pivotree

NEWS RELEASE

Pivotree Announces Fourth Quarter 2025 Results

2026-03-26

Pivotree Completes Turnaround to Full Year Profitability, Ending 2025 with $6.7 Million in Adjusted EBITDA, $4.3M in Net Income and $12.8M in Cash Balance

TORONTO, ON / **ACCESS Newswire** / March 26, 2026 / Pivotree Inc. (TSXV:PVT) ("Pivotree" or the "Company"), a leader in frictionless commerce solutions, today reported financial results for the three and twelve month period ended December 31, 2025. All amounts are expressed in Canadian dollars unless otherwise stated.

"We delivered on our commitment to operational excellence and free cash flow1 generation while strategically positioning ourselves for the next phase of growth that is supported by a healthy balance sheet" said Bill Di Nardo, CEO of Pivotree. "Pivotree ensures customers have the right product data, in the right format, in the right systems - increasingly at AI-powered speed and a fraction of traditional cost."

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

The results announced today, further detailed in our Management's Discussion and Analysis (MD&A) and the accompanying Q4 2025 CEO Letter, mark the successful completion of Pivotree's foundational turnaround. Throughout 2025, the business transitioned toward a high-margin, cash-generative model by balancing the planned wind-down of legacy managed services with a disciplined focus on operational excellence. As we enter 2026, our strategy shifts from stabilizing the core to accelerating growth through the 'agentic commerce' landscape. By retooling our service catalogue with AI-enabled automation and moving toward outcome-oriented pricing, we are evolving our revenue mix to provide clients with faster, lower-cost digital transformations while driving long-term value for our shareholders.

Fourth Quarter 2025 Financial Highlights

(All figures are in Canadian dollars and all comparisons are relative to the three-month period ended December 31, 2024 unless otherwise stated):

- Net income of $0.5 million compared to a net loss of $0.2 million for the prior year period, primarily due to reduced operating expenses as a result of prior year restructure efforts.

- Adjusted EBITDA1 of $1.2 million compared to an adjusted EBITDA1 of $1.7 million for the prior year period. The consistent achievement of positive EBITDA is the result of the continued discipline and focus on gross margins and operating expenses.

- The business realized sequential quarter growth within Managed and IP Solutions (MIPS) which was offset by declines in Professional Services as described below, leading to total revenue of $14.9 million and a 18.4% decline from Q4 2024

    - Managed and IP Solutions (MIPS) Revenue increased 22.2% to $4.1M in Q4 2025, from $3.4M in Q4 2024, related to growth was delivered largely through the expansion of transactional SKUs.

    - Legacy Managed Services (LMS) Revenue declined 52.4% to $2.1M in Q4 2025, from $4.5M in Q4 2024, related to churn and melt of Legacy Oracle customers.

    - Professional Services Revenue of $8.6 million, a decrease of 17.0%. These three month ended results are related to the completion of certain system integration projects across our categories that were partially offset with growth within new data and integration services.

- Gross margin improved to 46.0% of total revenue yielding gross profit of $6.8 million, compared to $8.0 million or 44.0% of revenue for the prior year period. This was driven by stronger MIPS & LMS combined margins, largely through the efficiencies in producing transactional SKUs.

Fourth Quarter 2025 Business Highlights

- The Commerce group secured a notable multi year Integration Services contract in Q4, encompassing both Professional and Managed Services. This milestone win validates the company's new AI-enabled delivery model, which is driving increased efficiency and competitive differentiation. Momentum remained strong across our partner ecosystem, with a series of key renewals and extensions for clients on Shopify, VTEX, and SAP.

- The Data team captured five new logos in Q4. This includes four wins specifically within Strategic Data Services. The team also secured renewals and extensions on projects across partner platforms including Syndigo, Stibo, and Akeneo Overall the quarter produced one of the strongest quarterly bookings within our Data solution offerings

- The Supply Chain business expanded Fluent OMS engagements through several PS extensions and secured a one-year renewal for a key Control Tower contract.

Fourth Quarter 2025 Results

Selected Financial Measures

	Three months ended December 31,				Twelve months ended December 31,			
	2025	2024	$ Change	% Change	2025	2024	$ Change	% Change
	$	$	$	%	$	$	$	%
MIPS...........	4,147,382	3,394,960	752,422	22.2%	15,464,103	15,235,758	228,345	1.5%
LMS...........	2,133,734	4,487,307	(2,353,573)	-52.4%	11,598,249	19,928,283	(8,330,034)	-41.8%
Total MIPS & LMS..	6,281,116	7,882,267	(1,601,151)	-20.3%	27,062,352	35,164,041	(8,101,689)	-23.0%
Professional Services	8,595,439	10,351,401	(1,755,962)	-17.0%	39,740,719	43,078,382	(3,337,663)	-7.7%
Total Revenue	14,876,555	18,233,668	(3,357,113)	-18.4%	66,803,071	78,242,423	(11,439,352)	-14.6%

Results of Operations

The following table outlines our consolidated statements of income (loss) and comprehensive income (loss) for the three and twelve months ended December 31, 2025 and 2024.

	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
	$	$	$	$
Revenue	14,876,555	18,233,668	66,803,071	78,242,423
	8,034,023	10,218,505	36,282,570	44,439,729

Cost of revenue......................................	6,842,532	8,015,163	30,520,501	33,802,694
Gross profit..				
Operating expenses	1,817,285	2,313,698	7,645,164	10,646,902
General and administrative.....................	2,088,267	1,736,688	7,996,373	9,155,629
Sales and marketing	221,571	602,748	1,271,018	2,011,714
Research and development	1,333,095	2,125,298	6,386,325	11,273,293
IT and Operations....................................	157,317	(465,783)	484,176	(656,573)
Loss (gain) on foreign exchange.............	572,200	1,414,902	3,715,835	7,143,696
Amortization and Depreciation	200,128	169,278	853,314	881,477
Stock based compensation.................	(105,857)	-	(105,857)	4,372,792
Restructuring and Other...........................	8,742	27,656	83,423	147,612
Interest...	6,292,748	7,924,485	28,329,771	44,976,542
	549,784	90,678	2,190,730	(11,173,848)
Income (loss) before other items.........	60,908	14,403	106,733	151,409
Interest income.......................................	-	-	2,373,197	-
Gain on sale of intangible assets............	610,692	105,081	4,670,660	(11,022,439)
Operating income (loss)	(82,710)	(262,157)	(432,040)	(808,625)
Current taxes..	-	(57,316)	-	(57,316)
Deferred taxes......................	527,982	(214,392)	4,238,620	(11,888,380)
Net income (loss)....................................				
Other comprehensive income (loss)	(427,839)	1,513,245	(1,591,226)	1,746,456
Foreign translation adjustment................	100,143	1,298,853	2,647,394	(10,141,924)
Comprehensive income (loss)................				
	0.02	(0.01)	0.16	(0.45)
Loss per share - basic	26,341,130	26,382,807	26,382,696	26,351,341
Weighted average number of common shares outstanding - basic.....................	0.02	(0.01)	0.15	(0.45)
Income (loss) per share - diluted	26,582,944	26,382,807	28,624,510	26,351,341
Weighted average number of common shares outstanding - diluted..................				

Cash Flows

	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
	$	$	$	$
Cash and cash equivalents, beginning of period	11,770,047	5,477,354	3,877,687	8,619,161
Net cash provided by (used in):				
Operating activities........................	1,679,465	(1,195,217)	9,080,357	(3,824,802)
Investing activities........................	(404,778)	(347,548)	668,827	(160,001)
Financing activities.......................	(237,092)	(126,278)	(733,447)	(843,670)
Effect of foreign exchange on cash and cash equivalents	(48,242)	69,376	(134,024)	86,999
Net increase (decrease) in cash and cash equivalents	989,353	(1,599,667)	8,881,713	(4,741,474)
Cash and cash equivalents, end of period	12,759,400	3,877,687	12,759,400	3,877,687

Incentive Plan Awards

Pivotree also announced that it will grant as of March 25, 2026 an aggregate of 40,000 stock options (each, an "Option") to certain executive officers of the Company pursuant to the Incentive Plan. The Options bear an exercise price of $1.71 per share, vest over a period of three years from the date of grant and will expire 10 years from the date of grant.

Conference Call

Management will host a live Zoom Video Webinar on Thursday, March 26, 2026 at 8:30 am ET to discuss these fourth quarter 2025 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 December 31, 2025, 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.

For further information, please contact:

Mo Ashoor, Chief Financial Officer
investor@pivotree.com
613-714-4702

SOURCE: Pivotree

View the original **press release** on ACCESS Newswire