ReposiTrak Announces SPAR Group Transaction and Reports First Quarter Fiscal 2027 Results

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49.99% Ownership Position Strengthens Touchless Retail Strategy as Customer Engagements Exceed 20

SALT LAKE CITY - ReposiTrak (NYSE: TRAK), an AI-powered, integrated supply chain platform, today announced financial results for the first fiscal quarter ended September 30, 2026.

First Quarter Financial Highlights (three months ended September 30, 2026 vs. three months ended September 30, 2025):

- First quarter total revenue of $5.8 million, down 3% year-over-year, and up approximately $200,000 sequentially.
- Operating expense increased 1% to $4.1 million.
- Operating income decreased 12% to $1.7 million.
- GAAP net income decreased 16% to $1.5 million.
- Net income to common shareholders was $1.5 million, down 15%.
- EPS of $0.08 per basic and diluted share, compared to $0.10 per basic and $0.09 per diluted share.
- On September 19, 2026, the Board declared a quarterly dividend of $0.02 per quarter ($0.08 per share annually) to shareholders of record on September 30, 2026. The cash dividends were paid to shareholders of record on November 13, 2026. Subsequent dividends will be paid within 45 days of each fiscal quarter end.

Subsequent to quarter end, ReposiTrak entered into definitive agreements providing for the proposed recapitalization of SPAR Group, which is expected to result in ReposiTrak owning approximately 49.99% of SPAR Group's outstanding common stock on an as-converted basis, prior to the exercise of any warrants, subject to completion of the transaction.

Randall K. Fields, Chairman and Chief Executive Officer of ReposiTrak, commented: "We are positioning ReposiTrak to capitalize on two significant growth opportunities: end-to-end traceability and automated merchandising. Leveraging our industry-leading data capabilities and AI-enabled insights into real-time stocking levels and store-level trends, we have developed solutions that address critical challenges for retailers and suppliers. Our Touchless Retail solution is rapidly gaining momentum as we collaborate with SPAR Group's field organization and is already generating revenue that will benefit the second fiscal quarter. We have signed more than 20 customer engagements and have a significant and expanding pipeline, with initial engagements exceeding expectations both from us and our customers. In one engagement, a supplier reported a 17% increase in weekend sales reinforcing our confidence in the significant market opportunity for automated merchandising. The success of this initiative has given us the confidence to expand our ownership of the SPAR Group, positioning us for further expansion as Touchless Retail becomes the catalyst we believe it will."

"Touchless Traceability continues to strengthen its market position as we add new customers and expand adoption of our solutions," continued Mr. Fields. "Recent food safety incidents and product recalls have reinforced the importance of end-to-end traceability across the food supply chain. We believe evolving regulatory requirements, including the FDA's Food Traceability Rule, will continue to drive industry adoption. As companies prepare for compliance, we anticipate increasing demand for our traceability solutions and believe this represents a meaningful long-term growth opportunity."

"With two significant growth catalysts and a stable core business, we anticipate sequential revenue improvement as we progress through fiscal 2027 and expect to deliver another year of growth," continued Mr. Fields. "Our business continues to deliver strong operating profitability, supported by a scalable technology platform and disciplined cost management. This profitability continued even as we invested in technical and operational collaboration with the SPAR Group, an initiative that required significant company-wide attention. We ended the quarter with $24.5 million in cash and cash equivalents, representing approximately $1.35 per common share outstanding. This strong liquidity position provides financial flexibility as we selectively deploy capital to advance our technology initiatives and strategic opportunities, including our collaboration with SPAR Group. We believe these investments position ReposiTrak to capitalize on emerging market opportunities while maintaining a strong financial foundation."

First Fiscal Quarter Financial Results (*three months ended September 30, 2026, vs. three months ended September 30, 2025):*

Revenue for the first fiscal quarter was $5.8 million, compared to $6.0 million in the prior-year quarter, a decrease of 3%, but an increase of approximately $200,000 sequentially. Total operating expenses increased 1% to $4.1 million, compared to $4.1 million in the prior-year quarter. Selling, general and administrative expenses increased 7% to $3.2 million, compared to $3.0 million, while depreciation and amortization expense decreased 68% to $77,000.

Operating income was $1.7 million, compared to $1.9 million in the prior-year quarter, a decrease of 12%, with operating margins of 28.7%, compared to 31.7%. GAAP net income was $1.5 million, compared to $1.8 million, a decrease of 16%. Net income attributable to common shareholders was $1.5 million, or $0.08 per basic and diluted share, compared to $1.8 million, or $0.10 per basic share and $0.09 per diluted share, in the prior-year quarter.

Return of Capital:

On September 19, 2026, the Board declared a quarterly dividend of $0.02 per quarter ($0.08 per share annually) to shareholders of record on September 30, 2026. The cash dividends were paid to shareholders of record on or about November 13, 2026. Subsequent dividends will be paid within 45 days of each fiscal quarter end.

Balance Sheet:

The Company ended September 30, 2026, with $24.5 million in cash and cash equivalents, compared to $27.3 million at June 30, 2026, a decrease of approximately $2.7 million. The decrease primarily reflects the payment of $1.6 million in federal and state income taxes, an additional $1.0 million loan to SPAR Group, the purchase of $625,000 of SPAR Group common stock from an existing investor, and approximately $920,000 in reduction of accrued liabilities. These cash outflows were partially offset by cash generated from other operating activities.

SPAR Group Transaction:

Subsequent to quarter end, ReposiTrak entered into a definitive agreement providing for the proposed recapitalization of SPAR Group, which, upon completion, is expected to result in ReposiTrak owning approximately 49.99% of SPAR Group's outstanding common stock on an as-converted basis, prior to the exercise of any warrants. Additional details regarding the transaction and the definitive agreements are expected to be disclosed in a Current Report on Form 8-K to be filed with the Securities and Exchange Commission.

ReposiTrak's existing position of approximately 8.9 million SPAR Group common shares will be exchanged for a newly issued class of SPAR Group preferred stock at a common-equivalent conversion price of approximately $0.38 per share, with anti-dilution protection. The Company's $4.0 million note receivable from SPAR Group will be converted into the same class of preferred stock on the same economic terms. ReposiTrak will also receive warrants representing 50% coverage on each tranche. The preferred stock provides for quarterly dividends at an 8% annual cash rate, a 10% annual payment-in-kind rate, or a proportional combination thereof, at ReposiTrak's election each period.

Separately, ReposiTrak will provide SPAR Group a new $1.5 million revolving credit facility. At maturity, ReposiTrak may elect cash repayment or conversion of outstanding principal, in whole or in part, into additional SPAR Group preferred stock on the same economic terms as the initial conversion, with 50% warrant coverage on any converted principal.

The transaction is expected to strengthen ReposiTrak's existing collaboration with SPAR Group by establishing a significant economic interest in SPAR Group and further aligning the companies' strategic interests in supporting the growth and expansion of Touchless Retail. The transaction primarily involves the restructuring of existing investments and receivables through the proposed conversion of the $4.0 million note receivable and exchange of ReposiTrak's existing SPAR Group common shares into preferred stock, without requiring additional cash consideration for the equity exchange. ReposiTrak maintains a strong liquidity position with $24.5 million in cash and no bank debt as of September 30, 2026.

Capital Allocation:

The Company has prioritized the allocation of capital toward strategic growth initiatives, as reflected in the SPAR Group transaction described above. The Company anticipates resuming the return of capital to shareholders through buybacks and preferred redemptions as these initiatives take hold.

Conference Call:

The Company will host a conference call at 4:15 p.m. Eastern today to discuss the Company's results. The conference call will also be webcast and will be available via the investor relations section of the Company's website, www.repositrak.com.

Participant Dial-In Numbers:
Date: Monday, November 16, 2026
Time: 4:15 p.m. ET (1:15 p.m. PT)
Toll-Free: 1-877-407-9716
Toll/International 1-201-493-6779
Conference ID: 13763595

Replay Dial-In Numbers:
Toll Free: 1-844-512-2921
Toll/International: 1-412-317-6671
Conference ID: 13763595
Replay Start: Monday, November 16, 2026, 7:15 p.m. ET
Replay Expiry: Wednesday, December 16, 2026 at 11:59 p.m. ET

About ReposiTrak

ReposiTrak, Inc. (NYSE: TRAK) is an AI-powered, integrated platform that connects retailers, wholesalers, suppliers, and food manufacturers through a suite of applications designed to reduce risk, support regulatory compliance, strengthen operational controls, and protect brand integrity. The ReposiTrak platform serves as a shared system of record across its solution areas, maintaining and synchronizing complex supplier and customer data to enable secure, accurate, and scalable information exchange.

ReposiTrak's solutions are organized into three core product families: traceability, compliance and risk management, and supply chain solutions. Through its scalable, cloud-based platform and U.S.-based team of experts, the Company helps organizations streamline operations, improve data transparency, and meet evolving regulatory requirements across the food supply chain. For more information, visit www.repositrak.com.

Forward-Looking Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, expectations regarding future financial performance, revenue growth, profitability, cash flow, customer adoption, regulatory developments, the expansion of ReposiTrak's traceability and Touchless Retail solutions, strategic investments and relationships, including those with SPAR Group, Inc., and the Company's future capital allocation plans. Forward-looking statements may be identified by words such as "anticipate," "believe," "expect," "intend," "may," "plan," "project," "will," "would," and similar expressions. These statements are based on management's current expectations and assumptions and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied. Such factors include, among others, changes in market conditions, customer demand and adoption rates, regulatory requirements and compliance deadlines, the Company's ability to successfully develop and commercialize its solutions, competitive pressures, the financial condition and performance of SPAR Group, the recoverability and value of related investments and receivables, and other risks described in the Company's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and subsequent filings. Forward-looking statements speak only as of the date of this release. ReposiTrak undertakes no obligation to update or revise any forward-looking statements, except as required by applicable law. Investors are cautioned not to place undue reliance on these statements.

REPOSITRAK, INC.
Condensed Consolidated Balance Sheets (Unaudited)

	September 30, 2026	June 30, 2026 (as revised)
Assets		
Current Assets		
Cash and cash equivalents	$ 24,516,849	$ 27,256,008
Receivables, net of allowance for credit losses of $334,933 and $249,818 at September 30, 2026 and June 30, 2026, respectively	5,089,101	4,613,739
Contract asset - unbilled current portion	376,767	433,783
Prepaid expense and other current assets	386,026	449,298
Total Current Assets	**30,368,743**	**32,752,828**
Property and equipment, net	**240,220**	**303,896**
Other Assets:		
Notes receivable	3,344,444	2,277,778
Investment in SPAR Group, Inc. (equity method at September 30, 2026; fair value at June 30, 2026)	6,816,545	3,462,700
Deposits and other assets	22,414	122,414
Prepaid expense - less current portion	2,072	2,762
Goodwill	20,883,886	20,883,886
Deferred income taxes	51,035	51,035
Capitalized software development in progress	1,260,118	1,000,412
Total Other Assets	**32,380,514**	**27,800,987**
Total Assets	$ **62,989,477**	$ **60,857,711**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 375,719	$ 522,404
Accrued liabilities	2,378,505	3,240,318
Contract liability - deferred revenue	3,942,856	4,391,010
Notes payable and finance leases - current	933,358	232,842
Total current liabilities	**7,630,438**	**8,386,574**
Long-term liabilities		
Notes payable and finance leases - less current portion	1,876,971	61,498
Total liabilities	**9,507,409**	**8,448,072**
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock; $0.01 par value, 30,000,000 shares authorized; Series B Preferred, 700,000 shares authorized; 160,865 and 160,865 shares issued and outstanding at September 30, 2026 and June 30, 2026, respectively	1,609	1,609
Common Stock, $0.01 par value, 50,000,000 shares authorized; 18,201,205 and 18,189,408 shares issued and outstanding at September 30, 2026 and June 30, 2026, respectively	182,014	181,896
Additional paid-in capital	59,268,600	59,159,098
Accumulated other comprehensive loss	(212,569)	(36,708)
Accumulated deficit	(5,757,586)	(6,896,256)
Total stockholders' equity	**53,482,068**	**52,409,639**
Total liabilities and stockholders' equity	$ **62,989,477**	$ **60,857,711**

REPOSITRAK, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)

	Three Months Ended September 30,	
	2026	**2025**
Revenue	$ 5,784,286	$ 5,971,467
Operating expense:		
Cost of services and product support	859,114	854,152
Sales and marketing	1,661,618	1,607,469
General and administrative	1,525,122	1,372,227
Depreciation and amortization	77,426	243,746
Total operating expense	4,123,280	4,077,594
Income from operations	1,661,006	1,893,873
Other income (expense):		
Interest income	457,968	363,409
Interest expense	(43,962)	(11,327)
Realized loss on investments	(27)	(20,246)
Unrealized gain (loss) on short-term investments	(51,099)	43,819
Gain on remeasurement of SPAR investment	56,959	-
Income before income taxes	2,080,845	2,269,528
(Provision) for income taxes:	(550,000)	(449,999)
Net income	1,530,845	1,819,529
Dividends on preferred stock	(28,151)	(58,817)
Net income applicable to common shareholders	$ 1,502,694	$ 1,760,712
Weighted-average shares, basic	18,200,000	18,288,000
Weighted-average shares, diluted	18,770,000	19,130,000
Basic income per share	$ 0.08	$ 0.10
Diluted income per share	$ 0.08	$ 0.09
Comprehensive income:		
Net income	$ 1,530,845	$ 1,819,529
Other comprehensive income (loss):		
Unrealized loss on available-for-sale securities	(175,861)	(8,609)
Total comprehensive income	$ 1,354,984	$ 1,810,920

REPOSITRAK, INC.
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 1,530,845	$ 1,819,529
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	77,426	243,746
Amortization of loan discount	(66,666)	-
Stock compensation expense	129,545	101,023
Unrealized loss on investments	51,099	-
Net amortization/accretion	(2,389)	-
Realized loss on investments	27	-
Gain on remeasurement of SPAR investment	(56,959)	-
Bad debt expense	375,000	225,000
(Increase) decrease in:		
Accounts receivable	(1,088,711)	(245,439)
Contract assets and unbilled receivables	57,016	-
Long-term receivables, prepaids and other assets	63,962	(265,761)
Increase (decrease) in:		
Accounts payable	(146,685)	27,480
Accrued liabilities	(920,158)	122,580
Deferred revenue	(448,154)	(489,711)
Net cash provided by (used in) operating activities	**(444,802)**	**1,538,447**
Cash flows from investing activities:		
Issuance of note receivable	(1,000,000)	-
Purchase of SPAR common stock	(625,001)	-
Purchase of property and equipment	-	(11,750)
Capitalization of software development costs in progress	(259,706)	-
Sale (purchase) of marketable securities	-	(8,609)
Net cash used in investing activities	**(1,884,707)**	**(20,359)**
Cash flows from financing activities:		
Repurchase and retirement of common stock	-	(149,985)
Redemption of Series B Preferred	-	(749,995)
Proceeds from employee stock plan	37,949	63,479
Dividends paid	(391,703)	(402,917)
Payments on notes payable and finance leases	(55,896)	(52,669)
Net cash used in financing activities	**(409,650)**	**(1,292,087)**
Net increase (decrease) in cash and cash equivalents	(2,739,159)	226,001
Cash and cash equivalents at beginning of period	27,256,008	28,568,805
Cash and cash equivalents at end of period	$ **24,516,849**	$ **28,794,806**
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 1,615,411	$ 536,561
Cash paid for interest	$ 1,252	$ 3,984
Supplemental disclosure of non-cash investing and financing activities:		
Common stock to pay accrued liabilities	$ 71,671	$ 99,999
Dividends accrued on preferred stock	$ 28,151	$ 58,817
Dividends accrued on common stock	$ 364,024	$ 365,038
Deposit applied to stock purchase	$ 100,000	$ -
SPAR common stock acquired with promissory note	$ 2,571,885	$ -

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