

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **December 31, 2022**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number **1-05707**

GEE GROUP INC.

(Exact name of registrant as specified in its charter)

Illinois

(State or other jurisdiction of
incorporation or organization)

36-6097429

(I.R.S. Employer
Identification Number)

7751 Belfort Parkway, Suite 150, Jacksonville, FL 32256

(Address of principal executive offices)

(630) 954-0400

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	JOB	NYSE American

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated Filer

Accelerated filer
Smaller reporting company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of February 13, 2023 was 14,450,455.

GEE GROUP INC.
Form 10-Q
For the Quarter Ended December 31, 2022
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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

As a matter of policy, the Company does not provide forecasts of future financial performance. The statements made in this quarterly report on Form 10-Q, which are not historical facts, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements often contain or are prefaced by words such as "believe", "will" and "expect." These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. As a result of a number of factors, our actual results could differ materially from those set forth in the forward-looking statements. Certain factors that might cause the Company's actual results to differ materially from those in the forward-looking statements include, without limitation, the negative effects of the Coronavirus Pandemic ("COVID-19"), including uncertainties regarding economic recovery and changed socioeconomic norms, general business conditions, the demand for the Company's services, competitive market pressures, the ability of the Company to attract and retain qualified personnel for regular full-time placement and contract assignments, the possibility of incurring liability for the Company's business activities, including the activities of its contract employees and events affecting its contract employees on client premises, cyber risks, including network security intrusions and/or loss of information, and the ability to attract and retain qualified corporate and branch management, as well as those risks discussed in the Company's Annual Report on Form 10-K for the year ended September 30, 2022, and in other documents which we file with the Securities and Exchange Commission. See additional risk factors included below in Part II – Other Information, Item 1A. Any forward-looking statements speak only as of the date on which they are made, and the Company is under no obligation to (and expressly disclaims any such obligation to) and does not intend to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Part I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

GEE GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(Amounts in thousands)

	December 31, 2022	September 30, 2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 18,472	\$ 18,848
Accounts receivable, less allowances (\$731 and \$738, respectively)	20,339	22,770
Prepaid expenses and other current assets	718	604
Total current assets	39,529	42,222
Property and equipment, net	1,089	1,140
Goodwill	61,293	61,293
Intangible assets, net	10,565	11,285
Right-of-use assets	2,997	2,830
Other long-term assets	683	784
TOTAL ASSETS	\$ 116,156	\$ 119,554
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 2,869	\$ 2,958
Accrued compensation	4,835	5,750
Current operating lease liabilities	1,303	1,333
Other current liabilities	1,986	5,538
Total current liabilities	10,993	15,579
Deferred taxes	580	528
Noncurrent operating lease liabilities	2,046	1,889
Other long-term liabilities	506	555
Total liabilities	14,125	18,551
Commitments and contingencies (Note 12)		
SHAREHOLDERS' EQUITY		
Common stock, no-par value; authorized - 200,000 shares; issued and outstanding - 114,450 shares at December 31, 2022 and September 30, 2022	112,425	112,051
Accumulated deficit	(10,394)	(11,048)
Total shareholders' equity	102,031	101,003
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 116,156	\$ 119,554

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(Amounts in thousands except per share data)

	Three Months Ended December 31,	
	2022	2021
NET REVENUES:		
Contract staffing services	\$ 35,401	\$ 36,684
Direct hire placement services	5,747	6,163
NET REVENUES	41,148	42,847
Cost of contract services	26,757	27,265
GROSS PROFIT	14,391	15,582
Selling, general and administrative expenses	12,808	12,359
Depreciation expense	101	86
Amortization of intangible assets	720	1,014
Goodwill impairment charge	-	2,150
INCOME (LOSS) FROM OPERATIONS	762	(27)
Gain on extinguishment of debt	-	16,773
Interest expense	(73)	(107)
Interest income	38	-
INCOME BEFORE INCOME TAX PROVISION	727	16,639
Provision for income tax expense (benefit)	73	(29)
NET INCOME	\$ 654	\$ 16,668
BASIC EARNINGS PER SHARE	\$ 0.01	\$ 0.15
DILUTED EARNINGS PER SHARE	\$ 0.01	\$ 0.14
WEIGHTED AVERAGE SHARES OUTSTANDING:		
BASIC	114,450	114,100
DILUTED	114,885	115,542

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (unaudited)
(Amounts in thousands)

	Common Stock Shares	Common Stock	Accumulated Deficit	Total Shareholders' Equity
Balance, September 30, 2022	114,450	\$ 112,051	\$ (11,048)	\$ 101,003
Share-based compensation	-	374	-	374
Net income	-	-	654	654
Balance, December 31, 2022	<u>114,450</u>	<u>\$ 112,425</u>	<u>\$ (10,394)</u>	<u>\$ 102,031</u>

	Common Stock Shares	Common Stock	Accumulated Deficit	Total Shareholders' Equity
Balance, September 30, 2021	114,100	\$ 111,416	\$ (30,647)	\$ 80,769
Share-based compensation	-	147	-	147
Net income	-	-	16,668	16,668
Balance, December 31, 2021	<u>114,100</u>	<u>\$ 111,563</u>	<u>\$ (13,979)</u>	<u>\$ 97,584</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Amounts in thousands)

	Three Months Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 654	\$ 16,668
Adjustments to reconcile net income to cash (used in) provided by operating activities:		
Gain on extinguishment of debt	-	(16,773)
Depreciation and amortization	821	1,100
Non-cash lease expense	351	322
Goodwill impairment charge	-	2,150
Stock compensation expense	374	147
Increase (decrease) in allowance for doubtful accounts	(7)	77
Deferred income taxes	52	(105)
Amortization of debt discount	38	38
Paid in kind interest on term loan	-	-
Changes in operating assets and liabilities:		
Accounts receivable	2,438	1,762
Accounts payable	(89)	118
Accrued compensation	(915)	(1,509)
Other assets	(114)	(192)
Other liabilities	(3,929)	(1,539)
Net cash (used in) provided by operating activities	(326)	2,264
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(50)	(84)
Net cash used in investing activities	(50)	(84)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used in financing activities	-	-
Net change in cash	(376)	2,180
Cash at beginning of period	18,848	9,947
Cash at end of period	\$ 18,472	\$ 12,127
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 35	\$ 36

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Article 8 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three-month period ended December 31, 2022 are not necessarily indicative of the results that may be expected for the year ending September 30, 2023. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2022 as filed on December 20, 2022.

Certain reclassifications have been made to the prior year's condensed consolidated financial statements and/or related disclosures to conform to the current year's presentation.

2. Allowance for Doubtful Accounts and Falloffs

Direct hire placement service revenues from contracts with customers are recognized when employment candidates accept offers of employment, less a provision for estimated credits or refunds to customers as the result of applicants not remaining employed for the entirety of the Company's guarantee period (referred to as "falloffs"). The Company's guarantee periods for permanently placed employees generally range from 60 to 90 days from the date of hire.

Falloffs and refunds during the period are reflected in the unaudited condensed consolidated statements of operations as a reduction of placement service revenues and were approximately \$165 and \$694 for the three months ended December 31, 2022 and 2021, respectively. Expected future falloffs and refunds are estimated and reflected in the consolidated balance sheet as a reduction of accounts receivable as described below.

An allowance for doubtful accounts is recorded as a charge to bad debt expense where collection is considered to be doubtful due to credit issues. The Company charges off uncollectible accounts against the allowance once the invoices are deemed unlikely to be collectible. An allowance for placement falloffs also is recorded as a reduction of revenues for estimated losses due to applicants not remaining employed for the Company's guarantee period. As of December 31, 2022 and September 30, 2022 the allowance for doubtful accounts and falloffs was \$731 and \$738, respectively. The allowance includes \$575 and \$548 for doubtful accounts and \$156 and \$190 for falloffs as of December 31, 2022 and September 30, 2022, respectively.

3. Advertising Expenses

The Company expenses the costs of print and internet media advertising and promotions as incurred and reports these costs in selling, general and administrative expenses. For the three months ended December 31, 2022 and 2021, advertising expense totaled \$581 and \$518, respectively.

4. Earnings per Share

Basic earnings per share are computed by dividing net income attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the vesting of restricted shares granted but unissued, exercise of stock options and warrants. The dilutive effect of the common stock equivalents is reflected in earnings per share by use of the treasury stock method.

For the three-month periods ended December 31, 2022 and 2021, the weighted average dilutive incremental shares, or common stock equivalents, included in the calculations of dilutive shares were 816 and 1,442, respectively. Common stock equivalents, which are excluded because their effect is anti-dilutive, were approximately 3,373 and 1,748 for the three months ended December 31, 2022 and 2021, respectively.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

5. Property and Equipment

Property and equipment, net consisted of the following:

	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Computer software	\$ 481	\$ 481
Office equipment, furniture, fixtures and leasehold improvements	3,789	3,739
Total property and equipment, at cost	4,270	4,220
Accumulated depreciation and amortization	(3,181)	(3,080)
Property and equipment, net	<u>\$ 1,089</u>	<u>\$ 1,140</u>

6. Leases

The Company occasionally acquires equipment under finance leases including hardware and software used by our IT department to improve security and capacity, vehicles used by our Industrial Segment, and certain furniture for our offices. Terms for these leases generally range from two to six years.

Supplemental cash flow information related to finance leases consisted of the following:

	<u>Three Months Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash paid for finance lease liabilities	\$ 79	\$ 36
Acquisition of equipment with finance lease	-	320

Supplemental balance sheet information related to finance leases consisted of the following:

	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Weighted average remaining lease term for finance leases	3.2 years	3.3 years
Weighted average discount rate for finance leases	7.1%	7.3%

The table below reconciles the undiscounted future minimum lease payments under non-cancelable finance lease agreements to the total finance lease liabilities recognized on the unaudited condensed consolidated balance sheets, included in other current liabilities and other long-term liabilities, as of December 31, 2022:

Remainder of Fiscal 2023	\$ 171
Fiscal 2024	167
Fiscal 2025	108
Fiscal 2026	105
Fiscal 2027	21
Less: Imputed interest	(59)
Present value of finance lease liabilities (a)	<u>\$ 513</u>

(a) Includes current portion of \$189 for finance leases.

The Company leases space for all its branch offices, which are generally located either in downtown or suburban business centers, and for its corporate headquarters. Branch offices are generally leased over periods ranging from three to five years. The corporate office lease expires in 2026. The Company's leases generally provide for payment of basic rent plus a share of building real estate taxes, maintenance costs and utilities.

Operating lease expenses were \$588 and \$534 for the three-month periods ended December 31, 2022 and 2021, respectively.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

Supplemental cash flow information related to operating leases consisted of the following:

	Three Months Ended December 31,	
	2022	2021
Cash paid for operating lease liabilities	\$ 473	\$ 484
Right-of-use assets obtained in exchange for new operating lease liabilities	518	19

Supplemental balance sheet information related to operating leases consisted of the following:

	December 31,	September 30,
	2022	2022
Weighted average remaining lease term for operating leases	2.0 years	1.8 years
Weighted average discount rate for operating leases	5.8%	5.9%

The table below reconciles the undiscounted future minimum lease payments under non-cancelable lease agreements having initial terms in excess of one year to the total operating lease liabilities recognized on the unaudited condensed consolidated balance sheet as of December 31, 2022, including certain closed offices are as follows:

Remainder of Fiscal 2023	\$ 1,100
Fiscal 2024	1,294
Fiscal 2025	727
Fiscal 2026	306
Fiscal 2027	66
Less: Imputed interest	(144)
Present value of operating lease liabilities (a)	<u>\$ 3,349</u>

(a) Includes current portion of \$1,303 for operating leases.

7. Goodwill and Intangible Assets

Goodwill

The Company completed its most recent annual goodwill impairment assessment, as of September 30, 2022, and determined that its goodwill was not impaired. Prior to this, as of December 31, 2021, an assessment showed the amount of discount inherent in the Company's market capitalization as reported on the NYSE American exchange when compared with consolidated stockholders' equity, or net book value, had increased since the annual goodwill impairment assessment as of September 30, 2021; therefore, the Company performed an interim assessment of its goodwill for impairment. The estimated fair values of its Professional Services and Industrial Services reporting units were adjusted based on qualitative and quantitative analysis so that they reconcile more precisely with the Company's market capitalization as of December 31, 2021, plus an assumed control premium. As a result, the Company recognized a non-cash impairment charge of \$2,150 during the three months ended December 31, 2021. No impairment was recorded during the three months ended December 31, 2022.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

Intangible Assets

The following tables set forth the costs, accumulated amortization and net book value of the Company’s separately identifiable intangible assets as of December 31, 2022 and September 30, 2022 and estimated future amortization expense.

	December 31, 2022			September 30, 2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Customer relationships	\$ 29,070	\$ (19,141)	\$ 9,929	\$ 29,070	\$ (18,482)	\$ 10,588
Trade names	8,329	(7,693)	636	8,329	(7,632)	697
Total	\$ 37,399	\$ (26,834)	\$ 10,565	\$ 37,399	\$ (26,114)	\$ 11,285
Remainder of Fiscal 2023					\$	2,159
Fiscal 2024						2,879
Fiscal 2025						2,741
Fiscal 2026						1,870
Fiscal 2027						916
Thereafter						-
					\$	<u>10,565</u>

Intangible assets that represent customer relationships are amortized on the basis of estimated future undiscounted cash flows or using the straight-line basis over estimated remaining useful lives of five to ten years. Trade names are amortized on a straight-line basis over their respective estimated useful lives of between five and ten years.

8. Senior Bank Loan, Security and Guarantee Agreement

On May 14, 2021, the Company and its subsidiaries entered a Loan, Security and Guaranty Agreement for a \$20 million asset-based senior secured revolving credit facility with CIT Bank, N.A. The CIT Facility is collateralized by 100% of the assets of the Company and its subsidiaries who are co-borrowers and/or guarantors. The CIT Facility matures on the fifth anniversary of the closing date (May 14, 2026).

As of December 31, 2022, the Company had no outstanding borrowings and \$13,029 available for borrowing under the terms of the CIT Facility. The Company also had \$522 in unamortized debt issue cost associated with the CIT Facility. The amortization expense of these debt costs totaled \$38 for both the three months ended December 31, 2022 and 2021.

Under the CIT Facility, advances will be subject to a borrowing base formula that is computed based on 85% of eligible accounts receivable of the Company and subsidiaries as defined in the CIT Facility, and subject to certain other criteria, conditions, and applicable reserves, including any additional eligibility requirements as determined by the administrative agent. The CIT Facility is subject to usual and customary covenants and events of default for credit facilities of this type. The interest rate, at the Company’s election, will be based on either the Base Rate, as defined, plus the applicable margin; or the London Interbank Offered Rate (“LIBOR”), or any successor thereto, for the applicable interest period, subject to a 1% floor, plus the applicable margin. The CIT Facility also contains provisions addressing the future replacement of LIBOR utilized and referenced in the loan agreement, which will be replaced by the Secured Overnight Financing Rate (“SOFR”) in July 2023. SOFR is a secured, risk-free rate based on the cost of borrowing overnight. In addition to interest costs on advances outstanding, the CIT Facility will provide for an unused line fee ranging from 0.375% to 0.50% depending on the amount of undrawn credit, original issue discount and certain fees for diligence, implementation, and administration. The unused line fees incurred and included in interest expense totaled \$26 for both the three months ended December 31, 2022 and 2021.

9. Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Payroll Protection Program Loans

During April and May 2020, the Company obtained Payroll Protection Program loans (“PPP loans”) for each of its operating subsidiaries. The PPP loans were used primarily to restore employee pay-cuts, recall furloughed or laid-off employees, support the payroll costs for existing employees, hire new employees, and for other allowable purposes including interest costs on certain business mortgage obligations, rent and utilities. Each of the Company’s subsidiaries executed a separate promissory note evidencing unsecured loans under the PPP.

GEE GROUP INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(Amounts in thousands except per share data, unless otherwise stated)

The Company and its operating subsidiaries have been granted forgiveness of their respective PPP loans by the SBA. During fiscal 2021, the PPP loans and interest were forgiven for Access Data Consulting Corporation, Agile Resources, Inc., Scribe Solutions Inc., Triad Logistics, Inc., and Triad Personnel Services, Inc., in the amounts of \$1,470, \$1,220, \$279, \$79, and \$408, respectively, which were recognized as aggregate gains at that time. The Company's remaining four PPP loans and interest for GEE Group Inc., BMCH, Inc., Paladin Consulting, Inc., and SNI Companies, Inc. were forgiven in December 2021 in the amounts of \$2,024, \$2,630, \$1,956, and \$10,163, respectively. As a result, the Company recognized aggregate gains of \$16,773 during the three months ended December 31, 2021.

The former PPP loans obtained by GEE Group Inc., and its operating subsidiaries together as an affiliated group, exceeded the \$2,000 audit threshold established by the SBA, and therefore, will be subject to audit by the SBA in the future. If any of the nine forgiven PPP loans are reinstated in whole or in part as the result of a future audit, a charge or charges would be incurred, accordingly, and they would need to be repaid. If the companies are unable to repay the portions of their PPP loans that ultimately may be reinstated from available liquidity or operating cash flow, we may be required to raise additional equity or debt capital to repay the PPP loans.

10. Share-based Compensation

Amended and Restated 2013 Incentive Stock Plan, as amended

As of December 31, 2022, there were shares of restricted stock and stock options outstanding under the Company's Amended and Restated 2013 Incentive Stock Plan, as amended ("Incentive Stock Plan"). During fiscal 2021, the Incentive Stock Plan was amended to increase the total shares available for restricted stock and stock options grants by 10,000 to a total of 15,000 (7,500 restricted stock shares and 7,500 stock option shares). The Incentive Stock Plan authorizes the Compensation Committee of the Board of Directors to grant either incentive or non-statutory stock options to employees. Vesting periods are established by the Compensation Committee at the time of grant. As of December 31, 2022, there were 8,760 shares available to be granted under the Plan (4,098 shares available for restricted stock grants and 4,662 shares available for stock option grants).

Restricted Stock

The Company granted 760 shares of restricted stock during the three months ended December 31, 2022. On September 27, 2022, the Company adopted a new annual incentive compensation program ("AICP") for its executives to be administered under the Company's Incentive Stock Plan. The AICP includes a long term incentive ("LTI") compensation plan in the form of restricted stock awards comprised of two components: one that vests based on future service only, and a second that vests based on future service and performance. Initial awards under both service-only and service plus performance-based components of the AICP LTI plan are determined based on financial performance measures for the immediately preceding fiscal year. During the three months ended December 31, 2022, 551 of the 760 restricted shares were granted based on actual results for fiscal 2022, as measured against corresponding financial targets for that year, and will cliff vest as of December 2, 2025.

The remaining 209 of the 760 restricted shares were also granted based on fiscal 2022 results, and as further adjusted for the probable outcome with regard to the financial targets set by the Company's board of directors for fiscal 2023. These restricted shares are subject to adjustment over their corresponding fiscal 2023 reporting period, based on probability of achieving the fiscal 2023 performance conditions. The final number of fiscal 2022 service plus performance-based restricted shares granted will be determined once the actual financial performance of the Company is determined for fiscal 2023, and will cliff vest on December 2, 2025, the third anniversary from their date of grant.

GEE GROUP INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

(Amounts in thousands except per share data, unless otherwise stated)

Under the AICP LTI plan, the service plus performance-based grants of 209 restricted shares during the three-month period ended December 31, 2022, represent the first tranche of a three-year schedule of awards. The next two tranches of up to 262 shares each (up to an additional 524 restricted shares in total) are scheduled to become effective as the Company's financial plans and targets are set by the board of directors prior to each anniversary date for each of the two subsequent fiscal years, respectively. As the vesting of the two subsequent tranches will be based in part on performance conditions that have not yet been determined, the grant dates and fair values of these scheduled awards will be established in the future. The end of the requisite service periods for the entire 760 restricted shares granted during the three months ended December 30, 2022, plus the additional 524 restricted shares eligible to be granted in the future, once the performance conditions are determined for fiscal 2024 and fiscal 2025, is December 2, 2025. Therefore, the remaining two tranches of the fiscal 2022 service plus performance-based awards may be expected to have grant dates corresponding with the establishment of the fiscal 2024 and fiscal 2025 financial performance targets by the Company's board of directors. However, all final shares determined for each of the two subsequent annual tranches also will cliff vest on December 2, 2025.

Share-based compensation expense attributable to restricted stock was \$87 and \$72 during the three months ended December 31, 2022 and 2021, respectively. As of December 31, 2022, there was approximately \$882 of unrecognized compensation expense related to restricted stock outstanding and the weighted average vesting period for those grants was 3.05 years.

	Number of Shares	Weighted Average Fair Value (\$)
Non-vested restricted stock outstanding as of September 30, 2022	1,192	0.61
Granted	760	0.79
Vested	-	-
Non-vested restricted stock outstanding as of December 31, 2022	<u>1,952</u>	<u>0.69</u>

Warrants

The Company had 77 warrants outstanding as of December 31, 2022 and September 30, 2022 with a weighted average exercise price per share of \$ and a weighted average remaining contractual life of 2.25 and 2.50, respectively. No warrants were granted or expired during the three months ended December 31, 2022.

Stock Options

All stock options outstanding as of December 31, 2022 and September 30, 2022 were non-statutory stock options, had exercise prices equal to the market price on the date of grant, and had expiration dates ten years from the date of grant.

The Company granted 435 stock options during the three months ended December 31, 2022. The stock options generally vest on annual schedules during periods ranging from two to four years, although some options are fully vested upon grant. Share-based compensation expense attributable to stock options was \$287 and \$75 for the three months ended December 31, 2022 and 2021, respectively. As of December 31, 2022, there was approximately \$574 of unrecognized compensation expense related to unvested stock options outstanding, and the weighted average vesting period for those options was 3.70 years.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

A summary of stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price per share (\$)	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value of Options (\$)
Options outstanding as of September 30, 2022	2,427	1.54	7.65	-
Granted	435	0.78	-	-
Forfeited	(24)	0.72	-	-
Options outstanding as of December 31, 2022	<u>2,838</u>	<u>1.43</u>	<u>7.77</u>	-
Exercisable as of September 30, 2022	<u>1,111</u>	<u>2.58</u>	<u>5.82</u>	-
Exercisable as of December 31, 2022	<u>1,483</u>	<u>2.18</u>	<u>6.47</u>	-

11. Income Tax

The following table presents the provision for income taxes and our effective tax rate for the three-month periods ended December 31, 2022 and 2021:

	Three Months Ended, December 31,	
	2022	2021
Provision for income taxes	73	(29)
Effective tax rate	10%	0%

The effective income tax rate on operations is based upon the estimated income for the year, and adjustments, if any, in the applicable quarterly periods for the potential tax consequences, benefits, resolutions of tax audits or other tax contingencies.

The effective tax rates for the three months ended December 31, 2022 and 2021 are lower than the statutory rate primarily due to the effect of the change in valuation allowance on the net deferred tax asset (“DTA”) position. Other than the deferred tax liability relating to indefinite lived assets, the Company is maintaining a valuation allowance against the remaining net DTA position.

12. Commitments and Contingencies

Litigation and Claims

The Company and its subsidiaries are involved in various litigation that arises in the ordinary course of business. There are no pending significant legal proceedings to which the Company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company’s financial position.

GEE GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(Amounts in thousands except per share data, unless otherwise stated)

13. Segment Data

The Company provides the following distinctive services: (a) direct hire placement services, (b) temporary professional services staffing in the fields of information technology, accounting, finance and office, engineering, and medical, and (c) temporary industrial staffing. These services can be divided into two reportable segments: Professional Staffing Services and Industrial Staffing Services. Some selling, general and administrative expenses are not fully allocated among Industrial Services and Professional Staffing Services.

Unallocated corporate expenses primarily include certain executive compensation expenses and salaries, certain administrative salaries, corporate legal expenses, share-based compensation expenses, consulting expenses, audit fees, corporate rent and facility costs, board related fees, acquisition, integration and restructuring expenses, and interest expense.

	Three Months Ended December 31,	
	2022	2021
Industrial Staffing Services		
Contract services revenue	\$ 3,618	\$ 4,089
Contract services gross margin (1)	15.5%	15.3%
Income from operations	\$ 5	\$ 112
Depreciation and amortization	15	16
Professional Staffing Services		
Permanent placement revenue	\$ 5,747	\$ 6,163
Placement services gross margin	100.0%	100.0%
Contract services revenue	\$ 31,783	\$ 32,595
Contract services gross margin	25.4%	27.0%
Income from operations	\$ 2,554	\$ 1,241
Depreciation and amortization	806	1,084
Unallocated Expenses		
Corporate administrative expenses	\$ 1,231	\$ 1,105
Corporate facility expenses	110	94
Share-based compensation expense	374	147
Board related expenses	82	34
Total unallocated expenses	\$ 1,797	\$ 1,380
Consolidated		
Total revenue	\$ 41,148	\$ 42,847
Income (loss) from operations	762	(27)
Depreciation and amortization	821	1,100

- (1) Annual premium refunds from the Ohio Bureau of Workers Compensations totaling \$18 are included in the three months ended December 31, 2021. No such refunds were included in the three months ended December 31, 2022. The Industrial Services gross margin normalized for the effects of these items was approximately 14.8% for the three months ended December 31, 2021.

(Amounts in thousands except per share data, unless otherwise stated)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Overview

GEE Group Inc. and its wholly owned material operating subsidiaries, Access Data Consulting Corporation, Agile Resources, Inc., BMCH, Inc., Paladin Consulting, Inc., Scribe Solutions, Inc., SNI Companies, Inc., Triad Logistics, Inc., and Triad Personnel Services, Inc. (collectively referred to as the “Company”, “us”, “our”, or “we”) are providers of permanent and temporary professional and industrial staffing and placement services in and near several major U.S. cities. We specialize in the placement of information technology, accounting, finance, office, and engineering professionals for direct hire and contract staffing for our clients, data entry assistants (medical scribes) who specialize in electronic medical records (EMR) services for emergency departments, specialty physician practices and clinics, and provide temporary staffing services for our industrial clients. The acquisitions of Agile Resources, Inc., a Georgia corporation (“Agile”), Access Data Consulting Corporation, a Colorado corporation (“Access”), Paladin Consulting Inc. (“Paladin”) and SNI Companies, Inc., a Delaware corporation (“SNI”) expanded our geographical footprint within the placement and contract staffing verticals or end markets of information technology, accounting, finance, office and engineering professionals.

The Company markets its services using the trade names General Employment Enterprises, Omni One, Ashley Ellis, Agile Resources, Scribe Solutions Inc., Access Data Consulting Corporation, Paladin Consulting Inc., SNI Companies, Accounting Now, Staffing Now®, SNI Banking, SNI Certes®, SNI Energy®, SNI Financial®, SNI Technology®, Triad Personnel Services and Triad Staffing. As of December 31, 2022, we operated from locations in eleven (11) states, including twenty-seven (27) branch offices in downtown or suburban areas of major U.S. cities and four (4) additional U.S. locations utilizing local staff members working remotely. We have offices or serve markets remotely, as follows; (i) one office in each of Connecticut, Georgia, Minnesota, and New Jersey, and one remote local market presence in Virginia; (ii) two offices each in Illinois and Massachusetts; (iii) three offices in Colorado; (iv) three offices and two additional local market presences in Texas; (v) six offices and one additional local market presence in Florida; and (vi) seven offices in Ohio.

Management has implemented a strategy which includes organic and acquisition growth components. Management’s organic growth strategy includes seeking out and winning new client business, as well as expansion of existing client business and on-going cost reduction and productivity improvement efforts in operations. Management’s acquisition growth strategy includes identifying strategic acquisitions, financed primarily through a combination of cash and the issuance of equity and debt to improve the overall profitability and cash flows of the Company.

The Company’s contract and placement services are principally provided under two operating divisions or segments: Professional Staffing Services and Industrial Staffing Services. We believe our current segments and array of businesses and brands within our segments complement one another and position us for future growth.

(Amounts in thousands except per share data, unless otherwise stated)

Results of Operations

Three Months Ended December 31, 2022 Compared to the Three Months Ended December 31, 2021

Net Revenues

Consolidated net revenues are comprised of the following:

	Three Months Ended December 31,		Change	Change
	2022	2021		
Professional contract services	\$ 31,783	\$ 32,595	\$ (812)	-2%
Industrial contract services	3,618	4,089	(471)	-12%
Total professional and industrial contract services	35,401	36,684	(1,283)	-3%
Direct hire placement services	5,747	6,163	(416)	-7%
Consolidated net revenues	<u>\$ 41,148</u>	<u>\$ 42,847</u>	<u>\$ (1,699)</u>	<u>-4%</u>

Contract staffing services contributed \$35,401 or approximately 86% of consolidated revenue and direct hire placement services contributed \$5,747, or approximately 14%, of consolidated revenue for the three months ended December 31, 2022. This compares to contract staffing services revenue of \$36,684, or approximately 86%, of consolidated revenue and direct hire placement revenue of \$6,163, or approximately 14%, of consolidated revenue for the three months ended December 31, 2021.

The net decrease in professional contract services revenues of \$812, or 2%, for the three months ended December 31, 2022 compared to the three months ended December 31, 2021, was attributable to completion of certain significant discreet projects as the three-month period ended December 31, 2021 included revenue for staffing support provided to vaccination and testing facilities related to COVID-19 and its variants which have since downsized or closed. These discreet projects generated \$2,325 in revenue during the three-month period ended December 31, 2021. Excluding the effects of these discreet projects, professional contract services revenues would have increased \$1,513, or 5%, during the three months ended December 31, 2022 compared to the three months ended December 31, 2021. Industrial staffing services for the quarter decreased by \$471, or 12%, mainly due to a decrease in orders from clients. The industrial staffing markets continue to stabilize after the effects of COVID-19; however, competition for orders and temporary labor to fill orders also has increased.

Direct hire placement revenue for the three months ended December 31, 2022 decreased by \$416, or approximately 7%, over the three months ended December 31, 2021. Demand for the Company's direct hire services decreased during the three months ended December 31, 2022, in part, due to a slowing in permanent placement orders from clients as economic uncertainties linger, including some predictions of a potential recession. It also is noteworthy that our 2022 fiscal year, which included the three months ended December 31, 2021, set a record of being one of our highest ever in terms of direct hire revenues.

Cost of Contract Services

Cost of contract services includes wages and related payroll taxes and employee benefits of the Company's contract services employees, and certain other contract employee-related costs, while working on contract assignments. Cost of contract services for the three months ended December 31, 2022 decreased by approximately 2% to \$26,757 compared to \$27,265 for the three months ended December 31, 2021. The \$508 overall decrease in cost of contract services is consistent with the decrease in revenues as discussed above.

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(Amounts in thousands except per share data, unless otherwise stated)

Gross Profit percentage by service:

	Three Months Ended December 31,	
	2022	2021
Professional contract services	25.4%	27.0%
Industrial contract services	15.5%	15.3%
Professional and industrial services combined	24.4%	25.7%
Direct hire placement services	100.0%	100.0%
Combined gross profit margin (1)	35.0%	36.4%

(1) Includes gross profit from direct hire placements, for which all associated costs are recorded as selling, general and administrative expenses.

The Company's combined gross profit margin, including direct hire placement services (recorded at 100% gross margin) for the three-month period ended December 31, 2022 was approximately 35.0% as compared with approximately 36.4% for the three-month period ended December 31, 2021.

In the professional contract staffing services segment, the gross margin (excluding direct placement services) was approximately 25.4% for three-month period ended December 31, 2022 as compared with approximately 27.0% for the three-month period ended December 31, 2021. This is due in part to increases in contractor pay associated with the recent rise in inflation resulting in some spread compression. The Company has stepped-up counter-inflationary increases in bill rates and spreads where possible in response to this margin compression.

The Company's industrial staffing services gross margin for the three-month period ended December 31, 2022 was approximately 15.5% versus approximately 15.3% for the three-month period ended December 31, 2021. Gross profit for the Company's industrial staffing services segment for the three months ended December 31, 2021 includes \$18 of annual premium refunds from the Ohio Bureau of Workers Compensation insurance programs, while the three months ended December 31, 2022 did not include any refunds. The Industrial Services gross margin excluding the effect of these refunds and distributions was approximately 14.8% for the three months ended December 31, 2021. The increase, excluding the effects of the workers compensation premium refunds and distributions, is mainly attributable to an increase in rates enacted to offset increases in contractor payroll, leading to a higher spread in the Industrial Segment.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include the following categories:

- Compensation and benefits in the operating divisions, which includes salaries, wages and commissions earned by the Company's employment consultants, recruiters and branch managers on permanent and temporary placements;
- Administrative compensation, which includes salaries, wages, share-based compensation, payroll taxes, and employee benefits associated with general management and the operation of corporate functions, including principally, finance, human resources, information technology and administrative functions;
- Occupancy costs, which includes office rent, and other office operating expenses;
- Recruitment advertising, which includes the cost of identifying and tracking job applicants; and
- Other selling, general and administrative expenses, which includes travel, bad debt expense, fees for outside professional services and other corporate-level expenses such as business insurance and taxes.

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(Amounts in thousands except per share data, unless otherwise stated)

The Company's SG&A for the three months ended December 31, 2022 increased by \$449 as compared to the three months ended December 31, 2021. SG&A for the three months ended December 31, 2022, as a percentage of revenues, was approximately 31% compared to approximately 29% for the three months ended December 31, 2021. The increase in SG&A expenses as a percentage of revenues is primarily attributable to additional incentive compensation and awards for producers related to recent performance.

SG&A also includes certain non-cash costs and expenses incurred related to acquisition, integration, restructuring and other non-recurring activities, such as certain corporate legal and general expenses associated with capital markets activities, that either are not directly associated with core business operations or have been eliminated on a going forward basis. These costs were estimated to be \$44 and \$526 for the three months ended December 31, 2022 and 2021, respectively, and include mainly expenses associated with former closed and consolidated locations, and personnel costs associated with eliminated positions.

Depreciation Expense

Depreciation expense was \$101 and \$86 for the three months ended December 31, 2022, and 2021, respectively. The increase in depreciation expense is due to recent net additions to fixed assets.

Amortization Expense

Amortization expense was \$720 and \$1,014 for the three months ended December 31, 2022 and 2021, respectively. The decrease is due to intangible assets related to certain non-complete agreements and trade names becoming fully amortized.

Goodwill Impairment

The Company recently completed its annual goodwill impairment assessment, as of September 30, 2022, and determined that its goodwill was not impaired. As of December 31, 2021, the Company performed an interim assessment of its goodwill for impairment and recognized a non-cash impairment charge of \$2,150 during the three months ended December 31, 2021.

Income (Loss) from Operations

The income (loss) from operations was \$762 and \$(27) for the three months ended December 31, 2022 and 2021, respectively. This increase of \$789 is mainly attributable to the non-cash goodwill impairment charge of \$2,150 impacting results for the three months ended December 31, 2021, offset as a result of the combination of matters in regards to the Company's revenues, costs and expenses as discussed above.

Gain on Extinguishment of Debt

The Company recorded a gain of \$16,773 for the three months ended December 31, 2021 related to forgiveness and extinguishment of its remaining PPP loans and accrued interest.

Interest Expense

Interest expense was \$73 for the three months ended December 31, 2022, which decreased by \$34 compared to the three months ended December 31, 2021. The decrease in interest expense is mainly attributable to the three months ending December 31, 2021 including interest of \$32 on the Company's remaining PPP loans which were forgiven during that quarter.

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(Amounts in thousands except per share data, unless otherwise stated)

Interest Income

The Company began holding cash in a money market account in August 2022 on which interest has since been earned on a monthly basis. Interest income earned from this account was \$38 for the three months ended December 31, 2022.

Provision for Income Taxes

The Company recognized income tax expense (benefits) of \$73 and \$(29) for the three months ended December 31, 2022 and 2021, respectively. Our effective tax rates for the three months ended December 31, 2022 and 2021 are lower than the statutory rate primarily due to the effect of the change in valuation allowance on the net DTA position.

Net Income

The Company's net income was \$654 and \$16,668 for the three months ended December 31, 2022 and 2021, respectively. The decrease in net income is mainly attributable to gains of \$16,773 from extinguishment of the Company's remaining PPP loans, offset by a \$2,150 non-cash goodwill impairment charge during the three months ended December 31, 2021. The remaining net decrease of \$1,391 is consistent with the decrease in gross profit and gross margin for the three months ended December 31, 2022 compared with the three months ended December 31, 2021, as explained in the preceding paragraphs.

(Amounts in thousands except per share data, unless otherwise stated)

Liquidity and Capital Resources

The primary sources of liquidity for the Company are revenues earned and collected from its clients for the placement of contract employees and independent contractors on a temporary basis and permanent employment candidates and borrowings available under its asset-based senior secured revolving credit facility. Uses of liquidity include primarily the costs and expenses necessary to fund operations, including payment of compensation to the Company's contract and permanent employees, and employment-related expenses, operating costs and expenses, taxes and capital expenditures.

The following table sets forth certain consolidated statements of cash flows data:

	Three Months Ended December 31,	
	2022	2021
Cash flows (used in) provided by operating activities	\$ (326)	\$ 2,264
Cash flows used in investing activities	\$ (50)	\$ (84)
Cash flows used in financing activities	\$ -	\$ -

As of December 31, 2022, the Company had \$18,472 of cash, which was a decrease of \$376 from \$18,848 as of September 30, 2022. As of December 31, 2022, the Company had working capital of \$28,536 compared to \$26,643 of working capital as of September 30, 2022. The increase in working capital is mainly attributable to the final installment of deferred payroll taxes under the CARES Act being paid and annual incentive compensation payments during the three months ended December 31, 2022, which were reflected in current liabilities in the aggregate amount of \$3,027 as of September 30, 2022. These payments also account for corresponding reductions in cash flows provided by operating activities and ending cash as of December 31, 2022.

The primary uses of cash for investing activities were for the acquisition of property and equipment in the three-month periods ended December 31, 2022 and 2021.

There were no cash flows used in financing activities for the three-month periods ended December 31, 2022 and 2021.

The Company had approximately \$13,029 in availability for borrowings under its CIT Facility as of December 31, 2022. There were no outstanding borrowings on the CIT Facility as of December 31, 2022, or September 30, 2022, except for certain accrued carrying fees and costs, which are included in other current liabilities in the accompanying consolidated balance sheets.

All the Company's office facilities are leased. Minimum lease payments under all the Company's lease agreements for the twelve-month period commencing after the close of business on December 31, 2022, are approximately \$1,449. There are no minimum debt service principal payments due during the twelve-month period commencing after the close of business on December 31, 2022.

Management believes that the Company can generate adequate liquidity to meet its obligations for the foreseeable future and at least for the next twelve months.

Off-Balance Sheet Arrangements

As of December 31, 2022, there were no transactions, agreements or other contractual arrangements to which an unconsolidated entity was a party, under which the Company (a) had any direct or contingent obligation under a guarantee contract, derivative instrument or variable interest in the unconsolidated entity, or (b) had a retained or contingent interest in assets transferred to the unconsolidated entity.

(Amounts in thousands except per share data, unless otherwise stated)

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

As of December 31, 2022, the Company's management evaluated, with the participation of its principal executive officer and its principal financial officer, the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act"). Based on that evaluation, the Company's principal executive officer and its principal financial officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2022.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting or in any other factors that could significantly affect these controls, during the Company's three-month period ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION.

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

In evaluating us and our common stock, we urge you to carefully consider the risks and other information in this Quarterly Report on Form 10-Q, as well as the risk factors disclosed in Item 1A. of Part I of our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 (“2022 Form 10-K”) filed with the SEC on December 20, 2022. Any of the risks discussed in this Quarterly Report on Form 10-Q or any of the risks disclosed in Item 1A. of Part I of our 2022 Form 10-K, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not required.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

The following exhibits are filed as a part of Part I of this report:

No.	Description of Exhibit
10.01*	Form of non-qualified stock option agreement under the GEE Group Inc. Amended and Restated 2013 Incentive Stock Plan
10.02*	Form of executive restricted stock agreement under the GEE Group Inc. Amended and Restated 2013 Incentive Stock Plan
10.03*	Form of performance-based restricted stock agreement for Executive Officers under the GEE Group Inc. Amended and Restated 2013 Incentive Stock Plan
31.01*	Certifications of the principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
31.02*	Certifications of the principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.01**	Certifications of the principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act and Section 1350 of Title 18 of the United States Code.
32.02**	Certifications of the principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act and Section 1350 of Title 18 of the United States Code.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filings of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GEE GROUP INC.
(Registrant)

Date: February 14, 2023

By: /s/ Derek Dewan
Derek Dewan
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Kim Thorpe
Kim Thorpe
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

GEE GROUP, INC.
NONQUALIFIED STOCK OPTION AGREEMENT

A-__

This Stock Option Agreement ("Agreement") is made by and between GEE Group, Inc., an Illinois corporation (the "Company") _____ (the "Participant").

The purpose of this Agreement is to evidence and grant an Option to the Participant under the GEE Group, Inc. (F/K/A General Employment Services, Inc.) 2013 Incentive Stock Plan (the "Plan"). The Plan is administered by a Committee, which has been appointed by the Board of Directors of the Company (the "Board"). The Committee hereby grants this Option to the Participant pursuant to the terms and conditions of the Plan and this Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Plan. Based on these premises, the Committee and the Participant agree as follows:

1. Grant of Option. Pursuant to the terms and conditions of the Plan and as set forth in this Agreement, the Company hereby grants the Participant an option (the "Option") to purchase _____ (_____) shares of Common Stock of the Company ("Option Shares") at a price of _____ (\$_____) per share (the "Option Price"), subject to the satisfaction of vesting and exercisability conditions and other limitations imposed by the Plan and this Agreement. The Option Shares shall be payable upon exercise and payment of the Option Price as set forth in Section 8 and Section 9 below, respectively.

2. Grant Date. The Company grants the Participant this Option on _____ (_____). This Option is not effective until (a) this Agreement is executed by the Committee and Participant, (b) the Participant has delivered a fully executed copy of this Agreement to the person designated in Section 18 below, and (c) the executed and delivered Agreement is acknowledged by the Committee (or its designee) in writing. The Option Price per share shall not be less than the Fair Market Value of a share of Common Stock, as determined on Grant Date.

3. Expiration Date. The Option shall expire on the ten (10) year anniversary of the Grant Date (the "Expiration Date") or earlier as provided in this Agreement or the Plan.

4. Type of Option. This Option is granted pursuant to the terms and conditions of the Plan. The Committee does not intend this Option to qualify as an "Incentive Stock Option" within the meaning of Section 422(b) of the Internal Revenue Code of 1986, as amended, and the provisions of this Agreement shall be interpreted and construed with such intent. The Committee intends this Option to be a "Nonqualified Stock Option."

5. Vesting and Exercisability. The Option may only be exercised to the extent all or a portion thereof has become vested and exercisable. The vested portion of the Option shall become exercisable pursuant to the following schedule:

- (a) the Option shall be vested and exercisable over a four (4) year period;
 - (i) twenty-five percent (25%) of the Option shall become vested and exercisable on the twelve (12) month anniversary of the Grant Date; and
 - (ii) twenty-five percent (25%) of the Option shall become vested and exercisable on the twenty-four (24) month anniversary of the Grant Date;
 - (iii) twenty-five percent (25%) of the Option shall become vested and exercisable on the thirty-six (36) month anniversary of the Grant Date; and
 - (iv) the remaining twenty-five percent (25%) of the Option shall become vested and exercisable on the forty-eight (48) month anniversary of the Grant Date.

The unvested portion of the Option will not be exercisable on or after the Participant's Termination of Employment. Notwithstanding the foregoing, the Committee may, at any time, in its sole discretion, waive or modify the vesting requirements with respect to this Option, in whole or in part, and accelerate the exercisability of all or a portion of this Option.

6. Accelerated Vesting on Change in Control. Notwithstanding any provision of the Plan or this Agreement to the contrary, in the event of a Change in Control, the Option shall become immediately vested and exercisable with respect to one hundred percent (100%) of the Option Shares subject to the Option. To the extent practicable, such acceleration of vesting and exercisability shall occur in a manner and at a time, which allows the Participant the ability to participate in the Change in Control with respect to the shares of Common Stock received.

7. Effect of Termination of Employment.

- (a) If a Participant incurs a Termination of Employment, for any reason, prior to the Expiration Date, the Option, **if not** vested and exercisable on the date of Termination of Employment, or any portion of the Option that is not vested and exercisable on the date of Termination of Employment, shall expire and be forfeited, and shall be void for all purposes, immediately on the date of Termination of Employment.
- (b) If a Participant incurs a Termination of Employment, for any reason, prior to the Expiration Date, the Option, if vested and exercisable on the date of Termination of Employment, or any portion of the Option that is vested and exercisable on the date of Termination of Employment, shall continue to be exercisable only for the applicable extended time period following such Termination of Employment set forth hereinafter and shall otherwise cease to be exercisable as of the close of business on the date of Termination of Employment.
 - (i) In the event of Termination of Employment constituting Retirement, such Option or such portion thereof may be exercised by the Participant until the end of the ninety (90) day period commencing with the date of Retirement or, if earlier, the Expiration Date.
 - (ii) In the event of Termination of Employment due to death, such Option or such portion thereof may be exercised by the Participant's Representative until the end of the twelve (12) month period commencing with the date of the Participant's death or, if earlier, the Expiration Date.
 - (iii) In the event of Termination of Employment due to Disability, such Option or such portion thereof may be exercised by the Participant or, in the event the Participant is legally incompetent, the Participant's Representative until the end of the six (6) month period commencing with the date of Disability or, if earlier, the Expiration Date.
 - (iv) In the event of Termination of Employment at the election of the Participant with "Good Reason" (as defined by such Participant's Employment Agreement, if applicable), such Option or such portion thereof may be exercised by the Participant until the end of the ninety (90) day period commencing with the date of Retirement or, if earlier, the Expiration Date.
 - (v) In the event of Termination of Employment by the Company or an Affiliate, as the case may be, without Cause, such Option or such portion thereof may be exercised by the Participant until the end of the ninety (90) day period commencing with the date of Retirement or, if earlier, the Expiration Date.
 - (vi) Notwithstanding anything in the preceding subparagraphs (i) through (v) to the contrary, in the event of Termination of Employment by the Company or an Affiliate, as the case may be, for Cause, such Option or such portion thereof shall cease to be exercisable automatically upon first notification to the Participant by the Company or the Affiliate of such termination, with no extended time period for any exercise of the Option or any portion thereof. If a Participant's employment or services are suspended pending an investigation of whether the Participant's employment or services should be terminated for Cause, all of the Participant's rights under the Option shall likewise be suspended during the period of such investigation.

- (c) If following the Participant's Termination of Employment for any reason (other than for Cause) the exercise of the Option is prohibited because it would violate the registration requirements under the Securities Act, state or federal securities law, or the rules of any securities exchange or interdealer quotation system, then the expiration of the Option shall be tolled until the date that is thirty (30) days after the end of the period during which the exercise of the Option would be in violation of such registration or other securities requirements.

8. Exercise of Option. To exercise the Option, the Participant (or, in the case of exercise after the Participant's death or Disability, the Participant's Representative) must deliver to the Company a written notice of exercise, in such form and manner as designated by the Committee, which shall specify the number of Option Shares attributable to the Option that the Participant (or Representative) intends to exercise and the associated Option Price. Such written notice to exercise shall be accompanied by payment, in full, of the aggregate Option Price and any other documentation required by the Committee. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise the Option.

9. Payment of Option Price. The entire Option Price of the Option shall be payable, in full, at the time of exercise. The Committee has designated the following methods of payment:

- (a) in cash or by certified or bank check at the time the Option is exercised;
- (b) by tendering other shares of Common Stock which have either been owned by the Participant for more than six (6) months on the date of surrender or were acquired upon exercise of the Option for which payment is being made and which, in either case, have a Fair Market Value on the date of surrender equal to the aggregate Option Price of the shares for which the Option is being exercised;
- (c) consideration received by the Company under a broker-assisted cashless exercise program;
- (d) by reduction in the number of Option Shares otherwise deliverable upon exercise of such Option with a Fair Market Value equal to the aggregate Option Price at the time of exercise;
- (e) by any combination of the foregoing methods; or
- (f) in any other form of legal consideration that may be acceptable to the Committee.

10. Withholding. No later than the date as of which an amount first becomes includible in the gross income of the Participant for federal income tax purposes with respect to this Option, the Participant shall pay to the Company (or make arrangements satisfactory to the Company to pay or provide for) any applicable federal, state, local or foreign taxes of any kind required by law to be withheld with respect the Option or the delivery of Option Shares. The Participant may satisfy any federal, state, local or foreign tax withholding obligations that relate to the exercise of the Option by any of the following means:

- (a) tendering a cash payment;
- (b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise of the Option; *provided, however,* that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law; or
- (c) delivering to the Company previously owned and unencumbered shares of Common Stock.

The obligations of the Company under the Plan shall be conditioned on such tax withholding payments and arrangements. The Company and any Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant including, but not limited to, the right to withhold from any compensation paid or owed to a Participant.

11. Issuance of Shares. Provided that the written exercise notice and payment are in form and substance satisfactory to the Company, the Company shall issue the shares of Common Stock registered in the name of the Participant (or Representative) and shall deliver certificates representing the shares with the appropriate legends affixed thereto.

12. Cash-Out. On receipt of written notice of exercise of this Option at any time prior to a Change in Control, the Committee may elect, at any time, in lieu of issuing shares of Common Stock to cash-out all or any portion of the Option, provided such action would not violate Section 409A of the Code, by paying the Participant an amount, in cash, equal to the excess of the Fair Market Value of a share of Common Stock, as of the date of exercise, over the Option Price, multiplied by the number of shares of Common Stock subject to the Option that the Committee elects to cash-out. The Committee may elect to cash-out all or any portion of an outstanding Option, at any other time, using the same formula as described above for determining the consideration to be paid, regardless of any exercise notice or Change in Control. The cash-out of an Option held by a Participant who is actually or potentially subject to Section 16 of the Exchange Act shall comply with Rule 16b-3, to the extent applicable. The Committee may elect to offset against any cash-out payment any amounts outstanding under any indebtedness or obligations owed by the Participant to the Company or any Affiliate.

13. No Rights with Respect to Employment; No Rights as Shareholder. Neither the Plan nor this Agreement shall be deemed to alter the employment relationship between the Company or any Affiliate and the Participant or confer upon the Participant any right to be retained in any position, as an employee, consultant or Director of the Company. Nothing in the Plan or this Agreement shall be construed to constitute a contract of employment or a contract for services between the Company or any Affiliate and the Participant. Nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Participant's employment, at any time, with or without Cause, except as provided in a written contract. The Participant shall not have any rights as a shareholder with respect to any shares of Common Stock subject to the Option until (a) all actions required by this Agreement have been taken by such persons, (b) the Participant properly exercises the Option, and (c) such Option Shares have been recorded on the Company's official shareholder records as having been issued or transferred.

14. Transferability. The Option is not transferable by the Participant other than to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, and is exercisable during the Participant's lifetime only by him or her. No assignment or transfer of the Option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated Beneficiary upon death by will or the laws of descent or distribution) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option will terminate and become of no further effect. Notwithstanding the foregoing to the contrary, a Participant may, at any time, make an estate planning transfer of this Option to the Participant's parents, spouse, or descendants or to any trust for the benefit of the foregoing or to a custodian under any uniform gifts to minor act or similar statute for the benefit of the Participant's descendants.

15. Adjustment for Corporate Changes. The shares of Common Stock subject to the Option may be adjusted, substituted, or terminated in any manner contemplated by Section 4.5 of the Plan.

16. Tax Liability and Withholding. Notwithstanding any action the Company takes with respect to any or all income tax, employment tax (e.g. FICA and FUTA), payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of the Option or the subsequent sale of any Option Shares acquired on exercise and (b) does not commit to structure the Option to reduce or eliminate the Participant's liability for Tax-Related Items.

17. Compliance with Law. The exercise of the Option and the issuance and transfer of shares of Common Stock shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued pursuant to this Option unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Participant understands that the Company is under no obligation to register the shares of Common Stock with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

18. Notices. Any notice which either the Company or the Participant may be required to provide to the other party under the Plan or this Agreement shall be in writing and shall be deemed sufficiently given if personally delivered or sent by either facsimile, overnight courier, or postage paid first class mail. Notices sent by mail shall be deemed received three (3) business days after mailed, but in no event later than the date of actual receipt. Such notices, demands, and other communications shall be sent to the Company and the Participant at the addresses listed below:

If to the Company GEE Group, Inc.
c/o The Committee for the 2013 Incentive Stock Plan
Attn: Kim Thorpe, Senior Vice President, CFO
7751 Belfort Parkway
Suite 150
Jacksonville, Florida 32256

If _____ to _____ the Participant To the current address of the Participant's primary residence, as reflected on Company's official payroll and records, unless the Participant provides an alternative address to the Committee, in writing.

Either party may designate another address, in writing, or by such other method approved by the Company from time to time.

19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois (other than its law respecting choice of law).

20. Interpretation. Any determination made by the Committee pursuant to the provisions of the Plan shall be made in its sole discretion. Any dispute regarding the interpretation of this Agreement shall be submitted by the Participant or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Participant and the Company.

21. Options Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan, as amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

22. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's heirs, legal representatives, and successors and the person(s) to whom the Option may be transferred by will or the laws of descent or distribution.

23. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

24. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company, at any time, in its discretion. The grant of the Option in this Agreement does not create any contractual right or other right to receive any Options or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Company.

25. Amendment. The Board has the right to amend or terminate the Option set forth in this Agreement, prospectively or retroactively *provided, that*, no such amendment or termination shall impair the rights of the Participant described in this Agreement without the Participant's consent. Notwithstanding the foregoing to the contrary, the Board reserves the right to amend or terminate this Agreement or the Plan (a) pursuant to the express provisions of the Plan, (b) as necessary for the Plan or this Agreement to comply with any applicable law, regulation, or rule, or (c) in the connection with a Change in Control.

26. Relationship to Other Benefits. Unless otherwise provided in a Company plan or policy, in writing, the value of the Option or any payment under the Plan shall **not** be considered as normal or expected compensation of the Participant for in determining any benefits or coverage-levels under any retirement or welfare benefit plan of the Company or purposes of calculating any severance, welfare, insurance or similar employee benefits under any Company policy.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means, which are intended to preserve the original graphic appearance of the document, will have the same effect as physical delivery of the paper document bearing an original signature.

28. Acceptance. By execution of this Agreement, the Participant acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the Option subject to all of the terms and conditions of the Plan and this Agreement. The Participant acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying Option Shares and that the Participant should consult a tax advisor prior to such exercise or disposition.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates written below.

GEE GROUP, INC.

By: _____
Name: _____
Title: _____
Date: _____

PARTICIPANT

By: _____
Name: _____
Date: _____

The Committee has provided two (2) copies of this Agreement. Please execute both copies. Return one (1) copy of the Agreement to Company representative designated by the Committee in Section 18 above to confirm your understanding and acceptance of the term and conditions of this Agreement and the Plan.

Enclosures:

- (1) Copy of this Agreement
- (2) Copy of the Plan (sec.gov)

**Executed Agreement
Acknowledged by the
PLAN COMMITTEE**

By: _____
Name: _____
Date: _____

GEE GROUP INC.
EXECUTIVE RESTRICTED STOCK AGREEMENT

This restricted stock agreement (the "Agreement"), is effective as of [DATE OF AGREEMENT], (the "Effective Date") by and between GEE GROUP INC. an ILLINOIS corporation (the "Corporation") and [NAME AND TITLE OF EXECUTIVE] (the "Executive").

WITNESSETH THAT:

WHEREAS, the Corporation has awarded and issued to Executive, [NUMBER OF RESTRICTED SHARES AWARDED (###)] shares (the "Shares") of the common stock of the Corporation as of the Effective Date as a reward for prior service and as an incentive to remain with the Corporation and to work to increase the value of such stock;

WHEREAS the Shares are subject to the terms and conditions hereinafter provided;

NOW, THEREFORE, the Corporation and the Executive agree to enter into the Agreement, in consideration of the mutual covenants contained herein, as follows:

RECITALS

The recitals contained hereinabove are incorporated herein as a part of this Agreement.

1. Award. The Executive hereby is granted and has been issued the Shares as of the Effective Date, subject to all the terms and conditions of this Agreement, including but not limited to the provisions of Section 8 hereof.

2. Stock Certificate. The Executive hereby acknowledges that a stock certificate for the Shares (the "Certificate") is hereby awarded to the Executive hereunder, bearing the following legend:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of a Restricted Stock Agreement entered into between the registered owner and GEE Group Inc. effective as of [DATE OF AGREEMENT]. Copies of such Agreement are on file in the offices of the Secretary, GEE Group Inc., 7751 Belfort Parkway, Suite 150, Jacksonville, Florida 32256."

The Executive shall return the Certificate to the Corporation upon forfeiture of any Shares pursuant to this Agreement. Thereafter, the Corporation shall reissue a new Certificate for the number of Shares, if any, which were not forfeited.

3. Definitions. The following terms (whether used in the singular or plural) shall have the meanings indicated when used in the Agreement.

3.1 "Board" means the Board of Directors of the Corporation.

3.2 "Change in Control" for the purposes of this Agreement only shall mean at any time or from time to time:

(a) The acquisition or the threat of acquisition through an appropriate governmental filing or otherwise, directly or indirectly, however effected, by any person (as such term used in Section 13(d) of the Securities Exchange Act of 1934) of securities of the Corporation representing an aggregate of twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding voting securities prior to such acquisition transaction giving rise to such twenty percent (20%).

(b) During any period of up to two (2) consecutive years, individuals who, at the beginning of such period, constitute the Board cease for any reason to constitute at least a majority thereof, provided that any person who becomes a Director subsequent to the beginning of such period and whose nomination for election is approved by at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of such period or whose election or nomination for election was previously so approved (other than a Director) (i) whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Corporation, as such terms are used in Rule 14a-11 of Regulation 14A under the Securities and Exchange Act of 1934, as amended, or (ii) who was designated by a person who has entered into an agreement with the Corporation to effect a transaction described in clause (a), (c) or (d) hereof shall be deemed a Director as of the beginning of such period;

(c) The shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or an agreement for the sale or disposition of more than twenty percent (20%) of the Corporation's assets within a twelve (12) month period; or

(d) The occurrence of any other event or circumstance which is not covered by (a) through (c) above which the Board determines affects control of the Corporation and, in order to implement the purposes of this Agreement as set forth above, adopts a resolution that such event or circumstance constitutes a Change in Control for the purposes of this Agreement.

3.3 "Restriction Period" means a period of time beginning on the date of the grant of Shares and ending on the Vesting Date with respect to the grant.

3.4 "Executive" means an executive of the Company named in the preamble of the Agreement.

3.5 "Vesting Date" with respect to any Shares awarded hereunder means the date when such Shares shall become unconditionally vested as provided herein.

4. Rights of Executive with regard to Shares. The Shares shall be registered in the name of the Executive and delivered to the Executive as soon as practicable after the Effective Date of this Agreement; provided, however, that Executive shall have the right to register vested shares pursuant to "piggyback" registration rights and demand registration rights subject to underwriters' discretion. The Shares shall be registered pursuant to securities laws of the United States, with all fees for such registration and issuance paid for by the Corporation. The Executive shall have all rights, powers and privileges of a holder of common stock including, but not limited to, the right to vote such Shares, to receive and retain all dividends of any kind or nature and such other distributions as the Board may in its sole discretion designate; provided, however, that such rights, powers and privileges with regard to the Shares are subject to the terms, conditions and restrictions provided in Section 5 of this Agreement. Upon vesting and the lapse of restrictions of the Shares in accordance with Section 6, the number of Shares to which such restrictions applied shall be vested in the Executive and the Corporation shall issue and deliver, as soon as practicable, a Certificate in the form of duly registered Shares under the securities laws of the United States, which shares represented by the Certificate shall be readily tradable by the Executive upon receipt of same and shall not contain the legend regarding the restrictions under this Agreement. Notwithstanding any other provisions of the Agreement, the obligations of the Corporation with respect to the Shares shall be subject to all applicable laws, rules and regulations, and such approvals by any governmental agencies as may be required.

5. Terms, Conditions and Restrictions of Grant of Shares. The Shares, as issued, shall be subject to the following terms, conditions and restrictions:

5.1 The Executive may not sell, assign, transfer, exchange or dispose of the Shares during the Restriction Period without the written consent of the Corporation.

5.2 A breach of any restrictions, terms or conditions provided in the Agreement with respect to any Shares shall cause a forfeiture of such Shares.

6. Vesting Date: Completion of Restriction Period.

- 6.1 Vesting Date. Subject to the appropriate adjustments in accordance with Section 8 of this Agreement, upon the third anniversary of the Effective Date of this Agreement, the Shares shall become vested (the "Vesting Date"), and such Shares shall be released, and all restrictions related to such Shares shall lapse and shall no longer be further subject to the Agreement. Such vesting shall be subject to earlier vesting in whole or in part upon the occurrence of an event to accelerate vesting as provided in Section 7 herein below.
- 6.2 Completion of Restriction Period. On the Vesting Date the Shares shall vest and such Shares shall be released, and all restrictions related to such Shares shall lapse and such Shares shall no longer be further subject to the Agreement as provided in Section 6.1. Any such Shares that shall not have become vested shall be forfeited to the Corporation and the Executive shall not thereafter have any rights (including dividend and voting rights) with respect to such Shares that shall have been so forfeited.

7. Acceleration of Vesting Date. Notwithstanding any other provisions of this Agreement, in the event of the occurrence of any of the following events, all outstanding Shares shall unconditionally vest in full and the restrictions with regard to such Shares shall lapse without further action on the part of the Corporation or the Executive.

- 7.1 Executive: (i) is not appointed as an Executive for any reason (other than at Executive's written request to not be nominated or appointed); (ii) does not continue as an Executive other than through the Executive's voluntary written termination as an Executive; or (iii) is terminated as an Executive without "cause." For purposes of this Agreement the term "cause" means a termination of the Executive arising out of conviction of the Executive of a capital felony crime by a court of competent jurisdiction.
- 7.2 Executive's position, authorities or duties as [TITLE OF EXECUTIVE] are changed in nature or scope, or diminished or reduced, Executive's compensation or benefits are reduced, whether vested or not, Executive is relocated to a place that Executive deems unreasonable in light of Executive's personal circumstances or any other action by or upon request of the Corporation in respect of Executive's position, authority or responsibility occurs that Executive deems to be contrary to his employment with the Corporation or which he deems to be unacceptable. Determination of whether an event under 7.2 has occurred is within the sole discretion of the Executive unless such discretion is patently erroneous, except in the determination of relocation or other action that Executive deems to be contrary to his employment with the Corporation. In such cases, Executive's discretion may not be deemed patently erroneous.
- 7.3 There is a "Change in Control" of the Corporation.
- 7.4 The death of the Executive, the disability of the Executive (as defined herein below), or the termination of Executive by the Corporation without cause. For purposes of this Agreement, the disability of Executive shall mean the inability of Executive to perform his customary and usual duties as [TITLE OF EXECUTIVE] of the Corporation.
- 7.5 Any event or action which gives rise to the inability of Executive to vote the Shares granted under this Agreement at any duly called meeting of the shareholder or other applicable corporate forum which requires a vote of the shareholders of the Corporation.
- 7.6 Any failure by the Corporation or its successors or assigns to pay duly declared and authorized dividends (cash or property) to the Executive with regard to the Shares.

8. Changes in Stock. In the event of any stock split, dividend, distribution, combination, reclassification or recapitalization that changes the character or amount of the common stock prior to the expiration of the Restriction Period with respect to the Shares, the Board shall make such adjustments in the character and number of shares subject to such Shares, as shall be equitable and appropriate, immediately after any such change, as nearly as may be practicable, equivalent to such grant, immediately prior to any such change. If any merger, consolidation or similar transaction affects the common stock subject to any unvested Shares, the Board or any surviving or acquiring corporation shall take such action as is equitable and appropriate to substitute a new grant for such Shares or to assume such grant in order to make such new or assumed grant, as nearly as may be practicable, equivalent to the old grant. If any such change or transaction shall occur, the number and kind of shares for which grants may thereafter be granted under the Agreement shall be adjusted to give effect thereto.

9. Non-alienation of Benefits. Except as specifically provided in Section 14, and subject to Section 5.1, no right or benefit under the Agreement shall be subject to alienation, sale, assignment or transfer and any attempt to alienate, sale assign or transfer shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefit.

10. Termination and Amendment of Agreement. With the consent of the Executive, the Board may make an amendment which would accelerate the Vesting Date with respect to the Shares. Without limiting the generality of the foregoing, the Board may, but solely with the Executive's written consent, agree to cancel any grant of Shares under the Agreement and issue a new grant in substitution therefor, provided that the grant so substituted shall satisfy all of the requirements of the Agreement as of the date such new grant is made.

11. Non-exclusivity of Agreement. Neither the adoption of the Agreement by the Board for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including without limitation, the awarding of stock and cash awards otherwise than under the Agreement, and such arrangements may be either generally applicable or applicable only in specific cases.

12. Withholding Taxes. The Corporation's obligation to deliver stock to the Executive upon the lapsing of restrictions and vesting of Shares may be subject to applicable federal, state and local tax withholding requirements.

13. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

14. Beneficiaries. The Executive may designate any person(s) or legal entity(ies), including his estate, as his beneficiary under the Agreement. Such designation shall be made in writing on a form as provided in Exhibit A, attached hereto, and filed with the Secretary of the Corporation or his designee and may be revoked or changed by such Executive at any time by filing written notice of such revocation or change with the Secretary of the Corporation or his designee. If no person shall be designated by an Executive as his beneficiary or if no person designated as a beneficiary survives such Executive, the Executive beneficiary shall be his estate.

15. Employment. The rights and obligations arising under this Agreement are not intended to and do not affect the employment relationship that otherwise exists between the Corporation and the Executive. Moreover, this Agreement is not intended to and does not construe or amend the Employment Agreement between the Corporation and the Executive. In the event there is a conflict between this Agreement and the Employment Agreement, each of the Agreement and the Employment Agreement shall be construed independently.

16. Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

17. Waiver of Breach. Neither the waiver by either party of a breach or violation of any provision of this Agreement nor a party's failure to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, shall operate as, or be construed to be, a waiver of any such breach or of any subsequent breach of the same or other provision hereof. No waiver shall be valid unless in writing and signed by each of the parties to this Agreement.

18. Attorney's Fees. In the event any action or proceeding at law or in equity brought by either party to this Agreement to enforce any provision of this Agreement, the Corporation shall pay all legal costs and reasonable attorneys' fees of the Executive incurred at all levels of judicial or quasi-judicial proceedings.

19. Negotiated Document. The Parties acknowledge and agree that this Agreement has been negotiated by each with the assistance of counsel, or an opportunity for counsel to assist and review the same, and no party hereto shall be considered the drafter of this Agreement so as to construe this Agreement against any such party in the event an ambiguity exists herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the day and year first above written.

GEE GROUP INC.

By: _____
[COMMITTEE CHAIR NAME]
Compensation Committee

By: _____
[SENIOR OFFICER NAME AND TITLE]

EXECUTIVE

By: _____
[SENIOR OFFICER NAME AND TITLE]

Exhibit A – Beneficiaries

Primary Beneficiary:

_____	_____
Name	Relationship

Contingent Beneficiaries¹:

_____	_____	_____
Name	Relationship	Percentage²

_____	_____	_____
Name	Relationship	Percentage²

¹ Add more lines if needed.

² Must add to 100%.

GEE GROUP INC.

EXECUTIVE PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT

This performance-based restricted stock agreement (the "Agreement"), is effective as of [DATE OF AGREEMENT], (the "Effective Date") by and between GEE GROUP INC. an ILLINOIS corporation (the "Corporation") and [NAME AND TITLE OF EXECUTIVE] (the "Executive").

WITNESSETH THAT:

WHEREAS, the Corporation has awarded and issued to Executive, [NUMBER OF PERFORMANCE-BASED RESTRICTED SHARES AWARDED (###)] performance-based restricted shares (the "Shares") of the common stock of the Corporation as of the Effective Date as a reward for prior service and as an incentive to remain with the Corporation and to work to increase the value of such stock;

WHEREAS the Shares are subject to the terms and conditions hereinafter provided;

NOW, THEREFORE, the Corporation and the Executive agree to enter into the Agreement, in consideration of the mutual covenants contained herein, as follows:

RECITALS

The recitals contained hereinabove are incorporated herein as a part of this Agreement.

1. Award. The Executive hereby is granted and has been issued the Shares as of the Effective Date, subject to all the terms and conditions of this Agreement, including but not limited to the provisions of Section 8 hereof.

2. Stock Certificate. The Executive hereby acknowledges that a stock certificate for the Shares (the "Certificate") is hereby awarded to the Executive hereunder, bearing the following legend:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of a Performance-Based Restricted Stock Agreement entered into between the registered owner and GEE Group Inc. effective as of [DATE OF AGREEMENT]. Copies of such Agreement are on file in the offices of the Secretary, GEE Group Inc., 7751 Belfort Parkway, Suite 150, Jacksonville, Florida 32256."

The Executive shall return the Certificate to the Corporation upon forfeiture of any Shares pursuant to this Agreement. Thereafter, the Corporation shall reissue a new Certificate for the number of Shares, if any, which were not forfeited.

3. Definitions. The following terms (whether used in the singular or plural) shall have the meanings indicated when used in the Agreement.

3.1 "Board" means the Board of Directors of the Corporation.

3.2 "Change in Control" for the purposes of this Agreement only shall mean at any time or from time to time:

(a) The acquisition or the threat of acquisition through an appropriate governmental filing or otherwise, directly or indirectly, however effected, by any person (as such term used in Section 13(d) of the Securities Exchange Act of 1934) of securities of the Corporation representing an aggregate of twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding voting securities prior to such acquisition transaction giving rise to such twenty percent (20%);

(b) During any period of up to two (2) consecutive years, individuals who, at the beginning of such period, constitute the Board cease for any reason to constitute at least a majority thereof, provided that any person who becomes a Director subsequent to the beginning of such period and whose nomination for election is approved by at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of such period or whose election or nomination for election was previously so approved (other than a Director) (i) whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Corporation, as such terms are used in Rule 14a-11 of Regulation 14A under the Securities and Exchange Act of 1934, as amended, or (ii) who was designated by a person who has entered into an agreement with the Corporation to effect a transaction described in clause (a), (c) or (d) hereof shall be deemed a Director as of the beginning of such period;

(c) The shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or an agreement for the sale or disposition of more than twenty percent (20%) of the Corporation's assets within a twelve (12) month period; or

(d) The occurrence of any other event or circumstance which is not covered by (a) through (c) above which the Board determines affects control of the Corporation and, in order to implement the purposes of this Agreement as set forth above, adopts a resolution that such event or circumstance constitutes a Change in Control for the purposes of this Agreement.

3.3 "Restriction Period" means a period of time beginning on the Effective Date of the grant of Shares and ending on the Vesting Date with respect to the grant.

3.4 "Executive" means the executive of the Company named as the grantee in the preamble of this Agreement.

3.5 "Performance Period" means a period of time beginning on the Effective Date and ending on the third anniversary Vesting Date.

3.6 "Vesting Date" with respect to any Shares awarded hereunder means the date when such Shares shall become vested as provided herein.

4. Rights of Executive with regard to Shares. The Shares shall be registered in the name of the Executive and delivered to the Executive as soon as practicable after the Effective Date of this Agreement; provided, however, that Executive shall have the right to register vested shares pursuant to "piggyback" registration rights and demand registration rights subject to underwriters' discretion. The Shares shall be registered pursuant to securities laws of the United States, with all fees for such registration and issuance paid for by the Corporation. The Executive shall have all rights, powers and privileges of a holder of common stock including, but not limited to, the right to vote such Shares, to receive and retain all dividends of any kind or nature and such other distributions as the Board may in its sole discretion designate; provided, however, that such rights, powers and privileges with regard to the Shares are subject to the terms, conditions and restrictions provided in Section 5 of this Agreement. Upon vesting and the lapse of restrictions of the Shares in accordance with Section 6, the number of Shares to which such restrictions applied shall be vested in the Executive and the Corporation shall issue and deliver, as soon as practicable, a Certificate in the form of duly registered Shares under the securities laws of the United States, which shares represented by the Certificate shall be readily tradable by the Executive upon receipt of same and shall not contain the legend regarding the restrictions under this Agreement. Notwithstanding any other provisions of the Agreement, the obligations of the Corporation with respect to the Shares shall be subject to all applicable laws, rules and regulations, and such approvals by any governmental agencies as may be required.

5. Terms, Conditions and Restrictions of Grant of Shares. The Shares, as issued, shall be subject to the following terms, conditions and restrictions:

- 5.1 The Executive may not sell, assign, transfer, exchange or dispose of the Shares during the Restriction Period without the written consent of the Corporation.
- 5.2 A breach of any restrictions, terms, or conditions provided in the Agreement with respect to any Shares shall cause a forfeiture of such Shares.

6. Vesting Date. Subject to the appropriate adjustments in accordance with Section 8 of this Agreement, and provided that the Executive remains continuously employed, the Shares shall vest on the third anniversary of the Effective Date (the "Vesting Date"), except with the additional performance conditions that during the Performance Period, a one-third pro rata portion of the Shares may be adjusted as of each of the three anniversary dates subsequent to the Effective Date based upon the Corporation's performance for each respective fiscal year ended just prior to each such anniversary date and based on the performance metrics then in effect for each such fiscal year as set forth on Exhibit B attached hereto. Such vesting shall be subject to earlier vesting in whole or in part upon the occurrence of an event to accelerate vesting as provided in Section 7 herein below. Any such Shares that shall not have become vested shall be forfeited to the Corporation and the Executive shall not thereafter have any rights (including dividend and voting rights) with respect to such Shares that shall have been so forfeited.

7. Acceleration of Vesting Date. Notwithstanding any other provisions of this Agreement, in the event of the occurrence of any of the following events, all outstanding Shares shall unconditionally vest in full and the restrictions with regard to such Shares shall lapse without further action on the part of the Corporation or the Executive.

- 7.1 Executive: (i) is not appointed as an Executive for any reason (other than at Executive's written request to not be nominated or appointed); (ii) does not continue as an Executive other than through the Executive's voluntary written termination as an Executive; or (iii) is terminated as an Executive without "cause." For purposes of this Agreement the term "cause" means a termination of the Executive arising out of conviction of the Executive of a capital felony crime by a court of competent jurisdiction.
- 7.2 Executive's position, authorities or duties as [NAME AND TITLE OF EXECUTIVE] are changed in nature or scope, or diminished or reduced, Executive's compensation or benefits are reduced, whether vested or not, Executive is relocated to a place that Executive deems unreasonable in light of Executive's personal circumstances or any other action by or upon request of the Corporation in respect of Executive's position, authority or responsibility occurs that Executive deems to be contrary to his employment with the Corporation or which he deems to be unacceptable. Determination of whether an event under 7.2 has occurred is within the sole discretion of the Executive unless such discretion is patently erroneous, except in the determination of relocation or other action that Executive deems to be contrary to his employment with the Corporation. In such cases, Executive's discretion may not be deemed patently erroneous.
- 7.3 There is a "Change in Control" of the Corporation.
- 7.4 The death of the Executive, the disability of the Executive (as defined herein below), or the termination of Executive by the Corporation without cause. For purposes of this Agreement, the disability of Executive shall mean the inability of Executive to perform his customary and usual duties as [NAME AND TITLE OF EXECUTIVE] of the Corporation.

7.5 Any event or action which gives rise to the inability of Executive to vote the Shares granted under this Agreement at any duly called meeting of the shareholder or other applicable corporate forum which requires a vote of the shareholders of the Corporation.

7.6 Any failure by the Corporation or its successors or assigns to pay duly declared and authorized dividends (cash or property) to the Executive with regard to the Shares.

8. Changes in Stock. In the event of any stock split, dividend, distribution, combination, reclassification or recapitalization that changes the character or amount of the common stock prior to the expiration of the Restriction Period with respect to the Shares, the Board shall make such adjustments in the character and number of shares subject to such Shares, as shall be equitable and appropriate, immediately after any such change, as nearly as may be practicable, equivalent to such grant, immediately prior to any such change. If any merger, consolidation or similar transaction affects the common stock subject to any unvested Shares, the Board or any surviving or acquiring corporation shall take such action as is equitable and appropriate to substitute a new grant for such Shares or to assume such grant in order to make such new or assumed grant, as nearly as may be practicable, equivalent to the old grant. If any such change or transaction shall occur, the number and kind of shares for which grants may thereafter be granted under the Agreement shall be adjusted to give effect thereto.

9. Non-alienation of Benefits. Except as specifically provided in Section 14, and subject to Section 5.1, no right or benefit under the Agreement shall be subject to alienation, sale, assignment or transfer and any attempt to alienate, sale assign or transfer shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefit.

10. Termination and Amendment of Agreement. With the consent of the Executive, the Board may make an amendment which would accelerate the Vesting Dates with respect to the Shares. Without limiting the generality of the foregoing, the Board may, but solely with the Executive's written consent, agree to cancel any grant of Shares under the Agreement and issue a new grant in substitution therefor, provided that the grant so substituted shall satisfy all of the requirements of the Agreement as of the date such new grant is made.

11. Non-exclusivity of Agreement. Neither the adoption of the Agreement by the Board for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including without limitation, the awarding of stock and cash awards otherwise than under the Agreement, and such arrangements may be either generally applicable or applicable only in specific cases.

12. Withholding Taxes. The Corporation's obligation to deliver stock to the Executive upon the lapsing of restrictions and vesting of Shares may be subject to applicable federal, state and local tax withholding requirements.

13. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

14. Beneficiaries. The Executive may designate any person(s) or legal entity(ies), including his estate, as his beneficiary under the Agreement. Such designation shall be made in writing on a form as provided in Exhibit A, attached hereto, and filed with the Secretary of the Corporation or his designee and may be revoked or changed by such Executive at any time by filing written notice of such revocation or change with the Secretary of the Corporation or his designee. If no person shall be designated by an Executive as his beneficiary or if no person designated as a beneficiary survives such Executive, the Executive's beneficiary shall be his estate.

15. Employment. The rights and obligations arising under this Agreement are not intended to and do not affect the employment relationship that otherwise exists between the Corporation and the Executive. Moreover, this Agreement is not intended to and does not construe or amend the Employment Agreement between the Corporation and the Executive. In the event there is a conflict between this Agreement and the Employment Agreement, each of the Agreement and the Employment Agreement shall be construed independently.

16. Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

17. Waiver of Breach. Neither the waiver by either party of a breach or violation of any provision of this Agreement nor a party's failure to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, shall operate as, or be construed to be, a waiver of any such breach or of any subsequent breach of the same or other provision hereof. No waiver shall be valid unless in writing and signed by each of the parties to this Agreement.

18. Attorney's Fees. In the event any action or proceeding at law or in equity brought by either party to this Agreement to enforce any provision of this Agreement, the Corporation shall pay all legal costs and reasonable attorneys' fees of the Executive incurred at all levels of judicial or quasi-judicial proceedings.

19. Negotiated Document. The Parties acknowledge and agree that this Agreement has been negotiated by each with the assistance of counsel, or an opportunity for counsel to assist and review the same, and no party hereto shall be considered the drafter of this Agreement so as to construe this Agreement against any such party in the event an ambiguity exists herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the day and year first above written.

GEE GROUP INC.

By: _____
[COMMITTEE CHAIR NAME]
Compensation Committee

By: _____
[SENIOR OFFICER NAME AND TITLE]

By: _____
[SENIOR OFFICER NAME AND TITLE]

Exhibit A – Beneficiaries

Primary Beneficiary:

Name Relationship

Contingent Beneficiaries¹:

Name Relationship **Percentage²**

Name Relationship **Percentage²**

¹ Add more lines if needed.

² Must add to 100%.

Exhibit B – Performance Criteria

Performance Conditions:

The Shares under this agreement, or portions thereof, shall become vested at the end of the third anniversary date (“Vesting Date”), based on whether and to what extent the Performance Conditions are met. Each of the three anniversary dates subsequent to the Effective Date will serve as a measurement date (collectively referred to as the Performance Period) for the Performance Conditions. The Performance Conditions shall be set based upon the Adjusted EBITDA and Revenue achieved for each of the completed fiscal years immediately prior to each anniversary date in relation to the financial targets set by the Compensation Committee and Board of Directors under the Annual Incentive Compensation program (“AICP”) for each fiscal year.

Using the first tranche in fiscal 20XX for illustrative purposes, the annual Adjusted EBITDA and Revenue financial targets for fiscal 2023, as defined in the AICP and approved by the Board of Directors are [\$_____] and [\$_____], respectively. Of the [NUMBER OF PERFORMANCE-BASED RESTRICTED SHARES AWARDED (###)] performance-based restricted shares awarded, one-third of the awards, or [_____] shares, will be measured at the first anniversary date ([_____] , 20XY) using fiscal year 20XY Performance Conditions based on the following table.

[TABLE INSERTED HERE]

ILLUSTRATION ONLY: Assuming actual FY 20XY Revenue of [\$_____], and Adjusted EBITDA of [\$_____] are achieved for fiscal 20XY, _____ restricted shares of the first [_____] pro-rata tranche of the FY 20XX award would qualify for vesting on the third anniversary date (_____ on account of Revenue and [_____] on account of AEBITDA). The remaining [_____] unvested restricted shares would become forfeited.

CERTIFICATION

I, Derek Dewan, certify that:

1. I have reviewed this Form 10-Q quarterly report for the three months ended December 31, 2022 of GEE Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2023

/s/ Derek Dewan

Derek Dewan
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Kim Thorpe, certify that:

1. I have reviewed this Form 10-Q quarterly report for the three months ended December 31, 2022 of GEE Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2023

/s/ Kim Thorpe

Kim Thorpe
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

In connection with the Quarterly Report of GEE Group Inc. (the "Company") on Form 10-Q for the three months ended December 31, 2022 filed with the Securities and Exchange Commission (the "Report"), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: February 14, 2023

By: /s/ Derek Dewan
Derek Dewan
Chief Executive Office
(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

In connection with the Quarterly Report of GEE Group Inc. (the "Company") on Form 10-Q for the three months ended December 31, 2022 filed with the Securities and Exchange Commission (the "Report"), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: February 14, 2023

By: /s/ Kim Thorpe
Kim Thorpe
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)