

**FOR IMMEDIATE RELEASE**

# CALDWELL REPORTS STRONG GROWTH IN REVENUE AND OPERATING PROFIT

– HIGHLIGHTS:

- Quarterly revenue of \$41.7M, a 271% increase year-over-year.
- Full year revenue of \$119.8M, a 106% increase year-over-year.

Toronto - November 16, 2021 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the fiscal 2021 fourth quarter and full year ended August 31, 2021. All references to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars. Financial results include those of IQTalent Partners, Inc. (IQTP) beginning on the date of acquisition of December 31, 2020.

Financial Highlights (in \$000s except per share amounts)

	Three Months Ended		Year Ended	
	8.31.21	8.31.20	8.31.21 <sup>1</sup>	8.31.20
Professional fees - Caldwell	31,429	11,152	96,120	56,867
Professional fees - IQTP	10,181	-	23,287	-
Consolidated professional fees	41,610	11,152	119,407	56,867
Direct expense reimbursements	128	102	359	1,326
Revenues	41,738	11,254	119,766	58,193
Cost of sales	32,468	8,696	90,621	44,352
Government stimulus grants	-	(2,205)	(334)	(2,446)
Reimbursed direct expenses	128	102	359	1,326
Gross profit	9,142	4,661	29,120	14,961
Selling, general and administrative expenses	7,117	2,752	20,738	11,588
Acquisition-related expenses <sup>2</sup>	793	-	2,453	-
Government stimulus grants	-	(393)	-	(393)
Operating profit	1,232	2,302	5,929	3,766
Interest expense on lease liability	116	147	464	367
Interest expense on loans payable	7	-	27	-

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Investment (income) loss	(13)	(7)	(32)	605
Foreign exchange (income) loss	(301)	(128)	53	(179)
Earnings before tax	1,423	2,290	5,417	2,973
Income tax expense <sup>3</sup>	440	(282)	898	127
Net earnings after tax	983	2,572	4,519	2,846
Basic earnings per share	\$0.039	\$0.126	\$0.190	\$0.139

- 1) Results include operations from IQTP for the eight months post-acquisition date of December 31, 2020 with intercompany amounts eliminated.
- 2) Acquisition-related expenses consist of transaction fees and IQTP purchase price structured as compensation expense which will end on December 31, 2022.
- 3) Income tax expense during the year ended August 31, 2021 includes \$562 of income from a favourable tax ruling change during the second quarter allowing for the deductibility on the valid use of PPP funds which had previously been disallowed.

“Fiscal 2021 was a year of enormous and transformational growth for Caldwell,” said John Wallace, chief executive officer. “It was busy, unpredictable, and set against an unprecedented backdrop, yet we had one of the most extraordinary years in our firm’s history, growing the size of our team, expanding our products and services, and breaking all-time records for a number of key metrics.

“After a challenging second half of Fiscal 2020, our executive search team came roaring back, setting new records for revenue, search volume, and searches per recruiter. Strategic additions to the partner and principal team expanded our global footprint significantly and added depth and breadth to our capabilities across functions, practices and geographies. Our December acquisition of IQTalent Partners accelerated our growth, advancing us into a new market for augmenting internal talent teams on an hourly business model. The IQTP team’s year was also one best summed up by amplified growth, closing out the fiscal year close to triple their prior year preacquisition performance. More than a phenomenal investment, IQTP is a fantastic cultural fit, and a real expansion of our collective value proposition.”

Wallace continued: “With strong demand from clients and a robust pipeline, we closed out the fiscal year in a powerful position. We are excited for the fiscal year ahead and while we expect some easing in our clients’ surge of post-pandemic hiring activity, we anticipate strong growth at IQTP and continued growth in the aggregate. Supported by our solid balance sheet, we do continue to seek out additional portfolio investments that will add to the breadth and depth of the products and services that we can bring to our clients.”

For a complete discussion of the quarterly financial results, including a detailed segment analysis, please see the company’s Management Discussion and Analysis posted on SEDAR at [www.sedar.com](http://www.sedar.com).

## About Caldwell Partners

Caldwell Partners is a technology-powered talent acquisition firm specializing in recruitment at all levels. Through two distinct brands - Caldwell and IQTalent Partners - the firm leverages the latest innovations in AI to offer an integrated spectrum of services delivered by teams with deep knowledge in their respective areas. Services include candidate research and sourcing through to full recruitment at the professional, executive and board levels, as well as a suite of talent

strategy and assessment tools that can help clients hire the right people, then manage and inspire them to achieve maximum business results.

Caldwell Partners' common shares are listed on The Toronto Stock Exchange (TSX: CWL) and trade on the OTCQX Market (OTCQX: CWLPF). Please visit our website at [www.caldwellpartners.com](http://www.caldwellpartners.com) for further information.

## Forward-Looking Statements

*Forward-looking statements in this document are based on current expectations that are subject to the significant risks and uncertainties cited. These forward-looking statements generally can be identified by use of statements that include phrases such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “may,” “will,” “likely,” “estimates,” “potential,” “continue” or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. The Company is subject to many factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement including, but not limited to, software that we license from third parties, our ability to successfully recover from a disaster or other business continuity issues, successfully integrating or realizing the expected benefits from our acquisitions, adverse operating issues from acquired businesses, our ability to attract and retain key personnel; exposure to our partners taking our clients with them to another firm; the performance of the US, Canadian and international economies, including the impact of pandemic diseases; competition from other companies directly or indirectly engaged in executive search; liability risk in the services we perform; potential legal liability from clients, employees and candidates for employment; cybersecurity requirements, vulnerabilities, threats and attacks; damage to our brand reputation; our ability to align our cost structure to changes in our revenue; adverse governmental and tax law rulings; our ability to generate sufficient cash flow from operations to support our growth and fund any dividends; technological advances may significantly disrupt the labour market and weaken demand for human capital at a rapid rate; foreign currency exchange rate fluctuations; affiliation agreements may fail to renew or affiliates may be acquired; marketable securities valuation fluctuations; increasing dependence on third parties for the execution of critical functions; volatility of the market price and volume of our common shares; potential impairment of our acquired goodwill and intangible assets; and disruption as a result of actions of certain stockholders or potential acquirers of the Company. For more information on the factors that could affect the outcome of forward-looking statements, refer to the “Risk Factors” section of our Annual Information Form and other public filings (copies of which may be obtained at [www.sedar.com](http://www.sedar.com)). These factors should be considered carefully, and the reader should not place undue reliance on forward-looking statements. Although any forward-looking statements are based on what management currently believes to be reasonable assumptions, we cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. Except as required by Canadian securities laws, we do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.*

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# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in \$000s Canadian)

	<i>As at</i> <i>August 31</i> <i>2021</i>	<i>As at</i> <i>August 31</i> <i>2020</i>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	29,214	14,481
Accounts receivable	23,218	7,316
Income taxes receivable	-	928
Unbilled revenue	4,217	2,430
Prepaid expenses and other assets	2,332	2,553
	58,981	27,708
Non-current assets		
Restricted cash	2,624	45
Marketable securities	242	71
Advances	506	695
Property and equipment	1,970	2,128
Right-of-use assets	9,549	7,691
Intangible assets	234	-
Goodwill	7,960	1,288
Deferred income taxes	5,067	1,245
<b>Total assets</b>	<b>87,133</b>	<b>40,871</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	4,640	1,764
Compensation payable	36,852	12,812
Income taxes payable	3,007	-
Lease liability	1,868	1,873
Loans Payable	176	-
	46,543	16,449
Non-current liabilities		
Compensation payable	6,278	734
Lease liability	8,560	6,932
	61,381	24,115
Equity attributable to owners of the Company		
Share capital	12,157	7,515
Contributed surplus	15,063	15,013
Accumulated other comprehensive income	204	419
Deficit	(1,672)	(6,191)
<b>Total equity</b>	<b>25,752</b>	<b>16,756</b>
<b>Total liabilities and equity</b>	<b>87,133</b>	<b>40,871</b>

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF EARNINGS

Twelve months ended  
August 31

(in \$000s Canadian, except per share amounts)

2021 2020<sup>1</sup>

Revenues		
Professional fees	119,407	56,867
Direct expense reimbursements	359	1,326
	119,766	58,193
Cost of sales expenses		
Cost of sales	90,621	44,352
Government stimulus grants	(334)	(2,446)
Reimbursed direct expenses	359	1,326
	90,646	43,232
Gross profit	29,120	14,961
Selling, general and administrative	20,738	11,588
Acquisition-related expenses	2,453	-
Government stimulus grants	-	(393)
	23,191	11,195
Operating profit	5,929	3,766
Finance expenses (income)		
Interest expense on lease liability	464	367
Interest expense on loans payable	27	-
Investment (income) loss	(32)	605
Foreign exchange loss (income)	53	(179)
Earnings before income tax	5,417	2,973
Income tax expense	898	127
Net earnings for the year attributable to owners of the Company	4,519	2,846
Earnings per share		
Basic	\$0.190	\$0.139
Diluted	\$0.186	\$0.139

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(in \$000s Canadian)

Twelve months ended  
August 31

2021 2020

Net earnings for the period	4,519	2,846
Other comprehensive income:		
Items that may be reclassified subsequently to net earnings		
Gain on marketable securities	165	210
Cumulative translation adjustment	(380)	(372)
Comprehensive earnings for the year attributable to owners of the Company	4,304	2,684

<sup>1</sup> Certain comparative figures have been restated to conform with current year presentation.

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in \$000s Canadian)

	Accumulated Other Comprehensive Income (Loss)					
	Deficit	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Gain on Marketable Securities	Total Equity
<b>Balance - August 31, 2019</b>	<b>(9,256)</b>	<b>7,515</b>	<b>15,005</b>	<b>967</b>	<b>(386)</b>	<b>13,845</b>
Adoption of IFRS 16	1,137	-	-	-	-	1,137
Net earnings for the year	2,846	-	-	-	-	2,846
Dividend payments declared	(918)	-	-	-	-	(918)
Share based payment expense	-	-	8	-	-	8
Gain on marketable securities available for sale	-	-	-	-	210	210
Change in cumulative translation adjustment	-	-	-	(372)	-	(372)
<b>Balance - August 31, 2020</b>	<b>(6,191)</b>	<b>7,515</b>	<b>15,013</b>	<b>595</b>	<b>(176)</b>	<b>16,756</b>
Net earnings for the year	4,519	-	-	-	-	4,519
Common share issuance	-	4,642	-	-	-	4,642
Share-based payment expense	-	-	50	-	-	50
Gain on marketable securities available for sale	-	-	-	-	165	165
Change in cumulative translation adjustment	-	-	-	(380)	-	(380)
<b>Balance - August 31, 2021</b>	<b>(1,672)</b>	<b>12,157</b>	<b>15,063</b>	<b>215</b>	<b>(11)</b>	<b>25,752</b>

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF CASH FLOW

(in \$000s Canadian)

	<i>Twelve months ended</i>	
	<i>August 31</i>	
	<i>2021</i>	<i>2020</i>
Cash flow provided by (used in)		
Operating activities		
Net earnings for the year	4,519	2,846
Add (deduct) items not affecting cash		
Depreciation of property and equipment	393	461
Depreciation of right-of-use assets	1,982	1,565
Amortization of intangible assets	19	-
Amortization of advances	646	1,128
Interest expense on lease liabilities	464	367
Share based payment expense	50	8
Loss (gain) on unrealized foreign exchange on subsidiary loans	13	(262)
Gain on lease modification	(37)	-
Interest on loans payable	27	-
Gain on government stimulus grants	-	(2,132)
Loss on disposition of assets	-	103
Loss on disposition of right-of-use assets	-	87
Reduction in lease liability due to early termination	-	(91)
Fees received in shares	-	(23)
Loss on marketable securities classified as FVPL	-	625
Decrease in deferred income taxes	-	520
Changes in working capital	16,802	(3,813)
<b>Net cash provided by operating activities</b>	<b>24,878</b>	<b>1,389</b>
Investing activities		
Acquisition of business, net of cash acquired	(3,238)	-
Payment of advances	(437)	(576)
Purchase of property and equipment	(251)	(1,320)
Purchase of marketable securities	(180)	
Purchase of intangible assets	(108)	
Sale of marketable securities	289	
Tenant inducement on right-of-use assets	-	367
Proceeds from sale of marketable securities	-	5,207
<b>Net cash (used in) provided by investing activities</b>	<b>(3,925)</b>	<b>3,678</b>
Financing activities		
Increase in restricted cash	(2,619)	-
Payment of lease liabilities	(2,619)	(2,021)
Payment of loans payable	(1,043)	-
Sublease payments received	346	310
Dividend payments	-	(1,377)
Proceeds from government loan	-	2,267
<b>Net cash used in financing activities</b>	<b>(5,935)</b>	<b>(821)</b>
Effect of exchange rate changes on cash and cash equivalents	(284)	(388)
<b>Net increase in cash and cash equivalents</b>	<b>14,733</b>	<b>3,858</b>
Cash and cash equivalents, beginning of year	14,481	10,623
<b>Cash and cash equivalents, end of period</b>	<b>29,214</b>	<b>14,481</b>