

FOR IMMEDIATE RELEASE

CALDWELL REPORTS RECORD QUARTERLY REVENUE AND OPERATING PROFIT

– THIRD QUARTER HIGHLIGHTS:

- \$35.8M of revenue, a 210% increase year-over-year.
- \$3.2M of operating profit, a 336% increase year-over-year.

Toronto - July 8, 2021 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the fiscal 2021 third quarter ended May 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		Nine Months Ended	
	5.31.21	5.31.20	5.31.21	5.31.20
Professional fees - Caldwell	26,914	11,262	64,691	45,715
Professional fees - IQTP	8,821	-	13,106	-
Consolidated professional fees	35,735	11,262	77,797	45,715
Direct expense reimbursements	84	294	231	1,224
Revenues	35,819	11,556	78,028	46,939
Cost of sales	26,737	9,166	58,153	35,656
Government stimulus grants	(68)	(241)	(334)	(241)
Reimbursed direct expenses	84	294	231	1,224
Gross profit	9,066	2,337	19,978	10,300
Selling, general and administrative expenses	5,058	1,600	13,621	8,836
Acquisition-related expenses ²	791	-	1,660	-
Operating profit	3,217	737	4,697	1,464
Interest expense on lease liability	121	92	348	220
Interest expense on loans payable	11	-	20	-

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Investment (income) loss	(5)	748	(19)	612
Foreign exchange loss (gain)	249	90	354	(51)
Earnings (loss) before tax	2,841	(193)	3,994	683
Income tax expense ³	609	311	458	409
Net earnings (loss) after tax	2,232	(504)	3,536	274
Basic earnings (loss) per share	\$0.088	(\$0.025)	\$0.152	\$0.013

- 1) Results include operations from IQTP for the five 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 finish amortizing on December 31, 2022.
- 3) Income tax expense during the nine months ended May 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.

“Our third quarter revenue of \$35.8 million represents a 210 percent increase over the prior year and our operating profit of \$3.2 million represents a 336 percent increase over the prior year,” said John Wallace, chief executive officer. “Both financial results are the highest in our history, and while we are all participating in a vibrant market, there is no doubt that this has been a breakthrough year for Caldwell, in all aspects of our business.”

Wallace continued: “Our Caldwell executive search organization saw a year-over-year increase of 134 percent - all of which came from organic growth. We have a larger partner team who are working on more searches per year at higher fee levels. Our IQTalent Partners segment delivered 76% of the consolidated year-over-year increase in revenue, responding to the ongoing economic recovery in the talent sector and seeing significant and sustained growth in demand for its services since pandemic lows. IQTP’s flexible on-demand pricing model coupled with their innovative use of AI technology is resonating with clients. In addition, our lead generation programs and robust word-of-mouth referrals continue to provide a strong pipeline for IQTP’s growth.

Our continuing vision for our two brands, working in tandem, is for IQTP to be a constant presence at our clients, providing recurring talent acquisition support, with Caldwell engaged for higher-end retained executive searches not done by the in-house teams. Together, we have created a comprehensive and seamless integration of products and services that addresses the talent acquisition needs at all levels for 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.

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 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). 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 INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$000s Canadian)

	<i>As at</i> May 31 2021	<i>As at</i> August 31 2020
Assets		
Current assets		
Cash and cash equivalents	20,158	14,481
Accounts receivable	18,295	7,316
Income taxes receivable	1,099	928
Unbilled revenue	3,336	2,430
Prepaid expenses and other assets	2,337	2,553
	45,225	27,708
Non-current assets		
Restricted cash	2,511	45
Marketable securities	175	71
Advances	346	695
Property and equipment	1,936	2,128
Right-of-use assets	9,650	7,691
Intangible assets	303	-
Goodwill	7,295	1,288
Deferred income taxes	1,161	1,245
Total assets	68,602	40,871
Liabilities		
Current liabilities		
Accounts payable	2,280	1,764
Compensation payable	26,959	12,812
Lease liability	1,866	1,873
	31,105	16,449
Non-current liabilities		
Compensation payable	3,776	734
Loans Payable	1,080	-
Lease liability	8,737	6,932
	44,698	24,115
Equity attributable to owners of the Company		
Share capital	12,157	7,515
Contributed surplus	15,050	15,013
Accumulated other comprehensive (loss) income	(648)	419
Deficit	(2,655)	(6,191)
Total equity	23,904	16,756
Total liabilities and equity	68,602	40,871

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

<i>(unaudited - in \$000s Canadian, except per share amounts)</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>May 31</i>		<i>May 31</i>	
	<i>2021</i>	<i>2020¹</i>	<i>2021</i>	<i>2020¹</i>
Revenues				
Professional fees	35,735	11,262	77,797	45,715
Direct expense reimbursements	84	294	231	1,224
	35,819	11,556	78,028	46,939
Cost of sales expenses				
Cost of sales	26,737	9,166	58,153	35,656
Government stimulus grants	(68)	(241)	(334)	(241)
Reimbursed direct expenses	84	294	231	1,224
	26,753	9,219	58,050	36,639
Gross profit	9,066	2,337	19,978	10,300
Selling, general and administrative	5,058	1,600	13,621	8,836
Acquisition-related expenses	791	-	1,660	-
	5,849	1,600	15,281	8,836
Operating profit	3,217	737	4,697	1,464
Finance expenses (income)				
Interest expense on lease liability	121	92	348	220
Interest expense on loans payable	11	-	20	-
Investment income (loss)	(5)	748	(19)	612
Foreign exchange loss (income)	249	90	354	(51)
Earnings (loss) before income tax	2,841	(193)	3,994	683
Income tax expense	609	311	458	409
Net earnings (loss) for the year attributable to owners of the Company	2,232	(504)	3,536	274
Earnings (loss) per share				
Basic	\$0.088	(\$0.025)	\$0.152	\$0.013
Diluted	\$0.086	(\$0.025)	\$0.150	\$0.013

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>May 31</i>		<i>May 31</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Net earnings (loss) for the period	2,232	(504)	3,536	274
Other comprehensive income:				
Items that may be reclassified subsequently to net earnings				
(Loss) gain on marketable securities	(68)	-	65	-
Cumulative translation adjustment	(800)	316	(1,132)	290
Comprehensive earnings (loss) for the year attributable to owners of the Company	1,364	(188)	2,469	564

¹ Certain comparative figures have been restated to conform with current year presentation.

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

	Deficit	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) Cumulative Translation Adjustment	Unrealized Gains (Loss) on Marketable Securities	Total Equity
Balance - August 31, 2019	(9,256)	7,515	15,005	967	(386)	13,845
Adoption of IFRS 16	1,137	-	-	-	-	1,137
Net earnings for the nine month period ended May 31, 2020	274	-	-	-	-	274
Dividend payments declared	(918)	-	-	-	-	(918)
Share based payment expense	-	-	3	-	-	3
Change in cumulative translation adjustment	-	-	-	290	-	290
Balance - May 31, 2020	(8,763)	7,515	15,008	1,257	(386)	14,631
Balance - August 31, 2020	(6,191)	7,515	15,013	595	(176)	16,756
Net earnings for the nine month period ended May 31, 2021	3,536	-	-	-	-	3,536
Common share issuance	-	4,642	-	-	-	4,642
Share-based payment expense	-	-	37	-	-	37
Change in unrealized gain on marketable securities available for sale	-	-	-	-	65	65
Change in cumulative translation adjustment	-	-	-	(1,132)	-	(1,132)
Balance - May 31, 2021	(2,655)	12,157	15,050	(537)	(111)	23,904

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	Nine months ended	
	May 31	
	2021	2020
Cash flow provided by (used in)		
Operating activities		
Net earnings for the year	3,536	274
Add (deduct) items not affecting cash		
Depreciation of property and equipment	287	345
Depreciation of right-of-use assets	1,462	1,074
Amortization of intangible assets	29	-
Amortization of advances	476	960
Interest expense on lease liabilities	348	220
Interest on loans payable	20	-
Loss on marketable securities classified as FVPL	-	626
Share based payment expense	37	3
Loss (gain) on unrealized foreign exchange on subsidiary loans	326	(119)
Loss on lease cancellation	37	-
Increase (decrease) in cash settled share-based compensation	3,042	(494)
Changes in working capital	4,822	(1,871)
Net cash provided by operating activities	14,422	1,018
Investing activities		
Acquisition of business, net of cash acquired	(3,238)	-
Purchase of property and equipment	(134)	(1,210)
Payment of advances	(91)	(576)
Proceeds from sale of marketable securities	-	5,206
Net cash (used in) provided by investing activities	(3,463)	3,420
Financing activities		
Increase in restricted cash	(2,619)	-
Payment of lease liabilities	(1,970)	(1,363)
Payment of loans payable	(98)	-
Sublease payments received	261	238
Dividend payments	-	(1,377)
Proceeds from government loan	-	2,267
Net cash used in financing activities	(4,426)	(235)
Effect of exchange rate changes on cash and cash equivalents	(856)	47
Net increase in cash and cash equivalents	5,677	4,250
Cash and cash equivalents, beginning of year	14,481	10,623
Cash and cash equivalents, end of period	20,158	14,873