

FOR IMMEDIATE RELEASE

CALDWELL REPORTS SECOND QUARTER RESULTS

Toronto - April 13, 2023 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the fiscal 2023 second quarter ended February 28, 2023. 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		Six Months Ended	
	2.28.23	2.28.22	2.28.23	2.28.22
Professional fees - Caldwell	16,705	27,258	33,680	53,850
Professional fees - IQTalent ¹	4,745	12,550	11,459	24,272
Consolidated professional fees	21,450	39,808	45,139	78,122
Direct expense reimbursements	133	135	352	251
Revenues	21,583	39,943	45,491	78,373
Cost of sales	18,266	30,271	39,191	60,703
Reimbursed direct expenses	133	135	352	251
Gross profit	3,184	9,537	5,948	17,419
Selling, general and administrative expenses ⁴	6,070	3,820	11,159	9,774
Restructuring expenses ²	-	-	2,530	-
Acquisition-related expenses ³	204	690	879	1,491
Operating (loss) profit	(3,090)	5,027	(8,620)	6,154
Finance (expenses) recovery	(56)	(194)	64	(178)
(Loss) earnings before tax	(3,146)	4,833	(8,556)	5,976
Income tax expense (recovery)	(826)	1,331	(2,293)	1,729
Net earnings (loss) after tax	(2,320)	3,502	(6,263)	4,247
Basic earnings per share	(\$0.090)	\$0.137	(\$0.242)	\$0.166


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

2) Restructuring expenses includes \$2,264 of severance expense for staff reductions at IQTalent and \$266 in onerous lease costs at Caldwell for the sublease of our San Francisco office as a result of our transition to a remote work environment.

3) Acquisition-related expenses consist of transaction fees and IQTalent purchase price structured as compensation expense, which ended on 12/31/22.

4) Selling, general and administrative expenses include a benefit from a lower share price reducing share-based compensation expense by \$357 compared to a benefit in the second quarter last year of \$1,688, ii) \$521 of costs for our annual partner conference held in the current second quarter this year and in the third quarter last year, iii) \$323 in higher professional fees primarily related to due diligence advisory and legal fees on two transactions ultimately not completed due to diligence results and iv) other variances of \$75 discussed in our quarterly MD&A filed on SEDAR.

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“The second quarter brought stabilization in overall hiring demand, albeit at levels that were lower than the same period last year - a record-breaking fiscal year for us,” said John Wallace, chief executive officer. “Clients who have been broadly talking about resuming hiring have, in part, pushed those plans further into calendar 2023 pending more certainty on evolving economic conditions. At Caldwell, our executive search team is a group of seasoned professionals who have experience advising clients through multiple economic cycles; they’re using their expertise to find business in a suppressed market.”

“At IQTalent, our on-demand talent acquisition augmentation business, we saw further revenue erosion in the first part of the quarter, followed by stabilization in the past several months. As a result, in January IQTalent reduced staffing levels to the stabilized business demand to lower costs and minimize operating losses at current professional fee levels. Our March 1 spin off of IQTalent’s software business and related development team will further reduce costs going forward.”

Wallace continued: “We remain optimistic about our ability to return to profitability in the fiscal year and have full confidence in the strength of our spectrum of service offerings, our team and our future. Our clients value our ability to provide seamless support for their talent acquisition needs at all levels and we are focused on identifying opportunities to cross-collaborate between our two business segments.”

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 - 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 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; risks related to deposit-taking institutions; 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>	<i>As at</i>
	<i>February 28</i>	<i>August 31</i>
	<i>2023</i>	<i>2022</i>
Assets		
Current assets		
Cash and cash equivalents	8,821	35,668
Accounts receivable	14,976	22,882
Income taxes receivable	3,337	1,280
Unbilled revenue	5,445	6,495
Prepaid expenses and other assets	3,541	2,758
	36,120	69,083
Non-current assets		
Investments	753	736
Advances	1,051	241
Property and equipment	1,904	2,035
Right-of-use assets	4,147	5,345
Intangible assets	170	190
Goodwill	11,267	8,928
Deferred income taxes	7,767	4,730
Total assets	63,179	91,288
Liabilities		
Current liabilities		
Accounts payable	4,944	4,021
Compensation payable	21,904	43,866
Lease liability	1,285	1,817
	28,133	49,704
Non-current liabilities		
Compensation payable	1,222	2,105
Lease liability	3,952	4,414
	33,307	56,223
Equity attributable to owners of the Company		
Share capital	12,554	12,554
Contributed surplus	15,154	15,045
Accumulated other comprehensive income	1,921	960
Retained earnings	243	6,506
Total equity	29,872	35,065
Total liabilities and equity	63,179	91,288

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>Six months ended</i>	
	<i>February 28</i>		<i>February 28</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Revenues				
Professional fees	21,450	39,808	45,139	78,122
Direct expense reimbursements	133	135	352	251
	21,583	39,943	45,491	78,373
Cost of sales expenses				
Cost of sales	18,266	30,271	39,191	60,703
Reimbursed direct expenses	133	135	352	251
	18,399	30,406	39,543	60,954
Gross profit	3,184	9,537	5,948	17,419
	14.8%	24.0%	13.2%	22.3%
Selling, general and administrative	6,070	3,820	11,159	9,774
Restructuring expenses	-	-	2,530	-
Acquisition-related expenses	204	690	879	1,491
	6,274	4,510	14,568	11,265
Operating (loss) profit	(3,090)	5,027	(8,620)	6,154
Finance expenses (income)				
Interest expense on lease liability	66	107	136	219
Investment income	(57)	(2)	(217)	(7)
Foreign exchange income (loss)	47	89	17	(34)
(Loss) earnings before income tax	(3,146)	4,833	(8,556)	5,976
Income tax (recovery) expense	(826)	1,331	(2,293)	1,729
Net (loss) earnings for the year attributable to owners of the Company	(2,320)	3,502	(6,263)	4,247
(Loss) earnings per share				
Basic and Diluted	(\$0.090)	\$0.137	(\$0.242)	\$0.166
Diluted	(\$0.090)	\$0.135	(\$0.242)	\$0.163

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>February 28</i>		<i>February 28</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Net (loss) earnings for the period	(2,320)	3,502	(6,263)	4,247
Other comprehensive income (loss):				
Items that may be reclassified subsequently to net earnings				
Loss on marketable securities	(7)	(66)	(11)	(92)
Cumulative translation adjustment	157	(136)	972	121
Comprehensive (loss) earnings for the year attributable to owners of the Company	(2,170)	3,300	(5,302)	4,276

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	Loss on Marketable Securities	
Balance - August 31, 2021	(1,672)	12,157	15,063	215	(11)	25,752
Net earnings for the six month period ended February 28, 2022	4,247	-	-	-	-	4,247
Employee share option plan share issue	-	122	(22)	-	-	100
Share-based payment expense	-	-	9	-	-	9
Loss on marketable securities available for sale	-	-	-	-	(92)	(92)
Change in cumulative translation adjustment	-	-	-	121	-	121
Balance - February 28, 2022	2,575	12,279	15,050	336	(103)	30,137
Balance - August 31, 2022	6,506	12,554	15,045	1,043	(83)	35,065
Net loss for the six month period ended February 28, 2023	(6,263)	-	-	-	-	(6,263)
Share-based payment expense	-	-	109	-	-	109
Loss on marketable securities available for sale	-	-	-	-	(11)	(11)
Change in cumulative translation adjustment	-	-	-	972	-	972
Balance - February 28, 2023	243	12,554	15,154	2,015	(94)	29,872

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	<i>Six months ended</i>	
	<i>February 28</i>	
	<i>2023</i>	<i>2022</i>
Cash flow provided by (used in)		
Operating activities		
Net (loss) earnings for the period	(6,263)	4,247
Add (deduct) items not affecting cash		
Depreciation of property and equipment	223	176
Depreciation of right-of-use assets	987	1,064
Amortization of intangible assets	27	25
Amortization of advances	408	332
Interest expense on lease liabilities	136	219
Share based payment expense	109	9
Gain on unrealized foreign exchange on subsidiary loans	(68)	(91)
Right-of-use asset impairment	297	-
Changes in working capital	(18,847)	(18,000)
Net cash used in operating activities	(22,991)	(12,019)
Investing activities		
Acquisition of business, net of cash acquired	(2,179)	(314)
Investment in convertible promissory note	-	(629)
Purchase of property and equipment	(59)	(113)
Payment of advances	(1,186)	(255)
Repayment of advances	211	-
Net cash used in investing activities	(3,213)	(1,311)
Financing activities		
Payment of lease liabilities	(1,231)	(1,167)
Proceeds from share issuance under employee stock option plan	-	100
Sublease payments received	-	29
Net cash used in financing activities	(1,231)	(1,038)
Effect of exchange rate changes on cash and cash equivalents	588	320
Net decrease in cash and cash equivalents	(26,847)	(14,048)
Cash and cash equivalents, beginning of year	35,668	29,214
Cash and cash equivalents, end of period	8,821	15,166