NEWS RELEASE

Pivotree Announces Third Quarter 2026 Results

2026-11-17

Pivotree Delivers Eighth Straight Quarter of Positive Adjusted EBITDA and Maintains Gross Margins Through Service-mix Transition.

TORONTO, ON / **ACCESS Newswire** / November 17, 2026 / 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, 2026. All amounts are expressed in Canadian dollars unless otherwise stated.

"Q3 showed cash holding steady, the revenue base stabilizing and deal activity improving," said Bill DiNardo, CEO of Pivotree. "We have now converted the majority of our service catalog to AI-enabled delivery with expectations to sell entirely AI-enabled solutions by the end of Q4. Our H2 booking trajectory appears to be up materially from H1, helped by a number of large deals partnering with new channel partners including global SIs to leverage our domain expertise combined with our AI capabilities."

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.sedarplus.ca**.

Third Quarter 2026 Financial Highlights

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

- Total revenue for the quarter was $12.3 million. This result reflects the Company's strategic realignment to support the industry transition to AI enabled solutions. We continue to execute the planned wind-down of Legacy Managed Services (LMS) and see strong momentum in demand and transition from traditional system integration projects and managed services to our AI based methodology; providing faster ROI to our customers. This proactive evolution of our revenue mix is a key component of our ongoing transition toward higher-value services and long term partnerships.
    - Managed and IP Solutions (MIPS) Revenue decreased 9.7% to $3.5 million in Q3 2026, from $3.9 million

in Q3 2025. The company experienced strong demand in Intelligent managed services and application support; transitioning our existing customers to the new capability. This partially offset the reduction in hosting contracts and SKU transaction volumes.
    - Legacy Managed Services (LMS) Revenue declined 27.6% to $1.5 million in Q3 2026, from $2.1 million in Q3 2025, related to churn and melt of Legacy Oracle customers.
    - Professional Services Revenue of $7.3 million, a decrease of 23.1%, from $9.5 million in Q3 2025. The decline was driven by the completion of certain system integration projects and includes the impact of the shift to longer term managed services contracts, helping reduce the upfront investment burden traditionally experienced by our customers.

- Net loss of $0.3 million, which reflects a strategic investment of $0.4 million in restructuring costs as we continue to align our cost base to our current revenue profile.
- Adjusted EBITDA of $0.8 million (6.3% margin), compared to $1.8 million (11.6% margin) in the prior year period. This marks our eighth consecutive quarter of positive Adjusted EBITDA, demonstrating the Company's operational discipline as we transition our revenue mix toward AI-enabled services.
- Gross margin of 46.8% yielding gross profit of $5.8 million, compared to $7.3 million or 46.8% of revenue for the prior year period. Gross margin percentage remained healthy and steady as the Company continued to pursue automation and increased leverage of AI.
- Cash flow from operating activities generated $0.1 million which included $0.3M of restructure payment. This is compared to $3.6 million from the same prior year period. $2.6M of the variance to prior year was due to strong working capital contributions in the prior year and $0.2M was due to an increased NCIB share repurchase.

Third Quarter 2026 Business Highlights

- Integration services delivered a strong quarter of Total Contract Value (TCV) bookings within professional services. The bookings reflect the demand for these services and continued trust of enterprise customers to support them through the technology roadmap. Additionally, Commerce secured an Oracle ATG hosting renewal, with a $1.3M+ contract to extend by an additional 17 months.
- Data bookings were anchored by significant renewals and expansions across our core PIM and MDM platforms, led by our Intelligent Managed Services (IMS) as we transition existing MIPS customers to our AI enabled solutions. Bookings also include a partnership with a global SI organization to support them in system implementation, which is expected to lead into larger bookings in the fourth quarter. Bookings continued to demonstrate strong retention and scope expansion across Stibo, Syndigo, Precisely, and now also include InRiver.
- Supply Chain bookings delivered robust performance, driven entirely by renewals and expansions within the Fluent OMS platform as enterprise retailers continue to rely on Pivotree's end-to-end OMS expertise.

Third Quarter 2026 Results

Selected Financial Measures

	Three months ended September 30,				Nine months ended September 30,			
	2026 $	2025 $	$ Change $	% Change %	2026 $	2025 $	$ Change $	% Change %
MIPS	3,533,873	3,913,621	(379,748)	-9.7%	11,027,842	11,316,720	(288,878)	-2.6%
LMS	1,527,053	2,108,404	(581,351)	-27.6%	5,202,862	9,464,516	(4,261,654)	-45.0%
Total MIPS & LMS	5,060,926	6,022,025	(961,099)	-16.0%	16,230,705	20,781,236	(4,550,531)	-21.9%
Professional Services	7,280,909	9,468,110	(2,187,201)	-23.1%	22,538,224	31,145,280	(8,607,056)	-27.6%
Total Revenue	12,341,835	15,490,135	(3,148,300)	-20.3%	38,768,929	51,926,516	(13,157,587)	-25.3%

Results of Operations

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

	Three months ended September 30,		Nine months ended September 30,	
	2026 $	2025 $	2026 $	2025 $
Revenue	12,341,835	15,490,135	38,768,929	51,926,516
Cost of revenue	6,568,704	8,233,841	20,552,087	28,248,546
Gross profit	5,773,131	7,256,294	18,216,842	23,677,970
Operating expenses				
General and administrative	1,507,714	2,028,040	4,831,344	5,827,879
Sales and marketing	1,817,384	2,023,164	5,928,276	5,908,106
Research and development	406,935	224,405	1,177,090	1,049,447
IT and Operations	1,264,327	1,587,486	3,750,440	5,053,230
Loss (gain) on foreign exchange	2,250	(405,474)	(386,994)	326,859
Amortization and Depreciation	482,930	555,027	1,475,951	3,143,635
Stock based compensation	156,471	223,295	504,627	653,186
Restructuring and Other	352,447	-	959,858	-
Interest	29,562	20,574	66,559	74,681
	6,020,020	6,256,517	18,307,151	22,037,023
Income (loss) before other items	(246,889)	999,777	(90,309)	1,640,947
Interest income	71,417	29,721	189,489	45,825
Gain on sale of intangible assets	-	-	-	2,373,197
Income (loss) before income taxes	(175,472)	1,029,498	99,180	4,059,969
Current taxes	(86,879)	(91,980)	(235,085)	(349,330)
Net income (loss)	(262,351)	937,518	(135,905)	3,710,639
Other comprehensive income (loss)				
Foreign translation adjustment	(90,189)	176,587	477,771	(1,163,387)
Comprehensive income (loss)	(352,540)	1,114,105	341,866	2,547,252
Earnings (loss) per share - basic	(0.01)	0.04	(0.01)	0.14
Weighted average number of common shares outstanding - basic	26,214,791	26,401,536	26,232,871	26,396,704
Earnings (loss) per share - diluted	(0.01)	0.03	(0.01)	0.14
Weighted average number of common shares outstanding - diluted	26,214,791	27,397,704	26,232,871	27,207,148

Cash Flows

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	$	$	$	$
Cash and cash equivalents, beginning of period	12,960,244	8,579,344	12,759,400	3,877,687
Net cash provided by (used in):				
Operating activities.....	60,916	3,635,711	1,372,502	7,400,891
Investing activities.....	(172,785)	(285,764)	(756,939)	1,073,605
Financing activities.....	(274,533)	(170,782)	(840,779)	(496,355)
Effect of foreign exchange on cash and cash equivalents	(46,272)	11,538	(6,614)	(85,781)
Net increase (decrease) in cash and cash equivalents	(432,674)	3,190,703	(231,830)	7,892,360
Cash and cash equivalents, end of period	12,527,570	11,770,047	12,527,570	11,770,047

Credit Facility

On November 13, 2026, the senior secured credit facility with the National Bank of Canada was amended to reflect the current size of the Company. As part of the amendment, the line capacity was reduced from $8M previously to $4M, with no change to the accordion feature of up to an additional $15M. This is an amendment to the credit agreement dated March 25, 2024.

Conference Call

Management will host a live Google Meet Video Webinar on Tuesday, November 17, 2026 at 8:30 am ET to discuss these third 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 September 30, 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 release, 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