

FOR IMMEDIATE RELEASE

CALDWELL REPORTS FIRST QUARTER RESULTS

Toronto - January 11, 2024 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the fiscal 2024 first quarter ended November 30, 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	
	11.30.23	11.30.22
Professional fees - Caldwell	14,166	16,975
Professional fees - IQTalent ¹	3,170	6,714
Consolidated professional fees	17,336	23,689
Direct expense reimbursements	199	220
Revenues	17,535	23,909
Cost of sales	15,044	20,926
Reimbursed direct expenses	199	220
Gross profit	2,292	2,763
Selling, general and administrative expenses ²	4,522	5,088
Restructuring (income) expenses ³	(7,979)	2,530
Acquisition-related expenses ⁴	-	675
Operating profit (loss)	5,749	(5,530)
Finance expenses (income)	412	(120)
Earnings (loss) before tax	5,337	(5,410)
Income tax expense (recovery)	1,559	(1,467)
Net earnings (loss) after tax	3,778	(3,943)
Basic earnings (loss) per share	\$0.128	(\$0.152)


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

2) Selling, general and administrative expenses include a benefit from a lower share price reducing share-based compensation expense by \$155 in the current quarter compared to a benefit of \$488 in the same quarter last year.

3) Restructuring income of \$7,979 in the first quarter of the current 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. Restructuring expenses of \$2,530 in the first quarter of the prior year include \$2,264 of separation 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.

4) Acquisition-related expenses consist of transaction fees and IQTalent purchase price structured as compensation expense, which were fully amortized into income as at 12/31/22.

79 Wellington Street West
 TD South Tower
 Suite 2410, P.O. Box 75
 Toronto, ON M5K 1E7
 +1 (416) 920-7702



“From a revenue perspective, this remained a challenging quarter, as client focus on the uncertain macroeconomic environment continued to dampen and delay hiring decisions,” said John Wallace, chief executive officer. “With improving economic news and expectations of falling interest rates, our client conversations indicate increased plans for hiring with the new calendar year—in both our Caldwell executive search and IQTalent on-demand/RPO businesses.”

“From a profit perspective, we are extremely pleased that we favourably resolved IQTalent’s Nashville lease obligation. We had recognized a lease impairment charge of \$8.1 million in the fourth quarter of the prior year with our decision to reduce our real estate footprint and sublease a substantial portion of the leased space in Nashville based on sublease market conditions at the time. Effective November 30, 2023, we successfully executed a penalty-free termination agreement of the lease, which we will fully exit on February 29, 2024, resulting in a net gain in our first quarter of \$9.1 million. Eliminating these future payment obligations gives us the financial flexibility to continue adjusting and investing in the business as needed and solidifies and strengthens our capital structure. The restructuring at IQTalent throughout the last fiscal year has had the desired outcome of stabilizing the business, to return to growth on both the revenue and operating profit lines in the second half of the year.”

Wallace added: “We anticipate improved demand conditions in calendar 2024. Our business pipelines are deep and growing, and we are forecasting an upward revenue trend for the remainder of the year.”

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; 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.

For further information, please contact:

Investors:

Chris Beck, President, and Chief Financial Officer

cbeck@caldwell.com

+1 (617) 934-1843

Media:

Caroline Lomot, Director of Marketing

clomot@caldwell.com

+1 (516) 830-3535



THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$000s Canadian)

	<i>As at</i> <i>November 30</i> <i>2023</i>	<i>As at</i> <i>August 31</i> <i>2023</i>
Assets		
Current assets		
Cash and cash equivalents	16,310	22,053
Accounts receivable	11,638	12,886
Income taxes receivable	263	197
Unbilled revenue	7,194	8,237
Prepaid expenses and other assets	1,854	2,712
	37,259	46,085
Non-current assets		
Prepaid expenses and other assets	304	593
Investments	1,979	2,039
Advances	702	811
Deferred income taxes	7,102	8,676
Property and equipment	1,609	1,779
Right-of-use assets	4,275	13,305
Intangible assets	129	142
Goodwill	11,248	11,214
Total assets	64,607	84,644
Liabilities		
Current liabilities		
Accounts payable	2,893	3,181
Compensation payable	24,036	28,384
Other liabilities	236	687
Lease liability	1,564	2,788
	28,729	35,040
Non-current liabilities		
Compensation payable	558	1,948
Other liabilities	-	921
Lease liability	3,744	19,011
	33,031	56,920
Equity attributable to owners of the Company		
Share capital	15,392	15,392
Contributed surplus	15,348	15,282
Accumulated other comprehensive income	1,855	1,847
Deficit	(1,019)	(4,797)
Total equity	31,576	27,724
Total liabilities and equity	64,607	84,644

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF EARNINGS

Three months ended
November 30

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

	2023	2022
Revenues		
Professional fees	17,336	23,689
Direct expense reimbursements	199	220
	17,535	23,909
Cost of sales expenses		
Cost of sales	15,044	20,926
Reimbursed direct expenses	199	220
	15,243	21,146
Gross profit	2,292	2,763
Selling, general and administrative	4,522	5,088
Restructuring and other (income) expense	(7,979)	2,530
Acquisition-related expenses	-	675
	(3,457)	8,293
Operating profit (loss)	5,749	(5,530)
Finance expenses (income)		
Interest expense on lease liability	397	70
Investment (income) expense	10	(160)
Foreign exchange loss (income)	5	(30)
Earnings (loss) before income tax	5,337	(5,410)
Income tax expense (recovery)	1,559	(1,467)
Net earnings (loss) for the period attributable to owners of the Company	3,778	(3,943)
Earnings (loss) per share		
Basic and diluted	\$0.128	(\$0.152)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

Three months ended
November 30

	2023	2022
Net earnings (loss) for the period	3,778	(3,943)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net earnings		
(Loss) gain on marketable securities	5	(4)
Cumulative translation adjustment	3	815
Comprehensive earnings (loss) for the period attributable to owners of the Company	3,786	(3,132)

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

	Retained Earnings/ (Deficit)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) Cumulative Translation Adjustment	(Loss) Gain on Marketable Securities	Total Equity
Balance - August 31, 2022	6,506	12,554	15,045	1,043	(83)	35,065
Net loss for the three month period ended November 30, 2022	(3,943)	-	-	-	-	(3,943)
Share-based payment expense	-	-	44	-	-	44
Loss on marketable securities available for sale	-	-	-	-	(4)	(4)
Change in cumulative translation adjustment	-	-	-	815	-	815
Balance - November 30, 2022	2,563	12,554	15,089	1,858	(87)	31,977
Balance - August 31, 2023	(4,797)	15,392	15,282	1,886	(39)	27,724
Net earnings for the three month period ended November 30, 2023	3,778	-	-	-	-	3,778
Share-based payment expense	-	-	66	-	-	66
Gain on marketable securities available for sale	-	-	-	-	5	5
Change in cumulative translation adjustment	-	-	-	3	-	3
Balance - November 30, 2023	(1,019)	15,392	15,348	1,889	(34)	31,576

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2023</i>	<i>2022</i>
Cash flow provided by (used in)		
Operating activities		
Net (loss) earnings for the period	3,778	(3,943)
Add (deduct) items not affecting cash		
Depreciation of property and equipment	92	111
Depreciation of right-of-use assets	462	534
Amortization of intangible assets	14	14
Amortization of advances	124	172
Interest expense on lease liabilities	397	70
Share based payment expense	66	44
Gain on unrealized foreign exchange on subsidiary loans	(3)	(59)
Losses related to equity accounted associate	137	-
(Gain) loss on lease modification, net	(7,741)	297
Changes in working capital	(2,386)	(7,849)
Net cash used in operating activities	(5,060)	(10,609)
Investing activities		
Acquisition of business, net of cash acquired	-	(2,179)
Purchase of property and equipment	(40)	(37)
Payment of advances	(21)	-
Purchase of marketable securities	(64)	-
Net cash used in investing activities	(125)	(2,216)
Financing activities		
Payment of lease liabilities	(559)	(615)
Sublease payments received	16	-
Net cash used in financing activities	(543)	(615)
Effect of exchange rate changes on cash and cash equivalents	(15)	513
Net decrease in cash and cash equivalents	(5,743)	(12,927)
Cash and cash equivalents, beginning of year	22,053	35,668
Cash and cash equivalents, end of period	16,310	22,741