

FOR IMMEDIATE RELEASE

CALDWELL REPORTS SECOND QUARTER RESULTS

Toronto - April 10, 2025 - Talent acquisition firm The Caldwell Partners International Inc. (TSX: CWL; OTCQX: CWLPF) today issued its financial results for the second quarter of fiscal 2025, ended February 28, 2025. All references to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars.

Financial Highlights (in \$000s except per share amounts)

	Three Months Ended		Six Months Ended	
	02.28.25	02.29.24	02.28.25	02.29.24
Professional fees - Caldwell	20,190	14,946	38,579	29,112
Professional fees - IQTalent ¹	2,797	2,741	5,563	5,911
Consolidated professional fees	22,987	17,687	44,142	35,023
Direct expense reimbursements	171	179	376	378
Revenues	23,158	17,866	44,518	35,401
Cost of sales	18,187	14,061	35,130	29,105
Reimbursed direct expenses	171	179	376	378
Gross profit	4,800	3,626	9,012	5,918
Selling, general and administrative expenses ²	5,449	4,783	9,642	9,305
Restructuring income ³	-	-	-	(7,979)
Operating profit (loss)	(649)	(1,157)	(630)	4,592
Finance expenses (income)	(354)	83	(840)	495
Earnings (loss) before tax	(295)	(1,240)	210	4,097
Income tax (recovery) expense	(84)	(375)	(44)	1,184
Net earnings (loss) after tax	(211)	(865)	254	2,913
Basic earnings (loss) per share	(\$0.007)	(\$0.029)	\$0.009	\$0.099
Basic earnings (loss) per share adjusted for restructuring income ⁴	(\$0.007)	(\$0.029)	\$0.009	(\$0.073)

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

2) Selling, general and administrative expenses include a benefit of \$20 related to share-based compensation as a result of share price decrease in the current quarter, compared to a benefit of \$12 in the same quarter last year.

3) Restructuring income of \$7,979 in the first quarter of the prior year includes separation expense of \$1,089 for management staff reductions at IQTalent, more than offset by a net gain on lease termination of \$9,068 as IQTalent negotiated a termination of its Nashville leased facility resulting in a recovery of lease impairment charges expensed in the fourth quarter of the prior year.

4) Non-GAAP measure calculated by excluding tax-adjusted restructuring income from net earnings after tax, and dividing by the number of shares outstanding at the end of the period. This measure allows for enhanced comparability of the current quarter results compared to the same quarter last year. See following page for the calculation.

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“Our second quarter results reflect strong year-over-year growth at Caldwell, with an increase in professional fees of 35% and continued stability at IQTalent,” said Chris Beck, chief executive officer. “Except for a planned, strategic investment this quarter in our first firm-wide partner meeting in two years, the business delivered positive operating profit on a consolidated basis.”

“Looking ahead to the second half of the fiscal year we are encouraged by our momentum in March yet prudent in our outlook. While certain sectors continue to invest and hire, we are observing some shifts in client sentiment, particularly in Canada and select U.S. sectors, that indicate a more cautious approach to hiring decisions in the short term on current market uncertainties.”

Beck continued: “We continue to believe in the long-term resilience and value of our teams and talent solutions. We were pleased to add three new partners during the quarter and remain active in recruiting in the marketplace. While near-term demand may fluctuate, our focus remains on disciplined execution and providing clients with agile, insight-driven support to help them navigate change and seize opportunity.”

The Board of Directors today also 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 April 22, 2025, to be paid on June 17, 2025.

About Caldwell Partners

Caldwell Partners is a technology-powered talent acquisition firm specializing in recruitment at all levels. Through two distinct brands - Caldwell and IQTalent - the firm leverages the latest innovations in AI to offer an integrated spectrum of services delivered by teams with deep knowledge in their respective areas. Services include candidate research and sourcing through to full recruitment at the professional, executive and board levels, as well as a suite of talent strategy and assessment tools that can help clients hire the right people, then manage and inspire them to achieve maximum business results.

Caldwell Partners’ common shares are listed on The Toronto Stock Exchange (TSX: CWL) and trade on the OTCQX Market (OTCQX: CWLPF). Please visit our website at www.caldwell.com for further information.

Adjusted Earnings Per Share (EPS)

The table below reconciles adjusted EPS, which is a non-GAAP financial measure, to our reported net earnings after tax. Restructuring income was \$nil for the first and second quarters of fiscal 2025, as well as for the second quarter of fiscal 2024. As a result, adjusted EPS was the same as reported EPS for these periods.

	Six months ended
	02.29.24
Net earnings after tax (reported)	\$2,913
Less: After-tax restructuring income ¹	<u>\$5,072</u>
Adjusted loss	(\$2,159)
Weighted average number of common shares outstanding	29,558,932
Basic loss per share adjusted for restructuring income	(\$0.073)

- 1) Calculated by applying IQTalent’s fiscal 2024 effective tax rate of 36.4% to pre-tax restructuring income of \$7,979:
- | | |
|--------------------------------|----------------|
| Restructuring income | \$7,979 |
| Less: Tax at 36.4% | <u>\$2,907</u> |
| After-tax restructuring income | <u>\$5,072</u> |



Forward-Looking Statements

Forward-looking statements in this document are based on current expectations subject to the significant risks and uncertainties cited. These forward-looking statements generally can be identified by the use of statements that include phrases such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “may,” “will,” “likely,” “estimates,” “potential,” “continue” or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements.

We are subject to many factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement including, but not limited to, the impact of pandemic diseases, our ability to attract and retain key personnel; exposure to our partners taking our clients with them to another firm; the performance of the US, Canadian and international economies; risks related to deposit-taking institutions; foreign currency exchange rate fluctuations; competition from other companies directly or indirectly engaged in talent acquisition; cybersecurity requirements, vulnerabilities, threats and attacks; damage to our brand reputation; our ability to align our cost structure to changes in our revenue; liability risk in the services we perform; potential legal liability from clients, employees and candidates for employment; reliance on software that we license from third parties; reliance on third-party contractors for talent acquisition support; the classification of third-party labour as contractors versus employee relationships; our ability to successfully recover from a disaster or other business continuity issues; adverse governmental and tax law rulings; successfully integrating or realizing the expected benefits from our acquisitions, adverse operating issues from acquired businesses; volatility of the market price and trading volume of our common shares; technological advances may significantly disrupt the labour market and weaken demand for human capital at a rapid rate; affiliation agreements may fail to renew or affiliates may be acquired; the impact on profitability from marketable securities valuation fluctuations; increasing dependence on third parties for the execution of critical functions; our ability to generate sufficient cash flow from operations to support our growth and fund any dividends; potential impairment of our acquired goodwill and intangible assets; and disruption as a result of actions of certain stockholders or potential acquirers of the Company. For more information on the factors that could affect the outcome of forward-looking statements, refer to the “Risk Factors” section of our Annual Information Form and other public filings (copies of which may be obtained at www.sedar.com). These factors should be considered carefully, and the reader should not place undue reliance on forward-looking statements. Although any forward-looking statements are based on what management currently believes to be reasonable assumptions, we cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements. Management’s assumptions may prove to be incorrect. Except as required by Canadian securities laws, we do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.


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THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$000s Canadian)

	<i>As at February 28 2025</i>	<i>As at August 31 2024</i>
Assets		
Current Assets		
Cash and cash equivalents	7,796	19,634
Accounts receivable	15,461	12,664
Income taxes receivable	244	177
Unbilled revenue	6,650	5,859
Prepaid expenses and other assets	1,976	2,327
	32,127	40,661
Non-current assets		
Prepaid expenses and other assets	293	276
Investments	1,737	1,682
Advances	1,254	904
Deferred income taxes	7,892	6,851
Property and equipment	1,652	1,698
Right-of-use assets	5,123	5,406
Intangible assets	65	88
Goodwill	11,831	11,186
Total Assets	61,974	68,752
Liabilities		
Current liabilities		
Accounts payable	2,862	3,409
Dividend payable	74	-
Compensation payable	18,566	26,023
Lease liability	1,643	1,644
	23,145	31,076
Non-Current liabilities		
Compensation payable	730	692
Lease liability	4,588	4,858
	28,463	36,626
Equity attributable to owners of the Company		
Share capital	15,392	15,392
Contributed surplus	15,671	15,541
Treasury shares	(6)	-
Accumulated other comprehensive income	2,957	1,802
Deficit	(503)	(609)
Total equity	33,511	32,126
Total liabilities and equity	61,974	68,752

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

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

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Revenues				
Professional fees	22,987	17,687	44,142	35,023
Direct expense reimbursements	171	179	376	378
	23,158	17,866	44,518	35,401
Cost of sales expenses				
Cost of sales	18,187	14,061	35,130	29,105
Reimbursed direct expenses	171	179	376	378
	18,358	14,240	35,506	29,483
Gross Profit	4,800	3,626	9,012	5,918
Selling, general and administrative	5,449	4,783	9,642	9,305
Restructuring and other income	-	-	-	(7,979)
	5,449	4,783	9,642	1,326
Operating Profit (Loss)	(649)	(1,157)	(630)	4,592
Finance expenses (income)				
Interest expense on lease liability	99	105	200	502
Investment income	(64)	(65)	(185)	(55)
Foreign exchange (income) loss	(389)	43	(855)	48
Earnings (loss) before income tax	(295)	(1,240)	210	4,097
Income tax expense (recovery)	(84)	(375)	(44)	1,184
Net earnings (loss) for the period attributable to owners of the Company	(211)	(865)	254	2,913
Earnings (loss) per share				
Basic	(\$0.007)	(\$0.029)	\$0.009	\$0.099
Diluted	(\$0.007)	(\$0.029)	\$0.009	\$0.098

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

	Three months ended		Six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Net earnings (loss) for the period	(211)	(865)	254	2,913
Other comprehensive income (loss):				
Items that may be reclassified subsequently to net earnings				
Gain on marketable securities	-	31	1	36
Cumulative translation adjustment	535	(27)	1,154	(24)
	324	(861)	1,409	2,925

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

					Accumulated Other Comprehensive Income (Loss)		
	Deficit	Share Capital	Contributed Surplus	Treasury Shares	Cumulative Translation Adjustment	(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 six months ended February 29, 2024	2,913	-	-	-	-	-	2,913
Share-based payment expense	-	-	131	-	-	-	131
Gain on marketable securities available for sale	-	-	-	-	-	36	36
Change in cumulative translation adjustment	-	-	-	-	(24)	-	(24)
Balance - February 29, 2024	(1,884)	15,392	15,413	-	1,862	(3)	30,780
Balance - August 31, 2024	(609)	15,392	15,541	-	1,806	(4)	32,126
Net earnings for the six months ended February 28, 2025	254	-	-	-	-	-	254
Share-based payment expense	-	-	130	-	-	-	130
Dividend payments declared	(148)	-	-	-	-	-	(148)
Gain on marketable securities available for sale	-	-	-	-	-	1	1
Treasury Shares	-	-	-	(6)	-	-	(6)
Change in cumulative translation adjustment	-	-	-	-	1,154	-	1,154
Balance - February 28, 2025	(503)	15,392	15,671	(6)	2,960	(3)	33,511

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	<i>Six months ended</i>	
	<i>February 28, 2025</i>	<i>February 29, 2024</i>
Cash flow provided by (used in)		
Operating activities		
Net earnings for the period	254	2,913
Add (deduct) items not affecting cash		
Depreciation of property and equipment	217	192
Depreciation of right-of-use assets	664	937
Amortization of intangible assets	28	27
Amortization of advances	687	248
Interest expense on lease liabilities	200	502
Share based payment expense	130	131
Gain on unrealized foreign exchange on subsidiary loans	(576)	(37)
Losses related to equity accounted associate	60	246
Gain on lease modification	-	(7,741)
Changes in working capital	(12,382)	(10,458)
Net cash used in operating activities	(10,718)	(13,040)
Investing activities		
Purchase of property and equipment	(119)	(211)
Payment of advances	(1,130)	(21)
Repayment of advances	859	-
Sale of marketable securities	-	68
Purchase of marketable securities	-	(64)
Net cash used in investing activities	(390)	(228)
Financing activities		
Payment of lease liabilities	(881)	(1,175)
Payment of dividends	(74)	-
Purchase of treasury shares	(6)	-
Sublease payments received	-	16
Net cash used in financing activities	(961)	(1,159)
Effect of exchange rate changes on cash and cash equivalents	231	(66)
Net decrease in cash and cash equivalents	(11,838)	(14,493)
Cash and cash equivalents, beginning of year	19,634	22,053
Cash and cash equivalents, end of period	7,796	7,560