
Heidrick & Struggles A/S

Amaliegade 10, 5., DK-1256 København K

Annual Report for 2023

CVR No. 10 39 84 01

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/6 2024

Tracey Heaton
Chairman

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Heidrick & Struggles A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 25 June 2024

Executive Board

Stephen Anthony Bondi
CEO

Board of Directors

Tracey Lynne Heaton
Chair

Tobias Petri

Mark Robert Harris

Stephen Anthony Bondi

Independent Auditor's report

To the shareholder of Heidrick & Struggles A/S

Opinion

We have audited the Financial Statements of Heidrick & Struggles A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs and the additional requirements applicable in Denmark 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 Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

Independent Auditor's report

- 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 Company'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 in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on Management's Review

The management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Furthermore, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Soeborg, Copenhagen, 25 June 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR No 32 89 54 68

Kim Larsen
statsautoriseret revisor
mne32179

Company information

The Company	Heidrick & Struggles A/S Amaliegade 10, 5. 1256 København K CVR No: 10 39 84 01 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Tracey Lynne Heaton, chair Tobias Petri Mark Robert Harris Stephen Anthony Bondi
Executive Board	Stephen Anthony Bondi
Auditors	Beierholm Statsautoriseret Revisionspartnerselskab Knud Højgaards vej 9 DK-2860 Søborg

Management's review

Key activities

The Company's activities consist of recruitment and related consultancy services.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 514,707, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 19,329,843.

Unusual events

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		47,524,052	62,496,864
Staff expenses	1	-44,725,881	-59,640,319
Depreciation and impairment losses of property, plant and equipment		-663,769	-464,853
Profit/loss before financial income and expenses		2,134,402	2,391,692
Financial income	2	756,282	1,195,073
Financial expenses	3	-2,563,499	-2,049,329
Profit/loss before tax		327,185	1,537,436
Tax on profit/loss for the year	4	-841,892	-411,071
Net profit/loss for the year		-514,707	1,126,365
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-514,707	1,126,365
		-514,707	1,126,365

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Other fixtures and fittings, tools and equipment		1,978,388	2,475,866
Leasehold improvements		0	0
Property, plant and equipment	5	<u>1,978,388</u>	<u>2,475,866</u>
Fixed assets		<u>1,978,388</u>	<u>2,475,866</u>
Trade receivables		6,594,265	7,729,021
Receivables from group enterprises		39,407,144	38,424,602
Other receivables		4,990,978	4,270,605
Deferred tax asset		584,440	168,910
Prepayments		2,701,226	2,537,001
Receivables		<u>54,278,053</u>	<u>53,130,139</u>
Cash at bank and in hand		<u>22,218,556</u>	<u>49,124,733</u>
Current assets		<u>76,496,609</u>	<u>102,254,872</u>
Assets		<u>78,474,997</u>	<u>104,730,738</u>

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		1,000,002	1,000,002
Retained earnings		18,329,841	18,844,548
Equity		19,329,843	19,844,550
Payables to group enterprises		29,105,514	41,719,167
Long-term debt	6	29,105,514	41,719,167
Trade payables		1,166,174	2,375,486
Payables to group enterprises	6	2,253,848	2,808,521
Corporation tax		1,257,422	0
Payables to group enterprises relating to corporation tax		0	137,850
Other payables		23,693,536	35,968,210
Deferred income		1,668,660	1,876,954
Short-term debt		30,039,640	43,167,021
Debt		59,145,154	84,886,188
Liabilities and equity		78,474,997	104,730,738
Contingent assets, liabilities and other financial obligations	7		
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	1,000,002	18,844,548	19,844,550
Net profit/loss for the year	0	-514,707	-514,707
Equity at 31 December	<u>1,000,002</u>	<u>18,329,841</u>	<u>19,329,843</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	42,745,766	57,664,259
Pensions	1,923,376	1,976,060
Other social security expenses	56,739	0
	<u>44,725,881</u>	<u>59,640,319</u>
Average number of employees	<u>25</u>	<u>30</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2. Financial income		
Exchange adjustments	16,051	11,556
Exchange gains	740,231	1,183,517
	<u>756,282</u>	<u>1,195,073</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	1,518,439	752,056
Other financial expenses	0	2,919
Exchange loss	1,045,060	1,294,354
	<u>2,563,499</u>	<u>2,049,329</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
4. Income tax expense		
Current tax for the year	1,257,422	0
Deferred tax for the year	321,859	411,071
Adjustment of deferred tax concerning previous years	-737,389	0
	<u>841,892</u>	<u>411,071</u>

Notes to the Financial Statements

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	3,006,517	1,254,892
Additions for the year	166,291	0
Disposals for the year	-51,137	0
Cost at 31 December	<u>3,121,671</u>	<u>1,254,892</u>
Impairment losses and depreciation at 1 January	530,651	1,254,892
Impairment losses for the year	-51,137	0
Depreciation for the year	663,769	0
Impairment losses and depreciation at 31 December	<u>1,143,283</u>	<u>1,254,892</u>
Carrying amount at 31 December	<u>1,978,388</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK

6. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	29,105,514	41,719,167
Long-term part	<u>29,105,514</u>	<u>41,719,167</u>
Other short-term debt to group enterprises	2,253,848	2,808,521
	<u>31,359,362</u>	<u>44,527,688</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
7. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Rental obligations	550,011	750,015

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the consolidated annual report of the Parent Company

Name

Heidrick & Struggles International, Inc.

Place of registered office

Chicago, USA

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Heidrick & Struggles A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Notes to the Financial Statements

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Financial income and expenses

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-7 years
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The fixed assets' residual values are determined at nil.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

Notes to the Financial Statements

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years. Prepayments are measured at cost.

Deferred tax assets and liabilities

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.