TRUEBLUE, INC.
NON-GAAP FINANCIAL MEASURES AND NON-GAAP RECONCILIATIONS

In addition to financial measures presented in accordance with U.S. GAAP, we monitor certain non-GAAP key financial measures. The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP, and may not be comparable to similarly titled measures of other companies.

Non-GAAP measure	Definition	Purpose of adjusted measures
Adjusted net income and Adjusted net income per diluted share	Net income (loss) and net income (loss) per diluted share, excluding: – amortization of intangibles, – amortization of software as a service assets, – goodwill and intangible asset impairment charge, – COVID-19 government subsidies, – workforce reduction costs, – accelerated depreciation, – PeopleReady technology upgrade costs, – other adjustments, net, and – tax effect of the adjustments to U.S. GAAP.	– Enhances comparability on a consistent basis and provides investors with useful insight into the underlying trends of the business. – Used by management to assess performance and effectiveness of our business strategies. – Provides a measure, among others, used in the determination of incentive compensation for management.

RECONCILIATION OF U.S. GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME AND ADJUSTED NET INCOME PER DILUTED SHARE

(Unaudited)

	Fiscal 2021					Fiscal 2022					Fiscal 2023	
	13 weeks ended				52 weeks ended	13 weeks ended				52 weeks ended	13 weeks ended	
	Mar 28, 2021	Jun 27, 2021	Sep 26, 2021	Dec 26, 2021	Dec 26, 2021	Mar 27, 2022	Jun 26, 2022	Sep 25, 2022	Dec 25, 2022	Dec 25, 2022	Mar 26, 2023	Jun 25, 2023
Net income (loss)	$ 6,898	$ 15,884	$ 18,642	$ 20,210	$ 61,634	$ 10,519	$ 24,013	$ 20,696	$ 7,045	$ 62,273	$ (4,289)	$ (7,323)
Amortization of intangible assets of acquired businesses	1,885	1,810	1,506	1,503	6,704	1,502	1,495	1,484	1,265	5,746	1,270	1,274
Amortization of software as a service assets (1)	673	646	670	720	2,709	747	699	729	810	2,985	—	—
Goodwill and intangible asset impairment charge	—	—	—	—	—	—	—	—	—	—	—	9,485
COVID-19 government subsidies	(1,743)	(2,296)	(92)	(91)	(4,222)	—	—	—	—	—	—	—
Workforce reduction costs	70	14	110	1,799	1,993	—	—	—	—	—	1,207	557
Accelerated depreciation (2)	—	—	—	—	—	516	540	602	—	1,658	—	—
PeopleReady technology implementation costs (3)	—	—	—	1,300	1,300	2,550	1,748	1,858	1,779	7,935	32	174
Other adjustments (4)	1,086	854	300	171	2,411	136	(491)	189	4,193	4,027	190	8
Tax effect of adjustments to net income (loss) (5)	(512)	(267)	(648)	(1,405)	(2,832)	(1,417)	(1,038)	(1,264)	(2,092)	(5,811)	(702)	(677)
Adjusted net income (loss)	$ 8,357	$ 16,645	$ 20,488	$ 24,207	$ 69,697	$ 14,553	$ 26,966	$ 24,294	$ 13,000	$ 78,813	$ (2,292)	$ 3,498
Adjusted net income per diluted share	$ 0.24	$ 0.47	$ 0.58	$ 0.68	$ 1.97	$ 0.42	$ 0.81	$ 0.74	$ 0.39	$ 2.36	$ (0.07)	$ 0.11
Diluted weighted average shares outstanding	35,066	35,352	35,475	35,621	35,434	34,544	33,149	32,818	33,014	33,447	32,292	31,185

(1) Amortization of software as a service assets is reported in selling, general and administrative expense. Note, amortization of software as a service assets was included as an adjustment to net income during transitory periods ending with fiscal 2022 and is only considered an adjustment to EBITDA going forward to be consistent with the treatment of depreciation and amortization.

(2) Accelerated depreciation for the existing systems being replaced by the upgraded PeopleReady technology platform.

(3) Costs associated with upgrading legacy PeopleReady technology.

(4) Other adjustments for the fiscal 2021 periods primarily include costs incurred while transitioning into our new Chicago office and other technology implementation costs. Other adjustments for the fiscal 2022 periods primarily include accelerated software costs and costs incurred to transition to a new third-party claims administrator for workers' compensation, partially offset by a benefit from forfeited stock awards associated with the CEO transition that were expensed in prior years.

(5) Tax effect of the adjustments to U.S. GAAP net income (loss). The tax effect includes the application of our statutory rate of 26% to all taxable / deductible adjustments.