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Photos: Bjarke MacCarthy with the exception of CBS (page 4)

and Jens Markus Lindhe (page 9)

INSTITUTION DETAILS

Copenhagen Business School

Solbjerg Plads 3 2000 Frederiksberg T: +45 3815 3815

cbs@cbs.dk www.cbs.dk

Business Registration No.: 19596915

Financial year:

1 January to 31 December 2020

Registered in:

Municipality of Frederiksberg, Denmark

Institution auditor

Deloitte Statsautoriseret Revisionspartnerselskab Business Registration No.: 33963556

Board of Directors

Chairman

Torben Möger Pedersen (took seat on 1 July 2019)

Deputy Chairman

Michael Rasmussen (took seat on 1 February 2016)

Members

Gunnar Bovim (took seat on 1 February 2020) Alfred Josefsen (took seat on 15 June 2013) Lilian Mogensen (took seat on 1 April 2019) Sara Louise Muhr (took seat on 1 February 2020) Tobias Harald Munch (took seat on 1 February 2020)

Jesper Rangvid (took seat on 1 February 2020) Mia Cudrio Thomsen (took seat on 1 February 2020)

Mette Vestergaard (took seat on 1 February 2016) Sarah Langkjær Diemar(took seat on 1 February 2021)

The following members have resigned from CBS' Board of Directors between 31 January 2020 and 31 January 2021:

Arvid Hallén (2012-2020) Sebastian Toft Bringstrup (2019–2021)

Senior Management

President

Nikolaj Malchow-Møller

Deputy President

Inger Askehave

Dean of Education

Gregor Halff

Dean of Research

Søren Hvidkjær

University Director

Kirsten Winther Jørgensen

Management commentary

SELECTED PROFESSIONAL RESULTS

COVID-19

At the beginning of 2020, no one knew that the world was on the verge of a pandemic with extensive and long-term consequences for our lives and our society.

The national lockdown in March required CBS to reorganise virtually all activities to on-line activities. All staff and students had to adapt to a quite different everyday life which for most of them meant taking their work home, with heavy implications for the work-study-life balance. CBS had to change procedures and invent new ones to keep research and education going. The pandemic became a burning platform leading to the use of digital tools and the testing of new working methods. In the long term, they have the potential of strengthening CBS, but in the short term they challenged the quality of CBS' teaching activities.

When it was possible to return to the physical campus for some of the staff from 27 May and from the beginning of August for the students, a huge task was lying ahead in observing and facilitating observance of regulatory guidelines that were increasingly tightened up. COVID-19 guards, extra cleaning, and communication on all channels were put in place to support the good battle of keeping CBS' doors open and avoid another lockdown. CBS was charged with supporting the authorities' contact tracing for infected students and staff, and the increase in infections in society was reflected in CBS' own ranks of students and staff. Unfortunately, it soon became clear that the second wave of the pandemic was upon us, with new implications.

Despite COVID-19, CBS has maintained most of its activities in 2020. Teaching activities and examinations took place by all of the teachers, administrators and students involved making a huge effort, and



students have been able to maintain their study progress (see figure 2 on page 7). In research, CBS' researchers came through the year with strong results in the form of many fine publications, new research funding obtained, and production of new knowledge about the global challenges that suddenly presented themselves to all of us (read more about COVID-19-related research on page 7). CBS' new strategy was adopted, and the importance of its focus on the massive social challenges and transformations became even clearer in light of the new reality.

After the brief reopening during the summer, CBS was partially on-line for most of the autumn semester – and in December then followed the second complete lockdown when

all activities once again went on-line.

With the experience gained from the first lockdown still fresh in people's minds, CBS succeeded in initiating the reorganisation again with impressive speed.

However, the situation began to take its toll on both body and soul. At the end of 2020, CBS was therefore faced with the task of improving the well-being of both students and staff; a task that can only be solved by joint efforts. Because even if the lockdown and the general recommendation to work from home come with an expiry date, the end date for working on Teams and from home is still unknown.

New deputy president position created

In 2020, the Board of Directors decided upon recommendation by the President to create a new deputy president position in CBS' Senior Management. At the end of 2020, a contract was signed with CBS' new deputy president, Inger Askehave, effective from 1 February 2021. She will have direct management responsibility for CBS' heads of department and departments, organising close on 1500 permanent and part-time academic staff. Inger Askehave will hold a key role in strengthening the integration of research and teaching, and in that context she is to help ensure the interaction between the strategic development and the operation of CBS' core activities – education and research - in close collaboration with the other members of Senior Management.

New strategy

The Board of Directors adopted a new strategy for CBS on 29 June. The underlying basis of this strategy is that CBS is to take active responsibility, in close collaboration with other players, for assisting in solving the massive challenges and dilemmas existing in society, and CBS is to help identify the unknown challenges lying ahead.

Transformation is a keyword in the strategy. And having this as its mindset, CBS is to have even more focus on having an inquiring mind, being ambitious, and on making a positive difference locally and globally.

Since CBS cannot meet the massive challenges on its own, CBS is in its new strategy attaching importance to strengthening current partnerships and to initiating new ones with other sciences, the business community, authorities and the civil society.

The strategic mission, vision and priorities (see page 6) are to be delivered on through a series of local and interdisciplinary activities which are to be identified and developed continually together with Senior Management, staff and students.

On 12 December, the Board of Directors approved the first 12 interdisciplinary strategic activities that CBS is to focus on in the years ahead.

Among them are green transition, digitalisation, management, life-long learning, and the implementation of Nordic Nine - nine institutional aims of learning which are CBS's bets as to what capabilities future CBS

graduates need to have and that will make them stand out from other business school graduates.

An English version of the complete strategy is available from cbs.dk.

Education and research

EQUIS accreditation

In 2020, CBS was reaccredited by the EFMD, the international organisation operating the EQUIS accreditation system. EQUIS is one of the international so-called "Triple Crown" accreditations and serves as a seal of approval opening doors internationally when it comes to, for example, cooperation and recruitment.

In its extensive evaluation, the EFMD positively emphasised particularly the quality of CBS' activities as reflected in the quality of CBS' students and its strong links to hands-on activity and the business sector which permeate all of CBS' activities, including strategy, culture and governance, and the quality of the permanent staff of researchers and the strong research output.

The EFMD also pointed out some development areas that CBS is expected to work on until the next reaccreditation process. Among these development areas are clearer structuring of CBS' programme portfolio, continuous development of interdisciplinary research and education activities, and continuous development of counselling and support of students.

Read more about CBS' accreditations at: htt-ps://www.cbs.dk/cbs/profil/akkreditering-ran king

Additional study places and higher student intake

As a result of COVID-19, the Danish Parliament decided in 2020 that the number of study places should be increased on higher education programmes by up to 5,000 in 2020 and 2021. The policy background for this was an expected extraordinarily high influx of applicants for the higher education programmes because of the restrictions on travelling, work and having a meaningful sabbatical year after having completed a qualifying examination. So CBS created extra study places on, for example, BSc in Business Administration and Digital Management and in the summer offered just over 3,200 new bachelor students enrolment with CBS, which is around 3% up on 2019, and saw a similar increase of around 2.9% in first priority applicants.

The most significant increase in 2020 was 12% in master students enrolled (see figure 2 on page 7). The reason was that more international applicants had accepted their study places at CBS than is normally the case. This is probably because they considered Denmark a relatively safe country during the pandemic compared to the countries where they had also been offered a study place.

Completion and dropout rate

The study progress reform has caused the average completion time to go down since 2015 – particularly for the master programmes (see figure 2 on page 7). This has also been the case in 2020 despite the difficult study conditions caused by COVID-19. One of the contributing factors to improved study completion times for master students is the implementation of fixed contract submission dates and deadlines for master theses, which has resulted in 71% of last semester students in 2020 handing in their theses by the 15 May deadline. The completion times for both bachelor and master programmes are now generally close to the standard programme duration for students completing their education at CBS.

School leaving has consequences for society, the university and the individual student. That is why CBS is assigning great weight to counselling students into choosing a programme matching their interests and capabilities. Historically, CBS has had a low dropout rate compared to other Danish universities, which is presumably because CBS admits many first priority applicants. There are no comparable data for the dropout rate in 2020, however, this is an area that CBS will monitor closely since there is a risk that universities and CBS will see an increasing number of first-year bachelor students drop out due to the difficult conditions especially for new students that have been caused by COVID-19.

Exchange stays

COVID-19 and the lockdown of universities all over the world have had a substantial effect on international exchange programmes in 2020, and only few have been able to study abroad. As an alternative, CBS has been offering on-line courses in collaboration with certain foreign partners, without this attracting many Danish students, though. The students who had to cancel their exchange stays have instead been offered a vacant place on CBS electives. That way, the cancellation has not delayed their studies.

Figure 1 Extract from CBS' strategy



/ OUR MISSION /

We are curious, critical and innovative in our approach to major opportunities and dilemmas facing business and society

We are committed to disciplinary and interdisciplinary excellence in our research and educational programmes

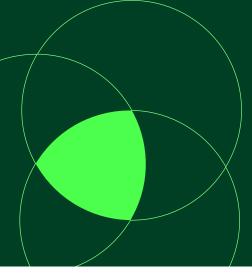
We leverage our Nordic heritage to take responsibility for societal challenges – in collaboration with business, governments and civil society

/ OUR VISION /

We will leverage global intellectual leadership to transform society with business by tackling challenges with curiosity, creative new ideas and collaborative engagement



CORE PRIORITIES



Strengthen both fundamental business knowledge and transformational capabilities in the educational portfolio

Attract, develop and retain a diversity of highly talented staff and internationally leading scholars

Prioritise the exploration of big questions and develop incentive and support structures for venturing into and leading transformative, interdisciplinary and collaborative projects

Create incentive and support structures to design and deliver disciplinebased and transformative education

Attract the best students and transform them into lifelong learners

Together, mission and vision represent a key element of the strategic ambition for CBS. The five key priorities are the principal stepping stones in the journey towards fulfilling CBS' mission and vision.

Developments in CBS' part-time programmes

CBS' diploma programmes, which celebrated their 100th anniversary in 2020 and have a market share of over 50% of diploma programmes in Denmark, seem to have reversed recent years' decline in enrolments. The Graduate Certificate (HD1) programme saw an 18% increase in enrolments. Conversely, CBS experienced a decline in enrolment on our first master programme, Master of Public Governance (MPG), which was very much attributable to COVID-19, 25% of the MPG students are from the health sector, and many of them have put their attendance on hold to focus on the health sector's work to mitigate the consequences of COVID-19. The third pillar of CBS' continuing education programmes, the MBA programmes, has maintained its activity and position in the market compared to 2019, when viewed overall across the three MBA programmes.

Renewal of contracts of PhD students and temporary junior researchers

CBS decided in May 2020 to enable renewal of contracts for the PhD students, postdocs and assistant professors who experienced a setback in their research due to COVID-19. The Danish Employee and Competence Agency and the Danish Confederation of Professional Associations signed an agreement authorising this, and CBS followed suit with a model which, briefly described, aimed at making it possible for the researchers concerned to ask their head of department for a contract renewal. Based on the recommendation by the head of department, the Dean of Research then made the final decision about renewal. 47 PhD students and 16 postdocs and assistant professors have had their employment contracts renewed on these grounds.

COVID-19-related research

Despite having spent much time and many resources on reorganising their teaching and examination activities to on-line formats, CBS' researchers also found time to turn their curiosity and research to topics related to the current health crisis in the form of a long range of COVID-19-related research projects that are to shed light on the economic, social, behavioural and cultural consequences. These projects cover a wide field: What are the costs of the health crisis for the Danish society? How do businesses manage the uncertainties arising from a health crisis? How is misinformation about COVID-19 spread? What does the crisis en-

tail for the global supply chains? These and many more questions that CBS' researchers have turned to, will elucidate the current crisis and inform us as to how, as a society, we can manage future crises.

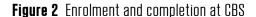
Externally funded research

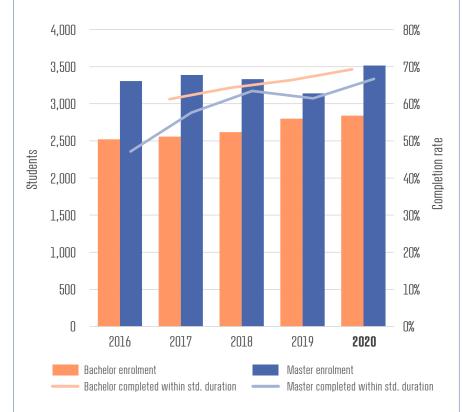
CBS has in 2020 experienced more activity with respect to externally funded research. The number of research project applications to external research funding institutions has gone up, as has funding granted to CBS.

CBS submitted a record-breaking number of applications in 2020. 382 applications were submitted to 74 different funding institutions, which is 30% more than in 2019 and close on 20% more than in 2018. 239 researchers across all departments have collaborated in proposals for projects concerning both research and education.

The increased external funding application activity at CBS resulted in an appreciable increase in grants provided in 2020, with funding equivalent to DKK 171 million being granted to CBS. By comparison, CBS received DKK 133 million in funding in 2019. This year's result is very close to the amount in the record year of 2018 and much higher than for a long time. Actually, 2020 is a record year since there has not been any large individual grants e.g. for centres of excellence or infrastructure.

Some of this remarkable result is probably related to many foundations having had extraordinary calls concerning COVID-19, but probably also an effect of the improved internal structures, procedures and quality assurance mechanisms for research project applications that CBS has been working on in recent years.





The completion rate reflects how many of the students enrolled completed their degree programme within the standard duration. In 2020, rates show, for instance, that around 67% of the master students admitted in 2018 have completed their degree programme within the standard duration. Approximately 8% had dropped out, and the rest of the students are still active after the standard completion date for the programme. The completion rate for bachelors is shown from 2017 and includes students admitted in 2014 or later, due to the shift to a new system.

Source: CBS

Publication of research

The quality of research can be described in different ways, yet the primary focus - both nationally and internationally - is on publication. Publishing research in recognised, peer-reviewed journals is a key quality parameter for all research institutions.

CBS recorded a 7% increase in 2020 in the total number of publications, but the development in selected high-quality journals and strategically selected journals is more interesting. CBS' particular focus is on the two most prestigious categories (category 4 and 4*) on the Academic Journal Guide (AJG) list, which is a list of recognised, peer-reviewed journals particularly of relevance to business schools. Moreover, CBS is monitoring developments in researchers' publications in journals or with publishing houses that each department has singled out as being strategically important in their field.

CBS' researchers have in 2020 published more scientific articles in the AJG list's top-two quality categories than in the preceding years. 111 articles in all were published in 2020. In 2017, 2018 and 2019, the numbers were 58, 88 and 86, respectively. The development in the share of peer-reviewed journal articles that are published in the department-specific journals defined in the departments' publication strategies, is reported in the Progress report on the strategic framework agreement for 2020.

Gender balance, diversity and inclusion

While there is a 50:50 gender balance among PhD students at CBS, it is 80:20 among professors in favour of men. This is why most of the initiatives to create a better gender balance have been directed particularly at boosting the share of woman professors, but some initiatives have also been implemented to increase the share of the underrepresented gender in both academic and administrative management positions across CBS. However, the gen-

der imbalance is still significant. This is the case for both academic and administrative staff. There are many more men than women on the academic staff whereas the opposite is the case with the administrative staff. This means that, when looking at CBS' staff composition overall, the picture of gender balance at CBS is misleading.

In 2020, the focus on the work on gender balance at CBS was intensified. Partly because it is now an explicit EU requirement that, to obtain funding from 2022 under Horizon Europe, universities must have a detailed and publicly available gender balance plan, partly because Universities Denmark along with other players have focus on this area.

As part of implementing the strategy at CBS, it was decided to appoint a working group to identify a number of key activities that can promote diversity and gender balance among researchers, students and administrative staff for the purpose of adopting an action plan in the summer of 2021.





As depicted by the so-called leaky pipeline, the share of female professors has remained largely the same from 2010 to 2020. The most positive development since 2010 is in female researchers' share of professorships with special responsibilities.

Note: The number is measured by reference to headcount. Source: CBS

Five portfolio areas

CBS annually carries out five business reviews of its key activities and assets that are submitted to and discussed with the Board of Directors and collegiate bodies. The areas analysed and documented are as follows:

- Staff portfolio, submitted to the Board of Directors on 30 April 2020
- Research portfolio, submitted to the Board of Directors on 3 June 2020
- Full-time programme portfolio, submitted to the Board of Directors on 11 September 2020
- Building portfolio, submitted to the Board of Directors on 12 November 2020
- Continuing education portfolio, submitted to the Board of Directors on 16 December 2020.

The above business inspections are evident from the published board material that is available here: https://www.cbs.dk/cbs/organisation/bestyrelse/moeder



The old police station from 1919 now houses innovative students who can develop ideas together using their different backgrounds.

Police stations turns into an innovation house

On 9 October, Station, a Student Innovation House, opened.

This is a completely new concept where students meet across programmes and institutions to find solutions to social challenges through collaboration and innovation.

Station, which is student-driven, is located in a building that used to be the Frederiksberg police station. The conversion has taken place in a close collaboration between students and CBS, and it was made possible by foundations donating a total of DKK 52 million, obtained by the students.

Read more about Station's visions, activities and partners here: https://station.dk/

CBS now reports on ESG key figures

ESG key figures – the abbreviation of Environmental, Social and Governance - are now reported in CBS' annual report along with the financial report and the progress report on CBS' strategic framework contract. The ESG key figures intend to put readers of the CBS annual report in a better position to screen CBS' impact – i.e. its environmental and climate impact and commitment to social and governance matters. These are, for instance, key figures for CBS' CO2 emission, sickness absence, energy consumption, gender diversity, etc.

Disclosing ESG key figures in CBS' annual report should be seen as a result of Senior Management's and the Board of Directors' desire and commitment to improving CBS' climate and social impact. Management intends to monitor developments in these key figures and annually discuss whether they give rise to measures.

To learn more about the sustainability of operations of CBS and the other universities, a project has been launched under the auspices of Universities Denmark where the universities work together on the following four main areas: a) A model environmental report, b) Green purchasing, c) A climate-friendly travel policy, and d) Sustainable construction and maintenance.

Strategic framework contract

In the report on CBS' strategic framework contract with the Danish Ministry of Higher Education and Science, you can read more about:

- Developments in CBS' publications in selected high-quality journals
- Developments in CBS' number of researchers and selected key recruitment indicators
- Developments in CBS' number of PhD students
- Developments in CBS' external research funding obtained
- Deployment of blended learning in teaching
- Students' assessment of feedback in teaching and developments in courses involving student-activating types of teaching
- Students' indication of study intensity
- Unemployment figures for CBS graduates
- Developments in flexible education programmes in continuing education
- The scale of research cooperation with external players
- Developments in CBS' start-up and incubator environment, Copenhagen School of Entrepreneurship (CSE).

INTERNATIONAL PROFILE



3

international accreditations

CBS is "Triple Crown Accredited" – meaning that we are accredited by EQUIS, AMBA and AACSB. This is an acknowledgement shared by less than 1% of business schools worldwide.

35

programmes in English

CBS offers a wide variety of full-time bachelor and master programmes taught in English.

295

partner universiteties

CBS has exchange agreements with 295 universities and business schools worldwide

1.255

exchange students

In 2020, CBS sent 1,255 students on international exchange and received 1,094 exchange students from all over the world.

3.844

full-degree students

28% of students at CBS are international.

97

student nationalities

Students from 97 different countries are enrolled at CBS.

300

international faculty members, full-time equivalent (FTE)

PROGRAMMES IN NUMBERS

= 100

Source: CBS and the Ministry of Higher **Education and Science**

Bachelor students

Applicants, first priority: 5.304

Total applicants:

15.624



2.841 Fnrolled:



Thereof women:

47%

Thereof men:

53%

2.006 Graduates:



Thereof women:

50%

Thereof men:

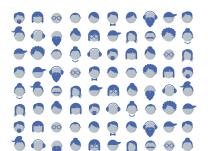
50%

Master students

Applicants, first priority: 8.019

Total applicants:

16.670



Enrolled:

3.516



Thereof women:

Thereof men:

49%

Thereof women:

ក្រុកក្កក្

\$ **1** 5 5 5 5 5

Thereof men:

3.233

Graduates:



48%

Background of students admitted:

- **58**% CBS
- 28% Foreign universities
- 14% Other Danish universities

Graduates employed:



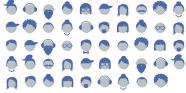
Private sector

Public sector

Diploma programmes/Master

Number of students:

4.943



Graduates:

1.110



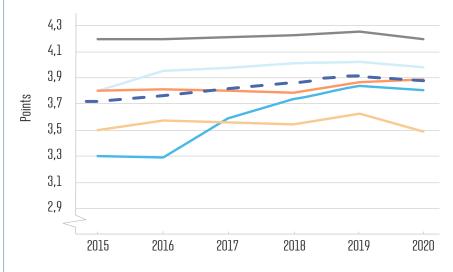
Thereof women:

Thereof men:



PROGRAMMES IN NUMBERS

Student satisfaction



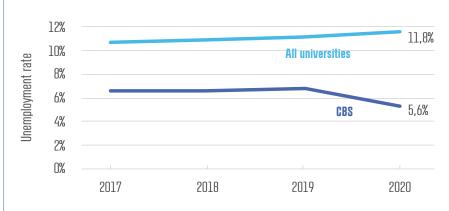
On a scale from 1 to 5, with the highest being 5:

- 4.2 Academic achievement
- 4.0 Recommendation
- **3.9** Average
- 3.9 Student environment
- 3.8 Administration
- 3.5 Teaching activities

The evaluation results should be viewed in the light of an unusual learning framework in 2020 because of COVID-19. Source: CBS

Unemployment rate for graduates

Calculated 4-7 quarters after graduation



Source: The Ministry of Higher Education and Science

Start-up of new businesses at CSE

Number of start-ups affiliated with Copenhagen School of Entrepreneurship per year





Due to COVID-19 restrictions, activity has been somewhat lower in 2020 than expected. Source: CBS

ACADEMIC STAFF IN NUMBERS

Number, recruitment and composition



654



Thereof women:



Thereof men:

61%

Source: CBS

Recruitment of academic staff

By category of position



professor

17

Tenure Track assistant professor

Teaching associate professor 15

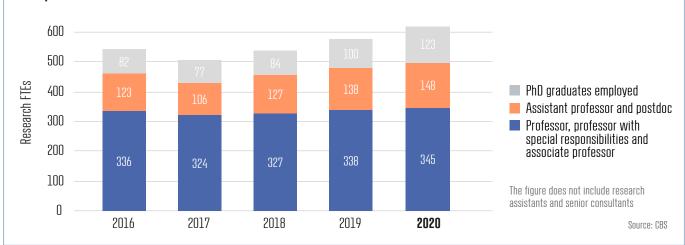
Associate professor

Professor with special responsibilities 5

Professor

Source: CBS

Composition of research FTEs



RESEARCH IN NUMBERS

Funding and publications

PhD degrees

By type



20 PhD fellows



6 Industrial PhDs



3 External students



2 Double Degree

Basic research funds

398

million

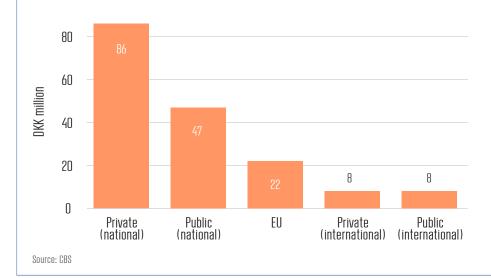


Externally funded research, activity

130 DKK million



Externally funded research, grants provided



Publications

Number of publications in categories 4* and 4 on the Academic Journal Guide list (AJG) and on the Financial Times 50 list (FT 50):



Progress report on the strategic framework agreement for 2020

In 2018, CBS entered into a strategic framework agreement with the Minister of Higher Education and Science for the period 2018 to 2021. CBS has started and completed a number of initiatives in the period from 2018 to 2020 in order to realise the five goals arranged in this framework agreement. The overall assessment is that headway has been made in realising these goals based on the initiatives launched and the results already achieved. Below, each goal is assessed, representing the conclusions from the progress report on the strategic framework agreement for 2020. The complete progress report is disclosed on cbs.dk/rammekontrakt.

Strategic goal 1: CBS wants to enhance the quality of CBS research

In 2020, CBS recruited 69 new researchers. This lifts the total number of researchers to 494 FTEs (includes only academic staff from the level of assistant professor to professor). So the total number of researchers has gone up by 16 FTEs on 2019 and by 61 FTEs on the baseline

The number of applications for research positions continues to increase. CBS uses shortlisting in quality assuring the recruitment process. Out of the total of 895 applications submitted to CBS in 2020 for research positions, 30% were shortlisted while 27% were subsequently considered qualified shortlisted applicants, resulting on average in 3.5 qualified applicants per position, which is 0.6 up on 2019 and 0.9 up on the baseline for qualified applicants. CBS therefore believes that the ongoing focus on quality in appointments and the related processes has the desired effect.

When it comes to research productivity and its quality, 2020 performed well. CBS has set as a goal to monitor developments in publications under the Academic Journal

Guide (AJG) prepared by the Association of Business Schools. This guide covers the majority of the most prestigious journals in CBS' academic fields. Across departments and fields, focus is particularly on publishing articles in the two most prestigious categories, 4 and 4*. CBS published 111 articles in 2020 on the AJG 4/4* list, which is a record high. The highest number so far was 88 articles in 2018. 53 out of the 111 articles were in the top category. This is the largest number ever.

The share of peer-reviewed articles that are published in department-specific journals which are defined in the departments' publication strategies, has declined from a share of 59% in 2019 to a share of 53% in 2020. Here, CBS believes that there is a direct connection between the higher number of articles published in the most prestigious categories and the lower number of peer-reviewed articles in general. Publishing an article in an AJG 4/4* journal typically involves much work and takes longer, which is why the result of aspiring for the highest level of research quality may be that slightly fewer peer-reviewed articles are written. In terms of BFI points per research FTE, these, however, have increased from 2.9 in 2019 to 3.2 in 2020. Yet the number is still below the baseline of 3.6 from 2017. CBS does not consider this a problem. As described above, this presumably reflects CBS' focus on publishing articles in the most prestigious journals and so a consequence of CBS' focus on quality rather than productivity in the research publication strategy.

Strategic goal 2: CBS wants to enhance the relevance of CBS research

In 2020, CBS obtained around DKK 171 million in external research funding. This is very close to the amount in the record year of 2018 and much higher than for a long time. Actually, 2020 is a record year since there has not been any large individual grants e.g.

for centres of excellence or infrastructure. The composition of the grants is so that half of them - DKK 85.7 million - are made by Danish private foundations, particularly the Carlsberg Foundation, Velux Fonden and collaboration with a number of pension funds. To this amount should be added DKK 47.4 million from Danish public foundations, particularly Independent Research Fund Denmark, while the EU has contributed DKK 22.4 million. The number of Danish public foundations attracted has gone down compared to 2019 whereas the amount of EU funds attracted has grown. The remaining around DKK 15 million has been provided by private and public international foundations.

The inflow of funds defined as prioritised funds from prestigious research programmes was lower in 2020 than in 2019. Thus, the inflow fell from just over DKK 54 million in 2019 to DKK 43 million in 2020. The funds were provided primarily by the Carlsberg Foundation and Independent Research Fund Denmark. However, behind this development is the fact that, in 2020, CBS took considerable action in increasing the number of applications for Marie Curie and ERC grants while there was no round with the Danish National Research Foundations. CBS has also launched initiatives to coordinate and increase applications for excellence funds across source types and programmes. CBS has also recorded an increase in the inflow of grants accommodated within the departments' specific strategies (which have a wider range than the overall focus on excellence funds) from DKK 94.4 million in 2019 to DKK 98.3 million in 2020. So the chances of external funding fulfilling the strategic goal are good.

Strategic goal 3: CBS wants to improve students' learning outcomes

CBS' focus is to improve students' learning outcomes. For some years now, CBS has been in the process of changing over from growing by student numbers and developing by introducing new programmes to focusing on developing, changing and improving the existing ones. In this process, requirements have in 2020 been imposed on all programmes to implement a strategy for blended learning that will lead to more blending learning courses. All programmes need not be the same, nor be developed in the same manner, yet they all need to be developed and have a clear pedagogical plan.

This strategic goal has obviously been affected by COVID-19 since all teaching had to be changed overnight to take place entirely on-line. On the one hand, the strategic effort meant that we were not quite unprepared for this type of teaching and had experience with the necessary technical and didactic support, but on the other hand, we were also presented with a forced transition to on-line teaching that did not meet our aims for increased focus on learning and use of on-line teaching as a supplement to attendance-based teaching with better opportunities for interaction and dialogue. It remains a goal in the longer term to maintain attendance-based teaching as a key element, yet in a changed form so that the contact between teacher and student is used as expediently as possible.

COVID-19 has caused the share of courses with online elements to skyrocket, as have the number of course activities to develop the capabilities of teachers to handle different on-line teaching programs etc. Apart from this special situation, there has been a slight increase in the planned courses with blended learning elements and generally with a good outcome. However, new initiatives and incentives need to be looked at as well to ensure further development also after COVID-19. The students' own evaluation of how many hours a week they spend on actual studying has declined a little in 2020. This is not surprising in a year with COVID-19, on-line teaching and virtual group work. Actually, a reduction of just one hour indicates that the students have continued to perform well despite difficult conditions. Feedback is one of the key tools in improving students' learning. CBS has decided that, in 2021, all courses will include an element of feedback during the year and not just

at the end of the course. To raise the learning level as much as possible, CBS has focus on continuous feedback during each course, directly aimed at enhancing students' learning throughout the course. On a scale from 1 to 5, students' rating of whether their programme included feedback elements has gone from 3.55 in 2017 to 3.74 in 2020.

Strategic goal 4: CBS wants to provide students with relevant skills

The previously decided phase-out of the business language programmes at CBS is now almost complete. A few programmes are offered by University of Copenhagen, assisted by CBS, whereas the rest has been phased out and in part replaced with programmes with a clear business economics profile. The interest shown in CBS' programmes, including the newly developed ones, and graduates' unemployment rate are still most satisfactory, although the latter has gone up a little from 6.6% in 2019 to 6.8% in 2020. CBS' target of having an unemployment rate for graduates below that of other Danish universities has been met. A few programmes are still experiencing an unemployment rate for graduates that is not up to CBS' expectations. These programmes are monitored closely, and together with programme management their content and form are examined as well as any opportunities to help graduates find a job. Finally, we constantly evaluate the size of the intake and ultimately whether the programme should continue.

CBS is Denmark's largest provider of part-time business programmes. CBS' new flexible Master in Business Development programme aimed at private sector employees that was introduced in 2018 continues to expand in courses and students, and we consider it a key element in adults' life-long learning opportunity. The number of student FTEs has gone up from 30 in 2018 to 68 in 2020. The new framework of the diploma programme has enabled us to present a new and more flexible choice of courses in 2020. We expect that a relaunched diploma programme will accommodate a needed part-time programme at bachelor level that is also a key element in the range of opportunities for flexible life-long learning. The influx of diploma programme applicants in 2020 shows that many years of slow decline has been reversed and interest is on the rise. CBS offers five different corporate part-time master programmes. The opportunity to again have free part-time programmes for accountants remains a success with many students whereas the demand for the other E-business and Master of Science in Economics and Business Administration programmes has been quite modest. The number of FTEs on the corporate part-time master programmes has gone up from 191 in 2019 to 247 in 2020. There are not yet many bachelors on the labour market, and since relatively newly qualified bachelors in jobs are considered to be the primary target group for the corporate part-time master programmes, it is a bit early to predict their potential.

Strategic goal 5: CBS wants to strengthen collaboration with the surrounding society

The number of formal partnerships increased from 52 in 2019 to 56 in 2020. Besides the already well-established collaboration with major Danish businesses, CBS has in 2020 continued developing and strengthening relationships with small and medium-sized enterprises (SMEs). CBS' partner programme is still directed at SMEs with Growth Partnership. Through the EU-funded Øresund Match project, CBS intends to further enhance the ability to have valuable knowledge transfer partnerships with knowledge institutions and SMEs in the Øresund region. Expectations are that that first partnerships will begin in 2021.

In 2020, CBS has further developed and stepped up its work with students committed to starting their own business. In recent years, the number of start-ups attending training activities through Copenhagen School of Entrepreneurship (CSE) has soared. The aim of CBS has been to link students' experience from starting their own business more closely to academic learning in the programme so that the two elements may support each other. This is done by way of greater integration in courses and a heavy increase in the number of students who have taken an internship with a start-up. The many startups completing the CSE courses also enable CBS to be informed purely researchwise as to what is the driver of entrepreneurship and what teaching activities might promote this. CBS is measuring the inflow of new externally funded research projects with external partners (public as well as private). Compared to 2019, collaborative research projects have gone from 35 to 61. The primary reason for this increase is probably that there was a problem related to registering such projects in 2019. This problem was solved in 2020, and so the number for 2020 is again closer to the baseline.

ESG key figures

As a new element, CBS has this year opted to report ESG key figures – abbreviation of Environmental, Social and Governance. The ESG key figure overview discloses data on CBS' environmental and climate impact and on social and governance matters. The ESG key figures have been compiled using the guide issued by FSR - danske revisorer, Nasdaq and The Danish Finance Society/CFA Society Denmark 1.

By publishing these ESG key figures, CBS wants to put focus on corporate social responsibility and sustainability. CBS has as its strategic objective to be a responsible

educational institution. This does not only apply in a staff and student perspective but also in a social perspective. That is why CBS is working regularly on improving initiatives aimed at reducing negative impacts on the environment and the climate, as well as on social conditions and on strengthening sound governance in the organisation.

Below are CBS' ESG key figures for 2020 and 2019 (the method used to compile each indicator is disclosed on the following pages). The overview will serve as a framework for future reporting and thus enable yearly monitoring of CBS' developments and progress in the

key figures selected. Consistently with the guide, CBS has added two key figures that are specific to CBS as an educational institution. These are '2.7 Dropped out on first year of BA programme' and '2.8 Dropped out on first year of master programme'. Also, CBS has decided not to use the standard key figure for customer satisfaction since this figure is not considered relevant for CBS, as it does not as such service customers.

1) ESG key figures in the annual report - Better ESG data, better insight, better investments, Finansforeningen/CFA Society Denmark, FSR - danske revisorer and Nasdaq, June 2019 (updated December 2020).

ESG KEY FIGURE OVERVIEW

	Environmental - climate and environmental data	Unit	2020	2019
1.1	CO2e Scope 1	mtu	30 tonnes	24 tonnes
1.2	CO2e Scope 2	mtu	1,186 tonnes	1,807 tonnes
1.3	Energy consumption	MWh	12,184 MWh	13,761 MWh
1.4	Renewable energy share	%	80%	80%
1.5	Water consumption	m3	19,585 m3	33,013 m3
	Social - social data	Unit	2020	2019
2.1	Full-time workforce	FTEs	1,562	1,533
2.2	Gender diversity	9/0	49%	50%
2.3	Gender diversity for other management levels	%	29%	30%
2.4	Gender pay ratio	Times	1.14	1.16
2.5	Employee turnover rate	%	3.5%	3.8%
2.6	Sickness absence	Days/FTE	6.7	7.1
2.7	Dropped out on first year of BA programme	%	11.3%	10.7%
2.8	Dropped out on first year of master programme	%	4.9%	4.9%
	Governance - governance data	Unit	2020	2019
3.1	Gender diversity on the Board of Directors	%	46%	36%
3.2	Board meeting attendance rate	%	96%	95%
3.3	CEO pay ratio	Times	2.8	2.9

METHODS USED TO CALCULATE ESG DATA

	Environmental – climate and environmental data	Unit	Method
1.1	CO2e Scope 1	mtu	Scope 1 emissions result from the company's own combustion of fuels and materials. In the period under review, the emissions are from one diesel car and one oil-fired boiler. CBS-owned electric cars are not included as their emissions are covered by Scope 2. Mileage and oil consumption are converted into CO2 emission in metric tonnes. This figure also includes CO2 equivalents for CH4 and N2O. The emission factors are derived from the Danish Energy Agency and GOV.UK.
1.2	CO2e Scope 2	mtu	Scope2 emissions result from the company's energy consumption from external sources. At CBS, the emissions are from district heating and electricity. Energy consumption is converted into CO2 emission in metric tonnes. This figure also includes CO2 equivalents for CH4 and N2O. The emission factors are from the year prior to the financial year since the declarations from Hofor and Energinet are prepared in the subsequent ye
1.3	Energy consumption	MWh	Consumption relates to rented, owned and subleased space. The figures a derived partly from Minenergi2, which collects remotely read meter data partly from Ørsted Regningsservice.
1.4	Renewable energy share	0/0	Renewable energy sources in connection with the production of district heating and electricity. The district heating share is evident from the annual environmental declaration from Hofor. According to the contract with
			Ørsted, CBS only receives green electricity (from offshore wind parks in Denmark and the UK).
1.5	Water consumption	m3	Ørsted, CBS only receives green electricity (from offshore wind parks in Denmark and the UK). Water consumption of owned, rented and subleased properties. The figurare derived from Minenergi2, which collects remotely read meter data.
1.5	Water consumption Social - social data	m3 Unit	Denmark and the UK). Water consumption of owned, rented and subleased properties. The figur
	·		Denmark and the UK). Water consumption of owned, rented and subleased properties. The figur are derived from Minenergi2, which collects remotely read meter data.
2.1	Social - social data	Unit	Denmark and the UK). Water consumption of owned, rented and subleased properties. The figur are derived from Minenergi2, which collects remotely read meter data. Method Realised working hours in Statens Lønsystem (State Salary System). All staff (academic, part-time academic, technical and administrative staff).
2.1	Social - social data Full-time workforce	Unit FTEs	Denmark and the UK). Water consumption of owned, rented and subleased properties. The figur are derived from Minenergi2, which collects remotely read meter data. Method Realised working hours in Statens Lønsystem (State Salary System). All staff (academic, part-time academic, technical and administrative staff). Working hours include both permanently employed and hourly staff. Realised working hours in Statens Lønsystem (State Salary System). All
2.1	Social - social data Full-time workforce Gender diversity Gender diversity for	Unit FTEs	Denmark and the UK). Water consumption of owned, rented and subleased properties. The figurare derived from Minenergi2, which collects remotely read meter data. Method Realised working hours in Statens Lønsystem (State Salary System). All staff (academic, part-time academic, technical and administrative staff). Working hours include both permanently employed and hourly staff. Realised working hours in Statens Lønsystem (State Salary System). All staff (academic, part-time academic and technical staff) by gender in %. Formula: Gender diversity for other management levels = ((Women in management)/(All FTEs in management)) * 100. Management levels comprise: Senior Manage-

METHODS USED TO CALCULATE ESG DATA

	Social - social data	Unit	Method
2.6	Sickness absence	Days/ FTE	Formular: (No. of sick days for all own FTEs for the period)/(Total FTEs). Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included.
2.7	Dropped out on first year of BA programme	%	Formula: Total (dropped out BA programme year)/Total (admitted BA programme year-1). Source: STADS
2.8	Dropped out on first year of master programme	%	Formula: Total (dropped out master programme year)/Total (admitted master programme year-1) Source: STADS
	Governance - governance data	Unit	Method
3.1	Gender diversity on the Board of Directors	%	Board members entitled to vote, i.e. all 11 members of the Board of Directors. Formula: Woman board members/All board members
3.2	Board meeting attendance rate	%	Formula: Number of board meetings attended per board member/ All board members (11 members). Basis: Minutes of board meetings (cbs.dk).
3.3	CEO pay ratio	Times	Formula: CEO compensation/Median staff salary. Realised salary in Statens Lønsystem (State Salary System) for 2020 has been used as data. Full-time salary has been calculated for the year based on the December salary. Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included. Remuneration of each staff member is then added to the calculated full-time salary for 2020.

Financial results

IMMAR

CBS closes 2020 with a profit of DKK 80 million, which is DKK 22 million up on 2019 and DKK 58 million over the budget. The reason for this change is that, overall, income ended up standing at budget level whereas there had been a considerable reduction in expenses predominantly due to COVID-19.

Income

CBS' primary source of income is performance-based funding which amounted to DKK 660 million in 2020, up DKK 22 million on last year. The increase is a result of higher funding of around DKK 10 million to boost enrolments on full-time programmes following the COVID-19 pandemic and a small rise in student activity compared to 2019.

In 2020, income from basic research funding and other government funding stands at DKK 475 million, which is DKK 17 million up on 2019. Basic research funding has increased by close on DKK 12 million, mainly caused by an increase in CBS' performance-based share of basic research funding for the universities. Other government funding has gone up primarily because of an extraordinary grant for cleaning related to COVID-19.

Income from externally funded research is governed by CBS' activity (consumption) on the relevant projects. The activity in 2020 was DKK 130 million, which is DKK 3 million down on 2019. At year-end 2020, CBS had total residual grants of DKK 354 million in respect of in-progress projects, which is DKK 40 million up on 2019.

Students' tuition fees decreased by DKK 4 million from 2019 to 2020 to now stand at DKK 161 million. This is primarily attributable to lower activity due to COVID-19.

More than half of the decrease can be explained by a decline in activity on International Summer University Programmes (ISUP) and fewer third-country students who pay full tuition fees for their education in Denmark.

Finally, income from other activities has gone down by DKK 10 million and now stands at DKK 22 million. Other income is composed of income from "Conferences, awards and gifts", "Sale of goods and services", "Government cooperation" and "Other income". There has been a decline in income from alle of these items, which is a result of a lack of activity due to COVID-19.

Expenses

CBS' most significant expense item is payroll and payroll-related costs, which, with DKK 942 million, account for around two-thirds of total expenses. Total payroll costs have increased by DKK 23 million on last year – an increase primarily explainable by a continued planned rise in the number of academic staff FTEs. There has been a 1.4% rise in technical-administrative staff, which is on a par with the general pay adjustment in the Danish state sector. Other pay elements have decreased by DKK 6 million because a provision for compensated absence following adjustments to the new Danish Holiday Act was made in 2019.

Table 1 The financial statements in financial highlights

DKK ,000	2018	2019	2020
Operating income	1,357,529	1,426,254	1,447,412
Profit	13,740	58,425	79,679
Assets	1,416,056	1,473,698	1,590,545
Equity	312,735	371,160	450,838

Source: CBS

Operating expenses have gone down by DKK 16 million to stand at DKK 384 million in 2020. The largest item is "Rent and operation of buildings", totalling DKK 175 million in 2020 - DKK 2 million more than in 2019. In 2019, the second-largest item was "Conferences and business trips", however, COVID-19 has had a quite explicit impact on this item in that it went from DKK 49 million in 2019 to DKK 17 million in 2020. Other major items besides rent and operation of buildings have in 2020 been "IT equipment and software", "Office expenses" and "Books, journals, databases, printing, etc.". Among these items, only "IT equipment and software" varies considerably from 2019. The item has gone from DKK 43 million to DKK 54 million because of the replacement of computers for examination purposes and in classrooms, replacement of network, and purchase of equipment to be used for on-line teaching and to set up home offices.

The cost of capital in 2020 decreased to DKK 41 million, which is DKK 7 million down on 2019. The primary explanation for this is that CBS has refinanced some mortgage loans and, in doing so, achieved financial expense savings.

Outlook

The budget for 2021 is influenced by the uncertainty as to how long COVID-19 will affect CBS' level of activity. CBS has decided to draw up the 2021 budget assuming that the level of activity in society will be more normal from September 2021.

Total income is expected to go up by close on 2% in 2021 and to land at DKK 1,471 million. Income in 2020 has been robust to the impact of COVID-19, and this is expected to continue in 2021.

In the budget, total expenses are estimated to increase by 6% so as to reach DKK 1,450 million.

2021 is expected to see a profit of DKK 20 million.

Besides the general development in payroll and expenses, an expected rise in the number of FTEs and an increase in operating expenses are what explain the growth in expenses. The fact that operating expenses are going up has e.g. to do with the expectation that travel and conference activities, office expenses, etc. will normalise in the second half of the year.

As regards the balance sheet, CBS expects to pay in frozen holiday pay in 2021, which is expected to cause a cash outflow in the order of DKK 75 million.

In addition to the fiscal year, CBS regularly develops a forecast for three plan years. CBS has in recent years accumulated solid equity which stands at DKK 451 million at year-end 2020. This is somewhat higher than the calculated minimum equity of DKK 266 million. This will permit allocation of funds for strategic initiatives in the multi-annual budget for purposes of supporting the implementation of CBS' new strategy. As a consequence of this emphasis and the continued focus on the strategic building of staff capacity, CBS' forecast is a loss for the plan years 2022 to 2024. Expectations are that this allocation will cause equity at year-end 2024 to stand at DKK 346 million.

Financial statements

INCOME STATEMENT

		2020	2019
	Note	(DKK'000)	(DKK'000)
Performance-based funding		660,205	637,956
Basic research funding and other government funding		474,858	458,031
Externally funded projects		130,020	132,809
Tuition fees paid by students		160,594	165,060
Other income	2	21,735	32,398
Total operating income		1,447,412	1,426,254
Payroll costs	3	942,358	919,571
Rent and real property tax		104,060	97,788
Operation and maintenance of buildings		70,537	74,956
Other operating expenses	4	209,902	227,881
Total operating expenses		1,326,857	1,320,196
Profit before amortisation/depreciation and net financials		120,555	106,058
Depreciation of buildings	5	25,002	26,642
Depreciation of non-current assets, excl. buildings	5	5,037	5,912
Profit before net financials		90,516	73,504
Financial expenses		10,837	15,079
PROFIT FOR THE YEAR		79,679	58,425

BALANCE SHEET

ASSETS		31/12/2020	31/12/2019
	Note	(DKK'000)	(DKK'000)
ITT.		2.004	((20
IT systems, licences, etc.		3,994	6,628
Total intangible assets	5	3,994	6,628
Land and buildings		1,016,240	983,236
Leasehold improvements		89,878	97,107
Assets under construction		98,275	83,718
IT equipment, etc.		2,124	3,748
Total property, plant and equipment	5,6	1,206,517	1,167,809
Investments		5,479	5,479
Rent deposits		32,691	32,562
Total investments	5	38,170	38,041
Total non-current assets	5	1,248,681	1,212,478
Trade receivables		14,881	11,267
Receivables from current grants		29,851	39,875
Other receivables		16,468	8,446
Prepayments		10,029	10,377
Total receivables		71,229	69,965
Cash		270,635	191,255
Total current assets		341,864	261,220
TOTAL ASSETS		1,590,545	1,473,698

BALANCE SHEET

EQUITY AND LIABILITIES		31/12/2020	31/12/2019
	Note	(DKK'000)	(DKK'000)
Equity		450,839	371,160
Total equity		450,839	371,160
Provisions	9	22,744	21,590
Government loans	6, 8	188,536	188,536
Mortgage debt	6, 7, 10	404,416	441,524
Balance with the government		12,255	12,255
Construction donations	11	46,781	
Frozen holiday pay		74,313	
Total long-term liabilities other than provisions		726,301	642,315
Current portion of long-term liabilities other than provisions	7, 10, 11	38,693	36,717
Trade payables		40,348	31,038
Compensated absence commitment		37,685	107,106
Prepayments received, current grants		116,090	92,050
Other short-term liabilities		36,686	39,365
Deferred income		121,159	132,357
Total short-term liabilities other than provisions		390,661	438,633
Total liabilities other than provisions		1,116,962	1,080,948
TOTAL EQUITY AND LIABILITIES		1,590,545	1,473,698

Reference is also made to the following three notes:

Note 12: Contractual obligations

Note 13: Unspent funding, research projects

Note 14: List of accumulated profit/loss from income-generating activity

CASH FLOW STATEMENT

	2020	2019
	(DKK'000)	(DKK'000)
Profit for the year	79,679	58,425
Amortisation, depreciation and other non-cash operating items	34,118	36,091
Increase/decrease in receivables	-1,264	-1,625
Increase/decrease in short-term liabilities other than provisions	72,110	31,176
Increase/decrease in provisions	1,154	-430
Cash flows from operating activities	185,797	123,637
Investments in intangible assets	-464	-4,984
Investments in property, plant and equipment	-65,658	-34,185
Investments in financial assets	-129	229
Cash flows from investing activities	-66,251	-38,940
Repayment of mortgage debt	-40,166	-35,066
Cash flows from financing activities	-40,166	-35,066
Total increase/decrease in cash and cash equivalents	79,380	49,631
Cash and cash equivalents at 1 January	191,255	141,624
Cash and cash equivalents at 31 December	270,635	191,255

STATEMENT OF CHANGES IN EQUITY

	2020	2019
	(DKK'000)	(DKK'000)
Equity at 1 January	371,160	312,735
Retained earnings	79,679	58,425
Other adjustments		-
Equity at 31 December	450,839	371,160

CBS' plan in the years ahead is to allocate funds to support the implementation of its new strategy. Expectations are that this allocation will cause equity at year-end 2024 to be reduced to DKK 346 million. This is described in more detail in the section "Financial results".

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Accounting policies

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the Danish State Accounting Act, Ministerial Order no. 116 of 19 February 2018 on state accounting etc., the Financial Administrative Directions prepared by the Ministry of Finance, Ministerial Order no. 778 of 7 August 2019 on the University Act, Ministerial Order no. 1021 of 24 June 2020 on funding and auditing etc. at universities as well as the directions and instructions on financial statements issued by the Danish Ministry of Higher Education and Science, and including the Agency for Institutions and Educational Grants (state accounting rules).

The annual report is presented in DKK thousands and has been prepared on a cost basis. The accounting policies used in the preparation of the financial statements are consistent with those of previous years, with the exception of a few reclassifications.

Basis of recognition and measurement

Assets are recognised in the balance sheet when they are expected to be used for more than one financial year and can be measured reliably. Liabilities are recognised in the balance sheet when they are more likely than not to occur and can be measured reliably.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction. Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised foreign exchange gains and losses are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

Income

Government funding allocated directly to CBS is recognised as income in the year to which it relates. Government funding, including estimated performance-based income, is received as monthly amounts on account based on estimated student FTEs. In October, the actual number of student FTEs is computed, and the amounts received in the last months of the year are adjusted accordingly.

External grants and donations subject to specific conditions are recognised as income as costs are incurred. External grants and donations that are not subject to specific conditions are recognised as income when received.

Tuition fees for part-time education/Open Education programmes and income from other sales or renting are recognised as income in the year to which the income relates.

Expenses

Expenses are recognised in the year to which they relate; goods and services are recognised at the time of delivery.

Financial expenses comprise interest, fees, etc. relating to loans and amortisation of capital losses in connection with loan refinancing. If the refinancing results in a capital loss of 10% or more, the capital loss is written off, whereas the loss is distributed over the remaining life of the rescheduled loan if it is lower than 10%.

Tax liability

CBS is not liable to tax.

BALANCE SHEET

Within the framework of the Ministerial Order, CBS has decided the following:

- The lower threshold for recognition of non-current assets is DKK 100,000.
- · Assets are not lumped.
- · Cost and production inventories are not capitalised.
- New buildings put into service before 2011 are depreciated over 100 years, completely renovated buildings put into service before 2011 are depreciated over 80 years, other buildings are depreciated over 50 years from the date they are put into service. Buildings put into service after 1 January 2011 are depreciated over 50 years.

A materiality threshold of DKK 100,000 has been set for the recognition of isolated improvements.

Non-current assets

Assets are measured at cost less accumulated amortisation/depreciation and impairment losses. Amortisation/depreciation is provided using the straight-line method, and residual values are not taken into account. Government rules do not allow other methods of accounting.

Intangible assets comprise completed development projects, patents, acquired concessions, licences, etc.

Intangible assets are amortised from the date they are put into service over the following useful lives:

- Proprietary IT systems: 8 years
- · Improved standard IT systems: 5 years
- Patents: Life of rightIT-licenser/software: 3 årLicenser, hvor varighed

er kontraktligt fastsat: Licensens levetid

Development projects are capitalised when approved by CBS' Senior Management as being of strategic value and representing significant size and life.

Internal time spent on the development of proprietary assets is capitalised only if the project is considered to be of strategic importance for CBS or has a value exceeding DKK 10 million.

Internal resources in the form of salaries, etc. spent during the development phase are recognised when they make up a significant share of total development costs and add real value. Production overheads are recognised to the extent that they can be defined and attributed to the project in a reasonable and consistent manner.

Educational and research activities are not capitalised, except for activities that are defined and identifiable and in respect of which the technological and commercial feasibility/a potential market can be demonstrated.

Patents are measured as completed development projects. The cost includes external costs incurred to test innovations and register patents. The right is amortised over its actual useful life.

Acquired concessions, licences, etc. primarily comprise software licences. These are recognised at the value of any one-off payments on acquisition and the value of payments covering more than one year.

Property, plant and equipment comprise land and buildings, leasehold improvements (premises completed or under construction), plant and machinery, transport equipment, IT equipment, other tools and equipment and assets under construction.

Items of property, plant and equipment are depreciated from the date they are put into service over the following useful lives

Buildings put into service before 2011:

Property improvements/complete renovations

New buildings

-	roperty improvements/complete renovations	oo years
•	Other buildings	50 years
	Buildings put into service after 1 January 20	11: 50 years
•	Installations	20 years
•	Leasehold improvements	10-20 years
•	Plant and machinery	10 years
•	Other equipment	5 years
•	IT (hardware, audio-visual equipment, etc.)	3-5 years

Land is not depreciated.

· Tools and equipment

Property improvements

Library material collections are not capitalised.

As a rule, art collections are not capitalised. However, there are cases where art is part of plant acquired and where this follows from circular no. 9067 of 17 February 2004 on artistic decoration of government constructions etc.

10-20 years

The cost of land and buildings includes finance costs, see the letter dated 19 December 2011 from the Danish Agency for Higher Education.

The cost of installations made prior to or in connection with the occupation of own buildings is set at 10% of the original property value. Subsequent installations above DKK 100,000 are recognised at cost or at 10% of total property renovation costs when it is difficult to make a reliable segregation.

Leasehold improvements are recognised if the costs are paid by CBS, the future rent is not affected by improvements, and if they are major, fixed improvements above DKK 100,000. Tools and equipment and IT (hardware, audio-visual equipment, etc.) acquired in connection with the occupation of new leases are capitalised if the total amount of tools and equipment and IT, respectively, exceeds DKK 100,000. IT and tools and equipment acquired for existing leases are not lumped and are generally recognised in the income statement.

The cost of assets under construction includes direct materials, time spent, components, sub-supplier services and finance costs as well as a portion of production overheads when they are clearly defined and can be attributed to the project in a reasonable and consistent manner. The final cost and classification are determined upon completion of the construction.

Investments comprise equity investments and other securities.

Receivables and balances falling due after at least one year are recognised under "Investments" as well. Investments are measured at cost.

Current assets

Current assets comprise trade receivables, other receivables, research grants not yet received from the funding provider, and prepayments.

Receivables are recognised at the nominal amount less provisions for bad debts. All significant receivables are assessed separately.

Prepayments recognised in other receivables comprise prepaid expenses regarding subsequent reporting years (insurance premiums, prepaid wages and salaries, etc.).

Liabilities

100 years

80 years

3-5 years

Liabilities comprise provisions, long-term liabilities (government loans, mortgage debt, construction donations and frozen holiday pay) and short-term liabilities.

Government loans and mortgage debt are measured at amortised cost, which implies that government loans are measured at the nominal debt outstanding.

Short-term liabilities are measured at net realisable value.

Deferred income comprises payments received concerning income in subsequent reporting years and prepaid restricted grants.

Research grants received from funding providers are recognised as deferred income and recognised under "Received prepayments, current grants" and are taken to income as project expenses are incurred.

Provisions are recognised when, at the balance sheet date, the institution has a legal or constructive obligation and it is probable that the obligation is to be settled. Provisions are measured at net realisable value.

Off-balance sheet items

Off-balance sheet items comprise information about contingent liabilities, contractual obligations and residual grants in respect of ongoing research projects.

Significant liabilities in the form of leases and rent agreements are disclosed under "Contractual obligations". Only leases, etc. with a term of more than 12 months are disclosed. Any significant pending lawsuits brought against CBS whose outcome cannot be assessed at the time of the financial reporting are disclosed under "Contingent liabilities".

CASH FLOW STATEMENT

The cash flow statement shows CBS' net cash flows for the year, the year's changes in cash and cash equivalents, and cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are stated as the profit or loss for the year adjusted for non-cash operating items, changes in receivables and short-term liabilities.

Cash flows from investing activities comprise payments related to additions and disposals of non-current assets and securities related to investing activities.

Cash flows from financing activities comprise borrowings and repayments of debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

FINANCIAL STATEMENTS ACCORDING TO PURPOSE

In the financial highlights and the supplementary information, expenses are classified according to purpose, using the guidelines issued by the Ministry of Higher Education and Science. Expenses that are not directly attributable to the purposes stated are distributed on a cost allocation basis.

Note 2 Other income

	2020:	2019
Conferences, awards and gifts	253	2,679
Sale of goods and services	8,900	10,529
Government cooperation	6,511	8,922
External funding	2,831	6,535
Other income	3,240	3,733
Total	21,735	32,398

Note 3 Payroll costs

	2020	2019
Full-time academic staff	455,038	429,506
Part-time academic staff	105,806	107,529
Technical and administrative staff	372,287	367,304
Shared payroll costs	9,227	15,232
Total	942,358	919,571

Executive remuneration, Board of Directors	2020	2019
Number of external members of the Board of Directors	6	6
Remuneration paid to the Chairman	217	214
Total remuneration paid to other external members of the Board of Directors	356	340

In 2019, there was a three-month vacancy period among the external members of the Board.

Executive remuneration, Senior Management	2020	2019
Nikolaj Malchow-Møller	1,663	1,247
Gregor Halff	1,347	1,289
Søren Hvidkjær	1,377	1,372
Kirsten Winther Jørgensen	1,407	1,560

Total annual salary, including pension, at 31 December 2020/2019. No variable pay elements or one-off payments have been disbursed to Senior Management in 2020. In 2019, variable pay elements and one-off payments accounted for 3.2% of total salaries to members of Senior Management in the table. Only members of Senior Management still employed in 2020 are included for 2019. Nikolaj Malchow-Møller took office on 1 March 2019, and the salary for 2019 represents the period from 1 March 2019 to 31 December 2019.

Note 4 Other operating expenses

	2020	2019
Conferences and business trips	16,975	49,116
Office expenses	44,090	43,752
Consultants (for research and educational purposes and technical and management consultants)	42,715	29,085
IT equipment and software	53,940	42,759
Books, magazines, etc.	35,370	34,721
Other	16,812	28,448
Total	209,902	227,881

Note 5 Non-current assets

Intangi	ble assets		Leasehold improve- ments	Assets under construc- tion	IT equip- ment	Tools and equip- ment		Invest- ments	Tota
Cost at 01/01/2020	25,265	1,253,523	147,895	83,718	33,302	-	-	38,041	1,581,744
Reclassification	-	-	-	-	-16,782	16,116	666	-	
Additions during the year	464	8,654	1,071	56,188	-	-	234	129	66,740
Transfers during the year	-	41,631	-	-41,631	-	-	-	-	
Disposals during the year	-2,686	-	-	-	-	-	-	-	-2,686
Cost at 31/12/2020	23,043	1,303,808	148,966	98,275	16,520	16,116	900	38,170	1,645,798
Accumulated amortisation/depreciation at 01/01/2020	18,637	270,286	50,789	-	29,553	-	-	-	369,266
Reclassification	-	-	-	-	-13,612	12,989	623	-	
Amortisation/depreciation for the year	2,599	17,281	8,299	-	578	1,228	51	-	30,03
Disposals, accumulated amortisation/depreciation	-2,187	-	-	-	-	-	-	-	-2,18
Accumulated amortisation/depreciation at 31/12/2020	19,049	287,570	59,087	-	16,521	14,217	674		397,11
Cost at 31/12/2020	3,994	1,016,238	89,878	98,275	0	1,899	226	38,170	1,248,68

Note 6 Land, buildings and leasehold improvements (excl. premises under construction)

	Carrying amount of land at 31/12/2020	Carrying amount of building at 31/12/2020	Total carrying amount at 31/12/2020	Mortgage loans	Government loans	Public land assessment value 2019
Howitzvej 11-13	3,336	26,056	29,392	34,039	-	32,500
Howitzvej 60	10,692	30,012	40,704	26,282	5,661	77,000
Solbjerg Plads 3	60,313	409,591	469,904	190,835	119,385	728,000
P. Andersens Vej	3,843	5,875	9,718	4,143	1,051	-
Kilevej 14A	34,158	228,151	262,309	141,341	56,281	417,000
P. Andersens Vej	14,636	-	14,636	3,448	-	46,000
Porcelænshaven 7	1,979	7,243	9,222	-	-	8,900
Construction of space at Solbjerg Plads	-	5,260	5,260	-	6,158	-
Porcelænshaven 22	2,429	96,957	99,386	42,066	-	42,000
St. Blichersvej 22	1,847	6,526	8,373	-	-	4,700
Howitzvej 30	10,450	18,084	28,534	-	-	34,500
Building site at Kilen	38,800	-	38,800	-	-	-
Total land and buildings	182,483	833,755	1,016,238	442,154	188,536	1,390,600
H.V. Nyholmsvej 21 – leaseho	ld improvements		85,332			
Other premises – leasehold im	provements		4,546			
Total leasehold improvement	s		89,878			
Total			1,106,116			

Government loans are free of interest and repayments.

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Maturity	2028	2029	2029	2035	2035	2035	2045	2034	2034	2034	2034	2034	illion	lion	illion	
Outstanding debt (DKKm)	9	99	142	25	99	4	39	92	4	4	30	10	DKK 486 million	DKK 44 million	DKK 442 million	
Principal (DKKm)	16	145	158	33	107	7	40	86	5	4	32	11				
Repayment freedom expires	1	ı	1		1	1	01/04/2020	1	ı	ı	1	1				
Repay- ment freedom	No	No	No	No	No	No	No	No	No	No	No	No				
Contribution (%)	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
Fixed/adju- stable rate	Fixed+in- dexed	Fixed+in- dexed	Fixed	Adjustable	Adjustable	Adjustable	Adjustable	Fixed	Fixed	Fixed	Fixed	Fixed				
Interest rate (%)	2.5	2.5	-0.5	_	1	1	1	0.5	0.5	0.5	0.5	0.5				
Cur- rency	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK				
ISIN code	DK0009349094	DK0009349094	DK0009398893	DK0009386294	DK0009386294	DK0009386294	DK0009384679	DK0009397812	DK0009397812	DK0009397812	DK0009397812	DK0009397812				
Type of loan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage Ioan	Mortgage loan				
Loan number	0007-403-024	696-880-8000	0041-367-773	0032-304-884	0032-746-060	0032-737-817	0039-438-423	0041-392-191	0041-392-104	0041-392-162	0041-392-146	0041-392-081		Amortisation of debt discount	Total	

Note 8 Specification of CBS' debt to the state

DKKm	Solbjerg Plads 3	Howitzvej 60	P. Andersens Vej 17-19	Kilevej 14A	Construction of space at Solbjerg Plads	Total
Maturity	30 years	30 years	30 years	30 years	30 years	
Outstanding debt	119,385	5,661	1,051	56,281	6,158	188,536
Principal	119,385	5,661	1,051	56,281	6,158	188,536
Repayment freedom expires	-	-	-	-	-	-
Repayment freedom	-	-	-	-	-	-
Interest rate (%)	0%	0%	0%	0%	0%	0%
Loan number	0028-173-210	26-7-62-10879	1003754691	12037-02	23812-02	

Note 9 Provisions

	31/12/2020	31/12/2019
Provision for leasehold renovation	20,738	19,836
Other provisions	2,006	1,754
Total	22,744	21,590

Note 10 Mortgage debt

Term to maturity:	2020	2019
0-1 year	37,738	36,717
1-5 years	153,489	152,728
After more than 5 years	250,927	288,796
Total	442,154	478,241

Note 11 Construction donations (by age)

Construction donations in DKK'000 broken down:	2020	2019
0-1 year	955	-
1-5 years	3,818	-
After more than 5 years	42,962	-
Total	47,735	-

Note 12 Contractual obligations

CBS has contractual obligations comprising leases and rent agreements. Commitments* in the non-cancellable period are as follows:

	31/12/2020	31/12/2019
Lease, Sdr. Fasanvej 9	3,297	3,234
Lease, Dalgas Have	417,117	447,585
Leases, Porcelænshaven	229,964	261,222
Lease, Amager Strandvej 108	36,224	40,658
Lease, H.V. Nyholmsvej 21	14,898	22,199
Other	2,788	2,806
Total	704,288	777,704

^{*} Only non-cancellable terms exceeding 12 months are included.

Note 13 Unspent funding, research projects

Funding for externally funded research at CBS which has not yet been used is computed as funding donated for research projects in progress less costs already incurred on these projects.

Funding provided for research projects in progress reflects funding for specific research projects promised by funding providers. Funding is thus earmarked for specific research projects. Such funding may be subject to certain conditions, e.g. that any residual amount after finalisation of the project must be repaid to the funding provider.

Expenses relating to research projects in progress are stated as expenses already incurred on specific research projects funded by grants received for the project in question.

Accordingly, unspent funding for research projects in progress reflects funding for specific projects promised by funding providers less expenses already incurred.

Unspent UK95 and UK97 funding

Funding provider	Funding grante proje	ed for research	Expenses incurred on projects in progress		Residual amou projects	int, research s in progress
	2020	2019	2020 2019		2020	2019
Government	243,776	77,188	149,526	77,188	94,250	-
Public	35,925	169,878	16,222	62,132	19,703	107,746
EU	97,812	83,702	54,590	45,582	43,222	38,120
Private	363,731	340,367	182,377	187,821	181,354	152,546
Abroad	20,382	29,419	4,920	13,877	15,462	15,542
Total	761,626	700,554	407,635	386,600	353,991	313,954

Note 14 List of accumulated profit/loss from income-generating activity

	2017	2018	2019	2020
Income	1,847	1,793	70	108
Direct and indirect expenses	2,004	1,684	112	156
Profit	-157	109	-42	-48
Accumulated profit*	18,423	18,532	18,490	18,442

^{* 2007} has been used as the first qualifying year to determine the accumulated profit to the effect that recent years' accumulated profits sum up more than four years of profit. The accumulated profit includes the accumulated profit for the period 2007 to 2015.

DKKm

SUPPLEMENTARY FINANCIAL INFORMATION

a. Separate financial statements concerning subsidised research activities, other subsidised activities and income-generating activities.

Subsidised research activities UK-95:					
Grants, etc.	119.94	121.85	126.50	132.81	130.02
of which operating income and government transfers	0.00	0.00	0.00	0.00	0.00
Expenses	119.94	121.85	126.50	132.81	130.02
of which overheads	18.66	18.56	16.85	18.49	17.32
Profit for the year	0.00	0.00	0.00	0.00	0.00
Other subsidised activities UK-97:					
Grants, etc.	8.21	4.57	4.88	6.21	2.84
of which operating income and government transfers	0.00	0.00	0.00	0.00	0.00
Expenses	8.21	4.57	4.88	6.21	2.84
of which overheads	0.15	0.10	0.23	0.28	0.04
Profit for the year	0.00	0.00	0.00	0.00	0.00
(Commercial) income-generating activities IIK-90:					
(Commercial) income-generating activities UK-90: Total income	3.30	1.85	1.79	0.07	0.11
	3.30 0.93 2.37	1.85 2.00 -0.15	1.79 1.68 0.11	0.07 0.11 -0.04	0.11 0.16 - 0.05
Total income Expenses	0.93	2.00	1.68	0.11	0.16
Total income Expenses Profit for the year	0.93	2.00	1.68	0.11	0.16
Total income Expenses Profit for the year b1. Financial statements according to purpose	0.93 2.37	2.00	1.68 0.11	0.11 -0.04	0.16
Total income Expenses Profit for the year b1. Financial statements according to purpose DKKm	0.93 2.37 2016	2.00 -0.15	1.68 0.11 2018	0.11 -0.04 2019	0.16 -0.05
Total income Expenses Profit for the year b1. Financial statements according to purpose DKKM Education	0.93 2.37 2016 713.9	2.00 -0.15 2017 702.5	1.68 0.11 2018 727.7	0.11 -0.04 2019 741.0	0.16 -0.05 2020 753.1
Total income Expenses Profit for the year b1. Financial statements according to purpose DKKm Education Research	0.93 2.37 2016 713.9 460.7	2.00 -0.15 2017 702.5 464.8	1.68 0.11 2018 727.7 487.6	0.11 -0.04 2019 741.0 496.7	0.16 -0.05 2020 753.1 486.2

2016

2017

2018

2019

2020

b2. Income distribution

DKKm	2016	2017	2018	2019	2020
Education	838.1	835.7	822.8	807.4	825.4
Research	292.3	278.9	313.0	386.1	397.7
External funds	131.6	126.5	133.1	132.8	129.8
Basic funding	59.2	60.9	55.8	67.5	72.5
Other income	28.6	33.0	32.8	32.4	22.0
Total	1,349.8	1,335.0	1,357.5	1,426.2	1,447.4

Financial income is included.

c. Disclosures on capital contributed to foundations whose primary objective is to establish housing close to the university under section 10(2) of the act on public research institutions' commercial activities and cooperation with foundations

CBS did not contribute capital to such foundations in 2020.

d. Disclosures on contributions to or acquisitions of shares in companies under section 4(1) of Act no. 483 of 9 June 2004 on Technology Transfer at Public Research Institutions

CBS did not make any additional contributions to Forskerparken Symbion in 2020.

e. Disclosures on income and expenses related to the companies mentioned under d above under sections 4(1) and 4a(1) of the act on public research institutions' commercial activities and cooperation with foundations

CBS had no income or expenses in relation to such companies in 2020.

f. Disclosures on ownership interests in companies under section 4(1) of Act no. 483 of 9 June 2004 on Technology Transfer at Public Research Institutions

CBS did not have any ownership interests in such companies in 2020.

g. Overview of expenses relating to political and other student activities

DKKm	2016	2017	2018	2019	2020
Expenses relating to political and other student activities	3.1	2.5	2.7	2.3	4.4

h. Disclosures on scholarships, etc. for which CBS performs secretariat functions

CBS performs secretariat functions for two foundations/associations granting scholarships: They are C.A. Petersens Fond under the secondary name "Stipendiefonden for studerende ved Copenhagen Business School". The Foundation's restricted equity totalled DKK 4.1 million at 1 January 2020.

The Start-Up Association. The Association's equity totalled DKK 0.86 million at 1 January 2020.

i. Staff and staff turnover

	2016	2017	2018	2019	2020
FTEs	1,586	1,540	1,547	1,533	1,562
Appointments	207	195	162	171	190
Resignations	191	189	148	124	133

The disclosures on appointments and resignations have been derived from ISOLA, the Danish Agency for the Modernisation of Public Administration.

j. Disclosures on directorships held by the President in listed companies

The President of CBS did not hold any directorships in listed companies in the period under review.

k. Consumption of funds for free places and scholarships during the period 1 Sep. 2019 to 31 Aug. 2020

Consumpti	on			Consumption of
Rate group	No. of students enrolled on full or partial free places	Number of scholarship recipients	Consumption of free places (DKK'000)	scholarships (DKK'000)
Rate 1	31	34	821	2,646
Rate 2	4	2	98	133
Rate 3	<u>-</u>	_		_

Financial	statements	Profits transferred		
Year	Transferred from the Danish Agency for Higher Education (DKK'000)	concerning internati- onal paying students (DKK'000)	Consumption in the reporting period (DKK'000)	Profit (DKK'000)
2017	4,721	-	4,708	13
2018	4,657	-	4,659	-2
2019	4,509	-	4,583	-74
2020	4,569	-	3,698	871

The amounts have been calculated in current prices, and consumption is based on study activity in the years of study completed in the financial years.

I. Disclosures on activities from the university's education programmes abroad as income-generating activity under section 3a(1) and section 20(3) of the University Act.

CBS does not provide education programmes abroad as income-generating activity but cooperates with Sino-Danish Centre for Education & Research (SDC) on two-year Public Management & Social Development and Innovation Management Master's programmes in China in pursuance of the Statutory Order on universities' international educational programmes.

m. Department allocation of funding for scholarships for very talented students for the academic years 2017/18, 2018/2019 and 2019/2020

Year	No. of scholarship students admitted	Grants from UDS (DKK'000)	Consumption in the reporting period (DKK'000)
2017	10	500	1,201
2018	7	-	305
2019	1	-	30
2020	-	-	-

n. Rules on government grants for research infrastructure

CBS complies with the EU's rules on government grants for research infrastructure. The value of CBS' research infrastructure has been calculated at DKK 0.15 million at 31 December 2020.

o. Separate financial statements concerning expenses relating to administration of foundations and associations, including commercial foundations and associations, in accordance with section 11(1) of the act on public research institutions' commercial activities and cooperation with foundations.

In 2020, CBS has spent 330 hours, equivalent to an expense of DKK 108,000, on administration etc. regarding C.A. Petersens Fond and CBS Start-Up.

Statements

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, the Board of Directors and Senior Management have discussed and approved the annual report of Copenhagen Business School, CBS, for the financial year 2020.

The annual report has been presented in accordance with the Danish State Accounting Act and Ministerial Order no. 116 of 19 February 2018 on state accounting, etc. In accordance with section 39(4) of the Ministerial Order, it is hereby represented:

- That the annual report is accurate, i.e. that the annual report is free of material misstatements and omissions and that the listing of and reporting on goals in the annual report are adequate.
- That the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice.
- That business procedures have been established to ensure financially appropriate administration of the funds and institutions comprised by the annual report.

Frederiksberg, 12 April 2021

Nikolaj Malchow-Møller Kirsten Winther Jørgensen President University Director

Adopted by the Board of Directors of Copenhagen Business School, CBS, on 12 April 2021:

Torben Möger Pedersen, Chairman Michael Rasmussen Deputy Chairman

Gunnar Bovim

Sarah Langkjær Diemar

Alfred Josefsen

Lilian Mogensen

Sara Louise Muhr

Tobias Harald Munch

Jesper Rangvid

Mia Cudrio Thomsen

Mette Vestergaard

INDEPENDENT AUDITOR'S REPORT

The CBS Board of Directors has appointed Deloitte as institutional auditors of Copenhagen Business School pursuant to section 28(3) of the Danish University Act. Rigsrevisionen – the Danish Auditor General – is responsible for the overall audit under the Danish Auditor General Act

To the Board of Directors of Copenhagen Business School:

Auditor's report on the financial statements

Opinion

We have audited the financial statements of Copenhagen Business School for the financial year 1 January to 31 December 2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies and supplementary financial information. The financial statements are prepared in accordance with Ministerial Order no. 1021 of 24 June 2020 on funding and auditing etc. at universities as well as the directions and instructions on financial statements issued by the Danish Ministry of Higher Education and Science, and including the Danish Agency for Institutions and Educational Grants, hereinafter referred to as state accounting rules.

In our opinion, the financial statements are accurate in all material respects, i.e. prepared in accordance with the state accounting rules

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark as well as the standards on public auditing as the audit is based on the provisions of the Danish Agency for Higher Education's Ministerial Order no. 1021 of 24 June 2020 on funding and auditing etc. at universities and the agreement on internal audits at universities entered into between the Minister for Higher Education and Science and the Auditor General, pursuant to section 9 of the Danish Auditor General Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of Copenhagen Business School 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 rules and requirements. 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 are accurate in all material respects, i.e. prepared in accordance with the state accounting rules, 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 Copenhagen Business School'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 Copenhagen Business School 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 as well as the public accounting standards, cf. the Danish Ministry of Higher Education and Science's Ministerial Order no. 1021 of 24 June 2020 on funding and auditing etc. at universities, 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 in accordance with ISAs and the additional requirements applicable in Denmark as well as the public auditing standards, cf. the Danish Ministry of Higher Education and Science's Ministerial Order no. 1021 of 24 June 2020 on funding and auditing etc. at universities, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risk 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 Copenhagen Business School'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 Copenhagen Business School'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 Copenhagen Business School to cease to continue as a going concern.

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 the management commentary

The management commentary also includes the target reporting and financial highlights, hereinafter referred to as the management commentary. Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the state accounting rules.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the state accounting rules. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with the appropriations, laws and other regulations, agreements and usual practice, and that financial consideration has been made when managing the funds and the operation of the activities covered by the financial statements. Management is also responsible for setting up systems and processes supporting financial prudence, productivity and efficiency. As part of our audit of the financial statements, it is our responsibility to perform compliance audit as well as performance audit of selected subject matters in accordance with the standards on public auditing. In our compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the appropriations granted, laws and other regulations, and with agreements entered into and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this in this statement.

We have no material critical comments to report in this connection.

Copenhagen, 12 April 2021

Deloitte

Statsautoriseret Revisionspartnerselskab Business Registration no. 33 96 35 56

Erik Lynge Skovgaard Jensen State-Authorised Public Accountant Identification number: mne10089 Lars Hillebrand State-Authorised Public Accountant Identification number: mne26712

Information about CBS in 2020

FINANCIAL HIGHLIGHTS

ıa	ble 2						2019 to 2020
	2.0 _	2016	2017	2018	2019	2020	2027 10 2020
	Income (DKKm) (1)						
	Education	838	836	823	807	825	2%
2	Research	292	279	313	386	398	3%
3	External funds	132	127	133	133	130	-2%
4	Research-based public-sector services	-	-	-	-	-	-
5	Basic grants for other purposes	59	61	56	67	73	7%
6	Other income	29	33	33	32	22	-32%
	Expenses broken down by purpose (DKKm)						
7	Education	714	702	728	741	753	2%
8	Research	461	465	488	497	486	-2%
9	Dissemination and knowledge exchange	45	52	41	43	44	1%
10	Research-based public-sector services	-	-	-	-	-	-
11	General management, administration and services	85	90	87	87	85	-3%
	Financial ratios						
	Profit margin	3.4	1.9	1.0	4.1	5.5	34%
	Liquid ratio	70.9	61.1	52.2	59.6	96.9	62%
	Funding ratio	65.0	62.4	58.3	55.0	54.0	-2%
	Solvency ratio	19.2	21.2	22.1	25.2	28.3	12%
	Loan-to-income factor	54.9	53.2	50.0	45.0	46.9	4%
	Profit/loss for the year (DKKm)	45	26	14	58	80	38%
	Total operating income (DKKm)	1,350	1,335	1,358	1,426	1,447	1%
	Balance sheet (DKKm)						
15	Equity	273	299	313	371	451	22%
16	Balance sheet total	1,420	1,410	1,416	1,474	1,591	8%
	Staff						
12	Academic FTEs (1)	602	565	588	612	654	7%
13	Part-time academic FTEs	274	250	235	231	230	0%
14	Technical-administrative staff FTEs	710	725	724	691	678	-2%
	Headcount	2,578	2,575	2,467	2,482	2,523	2%
	Academic staff	639	633	675	729	764	5%
	Part-time academic staff	882	884	774	782	772	-1%
	Technical-administrative staff	684	700	675	671	686	2%
	Number of student assistants and invigilators	373	358	343	300	301	0%
	Number of permanent international researchers at CBS	125	135	152	178	173	-3%

Change from

		2016	2017	2018	2019	2020	Change fron 2019 to 2020
	Buildings						
17	Total building space (gross area in sq m)	135,216	135,216	135,216	132,577	132,577	0%
	Students, full-time programmes						
18	No. of students admitted to bachelor programmes	2,522	2,558	2,619	2,800	2,841	1%
19	No. of students admitted to master programmes (2)	3,306	3,389	3,333	3,140	3,516	12%
20	No. of students enrolled	15,568	14,911	14,854	15,380	15,598	1%
21	Student FTEs	13,003	12,317	12,234	12,407	12,448	0%
	No. of bachelor students enrolled	7,172	7,167	7,272	7,606	7,940	4%
	No. of master students enrolled (3)	8,396	7,744	7,582	7,774	7,658	-1%
	Graduates						
22	No. of graduated bachelors	1,959	1,925	1,999	1,985	2,006	19
23	No. of graduated masters	4,379	3,566	3,129	3,057	3,233	6%
	Open and part-time programmes						
24	Number of annual students	1,472	1,539	1,398	1,449	1,406	-3%
25	No. of graduates on executive master and diploma programmes (4)	1,144	1,328	1,160	1,192	1,110	-7%
	No. of diploma students enrolled	3,691	3,599	3,434	3,394	3,404	0%
	No. of executive master/MBA students enrolled	1,222	1,339	1,420	1,585	1,539	-3%
	Internationalisation						
26	No. of outgoing students (exchange students) (5)	1,465	1,509	1,525	1,485	1,387	-7%
27	No. of ingoing students (exchange students) (6)	1,236	1,270	1,097	1,106	1,168	6%
28	No. of full-programme international students	3,955	3,928	3,984	3,926	3,844	-2%
	No. of cooperation and development agreements for exchange students	319	297	296	296	295	0%
	PhD programmes						
29	No. of PhD fellows enrolled	192	192	185	209	208	0%
30	No. of PhD fellows admitted (7)	35	56	42	63	44	-30%
31	No. of approved PhD theses	58	44	48	31	31	0%
	Research and dissemination output (8)						
32	No. of publications (9)	1,721	1,528	1,533	1,596	1,705	79
33	No. of patent applications pending		- 1,520	-	-,-/-	-,	
34	No. of invention applications pending	_			_	_	
35	No. of projects with the Danish business community	140	138	137	132	107	-19%
36	No. of external projects	281	279	286	281	271	-4%
37	Financial value of cooperation with the Danish business community (DKKm)	50	56	58	57	52	-8%
	No. of Career Partners	32	34	50	52		8%

*The "Financial highlights" table is structured, i.e. numbered, in accordance with the guidelines of the Ministry of Higher Education and Science.

- 1. Academic FTEs have gone up from 2019 to 2020, reflecting CBS' recruitment strategy and investment in strengthening CBS' research organisation.
- 2. The primary reason for the increased intake of master students in 2020 is that Denmark has been successful in regularly managing the COVID-19 pandemic, and therefore it has appeared to be a very safe country to have a period of study abroad. As a result, many more international applicants accepted their study places at CBS than is normally the case.
- 3. From 2019, master students also include corporate part-time master students. This means that, relatively, the numbers have increased slightly if the latter students are not included. Exclusive of corporate master students, the number would be 7,225 for 2020.
- 4. The decline in the number of graduates compared to 2019 is highly attributable to the Master in Management Development (MMD) programme and the MBA Shipping programme, which have new classes every other year (e.g. 2019) and hence also graduation classes.
- 5. In 2020, 1,387 students had periods of study abroad. The same student can be away for several semesters, and this activity was equivalent to 1,255 exchange students and 117 students on self-arranged stays (through the Udlandsstipendieordningen). The decline from 2019 can be explained to some degree by a decrease in the number of students on self-arranged stays because COVID-19 made it more difficult for them to go to e.g. summer school abroad in the summer of 2020.
- 6. The calculation of the number of ingoing students reflects the same activity for ingoing exchange students, which is different from the number of ingoing exchange students reported in previous years. This change makes the number more comparable with the number of outgoing students and consistent with other calculations of the number of ingoing exchange students. In 2020, 1,094 students were on exchange programmes at CBS. This calculation is largely unaffected by COVID-19 since exchange programmes started in the academic year 2019/20 are counted, and COVID-19 did not begin to affect exchanges until from around March 2020. This may to some degree explain the high level of activity.
- 7. In 2020, the ordinary number of PhD students were admitted to CBS. The development since last year should be viewed in the light of the high number of admittees in 2019.
- 8. In recent years, the focus of CBS' application strategy has been on attracting fewer and larger grants for external funding. The current result shows a relatively heavy decline in the number of grants and a somewhat smaller decline in revenue from these grants. So there are indications that developments are proceeding as intended, yet that it is also a time-consuming exercise where results will not feed through until after some time.
- 9. The number of publications has gone up from 2019 to 2020. One of the reasons is an increase in the number of peer-reviewed articles.