THE CALDWELL PARTNERS INTERNATIONAL INC.

Consolidated Interim Financial Statements

First Quarters Ended November 30, 2024 and 2023 (unaudited)

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NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Section 4.3(3)(a) of National Instrument 51-102, Continuous Disclosure Obligations, provides that if an auditor has not performed a review of the consolidated interim financial statements, the consolidated interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditors, KPMG LLP, have not performed a review of these consolidated interim financial statements of The Caldwell Partners International Inc. (the Company).

/s/ "C. Christopher Beck"

C. Christopher Beck
PRESIDENT AND CHIEF EXECUTIVE OFFICER

/s/ "Shreya Lathia"

Shreya Lathia
VP AND CHIEF FINANCIAL OFFICER

January 9, 2025

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unadited - in $000s Canadian)

	As at November 30 2024	*As at August 31 2024*
Assets		
Current assets		
Cash and cash equivalents	13,721	19,634
Accounts receivable	14,014	12,664
Income taxes receivable	250	177
Unbilled revenue (note 12)	6,275	5,859
Prepaid expenses and other assets	1,671	2,327
	35,931	40,661
Non-current assets		
Prepaid expenses and other assets	286	276
Investments (notes 4 and 18)	1,718	1,682
Advances	742	904
Deferred income taxes	7,247	6,851
Property and equipment	1,666	1,698
Right-of-use assets (note 9)	5,186	5,406
Intangible assets	77	88
Goodwill	11,540	11,186
Total assets	64,393	68,752
Liabilities		
Current liabilities		
Accounts payable	2,950	3,409
Dividend payable (note 15)	73	-
Compensation payable (note 8)	21,057	26,023
Lease liability (note 10)	1,623	1,644
	25,703	31,076
Non-current liabilities		
Compensation payable (note 8)	818	692
Lease liability (note 10)	4,669	4,858
	31,190	36,626
Equity attributable to owners of the Company		
Share capital	15,392	15,392
Contributed surplus	15,606	15,541
Accumulated other comprehensive income	2,422	1,802
Deficit	(217)	(609)
Total equity	33,203	32,126
Total liabilities and equity	64,393	68,752

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

Signed on behalf of the Board:

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

/s/ "John Young"
John Young
Chair, Corporate Governance and Nominating Committee

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

(unaudited - in $000s Canadian, except per share amounts)	*Three months ended November 30, 2024*	*2023*
Revenues		
Professional fees (note 11)	21,155	17,336
Direct expense reimbursements	205	199
	21,360	17,535
Cost of sales expenses		
Cost of sales (note 5)	16,943	15,044
Reimbursed direct expenses	205	199
	17,148	15,243
Gross profit	4,212	2,292
Selling, general and administrative (notes 5 and 6)	4,193	4,522
Restructuring and other (income) expense (note 7)	-	(7,979)
	4,193	(3,457)
Operating profit	19	5,749
Finance expenses (income)		
Interest expense on lease liability (note 10)	101	397
Investment (income) expense (note 4)	(121)	10
Foreign exchange (income) loss	(466)	5
Earnings before income tax	505	5,337
Income tax expense (note 13)	40	1,559
Net earnings for the period attributable to owners of the Company	465	3,778
Earnings per share (note 14)		
Basic and diluted	$0.016	$0.128

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in $000s Canadian)

	Three months ended November 30, 2024	*2023*
Net earnings for the period	465	3,778
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net earnings		
Gain on marketable securities (note 4)	1	5
Cumulative translation adjustment	619	3
Comprehensive earnings for the period attributable to owners of the Company	1,085	3,786

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

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in $000s Canadian)

	Retained Earnings / (Deficit)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) Cumulative Translation Adjustment	Accumulated Other Comprehensive Income (Loss) Gain on Marketable Securities	Total Equity
Balance - August 31, 2023	**(4,797)**	**15,392**	**15,282**	**1,886**	**(39)**	**27,724**
Net earnings for the three months ended November 30, 2023	3,778	-	-	-	-	3,778
Share-based payment expense (note 15)	-	-	66	-	-	66
Gain on marketable securities available for sale (note 4)	-	-	-	-	5	5
Change in cumulative translation adjustment	-	-	-	3	-	3
Balance - November 30, 2023	**(1,019)**	**15,392**	**15,348**	**1,889**	**(34)**	**31,576**
Balance - August 31, 2024	**(609)**	**15,392**	**15,541**	**1,806**	**(4)**	**32,126**
Net earnings for the three months ended November 30, 2024	465	-	-	-	-	465
Share-based payment expense (note 15)	-	-	65	-	-	65
Dividend payments declared (note 15)	(73)	-	-	-	-	(73)
Gain on marketable securities available for sale (note 4)	-	-	-	-	1	1
Change in cumulative translation adjustment	-	-	-	619	-	619
Balance - November 30, 2024	**(217)**	**15,392**	**15,606**	**2,425**	**(3)**	**33,203**

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

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in $000s Canadian)

	Three months ended November 30,	
	2024	*2023*
Cash flow provided by (used in)		
Operating activities		
Net earnings for the period	465	3,778
Add (deduct) items not affecting cash		
Depreciation of property and equipment	106	92
Depreciation of right-of-use assets (note 9)	327	462
Amortization of intangible assets	14	14
Amortization of advances	154	124
Interest expense on lease liabilities (note 10)	101	397
Share based payment expense (note 15)	65	66
(Gain) loss on unrealized foreign exchange on subsidiary loans	(311)	3
Losses related to equity accounted associate (notes 4 and 18)	28	131
Net gain on lease modification (note 7)	-	(7,741)
Changes in working capital (note 16)	(7,122)	(2,386)
Net cash used in operating activities	(6,173)	(5,060)
Investing activities		
Purchase of property and equipment	(46)	(40)
Payment of advances	(240)	(21)
Repayment of advances	859	-
Purchase of marketable securities	-	(64)
Net cash provided by (used in) investing activities	573	(125)
Financing activities		
Payment of lease liabilities (note 10)	(432)	(559)
Sublease payments received	-	16
Net cash used in financing activities	(432)	(543)
Effect of exchange rate changes on cash and cash equivalents	119	(15)
Net decrease in cash and cash equivalents	(5,913)	(5,743)
Cash and cash equivalents, beginning of year	19,634	22,053
Cash and cash equivalents, end of period	13,721	16,310

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

THE CALDWELL PARTNERS INTERNATIONAL INC.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTERS ENDED NOVEMBER 30, 2024 AND 2023

(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 AI to offer an integrated spectrum of services delivered by teams with deep knowledge in their respective areas. Services include candidate research and sourcing through to full recruitment at the professional, executive and board levels, as well as a suite of talent strategy and assessment tools that can help clients hire the right people, then manage and inspire them to achieve maximum business results.

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 79 Wellington Street West, Suite 2410, Toronto, Ontario. The Company operates in Canada, the United States and Europe.

2. Basis of Presentation and Statement of Compliance

These consolidated interim 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.

These consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2024, which have been prepared in accordance with the IFRS Accounting Standards.

The Board of Directors approved these consolidated interim financial statements for issue on January 9, 2025.

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

The accounting policies adopted are consistent with those of the previous fiscal year except for the below:

Recently adopted accounting standards

Classification of Liabilities as Current or Non-current
On January 23, 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. On October 31, 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) (the 2022 amendments), to improve the information a company provides

about long-term debt with covenants. The 2020 amendments and the 2022 amendments (collectively "the Amendments") are effective for annual periods beginning on or after January 1, 2024. The Company adopted these amendments in its consolidated financial statements for the annual period beginning September 1, 2024. The adoption of these amendments did not have a material impact on the Company.

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.

4. Investments and equity-accounted associates

The Company's investments are comprised of various investments whose gains and losses are recorded as either fair value through OCI or fair value through profit or loss.

Fair value through profit or loss and equity-accounted investments:

Investment in associate

On March 1, 2023, the Company announced the spin-off of its software business from its IQTalent business segment into a newly formed entity, IQRecruit, Inc. in exchange for approximately 41.9% of the new entity. IQRecruit is currently conducting business under the brand name "HootRecruit". As at November 30, 2024, the Company's ownership interest has been diluted to 31.8% as a result of ongoing issuances in which the Company did not participate, while the Company's voting rights are limited to 20% in accordance with the shareholder agreement. The Company continues to have 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 is a user and client of the IQRecruit platform through a licensing arrangement that management believes approximates an arm's length client.

As at November 30, 2024, the value of this equity investment was $916 (August 31, 2024: $911).

The Company's share of IQRecruit's net losses, net of any dilution gains or losses, was $28 for the three months ended November 30, 2024 ($131 for the three months ended November 30, 2023).

Convertible Promissory Note Receivable

The Company has invested $500 USD ($701 CAD at November 30, 2024 and $675 CAD at August 31, 2024) in a note receivable at Skyminyr Inc. ("Skyminyr") 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 Skyminyr 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 Skyminyr. The Note is also convertible at any time at the Company's option. Additionally, unless earlier repaid or converted, the outstanding principal and unpaid accrued interest on the Notes will be 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 November 30, 2024, no such election had been made. The Note is classified as fair value through profit or loss.

For the quarter ended November 30, 2024, gains or losses related to the Note were $nil (quarter ended November 30, 2023: $nil).

Interest Income

We currently invest 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 statement of financial position, and generate interest income.

For the quarter ended November 30, 2024, investment income included $149 interest on term deposits (quarter ended November 30, 2023: $121).

Fair value through OCI:

Marketable Securities

The Company's marketable securities at November 30, 2024 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 $101 as of November 30, 2024 (August 31, 2024: $96).

For the quarter ended November 30, 2024, an unrealized gain of $1 was recognized on equity securities obtained through search fees as part of other comprehensive income (quarter ended November 30, 2023: unrealized gain of $5).

5. Nature of Expenses

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

	Three months ended November 30,	
	2024	2023
Compensation costs	18,451	16,109
Occupancy costs, including ROU asset depreciation	1,047	1,432
Search execution materials	618	829
Sales and marketing	215	414
Reimbursed direct expenses	205	199
Audit, insurance and investor relations	193	209
Partner recruitment expenses	107	49
Depreciation of property and equipment	106	92
Amortization of intangible assets	14	14
Restructuring and other (note 7)	-	(7,979)
Other	385	418
Total directs costs and expenses	21,341	11,786

6. Compensation of Key Management

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

	Three months ended November 30,	
	2024	2023
Salaries, bonuses and short-term benefits	791	753
Share-based compensation expense	197	(76)
	988	677

7. Restructuring and other

On October 6, 2023, the Company announced that David Windley was stepping down as President of IQTalent and resigning from the Caldwell Board of Directors effective that day. Related separation payments of $1,089 payable in equal monthly installments over 18 months were recognized as part of restructuring expenses, and are presented as part of compensation payable on the consolidated statement of financial position.

On November 30, 2023, the Company negotiated a full penalty-free termination of its leased facilities for IQTalent in Nashville. As a result, in the first quarter of fiscal 2024, the Company derecognized the related lease liability, right-of-use asset, fixed assets, and other liabilities for direct charges related to the space, less certain professional fees related to the lease and its termination. This resulted in a net lease termination gain of $9,068. The Company recognized expenses of $236 related to other direct charges such as operating expenses payable to the landlord and certain professional fees. Consistent with the termination agreement, IQTalent vacated the space on February 29, 2024. No further restructuring activities were undertaken in the rest of fiscal 2024 or the first quarter of fiscal 2025.

8. 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.

Acquisition-related compensation pertains to the Company's acquisition of IQTalent Partners in fiscal 2021. While all amounts had been fully amortized by December 31, 2022, $1,481 was deferred until September 15, 2024, and was presented as part of compensation payable. As of November 30, 2024, all amounts have been fully settled.

Compensation payable as of November 30, 2024 also includes the remaining separation payments due to David Windley described in note 7 of $262 ($442 as at August 31, 2024).

Compensation payable consisted of the following:

Current compensation payable

	As at	
	November 30, 2024	August 31, 2024
Salaries, commissions and bonuses	20,692	24,004
Acquisition and restructuring-related compensation	262	1,923
Performance Stock Units	103	96
	21,057	26,023

Non-current compensation payable

	As at	
	November 30, 2024	August 31, 2024
Deferred Stock Units	338	314
Performance Stock Units	480	378
	818	692

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 significant accounting policies in the consolidated annual financial statements. 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 PSU grants is currently estimated at an average of 79% for the three months ended November 30, 2024 (November 30, 2023: 86%). PSU expense of $109 has been recorded for the three months ended November 30, 2024 (November 30, 2023: expense recovery of $129) within general and administrative expenses in the consolidated interim statements of earnings.

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

	Three months ended November 30,	
	2024	2023
	Notional Units (000s)	Notional Units (000s)
Outstanding at beginning of period	1,170	1,437
Settled	-	(259)
Dividends declared	3	-
Outstanding at end of first quarter	1,173	1,178

Deferred Stock Units (DSUs)

A discussion of the DSU plan including its grant components and their terms is set forth in the summary of significant accounting policies in the consolidated annual financial statements. For the three months ended November 30, 2024, DSU expense of $23 was recorded (November 30, 2023: expense recovery of $45) within general and administrative expenses in the consolidated interim statements of earnings.

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

	Three months ended November 30,	
	2024	2023
	Notional Units (000s)	Notional Units (000s)
Outstanding at beginning of period	304	268
Dividends declared	2	-
Outstanding at end of first quarter	306	268

9. Right-of-Use Assets

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

	Three months ended November 30,	
	2024	2023
Opening net book value	5,406	13,305
Lease modification	-	(8,607)
Foreign exchange	107	39
Depreciation	(327)	(462)
Outstanding at end of period	5,186	4,275

	As at November 30,	
	2024	2023
Cost	11,723	12,547
Accumulated depreciation	(6,537)	(8,272)
	5,186	4,275

On November 30, 2023, the Company negotiated a full penalty-free termination of its leased facilities for IQTalent in Nashville. The net impact of this lease modification was $8,607 reduction in right-of-use assets. The premises were vacated on February 29, 2024, consistent with the lease termination agreement.

10. Lease Liability

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

	Three months ended November 30,	
	2024	2023
Outstanding at beginning of period	6,502	21,799
Lease modification	-	(16,390)
Lease payments	(432)	(559)
Foreign exchange	121	61
Interest and accretion expense	101	397
Outstanding at end of period	6,292	5,308

	As at November 30,	
	2024	2023
Current portion	1,623	1,564
Non-current portion	4,669	3,744
Total lease liabilities	6,292	5,308

On November 30, 2023, the Company negotiated a full penalty-free termination of its leased facilities for IQTalent in Nashville. The net impact of this lease modification was a $16,390 reduction in lease liabilities. The premises were vacated on February 29, 2024, consistent with the lease termination agreement.

11. Professional Fees

In certain cases, provisions against certain accounts receivable are recorded for client concession reasons. It is often difficult to distinguish provisions between client concessions and credit concerns. Provision amounts are therefore aggregated and applied against professional fees.

Included within professional fees for the three months ended November 30, 2024 is an expense of $127 related to provisions (November 30, 2023: expense recovery of $9).

12. Unbilled Revenue and Deferred Revenue

As at November 30, 2024, aggregate amounts billed to clients were less than the revenue to be recognized. As a result, the Company recorded a net unbilled revenue asset of $6,275 (August 31, 2024: $5,859) and a related increase to compensation payable of $3,138 (August 31, 2024: $2,929). A summary of the gross unbilled and deferred revenue amounts is below:

	As at	
	November 30, 2024	August 31, 2024
Unbilled revenue	7,787	7,160
Deferred revenue	(1,512)	(1,301)
	6,275	5,859

13. Income Taxes

Income tax expense is based on domestic and international statutory income tax rates in the jurisdictions in which the Company operates and generally ranges from 26% to 30% of taxable income including federal and state obligations. These rates are then adjusted into effective tax rates based on management's estimate of the weighted average annual income tax rate expected for the full fiscal year in each jurisdiction considering income earned in each jurisdiction and available utilization of any unrecorded deferred tax assets.

The effective income tax rate for the three months ended November 30, 2024 was 7.9% (November 30, 2023: 29.2%). Tax expense was accrued on profits in Canada and tax benefits were recognized on losses in the United States. Tax expense was not recognized on the current period net profit in the UK given the accumulated deferred tax assets in this jurisdiction.

14. Earnings Per Share

(i) Basic

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

	Three months ended November 30, 2024	2023
Net earnings for the period attributable to owners of the Company	$465	$3,778
Weighted average number of common shares outstanding	29,558,932	29,558,932
Basic earnings per share	$0.016	$0.128

(ii) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume the 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 period), 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.

	Three months ended November 30, 2024	2023
Net earnings for the period attributable to owners of the Company	$465	$3,778
Weighted average number of common shares outstanding	29,558,932	29,558,932
Adjustment for stock options	128,017	19,176
Weighted average number of common shares for diluted earnings per share	29,686,949	29,578,108
Diluted earnings per share	$0.016	$0.128

For the three months ended November 30, 2024, no currently exercisable stock options were excluded for being anti-dilutive (November 30, 2023: nil).

15. Capital Stock

Common Shares

As at November 30, 2024, the authorized share capital of the Company consists of an unlimited number of Common Shares of which 29,558,932 are issued and outstanding (August 31, 2024: 29,558,932). 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.

Effective November 19, 2024, the Board of Directors declared a dividend of 0.25 cents per Common Share (one-quarter of a cent per Common Share), payable to holders of Common Shares of record on December 2, 2024, and to be paid on December 20, 2024. The dividend payable of $73 has been accrued in the Company's consolidated financial statements as at November 30, 2024.

Stock Options

Stock options are granted periodically to directors, officers, and employees of the Company. Cash received upon exercise of options for common shares is credited to capital stock. Total outstanding stock options are summarized as follows:

	November 30, 2024		August 31, 2024	
	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
Outstanding at end of period	1,365	$1.37	1,365	$1.37
Exercisable at end of period	400		400	

The 965,000 options issued in fiscal 2023 have not yet vested. The remaining 400,000 options have vested and are currently exercisable. Options have an exercise price equal to the fair value of the common shares on the date of issuance. Stock option expense of $65 has been recorded for the three months ended November 30, 2024 (November 30, 2023: $66).

16. Changes in Working Capital

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

	Three months ended November 30,	
	2024	*2023*
(Increase) decrease in accounts receivable	(949)	1,283
Increase in income taxes receivable	(66)	(67)
Decrease (increase) in unbilled revenue (note 12)	(234)	1,072
Decrease in prepaid expenses and other assets	139	1,164
Decrease (increase) in deferred tax assets	(130)	1,624
Decrease in accounts payable	(1,041)	(351)
Decrease in other liabilities	-	(1,372)
Decrease in compensation payable (note 8)	(4,841)	(5,739)
	(7,122)	(2,386)

17. Segmented Information

The following provides a reconciliation of the Company's consolidated interim statements of earnings by business unit segment to the consolidated results:

	Three months ended November 30, 2024		
	Caldwell	IQTalent	Total
Professional fees	18,389	2,766	21,155
Direct expense reimbursements	205	-	205
Revenues	18,594	2,766	21,360
Cost of sales	14,766	2,177	16,943
Reimbursed direct expenses	205	-	205
Gross profit	3,623	589	4,212
Gross profit as a % of professional fees	19.7%	21.3%	19.9%
Selling, general and administrative	3,449	744	4,193
Operating profit (loss)	174	(155)	19
Interest expense on lease liability	101	-	101
Investment (income) expense	(548)	427	(121)
Foreign exchange gain	(466)	-	(466)
Earnings (loss) before tax	1,087	(582)	505
Income tax expense (benefit)	194	(154)	40
Net profit (loss) for the period	893	(428)	465

	Three months ended November 30, 2023		
	Caldwell	IQTalent	Total
Professional fees	14,166	3,170	17,336
Direct expense reimbursements	199	-	199
Revenues	14,365	3,170	17,535
Cost of sales	12,387	2,657	15,044
Reimbursed direct expenses	199	-	199
Gross profit	1,779	513	2,292
Gross profit as a % of professional fees	12.6%	16.2%	13.2%
Selling, general and administrative	3,242	1,280	4,522
Restructuring and other	-	(7,979)	(7,979)
Operating profit (loss)	(1,463)	7,212	5,749
Interest expense on lease liability	66	331	397
Investment (income) expenses	(473)	483	10
Foreign exchange loss	5	-	5
Earnings (loss) before tax	(1,061)	6,398	5,337
Income tax expense (recovery)	(276)	1,835	1,559
Net earnings (loss) for the period	(785)	4,563	3,778

The Company has consolidated operations generating business in the United States, Canada and the United Kingdom.

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

	Three months ending November 30,	
	2024	2023
United States[1]	15,365	12,665
Canada	3,295	3,256
United Kingdom	2,495	1,415
Consolidated	21,155	17,336

[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:

	At November 30, 2024			At August 31, 2024		
	Caldwell	IQTalent	Total	Caldwell	IQTalent	Total
Property and equipment	1,535	131	1,666	1,587	111	1,698
Right-of-use assets	5,186	-	5,186	5,406	-	5,406
Goodwill	4,084	7,456	11,540	4,007	7,179	11,186
Total assets[1]	48,713	15,680	64,393	53,328	15,424	68,752

[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:

	Three months ended November 30, 2024			Three months ended November 30, 2023		
	Caldwell	IQTalent	Total	Caldwell	IQTalent	Total
Depreciation expense:						
Property and equipment	94	12	106	80	12	92
Right-of-use assets	327	-	327	247	215	462

18. Fair Value Measurement

Fair value hierarchy

The Company categorizes its assets 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 November 30, 2024 consist of a convertible promissory note receivable and marketable securities, which are comprised 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 Inc., as discussed in note 4.

The following table details the fair value hierarchy of the Company's financial instruments measured at fair value by level as at November 30, 2024:

November 30, 2024

	Level 1	Level 2	Level 3
Marketable securities	1	-	100
Note receivable	-	-	701
Investment in associate	-	916	-

The following table details the fair value hierarchy of the Company's financial instruments measured at fair value by level as at August 31, 2024:

August 31, 2024

	Level 1	Level 2	Level 3
Marketable securities	1	-	95
Note receivable	-	-	675
Investment in associate	-	911	-

19. 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 at November 30, 2024 is $4,605 (August 31, 2024: $4,619). The facility bears variable interest on drawn amounts based on the Canadian prime rate plus 1.0% per annum. As at November 30, 2024, no amounts were outstanding on the credit facility (August 31, 2024: $nil) and letters of credit of $395 (August 31, 2024: $381) have been issued against the facility.

20. Subsequent Event

Effective January 9, 2025, the Board of Directors declared a dividend of 0.25 cents per Common Share (one-quarter of a cent per Common Share), payable to holders of Common Shares of record on January 20, 2025, and to be paid on March 14, 2025.