Pivotree Announces Letter to Shareholders

TORONTO, October 16, 2024 – Pivotree Inc. (TSXV:PVT) ("**Pivotree**" or the "**Company**"), a leader in frictionless commerce solutions, today announced 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 is filed on SEDAR at www.sedar.com. All amounts are expressed in Canadian dollars unless otherwise stated.

Dear Shareholders,

In today's hyper-connected world you may have recently noticed there have been changes at Pivotree. We are leaders in frictionless commerce and have taken steps necessary to maintain that position and accelerate it into the future. Rather than wait until November's Q3 results, I am providing more timely communication regarding these changes.

Moving forward, you can expect a leaner Pivotree with reduced expenses, focus on fewer, more profitable business lines, and continued innovation in our product offerings. For our investors, we anticipate an improved bottom line that aligns with our peers in terms of cash production and EBITDA. For our clients and partners we are building room in our financial capacity to attract and retain top talent in the areas of client facing delivery.

Over the past 12 months, we have undertaken a thorough review of our operations, aligning our expenses more closely with industry benchmarks to ensure positive EBITDA and cash flow while continuing to invest for growth. Accordingly, we have identified in excess of $8.5 million in cost savings, including software, infrastructure, and third-party services. This necessitated a reduction in our workforce by 10%. This decision, while difficult, was made to safeguard the essential delivery teams that drive the exceptional value our customers expect, while protecting roles critical to growth. We have also streamlined our senior leadership structure, reducing positions by nearly 50%. In support of our operational goals, the executive team has agreed to convert 20% of their base compensation into variable pay and stock based compensation for 2025.

These changes will be reflected in Q3 financial results as restructuring charges close to $2.5 million, with the benefits of our cost-saving measures appearing in Q4 2024 and Q1 2025. A portion of these savings will be reinvested. We recognize these decisions impact exceptional individuals who have contributed significantly to our company. I have known many of these people and their families for years as they have supported me and my vision for the business. These individuals have played vital roles in our journey and we are committed to supporting them with their transition.

As we navigate these changes, we reaffirm our commitment to our vision and mission. We believe that the potential for growth remains substantial. We are maintaining a healthy cash balance, no debt, an untapped credit facility, and commit to run efficiently.

Sincerely,
Bill Di Nardo
CEO, Pivotree

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, the Company's current and expected financial performance.

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 press 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 and the satisfaction of all applicable regulatory requirements, as well as risks and uncertainties associated with the Company's business and finances in general.

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 200 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 as a high-growth company and industry leader. 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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