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## BGSF, Inc. Reports Third Quarter 2025 Financial Results and Announced a Stock Buyback Plan

PLANO, TX / [ACCESS Newswire](#) / November 7, 2025 / BGSF, Inc. ([NYSE:BGSF](#)), a leading provider of workforce solutions for the specialized Property Management industry, today reported financial results for the third fiscal quarter ended September 28, 2025 and announced a stock buyback plan.

The Board of Directors of BGSF continues to evaluate the best use of excess capital and today the Board approved a stock repurchase program under which BGSF may repurchase up to \$5 million of its common stock. The repurchases may take place in the open market, in private transactions, or otherwise, and pursuant to any trading plan that may be adopted in accordance with applicable securities laws and regulations, including Rule 10b5-1 under the Securities Exchange Act of 1934 (the "Exchange Act"). The timing and amount of common stock purchased will depend on a variety of factors, including the availability of common stock, general market conditions, the trading price of the common stock, alternative uses for capital, and BGSF's financial performance. Open market purchases will be conducted in accordance with Rule 10b-18 under the Exchange Act and applicable legal requirements. The repurchase program does not have an expiration date and may be suspended, terminated, or modified at any time for any reason. The repurchase program does not obligate BGSF to purchase any particular number of shares.

### Q3 2025 Highlights from Continuing Operations (results include sequential comparisons to Q2 2025):

- Revenues were \$26.9 million for Q3, compared to \$23.5 million for Q2. The 14.4% increase from Q2 is primarily driven by increased billed hours from seasonal demand.
- Gross profit was \$9.7 million for Q3, up from \$8.4 million in Q2, primarily due to higher sales.
- Net loss was \$3.1 million, or \$0.28 per diluted share for Q3, compared to a net loss of \$4.9 million in Q2 or \$0.44 per diluted share.
- Adjusted EBITDA<sup>1</sup> income was \$1.0 million (3.6% of revenues) in Q3 compared to \$1.1 million loss (4.9% of revenues) in Q2.
- Adjusted EPS<sup>1</sup> income was \$0.08 for Q3, compared with Adjusted EPS<sup>1</sup> loss of \$0.10 for Q2.

### SUMMARY OF FINANCIAL RESULTS FROM CONTINUING OPERATIONS (dollars in thousands, except per share) (unaudited)

|                                       | For the Thirteen Week Periods Ended |                       |                  |
|---------------------------------------|-------------------------------------|-----------------------|------------------|
|                                       | September 28,<br>2025               | September 29,<br>2024 | June 29,<br>2025 |
| Revenues                              | \$ 26,895                           | \$ 29,824             | \$ 23,506        |
| Gross profit                          | \$ 9,660                            | \$ 10,696             | \$ 8,410         |
| Gross profit percentage               | 35.9%                               | 35.9%                 | 35.8%            |
| Operating loss                        | \$ (937)                            | \$ (1,003)            | \$ (4,425)       |
| Net loss                              | \$ (3,078)                          | \$ (1,812)            | \$ (4,862)       |
| Net loss per diluted share            | \$ (0.28)                           | \$ (0.17)             | \$ (0.44)        |
| Non-GAAP Financial Measures:          |                                     |                       |                  |
| Adjusted EBITDA <sup>1</sup>          |                                     |                       |                  |
| Adjusted EBITDA Margin (% of revenue) | 3.6%                                | 0.3%                  | (4.9)%           |
| Adjusted EPS <sup>1</sup>             | \$ 0.08                             | \$ 0.01               | \$ (0.10)        |

<sup>1</sup> Adjusted EBITDA and Adjusted EPS are non-GAAP financial measures as defined and reconciled below.

Interim Co-Chief Executive Officer and Chief Financial Officer, Keith Schroeder, said, "The sale of BGSF's Professional division to INSPYR closed as planned following the shareholder vote on September 4th. Following the closing, the Board of Directors determined that a return to capital to the shareholders was appropriate and we announced and delivered a \$2 per share special dividend which was paid on September 30. As part of the Board's continuing evaluation of the best use of BGSF's excess capital, today we are announcing a stock buyback plan of up to \$5M. The Board believes that purchasing stock at current prices is a good investment for the company and reflects our confidence in BGSF's long-term strategy. We are now executing the Transition Service Agreement (TSA), which is progressing smoothly and will continue for up to six months or longer to support INSPYR in integrating the business into their operating environment. These services are compensated, and we remain focused on reducing overhead to align with our streamlined, Property Management-focused structure. As expected, our financial results post-close will be somewhat noisy for the next couple of quarters as we transition."

Interim Co-Chief Executive Officer and Property Management President, Kelly Brown, commented, "The strategic initiatives outlined in the last quarter are continuing as planned. We remain committed to aligning Property Management costs with revenue and are actively investing in tools to enhance performance, which will also provide an opportunity to better align cost with improved financial results. Our AI-powered sales and recruiting technologies are on track to be operational over the next couple of quarters, and we are already seeing early signs of improved efficiency. These efforts, combined with ongoing cost reductions, position us well to drive revenue growth and profitability in the quarters ahead. Following the close of the transaction, we retained an independent consulting firm to complete a thorough assessment of our business and the broader property management workforce solutions market. This external analysis provided valuable insight into market size, competitive positioning, and white space opportunities. As a result, we refined our strategic roadmap and aligned our organization around clear priorities to drive sustainable growth. We anticipate revenue growth in 2026 versus 2025, supported by strong execution of our strategic initiatives."

### **Conference Call**

BGSF will discuss its third quarter 2025 financial results during a conference call and webcast at 9:00 a.m. ET on November 7, 2025. Interested participants may dial 1-888-506-0062 (Toll Free) or 1-973-528-0011 (International) and enter access code 736091. A replay of the call will be available until November 21, 2025. To access the replay, please dial 1-877-481-4010 (Toll Free), or 1-919-882-2331 (International) and enter access code 52955. The live webcast and archived replay are accessible from the investor relations section of the Company's website at <https://investor.bgsf.com/events-and-presentations/default.aspx>

### **About BGSF**

BGSF provides best-in-class property management resources and solutions to growing apartment and luxury communities, as well as commercial properties, and was awarded Supplier Company of the Year by the National Apartment Association in recent years. Through its exclusive and semi-exclusive agreements with some of the largest property management companies in North America, BGSF offers differentiated advantages to clients, including trained talent and unique technological platforms that seek to maximize efficiencies in the growing residential and commercial leased property industries. For more information on the Company and its services, please visit its website at [www.bgsf.com](http://www.bgsf.com).

### **Forward-Looking Statements**

*This press release contains forward-looking statements within the meaning of U.S. federal securities laws. Such forward-looking statements include, but are not limited to, statements regarding BGSF's expectations, hopes, beliefs, intentions, plans, prospects, or strategies regarding the future revenue and the business plans of BGSF's management team. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "endeavor," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would," and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this press release are based on certain assumptions and analyses made by the management of BGSF considering their respective experience and perception of historical trends, current conditions, and expected future developments and their potential effects on BGSF as well as other factors they believe are appropriate in the circumstances. There can be no assurance that future developments affecting BGSF will be those anticipated. These forward-looking statements involve a number of risks, uncertainties, or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including the mix of services or solutions utilized by BGSF's client partners and such client partners' needs for these services or solutions, market acceptance of new offerings of services or solutions, the ability of BGSF to expand what it does for existing client partners as well as to add new client partners, whether BGSF will have sufficient capital to operate as anticipated, the impact of the use of AI-powered sales and recruiting technologies and the timing of their availability, the impact of our strategic initiatives and cost reductions, the demand for BGSF's services and solutions, economic activity in BGSF's industry and in general, and certain risks, uncertainties, and assumptions described in BGSF's most recently filed Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q under the heading "Risk Factors." Should one or more of these risks or uncertainties materialize or should any of the assumptions being made prove incorrect, actual results may vary in material respects from those*

*projected in these forward-looking statements. BGSF undertakes no obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise, except as may be required under applicable securities laws.*

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**UNAUDITED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share amounts)

|                                                                                                             | September<br>28,<br>2025 | December<br>29,<br>2024 |
|-------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
| <b>ASSETS</b>                                                                                               |                          |                         |
| Current assets                                                                                              |                          |                         |
| Cash and cash equivalents                                                                                   | \$ 41,170                | \$ 32                   |
| Accounts receivable (net of allowance for credit losses of \$ 1,156 and \$ 910 , respectively)              | 15,126                   | 17,148                  |
| Escrow receivable                                                                                           | 4,950                    | -                       |
| Prepaid expenses                                                                                            | 1,121                    | 1,600                   |
| Other current assets                                                                                        | 1,620                    | 2,213                   |
| Current assets of discontinued operations                                                                   | -                        | 24,354                  |
| Total current assets                                                                                        | 63,987                   | 45,347                  |
| Property and equipment, net                                                                                 | 279                      | 608                     |
| Other assets                                                                                                |                          |                         |
| Deposits                                                                                                    | 1,938                    | 2,003                   |
| Software as a service, net                                                                                  | 3,143                    | 4,068                   |
| Deferred income taxes, net                                                                                  | 9,299                    | 7,849                   |
| Right-of-use asset - operating leases, net                                                                  | 738                      | 1,083                   |
| Intangible assets, net                                                                                      | 3,115                    | 4,385                   |
| Goodwill                                                                                                    | 1,074                    | 1,074                   |
| Noncurrent assets of discontinued operations                                                                | -                        | 83,694                  |
| Total other assets                                                                                          | 19,307                   | 104,156                 |
| Total assets                                                                                                | <u>\$ 83,573</u>         | <u>\$ 150,111</u>       |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                 |                          |                         |
| Current liabilities                                                                                         |                          |                         |
| Dividend payable                                                                                            | \$ 22,400                | \$ -                    |
| Accounts payable                                                                                            | 1,958                    | 80                      |
| Accrued payroll and expenses                                                                                | 5,348                    | 4,868                   |
| Transition services payable                                                                                 | 1,474                    | -                       |
| Long-term debt, current portion (net of debt issuance costs of \$ - and \$ 24 , respectively)               | -                        | 3,801                   |
| Accrued interest                                                                                            | -                        | 223                     |
| Income taxes payable                                                                                        | 332                      | 212                     |
| Note payable                                                                                                | 539                      | -                       |
| Convertible note                                                                                            | -                        | 4,368                   |
| Lease liabilities, current portion                                                                          | 433                      | 544                     |
| Current liabilities of discontinued operations                                                              | -                        | 11,825                  |
| Total current liabilities                                                                                   | 32,484                   | 25,921                  |
| Line of credit (net of debt issuance costs of \$ - and \$ 770 , respectively)                               | -                        | 5,625                   |
| Long-term debt, less current portion (net of debt issuance costs of \$ - and \$ 198 , respectively)         | -                        | 32,527                  |
| Lease liabilities, less current portion                                                                     | 403                      | 698                     |
| Noncurrent liabilities of discontinued operations                                                           | -                        | 3,071                   |
| Total liabilities                                                                                           | 32,887                   | 67,842                  |
| Commitments and contingencies                                                                               |                          |                         |
| Preferred stock, \$0.01 par value per share, 500,000 shares authorized, - 0 - shares issued and outstanding | -                        | -                       |

Common stock, \$0.01 par value per share; 19,500,000 shares authorized 11,199,787 and 10,887,509 shares issued and outstanding, respectively, net of 3,930 shares of treasury stock, at cost, respectively.

|                                            |                  |                   |
|--------------------------------------------|------------------|-------------------|
|                                            | 55               | 53                |
| Additional paid in capital                 | 71,345           | 70,260            |
| (Accumulated deficit) retained earnings    | (20,714)         | 11,956            |
| Total stockholders' equity                 | <u>50,686</u>    | <u>82,269</u>     |
| Total liabilities and stockholders' equity | <u>\$ 83,573</u> | <u>\$ 150,111</u> |

# **UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share and dividend amounts)

For the **Thirteen and Thirty-nine** Week Periods Ended September 28, 2025 and September 29, 2024

|                                                         | <b>Thirteen Weeks Ended</b> |                  | <b>Thirty-nine Weeks Ended</b> |                   |
|---------------------------------------------------------|-----------------------------|------------------|--------------------------------|-------------------|
|                                                         | 2025                        | 2024             | 2025                           | 2024              |
| Revenues                                                | \$ 26,895                   | \$ 29,824        | \$ 71,284                      | \$ 80,096         |
| Cost of services                                        | 17,235                      | 19,128           | 45,654                         | 50,461            |
| Gross profit                                            | 9,660                       | 10,696           | 25,630                         | 29,635            |
| Selling, general, and administrative expenses           | 10,223                      | 11,363           | 31,804                         | 32,365            |
| Gain on contingent consideration                        | (450)                       | -                | (450)                          | -                 |
| Depreciation and amortization                           | 824                         | 336              | 1,411                          | 1,007             |
| Operating loss                                          | (937)                       | (1,003)          | (7,135)                        | (3,737)           |
| Interest expense, net                                   | (1,570)                     | (1,222)          | (4,595)                        | (3,518)           |
| Loss from continuing operations before income taxes     | (2,507)                     | (2,225)          | (11,730)                       | (7,255)           |
| Income tax (expense) benefit from continuing operations | (571)                       | 413              | 1,461                          | 1,402             |
| Net loss from continuing operations                     | (3,078)                     | (1,812)          | (10,269)                       | (5,853)           |
| Loss from discontinued operations:                      |                             |                  |                                |                   |
| Income from discontinued operations                     | 226                         | 1,473            | 3,695                          | 4,703             |
| Loss on sale                                            | (2,892)                     | -                | (2,892)                        | -                 |
| Income tax expense                                      | (68)                        | (465)            | (804)                          | (1,207)           |
| Net loss                                                | <u>\$ (5,812)</u>           | <u>\$ (804)</u>  | <u>\$ (10,270)</u>             | <u>\$ (2,357)</u> |
| Net (loss) income per share - basic:                    |                             |                  |                                |                   |
| Net loss from continuing operations                     | \$ (0.28)                   | \$ (0.17)        | \$ (0.93)                      | \$ (0.54)         |
| Net income (loss) from discontinued operations:         |                             |                  |                                |                   |
| Income                                                  | 0.02                        | 0.13             | 0.34                           | 0.43              |
| Loss on sale                                            | (0.26)                      | -                | (0.26)                         | -                 |
| Income tax expense                                      | -                           | (0.03)           | (0.08)                         | (0.11)            |
| Net loss per share - basic                              | <u>\$ (0.52)</u>            | <u>\$ (0.07)</u> | <u>\$ (0.93)</u>               | <u>\$ (0.22)</u>  |
| Net (loss) income per share-diluted:                    |                             |                  |                                |                   |
| Net loss from continuing operations                     | \$ (0.28)                   | \$ (0.17)        | \$ (0.93)                      | \$ (0.54)         |
| Net income (loss) from discontinued operations:         |                             |                  |                                |                   |
| Income                                                  | 0.02                        | 0.13             | 0.34                           | 0.43              |
| Loss on sale                                            | (0.26)                      | -                | (0.26)                         | -                 |
| Income tax expense                                      | -                           | (0.03)           | (0.08)                         | (0.11)            |
| Net loss per share - diluted                            | <u>\$ (0.52)</u>            | <u>\$ (0.07)</u> | <u>\$ (0.93)</u>               | <u>\$ (0.22)</u>  |
| Weighted-average shares outstanding:                    |                             |                  |                                |                   |
| Basic                                                   | 11,079                      | 10,919           | 11,018                         | 10,882            |
| Diluted                                                 | 11,079                      | 10,919           | 11,018                         | 10,882            |
| Cash dividends declared per common share                | \$ 2.00                     | \$ -             | \$ 2.00                        | \$ 0.15           |

**PROPERTY MANAGEMENT SEGMENT**  
(dollars in thousands) (unaudited)

|                                                         | <b>Thirteen Weeks Ended</b> |                       | <b>Thirty-nine Weeks Ended</b> |                       |
|---------------------------------------------------------|-----------------------------|-----------------------|--------------------------------|-----------------------|
|                                                         | September 28,<br>2025       | September 29,<br>2024 | September 28,<br>2025          | September 29,<br>2024 |
| Contract field talent                                   | \$ 26,341                   | \$ 29,380             | \$ 69,619                      | \$ 78,711             |
| Contingent placements                                   | 554                         | 444                   | 1,665                          | 1,385                 |
| Revenue                                                 | 26,895                      | 29,824                | 71,284                         | 80,096                |
| Compensation and related                                | 17,197                      | 19,088                | 45,541                         | 50,341                |
| Other                                                   | 38                          | 40                    | 113                            | 120                   |
| Gross profit                                            | 9,660                       | 10,696                | 25,630                         | 29,635                |
| Selling:                                                |                             |                       |                                |                       |
| Compensation                                            | 4,349                       | 4,965                 | 12,469                         | 14,286                |
| Advertising, occupancy, and travel                      | 472                         | 537                   | 1,297                          | 1,445                 |
| Software, insurance, and professional fees              | 483                         | 316                   | 1,152                          | 949                   |
| Other                                                   | 368                         | 659                   | 2,577                          | 2,033                 |
| Contributions to overhead                               | 3,988                       | 4,219                 | 8,135                          | 10,922                |
| General and administrative:                             |                             |                       |                                |                       |
| Compensation                                            | 2,073                       | 2,348                 | 6,318                          | 7,027                 |
| Software                                                | 750                         | 694                   | 2,197                          | 1,920                 |
| Professional fees                                       | 131                         | 437                   | 1,334                          | 1,369                 |
| Strategic alternatives review                           | 482                         | 526                   | 2,116                          | 874                   |
| Other                                                   | 1,115                       | 881                   | 2,345                          | 2,462                 |
| Gain on contingent consideration                        | (450)                       | -                     | (450)                          | -                     |
| Depreciation and amortization                           | 824                         | 336                   | 1,411                          | 1,007                 |
| Operating loss                                          | (937)                       | (1,003)               | (7,136)                        | (3,737)               |
| Interest expense, net                                   | (1,570)                     | (1,222)               | (4,595)                        | (3,518)               |
| Income tax (expense) benefit from continuing operations | (571)                       | 413                   | 1,461                          | 1,402                 |
| Net loss from continuing operations                     | <u>\$ (3,078)</u>           | <u>\$ (1,812)</u>     | <u>\$ (10,270)</u>             | <u>\$ (5,853)</u>     |
| Capital expenditures                                    | \$ 117                      | \$ 270                | \$ 123                         | \$ 1,132              |
| Total assets                                            | \$ 41,881                   | \$ 50,241             | \$ 41,881                      | \$ 50,241             |

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

For the Thirty-nine Week Periods Ended September 28, 2025 and September 29, 2024

|                                                                                 | 2025        | 2024       |
|---------------------------------------------------------------------------------|-------------|------------|
| Cash flows from operating activities                                            |             |            |
| Net loss                                                                        | \$ (10,270) | \$ (2,357) |
| Net income from discontinued operations                                         | (2,890)     | (3,496)    |
| Adjustments to reconcile net loss to net cash (used in) provided by activities: |             |            |
| Depreciation                                                                    | 86          | 121        |
| Amortization                                                                    | 1,325       | 886        |
| Software as a service                                                           | 950         | 417        |
| Loss on sale of discontinued operations                                         | 2,892       | -          |
| Loss on disposal of property and equipment                                      | 11          | 3          |
| Contingent consideration adjustment                                             | (450)       | -          |
| Amortization of debt issuance costs                                             | 1,022       | 129        |
| Interest expense on note payable                                                | 235         | -          |
| Provision for credit losses                                                     | 1,822       | 1,493      |
| Share-based compensation                                                        | 850         | 725        |
| Deferred income taxes                                                           | (1,450)     | 1,248      |
| Accounts receivable                                                             | (2,236)     | 5,205      |
| Escrow receivable                                                               | (4,950)     | -          |
| Prepaid expenses                                                                | 302         | 1,272      |
| Other current assets                                                            | (516)       | 795        |
| Deposits                                                                        | 73          | 593        |
| Accounts payable                                                                | 1,877       | 126        |
| Accrued payroll and expenses                                                    | 2,642       | (87)       |
| Accrued interest                                                                | (223)       | (152)      |
| Income taxes receivable                                                         | 323         | (566)      |
| Transition services payable                                                     | 1,474       | -          |
| Other current liabilities                                                       | 1,939       | -          |
| Operating leases                                                                | (15)        | (65)       |
| Other long-term liabilities                                                     | 3,406       | 10,137     |
| Net cash (used in) provided by continuing operating activities                  | (1,771)     | 16,427     |
| Net cash provided by discontinued operating activities                          | 227         | 4,751      |
| Net cash (used in) provided by operating activities                             | (1,544)     | 21,178     |
| Cash flows from investing activities                                            |             |            |
| Proceeds from business sold                                                     | 91,528      | -          |
| Capital expenditures                                                            | (122)       | (1,063)    |
| Net cash provided by (used in) continuing investing activities                  | 91,406      | (1,063)    |
| Net cash used in discontinued investing activities                              | (193)       | (307)      |
| Net cash provided by (used in) investing activities                             | 91,213      | (1,370)    |

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
(in thousands)

For the Thirty-nine Week Periods Ended September 28, 2025 and September 29, 2024

|                                                            | 2025     | 2024     |
|------------------------------------------------------------|----------|----------|
| Cash flows from financing activities                       |          |          |
| Net payments under line of credit                          | (10,220) | (17,188) |
| Proceeds from issuance of long-term debt                   | -        | 4,250    |
| Principal payments on long-term debt                       | (32,725) | (850)    |
| Payment of convertible note                                | (4,368)  | -        |
| Payments of dividends                                      | -        | (1,639)  |
| Issuance of ESPP shares                                    | 134      | 355      |
| Issuance of shares under the 2013 Long-Term Incentive Plan | -        | 262      |

|                                                                  |                  |                 |
|------------------------------------------------------------------|------------------|-----------------|
| Contingent consideration paid                                    | (1,289)          | -               |
| Payments of debt issuance costs                                  | (29)             | (554)           |
| Net cash used in financing activities                            | <u>(48,497)</u>  | <u>(15,364)</u> |
| Net change in cash and cash equivalents of continuing operations | 41,138           | -               |
| Cash and cash equivalents, beginning of period                   | <u>32</u>        | <u>-</u>        |
| Cash and cash equivalents, end of period                         | <u>\$ 41,170</u> | <u>\$ -</u>     |
| Supplemental cash flow information:                              |                  |                 |
| Cash paid for interest, net                                      | \$ 3,398         | \$ 3,396        |
| Cash paid for taxes, net of refunds                              | \$ 535           | \$ 111          |
| Non-cash transaction: Dividends declared                         | \$ 22,400        | \$ -            |

## NON-GAAP FINANCIAL MEASURES

The financial results of BGSF, Inc. are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules of the U.S. Securities and Exchange Commission. To help the readers understand our financial performance, we supplement our GAAP financial results with Adjusted EBITDA and Adjusted EPS.

A non-GAAP financial measure is a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of a company. Adjusted EBITDA and Adjusted EPS are not measurements of financial performance under GAAP and should not be considered as alternatives to net income, net income per diluted share, operating income, or any other performance measure derived in accordance with GAAP, or as alternatives to cash flow from operating activities or measures of our liquidity. We believe that Adjusted EBITDA and Adjusted EPS are useful performance measures and are used by us to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business than measures under GAAP can provide alone.

We define "Adjusted EBITDA" as earnings before interest expense, income taxes, depreciation and amortization expense, costs associated with the evaluation of potential strategic alternatives ("strategic alternatives review"), software as a service costs, and certain non-cash expenses such as share-based compensation expense, as well as certain specific events that management does not consider in assessing our on-going operating performance.

We define "Adjusted EPS" as diluted earnings per share eliminating amortization expense of intangible assets from acquisitions, the strategic alternatives review, software as a service costs, and certain non-cash expenses such as share-based compensation expense, as well as certain specific events that management does not consider in assessing our on-going operating performance, net of the respective income tax effect.

### Reconciliation of Net Loss to Adjusted EBITDA (dollars in thousands)

|                                                   | Thirteen Weeks Ended |                    | Thirty-nine Weeks Ended |                    | Thirteen Weeks Ended |
|---------------------------------------------------|----------------------|--------------------|-------------------------|--------------------|----------------------|
|                                                   | September 28, 2025   | September 29, 2024 | September 28, 2025      | September 29, 2024 | June 29, 2025        |
| Net loss from continuing operations               | \$ (3,078)           | \$ (1,812)         | \$ (10,269)             | \$ (5,853)         | \$ (4,862)           |
| Income tax benefit                                | 571                  | (413)              | (1,461)                 | (1,402)            | (1,392)              |
| Interest expense, net                             | 1,570                | 1,222              | 4,595                   | 3,518              | 1,829                |
| Operating loss                                    | (937)                | (1,003)            | (7,135)                 | (3,737)            | (4,425)              |
| Depreciation and amortization                     | 824                  | 336                | 1,411                   | 1,007              | 259                  |
| Gain on contingent consideration                  | (450)                | -                  | (450)                   | -                  | -                    |
| Share-based compensation                          | 545                  | 286                | 850                     | 725                | 137                  |
| Strategic alternatives review                     | 482                  | 526                | 2,116                   | 874                | 1,613                |
| Software as a service <sup>2</sup>                | 516                  | 179                | 950                     | 417                | 291                  |
| Transaction fees                                  | -                    | 1                  | -                       | 42                 | -                    |
| Aged receivable adjustment                        | -                    | (250)              | 1,070                   | 758                | 980                  |
| <b>Adjusted EBITDA from continuing operations</b> | <b>980</b>           | <b>75</b>          | <b>(1,188)</b>          | <b>86</b>          | <b>(1,145)</b>       |
| Adjusted EBITDA Margin (% of revenue)             | 3.6%                 | 0.3%               | (1.7)%                  | 0.1%               | (4.9)%               |
| (Loss) income from discontinued operations        | (1,929)              | 1,008              | (2)                     | 3,496              | 1,126                |
| Adjustments to discontinued operations            | 2,073                | 2,885              | 4,429                   | 6,144              | 1,142                |
| Adjusted EBITDA from discontinued operations      | 144                  | 3,893              | 4,427                   | 9,640              | 2,268                |
| <b>Adjusted EBITDA, net</b>                       | <b>\$ 1,124</b>      | <b>\$ 3,968</b>    | <b>\$ 3,239</b>         | <b>\$ 9,726</b>    | <b>\$ 1,123</b>      |

<sup>2</sup> We capitalize direct costs incurred in cloud computing implementation from hosting arrangements, which are reported as a Software as a service and are expensed as incurred in selling, general, and administrative expenses.

### Reconciliation of Net Loss EPS to Adjusted EPS

|                                                       | <b>Thirteen Weeks Ended</b> |                    | <b>Thirty-nine Weeks Ended</b> |                    | <b>Thirteen Weeks Ended</b> |
|-------------------------------------------------------|-----------------------------|--------------------|--------------------------------|--------------------|-----------------------------|
|                                                       | September 28, 2025          | September 29, 2024 | September 28, 2025             | September 29, 2024 | June 29, 2025               |
| Net loss from continuing operations per diluted share | \$ (0.28)                   | \$ (0.17)          | \$ (0.93)                      | \$ (0.54)          | \$ (0.44)                   |
| Income tax (benefit) expense                          | 0.05                        | (0.04)             | (0.13)                         | (0.13)             | (0.13)                      |
| Interest expense, net                                 | 0.14                        | 0.11               | 0.42                           | 0.32               | 0.17                        |
| Operating loss                                        | (0.09)                      | (0.10)             | (0.64)                         | (0.35)             | (0.40)                      |
| Depreciation and amortization                         | 0.07                        | 0.03               | 0.13                           | 0.09               | 0.02                        |
| Gain on contingent consideration                      | (0.04)                      | -                  | (0.04)                         | -                  | -                           |
| Share-based compensation                              | 0.05                        | 0.03               | 0.08                           | 0.07               | 0.01                        |
| Strategic alternatives review                         | 0.04                        | 0.05               | 0.19                           | 0.08               | 0.15                        |
| Software as a service                                 | 0.05                        | 0.02               | 0.09                           | 0.04               | 0.03                        |
| Aged receivable adjustment                            | -                           | (0.02)             | 0.10                           | 0.07               | 0.09                        |
| <b>Adjusted EPS from continuing operations</b>        | <b>0.08</b>                 | <b>0.01</b>        | <b>(0.09)</b>                  | <b>-</b>           | <b>(0.10)</b>               |
| Adjusted EPS from discontinued operations             | 0.01                        | 0.35               | 0.40                           | 0.87               | 0.21                        |
| Adjusted EPS                                          | <u>\$ 0.09</u>              | <u>\$ 0.36</u>     | <u>\$ 0.31</u>                 | <u>\$ 0.87</u>     | <u>\$ 0.11</u>              |

2 We capitalizes direct costs incurred in cloud computing implementation from hosting arrangements, which are reported as a Software as a service and are expensed as incurred in selling, general, and administrative expenses.

**SOURCE:** BGSEF, INC.