

April 22, 2024



GEE Group Announces Conclusion of Review of Strategic Alternatives

JACKSONVILLE, FL / ACCESSWIRE / April 22, 2024 / GEE Group Inc. (NYSE American:JOB) together with its subsidiaries (collectively referred to as the "Company," "GEE Group," "us," "our" or "we"), a provider of professional staffing services and human resource solutions, today announced its Board of Directors unanimously concluded a review of strategic alternatives. After extensive evaluation and deliberation, the Board determined the ongoing execution of the Company's strategic plan for internal growth coupled with an accelerated program for strategic acquisitions is the best way to maximize value for shareholders at this time. The GEE Group Board initiated the review of strategic alternatives process through its Mergers and Acquisition Committee (the "Committee"), comprised solely of independent members of the Board. The Committee, together with its advisor, DC Advisory, evaluated a comprehensive range of strategic alternatives to maximize shareholder value. The Company previously commenced the formal strategic alternatives review process in December, 2023.

After careful consideration, the Board unanimously determined that:

1. Share buybacks should not be recommenced -Share buybacks utilize capital that might otherwise be deployed to fund growth initiatives that are superior to share repurchases in terms of growing shareholder value applicable to all shareholders; repurchasing shares also exacerbates GEE's limited public float concerns and their potential negative effects on our shareholders - all-in-all, data suggests share buybacks provide limited capital structure benefits to the issuer.
2. All available capital should be earmarked to execute and accelerate the Company's current internal growth plan and future strategic acquisition growth.
3. Recommence a systematic, disciplined and accelerated acquisition strategy to accelerate growth and deepen and broaden the Company's current platform - acquisitions offer both higher growth and needed scale to GEE Group -while the fragmented industry provides the Company with significant opportunities for GEE to take advantage of its financial resources and flexibility to provide higher returns to shareholders with increasing EBITDA (a non-GAAP financial measure).

William Isaac, Chairman of the Committee, said, "After a comprehensive and exhaustive process, the Committee recommended, and the Board unanimously agreed, that continuing to execute GEE's strategic plan for organic growth augmented by recommencing strategic acquisitions executed in a disciplined way is the best approach for maximizing shareholder value at this time. Although the process has now concluded, GEE Group's Board will continue to be open to and consider all opportunities to enhance shareholder value."

"Despite the present macroeconomic challenges and industry specific headwinds, we remain confident about our long-term business and operating strategy. We have a strong balance

sheet with no debt and believe GEE Group's best days are ahead of us," said Derek Dewan, Chairman and CEO of the Company. Dewan further commented, "Regarding our capital allocation, we expect to utilize excess cash to follow through on DC Advisory's recommendation to make strategic acquisitions with a mix of consideration, except for the use of GEE's stock in any manner that disadvantages shareholders."

The Company will release fiscal second quarter results on Wednesday, May 15, 2024 and hold an investor call the following day.

About GEE Group

GEE Group Inc. is a provider of specialized staffing solutions and is the successor to employment offices doing business since 1893. The Company operates in two industry segments, providing professional staffing services and solutions in the information technology, engineering, finance and accounting specialties and commercial staffing services through the names of Access Data Consulting, Agile Resources, Ashley Ellis, General Employment, Omni-One, Paladin Consulting and Triad. Also, in the healthcare sector, GEE Group, through its Scribe Solutions brand, staffs medical scribes who assist physicians in emergency departments of hospitals and in medical practices by providing required documentation for patient care in connection with electronic medical records ("EMR"). Additionally, the Company provides contract and direct hire professional staffing services through the following SNI brands: Accounting Now®, SNI Technology®, Legal Now®, SNI Financial®, Staffing Now®, SNI Energy®, and SNI Certes.

Use of Non-GAAP Financial Measures

The Company discloses certain non-GAAP financial measures in this press release, including adjusted net income (loss), EBITDA, adjusted EBITDA, and free cash flow. Management and the Board of Directors use and refer to these non-GAAP financial measures internally as a supplement to financial information presented in accordance with U.S. GAAP. Non-GAAP financial measures are used for purposes of evaluating operating performance, financial planning purposes, establishing operational and budgetary goals, compensation plans, analysis of debt service capacity, capital expenditure planning and determining working capital needs. The Company also believes that these non-GAAP financial measures are considered useful by investors.

Non-GAAP adjusted net income (loss) is defined as net income (loss) adjusted for non-cash stock compensation expenses, acquisition, integration, restructuring and other non-recurring expenses, capital markets-related expenses, and gains or losses on extinguishment of debt or sale of assets. Non-GAAP EBITDA is defined as net income (loss) before interest, taxes, depreciation and amortization. Non-GAAP adjusted EBITDA is defined as EBITDA, adjusted for the same items used to derive non-GAAP adjusted net income (loss). Non-GAAP free cash flow is defined as cash flows from operating activities, less capital expenditures.

Forward-Looking Statements

In addition to historical information, this press release contains statements relating to possible future events and/or the Company's future results (including results of business operations, certain projections, future financial condition, pro forma financial information, and business trends and prospects) that are "forward-looking statements" within the meaning of

Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended, (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995 and are subject to the "safe harbor" created by those sections. The statements made in this press release that are not historical facts are forward-looking statements that are predictive in nature and depend upon or refer to future events. Such forward-looking statements often contain, or are prefaced by, words such as "will," "may," "plans," "expects," "anticipates," "projects," "predicts," "pro forma," "estimates," "aims," "believes," "hopes," "potential," "intends," "suggests," "appears," "seeks," or variations of such words or similar words and expressions. Forward-looking statements are not guarantees of future performance, are based on certain assumptions, and are subject to various known risks and uncertainties, many of which are beyond the Company's control, and cannot be predicted or quantified and, consequently, as a result of a number of factors, the Company's actual results could differ materially from those expressed or implied by such forward-looking statements.

Certain other factors that might cause the Company's actual results to differ materially from those in the forward-looking statements include, without limitation: (i) the loss, default or bankruptcy of one or more customers; (ii) changes in general, regional, national or international economic conditions; (iii) an act of war or terrorism, industrial accidents, or cyber security breach that disrupts business; (iv) changes in the law and regulations; (v) the effect of liabilities and other claims asserted against the Company including the failure to repay indebtedness or comply with lender covenants including the lack of liquidity to support business operations and the inability to refinance debt, failure to obtain necessary financing or the inability to access the capital markets and/or obtain alternative sources of capital; (vi) changes in the size and nature of the Company's competition; (vii) the loss of one or more key executives; (viii) increased credit risk from customers; (ix) the Company's failure to grow internally or by acquisition or the failure to successfully integrate acquisitions; (x) the Company's failure to improve operating margins and realize cost efficiencies and economies of scale; (xi) the Company's failure to attract, hire and retain quality recruiters, account managers and salesmen; (xii) the Company's failure to recruit qualified candidates to place at customers for contract or full-time hire; (xiii) the adverse impact of geopolitical events, government mandates, natural disasters or health crises, force majeure occurrences, global pandemics such as the deadly coronavirus ("COVID") or other harmful viral or non-viral rapidly spreading diseases and such other factors as set forth under the heading "Forward-Looking Statements" in the Company's annual reports on Form 10-K, its quarterly reports on Form 10-Q and in the Company's other filings with the Securities and Exchange Commission ("SEC").

More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company's filings with the SEC. Investors and security holders are urged to read these documents free of charge on the SEC's web site at <http://www.sec.gov>. The Company is under no obligation to (and expressly disclaims any such obligation to) and does not intend to publicly update, revise, or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Contact:

GEE Group Inc.

Kim Thorpe
630.954.0400
invest@geegroup.com

SOURCE: GEE Group Inc.

View the original [press release](#) on accesswire.com