



NEWS RELEASE

Pivotree Announces Third Quarter 2025 Results

2025-11-13

Four Consecutive Quarters of Strong Gross Margins and Operational Discipline Drive \$7.2M in Adjusted EBITDA and \$3.6M in Net Income Over Trailing-Twelve Months.

TORONTO, ONTARIO / **ACCESS Newswire** / November 13, 2025 / Pivotree Inc. (TSXV:PVT) ("Pivotree" or the "Company"), a leader in frictionless commerce solutions, today reported financial results for the three and nine month period ended September 30, 2025. All amounts are expressed in Canadian dollars unless otherwise stated.

"We've turned Pivotree into a consistent EBITDA¹ and cash producer, with our third consecutive quarter of profitability delivering \$900k in net income." said Bill Di Nardo, CEO of Pivotree. "Our operational discipline and client-focused execution have established the solid foundation we needed. Now, as we navigate the rapidly evolving AI and commerce technology landscape, we are well positioned to capitalize on the growth opportunities ahead."

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.

Third Quarter 2025 Financial Highlights

(All figures are in Canadian dollars and all comparisons are relative to the three-month period ended September 30, 2024 unless otherwise stated):

- Net income of \$0.9 million compared to a net loss of \$5.1 million for the prior year period, primarily due to reduced operating expenses as a result of prior year restructure efforts.
- Adjusted EBITDA¹ of \$1.8 million compared to an adjusted EBITDA¹ of \$(0.8) million for the prior year period. The continued strength in EBITDA is the result of the improved gross margins and operational expense restructuring that took place during 2024.
- The business realized sequential quarter growth within Managed and IP Solutions (MIPS) which was offset by

declines in Legacy Managed Services (LMS) as described below, leading to total revenue of \$15.5 million and a 17.7% decline from Q3 2024

- Managed and IP Solutions (MIPS) Revenue increased 2.3% to \$3.9M in Q3 2025, from \$3.8M in Q3 2024, related to strong double-digit growth in SKU build, helping more than offset a decline in application support largely driven by a single customer.
- Legacy Managed Services (LMS) Revenue declined 56.7% to \$2.1M in Q3 2025, from \$4.9M in Q3 2024, related to churn and melt of Legacy Oracle customers.
- Professional Services Revenue of \$9.5 million, a decrease of 6.5%. These three month ended results contain new customer projects, which helped partially offset completed projects from the prior year.
- Gross margin improved to 46.8% of total revenue yielding gross profit of \$7.3 million, compared to \$7.3 million or 38.7% of revenue for the prior year period. Professional service margins were particularly strong, contributing to the overall gross margin improvement.

Third Quarter 2025 Business Highlights

- The Commerce group delivered strong Total Contract Value (TCV) bookings, highlighted by multiple seven-figure extensions for integration projects. Additionally, the group secured a number of smaller extensions across its VTEX and microservices engagements. Notably, Q3 saw a significant spike in LMS TCV bookings, driven by renewals of Oracle contracts.
- The Data team had success securing six new logos in Q3. These wins include key implementations of Stibo and Akeneo, with two projects initiating with a SKU Build commitment. The group also secured two new logos specifically for SKU Build Proof-of-Concepts. Multiple renewals across our application support contracts also contributed to the group's overall MIPS TCV bookings for the quarter.
- Q3 marked the best quarter of TCV bookings in FY25 for the Supply Chain business. This performance was largely driven by securing a number of large extensions for OMS Professional Services engagements.

Third Quarter 2025 Results

Selected Financial Measures

Three months ended September 30,

Nine months ended September 30,

	2025	2024	\$ Change	% Change	2025	2024	\$ Change	% Change
	\$	\$	\$	%	\$	\$	\$	%
MIPS	3,913,621	3,823,810	89,811	2.3%	11,316,720	11,840,798	(524,078)	-4.4%
LMS	2,108,404	4,863,979	(2,755,575)	-56.7%	9,464,516	15,440,976	(5,976,460)	-38.7%
Total MIPS & LMS	6,022,025	8,687,789	(2,665,764)	-30.7%	20,781,236	27,281,774	(6,500,538)	-23.8%
Professional Services	9,468,110	10,129,300	(661,190)	-6.5%	31,145,280	32,726,981	(1,581,701)	-4.8%
Total Revenue	15,490,135	18,817,089	(3,326,954)	-17.7%	51,926,516	60,008,755	(8,082,239)	-13.5%

Results of Operations

The following table outlines our consolidated statements of income (loss) and comprehensive income (loss) for the three months ended September 30, 2025 and 2024.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenue	15,490,135	18,817,089	51,926,516	60,008,755
Cost of revenue	8,233,841	11,542,539	28,248,546	34,221,224
Gross profit	7,256,294	7,274,550	23,677,970	25,787,531
Operating expenses				
General and administrative	2,028,040	2,648,359	5,827,879	8,333,204
Sales and marketing	2,023,164	2,104,542	5,908,106	7,418,941
Research and development	224,405	522,648	1,049,447	1,408,966
IT and Operations	1,587,486	2,715,474	5,053,230	9,147,994
Loss (gain) on foreign exchange	(405,474)	120,063	326,859	(190,790)
Amortization and Depreciation	555,027	1,543,901	3,143,635	5,728,793
Stock based compensation	223,295	238,148	653,186	712,199
Restructuring and Other	-	2,299,829	-	4,372,792
	20,574	41,052	74,681	119,956

Interest	<u>6,256,517</u>	<u>12,234,016</u>	<u>22,037,023</u>	<u>37,052,055</u>
	<u>999,777</u>	<u>(4,959,466)</u>	<u>1,640,947</u>	<u>(11,264,524)</u>
Income (loss) before other items	29,721	21,541	45,825	137,005
Interest income	-	-	2,373,197	-
Gain on sale of intangible assets	<u>1,029,498</u>	<u>(4,937,924)</u>	<u>4,059,969</u>	<u>(11,127,519)</u>
Operating income (loss)	(91,980)	(147,006)	(349,330)	(546,468)
Current taxes	<u>937,518</u>	<u>(5,084,931)</u>	<u>3,710,639</u>	<u>(11,673,987)</u>
Net income (loss)	<u></u>	<u></u>	<u></u>	<u></u>
Other comprehensive income (loss)	176,587	(369,671)	(1,163,387)	233,211
Foreign translation adjustment	<u>1,114,105</u>	<u>(5,454,602)</u>	<u>2,547,252</u>	<u>(11,440,776)</u>
Comprehensive income (loss)	<u></u>	<u></u>	<u></u>	<u></u>
	0.04	(0.19)	0.14	(0.44)
Loss per share - basic	26,401,536	26,365,127	26,396,704	26,346,573
Weighted average number of common shares outstanding - basic				

Cash Flows

	2025	2024	2025	2024
	\$	\$	\$	\$
Cash and cash equivalents, beginning of period	<u>8,579,344</u>	<u>6,236,085</u>	<u>3,877,687</u>	<u>8,619,161</u>
Net cash provided by (used in):				
Operating activities	3,635,711	(267,159)	7,400,891	(2,629,585)
	(285,764)	(372,308)	1,073,605	187,547
Investing activities	(170,782)	(105,956)	(496,354)	(717,421)
Financing activities	11,538	(13,557)	(85,782)	17,403
Effect of foreign exchange on cash and cash equivalents	3,190,703	(758,980)	7,892,360	(3,142,056)
Net increase (decrease) in cash and cash equivalents	11,770,047	5,477,105	11,770,047	5,477,105
Cash and cash equivalents, end of period	<u></u>	<u></u>	<u></u>	<u></u>

Management will host a live Zoom Video Webinar on Wednesday, November 13, 2025 at 8:30 am ET to discuss these third quarter 2025 results. The webinar can be accessed through the following registration link:

https://pivotree.zoom.us/webinar/register/WN_YTmcVLMjQ0OtQritFd4h7g.

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 September 30, 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.

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