

2025 BBSI Shareholder Meeting

Agenda

- I. Opening of Meeting
- II. Introduction of Directors and Officers of Barrett Business Services, Inc and Others
- III. Matters to be Considered
 - a. Election of nine directors
 - b. Advisory vote to approve executive compensation
 - c. Ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm
- IV. President's Report
- V. Questions from Stockholders
- VI. Preliminary Results of Voting
- VII. Adjournment of Meeting

VOICEOVER: Hello, and welcome to the Barrett Business Services Incorporated Annual Meeting of Stockholders'. Please note that this meeting is being recorded. The meeting is about to begin.

JAMES POTTS: Good afternoon, everyone. The following are some initial instructions for our meeting attendees. Anyone present who wishes to vote his or her shares at today's meeting will need to log into the virtual shareholders meeting using their voter control number that was issued by Broadridge. If you logged in as a guest, you will not be able to vote your shares during the meeting. To vote your shares, use the vote here link at the bottom of your screen.

Only persons who are stockholders' of record at the close of business on April 7, 2025 are entitled to vote at this meeting. If you have already voted your shares, and do not wish to change your vote, no action is required at this time. Those who desire to ask a question during the question and answer period, may do so by using the Ask a Question text box located at the bottom of the left side of your screen.

Only stockholders' of record, proxy holders, or beneficial holders who are attending the meeting using their voter control number may ask a question during the question and answer period. If you are attending the meeting as a guest, you will not be able to ask a question during the question and answer period. Please note that in the interest of all stockholders', we will only address those questions that are pertinent to the business of the meeting.

TONY MEEKER: Good afternoon. I'm Tony Meeker, Chairman of the Board of Directors of BBSI. And I now call the 2020 Annual Meeting of the Stockholders' to Order. James Potts, Executive Vice President, General Counsel and Secretary, will act as a Secretary for the meeting. Heather Obey is President, he's representing a Broadridge has been appointed inspector of the elections for the meeting. She is present today. James Potts, please advise us as to the mailing of notice of the annual meeting and the number of shares represented at this meeting, in person and by proxy,

JAMES POTTS: On or before April 23, 2025, a notice of the Annual Meeting was mailed to each stockholder of record as of April 7, 2025. An appropriate affidavit of the mailing of the notice is on file in the records of the company. There are more than 23,187,208 shares, or 90.29 percent represented at this meeting in person or by proxy out of the 25,680,212 shares outstanding on the record date.

TONY MEEKER: As more than 50% of the outstanding shares of the company are represented at this meeting, I declare a quorum present. Copies of the minutes of the 2024 annual meeting of the stockholders', as well as copies of the company's 2024 annual report and the proxy statement for this meeting are available under the meeting materials heading, located at the bottom of the right side of your screen.

In addition to serving as Chairman of the Board of BBSI, I am the retired Managing Director of Victory Capital Management and an Investment Management Firm, and the Former Treasurer of the State of Oregon. I will now introduce the other directors of BBSI, who in addition to me and Gary Kramer, our President, and Chief Executive Officer, are standing for election at this meeting.

Thomas Carley, retired Chief Operations Officer and Director of Earth Organic Corporation and Co-Founder of Portal Capital, an investment management company in Portland, Oregon. Joe Clabby, Vice Chairman of the Board of BBSI, and retired Senior Executive at Chubb Limited and before that ACE limited. Tom Cusick, retired Executive Advisor and Executive Officer of the Columbia Sportswear company, headquartered in Portland, Oregon.

Mark Finn, retired Portfolio Manager at T. Rowe Price Group, a global investment management firm listed on the NASDAQ global select market. Carla Moradi, Former Senior Vice President, Global Partner and Alliances Organization at Anaplan, Inc. and the board member of Patriot growth insurance services, LLC. American Residential Services and Lightedge Solutions, Inc.

Alex Morehouse, Former Chief Marketing Officer of Banner Health and board member of a Evalueserve, Inc. And Simulint, Inc. And Vincent Price, advisor to the Chief Executive Officer at Cambia Health Solutions, a nonprofit health insurance corporation headquartered in Portland, Oregon.

Next, I would like to introduce the officers of the company. Gary Cramer, President and chief executive officer. Anthony Harris, Executive Vice President and Chief Financial Officer and Treasurer Gerald Blotz, Executive Vice President and Chief Operating officer. James Potts, Executive Vice President, General Counsel and Secretary. In addition, Megan Hartley with Deloitte Touche LLP as our Independent Accountant, is present today.

Today, the matters to be considered are as follows. The proxy material you received described the items of business to be considered at this meeting. If you have already submitted a proxy, your shares will be voted as you instructed. The polls are now open to act on the business to be presented at the meeting, and any stockholder of record who hasn't yet voted or wishes to change their vote may do so at any time until the polls are closed by using the voter here link.

I am now going to briefly introduce each of the proposals to be considered at this meeting, and then I will invite, comment, and discussion concerning any of the proposals. Proposal number one, the election of directors. The proposal includes the election of nine directors to serve until the 2026 annual meeting. The board has recommended the following nominees for election as Directors to serve until 2026 Annual Meeting of Stockholders'-- Thomas J Carley, Joseph S Clabby, Thomas B Cusack, Mark S Finn, Gary E Kramer, and Anthony Meeker. Carla A Moradi, Alexander Morehouse, and Vincent P Price.

The company's proxy statement named nine individuals to be nominated at this meeting for the election as directors. BBSI Did not receive notice from any stockholder of his or her intention to nominate one or more individuals for elections as directors of BBSI prior to the deadline for submission, which was January the 23, 2025. Under the company's bylaws, no additional nominations for elections at directors may be made at this time.

Our second proposal is the advisory vote to approve compensation of our executive officers. The nonbinding advisory vote by stockholders' on the company's compensation program for its executive officers is on this agenda. The board's compensation committee has recommended the adoption of the following, result, that the compensation paid to our named executive officers, as disclosed in the proxy statement pursuant to item 402 of regulation S-K adopted by the SEC, including the compensation, discussion, and analysis, executive compensation tables, and accompanying footnotes and narrative discussion is hereby approved.

The last proposal is the ratification of the selection of BBSI independent registered public accounting firm for 2025. The board's audit and compliance committee has selected Deloitte Touche LLP as the company's independent auditors for the coming year. Deloitte has served as BBSI auditors since 2016. Is there any comment or other discussion of any of the proposals that have been put to the stockholders' vote at this meeting?

Hearing none, the Secretary will announce the preliminary results of the voting. Before the end of the meeting. At this time, I would like to share with you a few comments. Last March, 450 plus citizens of my small hometown traveled 3.5 hours to the Oregon high school girls basketball playoff. They were there to cheer on our undefeated local high school team in the three a championship.

There are 123 girls in the high school, and 12 girls on the team. Three days, three games, and the girls did it. State three eight champions and 330 games won. This group of girls completed a very rare feat an undefeated season. To put that in perspective, only a few high school teams have ever had an undefeated season.

I asked the coach how he thought such a season was possible. He said he had been coaching this group of girls since middle school. He said the team back then began preparing for this achievement. He said the team set out the goal to put up the numbers, and come home a champion.

Setting long-term goals and preparing for the future and building the team to meet those goals are all principles that work in corporate America, as well as on the basketball court. In 2024, BBSI put up the numbers. Revenues up 8%. Net income up 5%. And the last quarter of 2024 saw 10% growth in both revenues and gross billings. And 2025 is starting off with a record first quarter. Now, you will hear a more detailed report from Gary.

Your board of directors is proud of the entire BBSI workforce for successfully executing both the short- and the long-term plans for 2024. We know that predicting future economic conditions is difficult, but we also know being nimble, decisive, and thorough, being can meet unexpected challenges, and BBSI has met unexpected challenges.

The BBSI board and management team are focused on three overriding objectives. Building a long-term value for our stockholders' Delivering relevant, best in class services for our customers, and being one of the best places to work for our employees.

On a personal note, after today's annual meeting, I will be stepping down as Board Chairman. I want to thank both the stockholders' and the BBSI board members for the confidence they have placed in me over these 14 years. BBSI is a great company and has a great future. It's time to hear from our CEO, Gary Kramer.

GARY KRAMER: Thanks, Tony. Hello, everyone. And thank you for your support and confidence in BBSI. Before we get going, I'd like to take a minute and just thank Tony for all his hard work, commitment, and dedication to BBSI. Tony has been on the board since we went public in 1993. He's been through our ups and downs along our 31-year hero journey, and he has always been the man in the arena. He has the passion for how we support small businesses, and he bleeds BBSI blue.

And while he's stepping down as chairman to allow another outside director to take that role, he will continue to serve on the board. And I am thankful to retain his wisdom, history, and expertise in advising the organization. From the bottom of my heart. Thank you Tony.

As we look back at our successes of 2024, I am pleased with our execution on our multi-year strategic plan while delivering solid operational and financial results. First and foremost, I am very proud of the work and support that we deliver to our clients. Our clients tell us that we make a difference in their business, and this is validated by our strong client retention and the net promoter score of 69.

Secondarily, I'm very happy with the advancements we made regarding our operational and strategic initiatives. We are successfully selling and servicing BBSI benefits in every one of our markets. Our existing clients are buying. And so are new clients. Regarding new clients, we are seeing success in white collar verticals that we previously had a difficult time penetrating. We exceeded our plan and more than doubled our participation, ending with approximately 575 clients on our various plans with more than 16,000 total participants.

Our strategic sales initiatives have been operationalized and are resulting in consistent and predictable acquisition of new clients and new referral partners. This momentum continued into 2025, and we had a record number of new ads in Q1, up by 55% over the prior year quarter. We continue to invest in our asset light model and have successfully expanded into 21 new geographies, and are gaining momentum. We continue to invest and bolster our tech stack with enhancements to our BBSI. We launched BBSI applicant tracking system, a cutting edge tool that allows for our clients to create job postings from our centralized system, which integrates with various third party job boards. Clients can manage the interview process in our system, and then when the employees are hired, they integrate seamlessly with our payroll and timekeeping systems.

This will help our clients with organization and create multiple efficiencies. We will continue to invest in our tech stack and have additional product launches slated through 2025. And we've made further advancements on our employer choice initiative, and earned the great place to work designation for the fourth year in a row. We delivered superior services while executing to our long-term strategic plan, and I would like to thank everyone in the BBSI family for their hard work and efforts throughout the year. Our hard work was rewarded, and I am proud of the financial results we earned in 2024. Our gross Billings were up 8% Our earnings per share were up 7% to \$1.98 per share. We paid a dividend of \$8.1 million. We bought back 3% of our outstanding shares. And our stock price appreciated by 51%. As we look to the remainder of 2025 and beyond, BBSI is poised for success. Our balance sheet has been derisked, and our capital position is strong. Our financials are predictable and we are generating strong positive cash flow.

We will continue to execute on our strategic plan to grow and expand, whether this is in new markets or current markets, with existing clients or new clients, with existing products or new products, or within existing distribution channels or new distribution channels. We will continue to bring the best of BBSI and deliver the expertise and solutions that enable our clients to prosper on our journey to becoming a truly national PDL.

So this is the shareholder meeting, and what does this mean to shareholders? We believe we can continue to make investments in the business while executing to a strategic plan, targeting annual average double-digit gross billings growth, with leverage in the model that results in one and half times earnings growth over a market cycle.

As we look to allocate excess capital, we first look at investments in the company, followed by acquisitions, stock repurchases, and supporting the dividend. We believe that executing on these strategies will continue to provide growth and total shareholder return. And with that, we will open it up to questions.

JAMES POTTS: We've had one question submitted from shareholder, Wayne King. Gary, during your five year tenure as CEO, you led BBSI through a global pandemic, endured low client hiring, mitigated risk, strengthen the balance sheet, and launched key products. Gross Billings grew annually by 9%, EPS

by 16%, and BBSI shares have surpassed all peers with a 23% compounded annual rate. With your impressive record of value creation, shareholders have plenty of reasons to be optimistic about our future. Yes, it's comforting to believe the good times will persist. But the reality is you and the executives and directors of BBSI understand firsthand is that the world is competitive and unpredictable. My question is, what do you perceive as the most significant threats to the long-term success of our business model? And what measures are you implementing to address them?

GARY KRAMER: Thanks for the complement, Wayne, and thanks for being a long-term shareholder. It's always the thing you haven't planned for or the unknown and known, like a pandemic that catches you by surprise. For what we know, I mentioned it in my prepared remarks, IT we need to focus of our investment in the near and medium term.

You simply can't fall behind on IT. I'm proud of the team we have here. We've made investments and built a first class internal IT department. We've partnered with companies offshore for offshore development. Internally we've built for our building internal systems that are going to help us with efficiencies and effectiveness and standardization. And then we've built, for our building, more client facing IT products. So we've launched the LMS, the benefits module, the applicant tracking was launched.

And we're going to have scheduled releases as we think of the next couple of years coming out for our IT support. And IT will be a bigger part of the organization. And AI will be a bigger part of our organization in the future. We're making sure that everything we're building now will have the ability in our tech stack to integrate AI into our tech stack.

So we know that IT is going to be the focus point of our investments. It's not going to replace our people. Our people still are the product, but we're going to be supporting them with better it internally and better it to sell.

JAMES POTTS: And that concludes the question and answer phase.

TONY MEEKER: If there are no other questions, the polls are now closed. James Potts, will you please give us the preliminary results of the voting.

JAMES POTTS: The preliminary results are that each of the nominees for election as directors has been elected. The company's executive compensation program has been approved on an advisory basis and the selection of Deloitte Touche LLP as the company's independent auditors has been ratified by the stockholders'. The exact voting on proposals considered at this meeting will be publicly reported through the filing of a current report on Form 8-K with the Securities and Exchange Commission by June 6, 2025.

TONY MEEKER: Now that the voting has been completed and posted by our treasurer, our Secretary, the meeting is now adjourned.

VOICEOVER: That concludes our meeting today. Thank you for joining. You may now disconnect.