

FOR IMMEDIATE RELEASE

CALDWELL REPORTS FOURTH QUARTER AND FULL YEAR RESULTS AND DECLARES QUARTERLY DIVIDEND

Toronto - November 19, 2024 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPPF) today issued its financial results for the fiscal 2024 fourth quarter and full year ended August 31, 2024. 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		Twelve Months Ended	
	8.31.24	8.31.23	8.31.24	8.31.23
Professional fees - Caldwell	19,157	21,934	74,669	77,102
Professional fees - IQTalent ¹	2,894	3,924	11,643	19,831
Consolidated professional fees	22,051	25,858	86,312	96,933
Direct expense reimbursements	182	295	839	868
Revenues	22,233	26,153	87,151	97,801
Cost of sales	17,522	20,394	68,620	80,712
Reimbursed direct expenses	182	295	839	868
Gross profit	4,529	5,464	17,692	16,221
Selling, general and administrative expenses ²	4,458	4,235	18,612	19,218
Restructuring (income) expenses ³	-	8,061	(7,979)	10,591
Acquisition-related expenses ⁴	-	-	-	879
Operating profit (loss)	71	(6,832)	7,059	(14,467)
Finance expenses (income)	278	596	810	(531)
Earnings (loss) before tax	(207)	(7,428)	6,249	(13,936)
Income tax expense (recovery)	264	(923)	2,061	(2,633)
Net earnings (loss) after tax	(471)	(6,505)	4,188	(11,303)
Basic earnings (loss) per share	(\$0.016)	(\$0.248)	\$0.142	(\$0.432)


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

2) Selling, general and administrative expenses include an expense of \$124 related to share-based compensation as a result of share price increase in the current quarter, compared to a benefit of \$43 in the same quarter last year.

3) Restructuring income of \$7,979 in the first half 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 expensed as at 12/31/22.

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“Fiscal 2024 was marked by economic and market uncertainty contributing to an ongoing suppression of hiring demand that kept search volumes per partner notably below our 10-year historical average,” said Chris Beck, chief executive officer. “Despite these challenges, Caldwell remained profitable, and we are pleased to report IQTalent’s return to operating profitability in the fourth quarter.”

“Caldwell’s professional fees for the fourth quarter were \$19.2 million. This was weaker than anticipated after the strength seen in our third quarter, as new search volumes declined notably during July and August. Despite this, Caldwell remained back-half revenue weighted, with professional fees in the second half of the year representing a 30.8% increase over the first half. Caldwell’s full-year professional fees were relatively flat at \$74.7 million. IQTalent’s professional fees for the fourth quarter were \$2.9 million, which continues the stable performance seen throughout the year. While results in both segments reflect broader economic uncertainties, we are seeing an increase in new search volumes in our first quarter ending November 30, 2024 and expect to deliver marked improvement over our fourth quarter ended August 31, 2024 and last year’s first quarter ended November 30, 2023.”

Beck continued: “With the US election behind us and expectations of increased economic clarity, we are optimistic that improved hiring demand will follow. With an all-time high partner count and a cohort of new principals, combined with our continuing efforts to integrate evolving technology into our processes, we remain well positioned for the market recovery.”

With a view towards maximizing investor returns, the Board of Directors today also declared the reinstatement of a quarterly dividend, with a payment of 0.25 cents per Common Share payable to holders of Common Shares of record on December 2, 2024, and to be paid on December 20, 2024.

The Board of Directors has also announced its intention to pursue a Normal Course Issuer Bid (“NCIB”) to purchase for cancellation a portion of its public float of common shares, subject to approval by the Toronto Stock Exchange (“TSX”).

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.

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THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in \$000s Canadian)

	<i>As at</i> <i>August 31</i> <i>2024</i>	<i>As at</i> <i>August 31</i> <i>2023</i>
Assets		
Current assets		
Cash and cash equivalents	19,634	22,053
Accounts receivable	12,664	12,886
Income taxes receivable	177	197
Unbilled revenue	5,859	8,237
Prepaid expenses and other assets	2,327	2,712
	40,661	46,085
Non-current assets		
Prepaid expenses and other assets	276	593
Investments	1,682	2,039
Advances	904	811
Deferred income taxes	6,851	8,676
Property and equipment	1,698	1,779
Right-of-use assets	5,406	13,305
Intangible assets	88	142
Goodwill	11,186	11,214
Total assets	68,752	84,644
Liabilities		
Current liabilities		
Accounts payable	3,409	3,181
Compensation payable	26,023	28,384
Other liabilities	-	687
Lease liability	1,644	2,788
	31,076	35,040
Non-current liabilities		
Compensation payable	692	1,948
Other liabilities	-	921
Lease liability	4,858	19,011
	36,626	56,920
Equity attributable to owners of the Company		
Share capital	15,392	15,392
Contributed surplus	15,541	15,282
Accumulated other comprehensive income	1,802	1,847
Deficit	(609)	(4,797)
Total equity	32,126	27,724
Total liabilities and equity	68,752	84,644

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF EARNINGS

Twelve months ended

August 31,

2024 2023

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

Revenues		
Professional fees	86,312	96,933
Direct expense reimbursements	839	868
	<u>87,151</u>	<u>97,801</u>
Cost of sales expenses		
Cost of sales	68,620	80,712
Reimbursed direct expenses	839	868
	<u>69,459</u>	<u>81,580</u>
Gross profit	17,692	16,221
Selling, general and administrative	18,612	19,218
Restructuring and other (income) expense	(7,979)	10,591
Acquisition-related expenses	-	879
	<u>10,633</u>	<u>30,688</u>
Operating profit (loss)	7,059	(14,467)
Finance expenses (income)		
Interest expense on lease liability	715	898
Investment income	(133)	(1,635)
Foreign exchange loss	228	206
Earnings (loss) before income tax	6,249	(13,936)
Income tax expense (recovery)	2,061	(2,633)
Net earnings (loss) for the period attributable to owners of the Company	<u>4,188</u>	<u>(11,303)</u>
Earnings (loss) per share		
Basic	\$0.142	(\$0.432)
Diluted	\$0.141	(\$0.432)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(in \$000s Canadian)

Twelve months ended

August 31,

2024 2023

Net earnings (loss) for the period	4,188	(11,303)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net earnings		
Gain on marketable securities	35	44
Cumulative translation adjustment	(80)	843
Comprehensive earnings (loss) for the period attributable to owners of the Company	<u>4,143</u>	<u>(10,416)</u>

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in \$000s Canadian)

	Retained Earnings/ (Deficit)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) Cumulative Translation Adjustment	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 year ended August 31, 2023	(11,303)	-	-	-	-	(11,303)
Share issuance in the year	-	2,838	-	-	-	2,838
Share-based payment expense	-	-	237	-	-	237
Gain on marketable securities available for sale	-	-	-	-	44	44
Change in cumulative translation adjustment	-	-	-	843	-	843
Balance - August 31, 2023	(4,797)	15,392	15,282	1,886	(39)	27,724
Net earnings for the year ended August 31, 2024	4,188	-	-	-	-	4,188
Share-based payment expense	-	-	259	-	-	259
Gain on marketable securities available for sale	-	-	-	-	35	35
Change in cumulative translation adjustment	-	-	-	(80)	-	(80)
Balance - August 31, 2024	(609)	15,392	15,541	1,806	(4)	32,126

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOW

(in \$000s Canadian)

	<i>Twelve months ended</i>	
	<i>August 31,</i>	
	<i>2024</i>	<i>2023</i>
Cash flow provided by (used in)		
Operating activities		
Net earnings (loss) for the period	4,188	(11,303)
Add (deduct) items not affecting cash		
Depreciation of property and equipment	428	450
Depreciation of right-of-use assets	1,586	2,168
Amortization of intangible assets	55	54
Amortization of advances	643	699
Interest expense on lease liabilities	715	898
Share based payment expense	259	237
(Gain) loss on unrealized foreign exchange on subsidiary loans	(34)	25
Gain related to equity securities obtained through search activities	(28)	-
Net losses (gain) related to equity accounted associate	412	(1,323)
Right-of-use asset impairment and disposal	-	6,750
Net gain on lease modification	(7,741)	-
Changes in working capital	749	(9,878)
Net cash generated from (used in) operating activities	1,232	(11,223)
Investing activities		
Acquisition of business, net of cash acquired	-	(2,494)
Purchase of property and equipment	(460)	(167)
Payment of advances	(1,210)	(1,200)
Repayment of advances	-	211
Sale of marketable securities	68	54
Purchase of marketable securities	(64)	-
Net cash used in investing activities	(1,666)	(3,596)
Financing activities		
Payment of lease liabilities	(1,930)	(2,222)
Sublease payments received	16	48
Issuance of shares net of direct expenses	-	2,838
Net cash generated from (used in) financing activities	(1,914)	664
Effect of exchange rate changes on cash and cash equivalents	(71)	540
Net decrease in cash and cash equivalents	(2,419)	(13,615)
Cash and cash equivalents, beginning of year	22,053	35,668
Cash and cash equivalents, end of period	19,634	22,053