash equivalents, beginning of period

Net cash provided by (used in):		
Operating activities.....	102,919	3,040,729
Investing activities.....	(292,242)	(281,111)
Financing activities.....	(180,305)	(116,215)
	(18,025)	(9,897)
Effect of foreign exchange on cash and cash equivalents	(387,653)	2,633,506
Net increase (decrease) in cash and cash equivalents	12,371,747	6,511,193
Cash and cash equivalents, end of period	<u> </u>	<u> </u>

Conference Call

Management will host a live Google Meet Video Webinar on Thursday, May 14, 2026 at 8:30 am ET to discuss these first quarter 2026 results. The webinar can be accessed through the following registration link:

<https://investor.pivotree.com/events-and-presentations/events-calendar/default.aspx>.

A replay will be available approximately two hours after the conclusion of the live event and posted on

<https://investor.pivotree.com/>.

Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This press release makes reference to certain non-IFRS measures including key performance indicators used by management and typically used by our competitors in the technology industry. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and technology metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures, including technology industry metrics, in the evaluation of companies in the technology industry. Management also uses non-IFRS measures and technology industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation. The non-IFRS measures and technology industry metrics referred to in this press release include "Total Contract Value Booking", "EBITDA" and "Adjusted EBITDA". Additional details for these non-IFRS and other financial measures can be found under the heading "Key Performance Indicators" in our MD&A for the quarter ended March 31, 2026, filed on SEDAR+ at www.sedarplus.com, which includes explanations of the composition and usefulness of these non-IFRS financial measures and is incorporated by reference in this press

release.

Forward-looking Information

This press release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding the Company's expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Company operates is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "budgets", "scheduled", "estimates", "outlook", "forecasts", "projects", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" occur. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. The forward-looking information contained herein includes, but is not limited to, proposed expansion of the Company's market position, potential acquisitions, the conversion of sales pipelines to confirmed bookings, and the achievement and maintenance of profitability metrics, such as Gross Profit, Gross Margin, EBITDA, Adjusted EBITDA, Net Income (loss), and Comprehensive Income (loss).

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that, while considered by the Company to be appropriate and reasonable as of the date of this letter, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties associated with market conditions; our ability to execute on our growth strategies; our ability to create and protect unique intellectual property and enter new markets; the impact of changing conditions in the global e-commerce market, including increasing competition and changes in approach in the e-commerce software as a service solution or infrastructure market; our inability to achieve confirmed bookings from our sales pipeline and the risk that customers in our sales pipeline move their business to one of our competitors; changes in the expectations, financial condition and demand of our target markets; changes or increases in the difficulty of avoiding cyber or data security threats, or compliance with data security regulators that may impact our business; our ability to continue to execute accretive acquisitions; our ability to maintain and build our reputation with clients; fluctuations in currency exchange rates and volatility in financial markets; developments and changes in applicable laws and regulations; and such other factors discussed in greater detail under the "Risk Factors" section of the prospectus of the Company dated October 23, 2020 (the "Prospectus").

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in forward-looking information. The opinions, estimates or assumptions referred to above and the risk factors described in the "Risk Factors" section of the prospectus of the Company dated October 23, 2020 should be considered carefully.

Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that the Company presently believes is not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. Forward-looking information contained in this press release represents the Company's expectations as of the date of this press release (or as of the date they are otherwise stated to be made), and are subject to change after such date. The Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

About Pivotree

Pivotree, a leader in **frictionless commerce**, strategizes, designs, builds, and manages digital Commerce, Data Management, and Supply Chain solutions for over 150 major retailers and branded manufacturers globally. With a portfolio of digital products as well as managed and professional services, Pivotree provides businesses of all sizes with true end-to-end solutions. Headquartered in Toronto, Canada, with offices and customers in the Americas, EMEA, and APAC, Pivotree is widely recognized for its partnership with top brands across industries. For more information, visit www.pivotree.com or follow us on **LinkedIn**.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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