

# Investor Overview

*Updated with Q3 results ending May 31, 2023*

*Current as of July 11, 2023*



**FORWARD  
LOOKING  
STATEMENTS**

We endeavour to be open and informative in our presentations.

However, we are not always correct in our expectations, and many circumstances can cause our forecasts and opinions to change; possibly materially so.

Any statements that we make today that may be considered to be forward-looking are based on current expectations that are subject to the significant risks and uncertainties described in our news releases and regulatory filings including our Annual Information Form and Annual and Interim Management Discussion and Analyses available at [www.sedar.com](http://www.sedar.com). Please refer to these. We assume no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless required to do so under applicable securities laws.

## **FORWARD LOOKING STATEMENTS (CONT.)**

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.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant legal, business, economic and competitive uncertainties and contingencies. Material assumptions supporting these forward-looking statements include, among other things: assumptions regarding the number of clients and growth of the Company’s market, the price of the Company’s services; that expansion will occur and result in greater branding and business opportunities, that the Company will be able to obtain any necessary financing on acceptable terms, successful expansion to new markets, and assumptions regarding our management team’s ability to implement our business plan, and general economic and financial market conditions.

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](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. 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.

No forward-looking statement or projections can be guaranteed. Accordingly, you should not place undue reliance on any forward-looking statements or information. The reader is further cautioned that the preparation of the financial forecast included in this presentation requires the management of the Company to make certain assumptions, judgments and estimates that affect the forecast of financial results, including sales, profit and costs. These estimates may change, having either a negative or positive effect on actual results as further information becomes available, and as the economic environment changes. No statement in this document is intended to be nor may be construed as a profit forecast.

The Company’s forward-looking statements are expressly qualified in their entirety by this cautionary statement.

## **DISCLAIMER**

This presentation is not, and under no circumstances is to be construed as, a prospectus, offering memorandum, or advertisement or a public offering of securities. Offers to sell, or the solicitations of offers to buy, any security can only be made through official offering documents that contain important information about risks, fees and expenses. Readers should conduct their own due diligence, not rely on the financial assumptions or estimates displayed in this presentation, and are encouraged to consult with a financial advisor, attorney, accountant, and any other professional that can assist with assessing the information. This presentation should not be construed as legal, accounting, financial or tax advice to any individual, as each individual's circumstances are different. No securities commission or similar regulatory authority has recommended or approved any investment or the accuracy or completeness of any of the information or materials provided by the Company.

The Company does not make any representation or warranty express or implied as to the accuracy or completeness of the information contained herein and no reliance should be placed thereon. It is not the intention to provide a complete or comprehensive analysis of the Company's financial or business prospects. The information contained in these materials should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date these materials were prepared, unless the Company is required to do so under applicable law.

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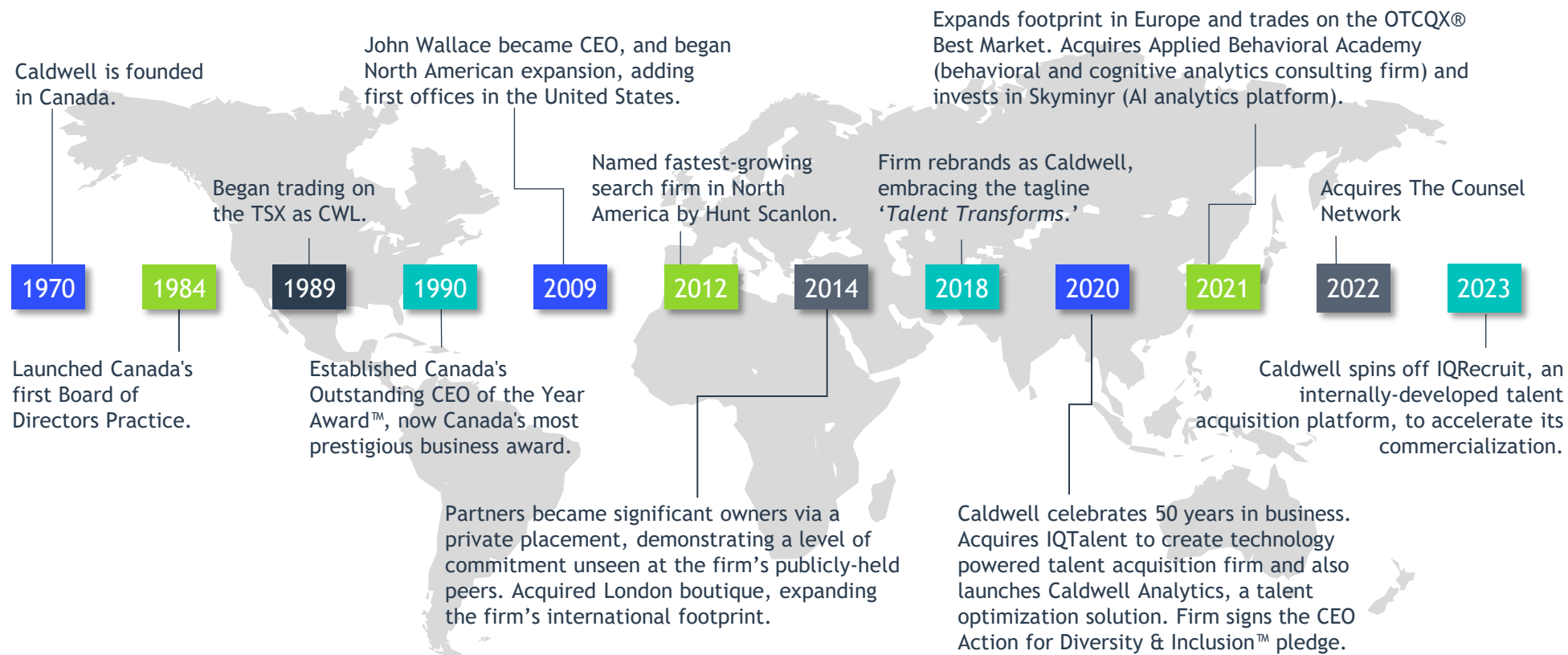
Historical statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. In this regard, certain financial information contained herein has been extracted from, or based upon, information available in the public domain and/or provided by the Company. In particular, historical results of the Company should not be taken as a representation that such trends will be replicated in the future.

## **WHAT WE DO**

- Caldwell is a technology-powered talent acquisition firm, leveraging the latest innovations in AI to offer an integrated spectrum of retained executive search and on-demand talent acquisition support services.
- We believe talent transforms, and our purpose is to enable organizations to thrive and succeed by helping them identify, recruit and retain the best people.

### Leveraging executive search as relationship engine

- Trusted client relationships are with CEO/CHRO/Head of Talent Acquisition



## CALDWELL TODAY

## Seamless talent acquisition

- We operate through two distinct segments - retained executive search and analytics solutions are conducted as **Caldwell** and on-demand talent acquisition augmentation solutions are conducted as **IQTalent**.

IQTalent			Caldwell	
All Hiring Levels	All Hiring Levels	Mid-Senior Levels	Executive & Board Level	Organizational Effectiveness
 <b>Candidate Research</b> <p>Our on-demand model and innovative technology platform put custom research at your fingertips - in 3 to 5 days.</p>	 <b>Candidate Sourcing</b> <p>Taking research a step further, we'll deliver a list of candidates with confirmed interest in your open role.</p>	 <b>Professional Search</b> <p>With expertise, adaptable tactics and the latest in AI, we will research, source and assess interested and qualified candidates at the professional level.</p>	 <b>Executive Search</b> <p>We recruit transformative executives at the board, CEO and senior leadership levels. This full-service high-touch solution is delivered by a team of the most experienced professionals in the industry.</p>	 <b>Caldwell Analytics</b> <p>Leveraging highly respected, results-driven assessments to align talent and business strategies, driving better results.</p>
Hourly, on-demand pricing			Retained assignment-based pricing	

 **50+ YEARS**  
of transforming talent with a  
heritage in executive search

 **~600/YR**  
C-suite and executive level  
searches

 **~\$165K CAD**  
average executive search fee

 **PUBLICLY-TRADED**  
TSX: CWL; OTCQX: CWLPF

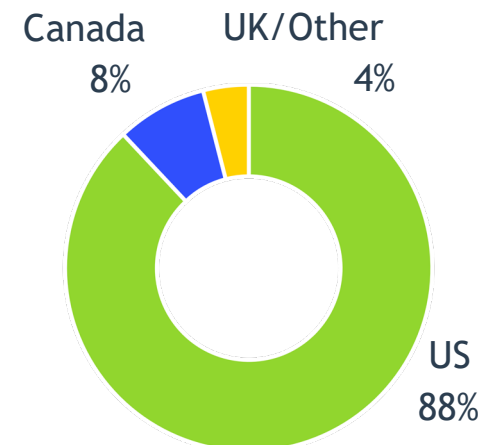
 **~\$150M CAD**  
Fiscal 2022 revenue

 **50 EXECUTIVE SEARCH  
Partners and Principals**

 **20 GLOBAL LOCATIONS**



 **REVENUE BREAKDOWN**

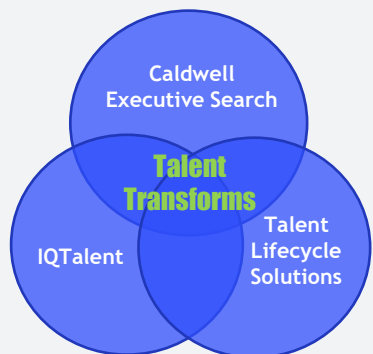




## INVESTING FOR THE FUTURE

Multiple  
opportunities to  
invest and grow

- Organic
- Acquisitions



### GEOGRAPHIES



We foresee continued expansion in the United States, and further expansion into Europe and Asia Pacific in a possible affiliate/joint venture approach.

### TECHNOLOGIES



AI search technology for better identification of, and ability to connect to, passive candidates.

### SOLUTIONS



There are complementary services that would expand our spectrum of solutions:

- Diversity, Equity and Inclusion (“DEI”) consulting to help clients attract, retain and develop diverse talent.
- Interim/fractional executives for project work.
- Talent strategy consulting, leveraged by Caldwell Analytics.



## RECENT ACQUISITIONS AND INVESTMENTS

## FISCAL '21

## IQTALENT

Long-Term growth across  
intermittent sharp  
cyclical downturns

\$000s

<u>Calendar</u>	<u>USD Revenue</u>	<u>Growth Rate</u>
2016	4,816	n/a
2017	6,666	38.4%
2018	11,802	77.0%
2019	15,509	31.4%
2020	10,515	-32.2%
2021	31,669	201.2%
2022	34,298	8.3%

Anticipate a 50%+ revenue decline  
in calendar 2023 from decline in  
client hiring support needs.



- IQTalent was acquired December 31, 2020
- Approximate aggregate purchase price USD \$11.0 million (USD \$9.8 million net of tax benefits) spread over two years.
- On-demand and RPO talent acquisition support
- Talent acquisition is a cyclical business and is impacted by changes in specific industry sectors. Since late summer of 2022, hiring demand across from venture capital-backed companies to Fortune 500 companies has fallen significantly, especially within the technology industry. IQTalent was similarly impacted due to our weighting to the technology sector. We benefitted from the significant demand for technology workers in 2021, with a 200% revenue growth and the downturn in this sector is anticipated to have a 50%+ revenue decline anticipated in calendar 2023.
- As a result, we began shifting our strategy for IQTalent to diversify the industry base of clients. In addition, we will be shifting to higher utilization of contractors vs. employees as we return to growth for added flexibility in down markets.
- Caldwell is working closely with the IQTalent team with introductions and referrals across industry sectors. This collaboration has resulted in approximately 20% of IQTalent's revenue coming from Caldwell referrals across industry sectors.

**RECENT  
ACQUISITIONS  
AND INVESTMENTS****FISCAL '22****APPLIED  
BEHAVIORAL  
ACADEMY****SKYMINYR**

- Caldwell acquired Applied Behavioral Academy (USD \$500,000 - November 22, 2021).
- Caldwell is a licensed certified partner of The Predictive Index (PI), which serves as the software backbone of our analytics offerings (behavioral, cognitive and team assessments).
- Applied Behavioral Academy was the consulting firm helping Caldwell implement analytics.
- Acquisition more tightly embeds analytics within Caldwell and brings PI “Master Training Center” for other PI Certified Partners and their clients.
- Consisted of an experienced analytics consulting team with I/O psychologist expertise.

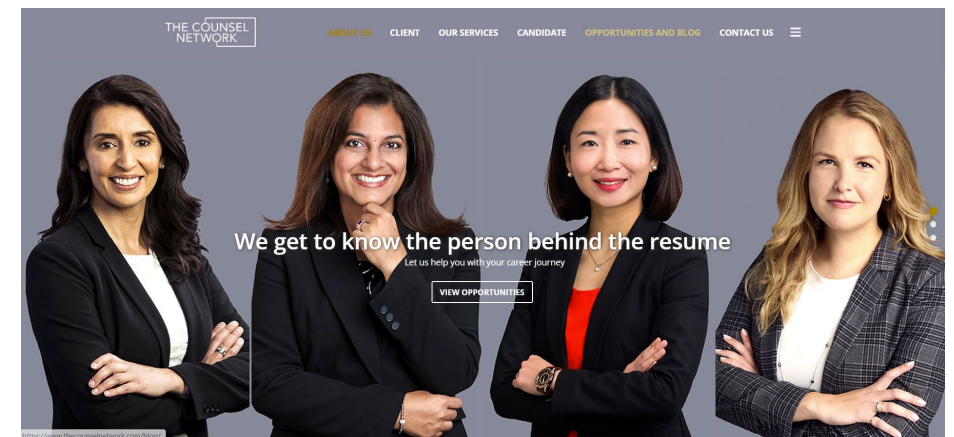
**SKYMINYR**

- Caldwell invested in the seed round of Skyminyr (USD \$500,000 - November 23, 2021)
- Approximate 4% ownership equivalent.
- Early-stage AI analytics software platform combining behavioural analytics, sector mapping, and relationship intelligence.

- Acquired October 1, 2022 - \$2.2 million purchase price
- \$3 million revenue Canadian boutique focused on the legal industry:
  - Law firms (partners, associates, infrastructure/administrative roles)
  - Corporate in-house counsel
- 2 partners—Dal Bhathal (Toronto) and Sameera Sereda (Calgary)
- 9 total employees
- <https://www.thecounselnetwork.com/>



Canada's leader in lawyer recruitment.™



## RECENT ACQUISITIONS AND INVESTMENTS

### FISCAL '23

#### **IQRecruit Spin Off**

- IQTalent had internally developed its operating and client delivery software platform--IQRecruit
- Strategy to expand and commercialize sales to third parties.
- Strategic decision to focus on Caldwell and IQTalent as managed service providers and deleverage software risk exposure by spinning off IQRecruit with additional outside financing as an early-stage software business effective March 1, 2023.
- IQRecruit intellectual property contributed to a newly formed subsidiary of IQTalent, IQRecruit, Inc.
- \$750,000 (USD) of external cash raised to capitalize the business.
- Post-spin off capital structure leaves Caldwell with a 42% ownership position and IQRecruit no longer being consolidated.
- IQTalent remains a client licensing the software.
- Cost savings of \$400,000 has been experienced from the spin-off.

## RECAP

While currently in a challenging part of the economic cycle for talent acquisition, we are positioned for strength on our exit.

- We are committed to building a balanced and diversified client base as we return to revenue growth at IQTalent.
- Staffing will be efficient and well utilized at IQTalent.
- We have the industry's highest calibre search partners and execution teams at Caldwell and are at an all-time high number of partners to capitalize on growth when market volume metrics return to historic levels.
- We have integrated our go-to-market strategy bringing our clients an unmatched suite of services to talent acquisition needs.
- Business has been stable since January and the cost reduction actions taken to date are expected to prevent further cash losses.





**TRANSFORMING THE  
WORLD OF TALENT**

## **APPENDIX 1: LEADERSHIP**



### **John Wallace**

John is chief executive officer of Caldwell. Since becoming CEO in 2008, John has effected a strategic growth plan for the firm that has included launching operations in the United States, Europe and Asia Pacific, while quadrupling the firm's annual revenue. He also serves on the firm's board of directors.



### **Chris Beck**

Chris is chief financial officer of the organization and president of Caldwell (executive search). He provides day-to-day leadership and management for the executive search business. His chief areas of focus are the firm's growth strategies, processes and fostering a success-oriented environment inside the firm. Chris joined Caldwell in 2013.



### **David Windley**

David is president of IQTalent Partners and serves on Caldwell's board of directors. David is an experienced leader in the talent acquisition and HR fields. As President of IQTalent Partners, he oversees the firm's strategic direction, business development, and day to day operations. Prior to joining IQTalent Partners in 2015, he was chief human resources officer of Yahoo!



**APPENDIX:****BOARD OF  
DIRECTORS****Elias Vamvakas, Director and Chair of the Board (2019)**

Mr. Vamvakas is the Chairman, CEO and founder of Greybrook Capital, and Chairman of Greenbrook-TMS NeuroHealth centers, (TSX:GTMS). He is also Founder of TLC Vision.

**Chris Beck, Director; President, Caldwell and Chief Financial Officer (2022)**

Mr. Beck is the president of Caldwell's executive search group and chief financial officer of the enterprise. Responsible for financial and investor relations functions, he also provides day-to-day leadership and management across the executive search and Caldwell Analytics businesses.

**Terry Grayson-Caprio, Director and Chair of the Compensation Committee (2023)**

Ms. Grayson-Caprio serves as Chair of the Nominating and Governance Committee for Southern First Bancshares, Inc. She is also the Board Chair of the South Carolina Governor's School for the Arts and Humanities Foundation, Director of the Greenville County Museum of Art, and Director of the Winthrop University Foundation. She previously had a 35-year tenure at KPMG, including being a Managing Partner in their audit practice.

**Darcy Morris, Director and Chair of the Investment Committee (2018)**

Mr. Morris is the co-founder of Ewing Morris & Co. Investment Partners. He currently serves on the boards of Caldwell Partners, Cedar Realty Trust (NYSE: CDR), the Toronto Public Library Foundation and the Art Gallery of Ontario (AGO) Foundation.

**John Wallace, Director and Chief Executive Officer (2009)**

Mr. Wallace is the CEO of the combined organization. John draws on 20 years of successful executive search direction experience to drive exceptional results based on objective measures, market intelligence, strategic planning initiatives, and clear targets for growth.

**David Windley, Director and President, IQTalent (2021)**

Mr. Windley is the President of IQTalent. He sits on the Tennant Company Board of Directors as the Compensation Committee Chair in addition to earning an appointment to the Board of Directors with the DHI Group. He is a Governance Fellow with the National Association of Corporate Directors (NACD) and served as the Board Chair for the Society for Human Resources Management (SHRM) through 2020.

**John Young, Director (2019)**

Mr. Young is the CEO of Boat Rocker Media and the Chair of the Board of the Academy of Canadian Cinema and Television and a member of the Board of SIR Corp. He is also the Chairman of the Board of Feeding Canadian Kids, a Canadian charity committed to feeding nutritious dinners to children in underprivileged communities who suffer food insecurity.

**Rosemary Zigrossi, Director and Chair of the Audit Committee (2023)**

Ms. Zigrossi is a CPA and an experienced director and senior financial and operational executive. She served for almost 20 years at Ontario Teacher's Pension Plan. She has also served on a number of boards including Sprott Inc., Business Development Bank, Russell Investment Corporate Class and the Canadian Venture Capital Association. She also served on the investment committee of Sustainable Development Technology Corp.

## APPENDIX:

## REPORTING SHAREHOLDERS (PER SEDI)

D&O interests  
aligned with  
public  
shareholders

Name	Title/Relation	Shares Owned	%
Darcy Morris	Director (CEO, Ewing Morris & Co.)	3,820,250	14.8%
David Windley	President, IQTalent; Director	1,840,904	7.1%
Chris Murdock	Chief Sourcing Officer and Co-founder, IQTalent	1,555,847	6.0%
John Wallace	CEO, Caldwell; Director	765,500	3.0%
Elias Vamvakas	Director	705,000	2.7%
Chris Beck	President, Caldwell and CFO; Director	635,000	2.5%
Mike Falagario	Vice President, Technology, Business and Legal Operations	200,000	0.8%
John Young	Director	8,777	0.0%
<b>Subtotal Reporting Management/Board</b>		<b>9,531,278</b>	<b>36.8%</b>
Doug Caldwell	Founder of Caldwell (no current relationship)	2,772,807	10.7%
Other		13,576,608	52.5%
<b>Total outstanding</b>		<b>25,880,693</b>	<b>100.0%</b>

\* Includes 27,550 shares held directly and 3,792,700 held indirectly by Ewing Morris & Co. Investment Partners Ltd.

## APPENDIX:

### HISTORICAL REVENUE TREND

Caldwell's executive search operations have a historical CAGR of 12.3%. Accelerated growth experience with the addition of post-pandemic hiring demand and acquisition of IQTalent.

F'23 seeing significantly reduced hiring demand at clients.



Note: f'21 IQTalent revenue of \$23.2 million represents an eight-month ownership period since acquired on 12/31/2021.

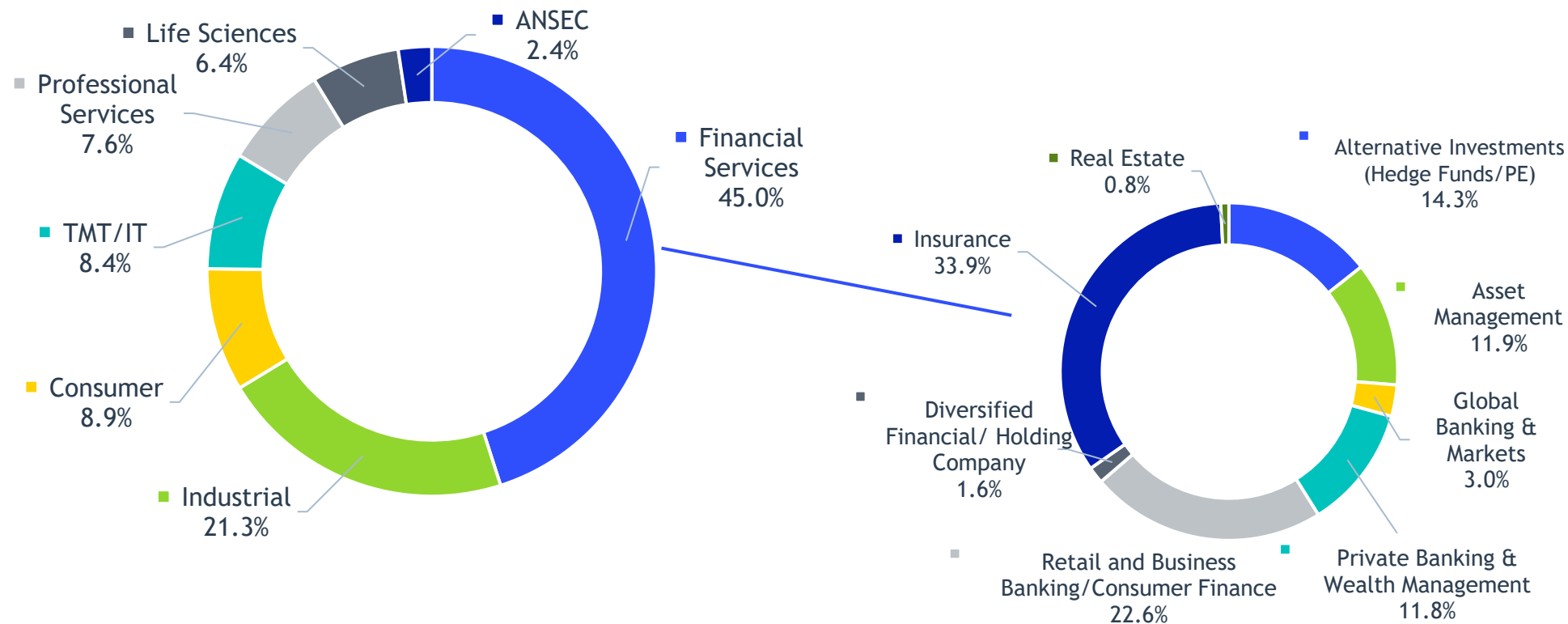
**APPENDIX:****CALDWELL  
EXECUTIVE SEARCH****BUSINESS  
ENVIRONMENT**

- Exiting the pandemic, we experienced a “post-pandemic surge” of hiring activity. We anticipated this elevated demand would ease back to historical norms.
- Caldwell experienced a significant reduction in our client’s hiring demands during Q1 fiscal 2023--a pullback to below historical norm levels. Volumes have been stable since January.
- Caldwell has a significant variable component in its compensation plans which offset a notable amount of revenue decline.
- A positive key metric change was growth in our partner headcount—a total of 5 new partners and principals, including 2 from our acquisition of The Counsel Network in Canada.
- Diversification of practices a benefit

## APPENDIX:

### CALDWELL EXECUTIVE SEARCH

### PRACTICE DIVERSIFICATION



Based on fiscal 2022 Caldwell professional fees

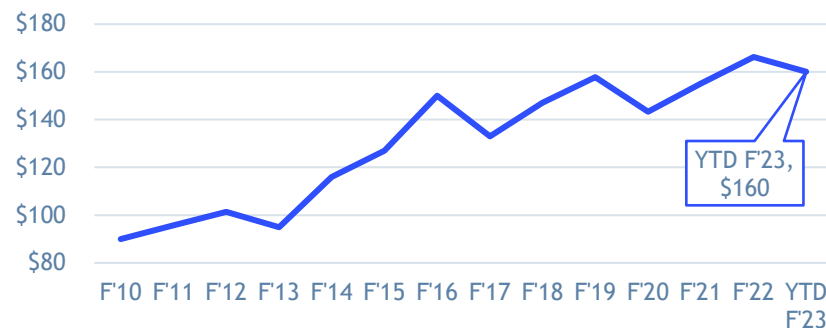
## APPENDIX:

## CALDWELL EXECUTIVE SEARCH

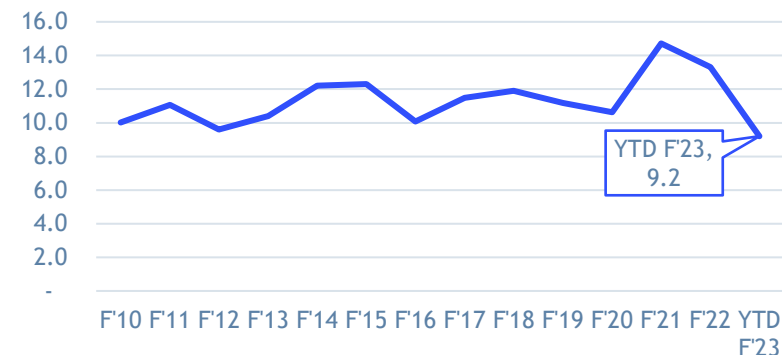
## METRICS

Growth in partner count offset by reduced volumes and hiring demand

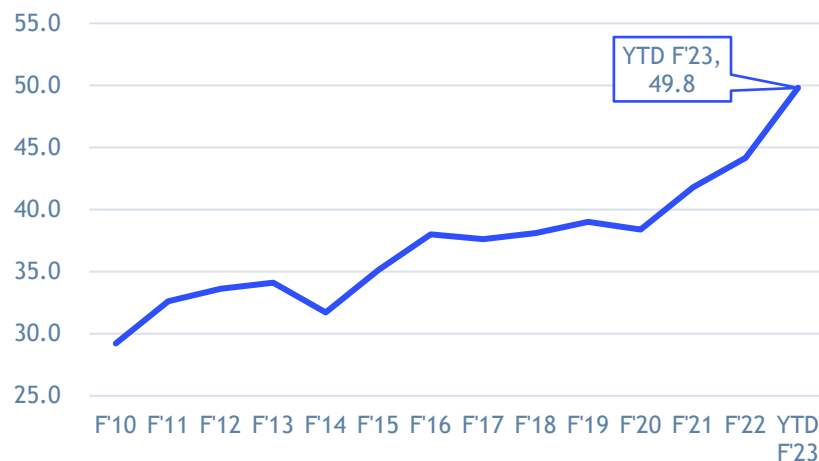
Average Fee per Assignment (\$000s)



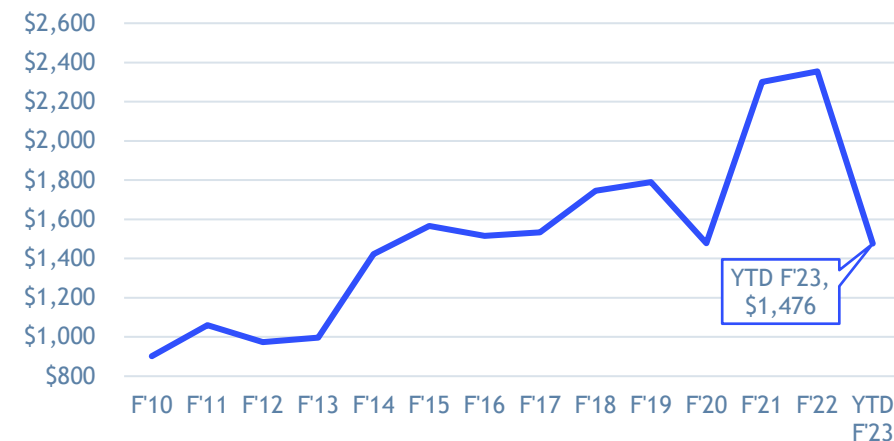
# of Assignments per Partner per Year



Average # of Partners



Average Revenue per Partner (\$000s)



## APPENDIX:

### **IQTALENT ON-DEMAND TALENT ACQUISITION**







### **BUSINESS ENVIRONMENT**

- IQTalent was particularly impacted by our weighted concentration in the technology sector.
- IQTalent's cost base has very little variable compensation to offset revenue declines.
- In response to materially reduced demand, we took decisive action, reducing contractor utilization 87% from its peak during fiscal 2022 and reduced our employee workforce by approximately 40% in early Q1 fiscal 2023. Staffing reductions resulted in severance costs of \$2.1 million during the first quarter.
- Hiring demand was relatively stable during October and the first half of November but declined again during December.
- Additional actions enacted during January to set employee utilization to 100% of current monthly demand.
- IQTalent has been more stable since the end of December 2022, but not yet a rebound.
- Caldwell referrals to IQTalent continue to expand. Over 30% of IQTalent's current revenue run rate are referrals from Caldwell.

## APPENDIX:

## FINANCIAL HIGHLIGHTS

- Adjusted EBITDA is a non-GAAP measure without any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers
- Government stimulus received in both US and Canada—now complete
- Acquisition costs represent IQTalent deal fees and accrual of deferred purchase price structured as compensation expense

(\$000s Canadian)	fiscal '19 8/31/2019	fiscal '20 8/31/2020	fiscal '21 8/31/2021	fiscal '22 8/31/2022	Q4 f'22 8/31/2022	Q1 f'23 11/30/2022	Q2 f'23 2/28/2023	Q3 f'23 5/31/2023
<b>Professional fees</b>	<b>70,449</b>	<b>56,867</b>	<b>119,407</b> 	<b>155,560</b>	<b>35,733</b>	<b>23,689</b>	<b>21,450</b>	<b>25,936</b>
Cost of sales	53,046	41,906	90,287 	120,911	28,028	20,926	18,266	21,126
Gross profit	17,403	14,961	29,120	34,649	7,705	2,763	3,184	4,810
Gross margin	24.7%	26.3%	24.4%	22.3%	21.6%	11.7%	14.8%	18.5%
General & administrative	15,595	11,195	23,191	24,059	4,972	8,293	6,274	3,825
<b>Operating Profit</b>	<b>1,808</b>	<b>3,766</b>	<b>5,929</b>	<b>10,590</b>	<b>2,733</b>	<b>(5,530)</b>	<b>(3,090)</b>	<b>985</b>
Adjustments to operating profit:								
D&A	614	461	412 	472	153	125	97	196
UK goodwill impairment	1,521	-	- 	-	-	-	-	-
Government stimulus	-	(2,839)	(334) 	-	-	-	-	-
Acquisition-related costs	-	-	2,453 	2,611	616	675	204	-
<b>Adjusted EBITDA</b>	<b>3,943</b>	<b>1,388</b>	<b>8,460</b>	<b>13,673</b>	<b>3,502</b>	<b>(4,730)</b>	<b>(2,789)</b>	<b>1,181</b>