Caldwell

50+ YEARS OF INNOVATION IN EXECUTIVE SEARCH

At Caldwell, our purpose is your mission.

We partner with you to design and build extraordinary leadership teams who change the world.

ANNUAL REPORT 2026



WE BELIEVE TALENT TRANSFORMS

Caldwell is an elite executive search firm trusted by established and growth-focused companies alike. For more than 50 years, we have partnered with clients to design and build extraordinary leadership teams. Our partners don't just place executives— they challenge assumptions, enable strategy, and prioritize long-term fit.

Built on repeat clients and referrals, Caldwell delivers clarity and results without arrogance or shortcuts. Our suite of services includes executive and board level search, as well as talent strategy and assessment tools that help organizations hire the right people, then manage and inspire them to achieve maximum business results. For clients seeking substance over scale, we're the confident voice that listens—and leads.

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Caldwell Partners' common shares are listed on The Toronto Stock Exchange (TSX: CWL) and trade on the OTCQX Market (OTCQX: CWLPF).

www.caldwell.com

Caldwell

Dear Shareholders, Clients, and Friends:

Fiscal 2026 was a year of meaningful strategic progress. Revenue reached $100 million at Caldwell, we welcomed talented partners and strengthened the leadership structure supporting our business. We also advanced our use of technology and leadership intelligence to help clients make better leadership decisions. Following year-end, we completed the sale of IQTalent, sharpening our focus on executive search and advisory services. Our priority now is to translate these investments and greater focus into stronger profitability and lasting shareholder value.

We entered the year with strong momentum, which carried through the first nine months. Hiring demand softened in the fourth quarter as geopolitical and economic uncertainty weighed on client decisions. That slowdown affected revenue, while higher partner compensation rates and our investments in new partners and our Middle East presence also weighed on profitability at the close of the year.

IQTalent did not meet the strategic objectives we established for the investment. Its sale allows us to concentrate management attention and capital on executive search and leadership advisory, where we believe Caldwell has its strongest opportunities to create value. Our capital allocation priorities are to preserve financial flexibility, invest selectively in growth and return excess capital to shareholders.

Last year, we aligned the firm around our strategy and renewed purpose: “At Caldwell, our purpose is your mission.” In fiscal 2026, we strengthened the structure that brings that purpose to life. The appointment of a chief operating officer, together with practice and regional managing partners and a leadership advisory council, provides greater coordination and accountability across the firm. This structure creates more opportunities for collaboration and gives our partners a stronger platform from which to serve clients and grow Caldwell’s business.

Partner recruitment was an area of particular progress. Our recruitment committee helped us attract experienced professionals who bring valuable expertise and relationships to Caldwell. We continue to recruit selectively, with a rigorous review of each prospective partner’s experience, client relationships and fit with Caldwell. Softer market conditions and contractual restrictions associated with some transitions have extended the time needed for certain new partners to build momentum. Recruitment costs and supporting staff also affected near-term

profitability. Our priority in fiscal 2027 is to help recent hires increase productivity while monitoring their progress and managing the costs of their development.

We also established a presence in the Middle East, extending our ability to support clients in the region and across our international platform. Our team is securing client assignments, and we see long-term opportunity in connecting the region's leadership needs with Caldwell's expertise and relationships.

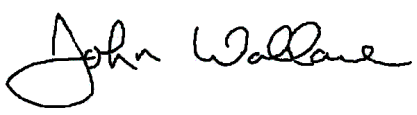
Artificial intelligence offers another opportunity to strengthen our business. We are integrating new tools into our research and search processes to help our teams identify candidates more efficiently. As these capabilities develop, our objective is to shorten search timelines and increase the capacity of our people. Our goal is to translate those gains into a better client experience and stronger operating performance.

The value of our judgment grows alongside these technological advances. As AI makes it easier for candidates to present polished accounts of their experience, clients need help understanding the leader behind the profile and how that person will perform in their organization. Through Caldwell Leadership Intelligence, we are incorporating additional assessment and executive simulation insights together with that context to provide a more complete view of a leader's capabilities, fit and development needs. These capabilities strengthen our ability to help clients make consequential leadership decisions with confidence.

We look ahead to the remainder of fiscal 2027 with clear priorities and confidence in our direction. While hiring demand pulled back, we see opportunities to deepen client relationships and grow our share of the market. We will focus on increasing partner productivity and expanding search and advisory relationships, while improving operating profitability through cost discipline and the effective use of technology. We believe this approach positions Caldwell to serve clients well through the current environment and benefit as demand improves.

Our progress reflects the energy, expertise and commitment of our colleagues, and we thank them for all they accomplished this year. To our clients, thank you for trusting us with decisions that shape your organizations. To our shareholders, thank you for your continued support. We look forward to delivering on these priorities and creating lasting value together.

With sincere appreciation,





John Wallace
Chair of the Board

Chris Beck
Chief Executive Officer

THE CALDWELL PARTNERS INTERNATIONAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended August 31, 2026 and August 31, 2025

Management Discussion and Analysis ("MD&A")

(Expressed in CAD $000s, except per share amounts)

PRESENTATION

The following discussion and analysis, prepared on November 12, 2026 should be read in conjunction with our consolidated annual audited financial statements and related notes and our Annual Information Form for the year ended August 31, 2026. Unless otherwise noted, all currency amounts are provided in thousands of Canadian dollars (except per share amounts). All references to quarters or years are for the fiscal periods unless otherwise noted. Unless otherwise noted as a non-GAAP financial measure or other operating measure, financial results are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

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, our ability to attract and retain key personnel; exposure to departing partners taking their client relationships to another firm; the performance of the US, Canadian and international economies; technological advances that may significantly disrupt the labour market and weaken demand for human capital at a rapid rate; competition from other companies directly or indirectly engaged in talent acquisition; cybersecurity requirements, vulnerabilities, threats and attacks; damage to our brand reputation; foreign currency exchange rate fluctuations; 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, including its impact on our compensation plans; affiliation agreements that may fail to renew or affiliates that 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; our limited ability to access credit; risks related to deposit-taking institutions; 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.sedarplus.ca). 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.

COMPANY DESCRIPTION

Caldwell is an elite executive search firm trusted by established and growth-focused companies alike. For more than 50 years, we have partnered with clients to design and build extraordinary leadership teams. Our partners don't just place executives—they challenge assumptions, enable strategy, and prioritize long-term fit. Built on repeat clients and referrals, Caldwell delivers clarity and results without arrogance or shortcuts. Our suite of services includes executive and board level search, as well as talent strategy and assessment tools that help organizations hire the right people, then manage and inspire them to achieve maximum business results. For clients seeking substance over scale, we're the confident voice that listens—and leads. At Caldwell, our purpose is your mission.

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SALE OF IQTALENT

On October 23, 2026, we completed the sale of substantially all of IQTalent's net operating assets pursuant to an asset purchase agreement with WinMil Inc. ("buyer"). Cash, tax-related assets, intercompany receivables and payables, and marketable securities, including IQTalent's interest in HootRecruit, were retained by us. As at August 31, 2026, the IQTalent segment did not meet the criteria for classification as held for sale or as a discontinued operation. At that date, the sale was not considered highly probable, as the events necessary to advance the transaction occurred subsequent to August 31, 2026. Accordingly, the transaction represents a non-adjusting event after the reporting period. The consolidated financial statements as at and for the year ended August 31, 2026 have not been adjusted for the effects of the transaction, and the results of IQTalent continue to be presented within continuing operations for the year ended August 31, 2026.

Following the disposal, IQTalent met the criteria for classification as a discontinued operation as it represented a separate major line of business of Caldwell. Accordingly, in subsequent reporting periods, the results of the IQTalent segment through the date of disposal, together with the gain or loss on disposal, will be presented as discontinued operations, with comparative results re-presented in accordance with IFRS 5.

BUSINESS SEGMENTS

Identification of Segments

In fiscal 2026, prior to the sale of IQTalent, we operated through two distinct segments – retained executive search and analytics solutions conducted as ***Caldwell***, and on-demand talent acquisition augmentation solutions conducted as ***IQTalent***. The services Caldwell offers, the nature of its clients and its pricing and delivery model are uniform across geographies, and those geographies are largely interconnected in economic cycles. We therefore measure the key metrics and reporting of Caldwell as one segment. IQTalent's business was managed and measured separately from Caldwell with unique branding, operations and pricing. As a result, we operated with two distinct business segments differentiated by brand, services, operations and pricing models.

Segment Operating Characteristics

Revenue

Caldwell
Caldwell operates with partners in Canada, the United States, Europe, and the Middle East, with functional currencies being the Canadian dollar, US dollar, British pound, and UAE dirham. We take pride in delivering an unmatched level of service and expertise to our clients from multiple locations throughout the world, including Atlanta, Boston, Calgary, Charleston, Chicago, Dallas, Denver, Dubai, Houston, London, Los Angeles, Madrid, Miami, Nashville, New York, Philadelphia, San Francisco, Stamford, Toronto, and Vancouver.

Caldwell's executive search revenue and operating income are difficult to predict and have historically varied significantly from quarter to quarter. There is no discernible seasonality in our business on a quarterly basis, although historically, we have usually seen lower revenue in the first and second quarters compared to the third and fourth quarters. Over the past ten years, revenue in the second half of the year has increased over the first half by an average of 21%. Adjusting for the pandemic in fiscal 2020, this metric grows to 27%.

Our capacity to generate revenue increases with the number of partners and depends on the fees we are able to charge and our partners' productivity, which is influenced significantly by competition and general economic hiring conditions. Additionally, given our relatively small partner base, we have limited diversification, and consequently, results may fluctuate significantly from quarter to quarter. We provide fully-retained executive search and bill our clients based on a fee of approximately one-third of a placed executive's compensation.

IQTalent
IQTalent provides on-demand talent acquisition augmentation as a managed service to our clients, who are typically in-house talent acquisition departments. We provide candidate research and sourcing at all talent levels and full lifecycle recruiting services at the professional level, with revenue generated per labour hour. Services are on-demand with no long-term contractual commitments and can vary significantly from quarter to quarter and with economic cycles or events. As services are billed to clients on an hourly basis, revenue fluctuates based on the number of business days. There are 250 business days in fiscal 2026, with 61 days (24.4%) in the first quarter, 61 days (24.4%) in the second quarter, 64

days (25.6%) in the third quarter and 64 days (25.6%) in the fourth quarter. Fiscal 2025 had 252 business days, with 62 days (24.6%) in the first quarter, 62 days (24.6%) in the second quarter, 64 days (25.4%) in the third quarter and 64 days (25.4%) in the fourth quarter.

IQTalent's capacity to generate revenue increases with the size of fully trained research, sourcing and recruitment staff. Third-party contractors are used to help manage fluctuations in customer demand. Staffing needs are dependent on the pipeline of active and potential business opportunities available to generate billable hours. Active accounts and potential new business in the pipeline are managed by senior leadership and are influenced significantly by competition and general economic hiring conditions.

From time-to-time, IQTalent provides certain research services to support Caldwell's executive search teams. The pricing of these services is in line with other third parties of similar size. IQTalent and Caldwell recognize these fees in their revenue and cost of sales, respectively. Such amounts are eliminated upon consolidation.

Cost of Sales

Caldwell
Cost of sales for executive search pertains to professional fees. It comprises partner compensation, related search delivery personnel compensation and the direct costs of providing our search services, much of which relates to candidate databases and research tools. Compensation costs include fixed salaries, variable incentive compensation and related employee benefits and payroll taxes.

Our partners are paid a set level of base compensation referred to as draws. Variable incentive compensation is based on a percentage of collected professional fees attributed to each partner, based on a tiered commission grid. The higher a partner's collected professional fees in a fiscal year, the higher the partner's earning percentage. In aggregate, as Annualized Professional Fees per Partner increases, compensation tiers and expense also increase. Please see the discussion on Non-GAAP measures for further details on this metric. The partners' variable compensation incentives are credited first to draw amounts already paid as an advance, with any excess due as a commission payment. A deficit occurs when a partner's variable compensation earned is less than their draw. The full draw amount is expensed each period. Additionally, any excess variable compensation is expensed and accrued for future payment. Deficit amounts within a fiscal year may be recouped in subsequent quarters if a partner earns enough variable compensation over the remainder of the year to credit against any deficit that has already been expensed. Deficits at the end of each fiscal year are not
brought forward into future fiscal years for recoupment. In periods of organic growth, as new partner hires transition, deficits may increase.

In aggregate and over time, these costs are largely variable to professional fees, with fluctuations arising from changes in incentive compensation based on the Annualized Professional Fees per Partner and the leverage impact of certain fixed support costs during periods of rapid growth or decline. Please see the discussion on Non-GAAP measures for further details on the Average Professional Fee per Partner metric.

Costs associated with direct expense reimbursements are recorded separately as reimbursed direct expenses.

IQTalent

Cost of sales for on-demand recruiting services is comprised of research, sourcing and recruitment staff compensation, including benefits and payroll taxes and third-party contractor fees. Employees are primarily salaried with traditional bonus plans tied to company and individual performance. As a result, in the short term, IQTalent's cost of sales is more fixed in nature than Caldwell's. Other direct costs of providing our services are primarily related to candidate databases and research tools.

Staffing levels are actively managed with the utilization of hourly capacity, a key operating metric. To help manage demand fluctuations, we also maintain a network of experienced non-employee contracted professionals. Although the overall cost of contracted professionals in the United States is higher than employees, when demand exceeds the available hours of employed staff, the contracted professional network allows us to scale to meet our clients' service delivery needs.

Contractors are generally paid for actual hours worked that fluctuate each period relative to the number of working business days. In contrast to salaried employees, the cost of contractors is variable to revenue.

Selling, general and administrative

Selling, general and administrative expenses are similar in nature across Caldwell and IQTalent, consisting of items such as occupancy, information technology, marketing, professional and other operating costs. We have consolidated certain support functions such as finance, accounting, payroll, information technology, marketing and select administrative functions. We allocate shared support costs from Caldwell to IQTalent in the segmented statements of earnings based on the incremental direct cost of managing IQTalent. Costs related to our status and operation as a public company are not allocated to IQTalent.

NON-GAAP FINANCIAL MEASURES AND OTHER OPERATING MEASURES

Certain non-GAAP financial measures and other operating measures are used to manage the business and explain the results of operations. Such measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures and other operating measures used herein have been calculated on a consistent basis for the periods presented and include the following defined terms:

Caldwell

- Average Fee per Assignment: Professional fees reported as revenue from executive search for a given period divided by the related Number of Assignments. This metric is used to identify and track price trends as a key driver of our professional fees in executive search. It is impacted by both economic and competitive conditions as well as the seniority level of searches undertaken. Please note that over short periods of time and during periods of rapid revenue growth or decline, Average Fee per Assignment can be a trailing indicator of the ultimate actual average fee per search, as the number of searches booked precedes the recognition of the associated search revenue.

- Average Number of Partners: The number of active executive search revenue-producing partners at the beginning of a period plus the number of active executive search revenue-producing partners at the end of each month during the period, divided by the related

number of months. The Average Number of Partners is indicative of our capacity to generate professional fees in executive search. Principals are excluded from this metric as they are generally newly-promoted and are yet to establish themselves in the market as revenue-producers. The expectation is for principals to progress to partners over time.

- Annualized Professional Fees per Partner: Professional fees from executive search divided by the Average Number of Partners; and if an interim period, annualized to a full year. The Annualized Professional Fees per Partner indicates how well our partners are performing as a whole. This performance is driven by the Number of Assignments performed and the Average Fee per Assignment. Annualized Professional Fees per Partner also impacts our cost of sales as the more an individual partner bills, the higher the commission tier they are paid. As the Annualized Professional Fees per Partner rises, compensation expense as a percentage of professional fees also generally rises.

- Number of Assignments: The number of new executive search assignments contracted for during a period. This metric shows the search volume and is one of the drivers of professional fees in executive search.

- Number of Assignments per Partner: The Number of Assignments divided by the Average Number of Partners. This metric analyzes our partner productivity and utilization and is a measure used to identify and track volume trends in executive search as one of the key drivers of our professional fees.

IQTalent

- Average Fees Billed per Business Day: IQTalent professional fees for a given period divided by the Number of Business Days in the period. This metric is used to identify and track price and volume trends in this segment as one of the key drivers of professional fees. It is impacted by market pricing and the Average Number of Active Clients.

- Number of Business Days: The aggregate number of weekday days in a period less any US holidays. This metric represents days of work that can be performed for and billed to IQTalent clients in a period and is a key driver of professional fees in this segment.

- Proportion of Contract Professionals: A measure used to identify and track the average proportion of labour in cost of sales during a period performed by non-employee contract professionals in the IQTalent segment. This is a driver of direct costs and gross margin as contracted professionals in the United States typically cost more than employees.

- Utilization Rate: The total number of hours IQTalent clients are billed during a period divided by the total number of labour hours paid. The metric is used to identify and track how efficiently resources are being deployed in the IQTalent on-demand talent acquisition augmentation managed services business.

- Average Number of Active Clients: The sum of the number of unique IQTalent clients for whom billable services have been performed in each period divided by the total number of periods. This metric is used to identify and track the size of our customer base in the IQTalent segment.

- Average Revenue per Active Client: Professional fees for a given period divided by the Average Number of Active Clients for that period. This metric is used to identify and track the average revenue-generating value of our clients in the IQTalent segment.

Consolidated

- Unencumbered Cash: A measure used to identify cash available for growth and strategic initiatives, as well as a source of funding during any periods of negative cash flow from operations, calculated as the net of (i) total current assets, less (ii) total current liabilities. Unencumbered cash is an approximation; actual cash and cash equivalents can be lower than unencumbered cash.

- Average Period End Share Price: The volume-weighted average share price in Caldwell stock for the last ten business days of the month. This metric drives the Share Price Impact on Operating Profit.

- Share Price Impact on Operating Profit: The change in operating profit during a period resulting from the increase or decrease in share-based expenses solely the result of changes in share price during the period.

SELECTED FINANCIAL INFORMATION

The following table summarizes selected financial information for the three fiscal years ended August 31. Please refer to the Non-GAAP Financial Measures and Other Operating Measures section in this MD&A for defined terms:

($000 except dividends and earnings per share)	2026	2025	2024
Caldwell professional fees	$ 100,285	$ 91,251	$ 74,669
IQTalent professional fees	$ 9,927	$ 12,004	$ 11,643
Professional fees	$ 110,212	$ 103,255	$ 86,312
Total revenue	$ 111,186	$ 104,057	$ 87,151
Operating profit (loss)	$ 216	$ 3,735	$ 7,059
Net(loss) earnings for the year attributable to owners of the Company	($ 2,331)	$ 2,562	$ 4,188
Basic (loss) earnings per share	($0.079)	$ 0.087	$ 0.142
Diluted (loss) earnings per share	($0.079)	$ 0.086	$ 0.141
Total assets[2]	$ 75,901	$ 80,766	$ 68,752
Total non-current financial liabilities	$ 5,193	$ 6,109	$ 5,550
Unencumbered cash[3]	$ 13,763	$ 12,809	$ 9,585
Cash dividends per share	$0.045	$ 0.010	-
Period-end average share price	$1.04	$ 0.70	$ 0.84
Caldwell key performance indicators[3]			
Period-end number of partners	54	48	49
Average number of partners	51.8	50.7	46.4
Annualized professional fees per partner	$ 1,938	$ 1,803	$ 1,609
Number of assignments	557	576	475
Number of assignments per partner	10.7	11.4	10.2
Average fee per assignment	$ 181	$ 158	$ 157
IQTalent key performance indicators[3]			
Average fees billed per business day	$40	$48	$46
Number of business days	250	252	252
Proportion of work performed by contract professionals	43%	32%	15%
Capacity utilization rate	97%	92%	92%
Average number of active clients	37	40	54
Average revenue per active client	$ 270	$ 300	$ 216

[1] *IQTalent professional fees are shown net of the elimination of intercompany revenue.*
Notable financial items have impacted on the above quarterly results. This chart should be read in conjunction with each quarter's MD&A as filed on SEDAR to better understand the impact of such items.

[2] *Prior period amounts restated to conform to presentation changes related to unbilled revenue and deferred revenue*

[3] *Please refer to the section on Non-GAAP Financial Measures and Other Operating Measures*

EXECUTIVE SUMMARY OF OPERATING RESULTS AND BUSINESS OUTLOOK

- Consolidated professional fees for the fourth quarter decreased 18.8% to $25.5 million. Consolidated gross margin declined to 15.0% from 21.9% and adjusted operating profit, excluding the goodwill impairment in IQTalent of $4.0 million, decreased to $0.1 million from $2.5 million.

- For the year ended August 31, 2026, consolidated professional fees increased 6.7% to $110.2 million and adjusted operating profit, excluding the goodwill impairment in IQTalent of $4.0 million, increased to $4.2 million from $3.7 million.

- On October 23, 2026, we announced the sale of substantially all of the net operating assets of the Company's wholly owned subsidiary, IQTalent Partners, Inc., to WinMil, Inc. WinMil will continue to operate the business under the IQTalent name and brand. Caldwell had acquired IQTalent in 2020 to broaden its service offerings into technology-enabled recruiting solutions at the professional level. After nearly six years, Caldwell determined that the business was no longer meeting the firm's strategic objectives and that the sale would better align its portfolio with its long-term priorities. Please refer to note 24 in the consolidated annual financial statements for details. For the year ended August 31, 2026, we recognized goodwill impairment related to IQTalent of $4.0 million.

Caldwell

In Caldwell, the first three quarters of fiscal 2026 showed meaningful year-to-date improvement in professional fees and profitability. The fourth quarter of fiscal 2026, however, reflected a significant pullback in hiring demand. While our revenue at Caldwell has historically been substantially stronger in the second half of the fiscal year than in the first half, that trend did not occur in fiscal 2026.

Caldwell's full-year professional fees increased 9.9% to $100.3 million, but a weaker fourth quarter impacted profitability. Fourth-quarter professional fees declined 16.0% to $23.2 million, and operating profit fell to break-even from $1.9 million in the prior-year quarter. As a result, full-year operating profit decreased to $3.5 million from $3.7 million.

We believe weaker hiring demand reflected client caution amid prolonged conflict in the Middle East, the war in Ukraine and broader geopolitical uncertainty, elevated interest rates and inflation, and shifting tariff policies. While AI is generating hiring demand, clients' focus on developing AI strategies is also diverting executive attention from other business initiatives and associated hiring.

Fourth-quarter gross margin declined to 14.0% from 20.7%. Our top-quartile partners continued to bill strongly, shifting a greater share of professional fees into higher compensation tiers. At the same time, new partners generally took longer than anticipated to build billings, resulting in draw deficits as their compensation draws exceeded commissions earned. Both weaker hiring demand and restrictive covenants carried over from prior employers delayed their contributions. Lower revenue also increased search support and technology costs as a proportion of professional fees as these costs are fixed in the short-term surrounding rapid revenue changes.

Full-year selling, general and administrative expenses increased 5.2% to $16.6 million, reflecting higher share-based compensation expense arising from our share price increase, partner recruitment and onboarding costs, marketing and business development activity, and costs related to setting up the Dubai office. These increases were partially offset by lower management compensation, including reduced bonus accruals as annual operating profit targets were not met. Fourth-quarter SG&A declined to $3.2 million from $3.8 million, partially offsetting the decline in gross profit.

We expect stronger contributions from partners hired in fiscal 2026 as their restrictive covenants expire and their practices develop in fiscal 2027. Additionally, while new search activity was quite suppressed in July through September, we noted a significant increase in the Number of Assignments in October.

IQTalent

IQTalent continued to focus on utilization and cost discipline amid softer demand. Fiscal 2026 professional fees decreased to $10.0 million from $12.0 million, reflecting both the softer mid-level hiring environment and the successful completion of a significant client project that generated revenue in the third and fourth quarters of fiscal 2025 but did not recur in fiscal 2026. Despite lower revenue, IQTalent generated adjusted operating profit of $0.7 million, excluding the $4.0 million goodwill impairment, compared with a break-even position in the prior year, reflecting improved utilization and disciplined cost management.

On October 23, 2026, we sold substantially all of the net operating assets of IQTalent Partners, Inc. The buyer will continue to operate the business under the IQTalent name and brand. Please refer to note 24 of the consolidated annual financial statements for details.

Outlook

We believe in the strength of our company, team, service offerings, balance sheet, and future. For fiscal 2027, we remain focused on continued partner growth and delivering value to our shareholders through increased profitability and a disciplined capital allocation strategy. Our focus is on helping new partners build revenue, improving productivity across the firm and managing costs in line with demand.

The Board of Directors believes that the payment of regular dividends is in the best interests of the Company and its shareholders. During Fiscal 2025 the Board of Directors reinstated a quarterly dividend payment at the rate of one-quarter of a cent per share (0.25 cents per share). On November 20, 2025, the quarterly dividend was increased to one cent per share (1.00 cents per share). On July 9, 2026, the quarterly dividend was increased to one-and-a-half cents per share (1.5 cents per share).

On November 12, 2026, the Board of Directors declared a quarterly dividend of $0.02 (2.0 cents) per common share, payable to holders of common shares of record on November 23, 2026, and to be paid on December 15, 2026.

On November 12, 2026, the Board of Directors declared a special dividend of $0.116 per common share (11.6 cents per common share), representing a distribution of the cash proceeds received from the sale of its IQTalent business, payable to holders of common shares of record on November

23, 2026, to be paid on December 15, 2026.

Please refer to a complete list of risk factors set forth in this MD&A.

SUMMARY OF QUARTERLY RESULTS

We monitor our consolidated business results based on reviewing select financial information. The following are select financial statement line items for the most recent eight quarters, derived from the unaudited consolidated interim financial statements, and do not represent a complete statement of earnings:

	2025				2026			
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*
Professional Fees - Caldwell	$ 18,389	$ 20,190	$ 25,010	$ 27,662	$ 26,074	$ 24,622	$ 26,343	23,246
Professional Fees - IQTalent	$ 2,766	$ 2,797	$ 2,727	$ 3,714	$ 2,977	$ 2,446	$ 2,269	2,235
Consolidated Professional Fees	$ 21,155	$ 22,987	$ 27,737	$ 31,376	$ 29,051	$ 27,068	$ 28,612	$ 25,481
Direct expense reimbursements	$ 205	$ 171	$ 194	$ 232	$ 230	$ 229	$ 209	$ 306
Revenue	$ 21,360	$ 23,158	$ 27,931	$ 31,608	$ 29,281	$ 27,297	$ 28,821	$ 25,787
Cost of sales	$ 16,943	$ 18,187	$ 21,402	$ 24,512	$ 23,140	$ 21,033	$ 21,724	$ 21,670
Reimbursed direct expenses	$ 205	$ 171	$ 194	$ 232	$ 230	$ 229	$ 209	$ 306
Gross profit	$ 4,212	$ 4,800	$ 6,335	$ 6,864	$ 5,911	$ 6,035	$ 6,888	$ 3,811
Gross profit as a %ge of Professional Fees	*19.9%*	*20.9%*	*22.8%*	*21.9%*	*20.3%*	*22.3%*	*24.1%*	*15.0%*
Selling, general and administrative	$ 4,193	$ 5,449	$ 4,375	$ 4,347	$ 5,055	$ 5,264	$ 4,412	$ 3,717
Goodwill impairment and other expenses	$ -	$ -	$ 112	$ -	$ -	$ -	$ -	$3,981
Net operating profit (loss)	$ 19	$ (649)	$ 1,848	$ 2,517	$ 856	$ 771	$ 2,476	$ (3,887)
Finance expenses (income)	$ (486)	$ (354)	$ 725	$ 118	$ (256)	$ 475	$ (94)	$ (34)
Net earnings (loss) before tax	$ 505	$ (295)	$ 1,123	$ 2,399	$ 1,112	$ 296	$ 2,570	$ (3,853)
Income tax expense (recovery)	$ 40	$ (84)	$ 282	$ 932	$ 529	$ 274	$ 991	$ 662
Effective income tax rate	7.9%	28.5%	25.1%	38.8%	47.6%	92.6%	38.6%	17.2%
Net earnings (loss) after tax	$ 465	$ (211)	$ 841	$ 1,467	$ 583	$ 22	$1,579	$ (4,515)
Basic earnings (loss) per share	$ 0.016	$ (0.007)	$ 0.028	$ 0.050	$ 0.020	$ 0.001	$ 0.054	$ (0.153)
Fully diluted earnings (loss) per share	$ 0.016	$ (0.007)	$ 0.028	$ 0.050	$ 0.020	$ 0.001	$ 0.054	$ (0.153)

[1] IQTalent professional fees are shown net of the elimination of intercompany revenue.
Notable financial items have impacted on the above quarterly results. This chart should be read in conjunction with each quarter's MD&A as filed on SEDAR to better understand the impact of such items.

BUSINESS SEGMENT KEY PERFORMANCE INDICATORS

We also measure certain key performance indicators ("KPIs") for each of our business segments. Please refer to the Non-GAAP Financial Measures and Other Operating Measures section in this MD&A for defined terms. The following are select KPIs for the most recent eight quarters:

Caldwell:

	2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Professional Fees - Caldwell	$ 18,389	$ 20,190	$ 25,010	$ 27,662	$ 26,074	$ 24,622	$ 26,343	$ 23,246
Period-end Number of Partners	50	53	51	48	50	51	53	54
Average Number of Partners	50.3	51.0	52.0	49.5	49.8	50.5	52.3	51.5
Annualized Professional Fees per Partner	$ 1,462	$ 1,584	$ 1,924	$ 2,235	$ 2,094	$ 1,950	$ 2,015	$ 1,806
Number of Assignments	133	129	135	179	140	133	146	138
Number of Assignments per Partner	2.6	2.5	2.6	3.6	2.8	2.6	2.8	2.7
Average Fee per Assignment	$ 138	$ 157	$ 185	$ 155	$ 186	$ 185	$ 180	$168

IQTalent:

	2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Professional Fees - IQTalent	$ 2,766	$ 2,797	$ 2,727	$ 3,714	$ 2,977	$ 2,446	$ 2,269	$ 2,235
Number of Business Days	62	62	64	64	61	61	64	64
Average Fees Billed per Business Day	$ 45	$ 45	$ 43	$ 58	$ 48	$ 39	$ 36	$ 34
Proportion of Contract Professionals	23%	19%	24%	15%	47%	38%	42%	44%
Utilization Rate	93%	91%	91%	93%	98%	95%	96%	99%
Average Number of Active Clients	40	43	37	38	40	35	35	37
Average Revenue per Active Client	$ 69	$ 65	$ 74	$ 98	$ 74	$ 70	$ 65	$ 60

Consolidated:

	2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unencumbered Cash	$ 10,228	$ 8,982	$ 11,104	$ 12,809	$ 12,812	$ 11,850	$ 14,244	$ 13,763
Average Period End Share Price	$ 1.11	$ 1.04	$ 0.76	$ 0.70	$ 0.85	$ 0.96	$ 0.88	$ 1.04
Share Price Impact on Operating Profit	$ (63)	$ 32	$ 315	$ 121	$ (208)	$ (172)	$ 55	$ (233)

OPERATING RESULTS AND DISCUSSION OF CHANGES TO PRIOR YEAR

Our presentation currency is the Canadian dollar. Segment discussions are in Canadian dollars at foreign exchange rates in effect during the respective periods. The following charts provide a reconciliation of the Company's consolidated statements of earnings by business line segment to the consolidated results:

	Three months ended August 31, 2026			
	Caldwell	IQTalent	Elimination	Total
Professional fees	23,246	2,251	(16)	25,481
Direct expense reimbursements	306	-	-	306
Revenues	23,552	2,251	(16)	25,787
Cost of sales	19,997	1,689	(16)	21,670
Reimbursed direct expenses	306	-	-	306
Gross profit	3,249	562	-	3,811
Gross profit as a % of professional fees	14.0%	25.0%	-	15.0%
Selling, general and administrative	3,242	475	-	3,717
Goodwill impairment		3,981		3,981
Operating profit (loss)	7	(3,894)	-	(3,887)
Interest expense on lease liability	97	-	-	97
Investment (income) expense	(519)	422	-	(97)
Foreign exchange gain	(34)	-	-	(34)
Earnings (loss) before tax	463	(4,316)	-	(3,853)
Income tax expense	507	155	-	662
Net earnings (loss) for the period	(44)	(4,471)	-	(4,515)

	Three months ended August 31, 2025			
	Caldwell	IQTalent	Elimination	Total
Professional fees	27,662	3,714	-	31,376
Direct expense reimbursements	232	-	-	232
Revenues	27,894	3,714	-	31,608
Cost of sales	21,945	2,567	-	24,512
Reimbursed direct expenses	232	-	-	232
Gross profit	5,717	1,147	-	6,864
Gross profit as a % of professional fees	20.7%	30.9%		21.9%
Selling, general and administrative	3,848	499	-	4,347
Operating profit (loss)	1,869	648	-	2,517
Interest expense on lease liability	91	-	-	91
Investment (income) expense	(527)	484	-	(43)
Foreign exchange loss	48	22	-	70
Earnings before tax	2,257	142	-	2,399
Income tax expense	497	435	-	932
Net earnings (loss) for the period	1,760	(293)	-	1,467

	Twelve months ended August 31, 2026			
	Caldwell	IQTalent	Elimination	Total
Professional fees	100,285	10,047	(120)	110,212
Direct expense reimbursements	974	-	-	974
Revenues	101,259	10,047	(120)	111,186
Cost of sales	80,246	7,441	(120)	87,567
Reimbursed direct expenses	974	-	-	974
Gross profit	20,039	2,606	-	22,645
Gross profit as a % of professional fees	20.0%	25.9%		20.5%
Selling, general and administrative	16,565	1,883	-	18,448
Goodwill impairment		3,981		3,981
Operating profit (loss)	3,474	(3,258)	-	216
Interest expense on lease liability	414	-	-	414
Investment (income) expense	(2,087)	1,707	-	(380)
Foreign exchange loss	57	-	-	57
Earnings (loss) before tax	5,090	(4,965)	-	125
Income tax expense	2,455	1	-	2,456
Net earnings (loss) for the period	2,635	(4,966)	-	(2,331)

	Twelve months ended August 31, 2025			
	Caldwell	IQTalent	Elimination	Total
Professional fees	91,251	12,027	(23)	103,255
Direct expense reimbursements	802	-	-	802
Revenues	92,053	12,027	(23)	104,057
Cost of sales	71,949	9,118	(23)	81,044
Reimbursed direct expenses	802	-	-	802
Gross profit	19,302	2,909	-	22,211
Gross profit as a % of professional fees	21.2%	24.2		21.5%
Selling, general and administrative	15,746	2,618	-	18,364
Other (income) expense	(163)	275	-	112
Operating profit	3,719	16	-	3,735
Interest expense on lease liability	388	-	-	388
Investment (income) expense	(2,166)	1,770	-	(396)
Foreign exchange (gain) loss	(11)	22	-	11
Earnings (loss) before tax	5,508	(1,776)	-	3,732
Income tax expense (recovery)	1,251	(81)	-	1,170
Net earnings (loss) for the period	4,257	(1,695)	-	2,562

Our presentation currency is the Canadian dollar. Our functional currencies follow the geographies of our subsidiaries and include the Canadian dollar, the US dollar, the British pound and the UAE Dirham. The UAE Dirham is pegged to the US dollar. Approximately 71% of our revenue was in the functional currency of the US dollar in the fourth quarter of fiscal 2026. The following table summarizes the foreign exchange rates impacting the business, relative to the Canadian dollar:

	F'26		F'25	
	Q4	Year-to-date	Q4	Year-to-date
United States				
US dollar - average	1.40	1.39	1.37	1.40
US dollar - period end	1.39	1.39	1.37	1.37
Europe				
British pound - average	1.88	1.86	1.85	1.82
British pound - period end	1.88	1.88	1.85	1.85

To better explain the changes in our operating results, we compare current-period results with prior-period results after adjusting for the impact of currency translation. The constant currency results for our Caldwell and IQTalent segments, restated using prior-period foreign exchange rates, are as follows:

Three months ended August 31,						
Caldwell	2026 As Reported	FX[1]	Constant Currency	2025 As Reported	$ variance	% variance
Professional fees	23,246	(540)	22,706	27,662	(4,956)	-17.9%
Direct expense reimbursements	306	(4)	302	232	70	30.2%
Revenues	23,552	(544)	23,008	27,894	(4,886)	-17.5%
Cost of Sales	19,997	(444)	19,553	21,945	(2,392)	-10.9%
Reimbursed direct expenses	306	(4)	302	232	70	30.2%
Gross profit	3,249	(96)	3,153	5,717	(2,564)	-44.8%
Gross margin	*14.0%*		*13.9%*	*20.7%*		
Selling, general and administrative	3,242	(66)	3,176	3,848	(672)	-17.5%
Operating profit	7	(30)	(23)	1,869	(1,892)	-101.2%

Twelve months ended August 31,						
Caldwell	2026 As Reported	FX[1]	Constant Currency	2025 As Reported	$ variance	% variance
Professional fees	100,285	242	100,527	91,251	9,276	10.2%
Direct expense reimbursements	974	5	979	802	177	22.1%
Revenues	101,259	247	101,506	92,053	9,453	10.3%
Cost of Sales	80,246	124	80,370	71,949	8,421	11.7%
Reimbursed direct expenses	974	5	979	802	177	22.1%
Gross profit	20,039	118	20,157	19,302	855	4.4%
Gross margin	*20.0%*		*20.1%*	*21.2%*		
Selling, general and administrative	16,565	46	16,611	15,746	865	5.5%
Other income	-	-	-	(163)	163	n/a
Operating profit	3,474	72	3,546	3,719	(173)	-4.7%

[1] Impact of adjusting foreign exchange rates to fiscal 2025 actual rates

Three months ended August 31,						
IQTalent	2026 As Reported	FX[1]	Constant Currency	2025 As Reported	$ variance	% variance
Professional fees	2,251	(68)	2,183	3,714	(1,531)	-41.2%
Revenues	2,251	(68)	2,183	3,714	(1,531)	-41.2%
Cost of Sales	1,689	(47)	1,642	2,567	(925)	-36.0%
Gross profit	562	(21)	541	1,147	(606)	-52.8%
Gross margin	*25.0%*		*24.8%*	*30.9%*		
Selling, general and administrative	475	(7)	468	499	(31)	-6.2%
Goodwill impairment	3,981	-	3,981	-	3,981	nm[(2)]
Operating (loss) profit	(3,894)	(14)	(3,908)	648	(4,556)	nm[(2)]

Twelve months ended August 31,						
IQTalent	2026 As Reported	FX[1]	Constant Currency	2025 As Reported	$ variance	% variance
Professional fees	10,047	54	10,101	12,027	(1,926)	-16.0%
Revenues	10,047	54	10,101	12,027	(1,926)	-16.0%
Cost of Sales	7,441	44	7,485	9,118	(1,633)	-17.9%
Gross profit	2,606	10	2,616	2,909	(293)	-10.1%
Gross margin	*25.9%*		*25.9%*	*24.2%*		
Selling, general and administrative	1,883	17	1,900	2,618	(718)	-27.4%
Goodwill impairment and other expenses	3,981	-	3,981	275	3,706	nm[(2)]
Operating (loss) profit	(3,258)	(7)	(3,265)	16	(3,281)	nm[(2)]

[1] Impact of adjusting foreign exchange rates to fiscal 2025 actual rates

[2] Not meaningful

REVENUE
PROFESSIONAL FEES

Fourth Quarter Professional Fees

Consolidated:
Professional fees for the fourth quarter of 2026 decreased 18.8% over the same period last year to $25,481 (2025: $31,376). Caldwell's professional fees decreased 16.0% to $23,246 (2025: $27,662) and IQTalent's professional fees decreased 39.8% to $2,235 ($2,251, less $16 of eliminated intercompany revenue) (2025: $3,714).

Caldwell:
On a constant currency basis, Caldwell's professional fees for the fourth quarter of 2026 decreased 17.9% over the same period last year to $22,706 (2025: $27,662). The constant currency decrease in professional fees resulted from:

- A 22.9% decrease in the Number of Assignments to 138 (2025: 179) from a significant reduction in hiring demand during the quarter; partially offset by,
- A 5.8% increase in the constant currency Average Fee per Assignment to $164 (2025: $155),
- A 4.0% increase in the Average Number of Partners at 51.5 (2025: 49.5) which increases the fee-producing base.

IQTalent (excluding intercompany elimination):
On a constant currency basis, IQTalent's professional fees for the fourth quarter of 2026 decreased 41.2% over the same period last year to $2,183 (2025: $3,714). The constant currency decrease in professional fees resulted from lower constant currency Average Fees Billed per Business Day in the fourth quarter of $34 (2025: $58), primarily due to a lower constant currency Average Revenue per Active Client of $59 (2025: $98) and a decrease in the Average Number of Active Clients to 37 (2025: 38). The fourth quarter of fiscal 2025 primarily reflects decline from a single large project that successfully concluded in that period.

Year-to-date Professional Fees

Consolidated:
Professional fees for the twelve months ended August 31, 2026 increased 6.7% from the same period last year to $110,212 (2025: $103,255). Caldwell's professional fees increased 9.9% to $100,285 (2025: $91,251) and IQTalent decreased 17.3% to $9,927 ($10,047 less eliminated intercompany revenue of $120) (2025: $12,027, less eliminated intercompany revenue of $23).

Caldwell:
On a constant currency basis, Caldwell's professional fees for the twelve months ended August 31, 2026 increased 10.2% from the same period last year to $100,527 (2025: $91,251). The constant currency increase in professional fees resulted from:

- A 13.9% increase in the constant currency Average Fee per Assignment to $180 (2025: $158)
- A 2.2% increase in the Average Number of Partners at 51.8 (2025: 50.7) which increases the

fee-producing base; partially offset by,

- A 3.3% decrease in the Number of Assignments to 557 (2025: 576).

IQTalent (excluding intercompany elimination):
On a constant currency basis, IQTalent's professional fees for the twelve months ended August 31, 2026 decreased 16.0% over the same period last year to $10,101 (2025: $12,027). The constant currency decrease in professional fees resulted from a decrease in the constant currency Average Fees Billed per Business Day to $40 (2025: $48), a decrease in the Average Number of Active Clients to 37 (2025: 40), and a decrease in the Average Revenue per Active Client to $69 (2025: $77). The fourth quarter of fiscal 2025 reflects a single large project that successfully concluded in that period.

DIRECT EXPENSE REIMBURSEMENTS

Direct expenses incurred and billed to clients during the fourth quarter of 2026 were $306 (2025: $232). Year-to-date direct expenses incurred and billed to clients were $974 (2025: $802). Expense reimbursements all pertain to Caldwell. Direct expenses include partner and candidate travel and accommodation costs, and costs of services such as background checks. As direct expense reimbursements equal the expenses incurred, there is no direct impact on our profitability caused by fluctuations in these expenses.

COST OF SALES

Fourth Quarter Cost of Sales

Consolidated:
Cost of sales in the fourth quarter of 2026 decreased 11.6% from the same period last year to $21,670 (2025: $24,512). On a segment basis, Caldwell's cost of sales decreased 8.9% to $19,997 (2025: $21,945), and IQTalent's cost of sales decreased 34.8% to $1,673 ($1,689, less eliminated intercompany costs of sale of $16) (2025: $2,567).

Caldwell:
On a constant currency basis, Caldwell's fourth quarter cost of sales decreased 10.9% over the same period last year to $19,553 (2025: $21,945). Cost of sales as a percentage of professional fees increased to 86.1% from 79.3% in the same period last year due to the following factors:

- Higher partner compensation expense as a percentage of professional fees (increase of 2.1% of professional fees) as our top-quartile partners continued to bill strongly, increasing the average compensation tiers. Additionally, billings from new hires were lower than anticipated, causing their compensation to outpace their billings. This was due to the current challenging client-hiring environment, as well as restrictive covenants from prior employers.
- Higher partner support personnel compensation as a percentage of professional fees (increase of 3.3% of professional fees). Non-partner personnel costs for consultants and project coordinators are semi-fixed and tend to increase as a percentage of professional fees during periods of rapid revenue decline.

- Higher costs related to research tools (increase of 1.4% of professional fees) as we drive the adoption of AI tools in our search processes.

IQTalent (excluding intercompany elimination):
On a constant currency basis, IQTalent's fourth quarter cost of sales decreased 36.0% over the same period last year to $1,642 (2025: $2,567) following the decline in professional fees. Cost of sales as a percentage of professional fees increased to 75.2% from 69.1% in the same period last year due to the following factors:

- Higher consultant costs as a percentage of professional fees (increase of 3.1% of professional fees), as projected were lower margin relative to the prior year, specifically impacted by a higher gross margin ratio from a large project in fiscal 2025 that was successfully completed.
- Higher costs of research materials as a percentage of professional fees (increase of 3.5% of professional fees). These costs tend to be semi-fixed and increase as a percentage of revenue during periods of revenue decline; partially offset by,
- Lower referral fees (decrease of 0.5% of professional fees).

Year-to-date Cost of Sales

Consolidated:
Cost of sales for the twelve months ended August 31, 2026 increased 8.0% from the same period last year to $87,567 (2025: $81,044). On a segment basis, Caldwell's cost of sales increased 11.5% to $80,246 (2025: 71,949), and IQTalent's cost of sales decreased 19.5% to $7,321 ($7,441, less eliminated intercompany costs of sale of $120) (2025: $9,118, less eliminated intercompany costs of sale of $23).

Caldwell:
On a constant currency basis, Caldwell's cost of sales for the twelve months ended August 31, 2026 increased 11.7% from the same period last year to $80,370 (2025: $71,949). Cost of sales as a percentage of professional fees increased to 79.9% from 78.8% in the same period last year due to the following factors:

- Higher partner compensation expense (increase of 2.0% of professional fees) as a result of higher revenue.
- Higher search delivery materials expenses as we drive the adoption of AI tools in our search processes (increase of 0.2% of professional fees); partially offset by,
- Lower partner support personnel compensation as a percentage of professional fees (decrease of 1.1% of professional fees). Non-partner personnel costs related to consultants and project coordinators are semi-fixed and tend to fall as a percentage of professional fees during periods of rapid revenue growth.

IQTalent (excluding intercompany elimination):
On a constant currency basis, IQTalent's cost of sales for the twelve months ended August 31, 2026 decreased 17.9% over the same period last year to $7,485 (2025: $9,118). Cost of sales as a percentage of professional fees decreased to 74.1% from 75.8% in the same period last year due to

the following factors:

- Lower consultant costs as a percentage of professional fees driven by a higher Utilization rate (decrease of 2.7% of professional fees); partially offset by,
- Higher costs of research materials as a percentage of professional fees (increase of 0.3% of professional fees);
- Higher referral fees (increase of 0.7% of professional fees).

GROSS PROFIT

Fourth Quarter Gross Profit

On a consolidated basis, gross profit decreased 44.5% from the same period last year to $3,811 (2025: $6,864). As a percentage of professional fees, gross margin decreased to 15.0% from 21.9%.

On a segment basis, Caldwell's gross profit decreased to $3,249 (2025: $5,717), and gross profit as a percentage of professional fees decreased to 14.0% (2025: 20.7%). IQTalent's gross profit decreased to $562 (2025: $1,147), while gross profit as a percentage of professional fees decreased to 25.0% (2025: 30.9%).

The decrease in Caldwell's gross margin in the current quarter was driven by partner compensation outpacing revenue growth. Top-quartile partners billed strongly, increasing average compensation tiers, while new-hire billings were lower than anticipated, so their compensation was not covered by billings. The decrease in IQTalent's gross margin was driven by higher consultant costs as a percentage of professional fees.

Year-to-date Gross Profit

On a consolidated basis, gross profit increased 2.0% from the same period last year to $22,645 (2025: $22,211). As a percentage of professional fees, gross margin decreased to 20.5% from 21.5%.

On a segment basis, Caldwell's gross profit increased to $20,039 (2025: $19,302), while the gross margin decreased to 20.0% (2025: 21.2%). IQTalent's gross profit decreased to $2,606 (2025: $2,909) while the gross margin increased to 25.9% (2025: 24.2%).

The decrease in Caldwell's gross margin in the current period was driven by cost of sales outpacing revenue growth, as discussed. The increase in IQTalent's gross margin was driven by lower consultant costs due to a higher Utilization rate.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

Fourth Quarter SG&A

Consolidated:
SG&A for the fourth quarter of 2026 decreased 14.5% over the same period last year to $3,717 (2025: $4,347). On a segment basis, Caldwell's SG&A decreased 15.7% to $3,242 (2025: $3,848) and IQTalent's SG&A decreased 4.8% to $475 (2025: $499).

Caldwell:
On a constant currency basis, fourth quarter SG&A decreased 17.5% over the same period last year to $3,176 (2025: $3,848). The $672 constant currency decrease primarily resulted from the following:

Favourable variances:

- Lower compensation expenses for the executive management team, including lower salaries and bonuses, and lower PSU factors ($1,052).
- Miscellaneous net favourable expenses across various categories ($68)

Unfavourable variances:

- Relative changes to our share price during each period resulted in an unfavourable variance related to our share-based compensation expenses ($354).
    - PSU and DSU expenses can be significantly impacted by changes in the weighted average share price at the end of each period.
    - In the fourth quarter of the current year, an 18% increase in the weighted average share price from $0.88 at May 31, 2026 to $1.04 at August 31, 2026 increased costs by $233.
    - In the previous year, an 8% decrease in the weighted average share price from $0.76 at May 31, 2025 to $0.70 at August 31, 2025 decreased costs by $121.
    - The combination of these movements resulted in an unfavourable variance of $354.
- Higher expenses related to recruitment placement fees on new partner hires ($94)

IQTalent:
On a constant currency basis, fourth quarter SG&A decreased 6.2% over the same period last year to $468 (2025: $499). The fourth quarter constant currency decrease of $31 was primarily the result of:

- Lower corporate compensation expenses resulting from management and service delivery staff reductions ($61); partially offset by
- Higher miscellaneous net unfavourable variances in other areas ($30)

Year-to-date SG&A

Consolidated:

For the twelve months ended August 31, 2026, SG&A increased 0.5% over the same period last year to $18,448 (2025: $18,364). On a segment basis, Caldwell's SG&A increased 5.2% to $16,565 (2025: $15,746) and IQTalent's SG&A decreased 28.1% to $1,883 (2025: $2,618).

Caldwell:

On a constant currency basis SG&A for the twelve months ended August 31, 2026 increased 5.5% over the same period last year to $16,611 (2025: $15,746). The $865 constant currency increase resulted from the following:

Unfavourable variances:

- Relative changes to our share price during each period resulted in an unfavourable variance related to our share-based compensation expenses ($963).
    - PSU and DSU expenses can be significantly impacted by changes in the weighted average share price at the end of each period.

    - In the current period, a 49% increase in the weighted average share price from $0.70 at August 31, 2025 to $1.04 at August 31, 2026 increased costs by $558.
    - In the previous year, a 32% decrease in the weighted average share price from $1.03 at August 31, 2024 to $0.70 at August 31, 2025 decreased costs by $405.
    - The combination of these movements resulted in an unfavourable variance of $963 year-over-year.
- Higher expenses related to marketing and business development activities, supporting higher revenue, onboarding programs for new partner hires and market launch of our Dubai office ($517)
- Higher expenses from our public relations events due to fewer external sponsorships ($287)
- Higher expenses related to recruitment placement fees on new partner hires ($606)
- Higher office, legal, and other expenses related to the establishment of our new Dubai office ($315)
- Miscellaneous net unfavourable expenses across various categories ($297)

Favourable variances:

- Lower compensation expenses for the executive management team from lower salaries, bonuses and PSU factors ($2,120)

IQTalent:
On a constant currency basis, SG&A for the twelve months ended August 31, 2026 decreased 27.4% over the same period last year to $1,900 (2025: $2,618). The $718 constant currency decrease in SG&A for the twelve months ended August 31, 2026 was the result of:

- Lower corporate compensation expenses resulting from management and service delivery staff reductions ($496)
- Lower general corporate support costs driven by a lower headcount ($191)
- Lower office and communications expenses driven by a lower headcount ($111)
- Miscellaneous net unfavourable variances across smaller cost areas ($80)

GOODWILL IMPAIRMENT AND OTHER INCOME AND EXPENSES

As at August 31, 2026, the recoverable amount of IQTalent was determined to be lower than its carrying amount. As a result, we recognized a goodwill impairment of $3,981 in the fourth quarter of 2026. Please refer to note 7 of the consolidated annual financial statements for details.

In May 2025, we finalized the sublease of our Toronto office for the remainder of the head lease term. The sublease was classified as a finance sublease. We derecognized $1,502 of the related right-of-use asset and $560 of fixed assets, and recognized a sublease asset of $1,883, as well as a brokerage fee payable of $145. The net impact was a loss of $324, presented as part of Other Income and Expenses on the consolidated annual statement of earnings.

In May 2025, we received notification that the US tax authorities had approved us for a refund of $575 related to the Employee Retention Tax Credits (ERTC), a refundable tax credit established under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) in response to the COVID-19 pandemic. The application involved detailed documentation to establish that we met the criteria established for calendar years 2020 and 2021. Receipt of the credits was subject to review by the Internal Revenue Service (IRS), and was recognized in Other Income and Expenses when approved

by the IRS. Direct expenses of $88, including consulting fees, were also recognized in Other Income and Expenses. We received the full amount on September 1, 2026.

In the third quarter of 2025, we separated with approximately 8% of IQTalent's workforce, reducing management staffing and excess client service capacity. This resulted in the recognition of $275 in severance expenses, presented as part of Other Income and Expenses.

OPERATING PROFIT

Fourth Quarter Operating Profit

Consolidated operating loss for the fourth quarter of 2026 was $3,887 (2025: operating profit of $2,517). The $6,404 unfavourable change relates to a decrease in gross profit of $3,053 and a goodwill impairment in IQTalent of $3,981, partially offset by a decrease in SG&A of $630, all of which are discussed in further detail above.

On a segment basis, Caldwell generated an operating profit for the fourth quarter of $7 (2025: $1,869) and IQTalent generated an operating loss of $3,894 (2025: operating profit of 648).

Year-to-date Operating Profit

Consolidated operating profit for the twelve months ended August 31, 2026 was $216 (2025: $3,735). The $3,519 unfavourable change relates to goodwill impairment in IQTalent of $3,981 partially offset by an increase in gross profit as discussed in further detail above.

On a segment basis, Caldwell generated an operating profit for the twelve months ended August 31, 2026 of $3,474, (2025: $3,719) and IQTalent generated an operating loss of $3,258 (2025: operating profit of $16).

INVESTMENT INCOME

We currently invest cash balances in highly liquid cash equivalent investments including term deposits, certificates of deposit and cash savings accounts. These investments generate interest income.

Certain investments are generated from search services with clients in the form of equity grants in the client company. For such grants, compensation equal to 65% of the investment is paid to the respective search partner upon monetization of the investment. All rights to the partners' 65% of the equity instruments are transferred and assigned beneficially to the respective partner, and a partner's entitlement to any amounts upon liquidation is not contingent upon being employed at the time of liquidation. As a result, the gross asset value and compensation payable are offset, with the investment recorded at the net amount to which the Company has economic rights.

We have designated the client equity investments within marketable securities at fair value through OCI. As a result, these marketable securities are recorded at fair value, with gains and losses recorded in other comprehensive income. Our policy regarding client equity investments within marketable securities is to sell the investments as soon as we are reasonably able to do so.

On March 1, 2023, we announced the spin-off of IQTalent's software business, into a newly formed entity, IQRecruit, Inc., in exchange for approximately 41.9% of the new entity. IQRecruit subsequently changed its name to HootRecruit Inc. ("HootRecruit"). As at August 31, 2026, our ownership interest has been diluted to 20.9% as a result of ongoing issuances in which we did not participate, while our voting rights are limited to 20% in accordance with the shareholder agreement. We continue to have significant influence over this investment, and account for it using the equity method. As required by the equity method of accounting, the carrying amount of the equity investment has been adjusted to reflect the Company's share of HootRecruit's loss, as well as any dilution gains or losses, which are presented as part of investment income. Please see note 4 to the consolidated annual financial statements for details. IQTalent was a user and client of the HootRecruit platform through a licensing arrangement that was terminated in March 2025.

For the fourth quarter of 2026, we reported net investment income of $97 (2025: net investment income of $43) consisting of interest on term deposits of $117 (2025: $84), partially offset by our proportionate share of HootRecruit's losses of $20 (2025: loss of $41). For the fourth quarter of 2026, net unrealized loss on marketable securities of $nil (2025: $nill) was recognized as part of other comprehensive income.

For the twelve months ended August 31, 2026, we reported net investment income of $380 (2025: net investment income of $396) consisting of interest on term deposits of $486 (2025: $420), partially offset by our proportionate share of HootRecruit's losses of $106 (2025: $113). In fiscal 2025, we also recognized interest of $89 on the refund related to the ERTC issued by the IRS. For the twelve months ended August 31, 2026, we recognized net unrealized loss on marketable securities of $nil (2025: net unrealized gain of $1) as part of other comprehensive income.

FOREIGN EXCHANGE INCOME AND LOSSES

From time to time, we manage our liquidity needs by purchasing USD-denominated term deposits that offer a higher yield than equivalent CAD-denominated term deposits. Foreign exchange fluctuations related to these holdings result in foreign exchange income or losses, which are recognized as part of Finance expenses (income) on our consolidated statements of earnings.

For the quarter ended August 31, 2026, we recognized $34 of foreign exchange income (2025: loss of $70). For the twelve months ended August 31, 2026, we recognized $57 of foreign exchange loss (2025: loss of $11).

INCOME TAXES

Our effective tax rate on a consolidated basis has been historically high relative to the statutory tax rates we experience in each of our geographies. This is primarily the result of earnings before tax generated in the US and Canada, where we are in tax-paying situations, but losses in the UK and UAE, where we do not recognize deferred tax assets. We do not recognize deferred tax assets on UK operating losses due to the uncertainty of utilizing losses against future taxable income. There are no deferred tax assets on UAE operating losses as under the applicable tax regime we are exempt from corporate taxes. Our income tax expense effectively represents the tax on our US and Canadian operations, without the tax benefits of any current period UK or UAE losses.

In periods when the UK is profitable, we will not need to recognize tax expense until our historical tax loss carryforwards have been fully utilized. Therefore, in periods where the UK generates profit, we

will have an effective tax rate that is lower than the statutory tax rate. Conversely, in periods where the UK generates a loss, we will have an effective tax rate that is higher than the statutory tax rate.

Similarly, in periods where the UAE generates profit, we have an effective tax rate that is lower than the statutory tax rate, whereas in periods where UAE generates a loss, we will have an effective tax rate that is higher than the statutory tax rate. Corporate tax rates in the UAE range from 0% to 9%. Currently, we qualify for the 0% tax rate.

IQTalent files a consolidated tax return with Caldwell in the United States.

Income tax expense of $662 was recorded in the fourth quarter of 2026 (2025: $932). The effective income tax rate for the fourth quarter of 2026 was 17.2% (2025: 38.8%). The effective tax rate was impacted by goodwill impairment of $3,981 in IQTalent, which is not deductible for tax purposes, and losses in the UK and UAE where we do not recognize deferred tax assets, as noted above.

On a segment basis, Caldwell had income tax expense of $507 (2025: expense of $497) and IQTalent had income tax expense of $155 (2025: expense of $435) for the fourth quarter in 2026.

Income tax expense of $2,456 was recorded for the twelve months ended August 31, 2026 (2025: expense of $1,170). The goodwill impairment of $3,981 in IQTalent is not deductible for tax purposes. Adjusting for this, the effective income tax rate for the twelve months ended August 31, 2026 was 59.8% (2025: 31.4%). The higher effective tax rate is caused by operating losses in the UK and UAE, the tax effects of which are discussed above.

On a segment basis, Caldwell had income tax expense of $2,455 (2025: expense of $1,251) and IQTalent had income tax expense of $1 (2025: recovery of $81) for the twelve months ended August 31, 2026.

NET EARNINGS AND BASIC EARNINGS PER SHARE

Net loss for the fourth quarter of 2026 was $4,515 ($0.153 basic loss per share) compared to net earnings of $1,467 ($0.050 basic earnings per share) in the same period last year.

Net loss for the twelve months ended August 31, 2026 was $2,331 ($0.079 basic loss per share) compared to last year’s net earnings of $2,562 ($0.087 basic earnings per share).

DIVIDENDS

The Board of Directors continues to believe that the payment of regular dividends is in the best interests of the Company and its shareholders. In determining quarterly dividend payments, the Board of Directors considers many factors including current results, future projections, cash needs for operational growth and Unencumbered Cash (as defined in Non-GAAP Financial Measures and discussed below in Liquidity and Capital Resources) which acts as a buffer against short-term earnings volatility.

Effective November 19, 2024, with a view toward maximizing investor returns, the Board of Directors reinstated a quarterly dividend payment. Since then, the Company has declared eight quarterly dividends through August 31, 2026, with total dividends declared of $0.055 per Common Share, or $1,621 in total.

On November 12, 2026, the Board of Directors declared a dividend of $0.02 per Common Share (2.0 cents per Common Share), payable to holders of Common Shares of record on November 23, 2026, to be paid on December 15, 2026.

On November 12, 2026, the Board of Directors declared a dividend of $0.116 per Common Share (11.6 cents per Common Share), representing a distribution of the cash proceeds received from the sale of the IQTalent business, payable to holders of Common Shares of record on November 23, 2026, to be paid on December 15, 2026.

LIQUIDITY AND CAPITAL RESOURCES

We maintain cash balances at financial institutions and in various geographies through our subsidiaries. While we can move funds between geographies and legal entities, certain dividend taxes may be applicable, including a five percent tax on dividends paid from the United States to Canada. Additionally, to lend or dividend funds between our legal entities, each entity must maintain certain statutory liquidity levels.

As at August 31, 2026 we had cash and cash equivalents of $23,543 (August 31, 2025: $16,436). The $7,107 increase in cash and cash equivalents was driven by $8,635 in net cash provided by operating activities, $1,456 of cash from investing activities, including the maturing of term deposits and $2,930 used in financing activities, which includes payment of lease liabilities.

Our cash and compensation payable balances fluctuate significantly from period to period based on commission payment timing per our executive search business's compensation plans. Compensation payable is generally at its lowest after the largest deferred compensation payments are made at the end of each February and generally grows during subsequent periods. The compensation payable is funded by our cash and accounts receivable balances, which build during the same cycle as the compensation liability and are similarly reduced as cash is used to satisfy the compensation liability. As a result, the cash balances and compensation payable typically move together. Given these trends, we use the non-GAAP measure of Unencumbered Cash as a more consistent measure for the cash we have available for growth and strategic initiatives, as well as to support operations during any periods of negative operating cash flows.

Unencumbered Cash is defined in the Non-GAAP Financial Measures and Other Operating Measures section. The following chart sets forth the calculation of Unencumbered Cash and provides a reconciliation to cash and cash-equivalents:

	as at		
	August 31 2026	***August 31 2025***	***increase/ (decrease)***
Current assets			
Cash and cash equivalents	23,543	16,436	7,107
Term deposits	-	4,123	(4,123)
Accounts receivable	15,520	18,637	(3,117)
Income taxes receivable	-	159	(159)
Unbilled revenue	9,964	9,248	716

Finance lease receivable	440	323	117
Prepaid expenses and other assets	3,696	3,568	128
Total current assets	53,163	52,494	669
Current liabilities			
Accounts payable	3,869	3,263	606
Dividends payable	441	74	367
Income tax payable	183	-	183
Deferred revenue	1,357	3,846	(2,489)
Compensation payable	31,683	30,771	912
Lease liabilities	1,867	1,731	136
Total current liabilities	39,400	39,685	(285)
Total unencumbered cash	$13,763	$12,809	$954

Unencumbered cash of $13,763 at August 31, 2026 does not reflect $4,146 (August 31, 2025: $4,431) in current deferred tax assets that are required to be aggregated with long-term deferred tax assets and presented as non-current in our statement of financial position.

Accounts receivable was $15,520 at August 31, 2026, down $3,117 from $18,637 at the end of fiscal 2025. Days sales outstanding was 54 days at August 31, 2026, up from 49 days at August 31, 2025. Days sales outstanding is calculated by dividing accounts receivable, adjusted for any uncollected deferred revenue, at the end of the period, by the quarter-to-date average daily revenue. Days sales outstanding tends to be lowest at the end of the fourth quarter and highest at the end of the second quarter, based on our collections cycle. Our allowance for professional fee adjustments was $550 at August 31, 2026 compared to $651 at August 31, 2025.

Our investment in property and equipment at August 31, 2026 was $1,574, up from $1,131 at the end of fiscal 2025. This reflects additions of $899, depreciation expense of $465 and favourable exchange rate fluctuations of $9. In fiscal 2025, we finalized the sublease of our Toronto office, and leased a smaller office which supports our hybrid work arrangement. Additions to property and equipment in the first quarter of fiscal 2026 primarily related to furniture and leasehold improvements for our new office in Toronto.

At August 31, 2026, our right-of-use assets were $3,560, down from $4,623 at the end of fiscal 2025, reflecting depreciation expense of $1,091 and favourable exchange rate fluctuations of $28. See note 12 of the consolidated annual financial statements for details.

At August 31, 2026, our lease liability was $5,877, down from $7,169 at the end of fiscal 2025, reflecting payments of $1,739, offset by interest accretion of $414 and favourable exchange rate fluctuations of $33. See note 12 of the consolidated annual financial statements for details.

Total liabilities were $44,593 at August 31, 2026, a decrease of $1,201 from $45,794 at the end of fiscal 2025, driven by the decrease in deferred revenue and lease liability.

Shareholders' equity at August 31, 2026 was $31,308, a decrease of $3,664 from $34,972 at the end of fiscal 2025. The decrease reflects net loss of $2,331, an increase to contributed surplus from share-based payments of $43, net new share issuances of $1 and cumulative translation adjustment of $181, partially offset by dividends declared of $1,325, a decrease in contributed surplus of $213 related to our share buy-back program and exercised stock options and treasury shares of $20.

Contractual Obligations

The below table summarizes the maturity of our contractual commitments by fiscal year.

	Total	2027	2028	2029	2030	Thereafter
Accounts Payable	3,869	3,869				
Compensation Payable	32,866	31,683	357	137		689
Lease Liability	6,752	1,867	1,602	1,261	1,048	974
Total	43,487	37,419	1,959	1,398	1,048	1,663

In addition to the above, we also have a contractual obligation to compensate certain partners with time-based milestone bonuses, as part of their joining incentives, which will result in payments of approximately $876 over the next two years. This includes payments to partners with signed employment agreements but with future start dates. These bonuses are conditional on their continued employment with us. The total of these bonuses is being recognized as a straight-line compensation expense over the total timeframe to which they are related. Cash outlays for our contractual obligations and commitments identified above are expected to be funded by cash on hand and cash generated by operating activities in the outlay's respective year.

OUTSTANDING SHARES

As of August 31, 2026, our authorized share capital consists of an unlimited number of Common Shares, of which 29,381,708 are issued and outstanding (August 31, 2025: 29,470,832), including 18,808 treasury shares purchased for cancellation (August 31, 2025: 3,300). The holders of Common Shares are entitled to share equally, share for share, in all dividends declared by us and equally in the event of a liquidation, dissolution or winding-up of the Company or other distribution of the assets among shareholders.

On January 27, 2025, we announced that the Toronto Stock Exchange the ("TSX") had accepted the notice (the "Notice") of our intention to commence a normal course issuer bid (the "2025 Bid") to purchase for cancellation up to 2,370,191 common shares in the capital of the Company in total, being 10% of the public float of 23,701,905 Common Shares as at January 15, 2025, to be transacted through the facilities of the TSX or through a Canadian alternative trading system, at prevailing market prices or as otherwise permitted. In accordance with the rules of the TSX, unless an applicable exemption can be relied on, the total number of Common Shares the Company is permitted to purchase is subject to a daily purchase limit of 2,300 Common Shares, representing

25% of the average daily trading volume of Common Shares on the TSX calculated for the six-month period ended December 31, 2024, being approximately 9,201 Common Shares. The 2025 Bid commenced on January 29, 2025 and terminated on January 28, 2026. Under the Bid, a total of 150,000 common shares were purchased for cancellation.

On May 4, 2026, we announced that the Toronto Stock Exchange ("TSX") had accepted the notice (the "Notice") of our intention to commence a normal course issuer bid (the "Bid") to purchase for cancellation up to 2,023,669 common shares in the capital of the Company in total, being 10% of the public float of 20,236,698 common shares as at April 22, 2026. The Bid commenced on May 6, 2026 and is being transacted through the facilities of the TSX at prevailing market prices or as otherwise permitted. In accordance with the rules of the TSX, unless an applicable exemption is relied on, the total number of common shares the Company is permitted to purchase under the Bid is subject to a daily purchase limit of 3,812 common shares, representing 25% of the average daily trading volume of common shares on the TSX calculated for the six-month period ended April 30, 2026, being approximately 15,250 common shares. Under the Bid, a total of 135,936 common shares have been purchased for cancellation.

During the twelve months ended August 31, 2026, the Company purchased 194,536 common shares at an average price of $0.97 for a total of $189. Of these, 175,728 shares were cancelled within the fiscal year, the remaining 18,808 shares purchased in the fiscal year were subsequently cancelled in September 2026. A copy of the Notice filed with the TSX in connection with the Bid can be obtained from the Company upon request without charge.

As discussed in note 24 of the consolidated annual financial statements, on October 23, 2026, we sold substantially all of the net operating assets of IQTalent. As part of the purchase consideration, we received 1,450,000 existing common shares of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We make estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the estimates and judgments applied by management that most significantly affect the Company's consolidated financial statements. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities, and the most significant judgments in applying accounting policies.

Revenue recognition

Our method of revenue recognition for the Caldwell executive search segment requires us to estimate the expected average performance period and the percentage of completion, based on the proportion of the estimated effort to fulfill our obligations throughout the expected average performance period for our executive searches. Differences between the estimated percentage of completion and the amounts billed will give rise to a deferral of revenue to a future period. Changes in the average performance period or the proportion of effort expended throughout the performance period for our executive searches could lead to an under or overvaluation of revenue for the reporting period.

Our method of revenue recognition for the Caldwell executive search segment also requires us to estimate the total expected revenue at the beginning of each contract, which requires us to estimate

uptick revenue on open searches, based on historic uptick rates. Changes in average uptick rates on executive searches could lead to an under or overvaluation of revenue for the reporting period.

Further information on unbilled and deferred revenue is included in note 14 in the consolidated annual financial statements.

Allowance for professional fee adjustments and doubtful accounts

We apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance model in determining the loss for all accounts receivable. Accounts receivable have been grouped based on shared credit risk characteristics and the days past due to measure expected credit losses. Substantial judgment is involved based on the circumstances of individual accounts and the estimated performance of the portfolio. The majority of accounts provided for result from client concessions to maintain a positive brand in the marketplace and relationships with client contacts based on circumstances unique to each search. While there are some accounts that are provided for due to credit reasons, it is often difficult to completely isolate provisions between client concessions and credit risk. Provision amounts are therefore aggregated as Professional Fee Adjustments.

Compensation accruals

Partner commissions for the Caldwell executive search segment are based on a per partner basis on amounts billed during the reporting period and collected within a stipulated timeframe. These collections are then subject to a commission grid that escalates as the individual's billings and collections increase. Assumptions are made regarding each partner's full period billings and collections, which are then subject to the related commission tier to accrue compensation expense throughout the year. Additionally, management short term incentive plans are tied primarily to our revenue and operating results for a respective fiscal year and management long term incentive plans are tied both to our share price as well as operating results over a three-year period. Full year partner collection results, actual operating results and changes in share price that differ from management's current estimates may affect the results of operations in future periods.

Impairment of goodwill

We test at least annually whether goodwill is subject to any impairment in accordance with the accounting policy. Various assumptions are made in performing this test, including estimates of future revenue streams, operating costs and discount rates. These assumptions are disclosed in note 7 of the consolidated financial statements. Future results that differ from management's current estimates may affect the results of operations in future periods.

Valuation of equity interests in clients, affiliates and third party companies

It can be difficult to obtain valuation information on equity interests held in clients. Equity instruments are most often in privately held companies without a specific obligation to share ongoing business performance and valuation information. We value such interests in accordance with our financial instruments policy with available information. As a result, the actual valuation of these interests could differ materially from current estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards issued but not yet applied

Presentation and disclosure in financial statements (IFRS 18)

IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after 1 January 2027. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories, namely operating, investing and financing, based on a company's main business activities. Companies often use 'non-GAAP' information to explain their financial performance because it allows them to tell their own story and provides investors with useful insight into a company's performance. IFRS 18 requires some of these 'non-GAAP' measures to be reported in the financial statements. To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning September 1, 2027. The Company is assessing the impact of this standard on its reporting.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amend IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments clarify certain requirements for classifying financial assets with contingent contractual features and for derecognizing financial liabilities settled through electronic payment systems. They also introduce additional disclosure requirements for certain equity investments designated at fair value through other comprehensive income and financial instruments with contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. We will apply them beginning September 1, 2026, the start of its fiscal year ending August 31, 2027. We are assessing the amendments' effect on its consolidated financial statements, including the additional disclosures that may apply to its equity investments designated at fair value through other comprehensive income.

RISKS AND UNCERTAINTIES

Any investment in the Company's securities is speculative and may involve risk. Before investing in the Company's securities, prospective investors should carefully consider, in light of their own financial circumstances and objectives, the risk factors summarized below, as well as the other information contained and incorporated by reference into this MD&A and our Annual Information Form. Other risks not currently known or deemed to be material may also impact our business. Our business and financial results could be materially adversely affected by any of these risks. The Board of Directors includes in its mandate and the charters of its committees the responsibility to oversee the mitigating factors associated with each identified risk factor.

The ability to attract and retain experienced search professionals is critical to our business

We compete with other executive recruitment firms for experienced consultants. Attracting and retaining consultants in our industry is important because consultants have primary responsibility for client relationships, and the loss of consultants often leads to the loss of client relationships. While we believe we offer one of the most competitive compensation plans in the industry, and that our size and platforms allow freedom for our partners to operate in the marketplace, the ability to continue to generate revenue and profits will depend on our ability to attract and retain key professionals. Additionally, we may pay hiring bonuses to attract new partners who may be forgoing their accrued bonuses at their predecessor firms to join us. The aggregate of these amounts can be significant, and we expect to continue issuing these types of payments as we continue to grow.

Exposure to departing partners taking their client relationships to another firm

Our success depends upon our ability to develop and maintain strong, long-term relationships with our clients. In many cases, one or two partners have primary responsibility for a client relationship. When a partner leaves one executive search firm and joins another, clients who have established relationships with the departing partner may move their business to the partner's new employer. We may also lose clients if the departing partner has widespread name recognition or a reputation as a specialist in executing searches in a specific industry or management function. If we fail to retain important client relationships when a partner departs our firm, our business, financial condition, and operating results may be adversely affected. Multiple partners leaving within a short time could increase the impact. We attempt to mitigate this risk by maintaining strong relationships with our partners and providing contractual client and employee non-solicitation covenants in our offer of employment letters with our partners.

Our new partner hires may not perform as expected

Our future growth and profitability depend, in part, on the successful integration and performance of new partner hires. If new partners do not achieve expected performance levels or require longer than anticipated to generate revenue, our financial results may be adversely affected. To mitigate this risk, we maintain a rigorous partner selection process, including a thorough assessment of candidates' credentials and experience. Following recruitment, new partners participate in an extended onboarding and integration process, with their performance and progress closely monitored by senior leadership.

Performance of the US, Canadian and international economies

Our revenue is affected by global economic conditions and economic activity in the regions where we operate. In particular, the extent and length of economic slowdowns may have a negative impact on our revenue. During economic or hiring demand slowdowns, companies may hire fewer employees which may harm our financial condition. We mitigate this risk to some extent by seeking diversity within our revenue base across geographies, industries and functions. In addition, much of our compensation is performance-based and variable to revenue, resulting in a natural cost offset during periods of revenue decline.

Technological advances may significantly disrupt the labour market and weaken demand for human capital at a rapid rate

Our success is directly dependent on our clients' demands for talent. As technology continues to evolve, more tasks currently performed by people may be replaced by automation, robotics, machine learning, artificial intelligence and other technological advances outside of our control. This trend poses a risk to the human resource industry as a whole, particularly in lower-skill job categories that may be more susceptible to such replacement. We attempt to mitigate this risk by reviewing emerging technologies

we may leverage in our search process and focusing on the most senior tier of executive placements, where technological disruption is expected to have limited impact.

Competition from other companies directly or indirectly engaged in talent acquisition

The talent acquisition business is highly competitive in terms of both pricing and winning new engagements. The level of our future profits will depend on our ability to retain our established client base, attract new clients and maintain fee levels. Some of our competitors possess greater resources and greater name recognition and may be further along in developing and designing technology solutions to meet client requirements. One area in which we mitigate competitive risk with our larger competitors is by having fewer client non-solicitation arrangements. It is standard practice in the industry to provide clients with a non-solicitation right ranging in scope from the placed executive to the entire client organization, known as “off-limits” protection. If too many off-limit arrangements are created, the ability to broadly and effectively source candidates for prospective client engagements becomes impeded.

Additionally, we also compete with companies’ in-house talent acquisition departments. These departments may benefit from the available AI candidate research and sourcing tools, making them more efficient and hence more competitive. We manage this risk by providing a differentiated approach to hiring, that is both client and candidate-centric, and a white-glove service that truly differentiates us. We also bring significant industry experience and knowledge that in-house talent acquisition departments may be lacking.

Cybersecurity requirements, vulnerabilities, threats and attacks

Increased global cybersecurity vulnerabilities, threats, and more sophisticated and targeted cyber-related attacks pose a risk to our systems and networks' security and the confidentiality, availability, and integrity of the data we maintain from our clients, candidates, and employees. We have a program in place to detect and respond to data security incidents. However, we remain potentially vulnerable to additional known or unknown threats. We also have access to sensitive, confidential or personal data or information subject to privacy and security laws, regulations and client-imposed controls. Despite our efforts to protect sensitive, confidential or personal data or information, we may be vulnerable to security breaches, theft, lost data, employee errors and/or malfeasance that could potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems or networks, unauthorized access, use, disclosure, modification or destruction of information. A cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness, remediation or increased protection costs, litigation, or regulatory action, which could negatively impact our results of operations. We attempt to mitigate this risk by maintaining and complying with our data privacy policy informing our clients and candidates of how we use their personal information. We additionally utilize a third-party information and security technology company to advise us on risk testing and mitigation to aid our internal information technology staff. We also maintain a cyber-insurance policy that might mitigate certain financial costs if we suffer a breach that causes us to incur financial losses.

Risks related to the adoption and use of artificial intelligence

The adoption and deployment of AI may expose us to risks, including inaccurate or incomplete outputs, inappropriate reliance on AI-generated information, disclosure or misuse of confidential or personal information, cybersecurity incidents, intellectual property concerns, biased or otherwise unsuitable results, and reputational or regulatory consequences. The laws, regulations and standards applicable to AI are evolving, and changes in those requirements or in stakeholder expectations could increase our

compliance costs or restrict how we use AI. If we are unable to manage these risks effectively, or to adopt AI in a way that supports our business, our operations, reputation and results may be adversely affected.

We are mitigating these risks by deploying AI in a controlled manner and making employees aware of the need to follow appropriate governance, review and control practices when using AI. However, these practices may not prevent all errors, misuse or adverse consequences, and our approach may need to evolve as AI technologies, associated risks and applicable requirements change.

Brand Reputation

We depend on our overall professional reputation and brand name recognition to secure new engagements and hire qualified consultants. Our success also depends on the individual reputations of our consultants. We obtain many of our new engagements from existing clients or referrals by those clients. A client who is dissatisfied with our work can adversely affect our ability to secure new engagements. Additionally, there has been a marked increase in the use of social media platforms, including blogs, social media websites and other forms of Internet-based communications, which allow individuals access to a broad audience of consumers and other interested persons. The inappropriate or unauthorized use of such media vehicles by our clients or employees could increase our costs, cause damage to our brand, lead to litigation or result in information leakage, including the improper collection or dissemination of personally identifiable information of candidates and clients. Negative or inaccurate posts or comments about us on any social networking platform could damage our reputation, brand image and goodwill. If any of these factors, including poor performance, hurt our reputation, we may experience difficulties competing successfully for new engagements and qualified consultants. Failure to maintain our professional reputation and brand name could seriously harm our business, financial condition, and operating results. We attempt to mitigate this risk by using a client feedback process utilizing the third-party product Net Promoter Score®, which provides feedback on our engagements and highlights dissatisfied clients so that we may respond.

Foreign currency exchange rate risks may affect our financial results

With operations in Canada, the United States and the United Kingdom, we do business in multiple currencies. During the most recently completed fiscal year, 80% of our revenue was generated outside of Canada and transacted in a currency other than the Canadian dollar. Translation of foreign currency financial statements into the Canadian dollar impacts our profitability. Fluctuations in relative currency values, particularly the Canadian dollar strengthening, could hurt our profitability and financial condition.

When we have significant short-term net cash or intercompany loan balances, we move our cash balances by geography and currency to match the respective cash balances to future cash utilization by currency.

Alignment of our cost structure with revenue

We must ensure that our costs and workforce continue to be in proportion to the demand for our services. Failure to align our cost structure and headcount with net revenue could adversely affect our business, financial condition, and operations results. We attempt to mitigate this risk related to short-term revenue shifts by business segment. In our Caldwell business, we tie a large portion of our search professionals' compensation to their individual and team revenue, while senior management's compensation is tied to consolidated revenue and operating profit. In our IQTalent business, we maintain a portion of our total workforce as hourly contractors allowing us to rapidly increase or reduce

our workforce in response to demand shifts. External forces that could impact the cost structure, such as inflation, or wage wars from collective bargaining, could impact our ability to right-size the cost structure in response to lower revenue.

Liability risk in the services we perform

In the normal course of our operations, we become involved in various legal actions, either as plaintiff or defendant, including but not limited to our commercial relationships, employment matters and services delivered, in addition to other events. Such matters include both actual as well as threatened claims.

We are exposed to potential claims concerning the executive search process. For example, a client could assert a claim for matters such as breach of an off-limit agreement or recommending a candidate who subsequently proves to be unsuitable for the position filled. Further, the current employer of a candidate whom we placed could file a claim against us alleging interference with an employment contract, a candidate could assert an action against us for failure to maintain the confidentiality of the candidate's employment search, and a candidate or employee could assert an action against us for alleged discrimination, violations of labour and employment law or other matters.

In various countries, we are subject to data protection laws impacting the processing of candidate information and other regulatory requirements, including the legality of gathering historical compensation data from candidates under an expanding number of equal pay laws.

We attempt to mitigate these risks through onboarding and continuing training for our employees on existing and developing legal guidelines. We engage outside counsel regularly to review our policies and form of contracts. We utilize protective language in our standard client contracts and maintain professional liability insurance in amounts and coverage that we believe are adequate; however, we cannot guarantee that our insurance will cover all claims or that coverage will always be available. Significant uninsured liabilities could harm our business, financial condition and results of operations. Furthermore, even if any action settles within insurance limits, this can increase our insurance premiums. Therefore, there can be no assurance that their resolution will not have a material adverse effect on our financial condition or the results of our operations.

We are subject to risk as it relates to software that we license from third parties

We license software from third parties, much of which is integral to our systems and our business. The licenses are generally terminable if we breach our obligations under the license agreements. If any of these relationships were terminated or any of these parties were to cease doing business or cease to support the applications we currently utilize, we may be forced to spend significant time and money replacing the licensed software. However, the necessary replacements may not be available on reasonable terms, if at all. We mitigate this risk by selecting providers who we believe can continue business into the foreseeable future and reviewing each license agreement for termination clauses to reduce the ease with which such agreements could be terminated by the respective provider.

There may be adverse tax, legal, and other consequences if the workforce at IQTalent that is classified as independent contractors is challenged.

We consider the use of non-employee workers at IQTalent as independent contractors. In general, any time a court or administrative agency determines that we have misclassified an on-demand worker as an independent contractor, we could incur tax and other liabilities for failing to properly withhold or pay taxes on the worker's compensation as well as potential wage and hour and other liabilities

depending on the circumstances and jurisdiction.

We may become subject to administrative inquiries and audits concerning the taxation and classification of our contracted workers. There is often uncertainty in the application of worker classification laws, and consequently there is risk to us and to clients that independent contractors could be deemed to be misclassified under applicable law. The tests governing whether a service provider is an independent contractor or an employee are typically highly fact sensitive and vary by governing law. Laws and regulations that govern the status and misclassification of independent contractors are also subject to change as well as to divergent interpretations by various authorities, which can create uncertainty and unpredictability.

A misclassification determination, allegation, claim, or audit involving our contracted workers creates potential exposure for us, including but not limited to reputational harm and monetary exposure arising from or relating to failure to withhold and remit taxes, unpaid wages, and wage and hour laws and requirements (such as those pertaining to minimum wage and overtime); claims for employee benefits, social security contributions, and workers' compensation and unemployment insurance; claims of discrimination, harassment, and retaliation under civil rights laws; claims under laws pertaining to unionizing, collective bargaining, and other concerted activity; and other claims, charges, or other proceedings under laws and regulations applicable to employers and employees, including risks relating to allegations of joint employer liability. Such claims could result in monetary damages (including but not limited to wage-based damages or restitution, compensatory damages, liquidated damages, and punitive damages), interest, fines, penalties, costs, fees (including but not limited to attorneys' fees), criminal and other liability, assessment, injunctive relief, or settlement, all of which could adversely impact our business and results of operations.

We attempt to mitigate our risk of contractor worker classification by using written contractor agreements setting forth the terms of our relationship that we believe lowers our risk of the contractors being classified as employees.

Our inability to successfully recover from a disaster or other business continuity issue could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability

Should we experience a disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, security breach, power loss, telecommunications failure or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our office facilities, and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, we could experience near-term operational challenges in certain areas of our operations. Our ability to recover from any disaster or other business continuity problem will depend on our ability to protect our technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. We could potentially lose client data or experience material adverse interruptions to our operations or delivery of services to our clients in a disaster. A disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster, pandemic or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships or legal liability. We mitigate this risk by using reputable, established technology providers for the third-party hosting and managing the servers running our telecommunications infrastructure and our search database information. These third parties do not completely eliminate the above-described

risks, however, their financial resources dedicated to protecting, continuity of service, recovery and response to systems continuity are much greater than our own. We also provide all of our employees with laptops or tablet devices that provide continuity of services if our offices are not accessible.

Unfavourable tax law changes and tax authority rulings or other governmental audits or rulings may adversely affect results

We are subject to income taxes in Canada, the United States and various other foreign jurisdictions. Domestic and international tax liabilities are subject to the allocation of income among various tax jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings among countries with differing statutory tax rates or changes in the valuation allowance of deferred tax assets or tax laws. We attempt to mitigate this risk by working with our third-party income tax consultants to regularly review our tax structure and advise optimal tax structures.

We may not be able to integrate or realize the expected benefits from our acquisitions successfully.

Our future success depends on our ability to integrate acquisition targets into our operations successfully. The process of integrating an acquired business subjects us to many risks, including:

- Diversion of management attention
- Amortization of purchase price and intangible assets adversely affect our reported results of operations
- Inability to retain or integrate the management, key personnel and other employees of the acquired business
- Inability to properly integrate businesses resulting in operating inefficiencies
- Inability to establish uniform standards, disclosure controls and procedures, internal control over financial reporting and other systems, procedures and policies promptly
- Inability to retain the acquired company's clients
- Exposure to legal claims for activities of the acquired business before the acquisition
- The incurrence of additional expenses in connection with the integration process

If our acquisitions are not successfully integrated, our business, financial condition and results of operations, and our professional reputation could be materially adversely affected. Further, we cannot guarantee that acquisitions will result in the anticipated financial, operational, or other benefits. Some acquisitions may not be immediately accretive to earnings, and some expansion may result in significant expenditures. We mitigate these risks by formalizing integration plans in key areas such as accounting, legal and risk functions and performing comprehensive pre-acquisition due diligence reviews. We add staff when we believe needed to accommodate the increased business and support requirements. We also look to structure the purchase price to provide strong incentives for key employees to remain employed, even if this results in some of the purchase price being reflected as compensation expense, adversely impacting our reported operating results.

Businesses we acquire may have liabilities or adverse operating issues that could harm our operating results

Businesses we acquire may have liabilities, adverse operating issues, or both that we either fail to discover through due diligence or underestimate before completing the acquisition. These liabilities or issues may include the acquired business' failure to comply with, or other violations of, applicable laws, rules or regulations or contractual or other obligations or liabilities. As the successor owner, we may be

financially responsible for and may suffer harm to our reputation or otherwise be adversely affected by such liabilities or issues. An acquired business also may have problems with internal controls over financial reporting, which could, in turn, cause us to have significant deficiencies or material weaknesses in our internal controls over financial reporting. These and any other costs, liabilities, issues, or disruptions associated with past or future acquisitions, and the related integration, could harm our operating results. We mitigate these risks by performing financial, tax, technology and due diligence on any acquired business, engaging third-party experts when considered necessary to enhance expertise in respective areas of due diligence.

There is volatility of the market price and trading volume of our Common Shares

From time to time, the TSX has experienced significant price and volume volatility unrelated to specific companies' performance which could impact the common shares' market price. Caldwell specifically has generally low trading volumes, and that thin trading market may cause small trades to have significant impacts on the price of our Common Shares. Moreover, our stock's market price may also be adversely affected by factors such as the concentration of Common Shares held by a small number of shareholders and the low number of Common Shares that trade on average on a daily basis. These factors can increase the volatility of the volume of Common Shares offered to be purchased or sold at any particular time. Shares held by Ewing Morris, senior management, and our board of directors total approximately 29.2% of our outstanding Common Shares. While all these parties may be subject to trading restrictions from time to time based on material information they may receive, we have scheduled mandatory timeframes each quarter when we prohibit these parties from trading due to known financial information ("Blackout Periods"). Our Blackout Periods begin immediately with the end of each quarterly financial reporting period and continue until the completion of two business days after our earnings for the respective quarter have been publicly released. As a result, our share float during Blackout Periods is more constrained than periods outside of Blackout Periods. Investors should consider liquidity issues arising from the above share concentrations and trading restrictions.

Our compensation plans and earnings are subject to volatility in our share price

We have Performance Share Units (PSUs) for management and Deferred Share Units (DSUs) for our board of directors. These are notional units that are tied to the value of our Common Shares. In addition, the PSUs are subject to performance factors based on attaining financial goals established for management by the board of directors. These performance factors can increase or decrease the value of the PSUs. As a result, the exact impact of an increase or decrease to our share price will change each quarter based on the number of outstanding PSUs and DSUs and the current PSU performance factors. For example, based on current performance factors, a $0.01 change in our share price would result in approximately a $5 change in compensation expense on a pre-tax basis. We mitigate this risk by tying the PSUs to a performance factor, ensuring that if operating results are below expectations, PSU compensation will be reduced to partially offset a shortfall in financial results.

We invest in marketable securities whose valuations fluctuate

We may invest in marketable securities when we build excess cash balances relative to the current and projected liquidity needs and economic cycles. Marketable securities consist of investments in professionally managed fixed-income funds, from time to time, and certain equity securities obtained through search fees paid partially in the client's equity. The securities are subject to market risk. Should they decline in value, the unrealized losses and potential realized losses could negatively impact our financial position and aggregate operations results. We mitigate the risk in managed funds by investing in relatively conservative investments and engaging professional investment fund advisors independent from us with added oversight from the Board of Directors' Investment Committee. As applicable, we

mitigate the risk in equity securities by liquidating our positions as soon as practicable and consider the potential use of hedging derivatives if applicable.

We are increasingly dependent on third parties for the execution of critical functions

We do not maintain all our technology infrastructure components, and we have outsourced certain critical applications or business processes to external providers, including cloud-based services. The failure or inability to perform on the part of one or more of these critical suppliers or partners could cause significant disruptions and increased costs. We attempt to mitigate this risk by using large, well-capitalized service providers when reasonably possible relative to our technology needs.

Impairment of our goodwill, other intangible assets and other long-lived assets

All our acquisitions have been accounted for as purchases and involved purchase prices in excess of tangible asset values, resulting in a significant amount of goodwill and other intangible assets. Goodwill is initially recorded as the excess of amounts paid over the fair value of net assets acquired. While goodwill is not amortized, under generally accepted accounting principles, we perform impairment assessments of the carrying value of our goodwill at least annually, and we review our goodwill, other intangible assets and other long-lived assets for impairment whenever events occur, or circumstances indicate that a carrying amount of these assets may not be recoverable. These events and circumstances include a significant change in business climate, attrition of key personnel, material changes in financial condition or results of operations, a prolonged decline in our stock price and market capitalization, competition, and other factors. We must make assumptions regarding our goodwill and other intangible assets' estimated fair value in performing these assessments. These assumptions include estimates of future market growth and trends, forecasted revenue and costs, capital investments, discount rates, and other variables. If the fair market value of one of our reporting units or other long-term assets is less than the carrying amount of the related assets, we would be required to record an impairment charge. Due to continual changes in the market and general business conditions, we cannot predict whether, and to what extent, our goodwill and long-lived intangible assets may be impaired in future periods. Any resulting impairment loss could have an adverse impact on our business, financial condition, and operations results.

Our ability to access credit could be limited

Our bank can be expected to enforce the terms of our credit agreement strictly. There are currently no financial covenants on our revolving credit facility. However, deterioration of economic conditions may negatively impact our business, which could limit our ability to borrow funds under our credit facility or from other borrowing facilities in the future. The credit agreement with the bank is a demand facility and may also be cancelled at any time by our bank. In such circumstances, we may not be able to secure alternative financing or only be able to do so at significantly higher costs. We attempt to mitigate this risk by only using the credit line to fund temporary cash requirements, negotiating flexible financial covenants to the extent we are able, and working to maintain strong relationships with our banking team.

There may be direct and indirect adverse financial consequences if a financial institution fails where we or a significant number of clients hold uninsured depository balances.

If a financial institution at which we hold our primary cash deposits with were to become insolvent it could have a direct material negative impact on our liquidity position, unless we were able to move funds out of the institution prior to its insolvency. Additionally, the failure of a significant financial institution where our clients held, in the aggregate, significant deposits would have a negative impact on our liquidity position indirectly through the potential loss of the clients and our inability to collect

on the related accounts receivable. We attempt to mitigate this risk by evaluating our primary depository banking institutions in each region and selecting a bank of high quality and significant size. We also maintain accounts in different geographies at different institutions such that, with little notice, we could transfer funds to an existing open account at another institution.

We have significant shareholder concentration

As of November 12, 2026, approximately 29.7% of our outstanding Common Shares are held by insiders as filed with the System for Electronic Disclosure by Insiders (SEDI). Ewing Morris & Co. Investment Partners Ltd. ("Ewing Morris") is reported to own, directly or indirectly, 13.0% of the outstanding Common Shares. Mr. Darcy D. Morris, CEO of Ewing Morris, is also a director of the Company. While no other party directly or beneficially owns more than 10.0% of our Common Shares, our senior management and remaining directors hold approximately 7.2% of our Common Shares, with a total of 20.2% held by senior management and directors. This concentration of shares could have a material impact on the outcome of any matters brought forth to the shareholders for a vote. While we cannot control how our shareholders vote, we mitigate the effects of controlling interests through our board of directors' governance oversight representing all shareholders, including minority shareholders.

We may be subject to the actions of activist shareholders

Our Board of Directors and management team are committed to acting in all our shareholders' best interest. We value constructive input from investors and regularly engage in dialogue with our shareholders regarding strategy and performance. Activist shareholders who disagree with the composition of the Board of Directors, our strategy or the way the Company is managed may seek to effect change through various strategies and channels. Responding to shareholder activism can be costly and time-consuming, disrupt our operations, and divert the attention of management and our employees from our strategic initiatives. Activist campaigns can create perceived uncertainties as to our future direction, strategy, or leadership. They may result in the loss of potential business opportunities, harm our ability to retain or attract employees, investors, and customers, and cause our stock price to experience periods of volatility or stagnation.

Our business could be disrupted because of actions of certain stockholders or potential acquirers of the Company

If any of our stockholders commence a proxy contest, advocate for change that is not necessarily in the best interests of the Company and all of its stakeholders, make public statements critical of our performance or business, or engage in other similar activities, or if we become the target of a potential acquisition, which may adversely impact our business because we may have difficulty attracting and retaining employees and clients due to perceived uncertainties as to our future direction and negative public statements about our business. Responding to proxy contests and other similar actions by stockholders may result in us incurring substantial additional costs and significantly divert the attention of management and our employees. Individuals elected to our Board with a specific agenda that does not align with the Company’s best interests, the execution of our strategic plan may be disrupted, or a new strategic plan altogether may be implemented, which may have a material adverse impact on our business, financial condition or results of operations. Further, any of these matters or any such actions by stockholders may impact and result in volatility of the price of our common stock.

DISCLOSURE CONTROLS AND PROCEDURES

Our President and Chief Executive Officer, and Vice-President and Chief Financial Officer are responsible for establishing and maintaining our disclosure controls and procedures. In conjunction

with the board of directors, the President and Chief Executive Officer, and the Vice-President and Chief Financial Officer review any material information affecting the Company to evaluate and determine the appropriateness and timing of public release.

The President and Chief Executive Officer and the Vice-President and Chief Financial Officer, after evaluating the effectiveness of our disclosure procedures as at August 31, 2026, have concluded that our disclosure controls and procedures are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting. Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes following IFRS.

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

Management evaluated the effectiveness of our internal controls' design and operation over financial reporting as at August 31, 2026. Based on that evaluation, the President and Chief Executive Officer, and the Vice-President and Chief Financial Officer concluded that internal controls over financial reporting are effective as at August 31, 2026.

Management has also evaluated whether there were changes in our internal controls over financial reporting during the reporting period ended August 31, 2026 that materially affected, or are reasonably likely to affect, our internal controls over financial reporting. Management has determined that no changes occurred during the quarter ended August 31, 2026 that would have a material impact.

OTHER INFORMATION

Additional information relating to the Company, including our Annual Information Form, is available on SEDAR+ at www.sedarplus.ca.

THE CALDWELL PARTNERS INTERNATIONAL INC.

Consolidated Financial Statements
for the years ended August 31, 2026 and August 31, 2025

The Caldwell Partners International Inc.
Years Ended August 31, 2026 and August 31, 2025

MANAGEMENT'S REPORT TO SHAREHOLDERS

The consolidated financial statements and all information contained in this annual report are the responsibility of management and the Board of Directors of The Caldwell Partners International Inc. and its subsidiaries (the "Company"). The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect management's best estimates and judgments based on currently available information. The Company has established accounting and reporting systems supported by internal controls designed to safeguard assets from loss or unauthorized use and to ensure the accuracy of the financial records. The financial information presented throughout this annual report is consistent with the consolidated financial statements.

Ernst & Young ("EY"), an independent firm of chartered professional accountants, has been appointed by the Board of Directors as the external auditor of the Company, effective January 5, 2026. The Independent Auditor's Report to the Shareholders, which describes the scope of their examination and expresses their opinion, is presented herein. The Audit Committee of the Board of Directors, whose members are not employees of the Company, meets with management and the independent auditor to satisfy itself that the responsibilities of the respective parties are properly discharged and to review the consolidated financial statements before they are presented to the Board of Directors for approval.

/s/ "C. Christopher Beck"

C. Christopher Beck
PRESIDENT AND CHIEF EXECUTIVE OFFICER

/s/ "Shreya Lathia"

Shreya Lathia
VP AND CHIEF FINANCIAL OFFICER

November 12, 2026

Independent Auditor's Report

To the Shareholders and the Board of Directors of
The Caldwell Partners International Inc.

Opinion

We have audited the consolidated financial statements of **The Caldwell Partners International Inc.** and its subsidiaries [the "Group"], which comprise the consolidated statement of financial position as at August 31, 2026, and the consolidated statement of (loss) earnings, consolidated statement of comprehensive (loss) earnings, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at August 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements section* of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Group for the year ended August 31, 2025, were audited by another auditor who expressed an unmodified opinion on those statements on November 20, 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our

audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition – Uptick Revenue	
For the year ended August 31, 2026, the Group recorded Professional fees of $110,212 thousand as disclosed in Note 19 to the consolidated financial statements. As further detailed in Note 3, estimated total professional fees for each search engagement includes fixed consideration comprised of a retainer outlined in engagement letters and an estimate of uptick revenue expected to be received upon completion of the executive search. The Group estimates total expected revenue at the beginning of each contract by estimating uptick revenue on open searches based on historical uptick rates. Auditing the Group's estimated professional fee revenue from open searches at period-end was complex due to the significant estimation uncertainty involved in estimating uptick revenue, based on historical uptick rates. This assumption is forward-looking, and changes in average uptick rates can have a material effect on the determination of the amount and timing of uptick revenue recognized.	To test the estimated uptick revenue, our audit procedures included, among others: • We assessed the reasonableness of the period-end uptick rates used by management by comparing those rates to historical outcomes from search engagements that closed prior to period-end, as well as to results after period-end; • For a selection of search engagements that either closed during the period or after period-end, we independently recalculated uptick revenue recognized using the underlying contractual terms and source documents such as executed employment agreements or executed offer letters; and • For a selection of search engagements that were open at period-end and remained open after period-end, we compared the contract values used in management's estimate of the uptick revenue to the underlying contracts and recalculated the estimated uptick revenue.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jignesh Patel.

Ernst & Young LLP

Toronto, Canada
November 12, 2026

Chartered Professional Accountants
Licensed Public Accountants

THE CALDWELL PARTNERS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in $000s Canadian)

	As at August 31, 2026	*As at August 31, 2025*
Assets		
Current assets		
Cash and cash equivalents	23,543	16,436
Term deposits	-	4,123
Accounts receivable (note 21)	15,520	18,637
Income taxes receivable (note 15)	-	159
Unbilled revenue (note 14)	9,964	9,248
Finance lease receivable (note 12)	440	323
Prepaid expenses and other assets (note 18)	3,696	3,568
	53,163	52,494
Non-current assets		
Prepaid expenses and other assets	362	312
Investments (notes 4 and 21)	1,510	1,601
Advances	1,421	1,028
Deferred income taxes (note 15)	5,689	6,624
Property and equipment, net (note 5)	1,574	1,131
Right-of-use assets, net (note 12)	3,560	4,623
Finance lease receivable (note 12)	1,152	1,562
Intangible assets, net (note 6)	-	34
Goodwill (note 7)	7,470	11,357
Total assets	75,901	80,766
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,869	3,263
Dividend payable (note 17)	441	74
Deferred revenue (note 14)	1,357	3,846
Income taxes payable (note 15)	183	-
Compensation payable (note 11)	31,683	30,771
Lease liability (note 12)	1,867	1,731
	39,400	39,685
Non-current liabilities		
Compensation payable (note 11)	1,183	671
Lease liability (note 12)	4,010	5,438
	44,593	45,794
Equity attributable to owners of the Company		
Share capital (note 17)	15,347	15,346
Contributed surplus	15,598	15,770
Treasury shares (note 17)	(20)	(2)
Accumulated other comprehensive income	2,382	2,201
Retained (deficit) earnings	(1,999)	1,657
Total equity	31,308	34,972
Total liabilities and equity	75,901	80,766

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Board:

/s/ "Rosemary Zigrossi"
Rosemary Zigrossi
Chair, Audit Committee

/s/ "John Wallace"
John Wallace
Chair, Board of Directors

THE CALDWELL PARTNERS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS
(in $000s Canadian, except per share amounts)

	Twelve months ended	
	August 31, 2026	*August 31, 2025*
Revenues		
Professional fees (note 13)	110,212	103,255
Direct expense reimbursements (note 8)	974	802
	111,186	104,057
Cost of sales expenses		
Cost of sales (note 8)	87,567	81,044
Reimbursed direct expenses (note 8)	974	802
	88,541	81,846
Gross profit	**22,645**	**22,211**
Selling, general and administrative expenses (notes 8, 9 and 11)	18,448	18,364
Goodwill impairment and other expense (notes 7, 8 and 10)	3,981	112
	22,429	18,476
Operating profit	216	3,735
Finance expense (income)		
Interest expense on lease liability (note 12)	414	388
Investment and other income (note 4)	(380)	(396)
Foreign exchange loss	57	11
Earnings before income tax	125	3,732
Income tax expense (note 15)	2,456	1,170
Net (loss) earnings for the period attributable to owners of the Company	(2,331)	2,562
(Loss) earnings per share (note 16)		
Basic	($0.079)	$0.087
Diluted	($0.079)	$0.086

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) EARNINGS
(in $000s Canadian)

	Twelve months ended	
	August 31, 2026	*August 31, 2025*
Net (loss) earnings for the period	(2,331)	2,562
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net (loss) earnings		
Unrealized loss on marketable securities (note 4)	-	(1)
Cumulative translation adjustment	181	400
Comprehensive (loss) earnings for the period attributable to owners of the Company	(2,150)	2,961

The accompanying notes are an integral part of these consolidated financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in $000s Canadian)

	Retained earnings (deficit)	Share capital	Contributed surplus	Treasury shares	Accumulated other comprehensive income (loss) Cumulative translation adjustment	Accumulated other comprehensive income (loss) Loss marketable securities	Total equity
Balance - August 31, 2024	**(609)**	**15,392**	**15,541**	**-**	**1,806**	**(4)**	**32,126**
Net earnings for the year ended August 31, 2025	2,562	-	-	-	-	-	2,562
Share-based payment expense (note 17)	-	-	259	-	-	-	259
Dividend payments declared (note 17)	(296)	-	-	-	-	-	(296)
Loss on marketable securities available for sale (note 4)	-	-	-	-	-	(1)	(1)
Shares cancelled (note 17)	-	(46)	(30)	-	-	-	(76)
Treasury shares (note 17)	-	-	-	(2)	-	-	(2)
Change in cumulative translation adjustment	-	-	-	-	400	-	400
Balance - August 31, 2025	**1,657**	**15,346**	**15,770**	**(2)**	**2,206**	**(5)**	**34,972**
Net loss for the year ended August 31, 2026	(2,331)	-	-	-	-	-	(2,331)
Share-based payment expense (note 17)	-	-	43	-	-	-	43
Dividend payments declared (note 17)	(1,325)	-	-	-	-	-	(1,325)
Shares issued and (cancelled) (note 17)	-	1	(215)	2	-	-	(212)
Treasury shares (note 17)	-	-	-	(20)	-	-	(20)
Change in cumulative translation adjustment	-	-	-	-	181	-	181
Balance - August 31, 2026	**(1,999)**	**15,347**	**15,598**	**(20)**	**2,387**	**(5)**	**31,308**

The accompanying notes are an integral part of these consolidated financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOW

(in $000s Canadian)

	Twelve months ended	
	August 31, 2026	*August 31, 2025*
Cash flow provided by (used in)		
Operating activities		
Net (loss) earnings for the period	(2,331)	2,562
Add (deduct) items not affecting cash:		
Impairment of goodwill (note 7)	3,981	-
Impairment of fixed assets (notes 5 and 10)	-	560
Depreciation of property and equipment (note 5)	465	414
Depreciation of right-of-use assets (note 12)	1,091	1,316
Amortization of intangible assets (note 6)	34	56
Amortization of advances	1,245	800
Interest expense on lease liabilities (note 12)	414	388
Interest income related to finance lease receivable (note 12)	(30)	-
Share-based payment expense (note 17)	43	259
Gain on unrealized foreign exchange on subsidiary loans	(42)	(44)
Losses related to equity-accounted associate (note 4)	106	113
Net gain on recognition of finance lease receivable (notes 10 and 12)	-	(381)
Changes in working capital (note 18)	3,659	(2,414)
Net cash generated from operating activities	8,635	3,629
Investing activities		
Purchase of property and equipment (note 5)	(899)	(391)
Sublease payments received (note 12)	323	-
Payment of advances	(2,091)	(1,386)
Repayment of advances	-	1,068
Maturity (purchase) of term deposits	4,123	(4,123)
Net cash generated from (used in) investing activities	1,456	(4,832)
Financing activities		
Payment of lease liabilities (note 12)	(1,739)	(1,766)
Payment of dividends (note 17)	(959)	(222)
Purchase of treasury shares (note 17)	(18)	(78)
Issued and cancelled shares, net	(214)	-
Net cash used in financing activities	(2,930)	(2,066)
Effect of exchange rate changes on cash and cash equivalents	(54)	71
Net increase (decrease) in cash and cash equivalents	7,107	(3,198)
Cash and cash equivalents, beginning of year	16,436	19,634
Cash and cash equivalents, end of period	23,543	16,436

The accompanying notes are an integral part of these consolidated financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2026 AND AUGUST 31, 2025

(in $000s Canadian unless otherwise stated, except per share amounts)

1. General Information

The Caldwell Partners International Inc. (the "Company") 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 artificial intelligence 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.

Subsequent to year end, on October 23, 2026, the Company completed the sale of substantially all of the net operating assets of its wholly owned subsidiary, IQTalent Partners, Inc. Refer to note 24 of these consolidated financial statements for further details.

The Company was incorporated by articles of incorporation under the Business Corporations Act (Ontario) on August 22, 1979 and is listed on the Toronto Stock Exchange (symbol: CWL). The shares also trade on the OTCQX Market in the United States (OTCQX: CWLPF). The Company's head office is located at 130 Adelaide Street West, Suite 2310, Toronto, Ontario. The Company operates in Canada, the United States, the Middle East and Europe.

2. Basis of Presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved these consolidated financial statements for issue effective November 12, 2026.

3. Summary of Material Accounting Policies, Judgments and Estimation Uncertainty

The material accounting policies used in the preparation of these consolidated financial statements are described below.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

Consolidation

These consolidated financial statements include the assets and liabilities and results of operations of the Company and its wholly owned subsidiaries. In the United States, the subsidiaries are The Caldwell Partners International Ltd. and IQTalent Partners, Inc. In the United Kingdom ("UK"), the subsidiary is The Caldwell Partners International Europe, Ltd. Effective September 23, 2025, the Company, through Caldwell Europe, incorporated a new entity in the Dubai International Financial Centre to conduct business in the United Arab Emirates ("UAE").

All intercompany transactions and balances are eliminated on consolidation.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date control ceases.

Business combinations

Business combinations resulting in control are accounted for using the acquisition method as of the date when control is transferred to the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities assumed at the date of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable tangible and intangible net assets acquired is recorded as goodwill. The Company records contingent consideration agreements at fair value, which are classified at fair value through profit or loss ("FVPL") with movements in the fair value being recognized within selling, general and administrative expenses in the consolidated statements of earnings. Transaction costs that the Company incurs in connection with a business combination, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Chief Executive Officer. The Company operates 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***.

Foreign currency translation

(i) Functional and presentation currency

The financial statements of the parent company and each subsidiary in the consolidated financial statements of The Caldwell Partners International Inc. are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the subsidiaries located in the United States is the US dollar. The functional currency of the subsidiary located in the UK is the British pound sterling. The functional currency of the subsidiary located in the UAE is the UAE dirham.

The financial statements of subsidiaries that have a functional currency different from the presentation currency are translated into Canadian dollars as follows: assets and liabilities at the closing rate at the date of the consolidated statements of financial position, and income and expenses at the average rate of the period (as this is considered a reasonable approximation of the actual rates prevailing at the transaction dates). All resulting changes are recognized in other comprehensive income ("OCI") as cumulative translation adjustments.

If the Company disposes of its entire interest in a foreign subsidiary, or loses control over a foreign subsidiary, the foreign currency gains or losses accumulated in OCI related to the foreign subsidiary are recognized in profit or loss.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of these transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of earnings, within foreign exchange loss (gain).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Term deposits

The Company may, from time to time, invest in certain highly liquid term deposits with maturity dates more than three months, but less than six months, at the date of acquisition. Term deposits are recorded at their fair value on the date of acquisition and carried at amortized cost.

Advances

Advances are sign-on payments made to employees to join the Company. Such amounts may be recouped if the employee leaves the Company before a contractually stipulated period of time has lapsed, typically up to 48 months from their start date. The advances are amortized to cost of sales on a straight-line basis over the life of the contractual recoupment period.

Certain sign-on payments may be recouped against future billings. Such sign-on payments are recognized as an asset in prepaid expenses and other assets on the consolidated statement of financial position, with future billings reducing the outstanding amount.

The nature of the sign-on payments is determined by the contractual terms of the employee agreement and is set at inception.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position when i) there is a legally enforceable right to offset the recognized amounts and ii) there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

The Company classifies its financial assets in the following measurement categories:

- Those to be measured at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and financial liabilities and the contractual terms of the cash flows.

(i) Financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Accounts receivable

For accounts receivable, the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognized at the time of initial recognition of the accounts receivable. The Company's expected credit loss model involves a component of price concession provided to customers.

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant financial difficulty of the obligor, delinquencies in payments, and when it becomes probable the client will enter bankruptcy or other financial reorganization. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Investments

The Company's investments consist of equity investments in clients, a convertible promissory note receivable representing a strategic investment in an artificial intelligence-enabled candidate sourcing business, and investments in associates.

Equity investments in clients
The Company holds certain equity investments in its clients as a portion of its search fee. Such investments are generally held for long periods as they are illiquid, often requiring a client company sale or initial public offering to allow the sale of the marketable security. The Company's standard policy is to sell such investments as soon as reasonably possible once a liquidity event occurs. The Company classifies its equity investments in clients at fair value through OCI ("FVOCI") due to their long-term and illiquid nature. All future disposals of these marketable securities will result in the accumulated gains or losses remaining in accumulated OCI.

Convertible promissory note receivable
The Company also made an investment that has a conversion option to equity upon the occurrence of specific events. This investment is classified as FVPL.

Associates
Investments in entities over which the Company has significant influence are classified as associates. Significant influence is presumed to exist where, either directly or indirectly, the Company holds between 20% and 50% of the voting rights of an entity. Significant influence also may exist where less than 20% of the voting rights of an entity are held, for example if the Company has influence over policy-making processes through representation on the entity's Board of Directors, or by other means.

Investments in associates are accounted for using the equity method. Under the equity method, such investments are initially measured at cost and are adjusted thereafter for the post-

acquisition change in the Company's share of the net assets of the investment. In applying the equity method for an investment that has a different reporting period than that of the Company, adjustments are made for the effects of any significant events or transactions that occur between the reporting date of the investment and the Company's reporting date.

(ii) Financial liabilities

Financial liabilities at amortized cost include accounts payable and compensation payable, which are initially recognized at the amount required to be paid, less a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statements of earnings during the period in which they are incurred.

The major categories of property and equipment are depreciated as follows:

Furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Computer application software	straight-line over three years
Leasehold improvements	straight-line over the term of the lease

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of selling, general and administrative expenses in the consolidated statements of earnings.

Impairment of non-financial assets

Property and equipment, right-of-use assets and definite life intangible assets (other than goodwill) are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use (which is the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized to the extent that the asset's carrying amount exceeds its recoverable amount. Impairment losses are assessed for potential reversals whenever events or circumstances warrant such consideration.

Goodwill acquired through a business combination is allocated to each CGU or group of CGUs that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the Company at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Goodwill is reviewed for impairment annually or if an indicator of impairment exists. Any potential goodwill impairment is identified

by comparing the recoverable amount of the CGU grouping to which the goodwill is allocated to the carrying value of the CGU, including the allocated goodwill. If the recoverable amount is less than its carrying value, an impairment loss is recognized in the consolidated statement of earnings in the period in which it occurs. Impairment losses on goodwill are not subsequently reversed if conditions change.

Commission and bonus plans (short-term incentive plans)

The Company recognizes a liability and an expense for bonuses and commissions, based on applicable performance measures relevant to the particular employee group. Revenue-producing employees in the Caldwell executive search business earn bonuses tied directly to individual and team revenue production, net of provisions. Management bonuses are primarily determined based on achievement of planned revenue and operating profit levels, approved by the Board of Directors at the outset of the fiscal year. The Company recognizes the expense and compensation payable in the year such performance levels are attained. To the extent revenue is deferred for recognition in a future period, the Company will also defer the related amount of estimated compensation expense directly associated with such deferred revenue.

Stock-based compensation (long-term incentive plans)

The Company has granted and may grant performance stock units, deferred stock units and stock options periodically to certain employees, directors and contractors.

Performance stock units ("PSUs") are notional common shares of the Company that cliff vest three years from the date of grant and are settled in cash. The amount to be paid on vesting is dependent on the Company's share price at the vesting date and the calculated performance factor. Performance factors range from 50% and 150% based on the Company's actual revenue and net operating profit performance compared to targets set by the Board of Directors each year. Compensation expense is recognized on a straight-line basis over the three-year vesting period. Any notional dividend awards and changes in performance factors and fair value are reflected in current period compensation expense in proportion to the amount of the vesting period that has lapsed, with the balance being amortized straight-line over the remaining vesting period.

Deferred stock units ("DSUs") are notional shares of the Company that are issued to the Board of Directors as a component of their annual retainer. DSU balances are adjusted for notional dividends received on the holdings, as applicable. Each non-employee Board Member receives approximately 50% of the annual retainer in cash and 50% in the form of DSUs issued at fair value on the date of the grant, which track the performance of the Company's common shares over time. These DSUs vest upon grant but are redeemable only when the Board Member leaves the Board, at which time they are settled in cash. DSUs are recorded as compensation expense at the fair value of the units when issued. Any notional dividend awards and subsequent changes in the fair value of DSUs are recorded in current period compensation expense when the change occurs.

The awards of PSUs and DSUs have been recorded in current or non-current compensation payable depending on when they vest or when they are expected to be redeemed, respectively.

Stock options currently outstanding vest over three to five years and have a contractual life of five years. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest.

Provisions

Provisions, where applicable, are recognized when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of

resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material.

Income taxes

Income taxes comprise both current and deferred tax. Income tax is recognized in the consolidated statements of earnings except to the extent that it relates to items recognized in OCI or directly in equity, in which case the income tax is also recognized in OCI or directly in equity.

Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to taxes payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statements of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be recognized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

Revenue

Revenue consists of i) professional fees and ii) direct expense reimbursements.

(i) Professional fees

Professional fees are generated from the Company’s retained executive search and on-demand talent acquisition businesses.

Caldwell (executive search)

Professional fees arising from Caldwell’s executive search engagement performance obligation are recognized over time as clients simultaneously receive and consume the benefits provided by the Company's performance. Generally, each executive search contract contains one performance obligation, which is the process of identifying potentially qualified candidates for a specified position. In most contracts, the transaction price includes both fixed and variable consideration. Fixed consideration consists of a retainer, equal to approximately one-third of the estimated first-year compensation for the position to be filled, and indirect expenses, equal to a specified percentage of the retainer, as defined in the contract. The Company generally bills its clients for its retainer and indirect expenses in one-third increments over three months commencing in the month the contract is executed. If actual compensation of a placed candidate exceeds the original compensation estimate, the Company typically has a contractual right to bill the client for one-third of the excess compensation. The search industry and the Company refer to this additional billing as uptick revenue. In most contracts, variable consideration consists of uptick revenue. The Company bills its clients for uptick revenue upon completion of the executive search and direct expenses are billed as incurred.

Professional fees are recognized when the Company has satisfied a performance obligation by transferring services to a client. Professional fees from standard executive search engagements are recognized over the expected average performance period, in proportion to the estimated effort to fulfill the Company's obligations under the engagement terms. The Company applies the practical expedient in IFRS 15.121(a) and does not disclose the transaction price allocated to remaining performance obligations for contracts with an original expected duration of one year or less, which are substantially all of the Company's contracts.

The Company's method of revenue recognition involves a three-step evaluation and application:

1. First, the average length of time it takes to substantially complete the Company's performance obligation is determined. This represents the total period over which professional fee revenue is to be recognized. This performance period is defined as the number of days elapsed from beginning the search to the completion of all candidate interviews by the Company. The average performance period across all of the searches completed by the Company during the trailing two fiscal years is calculated, providing a large and representative sample size. The performance period fluctuates from period to period but has historically averaged approximately three months.

2. Second, the distribution of work effort throughout the performance period is examined. This distribution determines the proportion of professional fee revenue to recognize over the performance period. The work effort distribution calculation also fluctuates from period to period, so the calculation is averaged over the trailing two fiscal years. Typically, work effort is concentrated in the first half of the performance period.

3. Third, the total revenue for each search engagement to be recognized is estimated, which will then be recognized over the performance period and in proportion to the work effort. Estimated total professional fees for the life of each search include total retainer payments outlined in engagement letters and an estimate of uptick revenue expected to be received at the time of successful placement of a candidate. The uptick revenue amount is estimated, in aggregate, by assessing the total amount of uptick revenue during the trailing 24-month period relative to the amount of retainer revenue billed following the Company's contracts.

Deferred revenue and unbilled revenue

The Company's revenue recognition policy creates differences in the timing between the revenue recognition period and the billing period to its clients. As a result, the amount of revenue invoiced and billed to clients on each search is compared to the amount of revenue that should be recognized as calculated by the Company's revenue recognition model.

Deferred and unbilled revenue

When aggregate amounts billed to clients exceed the calculated revenue to be recognized, the Company defers the excess amount billed for recognition in future periods and adjusts the related compensation expense. This excess amount billed is recorded through a deferred revenue liability and a reduction in compensation payable related to such revenue.

When aggregate amounts billed to clients are less than the calculated revenue to be recognized, the Company recognizes additional revenue in the current period for amounts to be billed in future periods. This additional revenue is recorded through an unbilled revenue asset. The Company estimates the compensation payable due related to the total recognized revenue and records an increase in compensation payable related to the unbilled revenue.

Professional fees involving equity

Professional fees are paid to the Company predominantly in the form of cash and, on occasion, in the form of equity interests in the Company's clients as a portion of the search fee. These interests may take the form of common stock, preferred stock, restricted stock, warrants, options or similar instruments depending on the client and the agreement. Equity payments occur most commonly in venture capital and private equity backed entities where executive cash compensation is often lower due to the executive receiving compensation more prominently in equity as well as a desire by early-stage companies to preserve cash. If equity is a component of the Company's professional fee, an estimate of the fair value to be realized at the date of grant when the search is concluded is treated similar to uptick revenue and included in professional fees. Per the Company partner compensation plan, a share of the equity instruments is transferred and assigned beneficially to the partners as their form of compensation on such instruments. As a result, the gross asset value and compensation payable are offset, with the investment recorded at the net amount to which the Company has economic rights. Prospective changes in the fair value of the net investment amount are recorded in OCI as outlined in the above IFRS 9 discussion and in note 4 to the consolidated annual financial statements.

IQTalent (on-demand talent acquisition augmentation)

Professional fees arising from IQTalent's on-demand talent acquisition augmentation managed services are recognized over time as clients receive and consume the benefits provided. Generally, each talent acquisition augmentation managed services contract contains one performance obligation, which is the process of identifying potentially qualified candidates for a specific client position. In each transaction, the price includes an hourly rate to be billed over the number of hours expended on the engagement. IQTalent generally bills its clients monthly in arrears, based on the actual number of hours incurred during the period. Revenue is recognized based on the hours spent on the engagement, times the rate agreed to per the contract.

(ii) Direct expense reimbursements

The Caldwell executive search business incurs reimbursable direct out-of-pocket expenses in the performance of its services for items such as candidate and partner travel, meals, accommodation, third-party executive assessments, background checks and other costs directly identifiable to a specific search assignment. Such costs are incurred and paid by the Company and are in turn billed to the Company's clients. Under IFRS 15, the Company is deemed to be a principal regarding these transactions as the vendors are selected by the Company and the obligation to pay the vendors is borne by the Company. As such, the Company shows the gross amounts of direct expenses billed and recovered from clients as revenue, with the offsetting gross amounts incurred as cost of sales expenses.

Cost of sales

Cost of sales includes direct costs associated with the generation of professional fees, which is both variable and fixed compensation, and the related costs of employees involved in search activities. When professional fees are either deferred or accrued as unbilled revenue, the related amount of estimated compensation expense directly associated with such professional fees is also deferred or accrued, respectively. This expense deferral or accrual is recorded as a reduction or increase in compensation payable in the consolidated statements of financial position.

Leases

At the inception of a contract, the Company assesses whether it is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right-of-use asset and a corresponding lease liability are recognized at the date a leased asset is available for use by the Company. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove or restore the underlying asset, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate is used to calculate present value. The lease term determined by the Company consists of the non-cancellable period of the lease contract, as well as options to terminate or extend the lease term if the exercise of either option is reasonably certain.

Right-of-use assets are subsequently measured at cost less depreciation on a straight-line basis and reduced to reflect impairment losses (if any) and adjusted for any remeasurement of the lease liability. After the lease commencement date, lease liabilities are measured at amortized cost using the effective interest method, which increases the liability amount to reflect interest on the lease liability, reduces the liability carrying amount to reflect lease payments made and also reflects any remeasurement or lease modifications. If a remeasurement to the lease liability is deemed necessary, a corresponding adjustment is also made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Payments related to short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss over the respective lease terms. Short-term leases are leases with a lease term of 12 months or less.

Finance lease receivable

When the Company acts as an intermediate lessor by subleasing a leased asset, the sublease is classified as either a finance lease or an operating lease based on whether substantially all of the risks and rewards related to the underlying right-of-use asset are transferred to the sublessee. If classified as a finance sublease, the related right-of-use asset is derecognized and a sublease asset is recognized, with the gain or loss recognized in the consolidated statements of earnings. In measuring the sublease asset, the Company applies the head lease discount rate, adjusted for any direct costs related to procuring the sublease, such as brokerage fees, unless the rate implicit in the sublease is determinable. The sublease asset is subsequently measured using the effective interest rate method, with the interest income recognized over the term of the sublease. For operating subleases, rental income over the term of the sublease is recognized on a systematic basis over the term of the sublease.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Dividends

Dividends on common shares are recognized in the Company's financial statements in the period in which the dividends are approved by the Board of Directors of the Company.

Treasury shares

When the Company repurchases its own equity instruments, these instruments are treated as treasury shares and are deducted from equity at their cost. Upon cancellation, any gain or loss is recognized in contributed surplus. No gain or loss is recognized in the consolidated statements of earnings on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net earnings for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options and similar instruments is computed using the treasury stock method. The Company's potentially dilutive instruments consist of stock options.

Assets Held for Sale and Discontinued Operations

Caldwell classifies non-current assets and disposal groups as held for sale when their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. These assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are incremental costs directly attributable to the disposal, excluding finance costs and income tax expense.

Classification as held for sale is appropriate only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The actions required to complete the sale must indicate that significant changes to the sale plan are unlikely and that the plan is unlikely to be withdrawn. Management must be committed to the plan, and the sale must be expected to be completed within one year of classification.

Property, plant and equipment and intangible assets are no longer depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Caldwell classifies a disposal group as a discontinued operation when it represents a separate major line of business or geographic area of operations and has been disposed of or classified as held for sale as part of a single coordinated plan.

The results of discontinued operations are excluded from continuing operations and presented as a single, net-of-tax amount in the statement of net earnings (loss).

The accounting policies adopted are consistent with those of the previous fiscal year except as noted below.

Accounting standards issued but not yet applied

Presentation and Disclosure in Financial Statements ("IFRS 18")

IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after January 1, 2027. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined "operating profit" subtotal and a requirement for all income and expenses to be classified into three new distinct categories, namely operating, investing and financing, based on a company's main business activities. Companies often use "non-GAAP" information to explain their financial performance because it allows them to tell their own story and provides investors with useful insight into a company's performance. IFRS 18 requires some of these "non-GAAP" measures to be reported in the financial statements. To provide investors with better insight into financial

performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning September 1, 2027. The Company is assessing the impact of this standard on its reporting.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amend IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures. The amendments clarify certain requirements for classifying financial assets with contingent contractual features and for derecognizing financial liabilities settled through electronic payment systems. They also introduce additional disclosure requirements for certain equity investments designated at FVOCI and financial instruments with contingent features.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company will apply them beginning September 1, 2026, the start of its fiscal year ending August 31, 2027. The Company is assessing the amendments' effect on its consolidated financial statements, including the additional disclosures that may apply to its equity investments designated at FVOCI.

Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the estimates and judgments applied by management that most significantly affect the Company's consolidated financial statements. These estimates and judgments have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities, and the most significant judgments in applying accounting policies.

Revenue recognition

The Caldwell executive search business' method of revenue recognition requires it to estimate the expected average performance period and the percentage of completion, based on the proportion of the estimated effort to fulfill the Company's obligations throughout the expected average performance period for its executive searches. Differences between the estimated percentage of completion and the amounts billed will give rise to either a deferral of revenue to a future period or an accrual of revenue to the current period. Changes in the average performance period or the proportion of effort expended throughout the performance period for its executive searches could lead to an under or overvaluation of revenue.

The executive search business' method of revenue recognition also requires it to estimate the total expected revenue at the beginning of each contract, which requires the Company to estimate uptick revenue on open searches, based on historic uptick rates. Changes in average uptick rates on executive searches could lead to an under or overvaluation of revenue.

Further information on unbilled and deferred revenue is included in note 14.

Allowance for doubtful accounts

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance model in determining the loss for all accounts receivable. Accounts receivable have been grouped based on shared credit risk characteristics and the days past due to measure expected credit losses. Judgment is involved based on the circumstances of

individual accounts and the estimated performance of the portfolio. Some of the accounts provided for result from client concessions to maintain a positive brand in the marketplace and relationships with client contacts based on circumstances unique to each search. Other accounts are provided for due to credit reasons, as it is often difficult to completely isolate provisions between client concessions and credit risk. Provision amounts are therefore aggregated as professional fee adjustments.

Compensation accruals

Partner commissions in the executive search business are based on a per partner basis on amounts billed during a respective year and collected within a certain timeframe. These collections are then subject to a commission grid that escalates as the individual collects more. Assumptions are made regarding what each partner's full year collections will be in order to set an estimated commission tier to accrue compensation expense throughout the year. Full year partner collection results that differ from management's current estimates would affect the results of operations in future periods.

Impairment of goodwill

The Company tests at least annually whether goodwill is subject to any impairment in accordance with the accounting policy. Various assumptions are made in performing this test, including estimates of future revenue streams, operating costs and discount rates. These assumptions are disclosed in note 7. Future results that differ from management's current estimates would affect the results of operation in future periods.

Valuation of equity interests in clients

It can be difficult to obtain valuation information on equity interests held in clients. Equity instruments are most often in privately held companies without a specific obligation to share ongoing business performance and valuation information. The Company values such interests in accordance with its financial instruments policy with available information. As a result, the current and future valuation of these interests could differ materially from current estimates.

4. Investments and equity-accounted associates

The Company's investments comprise various investments whose gains and losses are recorded as either FVOCI or FVPL, and equity-accounted investments.

Investment and other income:

	Twelve months ended August 31	
	2026	2025
Net loss on investment in associate	(106)	(113)
Interest income on term deposits	486	420
Total FVPL	380	307
Interest on the ERTC refund by IRS (note 10)	-	89
Investment and other income	380	396

Investment In associate

On March 1, 2023, the Company announced the spin-off of its software business from its IQTalent business segment. IQTalent contributed its proprietary software and its dedicated product and development team into a newly formed entity, IQRecruit, Inc. ("IQRecruit") in exchange for approximately 41.9% of the new entity. IQRecruit is currently conducting business under the brand name "HootRecruit". Throughout the year, IQRecruit issued additional equity to its employees as well as outside investors in which the Company did not participate. As a result, its ownership was diluted to 20.9% as at August 31, 2026. While the Company owns 20.9% of the economic interest in IQRecruit Inc., its voting rights are limited to 20% in accordance with the shareholder agreement. As a result, the Company has concluded that it has significant influence over this investment, and accounts for it using the equity method. As required by the equity method of accounting, the carrying amount of the equity investment has been adjusted to reflect the Company's share of IQRecruit's loss. IQTalent was a user and client of the HootRecruit platform through a licensing arrangement that was terminated in March 2025.

As at August 31, 2026, the value of this equity investment was $717 (August 31, 2025: $816). The Company's share of IQRecruit's net losses, including dilution losses, was $106 for the year ended August 31, 2026 ($113 for the year ended August 31, 2025).

Convertible promissory note receivable

On November 23, 2021, the Company invested $500 USD ($694 CAD at August 31, 2026 and $687 CAD at August 31, 2025) in Skyminyr, Inc., doing business as HelloSky ("HelloSky"), an early-stage company with an artificial intelligence software platform designed to deliver the power of human capital intelligence through a combination of behavioural analytics, sector mapping, and relationship intelligence. The Company is also working with HelloSky as a client, leveraging its candidate search capabilities into search processes at both IQTalent and Caldwell.

The investment is in the form of a convertible promissory note receivable (the "Note") accruing interest at 5% per annum. The Note and any accrued interest are convertible into shares of common stock of HelloSky upon certain events such as a change of control or a public offering of its common shares. At the date of investment, the Note's conversion option represented a 4% equity stake in HelloSky. The Note is also convertible at any time at the Company's option. Additionally, the outstanding principal and unpaid accrued interest on the Note became due and payable upon demand beginning November 15, 2023, at the election of a majority of Noteholders

who invested at the same time as the Company. As at August 31, 2026, no such election had been made. The Note is classified as fair value through profit or loss.

For the year ended August 31, 2026, gains or losses related to the Note were $nil (2025: $nil).

Interest income

The Company currently invests cash balances in highly liquid cash equivalent investments including term deposits, certificates of deposit and cash savings accounts. These investments are presented as part of cash and cash equivalents on the consolidated statements of financial position, and generate interest income.

For the year ended August 31, 2026, investment income included $486 interest on term deposits (2025: $420).

Fair value through OCI:

Marketable Securities

The Company's marketable securities at August 31, 2026 and August 31, 2025 include equity securities obtained through search fees being paid partially in equity of the client, which are held for long-term investment until there is a market for sale. All are classified as fair value through other comprehensive income.

Client equity investments were $99 and $98 at August 31, 2026 and August 31, 2025, respectively. During fiscal 2026, net realized losses on marketable securities of $nil (2025: $nil) and net unrealized loss of $nil (2025: $1) were recognized as part of other comprehensive income.

5. Property and Equipment

	Furniture and equipment	Computer equipment	Computer application software	Leasehold improvements	Total
At August 31, 2025					
Opening net book value	365	596	-	737	1,698
Additions	11	215	52	113	391
Impairment	(78)	-	-	(482)	(560)
Depreciation for the year	(71)	(214)	-	(129)	(414)
Exchange differences	9	6	-	1	16
Closing net book value	236	603	52	240	1,131
At August 31, 2025					
Cost	1,126	4,253	52	640	6,071
Accumulated depreciation	(890)	(3,650)	-	(400)	(4,940)
Net book value	236	603	52	240	1,131
At August 31, 2026					
Opening net book value	236	603	52	240	1,131
Additions	241	246	115	297	899
Depreciation for the year	(91)	(219)	(35)	(120)	(465)
Exchange differences	2	5	-	2	9
Closing net book value	388	635	132	419	1,574
At August 31, 2026					
Cost	1,376	4,517	167	940	7,000
Accumulated depreciation	(988)	(3,882)	(35)	(521)	(5,426)
Net book value	388	635	132	419	1,574

6. Intangible Assets

Intangible assets consist of the acquired client list from IQTalent and the rights to use the domain address “caldwell.com”, acquired in 2021 from a third party for a purchase price of $108. Both are stated at cost less accumulated amortization, and each is being amortized on a straight-line basis in the consolidated statements of earnings to selling, general and administrative expenses over its respective estimated useful life of five years.

	Twelve months ended August 31	
	2026	2025
Opening net book value	34	88
Amortization for the year	(34)	(56)
Exchange differences	-	2
Closing net book value	-	34

	As at August 31	
	2026	2025
Cost	260	260
Accumulated amortization	(260)	(226)
Closing net book value	-	34

7. Goodwill

	Twelve months ended August 31	
	2026	2025
Opening net book value	11,357	11,186
Impairment	(3,981)	-
Exchange differences	94	171
Closing net book value	7,470	11,357

	As at August 31	
	2026	2025
Caldwell United States	2,063	2,044
IQTalent	3,407	7,313
Caldwell Canada	2,000	2,000
Closing net book value	7,470	11,357

As at August 31, 2026, the recoverable amount of the IQTalent CGU was determined to be lower than its carrying amount. As a result, the Company recognized a goodwill impairment loss of $3,981 in the year ended August 31, 2026.

The recoverable amount of the IQTalent CGU was determined based on the higher of value in use and fair value less costs of disposal. Fair value less costs of disposal exceeded value in use and was therefore used as the recoverable amount for purposes of the impairment assessment. In determining value in use, the Company used cash flow forecasts based on management's expectations of future revenue growth, gross margins and operating expenses. The offer price associated with a proposed sales transaction received before August 31, 2026 was a key input used to estimate fair value less costs of disposal for the IQTalent segment. This transaction subsequently closed on October 23, 2026, resulting in the sale of substantially all of IQTalent's net operating assets. Please refer to note 24 of these consolidated financial statements for details.

In assessing goodwill for impairment as at August 31, 2026, the Company compared the aggregate recoverable amount of the assets included in its CGUs, namely Caldwell United States and Caldwell Canada, to their respective carrying amounts. In each case, the recoverable amount has been determined based on the estimated value-in-use of the CGU using cash flow forecasts that were determined based on Board of Directors-approved budgets for the next fiscal year and forecasts for an additional four years, and using the following assumptions to extend the cash flows into future periods:

	2026	
	Caldwell United States	Caldwell Canada
Average 5-year growth rate	3.9%	3.6%
Long-term growth rate	2.0%	2.0%
Average 5-year projected gross margin	22.1%	27.5%
Pre-tax discount rate	16.5%	16.1%

	2025	
	Caldwell United States	Caldwell Canada
Average 5-year growth rate	4.5%	4.9%
Average 5-year projected gross margin	22.2%	26.2%
Pre-tax discount rate	16.1%	16.1%

These assumptions are subjective judgments based on the Company's experience, knowledge of operations and knowledge of the economic environment in which it operates. If future cash flow

projections, long-term growth rates or pre-tax discount rates are different from those used, it is possible that the outcome of future impairment tests could result in a different outcome with a CGU's goodwill being impaired.

The impairment tests performed over the Caldwell United States and Caldwell Canada resulted in no impairment as at August 31, 2026 or 2025. The goodwill for Caldwell United States and IQTalent are denominated in US dollars, and their balances fluctuate each period due to exchange rate changes.

8. Nature of Expenses

The details of the nature of expenses in arriving at operating profit are as follows:

	Twelve months ended August 31	
	2026	2025
Compensation costs	90,985	86,389
Occupancy costs, including ROU asset depreciation	4,244	4,216
Search execution materials	2,615	2,435
Business development and marketing	2,587	1,802
Recruitment expenses	1,123	526
Audit, insurance and investor relations	1,056	960
Reimbursed direct expenses	974	802
Legal and consulting	724	528
Annual partner conference	720	765
Depreciation of property and equipment (note 5)	465	414
Amortization of intangible assets (note 6)	34	56
Impairment of goodwill (note 7)	3,981	-
Other expense (note 10)	-	112
Other	1,462	1,317
Total	110,970	100,322

9. Compensation of Key Management

Key management includes the Board of Directors and four officers of the Company.

	Twelve months ended August 31	
	2026	2025
Salaries, bonuses and short-term benefits	1,641	2,875
Share-based compensation expense	858	461
	2,499	3,336

10. Other Expense

	Twelve months ended August 31	
	2026	2025
Separation payments	-	275
Exit of leased facilities	-	324
Employee retention tax credits	-	(487)
Other expense, net	-	112

Separation payments
In the third quarter of 2025, IQTalent reduced its workforce, reducing management staffing and excess client service capacity. This resulted in the recognition of $275 in severance expenses, presented as part of other expense.

Exit of leased facilities
In May 2025, the Company finalized the sublease of its Toronto office for the remainder of the head lease term. The sublease was classified as a finance sublease. The Company derecognized $1,502 of the related right-of-use asset and $560 of fixed assets, and recognized a finance lease receivable of $1,883, as well as a brokerage fee payable of $145. The net impact was a loss of $324, presented as part of other expense on the consolidated statements of earnings.

Employee Retention Tax Credits
In May 2025, notice was received from the US tax authorities that they had approved the Company for a refund of $575 related to Employee Retention Tax Credits ("ERTC"), a refundable tax credit established under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) in response to the COVID-19 pandemic. The application involved detailed documentation to establish that the Company met the criteria established for calendar years 2020 and 2021. Receipt of the credits was subject to review by the Internal Revenue Service ("IRS"), and was recognized in other expense when approved by the IRS in May 2025. Direct expenses of $88, including consulting fees, were also recognized in other expense. Interest income of $89 was recognized in Investment and other income. The total receivable of $664 is presented in prepaid expenses and other assets on the consolidated statements of financial position. This amount was subsequently received in September 2026.

11. Compensation Payable

The Company maintains certain short-term and long-term incentive plans designed to align compensation with performance. This includes commissions and bonuses for search delivery and support personnel. Such amounts are paid at various points during the year and are short-term in nature.

Compensation payable consisted of the following:

Current compensation payable

	As at August 31	
	2026	2025
Salaries, commissions and bonuses	31,210	30,554
Performance Stock Units	473	217
	31,683	30,771

Non-current compensation payable

	As at August 31	
	2026	2025
Deferred Stock Units	689	322
Performance Stock Units	429	349
Salaries, commissions and bonuses	65	-
	1,183	671

Share-based compensation plans

Performance stock units (PSUs)

A discussion of the PSU plan including its grant components and their terms is set forth in the summary of material accounting policies in note 3. The estimated cost of the PSU plan is being amortized on a straight-line basis over the three-year vesting period. The performance factor for the standard PSU grants is currently estimated at a weighted average of 76% for the year ended August 31, 2026 (2025: 85%). PSU expense of $614 has been recorded for the year ended August 31, 2026 (2025: expense of $195) within selling, general and administrative expenses in the consolidated statements of earnings.

A summary of the Company's PSU plan is presented below:

	Twelve months ended August 31	
	2026	2025
	Notional units (000s)	Notional units (000s)
Outstanding at beginning of year	1,589	1,170
Granted	693	550
Settled	(630)	(147)
Dividends declared	77	16
Outstanding at end of year	1,729	1,589

Deferred stock units (DSUs)

For the year ended August 31, 2026, DSU expense of $368 was recorded within selling, general and administrative expenses in the consolidated statements of earnings (2025: $7), based on an average unit price of $1.04 (2025: $0.70).

A summary of the Company's DSU plan is presented below:

	Twelve months ended August 31	
	2026	2025
	Notional units (000s)	Notional units (000s)
Outstanding at beginning of year	462	304
Granted	176	153
Dividends declared	27	5
Outstanding at end of year	665	462

12. Leases

(i) Right-of-use ("ROU") assets

A summary of the Company's right-of-use assets is below:

	Twelve months ended August 31	
	2026	2025
Opening net book value	4,623	5,406
Derecognition	-	(1,502)
Additions	-	1,956
Foreign exchange	28	79
Depreciation	(1,091)	(1,316)
Closing net book value	3,560	4,623

	As at August 31	
	2026	2025
Cost	7,959	7,900
Accumulated depreciation	(4,399)	(3,277)
Closing net book value	3,560	4,623

Finance lease receivable

In May 2025, the Company finalized the sublease of its Toronto office for the remainder of the head lease term. The sublease was classified as a finance sublease. As a result, the Company derecognized $1,502 of the related right-of-use asset and recognized finance lease receivable of $1,883. See note 10 for further details.

	Twelve months ended August 31	
	2026	2025
Opening net book value	1,885	1,883
Finance income recognized	30	2
Lease payments received	(323)	-
Closing net book value	1,592	1,885

	As at August 31	
	2026	2025
Current portion	440	323
Non-current portion	1,152	1,562
	1,592	1,885

The maturity analysis of lease receivables, including the undiscounted lease payments to be Received, is as follows:

Twelve months ending August 31, 2027	440
Twelve months ending August 31, 2028	454
Twelve months ending August 31, 2029	472
Twelve months ending August 31, 2030	275
September 1, 2030 and thereafter	-
	1,641
Unearned finance income	(49)
Net investment in the lease	1,592

(ii) Lease liability

A summary of the Company's lease liability is below:

	Twelve months ended August 31	
	2026	2025
Outstanding at beginning of period	7,169	6,502
Additions	-	1,925
Lease payments	(1,739)	(1,766)
Foreign exchange	33	120
Interest and accretion expense	414	388
Outstanding at end of period	5,877	7,169

	As at August 31	
	2026	2025
Current portion	1,867	1,731
Non-current portion	4,010	5,438
Total lease liabilities	5,877	7,169

13. Professional Fees

Included within professional fees for the year ended August 31, 2026 is a $480 expense related to provisions (August 31, 2025: recovery of $729).

14. Unbilled Revenue and Deferred Revenue

As at August 31, 2026 aggregate amounts billed to clients were less than the calculated revenue to be recognized. As a result, the Company had a net unbilled revenue asset of $8,607 (August 31, 2025: $5,402) and a related increase to compensation payable of $4,304 (August 31, 2025: $2,701).

A summary of the gross unbilled and deferred revenue amounts is below:

	As at August 31	
	2026	2025
Unbilled revenue	9,964	9,248
Deferred revenue	(1,357)	(3,846)
	8,607	5,402

15. Income Taxes

	Twelve months ended August 31	
	2026	2025
Current tax:		
Current tax on net earnings for the year	1,461	892
Deferred tax:		
Origination and reversal of temporary differences	995	278
	2,456	1,170

The tax on the Company's earnings before income tax differs from the amount that would arise using the weighted average tax rate applicable to earnings of the consolidated entities as follows:

	Twelve months ended August 31	
	2026	2025
Earnings before income tax	125	3,732
Combined basic federal and provincial income tax rate	25.4%	25.4%
Income tax based on statutory rate	32	949
Unrecognized/(recognized) tax benefits	753	(13)
Non-deductible expenses	1,202	133
Adjustments related to prior years taxes	124	13
Foreign Rate differences	205	-
Rate change	-	-
Other	140	88
	2,456	1,170

The analysis of deferred tax assets and liabilities is as follows:

	As at August 31	
	2026	2025
Deferred tax assets	7,387	8,209
Deferred tax liabilities	(1,698)	(1,585)
Deferred tax assets, net	5,689	6,624

The movement of the deferred income tax account is as follows:

	Twelve months ended August 31	
	2026	2025
Outstanding at beginning of year	6,624	6,851
(Debit)/Credit to statement of earnings	(995)	(278)
(Debit)/Credit exchange differences	60	51
Outstanding at end of year	5,689	6,624

Deferred tax assets

	Compensation payable	Lease liability	Other	Total
At August 31, 2025	4,120	966	3,123	8,209
Charged/(credited) to the statement of earnings	13	(69)	(826)	(882)
Exchange differences	-	-	60	60
At August 31, 2026	4,133	897	2,357	7,387

Deferred tax liabilities

	Excess carrying value of PP&E over tax base	Other	Total
At August 31, 2025	1,427	158	1,585
Charged/(credited) to the statement of earnings	(92)	205	113
Exchange differences	-	-	-
At August 31, 2026	1,335	363	1,698

Deferred income tax assets are recognized for tax loss carry-forwards and other temporary differences to the extent that the realization of the related tax benefit through future taxable earnings are probable. As at August 31, 2026, the Company has non-capital losses in the United States, UK and UAE of $7,068 (2025: $9,432), $2,763 (2025: $nil) and $694 (2025: $nil), respectively, with indefinite expiry. In respect of losses available for carry forward in the UK and UAE respectively, deferred income tax assets of $691 and $62 have not been recognized. The Company also has capital losses of $2,490 in Canada that can only be utilized against capital gains in Canada and are without expiry date. No deferred tax assets have been recognized for these capital losses.

For the year ended August 31, 2026, the Company paid cash of $831 in taxes, including installments, and received cash of $254 in refunds.

16. Earnings Per Share

(i) Basic

Basic (loss) earnings per share are calculated by dividing the net (loss) earnings attributable to owners of the Company by the weighted average number of common shares outstanding during the years.

	Twelve months ended August 31	
	2026	2025
Net (loss) earnings for the period attributable to owners of the Company	($2,331)	$2,562
Weighted average number of common shares outstanding	29,459,965	29,533,945
Basic (loss) earnings per share	($0.079)	$0.087

(ii) Diluted

Diluted (loss) earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's outstanding shares for the year), based on the exercise prices attached to the stock options currently outstanding. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of the stock options.

	Twelve months ended August 31	
	2026	2025
Net (loss) earnings for the period attributable to owners of the Company	($2,331)	$2,562
Weighted average number of common shares outstanding	29,459,965	29,533,945
Adjustment for stock options	-	91,333
Weighted average number of common shares for diluted (loss) earnings per share	29,459,965	29,625,278
Diluted (loss) earnings per share	($0.079)	$0.086

For the year ended August 31, 2026, 965,000 currently exercisable stock options were excluded for being anti-dilutive (2025: nil).

17. Capital Stock

Common shares

As at August 31, 2026, the authorized share capital of the Company consists of an unlimited number of common shares of which 29,381,708 are issued and outstanding (August 31, 2025: 29,470,832). This includes 18,808 treasury shares purchased in the fiscal year and subsequently cancelled in September 2026. The holders of common shares are entitled to share equally, share for share, in all dividends declared by the Company and equally in the event of a liquidation, dissolution or winding-up of the Company or other distribution of the assets among shareholders.

On January 27, 2025, the Company announced that the Toronto Stock Exchange ("TSX") had accepted the notice (the "Notice") of the Company's intention to commence a normal course

issuer bid (the "2025 Bid") to purchase for cancellation up to 2,370,191 common shares in the capital of the Company in total, being 10% of the public float of 23,701,905 Common Shares as at January 15, 2025, to be transacted through the facilities of the TSX or through a Canadian alternative trading system, at prevailing market prices or as otherwise permitted. In accordance with the rules of the TSX, unless an applicable exemption can be relied on, the total number of Common Shares the Company is permitted to purchase is subject to a daily purchase limit of 2,300 Common Shares, representing 25% of the average daily trading volume of Common Shares on the TSX calculated for the six-month period ended December 31, 2024, being approximately 9,201 Common Shares. The 2025 Bid commenced on January 29, 2025 and terminated on January 28, 2026. Under the 2025 Bid, a total of 150,000 common shares were purchased for cancellation.

On May 4, 2026, the Company announced that the Toronto Stock Exchange ("TSX") had accepted the notice (the "Notice") of the Company's intention to commence a normal course issuer bid (the "2026 Bid") to purchase for cancellation up to 2,023,669 common shares in the capital of the Company in total, being 10% of the public float of 20,236,698 common shares as at April 22, 2026. The 2026 Bid commenced on May 6, 2026 and is being transacted through the facilities of the TSX at prevailing market prices or as otherwise permitted. In accordance with the rules of the TSX, unless an applicable exemption is relied on, the total number of common shares the Company is permitted to purchase under the 2026 Bid is subject to a daily purchase limit of 3,812 common shares, representing 25% of the average daily trading volume of common shares on the TSX calculated for the six-month period ended April 30, 2026, being approximately 15,250 common shares. Under the 2026 Bid, a total of 135,936 common shares have been purchased for cancellation.

194,536 common shares were purchased during the year ended August 31, 2026 at an average price of $0.97 for a total amount of $189. Of these, 175,728 shares were cancelled within the fiscal year, and the remaining 18,808 shares purchased in the fiscal year were subsequently cancelled in September 2026. A copy of the Notice filed with the TSX in connection with the Bid can be obtained from the Company upon request without charge.

Effective July 9, 2026, the Board of Directors declared a dividend of $0.015 per common share (1.5 cents per common share), payable to holders of Common Shares of record on July 20, 2026, and to be paid on September 14, 2026. The dividend payable of $441 has been accrued in the Company's consolidated financial statements as at August 31, 2026.

Stock options

Stock options are granted periodically to directors, officers, employees and contractors of the Company. Cash received on exercise of options for common shares is credited to capital stock. During 2026, 250,000 stock options were granted (2025: nil). Total outstanding stock options are summarized as follows:

	Twelve months ended August 31, 2026		Twelve months ended August 31, 2025	
	Number of options outstanding (000s)	Weighted average exercise price	Number of options outstanding (000s)	Weighted average exercise price
Outstanding at beginning of period	1,365	$1.37	1,365	$1.37
Granted	250	$1.05	-	-
Exercised	(90)	$0.73	-	-
Forfeited/cancelled/expired	(310)	$0.73	-	-
Outstanding at end of period	1,215	$1.52	1,365	$1.37
Exercisable at end of period	965	$1.64	1,365	$1.37

Options have an exercise price equal to the fair value of the common shares on the date of issuance. Stock option expense of $43 has been recorded in the year ended August 31, 2026 (2025: $259).

The weighted-average grant-date fair value of stock options granted during the year ended August 31, 2026 was $0.37 per option. The fair value was estimated using the Black-Scholes option pricing model using the following assumptions:

Valuation assumption	
Share price at grant date	$1.02
Expected volatility	55.14%
Expected option life	5 years
Expected dividend yield	3.92%
Risk-free interest rate	2.96%

Expected volatility was determined based on the historical volatility of the Company's common shares over a period approximating the expected life of the options. The expected dividend yield was based on an annual dividend assumption of $0.04 per common share. The expected life of the options was based on their contractual term, with no separate adjustment for expected early exercise. No other features of the option grants were incorporated into the fair value measurement.

The weighted average share price for options exercised during the year, at the exercise date, was $1.05.

The table below summarizes the options outstanding as at August 31, 2026. If the expiry date falls during a management blackout period, the date is extended by 10 days after the end of the blackout period.

As at August 31, 2026				As at August 31, 2025			
Exercise price	Number of options outstanding (000s)	Expiry date	Remaining contractual life (years)	Exercise price	Number of options outstanding (000s)	Expiry date	Remaining contractual life (years)
$1.64	965	October 4, 2027	1.09	$0.73	400	October 8, 2025	0.10
$1.05	250	January 14, 2031	4.38	$1.64	965	October 4, 2027	2.09
Total	1,215	Weighted average	1.77	Total	1,365	Weighted average	1.51

18. Working Capital, Prepaid Expense and Other Assets

Changes in working capital balances on the consolidated annual statements of cash flow, net of the related currency translation impacts, are summarized as follows:

	Twelve months ended August 31	
	2026	2025
Decrease (increase) in accounts receivable	3,117	(5,973)
Decrease in income taxes receivable	342	18
(Increase) in unbilled revenue	(716)	(2,088)
(Increase) in prepaid expenses and other assets	(178)	(1,277)
Decrease in deferred tax assets	935	227
Increase (decrease) in accounts payable and accrued liabilities	606	(146)
Increase in compensation payable	1,424	4,727
(Decrease) increase in deferred revenue	(2,489)	2,545
Foreign exchange and other	618	(447)
	3,659	(2,414)

Current assets include prepaid expenses and other assets, detailed below:

	As at August 31	
	2026	2025
IRS refund related to ERTC (note 10)	664	664
Advances and other	1,090	1,541
Other prepaid assets	1,942	1,363
	3,696	3,568

19. Segmented Information

The following provides a reconciliation of the Company's consolidated statements of (loss) earnings by business unit segment to the consolidated results

	Twelve months ended August 31, 2026			
	Caldwell	IQTalent	Elimination	Total
Professional fees	100,285	10,047	(120)	110,212
Direct expense reimbursements	974	-	-	974
Revenues	101,259	10,047	(120)	111,186
Cost of sales	80,246	7,441	(120)	87,567
Reimbursed direct expenses	974	-	-	974
Gross profit	20,039	2,606	-	22,645
Gross profit as a % of professional fees	20.0%	25.9%		20.5%
Selling, general and administrative expenses	16,565	1,883	-	18,448
Impairment and other expense	-	3,981	-	3,981
Operating profit (loss)	3,474	(3,258)	-	216
Interest expense on lease liability	414	-	-	414
Investment and other (income) expense	(2,087)	1,707	-	(380)
Foreign exchange loss	57	-	-	57
Earnings (loss) before tax	5,090	(4,965)	-	125
Income tax expense (recovery)	2,455	1	-	2,456
Net earnings (loss) for the period	2,635	(4,966)	-	(2,331)

	Twelve months ended August 31, 2025			
	Caldwell	IQTalent	Elimination	Total
Professional fees	91,251	12,027	(23)	103,255
Direct expense reimbursements	802	-	-	802
Revenues	92,053	12,027	(23)	104,057
Cost of sales	71,949	9,118	(23)	81,044
Reimbursed direct expenses	802	-	-	802
Gross profit	19,302	2,909	-	22,211
Gross profit as a % of professional fees	21.2%	24.2%		21.5%
Selling, general and administrative expenses	15,746	2,618	-	18,364
Other (income) expense	(163)	275	-	112
Operating profit	3,719	16	-	3,735
Interest expense on lease liability	388	-	-	388
Investment and other (income) expense	(2,166)	1,770	-	(396)
Foreign exchange (gain) loss	(11)	22	-	11
Earnings (loss) before tax	5,508	(1,776)	-	3,732
Income tax expense (recovery)	1,251	(81)	-	1,170
Net earnings (loss) for the period	4,257	(1,695)	-	2,562

The Company has consolidated operations generating business in the United States, Canada, United Kingdom, and EMEA (Europe/Middle East/Africa).

The following provides a reconciliation of the Company's professional fees by geography:

	Twelve months ended August 31	
	2026	2025
United States[1]	79,873	79,109
Canada	21,773	15,998
EMEA (Europe/Middle East/Africa)	8,566	8,148
Consolidated	110,212	103,255

[1] *All of IQTalent's revenue was generated within the United States during the period.*

A summary of total non-current assets by geography is as follows:

	As at August 31, 2026				As at August 31, 2025		
	United States[1]	Canada	EMEA		United States[1]	Canada	EMEA
Prepaid expenses and other assets	116	66	180	Prepaid expenses and other assets	120	80	112
Advances	430	-	991	Advances	832	-	196
Property and equipment	693	747	134	Property and equipment	746	308	77
Right-of-use assets	1,966	1,286	308	Right-of-use assets	2,576	1,543	504

[1] *All of IQTalent's revenue was generated within the United States during the period.*

A summary of property and equipment, right-of-use assets, goodwill, and total assets by business line is as follows:

	As at August 31, 2026			As at August 31, 2025		
	Caldwell	IQTalent	Total	Caldwell	IQTalent	Total
Property and equipment	1,493	81	1,574	1,031	100	1,131
Right-of-use assets	3,560	-	3,560	4,623	-	4,623
Goodwill	4,063	3,407	7,470	4,044	7,313	11,357
Total assets[1]	65,598	10,303	75,901	64,528	16,238	80,766

[1] *Presented net of intercompany advances that are eliminated upon consolidation*

Depreciation recorded on property and equipment and right-of-use assets is as follows:

	Twelve months ended August 31, 2026			Twelve months ended August 31, 2025		
	Caldwell	IQTalent	Total	Caldwell	IQTalent	Total
Depreciation expense:						
Property and equipment	433	32	465	376	38	414
Right of use assets	1,091	-	1,091	1,316	-	1,316

20. Commitments

The Company's undiscounted future lease commitments for premises excluding explicitly identified operating costs are as follows:

Twelve months ending August 31, 2027	1,867
Twelve months ending August 31, 2028	1,602
Twelve months ending August 31, 2029	1,261
Twelve months ending August 31, 2030	1,048
September 1, 2030 and thereafter	974
	6,752
Impact of discounting	(875)
Lease liability	5,877

21. Financial Instruments

Classification of financial instruments

A summary of the classifications of financial instruments as at August 31, 2026 and August 31, 2025 is shown below:

Financial instruments	Financial assets at amortized cost	Liabilities at amortized cost	FVOCI	FVPL	As at August 31, 2026
Cash and cash equivalents	23,543	-	-	-	23,543
Accounts receivable	15,520	-	-	-	15,520
Accounts payable and accrued liabilities	-	(3,869)	-	-	(3,869)
Current compensation payable	-	(31,683)	-	-	(31,683)
Investments	-	-	99	1,411	1,510
Non-current compensation payable	-	(1,183)	-	-	(1,183)
	39,063	(36,735)	99	1,411	3,838

Financial instruments	Financial assets at amortized cost	Liabilities at amortized cost	FVOCI	FVPL	As at August 31, 2025
Cash and cash equivalents	16,436	-	-	-	16,436
Term deposit	4,123	-	-	-	4,123
Accounts receivable	18,637	-	-	-	18,637
Accounts payable and accrued liabilities	-	(3,263)	-	-	(3,263)
Current compensation payable	-	(30,771)	-	-	(30,771)
Investments	-	-	98	1,503	1,601
Non-current compensation payable	-	(671)	-	-	(671)
	39,196	(34,705)	98	1,503	6,092

Fair value hierarchy

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

- **Level 1:** This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

- **Level 2:** This level includes financial instruments that are not traded in an active market and whose value is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

- **Level 3**: This level includes valuations based on inputs, which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

The Company's financial instruments measured at fair value as at August 31, 2026 consist of a convertible promissory note receivable and marketable securities, which consist of certain equity securities held for investment obtained through search fees being paid partially in equity of the client as discussed in note 4. Investments also include an equity-accounted investment in an associate, IQRecruit, as discussed in note 4.

August 31, 2026

	Level 1	Level 2	Level 3
Marketable securities	-	-	99
Note receivable	-	-	694
Investment in associate	-	717	-

August 31, 2025

	Level 1	Level 2	Level 3
Term deposit	4,123	-	-
Marketable securities	-	-	98
Note receivable	-	-	687
Investment in associate	-	816	-

Fair value

Cash and cash equivalents, accounts receivable, accounts payable and compensation payable are short-term financial instruments whose fair value approximates their carrying amount given their short-term maturity.

The marketable securities held at August 31, 2026 and August 31, 2025 were obtained through search fees being paid partially in equity of the client. The marketable securities are included within level 3 of the fair value hierarchy and are in private companies whose value is derived from estimates used in recent financings and/or recent merger and acquisition activity. The convertible promissory note receivable is included within level 3 of the fair value hierarchy. These investments are subsequently measured at FVPL. The Company has a combined investment in marketable securities and the note receivable of $793 as at August 31, 2026 (2025: $785). A 5% variation in the market price of underlying securities would have resulted in an increase or decrease in the value of this asset of $40 (2025: $39).

The fair value of the Company's equity-accounted investment in an associate, IQRecruit, is based on level 2 inputs, which comprise observable market data, and approximates the carrying value.

The Company is exposed to various financial risks resulting from its operating, investing and financing activities. Financial risk management is carried out by the Company's management, in

conjunction with the Investment Committee of the Board of Directors, with respect to investments in marketable securities and management of the Company's cash position. The Company does not enter into arrangements on financial instruments for speculative purposes. The Company's main financial risk exposures, as well as its risk management policy, are detailed as follows:

Foreign currency risk

The Company is exposed to exchange rate risk on US, UK and UAE currency denominated monetary assets and liabilities. There is a risk to the Company's earnings from fluctuations in the US dollar, British pound sterling and UAE dirham exchange rates and the degree of volatility of changes in those rates, as the Company's financial results are reported in Canadian dollars.

As at August 31, 2026, the Company has a US dollar net monetary asset exposure of US$15,419 (2025: US$13,131). A 5% depreciation or appreciation in the Canadian dollar against the US dollar, assuming all other variables remained the same, would have resulted in an increase or decrease in foreign exchange gain (loss) of $1,069 recognized in the cumulative translation adjustment in the Company's consolidated statements of comprehensive (loss) earnings for the year ended August 31, 2026 (2025: $902). As these are long-term investments and not expected to be liquidated to Canadian dollars, they are not hedged.

As at August 31, 2026, the Company has a British pound sterling net monetary asset exposure of GBP 634 (2025: GBP 861). A 5% depreciation or appreciation in the Canadian dollar against the British pound sterling, assuming all other variables remained the same, would have resulted in an increase or decrease in foreign exchange gain (loss) of $60 recognized in the cumulative translation adjustment in the Company's consolidated statements of comprehensive (loss) earnings for the year ended August 31, 2026 (2025: $80). As these are long-term investments and not expected to be liquidated to Canadian dollars, they are not hedged.

As at August 31, 2026, the Company has a UAE dirham net monetary asset exposure of AED 1,855 (2025: nil). A 5% depreciation or appreciation in the Canadian dollar against the UAE dirham, assuming all other variables remained the same, would have resulted in an increase or decrease in foreign exchange gain (loss) of $35 recognized in the cumulative translation adjustment in the Company's consolidated statements of comprehensive (loss) earnings for the year ended August 31, 2026 (2025: nil). As these are long-term investments and not expected to be liquidated to Canadian dollars, they are not hedged.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will have sufficient cash resources to meet its financial liabilities as they come due.

The Company manages liquidity by maintaining adequate cash and cash equivalents balances, monitoring its investment portfolio of marketable securities and monitoring cash requirements to meet expected operational expenses, including capital requirements. The future ability to pay its obligations relies on the Company collecting its accounts receivable in a timely manner and by maintaining sufficient cash and cash equivalents to meet anticipated needs.

The contractual future cash flows of the Company's significant financial liabilities are as follows:

	As at August 31, 2026			
	Less than 6 months	6 months to 1 year	1 to 3 years	More than 3 years
Accounts payable and accrued liabilities	3,869	-	-	-
Dividends payable	441	-	-	-
Compensation payable	31,683	-	494	689
Lease liability	936	931	3,911	99
	36,929	931	4,405	788

	As at August 31, 2025			
	Less than 6 months	6 months to 1 year	1 to 3 years	More than 3 years
Accounts payable and accrued liabilities	3,263	-	-	-
Dividends payable	74	-	-	-
Compensation payable	30,771	-	349	322
Lease liability	862	869	4,706	732
	34,970	869	5,055	1,054

Credit risk

Credit risk is the risk of an unexpected financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist principally of cash and cash equivalents, accounts receivable, and investments. The Company places its cash and cash equivalents with high-credit quality financial institutions. The Company's policy regarding equity instruments within marketable securities is to sell the investments as soon as the Company is reasonably able to do so. The Company monitors the collectability of accounts receivable and estimates loss allowance on an account-by-account basis.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of accounts receivable. The Company evaluates the recoverability of its accounts receivable on an ongoing basis.

As discussed in note 3 under Revenue recognition, there are certain accounts that are provided for due to client concession reasons and other accounts for credit reasons. It is often difficult to completely isolate provisions between client concessions and credit concerns. Provision amounts are therefore aggregated and applied against professional fees.

Accounts receivable comprised the following:

	As at August 31	
	2026	2025
Trade receivables	15,854	18,925
Less: Loss allowance	(550)	(651)
	15,304	18,274
Other receivables	216	363
Accounts receivable	15,520	18,637

The following table summarizes the changes in the loss allowance for the accounts receivable:

	Twelve months ended August 31	
	2026	2025
Beginning of year	651	1,380
Increase in loss allowance	509	1,602
Unused loss allowance reversed	(78)	(379)
Provision for professional fee adjustments	431	1,223
Receivables written off during the year as uncollectible	(532)	(1,952)
End of year	550	651

As at August 31, 2026, accounts receivable of $15,304 (2025: $18,274) were estimated to be fully performing. The loss allowance of $550 (2025: $651) consists primarily of certain accounts over 90 days old of which there is a total balance of $3,583 as at August 31, 2026 (2025: $1,896).

Interest rate risk and market price risk

The Company has not currently drawn on its credit facility with TD Bank (see note 23). Therefore, exposure to interest rate risk is minimal. The Company does invest excess cash in short-term deposits and therefore changes in interest rates impact the amount of interest income earned from those investments. Marketable securities include equities that are also subject to market price risk (i.e., fair value fluctuates based on changes in market prices).

22. Capital Management

The Company's capital comprises common shares of the Company, contributed surplus and retained earnings (deficit). The Company manages its capital to ensure financial flexibility, to increase shareholder value through organic growth and selective acquisitions, as well as to allow the Company to respond to changes in economic or market conditions. Because the Company's credit facility does not have specific covenants or restrictions, it is not subject to any externally imposed capital requirements.

23. Credit Facilities

The Company maintains a $5,000 revolving demand, floating-rate credit facility with TD Bank (the “Credit Facility”) for future working capital needs. The facility is limited based on 80.0% of the eligible accounts receivable for the Caldwell executive search business in the United States and Canada as defined in the credit agreement, and further reduced to the extent the facility is used in connection with the issuance of letters of credit. The net amount the Company is eligible to borrow as at August 31, 2026 is $4,807 (August 31, 2025: $4,612). The facility bears variable interest on drawn amounts based on the Canadian prime rate plus 1.0% per annum. As at August 31, 2026, no amounts were outstanding on the Credit Facility (August 31, 2025: $nil), and letters of credit of $193 (August 31, 2025: $388) have been issued against the facility.

24. Subsequent Events

i. Dividend declared

On November 12, 2026, the Board of Directors declared a dividend of $0.02 per common share (2.0 cents per common share), payable to holders of common shares of record on November 23, 2026, to be paid on December 15, 2026.

On November 12, 2026, the Board of Directors declared a special dividend of $0.116 per common share (11.6 cents per common share), representing a distribution of the cash proceeds received from the sale of its IQTalent business, payable to holders of common shares of record on November 23, 2026, to be paid on December 15, 2026.

ii. Sale of IQTalent

On October 23, 2026, the Company completed the sale of substantially all of IQTalent's net operating assets pursuant to an asset purchase agreement with WinMil Inc. (the “buyer”). Cash, tax-related assets, intercompany receivables and payables, and marketable securities, including IQTalent’s interest in HootRecruit, were retained by the Company. The transaction closed on October 23, 2026, and was effective October 1, 2026.

The purchase consideration was CAD 4.7 million, paid at closing in cash of CAD 3.2 million plus 1,450,000 existing common shares of The Caldwell Partners International Inc, valued at CAD 1.5 million. The common shares were valued at CAD $1.05 per Caldwell share, based on the agreed-upon simple average of the TSX closing prices of the Company’s common shares over the 20 consecutive trading days immediately preceding closing.

As at August 31, 2026, the IQTalent segment did not meet the criteria for classification as held for sale or as a discontinued operation. At that date, the sale was not considered highly probable, as the events necessary to advance the transaction occurred subsequent to August 31, 2026. Accordingly, the transaction represents a non-adjusting event after the reporting period. The consolidated financial statements as at and for the year ended August 31, 2026 have not been adjusted for the effects of the transaction, and the results of IQTalent continue to be presented within continuing operations for the year ended August 31, 2026.

Following the disposal, IQTalent met the criteria for classification as a discontinued operation as it represented a separate major line of business of Caldwell. Accordingly, in subsequent reporting periods, the results of the IQTalent business through the date of disposal, together with the gain or loss on disposal, will be presented as discontinued operations, with comparative results re-presented in accordance with IFRS 5.

Directors

John N. Wallace, Chair of the Board
The Caldwell Partners International Inc.

C. Christopher Beck, CPA
President and Chief Executive Officer
The Caldwell Partners International Inc.

Terry Grayson-Caprio
Corporate Director

Darcy D. Morris
Corporate Director
Founder and CEO, Ewing Morris & Co.
Investment Partners

Richard W. Pehlke
Corporate Director

John Young
Lead Independent Director
Chief Executive Officer, Boat Rocker Studios

Rosemary Zigrossi
Corporate Director

Officers

C. Christopher Beck, CPA
President and Chief Executive Officer
The Caldwell Partners International Inc.

Michael Falagario, CPA, CFA
Vice President, Technology, Business and Legal Operations
Corporate Secretary
The Caldwell Partners International Inc.

Shreya Lathia, CPA
Vice President and Chief Financial Officer
The Caldwell Partners International Inc.

Shareholder Information

Auditors

Ernst & Young, LLP
Toronto, Ontario

Counsel

Miller Thomson LLP
Barristers and Solicitors, Toronto, Ontario

Stock Exchange Listing

The Toronto Stock Exchange (symbol: CWL)
OTCQX Market (OTCQX: CWLPF)

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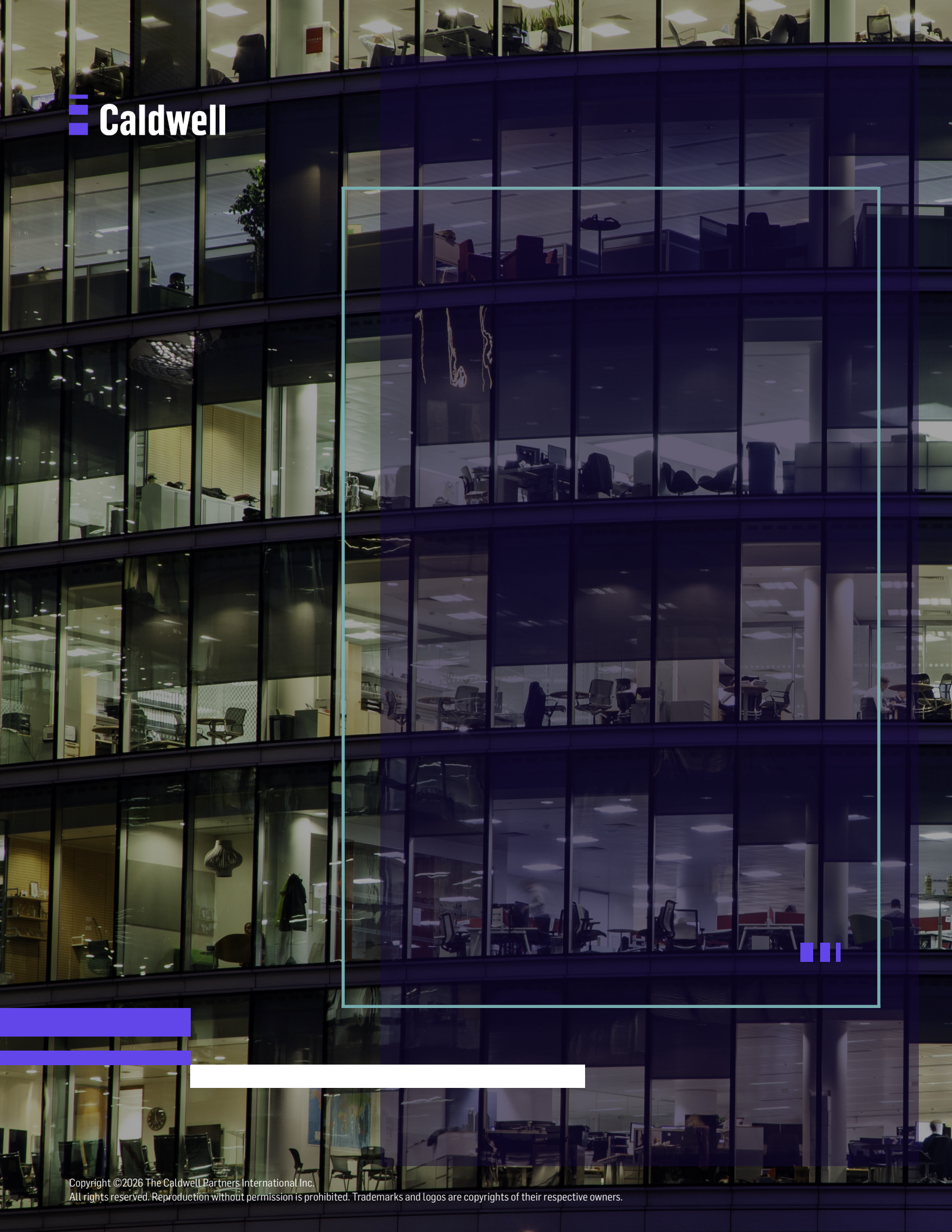

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