

FOR IMMEDIATE RELEASE

CALDWELL REPORTS FIRST QUARTER RESULTS

Toronto - January 9, 2025 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the first quarter of fiscal 2025, ended November 30, 2024. All references to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars.

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

	Three Months Ended	
	11.30.24	11.30.23
Professional fees - Caldwell	18,389	14,166
Professional fees - IQTalent ¹	2,766	3,170
Consolidated professional fees	21,155	17,336
Direct expense reimbursements	205	199
Revenues	21,360	17,535
Cost of sales	16,943	15,044
Reimbursed direct expenses	205	199
Gross profit	4,212	2,292
Selling, general and administrative expenses ²	4,193	4,522
Restructuring income ³	-	(7,979)
Operating profit	19	5,749
Finance expenses (income)	(486)	412
Earnings before tax	505	5,337
Income tax expense	40	1,559
Net earnings after tax	465	3,778
Basic earnings per share	\$0.016	\$0.128
Basic earnings (loss) per share adjusted for restructuring income ⁴	\$0.016	(\$0.044)

1) Professional fees of IQTalent are presented net of elimination of intercompany revenue.

2) Selling, general and administrative expenses include an expense of \$63 related to share-based compensation as a result of share price increase in the current quarter, compared to a benefit of \$43 in the same quarter last year.

3) Restructuring income of \$7,979 in the first quarter of the prior year includes separation expense of \$1,089 for management staff reductions at IQTalent, more than offset by a net gain on lease termination of \$9,068 as IQTalent negotiated a termination of its Nashville leased facility resulting in a recovery of lease impairment charges expensed in the fourth quarter of the prior year.

4) Non-GAAP measure calculated by excluding tax-adjusted restructuring income from net earnings after tax, and dividing by the number of shares outstanding at the end of the period. This measure allows for enhanced comparability of the current quarter results compared to the same quarter last year. See following page for the calculation.

“Our first quarter was characterized by a blend of growth and stability,” said Chris Beck, chief executive officer. “Caldwell saw a meaningful rebound in professional fees, driven by a significant increase in new search assignments where first quarter professional fees of \$18.4 million represented a year over year increase of 30%. While we have yet to see a broad-based pickup at IQTalent, continued stability reflects both the reliability of the on-demand talent acquisition support we provide to clients, as well as the success of our streamlined operations.”

“While we remain mindful of broader economic factors that could impact hiring demand in the months ahead, the positive trend in new search assignments year over year is encouraging, and has continued through today, positioning us well for our second quarter.”

Beck continued: “We continue to remain focused on adaptability and delivering exceptional client outcomes, and we’re excited to announce new partner additions in the coming months. Our ability to offer integrated talent solutions through Caldwell and IQTalent provides a compelling value proposition in the market. By aligning our services and investing in technology-driven solutions, we are able to support our clients’ hiring needs at all levels and drive sustainable growth.”

The Board of Directors today also declared a dividend of 0.25 cents per Common Share (one-quarter of a cent per Common Share), payable to holders of Common Shares of record on January 20, 2025, to be paid on March 14, 2025.

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 - 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.caldwell.com for further information.

Adjusted Earnings Per Share (EPS)

The table below reconciles adjusted EPS, which is a non-GAAP financial measure, to our reported net earnings after tax. Restructuring income was \$nil for the first quarter of fiscal 2025. As a result, adjusted EPS was the same as reported EPS for this period.

	Three months ended
	11.30.23
Net earnings after tax (reported)	\$3,778
Less: After-tax restructuring income ¹	<u>\$5,072</u>
Adjusted loss	(\$1,294)
Weighted average number of common shares outstanding	29,558,932
Basic loss per share adjusted for restructuring income	(\$0.044)

1) Calculated by applying IQTalent’s fiscal 2024 effective tax rate of 36.4% to pre-tax restructuring income of \$7,979:

Restructuring income	\$7,979
Less: Tax at 36.4%	<u>\$2,907</u>
After-tax restructuring income	\$5,072

Forward-Looking Statements

Forward-looking statements in this document are based on current expectations subject to the significant risks and uncertainties cited. These forward-looking statements generally can be identified by the 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.

We are 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, the impact of pandemic diseases, 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; risks related to deposit-taking institutions; foreign currency exchange rate fluctuations; competition from other companies directly or indirectly engaged in talent acquisition; cybersecurity requirements, vulnerabilities, threats and attacks; damage to our brand reputation; our ability to align our cost structure to changes in our revenue; liability risk in the services we perform; potential legal liability from clients, employees and candidates for employment; reliance on software that we license from third parties; reliance on third-party contractors for talent acquisition support; the classification of third-party labour as contractors versus employee relationships; our ability to successfully recover from a disaster or other business continuity issues; adverse governmental and tax law rulings; successfully integrating or realizing the expected benefits from our acquisitions, adverse operating issues from acquired businesses; volatility of the market price and trading volume of our common shares; technological advances may significantly disrupt the labour market and weaken demand for human capital at a rapid rate; affiliation agreements may fail to renew or affiliates may be acquired; the impact on profitability from marketable securities valuation fluctuations; increasing dependence on third parties for the execution of critical functions; our ability to generate sufficient cash flow from operations to support our growth and fund any dividends; 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). 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. 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 INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$000s Canadian)

	<i>As at</i> <i>November 30</i> <i>2024</i>	<i>As at</i> <i>August 31</i> <i>2024</i>
Assets		
Current assets		
Cash and cash equivalents	13,721	19,634
Accounts receivable	14,014	12,664
Income taxes receivable	250	177
Unbilled revenue	6,275	5,859
Prepaid expenses and other assets	1,671	2,327
	35,931	40,661
Non-current assets		
Prepaid expenses and other assets	286	276
Investments	1,718	1,682
Advances	742	904
Deferred income taxes	7,247	6,851
Property and equipment	1,666	1,698
Right-of-use assets	5,186	5,406
Intangible assets	77	88
Goodwill	11,540	11,186
	31,552	31,101
Total assets	64,393	68,752
Liabilities		
Current liabilities		
Accounts payable	2,950	3,409
Dividend payable	73	-
Compensation payable	21,057	26,023
Lease liability	1,623	1,644
	25,703	31,076
Non-current liabilities		
Compensation payable	818	692
Lease liability	4,669	4,858
	5,487	5,550
Equity attributable to owners of the Company		
Share capital	15,392	15,392
Contributed surplus	15,606	15,541
Accumulated other comprehensive income	2,422	1,802
Deficit	(217)	(609)
Total equity	33,203	32,126
Total liabilities and equity	64,393	68,752

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

Three months ended

November 30,

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

2024

2023

Revenues		
Professional fees	21,155	17,336
Direct expense reimbursements	205	199
	21,360	17,535
Cost of sales expenses		
Cost of sales	16,943	15,044
Reimbursed direct expenses	205	199
	17,148	15,243
Gross profit	4,212	2,292
Selling, general and administrative	4,193	4,522
Restructuring and other (income) expense	-	(7,979)
	4,193	(3,457)
Operating profit	19	5,749
Finance expenses (income)		
Interest expense on lease liability	101	397
Investment (income) expense	(121)	10
Foreign exchange (income) loss	(466)	5
Earnings before income tax	505	5,337
Income tax expense	40	1,559
Net earnings for the period attributable to owners of the Company	465	3,778
Earnings per share		
Basic and diluted	\$0.016	\$0.128

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

Three months ended

November 30,

2024

2023

Net earnings for the period	465	3,778
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net earnings		
Gain on marketable securities	1	5
Cumulative translation adjustment	619	3
Comprehensive earnings for the period attributable to owners of the Company	1,085	3,786

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

	Retained Earnings/ (Deficit)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)		Total Equity
				Cumulative Translation Adjustment	Gain on Marketable Securities	
Balance - August 31, 2023	(4,797)	15,392	15,282	1,886	(39)	27,724
Net earnings for the three months ended November 30, 2023	3,778	-	-	-	-	3,778
Share-based payment expense (note 15)	-	-	66	-	-	66
Gain on marketable securities available for sale (note 4)	-	-	-	-	5	5
Change in cumulative translation adjustment	-	-	-	3	-	3
Balance - November 30, 2023	(1,019)	15,392	15,348	1,889	(34)	31,576
Balance - August 31, 2024	(609)	15,392	15,541	1,806	(4)	32,126
Net earnings for the three months ended November 30, 2024	465	-	-	-	-	465
Share-based payment expense (note 15)	-	-	65	-	-	65
Dividend payments declared (note 15)	(73)	-	-	-	-	(73)
Gain on marketable securities available for sale (note 4)	-	-	-	-	1	1
Change in cumulative translation adjustment	-	-	-	619	-	619
Balance - November 30, 2024	(217)	15,392	15,606	2,425	(3)	33,203

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	<i>Three months ended</i>	
	<i>November 30,</i>	
	<i>2024</i>	<i>2023</i>
Cash flow provided by (used in)		
Operating activities		
Net earnings for the period	465	3,778
Add (deduct) items not affecting cash		
Depreciation of property and equipment	106	92
Depreciation of right-of-use assets	327	462
Amortization of intangible assets	14	14
Amortization of advances	154	124
Interest expense on lease liabilities	101	397
Share based payment expense	65	66
(Gain) loss on unrealized foreign exchange on subsidiary loans	(311)	3
Losses related to equity accounted associate	28	131
Net gain on lease modification	-	(7,741)
Changes in working capital	(7,122)	(2,386)
Net cash used in operating activities	(6,173)	(5,060)
Investing activities		
Purchase of property and equipment	(46)	(40)
Payment of advances	(240)	(21)
Repayment of advances	859	-
Purchase of marketable securities	-	(64)
Net cash provided by (used in) investing activities	573	(125)
Financing activities		
Payment of lease liabilities	(432)	(559)
Sublease payments received	-	16
Net cash used in financing activities	(432)	(543)
Effect of exchange rate changes on cash and cash equivalents	119	(15)
Net decrease in cash and cash equivalents	(5,913)	(5,743)
Cash and cash equivalents, beginning of year	19,634	22,053
Cash and cash equivalents, end of period	13,721	16,310