

FOR IMMEDIATE RELEASE

CALDWELL REPORTS RECORD THIRD QUARTER


- Third quarter revenue of \$41.9 million - highest quarter in firm's history
- Year to date revenue of \$120.2 million, a 54% increase year over year
- Record year to date operating profit of \$7.9 million

Toronto - July 13, 2022 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the fiscal 2022 third quarter ended May 31, 2022. 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	
	5.31.22	5.31.21	5.31.22	5.31.21
Professional fees - Caldwell	26,534	26,914	80,384	64,691
Professional fees - IQTP	15,171	8,821	39,443	13,106
Consolidated professional fees	41,705	35,735	119,827	77,797
Direct expense reimbursements	168	84	419	231
Revenues	41,873	35,819	120,246	78,028
Cost of sales	32,180	26,737	92,883	58,153
Government stimulus grants	-	(68)	-	(334)
Reimbursed direct expenses	168	84	419	231
Gross profit	9,525	9,066	26,944	19,978
Selling, general and administrative expenses	7,318	5,058	17,092	13,621
Acquisition-related expenses	504	791	1,995	1,660
Operating profit	1,703	3,217	7,857	4,697
Interest expense on lease liability	102	121	321	348
Interest expense on loans payable	-	11	-	20
Investment income	(15)	(5)	(22)	(19)
Foreign exchange loss	73	249	39	354
Earnings before tax	1,543	2,841	7,519	3,994
Income tax expense	187	609	1,916	458
Net earnings after tax	1,356	2,232	5,603	3,536
Basic earnings per share	\$0.053	\$0.088	\$0.218	\$0.152

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1) Results for the nine months ended May 31, 2022, exclude the pre-acquisition results of IQTP, which had \$5,931 of revenue.
2) Acquisition-related expenses consist of transaction fees and IQTP purchase price structured as compensation expense which will end on December 31, 2022.

“This marks the fifth consecutive quarter of record year-over-year revenue results” said John Wallace, chief executive officer. “Consolidated revenue for the quarter was \$41.9 million (a 17% increase over the prior year) and \$120.2 million for the fiscal year to date (a 54% increase over the prior year).”

“Our Caldwell executive search segment contributed \$26.5 million in professional fees in the third quarter - largely flat coming off a surge that began building in the third quarter of last year. We experienced continued robust growth at our IQTP segment, generating \$15.2 million in professional fees during the third quarter - a 72% increase from the prior year. While rising inflation, interest rates and geopolitical tensions in Europe may bring moderation to our near-term growth, executive search trends remain strong, we are at a record high partner count and focused on continued partner recruitment, and IQTP’s flexible on-demand pricing model and innovative use of AI technology continues to resonate with our clients and their talent needs.”

Wallace continued: “Over the last two years we have implemented a deliberate strategy aimed at expanding and modernizing the range of talent acquisition solutions we deliver to our clients. We now integrate outcome-oriented service with innovative technology to deliver a wider range of talent acquisition solutions to our clients. With IQTP providing recurring talent procurement support and Caldwell engaged for higher end retained executive searches not undertaken by our clients’ in-house teams, we can provide seamless support for our clients’ talent acquisition needs at all levels. We do anticipate benefitting from an increasingly diversified mix of products and services, with cross-collaboration opportunities between our two business segments expected to amplify our long-term success. We also continue to review business and technology acquisition opportunities that align with client-driven talent offerings and our driving principle, that Talent Transforms.”


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.

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; 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; 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 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>May 31</i> <i>2022</i>	<i>As at</i> <i>August 31</i> <i>2021</i>
Assets		
Current assets		
Cash and cash equivalents	28,104	29,214
Accounts receivable	28,611	23,218
Income taxes receivable	1,243	-
Unbilled revenue	5,356	4,217
Prepaid expenses and other assets	2,450	2,332
	65,764	58,981
Non-current assets		
Restricted cash	-	2,624
Investments	838	242
Advances	292	506
Property and equipment	1,977	1,970
Right-of-use assets	8,171	9,549
Intangible assets	196	234
Goodwill	8,612	7,960
Deferred income taxes	5,076	5,067
Total assets	90,926	87,133
Liabilities		
Current liabilities		
Accounts payable	4,325	4,640
Compensation payable	43,370	36,852
Income taxes payable	-	3,007
Lease liability	1,984	1,868
Loans Payable	-	176
	49,679	46,543
Non-current liabilities		
Compensation payable	2,333	6,278
Lease liability	7,214	8,560
	59,226	61,381
Equity attributable to owners of the Company		
Share capital	12,554	12,157
Contributed surplus	15,042	15,063
Accumulated other comprehensive income	173	204
Retained earnings (deficit)	3,931	(1,672)
Total equity	31,700	25,752
Total liabilities and equity	90,926	87,133

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

	Three months ended		Nine months ended	
	May 31		May 31	
	2022	2021 ¹	2022	2021 ¹
<i>(unaudited - in \$000s Canadian, except per share amounts)</i>				
Revenues				
Professional fees	41,705	35,735	119,827	77,797
Direct expense reimbursements	168	84	419	231
	41,873	35,819	120,246	78,028
Cost of sales expenses				
Cost of sales	32,180	26,737	92,883	58,153
Government stimulus grants	-	(68)	-	(334)
Reimbursed direct expenses	168	84	419	231
	32,348	26,753	93,302	58,050
Gross profit	9,525	9,066	26,944	19,978
Selling, general and administrative	7,318	5,058	17,092	13,621
Acquisition-related expenses	504	791	1,995	1,660
	7,822	5,849	19,087	15,281
Operating profit	1,703	3,217	7,857	4,697
Finance expenses (income)				
Interest expense on lease liability	102	121	321	348
Interest expense on loans payable	-	11	-	20
Investment income	(15)	(5)	(22)	(19)
Foreign exchange loss	73	249	39	354
Earnings before income tax	1,543	2,841	7,519	3,994
Income tax expense	187	609	1,916	458
Net earnings for the year attributable to owners of the Company	1,356	2,232	5,603	3,536
Earnings per share				
Basic and Diluted	\$0.053	\$0.088	\$0.218	\$0.152
Diluted	\$0.052	\$0.086	\$0.216	\$0.150

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

	Three months ended		Nine months ended	
	May 31		May 31	
	2022	2021 ¹	2022	2021 ¹
Net earnings for the period	1,356	2,232	5,603	3,536
Other comprehensive income:				
Items that may be reclassified subsequently to net earnings				
Gain (loss) on marketable securities	53	(68)	(39)	65
Cumulative translation adjustment	(113)	(800)	8	(1,132)
Comprehensive earnings for the year attributable to owners of the Company	1,296	1,364	5,572	2,469

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)

	Retained Earnings (Deficit)	Share Capital	Contributed Surplus	Accumulated Translation Adjustment	Other Comprehensive Income (Loss) Gain/(loss) on Marketable Securities	Total Equity
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
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
Balance - August 31, 2021	(1,672)	12,157	15,063	215	(11)	25,752
Net earnings for the nine month period ended May 31, 2022	5,603	-	-	-	-	5,603
Employee share option plan share issue	-	397	(34)	-	-	363
Share-based payment expense	-	-	13	-	-	13
Loss on marketable securities available for sale	-	-	-	-	(39)	(39)
Change in cumulative translation adjustment	-	-	-	8	-	8
Balance - May 31, 2022	3,931	12,554	15,042	223	(50)	31,700

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	<i>Nine months ended</i>	
	<i>May 31</i>	
	<i>2022</i>	<i>2021</i>
Cash flow provided by (used in)		
Operating activities		
Net earnings for the year	5,603	3,536
Add (deduct) items not affecting cash		
Depreciation of property and equipment	281	287
Depreciation of right-of-use assets	1,581	1,462
Amortization of intangible assets	38	29
Amortization of advances	539	476
Interest expense on lease liabilities	321	348
Interest on loans payable	-	20
Share based payment expense	13	37
(Gain) loss on unrealized foreign exchange on subsidiary loans	(60)	326
Loss on lease cancellation	-	37
Changes in working capital	(9,091)	7,864
Net cash (used in) provided by operating activities	(775)	14,422
Investing activities		
Acquisition of business, net of cash	(314)	(3,238)
Investment in convertible promissory note	(631)	-
Purchase of property and equipment	(291)	(134)
Payment of advances	(350)	91
Net cash used in investing activities	(1,586)	(3,463)
Financing activities		
Decrease (increase) in restricted cash	2,627	(2,619)
Payment of lease liabilities	(1,755)	(1,970)
Proceeds from share issuance under employee stock option plan	363	-
Sublease payments received	29	261
Payment of loans payable	(176)	(98)
Net cash provided by (used in) financing activities	1,088	(4,426)
Effect of exchange rate changes on cash and cash equivalents	163	(856)
Net (decrease) increase in cash and cash equivalents	(1,110)	5,677
Cash and cash equivalents, beginning of year	29,214	14,481
Cash and cash equivalents, end of period	28,104	20,158