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# ***Heidrick & Struggles A/S***

Amaliegade 10, 5., DK-1256 Copenhagen K

## **Annual Report for 1 January - 31 December 2020**

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CVR No 10 39 84 01

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
18/6 2021

Kamau Coar  
Chairman of the General  
Meeting

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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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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

Copenhagen, 18 June 2021

## **Executive Board**

Kamau Coar  
CEO

## **Board of Directors**

Kelly Ann Crosier  
Chairman

Amanda Henning Suchecki

Kamau Coar

# 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 01.01.20 - 31.12.20, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.20 and of the results of the company's operations for the financial year 01.01.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

## Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

## Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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.

# Independent Auditor's Report

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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**

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.

## **Independent Auditor's Report**

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.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

Soeborg, Copenhagen, 18 June 2021

**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.  
DK-1256 Copenhagen K

CVR No: 10 39 84 01

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

### **Board of Directors**

Kelly Ann Crosier, Chairman  
Amanda Henning Suchecki  
Kamau Coar

### **Executive Board**

Kamau Coar

### **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 2020 shows a profit of DKK 1,577,772, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 10,260,105.

## **Unusual events**

The spread of COVID-19 involves a risk of high uncertainty to what extent it will affect the Company.

There is a risk that staff, customers and clients will not be available to the same extent as before and that the Company's customers will receive a reduced demand. This would make a declining sale with an impact on earnings.

Regardless of the COVID-19, the Nordics remain strategically important for Heidrick & Struggles and we expect to continue our position in Sweden.

## **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	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>32.195.836</b>	<b>48.861.723</b>
Staff expenses	1	-29.461.199	-41.166.493
Depreciation of other fixtures and fitting, tools and equipment.		-167.593	-154.902
Other operating expenses		<u>0</u>	<u>-512.065</u>
<b>Profit/loss before financial income and expenses</b>		<b>2.567.044</b>	<b>7.028.263</b>
Financial income	2	624.410	198.697
Financial expenses	3	<u>-1.120.356</u>	<u>-242.584</u>
<b>Profit/loss before tax</b>		<b>2.071.098</b>	<b>6.984.376</b>
Tax on profit/loss for the year	4	<u>-493.326</u>	<u>-1.637.112</u>
<b>Net profit/loss for the year</b>		<b><u>1.577.772</u></b>	<b><u>5.347.264</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	<u>1.577.772</u>	<u>5.347.264</u>
	<b><u>1.577.772</u></b>	<b><u>5.347.264</u></b>

## Balance Sheet 31 December

### Assets

	Note	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		64.515	174.283
<b>Property, plant and equipment</b>	5	<b>64.515</b>	<b>174.283</b>
<b>Fixed assets</b>		<b>64.515</b>	<b>174.283</b>
Trade receivables		7.685.512	8.082.081
Receivables from group enterprises		36.160.470	296.854
Other receivables		765.202	1.061.134
Deferred tax asset		131.668	317.501
Corporation tax		0	2.536.213
Prepayments		623.933	1.579.851
<b>Receivables</b>		<b>45.366.785</b>	<b>13.873.634</b>
<b>Cash at bank and in hand</b>		<b>12.525.975</b>	<b>31.249.351</b>
<b>Currents assets</b>		<b>57.892.760</b>	<b>45.122.985</b>
<b>Assets</b>		<b>57.957.275</b>	<b>45.297.268</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		1.000.002	1.000.002
Retained earnings		9.260.103	7.682.331
<b>Equity</b>		<b>10.260.105</b>	<b>8.682.333</b>
Payables to group enterprises		23.390.777	0
Other payables		2.547.390	603.294
<b>Long-term debt</b>	6	<b>25.938.167</b>	<b>603.294</b>
Trade payables		497.790	123.094
Payables to group enterprises	6	696.194	2.753.997
Payables to group enterprises relating to corporation tax		310.029	0
Other payables	6	19.179.155	31.290.289
Deferred income		1.075.835	1.844.261
<b>Short-term debt</b>		<b>21.759.003</b>	<b>36.011.641</b>
<b>Debt</b>		<b>47.697.170</b>	<b>36.614.935</b>
<b>Liabilities and equity</b>		<b>57.957.275</b>	<b>45.297.268</b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	1.000.002	7.682.331	8.682.333
Net profit/loss for the year	0	1.577.772	1.577.772
<b>Equity at 31 December</b>	<b>1.000.002</b>	<b>9.260.103</b>	<b>10.260.105</b>

## Notes to the Financial Statements

	2020	2019
	DKK	DKK
<b>1 Staff expenses</b>		
Wages and salaries	28.226.312	39.608.280
Pensions	1.168.390	1.423.822
Other social security expenses	66.497	134.391
	<b>29.461.199</b>	<b>41.166.493</b>
<b>Average number of employees</b>	<b>17</b>	<b>28</b>
<b>2 Financial income</b>		
Exchange gains	624.410	198.697
	<b>624.410</b>	<b>198.697</b>
<b>3 Financial expenses</b>		
Interest paid to group enterprises	390.777	0
Other financial expenses	6.028	4.819
Exchange loss	723.551	237.765
	<b>1.120.356</b>	<b>242.584</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	310.029	1.017.787
Deferred tax for the year	185.833	608.434
Adjustment of tax concerning previous years	-2.536	-204.718
Adjustment of deferred tax concerning previous years	0	215.609
	<b>493.326</b>	<b>1.637.112</b>

# Notes to the Financial Statements

## 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	479.339
Additions for the year	<u>57.825</u>
Cost at 31 December	<u>537.164</u>
Impairment losses and depreciation at 1 January	305.056
Depreciation for the year	<u>167.593</u>
Impairment losses and depreciation at 31 December	<u>472.649</u>
<b>Carrying amount at 31 December</b>	<b><u>64.515</u></b>

## 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:

	2020	2019
	DKK	DKK
<b>Payables to group enterprises</b>		
Between 1 and 5 years	<u>23.390.777</u>	0
Long-term part	23.390.777	0
Other short-term debt to group enterprises	<u>696.194</u>	<u>2.753.997</u>
	<b><u>24.086.971</u></b>	<b><u>2.753.997</u></b>
<b>Other payables</b>		
After 5 years	<u>2.547.390</u>	603.294
Long-term part	2.547.390	603.294
Other short-term payables	<u>19.179.155</u>	<u>31.290.289</u>
	<b><u>21.726.545</u></b>	<b><u>31.893.583</u></b>

## Notes to the Financial Statements

	<u>2020</u> DKK	<u>2019</u> DKK
<b>7 Contingent assets, liabilities and other financial obligations</b>		
Rental and leasing obligations until maturity in total	<u>319.518</u>	<u>382.725</u>

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Heidrick & Struggles, filial af Heidrick & Struggles AB, Sverige, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 8 Related parties

### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Heidrick & Struggles International, Inc.	Chicago, USA

# Notes to the Financial Statements

## 9 Accounting Policies

The Annual Report of Heidrick & Struggles A/S for 2020 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.



# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### **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.

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income 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.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### 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

Depreciation period and residual value are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Impairment of fixed assets

The carrying amounts of other fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

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.

# Notes to the Financial Statements

## 9 Accounting Policies (continued)

### **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 debts**

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.