

SCHEDULE 3
PRGX Global, Inc. and Subsidiaries
Reconciliation of Net (Loss) Income to EBIT, EBITDA and Adjusted EBITDA
(Amounts in thousands)
(Unaudited)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2019	2018	2019	2018
Reconciliation of net (loss) income to EBIT, EBITDA and Adjusted EBITDA:				
Net (loss) income	\$ (642)	\$ 2,301	\$ (9,317)	\$ (3,266)
Income tax expense	202	597	681	1,573
Interest expense, net	376	416	1,441	1,300
EBIT	(64)	3,314	(7,195)	(393)
Depreciation of property, equipment and software assets	2,648	1,713	7,232	5,297
Amortization of intangible assets	864	872	2,598	2,524
EBITDA	3,448	5,899	2,635	7,428
Foreign currency transaction (gains) losses on short-term intercompany balances	905	70	1,034	730
Acquisition-related adjustment (income) loss	(250)	(1,640)	(250)	(1,640)
Transformation, severance, and other expenses	1,858	439	3,835	2,428
Other loss (income)	4	(1)	(4)	16
Stock-based compensation	527	1,341	3,573	4,159
Adjusted EBITDA	<u>\$ 6,492</u>	<u>\$ 6,108</u>	<u>\$ 10,823</u>	<u>\$ 13,121</u>
Adjusted EBITDA from continuing operations	<u>\$ 5,592</u>	<u>\$ 6,433</u>	<u>\$ 10,181</u>	<u>\$ 13,804</u>
Adjusted EBITDA from discontinued operations	<u>\$ 900</u>	<u>\$ (325)</u>	<u>\$ 642</u>	<u>\$ (683)</u>

EBIT, EBITDA and Adjusted EBITDA are all "non-GAAP financial measures" presented as supplemental measures of our performance. They are not presented in accordance with accounting principles generally accepted in the United States, or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company's performance over time, and that the rating agencies and a number of lenders use EBIT, EBITDA and similar measures for similar purposes. In addition, a measure similar to Adjusted EBITDA is used in the restrictive covenants contained in the Company's secured credit facility. However, EBIT, EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. In addition, in evaluating EBIT, EBITDA and Adjusted EBITDA, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.