Q2 FY2026 Executive Summary

Northwind Freight Technologies, Inc. | Prepared by the Office of the CFO

Period: April 1 – June 30, 2026
Distribution: Board of Directors
Classification: Confidential

ARR	NET REVENUE RETENTION	GROSS MARGIN	ADJ. EBITDA MARGIN	CASH RUNWAY
$84.2M	**111%**	**68.4%**	**(3.2)%**	**31 mo**
+6.1% QoQ	vs. 108% in Q1	+120 bps QoQ	Plan: (5.0)%	$96.8M on hand

Quarter in brief

Q2 was our strongest bookings quarter since the Series D. New ARR of $4.8M was led by two enterprise wins — Halvorsen Logistics (EMEA, $1.1M ACV) and Ridgeline Cold Chain (NA, $860K ACV) — both displacing legacy TMS incumbents. Net revenue retention improved to 111% on the back of the carrier-analytics module, which is now attached to 41% of the installed base, up from 29% a quarter ago. Gross margin expanded 120 basis points as the Frankfurt data-center migration completed two weeks early and under budget.

The quarter was not without friction: sales cycle length in the mid-market segment stretched to 94 days (from 81), and churn in the sub-$25K cohort ran above plan at 14.6% annualized. Both are addressed in the watch items below and in the full board pack, section 4.

Highlights

- Closed $4.8M new ARR (118% of plan); enterprise segment now 57% of ARR.
- Carrier-analytics attach rate reached 41%; module NPS of 62.
- Frankfurt DC migration complete; hosting unit cost down 9% run-rate.
- SOC 2 Type II report issued with zero exceptions on June 19.

Watch items

- Mid-market sales cycle at 94 days; pipeline hygiene review underway with RevOps.
- Sub-$25K cohort churn at 14.6% annualized vs. 11% plan; success-team pod pilot starts July 14.
- EU AI Act classification memo due from outside counsel by August 1.
- One P1 availability incident (June 8, 47 minutes); RCA closed, remediation items tracked.

Financial summary vs. plan

$ thousands	Q2 actual	Q2 plan	Variance	Q1 actual
Revenue	20,410	19,650	+760	19,120
Gross profit	13,960	13,160	+800	12,850
Operating expenses	14,610	14,140	(470)	13,890
Adjusted EBITDA	(650)	(980)	+330	(1,240)

Outlook

We are raising full-year ARR guidance to $92–94M (from $89–92M) on enterprise pipeline strength, while holding the adjusted EBITDA breakeven target at Q4 FY2026. The July board session will cover the mid-market motion redesign and a build/partner decision on customs-brokerage integrations. No change to hiring plan: 38 net adds in H2, weighted to product engineering and enterprise CS.

This summary contains forward-looking statements based on management's current expectations. Figures are unaudited and presented on a non-GAAP basis except where noted; reconciliations appear in Appendix C of the Q2 board pack. Contact: mferrante@northwindfreight.io