NEWS RELEASE

Pivotree Announces Second Quarter 2026 Results

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Pivotree Delivers Seventh Straight Quarter of Positive Adjusted EBITDA Contributing to a Positive Cashflow Quarter.

TORONTO, ON / **ACCESS Newswire** / August 18, 2026 / Pivotree Inc. (TSXV:PVT) ("Pivotree" or the "Company"), a leader in frictionless commerce solutions, today reported financial results for the three and six month period ended June 30, 2026. All amounts are expressed in Canadian dollars unless otherwise stated.

"Q2 reflects our disciplined execution, strengthening our balance sheet by adding $1.2M of cash from operations and reaching the highest cash position since early 2023," said Bill Di Nardo, CEO of Pivotree. "We are delivering cash while investing and seeing significant strategic progress as we approach the completion of converting our entire service catalog to AI-enabled delivery. In fact, AI-enabled1 delivery contributed to 22% of total revenue for the quarter. Importantly, this quarter saw continued positive momentum in our qualified pipeline build, a leading indicator that positions us well as client conversations shift toward deploying AI-augmented solutions against their data."

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**.

Second Quarter 2026 Financial Highlights

(All figures are in Canadian dollars and all comparisons are relative to the three-month period ended June 30, 2025 unless otherwise stated):

- Net loss of $0.4 million, which reflects a strategic investment of $0.6 million in restructuring costs aimed at optimizing our European footprint and structural changes to our Product and R&D team. The year-over-year comparison is impacted by a significant non-recurring gain of $2.4 million in the prior year period resulting from the sale of the Company's WMS technology assets.

- Adjusted EBITDA of $0.9 million (7.2% margin), compared to $1.7 million (10.1% margin) in the prior year period. This marks our seventh consecutive quarter of positive Adjusted EBITDA, demonstrating the Company's operational discipline as we transition our revenue mix toward AI-enabled services.

- Total revenue for the quarter was $12.6 million. This result reflects the Company's strategic realignment, as we continue to execute the planned wind-down of Legacy Managed Services (LMS) and complete specific system integration projects in our Professional Services segment. This proactive evolution of our revenue mix is a key component of our ongoing transition toward higher-value, AI-enabled service delivery.

    - Managed and IP Solutions (MIPS) Revenue decreased 5.3% to $3.5 million in Q2 2026, from $3.7 million in Q2 2025, driven by the reduction in application hosting and support contracts, partially offset by increased transactional SKU volumes delivered to customers.

    - Legacy Managed Services (LMS) Revenue declined 46.9% to $1.6 million in Q2 2026, from $3.0 million in Q2 2025, related to churn and melt of Legacy Oracle customers.

    - Professional Services Revenue of $7.4 million, a decrease of 29.5%, from $10.5 million in Q2 2025. The decline was driven by the completion of certain system integration projects.

- Gross margin of 46.9% yielding gross profit of $5.9 million, compared to $8.0 million or 46.2% of revenue for the prior year period. The improvement in gross margin percentage reflects continued delivery discipline, automation and increased leverage of AI.

- Cash flow from operating activities generated $1.2 million compared to $0.7 million for the same period in the prior year, with the benefits coming in as a result of stronger DSOs.

Second Quarter 2026 Business Highlights

- Commerce Total Contract Value (TCV) bookings were primarily driven by the extension of existing Professional Services engagements and Expansion, including a significant contract for a Shopify project. Additionally, Commerce successfully secured several Managed Services support contract extensions during the quarter including contracts for SAP and Oracle ATG.

- Data bookings included a 3 year contract to build and optimize customer technology roadmap which will largely leverage our AI-enabled services. Bookings continue to demonstrate deeper relationships and extension with our existing customers across Syndigo and Stibo.

- Supply Chain bookings were primarily driven by the expansion and renewal of contracts within the Fluent and Sterling OMS platform as customers continue to value the expertise and approach to managing their OMS. This included $2.5M signing, encompasses both MIPS and PS components which was expected end of the

prior quarter

Second Quarter 2026 Results

Selected Financial Measures

	Three months ended June 30,				Six months ended June 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	% Change
	$	$	$	%	$	$	$	%
	3,540,058	3,737,382	(197,324)	-5.3%	7,493,970	7,403,099	90,871	1.2%
MIPS.....	1,614,252	3,037,165	(1,422,913)	-46.9%	3,675,808	7,356,111	(3,680,303)	-50.0%
LMS.....	5,154,310	6,774,547	(1,620,237)	-23.9%	11,169,778	14,759,210	(3,589,432)	-24.3%
Total MIPS & LMS...	7,399,229	10,497,827	(3,098,598)	-29.5%	15,257,316	21,677,171	(6,419,855)	-29.6%
Professional Services	12,553,539	17,272,374	(4,718,835)	-27.3%	26,427,094	36,436,381	(10,009,287)	-27.5%
Total Revenue..								

Results of Operations

The following table outlines our consolidated statements of comprehensive income (loss) for the three and six months ended June 30, 2026 and 2025.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	$	$	$	$
	12,553,539	17,272,374	26,427,094	36,436,381
Revenue	6,668,858	9,299,828	13,983,382	20,014,705
Cost of revenue.....	5,884,681	7,972,546	12,443,712	16,421,676
Gross profit.....				
Operating expenses	1,580,416	1,621,479	3,323,630	3,799,839
General and administrative.....	1,976,210	1,982,007	4,110,893	3,884,942

Sales and marketing	344,478	332,795	770,155	825,042
Research and development	1,184,711	1,678,185	2,486,113	3,465,744
IT and Operations.....	(106,941)	613,665	(389,244)	732,333
Loss (gain) on foreign exchange.....	498,536	1,265,302	993,022	2,588,608
Amortization and Depreciation	195,927	204,014	348,155	429,891
Stock based compensation.....	607,411	-	607,411	-
Restructuring and Other.....	22,431	17,336	36,997	54,107
Interest.....	6,303,179	7,714,783	12,287,132	15,780,506
	(418,498)	257,763	156,580	641,170
Income (loss) before other items.....	60,698	11,177	118,071	16,104
Interest income.....	-	2,373,197	-	2,373,197
Gain on sale of intangible assets.	(357,800)	2,642,137	274,651	3,030,471
Income (loss) before income taxes	(90,076)	(101,003)	(148,206)	(257,350)
Current taxes.....	(447,876)	2,541,134	126,445	2,773,121
Net income (loss).....				
Other comprehensive income (loss)	447,163	(951,104)	567,960	(1,339,974)
Foreign translation adjustment.....	(713)	1,590,030	694,405	1,433,147
Comprehensive income (loss).....				
	(0.02)	0.10	0.00	0.11
Earnings (loss) per share - basic	26,160,506	26,380,135	26,242,060	26,394,247
Weighted average number of common shares outstanding - basic..	(0.02)	0.09	0.00	0.10
Earnings (loss) per share - diluted	26,160,506	27,103,790	27,678,876	27,109,433
Weighted average number of common shares outstanding - diluted				

Cash Flows

	Three months ended		Six months ended	
	June 30,		June 30,	
	2026	2025	2026	2025

	$	$	$	$
Cash and cash equivalents, beginning of period	12,371,747	6,511,193	12,759,400	3,877,687
Net cash provided by (used in):				
Operating activities.....	1,208,666	724,449	1,311,585	3,765,181
Investing activities.....	(291,912)	1,640,480	(584,154)	1,359,369
Financing activities.....	(385,943)	(209,357)	(566,246)	(325,572)
Effect of foreign exchange on cash and cash equivalents	57,686	(87,421)	39,659	(97,321)
Net increase (decrease) in cash and cash equivalents	588,497	2,068,151	200,844	4,701,657
Cash and cash equivalents, end of period	12,960,244	8,579,344	12,960,244	8,579,344

Conference Call

Management will host a live Google Meet Video Webinar on Tuesday, August 18, 2026 at 8:30 am ET to discuss these second 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 "AI-enabled delivery", "Total Contract Value Booking", "EBITDA" and "Adjusted EBITDA". Additional details

for certain non-IFRS measures 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. In addition, although we use "AI-enabled delivery" as a tool to illustrate progress of our AI transformation, we produce this metric only as a transitionary measure during the period in which the Company shifts to an AI-enabled suite of capabilities and solutions, rather than as a permanent measure.

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

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