

CONTENTS

2017 IN BRIEF	3
MANAGEMENT COMMENTARY	4
MANAGEMENT'S REVIEW	4
EDUCATION	9
INTERNATIONAL PROFILE	13
RESEARCH	14
RESEARCH COMMUNICATION	19
DEVELOPMENT CONTRACT REPORTING 2017	21
FINANCIAL STATEMENTS	29
COMMENTS ON THE PROFIT FOR THE YEAR	29
INCOME STATEMENT	30
BALANCE SHEET	31
CASH FLOW STATEMENT	33
STATEMENT OF CHANGES IN EQUITY	33
NOTES TO THE FINANCIAL STATEMENTS	34
SUPPLEMENTARY FINANCIAL INFORMATION	41
STATEMENTS	44
STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT	44
INDEPENDENT AUDITOR'S REPORT	45
INFORMATION ABOUT CBS IN 2017	47
FINANCIAL HIGHLIGHTS	47
UNIVERSITY GOVERNANCE	50
INTERNATIONAL ACCREDITATIONS AND RANKINGS	52
LIST OF PROGRAMMES	54
DEPARTMENTS	55
RESEARCH, TEACHING AND COMMUNICATION AWARDS	57

The management commentary comprises 2017 in brief (page 3), the management's review (pages 4-20), supplementary financial information (pages 41-43), information about CBS in 2017 (pages 47-59), including financial highlights (pages 47-49). The supplementary financial information section contains some information under applicable law and guidelines for universities.

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2017 in brief

2017 was yet another year where we have a lot to thank our staff and students for. The level of ambition and activity has been high, producing strong results as this annual report bears witness of.

We have seen lots of student association events, our researchers have been diligent publishers and attracted external funding alongside a huge teaching effort, and our administrative staff has put much energy in implementing CBS' strategy and in operating CBS.

In particular, everybody has been committed in marking the centenary of CBS in 2017, and we would like to thank both staff and cooperative partners for their involvement in our anniversary activities. CBS' centenary was a milestone also bringing focus on the school and on its values and role in society and so strengthen CBS' relationships with both internal and external cooperative partners.

The history of CBS began in 1917 when the school was founded by a group of businessmen gathering in the Danish Society for Education and Business. Inspired by other countries and increasing foreign trade, they saw that Denmark needed education programmes in business economics and trade-related subjects to enable Danish companies to assert themselves in an increasingly internationalised world.

The start was humble, and the journey to academic recognition was long. The need for education and research in business-related subjects has been increasing steadily, and so CBS has grown into the institution we know today – one of the world's largest business schools enjoying wide recognition internationally, not least because of its unique academic diversity.

CBS' key contributions to society are graduates from our full time, continuing education and further education programmes who can put their research-based knowledge from the programmes into practice. In 2017, CBS delivered 3,566 new graduates for society, and they are in demand by the business community. 86% of our graduates are engaged by the private sector, and unemployment among the graduates is well below the sector average.

The basis for delivering good and demanded graduates is academic staff who strives to provide relevant and excellent research. We engage in multiple-purpose research. Firstly, our research must feed into the international research chain and contribute new knowledge and new discoveries. Secondly, research must serve as a groundwork for the research-based education programmes. And thirdly, research must lead to relevant communication of knowledge and consultancy to society.

CBS has a strong and internationally recognised research base, as illustrated in international research rankings. We are proud at CBS that we were ranked #30 in the world in 2017 in the Business and Economics category on the Times Higher Education World University Rankings, for one thing.

However, we also experienced two things in 2017 that caused concern:

The first thing was that the very foundation of universities – that researchers and students operate in a hypermobile market where the best talents do not let borders stop them – was put under pressure. CBS researchers from non-EU member countries were reported to the police for disseminating relevant knowledge and providing consultancy to society. It cannot be emphasised too strongly that these police reports have been detrimental, not just to the people involved but also to Denmark's ability to attract and retain highly specialised international talents.

When these cases were covered by the press, fortunately some of the Danish ministers, among them the Prime Minister, were quite clear in announcing that the rules leading to police reports need to be changed and that, as a small and open economy, Denmark needs to have incentives and room for attracting international talent. At the time of writing in 2018, the Danish Government has tabled an amendment with initiatives to solve the problem in future. We appreciate this very much, and we look forward to the researchers reported to the police in 2017 having their cases solved without any implications for their future possibilities of residing in Denmark.

The second thing was that a view had apparently developed among politicians that today's university graduates do not do enough for the privileges they enjoy in the form of free education and education grants. Do they work seriously enough on their studies? Is it in fact too easy to graduate – and how do universities check that the students work hard enough?

We are met with expectations in this context that we must measure study intensity for each student. To CBS, focus on outcome is much more important: What do the graduates coming from CBS know and what can they deliver? Our students are doing well on that point. Our graduates are in demand by the labour market, and we see students who put much more effort into both their studies and their career-preparing activities, such as professional and voluntary work, than what we saw in our own generation.

KARSTEN DYBVAD
Chairman of the Board

PER HOLTEN-ANDERSEN
President

Management commentary

MANAGEMENT'S REVIEW

CBS' PROFILE

Copenhagen Business School (CBS) is Denmark's largest educational and research institution within business administration and economics in a wide sense. The university is committed to providing business-related education programmes and continuing education for the private sector in particular but also the public sector. Programmes are based on a strong and internationally renowned research base which CBS works consistently to strengthen. CBS has a Center of Excellence, funded by the Danish National Research Foundation, and five European Research Council Grants. CBS is committed to communicating knowledge and new ideas to tomorrow's business leaders and society in general. Its

main contribution in this field is research and research-based education, and investment in research and high academic standards is therefore crucial to CBS' contribution to society.

Being a government-funded private institution, CBS receives most of its funding from the Government. Government grants to the university sector mainly consist of an activity-based educational grant and a basic research grant that is, in essence, historically determined for each individual university. Slightly under two-thirds of CBS' income basis arise from educational activities.

The following key events characterised the year under review:

- Continued focus on the long-term opportunities for recruiting more academic staff
- Celebrating CBS' centenary
- Implementation of CBS' strategy.

FINANCIAL POSITION

For 2017, CBS reports a satisfactory profit of DKK 26 million, which is DKK 36 million up on expectations at the onset of the year. The primary reason for the profit is income from programmes. Not alone did CBS reach the average study time target of the study progress reform in 2017, but also received an extraordinarily high completion bonus in December 2017. The reason was that CBS' share of the total completion bonus pool had increased because CBS' rise in the number of graduates generating a bonus had been higher than for the rest of the university sector. The income from tuition fees paid by students has gone up as well. In December, CBS was also given an extraordinary grant of DKK 4 million for Big Data initiatives in 2018.

Costs have gone up by a marginal total of DKK 4 million on 2016 despite a high level of activity, both academically, as part of celebrating CBS' centenary, and operationally, as part of digitalisation, building and maintenance projects.

Overall, the profit for the year entails that, at year-end 2017, CBS' equity stands at DKK 299 million, i.e. more than DKK 100 million higher than the minimum level of DKK 184 million set by the Board of Directors. This is why it has been decided to gradually use the excess equity for moderate and temporary investment in the research base, including recruitment of research staff, so as to be able to boost quality-enhancing programme activities also in the short term. To ensure that we achieve financial equilibrium at the minimum level for equity in the long term, long-range financial planning has been strengthened while also intensifying focus on continuous, smooth adjustments of the level of activities to our finances.

CBS' CENTENARY

In 2017, CBS turned 100. It has been an eventful and festive anniversary year with many large events.

Some of the largest events were:

- Publication of a centenary book, "CBS gennem 100 år", written by Professor Kurt Jacobsen and Assistant Professor Anders Ravn Sørensen
- Alumni Day where all CBS alumni were invited
- Hosting of the Danish Management Society Day for business executives
- Summer party for students, staff and citizens of Frederiksberg
- Graduation party for all of CBS' 2017 graduates
- Impact Summit at CBS with focus on what Denmark will live off for the next 100 years.

Read more about the many activities on CBS' centenary website, www.100.cbs.dk, and also watch a new film on CBS that was made from the centenary book.

IMPLEMENTATION OF CBS' STRATEGY

CBS' revised strategy was effective from 1 January 2017. In 2017, action plans were developed and initiatives launched in the three transformational initiatives:

- Entrepreneurship and innovation
- CBS' programme portfolio
- Collaboration with the business community and society.

Below is a sample of some of the strategic initiatives launched in 2017.

Entrepreneurship and innovation

CBS started a number of initiatives within entrepreneurship and innovation in 2017. Aside from the initiatives under the auspices of CSE, there were also internal discussions on the establishment of a Copenhagen Forum for Entrepreneurship and Innovation

and internal dialogue sessions at CBS aimed at integrating elements of entrepreneurship and innovation across all of CBS' programmes. Furthermore, a new summer school course on entrepreneurship and innovation was offered in 2017.

Adjustments of the programme portfolio

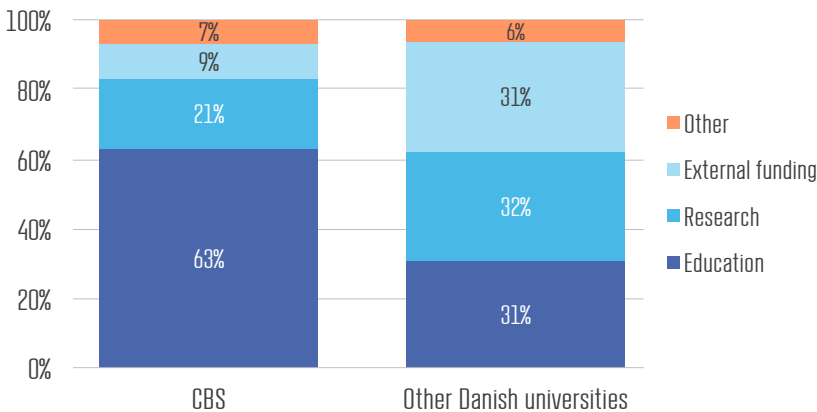
As a result of strategic prioritisation, CBS started a process in 2017 aimed at adjusting its educational opportunities. CBS wants to adjust its programme portfolio so as to have a more common academic foundation while also supporting the goal of the national language strategy to concentrate language research and training on fewer universities to create adequate critical mass in the academic environment. This means that CBS stops admission to the English and Organisational Communication programme. In addition, CBS wants to offer a new business economics pro-

gramme centring around digitalisation. Digitalisation plays a role in all programmes at CBS, but the new programme focuses more specifically on the opportunities provided by digitalisation. The students are to combine knowledge about digitalisation with knowledge about organisation, society and communication.

More collaboration with the business community and society

Since it was set up in 2016, CBS Business has worked on identifying the scope of CBS' collaborations with the business community and the public sector. Concurrently, CBS Business has developed a string of new initiatives such as CBS Roundtable, CBS Business Connect and Alumni Day, which have as their object to make clear CBS' value to society and potential as a close collaborator to the business community and the public sector.

Figure 1 Income resources as at 2017

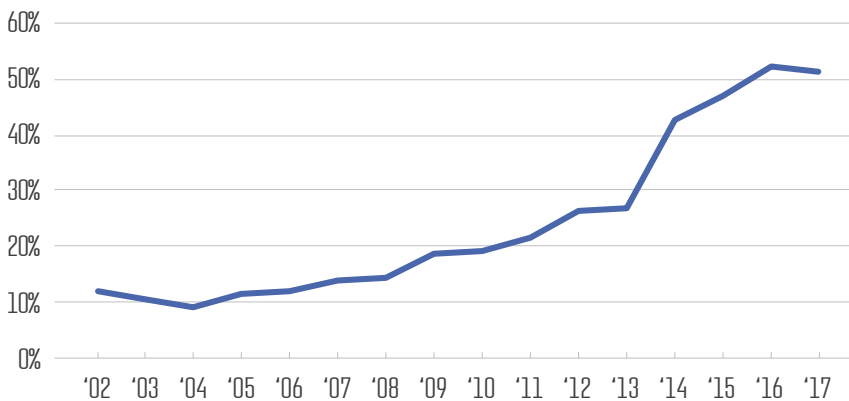


Note: The income distribution for other Danish universities is based on 2016 figures. Source: CBS and Universities Denmark

Unlike the average of other Danish universities, CBS generates most of its income from educational activities.

As educational activities accounted for 63% of CBS' total income in 2017, CBS is very dependent on this type of income. For the other Danish universities, educational activities accounted for 31% of total income in 2016.

Figure 2 More new CBS students with a grade point average of at least 9



Source: Danish Evaluation Institute and CBS

A new type of students apply for CBS today compared to 2002.

Since 2002, the share of admissions to CBS' bachelor programmes of students with a grade point average of 9 or more from their qualifying examination has been rising steadily. This applied to half of the new bachelor students admitted in 2017. This bears witness of some quality among the students.

The survey is based in part on the Danish Evaluation Institute's publication: "Fordelingen af det stigende optag på universiteterne" (2002-2013) and in part on CBS' own figures (2014-2017).

Also, existing student career development activities and businesses' employer branding activities at CBS were developed further – which included an advanced mentor programme and launching a new digital platform for thesis and project collaborations.

One of this year's largest initiatives was the launch of the Executives in Residence concept. Under this programme, CEOs from the largest Danish companies are invited to attend a period of study for one year at a time. The objective is to develop research and programmes together with some of the largest users of CBS graduates. Danske Bank's Chief Executive Officer, Thomas F. Borgen, was CBS' first Executive in Residence. He has therefore attended multiple events during the year. Thomas F. Borgen has explained that the collaboration has given him fresh inspiration from competent researchers and students and that it has also given him an opportunity to use his knowledge and experience to help make CBS even stronger.

OTHER STRATEGIC INITIATIVES

Since 2011, CBS' strategy has been supported by interdisciplinary Business in Society platforms that address complex societal issues. The aim of the platforms is to support the development of context-driven, problem-focused and interdisciplinary knowledge production, training and communication. Establishing these platforms will also strengthen the ties to CBS' current partners and contribute new strategic partnerships. It was decided in 2017 to set up three new

platforms to start in 2018 that are to address current societal issues.

These three new platforms are:

Technology, data and knowledge in the digital age

The mission of the platform is to look into economic and societal consequences of technological developments in the digital age. Disruption, Big Data and fake news are key words in this context. The platform is to examine, for instance, how digital technologies shape organisational transformations, business models, socio-economic development and knowledge production, and what influence the technologies have on methods of communication and media.

Diversity and difference

The mission of this platform is to consolidate, promote and communicate research within diversity and inclusion. This should be seen, for instance, in the light of increased international mobility and migration. Not least the integration of immigrants into the workforce has proven a challenge in different parts of the world. At the same time, the platform has focus on women's career paths and challenges in the labour market and minorities' rights and position in society.

Inequality

This platform is to facilitate studies into causes and consequences of inequality. Inequality is studied on multiple and closely interrelated dimensions concerning businesses (e.g. pay,

working conditions and employment), economy (e.g. labour markets, health systems and migration) and policies (e.g. EU rules and redistributive policies).

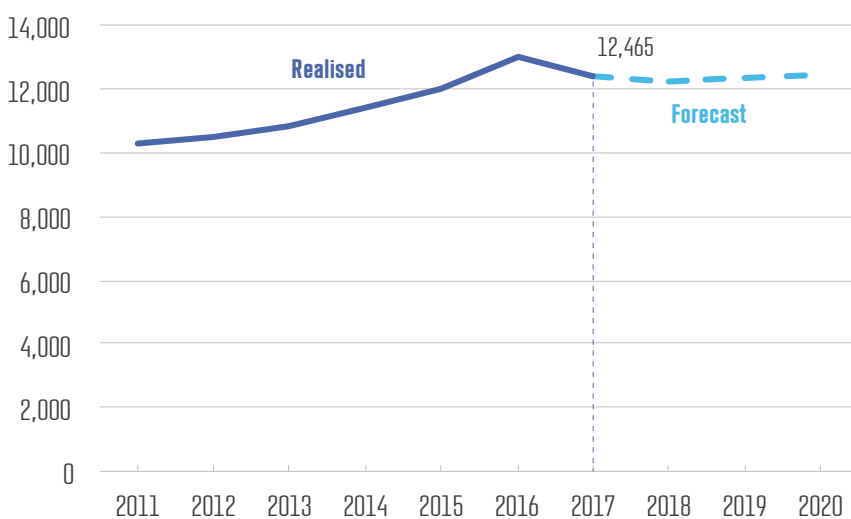
BRINGING ALL TALENTS INTO PLAY - DIVERSITY AT CBS AND IN SOCIETY

In 2017, CBS joined the UN's new initiative to promote equality, the Gender Diversity Roundtable, which brings together 15 CEOs from the business community, educational institutions and society organisations – among them CBS President Per Holten-Andersen. He also chairs CBS' internal Council for Diversity and Inclusion (CDI), which works to bring all talents into play – regardless of gender and ethnicity. Based on a practice report from 2016, "Gender and Academic Leadership practices at CBS" ordered by the CDI, the President in 2017 implemented measures to improve the gender balance in CBS recruitments.

In 2017, the CDI had a new member, an Equal Opportunities Officer (EOO). By acting as the organisation's supervisory body and internal consultant, it is the EOO's task to help strengthen diversity and inclusion at CBS.

2017 also marked the year when CBS participated in Copenhagen Pride for the first time, and under the motto "Love suits everyone".

Figure 3 Development in value-added output (STÅ) 2011-2020



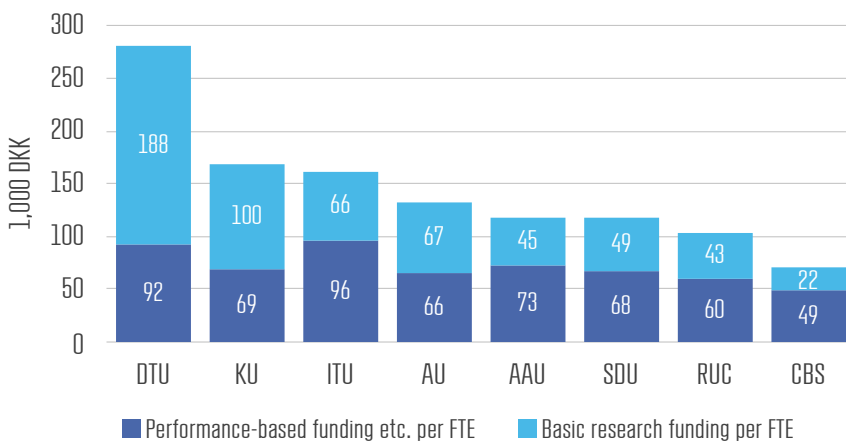
Note: "STÅ" reflects study activity corresponding to one year's prescribed period of study where the students pass their exams.. Source: CBS

CBS' value-added output (STÅ) will stabilise over the next couple of years. This will follow after the high number of older students graduated in 2016.

CBS expects a slight decline in the value-added output in 2018, followed by a slight increase in 2019 and 2020 as a result of more students having been admitted in 2017.

Income from full time programmes makes up around half of CBS' total income.

Figure 4 Performance-based funding etc. and basic research funding per university student FTE



Note: In 2016 prices.
Source: Expert Committee on Quality in Higher Education. Updated based on Universities Denmark 2016.

The Expert Committee on Quality in Higher Education’s report, “Høje mål – fremragende undervisning i videreregående uddannelser”, showed that CBS receives the lowest performance-based funding per student FTE and the lowest basic research funding per student FTE compared with the other Danish universities.

The Committee based its work on 2013 data. CBS has made an update using 2016 data, which did not change the overall picture, though.

TRIPLE CROWN ACCREDITED

The accreditation institution, Association to Advance Collegiate Schools of Business (AACSB), reaccruited CBS for the second time for a five-year period. With this AACSB accreditation, CBS may still refer to itself as holder of a Triple Crown accreditation which only 1% of the world’s business schools holds. It covers three accreditations from European Foundation for Management Development (EQUIS), Association of MBAs (AMBA) and AACSB.

ENTREPRENEURSHIP INITIATIVES GROWING

In 2016, Copenhagen School of Entrepreneurship (CSE) started a pilot project to have more students earn ECTS points for their entrepreneurship work. The test was well received, and in 2017 nearly all CBS study boards have approved that their students may opt for the ECTS-earning programme at CSE. The interest by students is increasing, and this year’s admissions have exceeded expectations. Furthermore, with funding from the Danish Industry Foundation, CSE has started a new education track for ambitious entrepreneurs. This track is called ”Digital Growth Path”, and its focus is on digitalisation and disruptive business models as part of establishing and growing businesses.

In 2017, CSE has also further developed mentor initiatives that are intended to ensure that interested mentors for CSE start-ups are linked even closer to CSE. This will also apply to the newly launched association, CBS StartUp. With this new association, CBS wants to selectively support start-up enter-

prises from CBS and so ensure that they gain a stronger foothold and contribute positively to society. In 2017, the CBS StartUp association received assurance from DJØF, the Danish Association of Lawyers and Economists, for a donation of DKK 700,000. This is a fine start in the work lying ahead to secure more funds to support the object of the association.

MORE FOCUS ON PROCUREMENT

CBS has ongoing focus on tenders and procurement taking place in the best and most inexpensive way possible and according to applicable rules. Procurement is organised as a separate function under the University Director. The area has been affected by vacancies in 2017, entailing that it was necessary to put off some initiatives. A new procurement manager signed on from 1 July 2017, and this has strengthened focus on procedures and guidelines and administrative support for tenders and procurement. A key element of this work is a revision of the procurement policy and the supporting procedures. The main elements of the procurement policy is that procurers in some areas must use joint contracts whereas market inquiries must be conducted for minor procurements. A series of initiatives have been planned for 2018 that are intended to intensify focus on this area.

These are implementation of a procurement policy and internal procurement guidelines, a procurement analysis and management reporting system, general efficiency improvement of procurement processes and specifically developed framework agreements precisely matching CBS’ procurement requirements.

GOAL ACHIEVEMENT OF THE DEVELOPMENT CONTRACT

CBS’ development contract with the Danish Ministry of Higher Education and Science covered the period 2015 to 2017 and is thus completed with this final report. During the contract period, CBS has generally achieved many of the goals set. The goals of the contract were very ambitious in light of CBS’ financial framework conditions. CBS believes that the general achievement of goals has been satisfactory.

In 2017, CBS has achieved 10 out of a total of 14 goals in the development contract, and so 4 goals were not. All goals are addressed below in this report under “Development contract reporting”. The goals not achieved are commented on below as is the goal for increased social mobility that has been met. This is no longer part of the development contract, yet the goal content remains relevant, which is why CBS will follow up on this.

Internationalisation

The development contract’s goal for internationalisation was not reached in 2017. The share of students on exchange programmes abroad compared to the number of CBS master programme graduates was 42% in 2017. The goal was 69%.

The number of students on exchange programmes was a little higher in 2017 than in 2016, although not high enough to meet the goal. Because of the study progress reform and other study-related initiatives, the last couple of years have seen many CBS master programme graduates. The increase in the

number of graduates is much higher than assumed when the development contract was entered into. Throughout the contract period, CBS has focused – and still focuses – on offering an attractive exchange portfolio to students.

Improved coherence and collaboration

The goal included a goal for the number of student FTEs on CBS' diploma and master/MBA programmes. The contract contained a goal of 1,662 student FTEs in 2017, and CBS had a total of 1,539 student FTEs at the continuing and further education level. So this goal was not met. The contract objective has been ambitious and has proven a challenge for CBS, one of the reasons being that the continuing and further education market is under pressure. However, the number of student FTEs went up in 2017 compared to 2016 when the number was 1,472. It is positive that 2017 has seen a small increase in the number of student FTEs.

Particularly the diploma programmes have not had the increase in student FTEs envisaged by the objective. CBS is still in close dialogue with the Ministry of Higher Education and Science and the other providers of diploma programmes on how to develop and plan these programmes to better meet current education needs.

Contribution to society

The 2017 goal was to generate total income of DKK 128.7 million from externally funded projects. CBS has had income of DKK 122.2 million from such projects, which is why the goal has not been met in 2017.

CBS has heavy focus on increasing income from externally funded projects. The reduction in academic staff that CBS has experienced in recent years has influence on the extent to which it is possible to increase activities in the externally funded area. CBS' projects have had more research activity in 2017 than in 2016. However, the composition of CBS' research grants has changed in recent years, and CBS is receiving an increasing portion of its external funds from private foundations and companies not typically contributing overhead to indirect expenses.

Gender ratio

The 2017 goal was for 25% of qualified applicants for professorships to be women. In 2017, 19% of qualified applicants for CBS professorships were women, meaning that the goal has not been met.

In the past three years, CBS has recruited few academic staff, including professors. Gender diversity is a focal point in recruitment, as it will be for academic staff positions allocated in the years 2018 to 2020.

Increased social mobility

In 2015, the follow-up on the goal for increased social mobility was removed from the formal follow-up on the development contract. CBS met the two goals that were results of the goal of increased social mobility,

One goal was for CBS to have entered into at least eight cooperation agreements in 2017 with schools offering upper secondary education. In 2017, CBS entered into cooperation agreements with 11 such schools. In addition, CBS attended the Academy for Talented Youths and other activities aimed at secondary school students. The other goal was for CBS to re-analyse its quota 2 admission criteria in 2017 based on an evaluation of the admission criteria and the impact on social mobility. The analysis and evaluation have been completed, and the findings have been discussed and incorporated in the assessment of the admission criteria. The results of the assessment did not give rise to a change of criteria. The analysis of the quota 2 admission criteria in relation to social mobility is evident from <http://goo.gl/KfRtJb>.

OUTLOOK FOR 2018

CBS appointed a new Dean of Education and a new Dean of Research in 2017. Søren Hvidkjær, former Head of Department at CBS, is the new Dean of Research, and Gregor Halff, Deputy Dean of the Singapore Management University, is the new Dean of Education. The new Deans take office on 1 January 2018 and 1 April 2018, respectively.

CBS' financial position going forward

CBS' total revenue and activities are expected to be on a par with 2017. However, some prioritisations and changes have been made for 2018 as CBS has allocated DKK 11 million for the continued support of its strategy, including implementation of strategic initiatives such as Business in Society platforms and recruiting of more academic staff.

The total budget for academic staff goes up by DKK 14 million on that for 2017, enabling moderate investments in research and education.

As part of the Budget for 2018, political agreement was reached to allocate additional basic

funding to CBS, ITU and AAU from 2018 to 2020, meaning that, in 2018, CBS will be granted just under DKK 25 million in additional basic funding and DKK 55 million in both 2019 and 2020. However, CBS is still challenged by low research funding per student compared to the other Danish universities. The educational grant is still cut by 2% a year, which is why CBS can only invest moderately in the research base, including recruitment of academic staff, from 2018 to 2021.

Political landscape

The first half of 2018 is expected to see CBS and the Ministry of Higher Education and Science sign the strategic framework agreement that will be effective from 1 January 2018. The Ministry has also announced that they intend to look at the performance-based funding rates in the area of education when the Ministry's Udvalg om bedre universitetsuddannelser has submitted its report on quality of university programmes. The Ministry has also announced that they intend to open a reform of basic research funding in 2018. Both a revision of performance-based funding rates and a reform of basic research funding may potentially lead to significant changes in CBS' income base. None of these initiatives will have an effect in 2018, however, they will in the longer term.

A new model for allocating educational grants will be implemented in 2018 and be effective from the Budget for 2019. Overall, the new model will not change much in CBS' educational grants, it will, however, lead to more complexity in the appropriation of grants in the form of more variable and changed incentives. For instance, the model introduces an incentive for universities to reduce admissions. However, CBS does not currently plan to change the number of students admitted which has been stable since 2012.

Bylaws

In light of the political agreement on "Bedre rammer for ledelse på universiteterne" and the related amendments to the Danish University Act, it has been necessary to adjust CBS' bylaws. The amendments primarily relate to the duties and responsibilities of the board of directors, the composition of the board of directors, competences and appointment as well as strategic framework agreements. Expectations are that the bylaws will approved in the spring of 2018.

EDUCATION

CBS' EDUCATIONAL PROFILE

CBS' programmes are based on its overall strategy. All of CBS' programmes, which are international in their content, aim and ambition, are to give the students a solid, technical basis for them to build on for the rest of their lives. We want our graduates to be in demand in the labour market and for them to be prepared to tackle new, future challenges and be able to change the way things are done today.

Therefore, all our graduates need to possess fundamental business economics competences, a critical, reflective flair for problem-solving and a social understanding of the opportunities and challenges of the business community. At the same time, the students are educated within a broad range of subjects reflecting the diverse and complex issues facing the business community and the rest of society.

CBS has in 2017 discussed a major adjustment of the programme portfolio. This has resulted in an application for the rest of the humanities programmes to be moved to the main area of business economics. However, the Ministry of Higher Education and Science has not yet granted the application, which is why it is still uncertain what the time frame and the extent of the adjustment will be.

One reason for the request has been to improve coherence between bachelor and graduate programmes and the other has been to increase the business economics content of the former more language-oriented programmes. Conversely, CBS intends to work with the University of Copenhagen in particular on language training on the existing language programmes, and CBS will continue to be a broad-based business school that relies on disciplines ranging from philosophy to psychology and communication.

CONTINUED HIGH ADMISSION AVERAGES

The number of students admitted to CBS remains stable. CBS admits around 2,500 students a year to the bachelor programmes whereas we admit around 3,300 to the graduate programmes. The grade point averages required for admission (GPAs), on the other hand, keep rising steadily. Programmes with the country's second and third highest GPAs are offered by CBS. This is true for International Business with a GPA of 12.2 and International Business & Politics with one of 11.8. If the GPAs keep going up, one reason is that the upper secondary schools give higher grades in general and the other

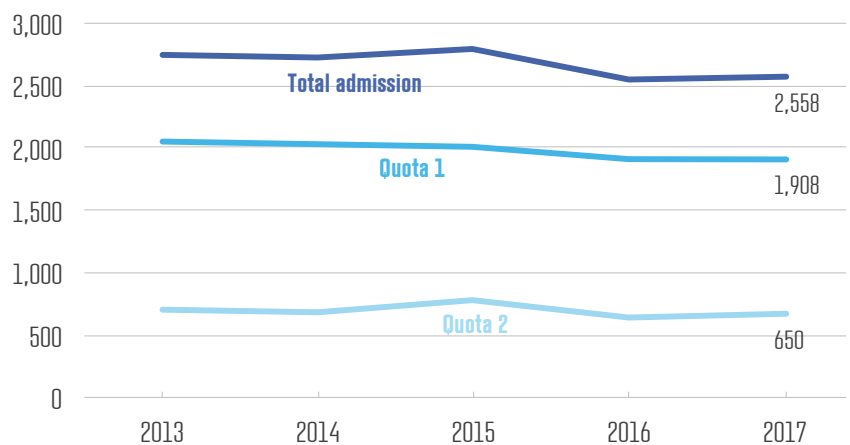
is that students may still multiply their average by 1.08 if they apply for admission no later than two years after having passed their upper secondary school leaving examination. Many applicants are rejected because they do not meet the GPA requirement but quite a few are also admitted through quota 2 where other qualifications are weighted.

NEW MASTER IN BUSINESS DEVELOPMENT

Under the continued and further education programmes, a new Master in Business Development (MBD) has been introduced, and more

than 100 students have already enrolled for programme start in February 2018. This is a flexible master programme aimed at the private business community, for instance, former CBS students in need of skills upgrading after having been on the labour market for some years.

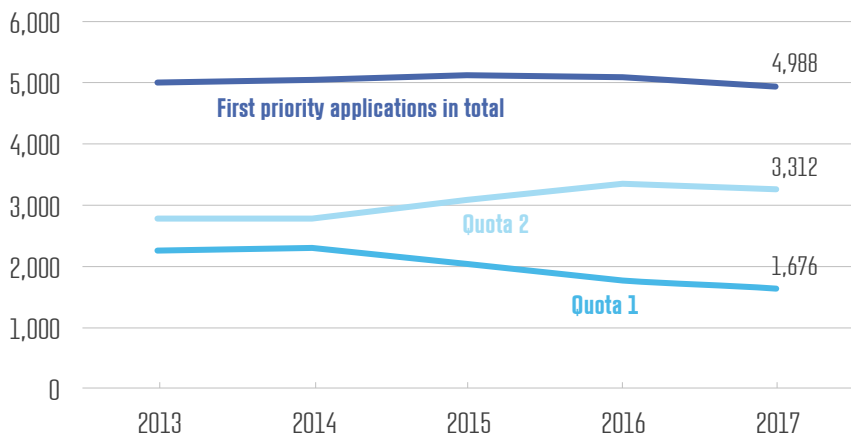
Figure 5 No. of students admitted to bachelor programmes, broken down by quota 1 and quota 2



Source: CBS

In 2017, approx. 25% of CBS' bachelor applicants were admitted through quota 2.

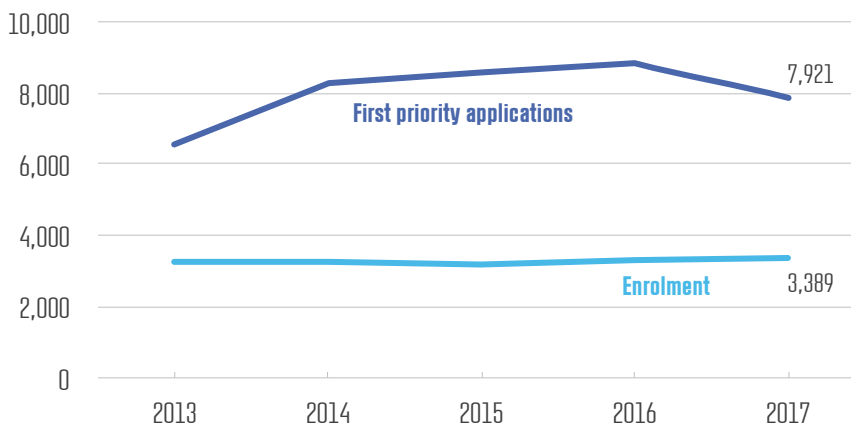
Figure 6 First priority applications for bachelor programmes, broken down by quota 1 and quota 2



Source: The Ministry of Higher Education and Science

There has been a small decrease in the number of first priority applicants for CBS' bachelor programmes, notably in quota 1. Yet CBS still has to reject half of the first priority applicants. The number of applicants has been stable at around 5,000 as last year.

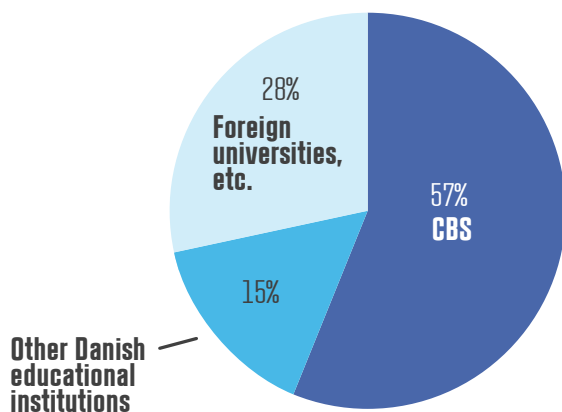
Figure 7 First priority applications and no. of students admitted to master programmes



Source: CBS

In 2017, CBS admitted 43% of the students having applied for a master programme as a first priority. The number of first priority applications for CBS' master programmes has gone down by approx. 10% from 2016 to 2017 whereas the number of students admitted has been stable. A reason for the decrease in first priority applications may be a change in the application system that makes it more difficult for a student to submit more than one application..

Figure 8 Master students' background, 2017

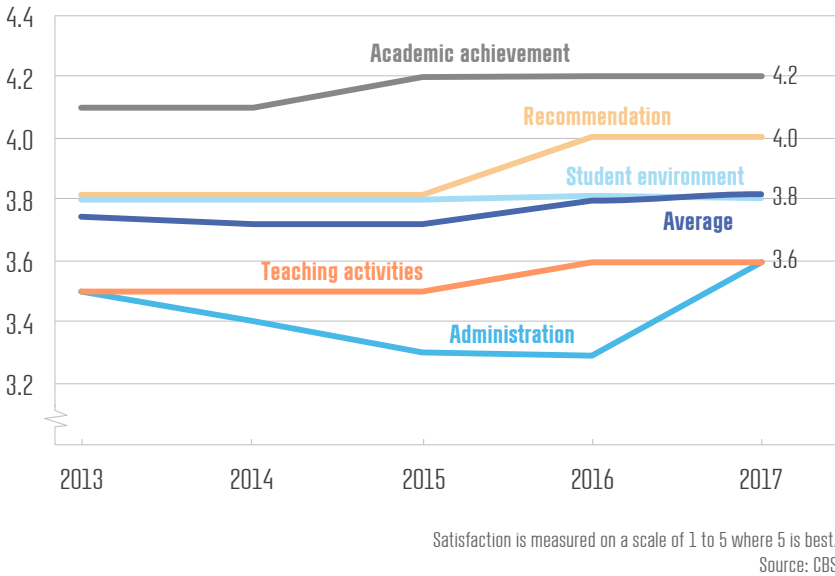


Source: CBS

57% of CBS' master students come from a CBS bachelor programme, followed by students from foreign universities etc. These students account for 28%.

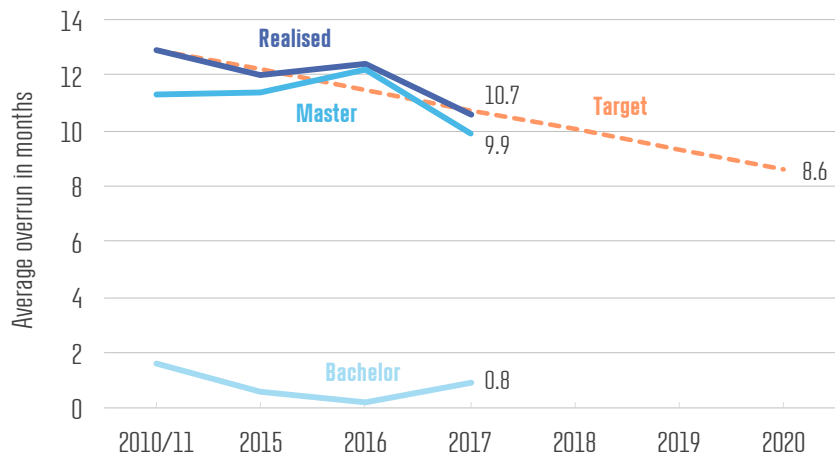
These rates are almost the same as in 2016.

Figure 9 Student satisfaction



Satisfaction with Programme Administration has gone up. In recent years, CBS has been focusing on improving administrative service vis-à-vis the students. This year, it is clear that the measures launched by CBS have had a positive effect on student satisfaction with Programme Administration, and the level of satisfaction is now higher than when it began to decline back in 2014. Recommendation of CBS, academic outcome, student environment and satisfaction with its individual courses remain at a stable level.

Figure 10 Reduced period of study



Note: The basis of calculation has been updated, showing that the actual duration of the study programme was exceeded by 9.9 months and not 10.7 months. Source: The Ministry of Higher Education and Science

In 2017, CBS meets the target set for the reduction of the period of study. The reduction requirement is measured on the basis of the academic year 2010/11, when the duration of the study programme was exceeded by 12.9 months on average. The period of study must be reduced by 0.72 months annually until 2020 when the official duration of the study programme must not exceed 8.6 months. The "bulge" in 2016 was caused by a large group of master students who were behind time. However, this has not been a hindrance to CBS' success in having a large group of master students who were behind time eventually complete their studies.

STUDENTS MORE SATISFIED WITH ADMINISTRATIVE SERVICES

Students have given CBS' Programme Administration a pat on the back in that satisfaction has increased considerably from a score of 3.3 in 2016 to 3.6 in 2017 on a scale from 1 to 5. The number of students indicating that they would recommend their programme to others has also gone up in recent years to an average score of 4.0 in 2017. Overall average student satisfaction is stable at around 3.8. The Study Board and programme directors use the evaluation scores to further develop courses and programmes.

FAST PROGRAMME COMPLETION TIME

Students continue to complete their programmes faster due to the study progress reform and new measures by CBS. The number of graduates surged in 2016 because the study progress reform resulted in many students who were behind time graduated that year. As the number of master programme graduates peaked at 4,379 in 2016, the preliminary figure for 2017 has dropped to 3,566. As not many students are left at CBS who are behind time, expectations are that the figure will decline further in 2018. The development contract requires CBS to reduce the time by which the official duration of a study programme is exceeded to 8.6 months on average per student up to 2020.

INITIATIVES TO IMPROVE WELLBEING

The heavy focus on completion and grades does, however, seem to have some adverse consequences for some CBS students. There are examples indicating that more students suffer from stress and seek counselling to deal with the many requirements they face – both on and off campus. A working group has been set up to examine in particular the transition from upper secondary school and the experience from the first year of study. Also, a project has been engineered to establish a grade-free first year on the BSc programme in Business Economics, Social Sciences and Psychology.

DECLINE IN INTERNATIONAL APPLICATIONS

There has been a 14% decline in applicants for master programmes – particularly among international applicants where the share of Italian and Norwegian applicants has gone down by 30% and 19%, respectively.

The reason may be that a new application system was introduced in 2017 for master programmes (the universities’ joint system DANS) where it is more difficult for applicants to enrol for multiple programmes at the same time.

GRADUATES FIND JOBS QUICKLY

CBS graduates are still in demand by the business community – and particularly the private sector where 86% of them take employment after having completed their studies. Even though many graduates finish within a quite compressed period of time, the unemployment rate is much lower for CBS graduates (7.1%) than the average rate for other Danish universities, university colleges and business academies (9.7%).

INTERNATIONAL STUDENTS ARE GIVEN EXTRA SUPPORT TO APPLY FOR JOBS

CBS admits around 350 international students to full bachelor programmes and around 700 to master programmes a year. About half of them come from Scandinavia – Norway in particular. The international students’ academic qualifications are at least just as good as those of Danish students, however, preliminary analyses suggest that international students have more difficulties in finding a job in Denmark afterwards. Especially the Nordic students tend to leave Denmark within the first year of graduation. This is why CBS has continued a special initiative to retain international CBS graduates in Denmark after they have graduated, called Job Search Academy, which assists international graduates in applying for jobs.

BASIC COMPETENCES FOR STUDENTS

Another element of CBS’ strategy process has been to establish a set of basic competences that all CBS graduates must possess.

Programme directors and heads of department have debated this subject on several occasions, and expectations are that it will be possible to send out the Graduate Competency Profile (GCP) for local interpretation on all programmes from year-end 2018. The aim is partly to make it more visible to the business community what basic competences CBS graduates are able to offer, partly to make it easier for students to change track on their way because common basic academic elements will facilitate academic progression. A common entry level for Mathematics B supports this aim. It is no simple exercise to strike a better balance between transparency and flexibility in the study programmes offered at CBS. This is why the plan is for each study board to have at least the spring semester in 2018 to discuss this and find an interpretation at programme level.

GROUPS COMPLETE THEIR MASTER THESES FASTER AND GET BETTER GRADES

In 2016, CBS introduced a rule that master thesis students must write in groups of two. This will improve the students’ collaborative skills and lead to a far better use of the scarce supervisor resources. Co-writing students generally get higher grades on their master theses, and many more hand in their theses at the general deadline. The assumption is that part of the reason for the reduced time of completion is that many more of the students who submitted their master theses in 2017 had been writing it together with a fellow student.

The rule was introduced with much leeway to give students dispensation to write alone, and many availed themselves of this opportunity. 2018 is expected to see an amendment to the law, entailing that students will be entitled to write their master theses single-handedly.

GRANT ENSURES MORE BLENDED LEARNING IN TEACHING

On 24 October 2017, CBS launched its research project, Research in Blended Learning (RiBL). Blended learning means a mix of face-to-face teaching and use of digital tools. The project is supported by Candy’s Foundation, and one of its objectives is to provide solid research into the pedagogical effect of blended learning and implement such learning across CBS so as to tap new training technology opportunities. The project will span six years and be co-funded by CBS, with the administrative unit Teaching and Learning as the hub of activities. One of the ambitions is that 90% of teaching at CBS is to be blended by 2023.

The particular advantages of blended learning as a form of delivery are that it will provide better opportunities for more activating training and for feedback to students, which will enhance their incentive and improve their learning outcomes, and blended learning will lead to the time that students and teachers spend together being used more efficiently – in the more classic analogous form of teaching as well as online teaching.

Table 1 Private and public sector employment of CBS graduates

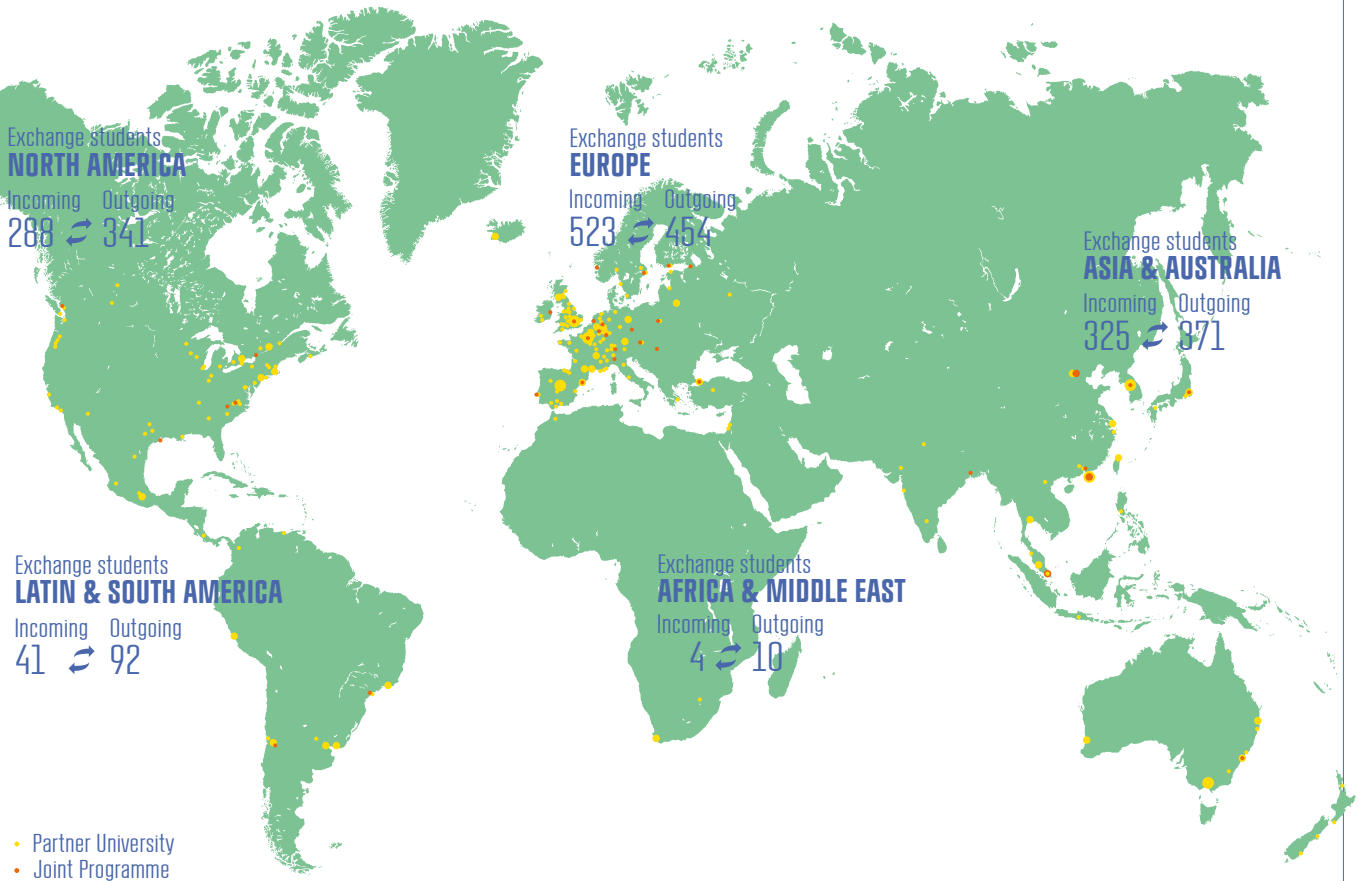
	Number of graduates by sector		Percentage of graduates by sector	
	Private	Public	Private	Public
Business economics	4,346	719	85.8%	14.2%
Business language	334	66	83.5%	16.5%
Total	4,680	785	85.6%	14.4%

Source: Statistics Denmark via CBS

A majority of CBS graduates are employed by the private sector.

The table shows the numbers and shares of CBS graduates in the period between 2015 and 2017 who are employed by the private and the public sector, respectively, specified by business administration and business language graduates.

INTERNATIONAL PROFILE



3

international accreditations

CBS is "Triple Crown Accredited" by EQUIS, AMBA and AACSB – an acknowledgement shared by less than 1 per cent of business schools worldwide

33

programmes in English

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

297

partner universities

CBS has exchange agreements with 297 universities and business schools worldwide

1.268

exchange students

In 2017 CBS sent 1,268 students on international exchange and received 1,181 exchange students from all over the world

3.928

full degree students

25 per cent of students at CBS are international

98

students nationalities

Students from 98 different countries are enrolled at CBS

203

intl. faculty members

40 per cent of the full-time academic staff at CBS is international

RESEARCH

CBS' RESEARCH PROFILE

Excellent research is a precondition for CBS being able to produce highly qualified and demanded graduates, strong continuing education, collaborate with the business community and contribute to public debate. This is why it is CBS' ambition to attract the strongest researchers, develop existing talents and create research environments in an international league of their own. High international recognition, strong publications and good collaboration with the business community are indicators of CBS' success.

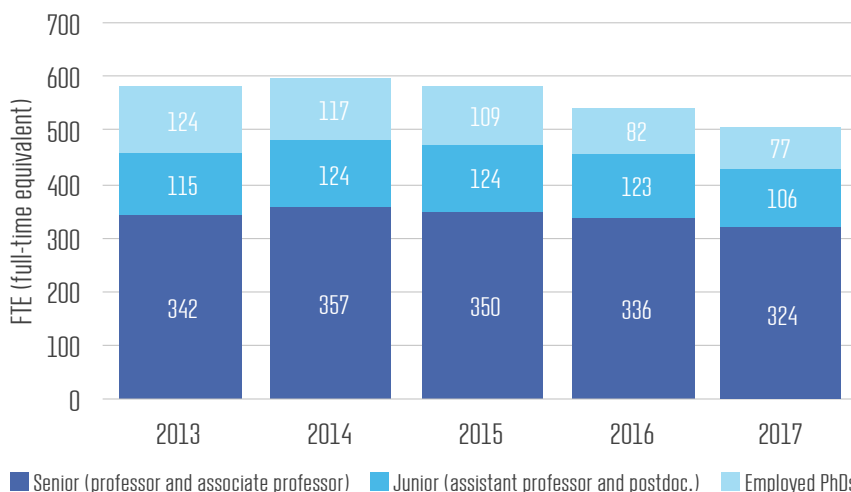
CBS is an internationally leading business university with excellent research within management disciplines such as financing, accounting, marketing, strategic management and organisation – and disciplines putting business in a broader, social, political, cultural, philosophical and historical context.

On the research front, the centenary of CBS' foundation has been a contrasted year. The population of researchers has been lower in 2017 than in recent years whereas the number of recruitments has been higher. This calls for a look back on circumstances in previous years. In 2014, CBS decided to implement a savings plan to have income and expenses balance in 2019. This plan resulted in 67 employees – primarily academic staff – volunteering to resign etc. The savings plan was executed in 2015 but did not feed through in full until in 2017, which is why CBS has seen a decline in the population of researchers across all categories of positions. Since 2015, CBS has earned extraordinary non-recurring income that could not be fore-

seen in 2014. This goes for the extraordinary basic research funding (2015 and 2016) and non-recurring income from the educational grant arising from the study progress reform (2016 and 2017). This has led to a financial latitude in the form of excess equity that CBS has decided to use gradually for moderate and temporary recruitment of academic staff. Consequently, 2017 was devoted to recruitments. Many more researchers have been recruited in 2017 than in recent years, and CBS has allocated many more positions for occupation in the years ahead. Though the current scenario of recruitments is a temporary one, recruitments are intended to have more strategic and long-term focus.

The more long-term focus on recruitments is reflected in a new allocation model for researcher hires. Senior Management will use this new model to allocate positions with a three-year horizon, which will make it easier for CBS' departments to plan future hires. The departments will have time to search the market for the best candidates, and for researchers it will become more transparent when positions are open. The model will also ensure that all funds for researcher hires are applied efficiently and as and when available.

Figure 11 Composition of research FTEs



Note: "PhDs employed" include only PhDs financed by CBS. Business PhDs and privatists are not included.
Source: CBS

The number of academic staff dropped from 2016 to 2017. The number of academic staff has dropped for senior researchers, junior researchers as well as PhDs. The drop is a consequence of CBS' 2015 savings plan which took full effect in 2017.

CBS has had much focus on recruiting academic staff in 2017. The number of recruitments has been much higher in 2017 than in previous years. However, the positions have been filled predominantly from the autumn of 2017. So they will not feed fully through to the total number of academic staff until in 2018.

In addition, CBS still has several unfilled allocated positions.

DIVERSITY IN FOCUS – MORE FEMALE ASSOCIATE PROFESSORS

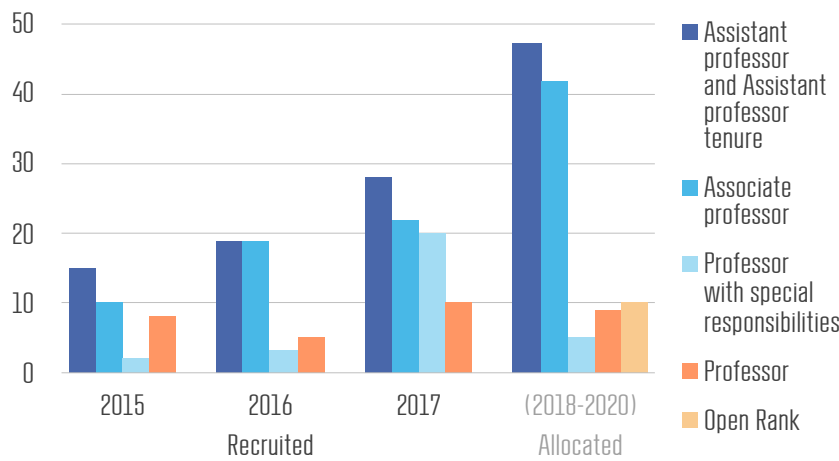
Diversity is a key focal point to CBS. In this context, the new allocation model will also provide the research environments with a better framework for finding the best qualified applicants – nationally and internationally. CBS’ Council for Diversity and Inclusion monitors diversity of the population of researchers, and the Academic Council annually monitors developments in CBS’ population of researchers and discusses recruiting practices and strategies. One of the results of this focus has been an internal report to the Academic Council from 2017. Its figures demonstrate that it is worthwhile to have more women apply for academic positions, and CBS can only encourage them to do so. It is evident from the report (2012-

2016 data) that there is a clear majority of men (70%) among applicants for academic positions, yet the share of newly appointed female associate professors (38%) is higher than both the share of female applicants (31%) and the share of qualified female applicants (34%) for the associate professorships advertised, meaning that female applicants are more successful in their applications. According to the report, this only applies to positions such as assistant professor and associate professor, though, whereas professorships are still awarded mainly to male applicants. Read more about what CBS does to create a diverse environment in the section “Bringing all talents into play – diversity at CBS and in society” in the management commentary of this annual report.

INTERNATIONALISATION OF CBS’ RESEARCHERS

CBS is an international university. This means, among other things, that CBS wants to retain and recruit a considerable share of international researchers, who can not only strengthen the international research network, but also CBS’ international research environments. CBS’ population of researchers of foreign origin (citizenship) remains stable at around 40%. The share of new academic staff with non-Danish nationalities (citizenship) has gone up from 35% in 2016 to 45% in 2017, thus being on a par with 2015. This increase is a result of more recruitments in 2017, CBS’ continued efforts to ensure international competition for the positions and its international reputation.

Figure 12 Recruitment and allocation of academic staff positions



Source: CBS

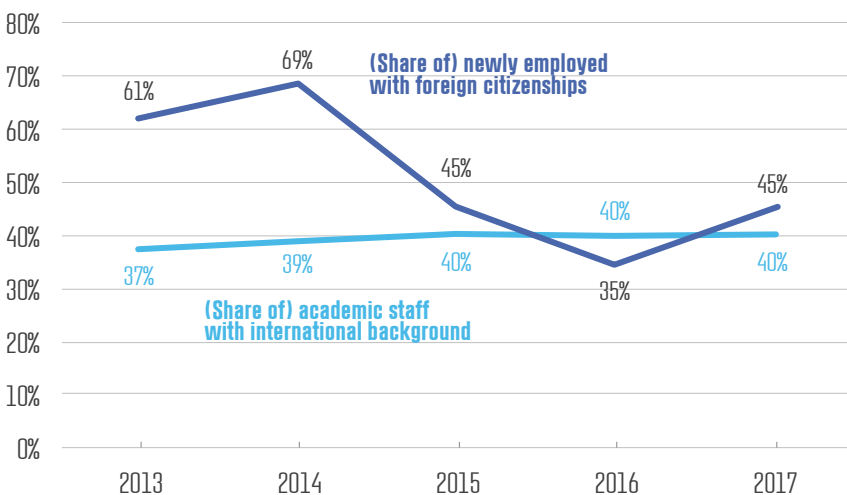
CBS is dedicated to recruiting and retaining talented researchers.

The figure shows the number of recruitments for academic staff positions from 2015 to 2017 as well as the number of allocated positions from 2018 to 2020.

From 2016 to 2017, the number of new academic staff positions has gone up by just under 75%.

The positive development in recruitments for academic staff positions is expected to continue as CBS has allocated about 100 positions in 2017. CBS budgets for allocations up to 2020 to increase further because of allocation rounds in 2018 and onwards.

Figure 13 Share of academic staff with international background



Source: UNI-C and CBS

The share of new academic staff with non-Danish nationalities (citizenship) has gone up from 35% in 2016 to 45% in 2017.

CBS strives to recruit internationally, and the increase in new hires with international background should be viewed in light of a larger number of allocated positions and comprehensive recruitments in 2017 compared to recent years.

The share of non-Danish academic staff remains stable at around 40%.

TRANSPARENCY IN RESEARCHERS' CAREER PATHS

It must be easier for researchers to navigate the expectations for them. In 2017, CBS started using a new tool for the dialogue between heads of department and researchers about the latter's career development. Expectations and criteria for career development and recruitment cover Research, Education, External Funding, Academic Citizenship and Dissemination, hence the abbreviation REEAD. Going forward, these criteria will be used for hiring purposes.

EFFORTS STRENGTHENED FOR GOOD SCIENTIFIC PRACTICE

Good scientific practice is vital to CBS' research. In 2017, CBS implemented a new set of rules for scientific misconduct to ensure more involvement of CBS in the complaints process. Complaints about scientific products must be lodged directly with CBS' new practice committee and be prepared before any handing over to the Committee on Scientific Misconduct. Furthermore, CBS has worked on disseminating awareness of the practice committee. In 2017, the practice committee expressed criticism of the publicly debated agricultural report after having been approached by the Academic Council and Senior Management. CBS' Senior Management has since published a memorandum to brush up current policies in order to avoid any future cases of this nature.

DANISH FINANCE INSTITUTE

In 2017, CBS formed a strategic partnership with Finance Denmark, the University of

Aarhus, the University of Copenhagen and the University of Southern Denmark. CBS is heading this initiative named Danish Finance Institute. Denmark has so far had a challenge in attracting the most talented international finance researchers, but with a DKK 80 million grant from the Danish banks, the Danish Finance Institute is able to join the international competition in attracting top researchers.

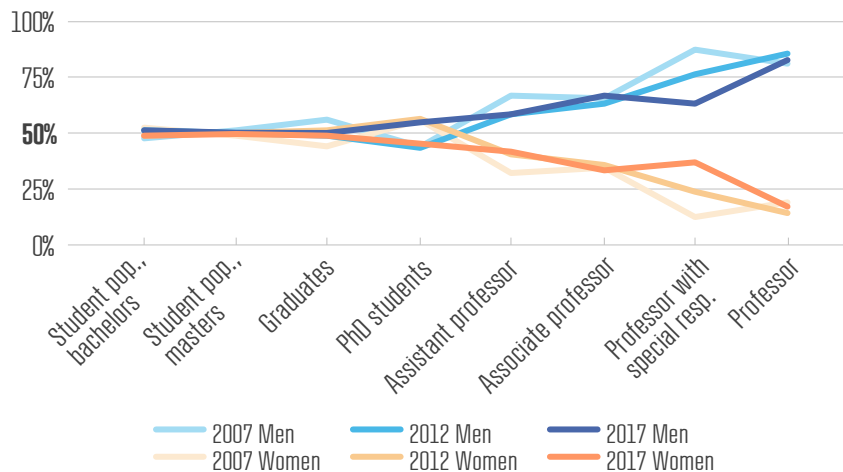
CBS RESPONDS TO DECLINING PHD POPULATION

PhD fellows are paramount to CBS' ability to produce new knowledge, develop research environments and ensure a long-term pool of candidates for academic positions. This is why it is inconvenient that CBS experiences a decline in the population of PhDs. From a 2012 peak of around 250 students, the prospects were a portfolio of only 150 PhD fellows in just a few years because of the declining number of students admitted to PhD programmes. The reasons were both CBS budget cuts and a more difficult environment for external funding. To counter this negative trend, CBS decided to invest DKK 20 million in 2017 in admitting students to PhD programmes – financed by CBS' extraordinary basic research grant that was received in December 2016. As a result, three cohorts of research students opened in 2017. This initiative is to be viewed as a first step towards restoring CBS' research student population for the purpose of being able deliver a sufficient number of qualified PhDs in the long term to the business community and to the research community.

NEW PHD PROGRAMME INITIATIVES

Two new research school directors were appointed in 2017. Efforts to improve counselling and study programmes offered have continued, and online tools and blended learning have been brought into play. In 2017, a model for 4+4 programmes was developed and agreements on double degrees were entered into with international universities. Furthermore, CBS organised the first inter-faculty PhD pitch event in 2017. At this pitch event, some of CBS' PhD fellows gave a brief and appealing presentation of their project before a panel of internal and external judges. Albert Fei Liu won the main award sponsored by Carlsberg. Finally, the PhD schools arranged the annual Graduation Day to celebrate the new and former graduates.

Figure 14 Gender parity at CBS, 2007-2017

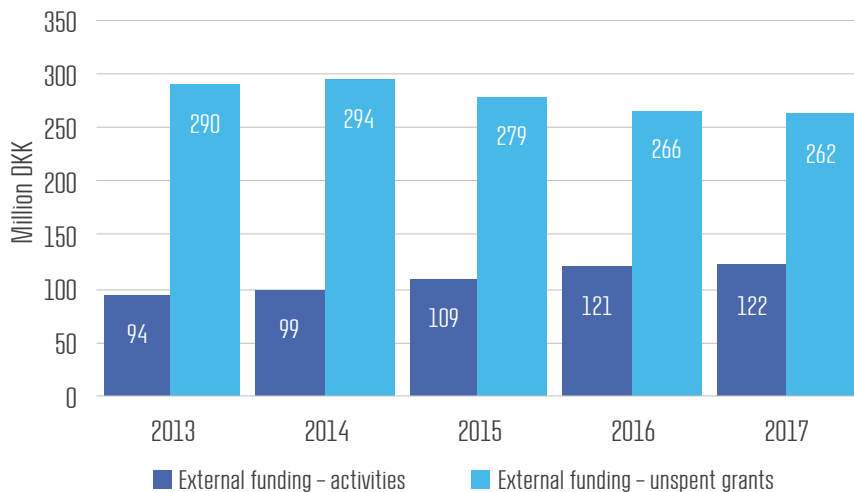


Note: The number is measured by reference to headcount. Source: ISOLA and CBS

The ratio of women and men is largely equal among students, graduates and PhD fellows at CBS, whereas the ratio of women goes down in line with the general increase in the position structure for academic staff.

Except for Professor with special responsibilities which had a higher ratio of women in 2017 compared to previous years.

CBS has a goal in the development contract of attracting qualified female applicants for professorships but not one for female recruitments.

Figure 15 External funding: Activity and grants not yet spent

Source: CBS

The figure shows funds spent on externally funded projects and donations as well as external research grants not yet spent.

Reflecting the portion of already donated grants that have not yet been used, unused grants indicate the volume of externally funded project activity that can be carried out without receiving any additional, external funding. See note 10 in the chapter "Notes to the financial statements".

The statement of external funding follows the Budget and is calculated on UK 95, Subsidised research activities. The statement also includes donations which account for approx. DKK 0.4 million in 2017.

EXAMPLES OF RESEARCH INITIATIVES

EGOS conference

In June 2017, CBS hosted a prestigious conference arranged by the European Group for Organizational Studies (EGOS). The conference, which was the largest in CBS' 100-year long history, had as its subject "The Good Organization: Aspirations. Inventions. Struggles" and attracted over 2,300 researchers from all over the world. Over a three-day period, CBS was filled with research presentations, panel debates and networking events.

World-class CBS research

One of the researchers excelling in particular in 2017 is Professor Lasse Heje Pedersen. The focus of his research is how market frictions affect prices of financial assets. He has published seven articles in 2017, four of them in the top finance journals. Lasse Heje Pedersen is among the world elite in financial research and has won several awards, and for the third year in 2017 he was on the list of the most influential researchers in the world (Clarivate Analytics).

EXTERNALLY FUNDED RESEARCH

CBS wants close and good collaboration with external stakeholders on relevant and innovative research projects, much of which is reflected in externally funded research projects. In the year under review, CBS has

obtained more than half of its funding from private donors, a third from public subsidy sources and just under 20% from the EU.

CBS has intensified its efforts in 2017 to obtain external research funding. In a joint effort with Programme Administration, the departments strengthened the internal quality procedure for applications, some of the focal points being the screening of application ideas, internal peer reviews and researchers appointed as funding coordinators to support the application process. CBS has focus on preparing better applications to support its strategy, and particularly on attracting funding from prestigious sources and intensifying efforts to obtain private funding. Furthermore, CBS still has it as a priority to attract funding where collaboration across disciplines, sectors and borders is given much weight.

ENDOWED PROFESSORSHIPS

To build long-lasting research relationships with private foundations and companies, CBS started an Endowed Professorship Programme in 2017 that is characterised by a closer collaboration with the business community and foundations to develop new ideas and solutions to promote innovation and growth. This commitment has already resulted in a grant of DKK 25 million from the Candy's Foundation for a Blended Learning professorship. With this professorship, CBS wants to rearrange teaching, based on research, so as to use more technology. Another two Endowed Professorships will be set up in 2018.

SUCCESS IN ATTRACTING EU FUNDING

In 2017, CBS managed to attract DKK 22.45 million in EU funding, which is way up on

2016. These long-running efforts to attract European Research Council (ERC) funding have borne fruit, most recently with Professor Christian Borch's ERC Consolidator Grant of approx. DKK 12 million, under which he will over a four-year period analyse the consequences of algorithm-based trading. From 2009 to 2016, around 30% of social science ERC funding granted to Denmark has been allocated to CBS. By comparison, CBS handles approx. 25% of Danish social science research. CBS' potential of attracting EU funding would be even higher if social science and the humanities are recognised to a greater extent by politicians, the business community and the foundations as a critical research field. To illustrate this point, CBS and the think tank DEA prepared a report in 2017 on the significance and potential of integrating social sciences and the humanities in strategic research programmes if the projects are to create value for society.

EXAMPLES OF PUBLIC GRANTS

CBS has received two grants in 2017 from Innovation Fund Denmark. One project, "Understanding Mindsets across Markets Internationally (UMAMI)", is headed by Professor with special responsibilities Alexander Josiassen, who is to study what makes Chinese tourists choose or not choose Denmark as a destination for their holidays. The other project is called "Manufacturing Academy of Denmark (MADE)", which is a huge industrial research consortium. CBS is partner in the project dealing with how to continue to ensure Danish competitiveness in the manufacturing industry by means of digitalisation.

To strengthen collaboration with Innovation Fund Denmark, CBS arranged a workshop together with the Fund to discuss specific application ideas and to engage in professional back-and-forth. This is particularly useful to researchers with social science project ideas who have typically had difficulties in seeing themselves in the calls for projects.

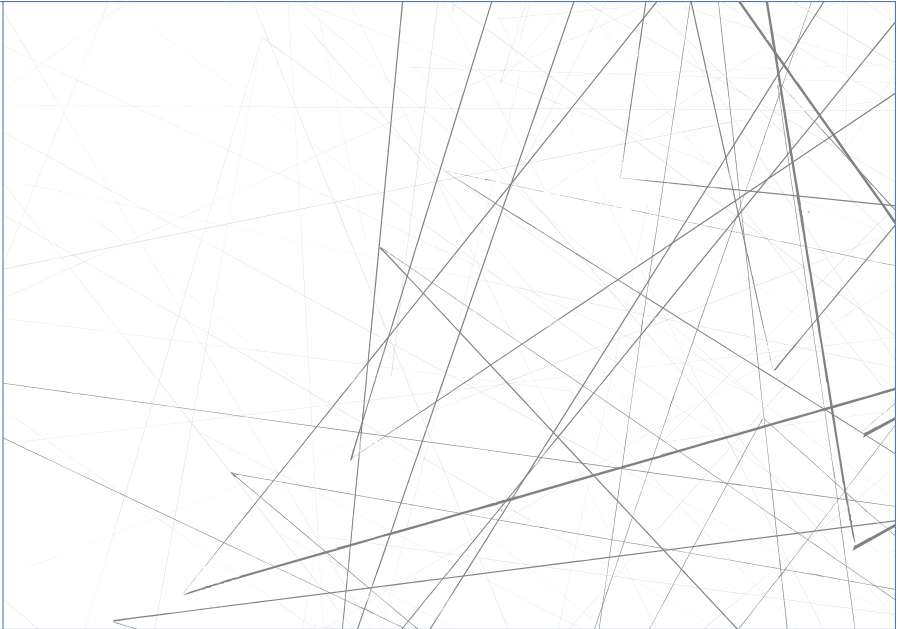
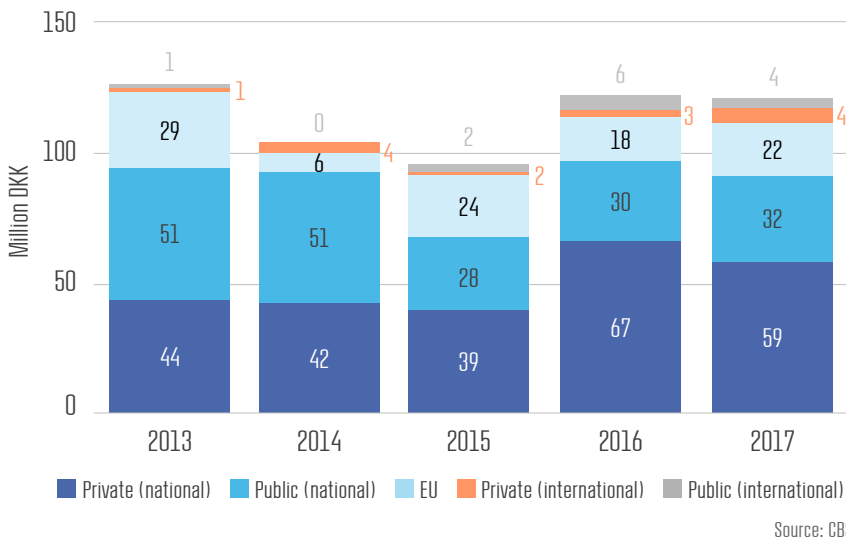


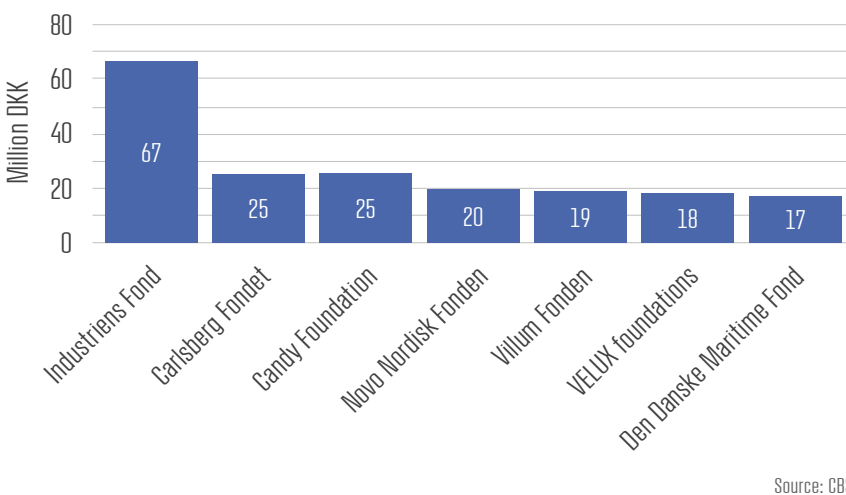
Figure 16 Grants donated for externally funded projects



External funding attracted by CBS in 2017 is composed of just over 50% from private foundations and companies, 30% from public sources and just under 20% from the EU. This structure is consistent with that from 2016. There has been a small reduction in the share of grants from private sources and a small increase in EU funding.

This is partly the result of a long-term effort to attract funding from private sources to finance research activities, and partly of the smaller share in public funding probably being caused by the reduction in public, contestable research funds seen in recent years.

Figure 17 Largest private donors for externally funded research



The figure shows the largest private donors for CBS’ externally funded research from 2013 to 2017, measured by reference to already donated grants.

The largest donations account for 70% of private grants donated to CBS during this period.

Besides the donors reflected in the figure, the largest donors are Orients Fond, Otto Mønstedts Fond and Danske Bank.

RESEARCH COMMUNICATION

CBS' COMMUNICATION PROFILE

Communication is linked to the ambitions expressed in CBS' Business in Society strategy. Because the position as a major knowledge producer obligates CBS to ensure that such knowledge is communicated in order to add value to society at large. This means that communicating knowledge about the results achieved both during and after the project is a natural part of a research project. Besides the actual research communication, increasing demand for CBS research-

ers' knowledge is noticeable – be it in the media, where CBS researchers are typically consulted as experts, or in businesses and organisations which would like to see new knowledge incorporated in their management and development processes. To ensure a high degree of professionalism in communication, competence development courses and related seminars are carried through on a regular basis.

CBS works with several media channels to highlight research, spanning nationwide TV, newspapers and radio to blogs, newspaper columns, international media, conferences, book publishing, tweets and Facebook postings. CBS is continually working to assist researchers - Danish as well as international - disseminate their news in the media. Every day, journalists are matched with CBS researchers in topical news stories, and network meetings and other events over the year focus on dissemination.

At the beginning of the year, Lisbeth Knudsen, CEO of the business and political magazine *Mandag Morgen* and Adjunct Professor, spoke at CBS' dissemination seminar, "Speak up or shut up – Working with the Media: A Duty, Necessity or Desire?". At this seminar, it was made clear that communication of research is a duty being part of the job, and that you need to relate to the media, that it is important as a communicator to be aware of your role: are you an expert or are you gazing into the crystal ball?, and that when researchers use unnecessarily difficult expressions and a terminology only for those with experience, this creates barriers to that communication.

ANNIVERSARY ALSO FOR CBS' RESEARCH

CBS' centenary has been an obvious opportunity to centre on research. This is why 2017 has been marked by more events than normally, among them the CBS Impact Summit, where executives from Novo Nordisk, Mærsk, Danske Bank and Arla debated with research-

ers on what Denmark will live off for the next many years. At the "Banking of the Future – Rethinking the Financial Sector" event, the finance sector discussed sustainable banking, and 30 international researchers rallied for "Money, Markets and the Sacred: International Perspectives on Economic Theology" to approach finance from a theoretical angle.

RESEARCH NEWSLETTER USING VIDEO COMMUNICATION

In 2017, CBS published three new issues of the newsletter CBS Research News, which is to bring businesses, the media, decision-makers, students and staff closer to research.

This time, the video medium was used as an element of communication. For instance, you could see why, by saving up in the economically good years, the Nordics avoided the worst economic consequences of the financial crisis. And you could read about how companies give away precious data and control to Google and Facebook, and how companies retain international key employees.

ACTION PLAN FOR RESEARCH COMMUNICATION PLAN ON THE WAY

The document "CBS' dissemination/research communication going forward – Outlines of a CBS research communication strategy 2017-2020" from April 2017 is available and has been discussed centrally at CBS. The focus of this document is that, through research communication, CBS helps

secure the value of the research performed by distributing relevant knowledge to society. Among the points of the draft strategy are intensified focus on communication of PhD projects and more use of social media to accelerate research communication. An action plan is in the pipeline as a follow-up on the strategy.

CBS IN THE PRESS IN 2017

CBS was quoted 17,650 times (49/day) in the Danish media in 2017, which is down around 15% on 2016. The figures are based on Infomedia’s database which includes all Danish press coverage on “CBS”, “Copenhagen Business School” and “Handelshøjskolen i København”. As in recent years, most of this type of coverage has been in online media, followed by regional, local and national daily papers.

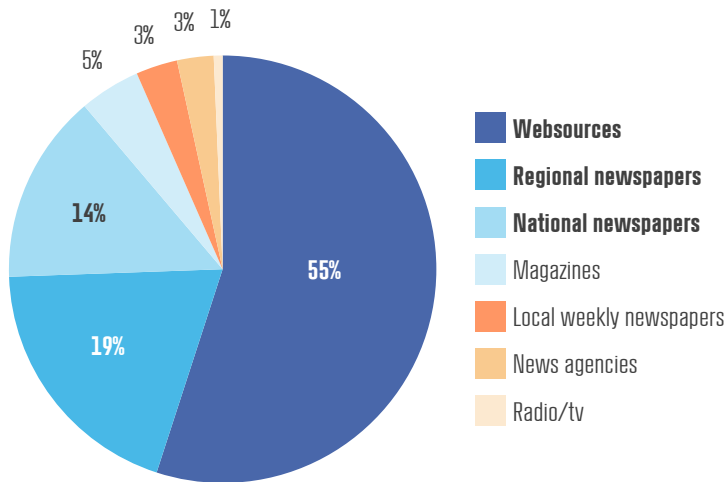
A more qualitative calculation based on daily press cuttings shows 4,177 mentions (12/day) – equalling a decline of 16% on last year. The calculation is filtered for minor matters and only including the original news article or item in radio/TV and not quote stories in other media. The breakdown by media type shows most mentions in online media (42%), followed by national daily papers (27%) and journals/magazines (10%).

By far the majority of mentions are related to research communication, for instance, in connection with management, the debate on secession in Spain, pay negotiations in the public sector, US politics, GPAs required for admission and new payment methods.

DANISH SCIENCE FESTIVAL

During the Danish Science Festival, CBS attended two events: “Slip stress ud af skammekrogen” and “Diversity Day”. Besides these events, anyone interested could have a researcher visit, say, businesses, schools or at home during the festival. 19 researchers from CBS made themselves available and gave speeches on such topics as management of diverse teams, social media and new trends in Japan.

Figure 18 Press coverage by media, 2017



Source: Infomedia, search for “CBS”, “Copenhagen Business School” or “Handelshøjskolen i København”

Slightly over half of the stories on CBS appeared in online media. Not surprisingly, the so-called quote stories where media quote each other are widely circulated in online media. Part of the reason why the number of mentions on TV and radio is relatively low is that Infomedia does not capture all TV and radio hits and that most of the news media are online.

CBS was mentioned a total of 17,650 times in 2017.

Development contract reporting 2017

PERFORMANCE 2017

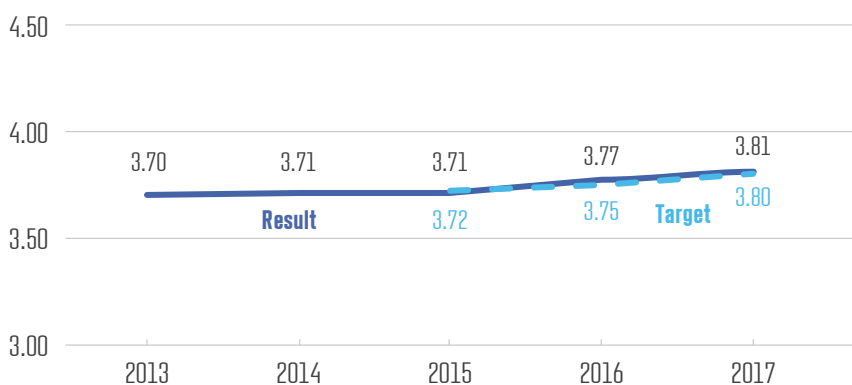
No. of achievement goals	✓ Met	≈ Partly met	✗ Not met
Programme quality	2		
Higher relevance and increased transparency	2		
Improved continuity and cooperation			1
Better internationalisation			1
Wider regional knowledge cooperation	2		
Higher research activity and research quality	4		
Contribution to Society			1
Diversity/gender ratio			1
Total	10		4
Per cent	71 %	0 %	29 %

Based on the announcement by the Ministry of Higher Education and Science in 2015, the goal regarding "Increased social mobility" has been removed from the development contract and been replaced by the goal regarding "Wider regional knowledge cooperation".

PROGRAMME QUALITY

Indicator	Goal 2017	Result 2017	Comments
1.1 Full time programme student satisfaction Student satisfaction as weighted average (based on student population across all programmes)	3.80	3.81 ✓	CBS met the goal in 2017, which was a weighted average of 3.80, and this year student satisfaction stands at 3.81. The increase in satisfaction applies to Programme Administration in particular, which has gone up after several years of decline, and the level is now higher than in 2014 when the decline began, and on all five gauging parameters.

Figure 19 Average satisfaction in full time programmes



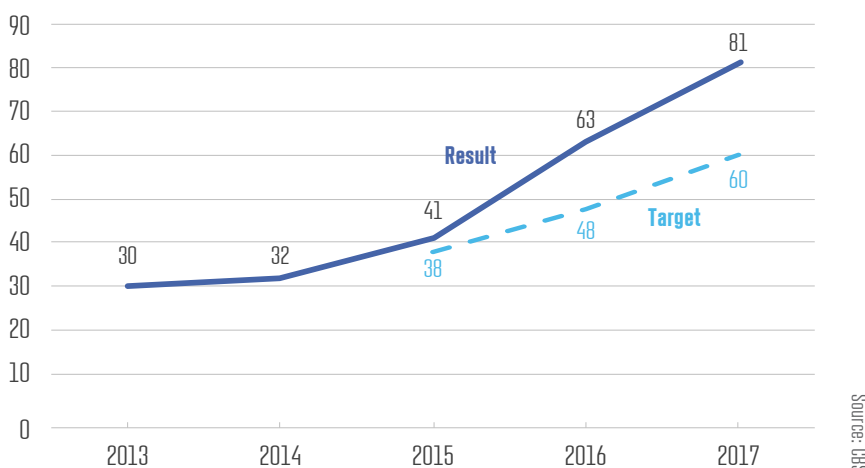
Source: CBS

The five gauging parameters are: recommendation of programme, programme administration, student environment, teaching and academic outcome.

PROGRAMME QUALITY

Indicator	Goal 2017	Result 2017	Comments
1.2 Online and blended learning (digital learning support) Increase in online and blended learning courses	60	81 ✓	In 2017, CBS met the goal of an increased number of online and blended learning courses. The 2017 goal was 60 online or blended learning courses, but a total of 81 courses were made available, representing an increase of 18 relative to 2016.

Figure 20 No. of online and blended learning courses



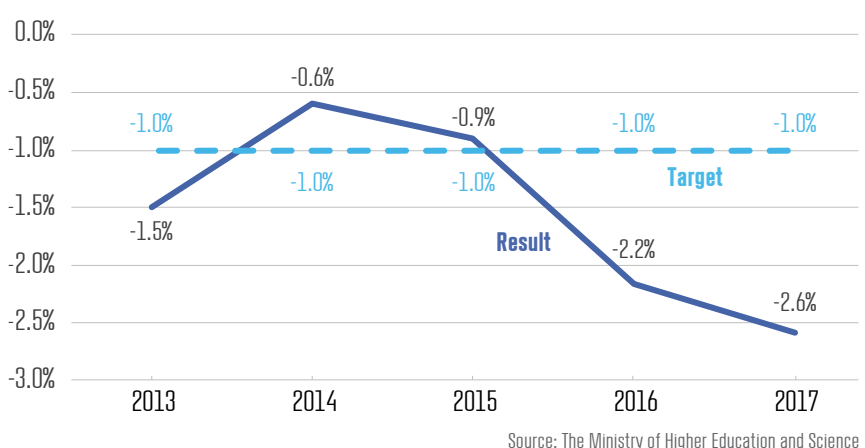
This is equivalent to an annual growth rate of 40% from 2015 to 2017, which has been caused by heavy development activities on the diploma programmes.

CBS wishes to maintain its strategic focus on online and blended learning programmes.

HIGHER RELEVANCE AND INCREASED TRANSPARENCY

Indicator	Goal 2017	Result 2017	Comments
2.1 Unemployment 4-7 quarters after graduation CBS' unemployment rate as the no. of percentage points relative to the average for the entire sector. CBS should be lower than 1.0 percentage point	-1.0 percentage point	-2.6 percentage points ✓	The goal is for CBS' graduates to have a higher employment frequency than the average for other graduates. To measure this, the unemployment rate for CBS graduates should be at least 1.0 percentage point below the average for further education graduates.

Figure 21 Unemployment among CBS graduates relative to the entire sector

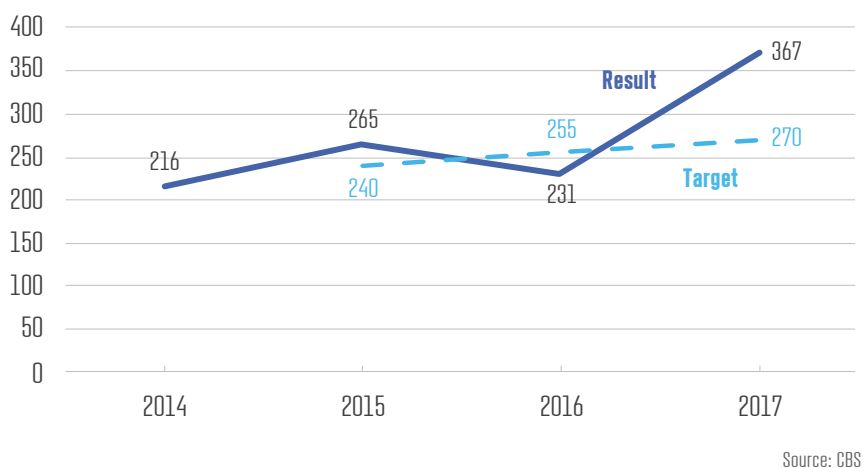


As the unemployment rate for CBS graduates (7.1%) is 2.6 percentage points below average (9.7%), the goal is met. CBS focuses on employment for graduates. This is a recurring theme in the internal rotation evaluations where the current employment prospects are discussed with the programme director.

HIGHER RELEVANCE AND INCREASED TRANSPARENCY

Indicator	Goal 2017	Result 2017	Comments
2.2 New businesses No. of students having completed CSE's start-up programme	270	367 ✓	367 students have completed the Copenhagen School of Entrepreneurships (CSE) business start-up programme. As the goal was 270 students in 2017, it is met. The study progress reform previously led to fewer students completing the business start-up programme.

Figure 22 No. of students having completed CSE's start-up programme

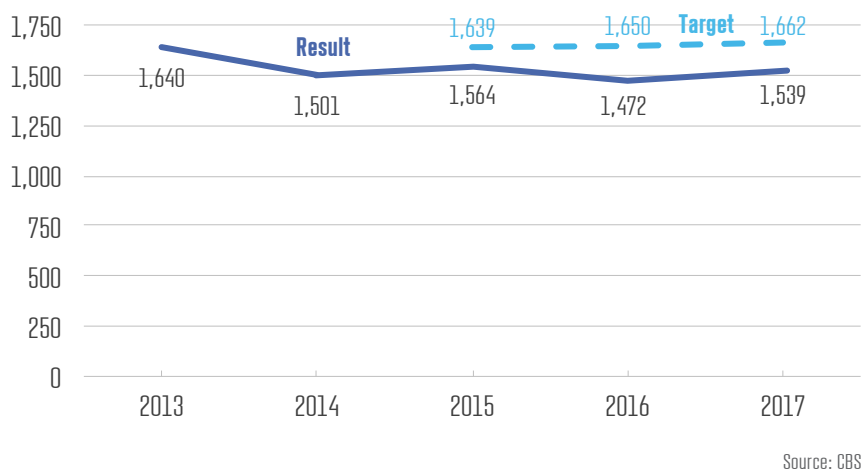


Aside from the start-up programme, 27 students have been on internships in 2017, for instance, in collaboration with Singapore Management University. Around 63 students attended the GoGrow growth programme.

IMPROVED CONTINUITY AND COOPERATION

Indicator	Goal 2017	Result 2017	Comments
3.1 Students in diploma and master programmes Number of student FTEs in diploma and master programmes	1,662	1,539 ✗	The goal for the number of student FTEs in diploma and master programmes in 2017 was 1,662, but since the number was only 1,539 student FTEs this year, the goal is not met. The result should be seen in light of the general decrease in the market for continuing and further education programmes, which has also had a bearing on CBS. The number of student FTEs has decreased from 2016 to 2017 in the Graduate Diploma (HD2) whereas for the Graduate Certificate (HD1) and the master programmes this number has gone up.

Figure 23 Student FTEs in diploma and master programmes

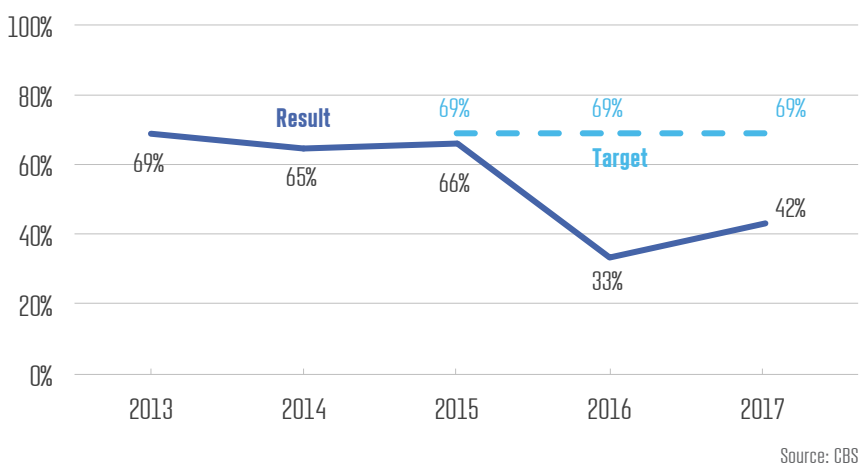


CBS is in close dialogue with the Ministry of Higher Education and Science and the other providers of diploma programmes on how to develop and plan these programmes to better meet current education needs.

INTERNATIONALISATION

Indicator	Goal 2017	Result 2017	Comments
4.1 Graduates in exchange programmes Ratio of graduates on exchange programmes as a percentage	69 %	42 % ✓	The ratio of graduates in exchange programmes was 42% in 2017. As the goal was 69%, it has not been met. The exceeding of the goal is significant due to the extraordinarily high number of graduates in 2016 and 2017.

Figure 24 No. of graduates in exchange programmes



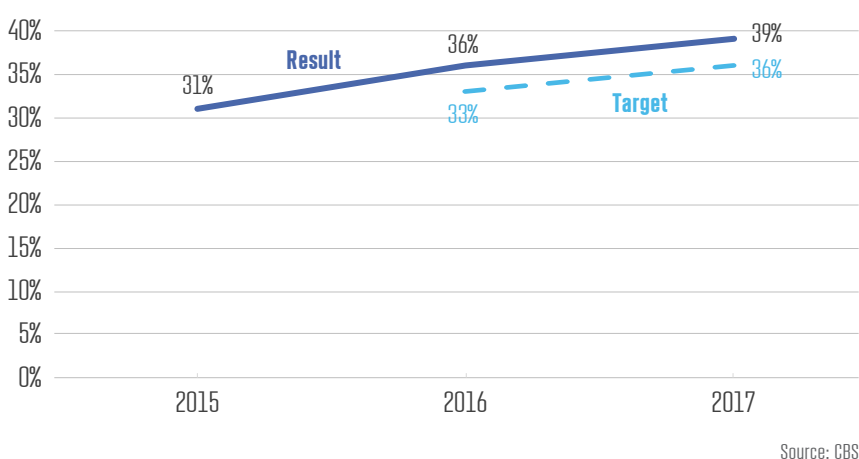
This increase has been caused by the study progress reform and various study-related initiatives which have implied, for instance, that students lagging behind relative to the scheduled duration of the study programme have now graduated.

However, a small increase in the number of exchange students has been recorded. Yet the goal set in the development contract to maintain the level for students on exchange programmes is still considered ambitious, e.g. due to the students' study conditions in consequence of the study progress reform. CBS is still focusing on ensuring good conditions for exchange students.

WIDER REGIONAL KNOWLEDGE COOPERATION

Indicator	Goal 2017	Result 2017	Comments
5.1 Increase the ratio of one-day diploma programme courses Number of one-day programmes relative to the total number of programmes	36 %	39 % ✓	In 2017, CBS met the goal regarding the ratio of one-day diploma programme courses. The goal for 2017 was for 36% of all diploma programmes to be supplied on individual days, but the realised goal was 39%. With the implementation of blended learning, focus has been on delivering the teaching activities, and the programme has now been grouped in fewer and full days by means of blended learning elements between the sequences.

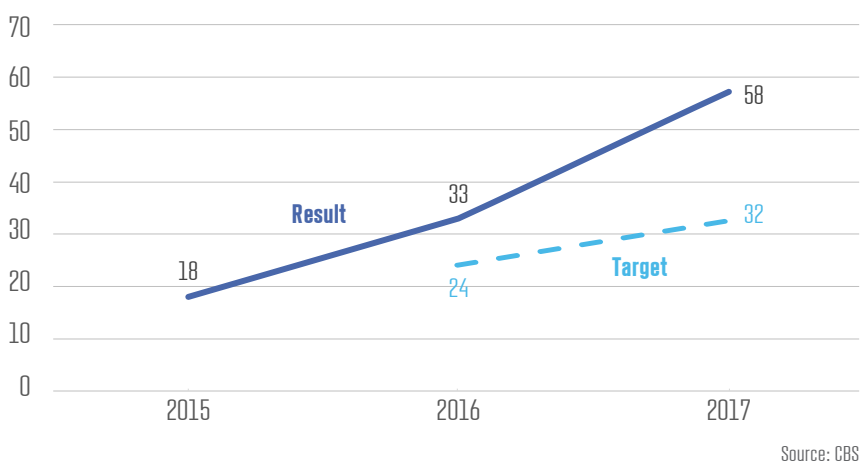
Figure 25 Ratio of one-day programmes



WIDER REGIONAL KNOWLEDGE COOPERATION

Indicator	Goal 2017	Result 2017	Comments
5.2 Expand the supply of online and blended learning courses on diploma programmes No. of courses	32	58 ✓	CBS met the goal to increase the number of online and blended learning programmes in the diploma programme area in 2017, having increased the number to 58, whereas the goal was 32. This is an annual rise of over 75% over the past two years compared to a target rise of 33%.

Figure 26 No. of online and blended learning programmes



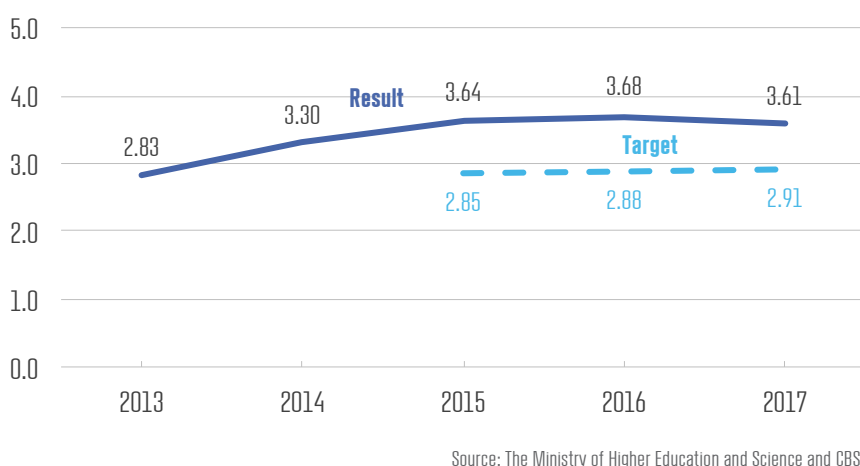
The increased supply is the result of a great effort and cooperation between the programme management, programme coordinators and the Teaching & Learning unit.

CBS expects to further increase the number next year.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2017	Result 2017	Comments
6.1 Higher research activity Research activity in terms of BRI (bibliometric research indicator) points relative to research FTEs	2.91	3.61 ✓	Research activity is measured based on the national bibliometric research indicator (BRI), which reflects the volume of publications measured as points in a given period. CBS met the goal to increase the number of BRI points per permanently employed research FTE in 2017, even though the number of BRI points has decreased.

Figure 27 No. of BRI points relative to research FTEs

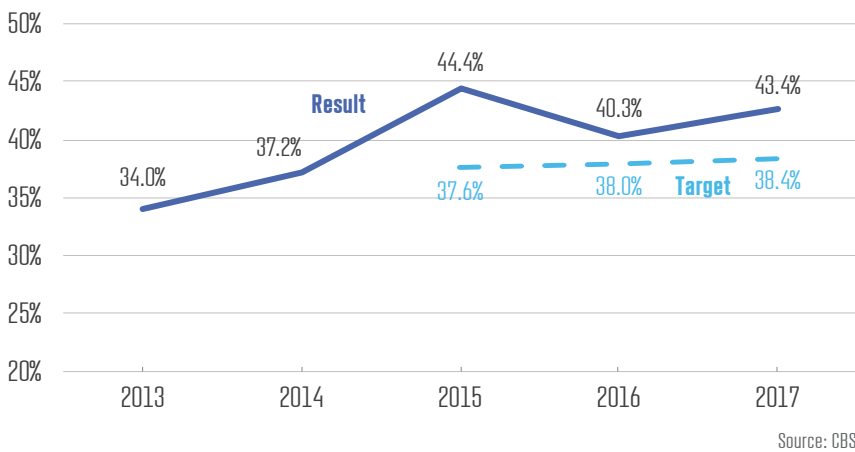


The number of BRI points in 2017 derives from 2016 publications.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2017	Result 2017	Comments
6.2 Higher research activity Research activity measured by BFI 2 articles relative to the total number of BFI articles as a percentage	38.4 %	43.4 % ✓	CBS met the goal to increase the number of articles published in high-ranking BFI journals (BFI level 2 articles) in 2017. The ratio of BFI 2 level articles in 2017 was 43.4% of the total number of BFI articles published. The goal was 38.4%.

Figure 28 BFI 2 articles as the ratio of the total no. of BFI articles

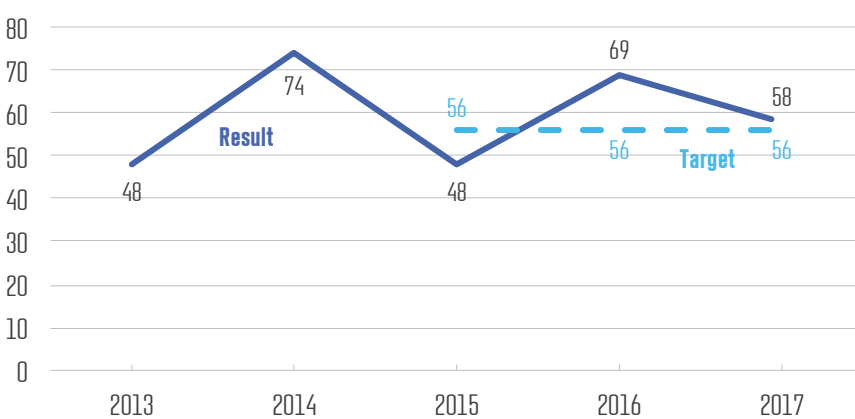


The assessment of whether the goal has been met is made according to the most recent assessment year. This means that the number of BFI articles counted in 2017 concerns publications reported in 2016.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2017	Result 2017	Comments
6.3 Higher research quality No. of articles published in journals on the ABS 4 and 4* list	56	58 ✓	The goal reflects the number of scientific articles published in journals on the ABS list. ABS stands for "The UK Association of Business Schools" and ranks business school-relevant journals on a 1-4* scale where 1 is the lowest and 4 and 4* the highest. The ABS list does not cover all of CBS' subjects, but solely publications in the fields of Accounting, Economics, Information Management, Organisational Studies, Operations Research and Management Science and Strategic Management.

Figure 29 No. of articles published in the ABS 4 and ABS 4* list



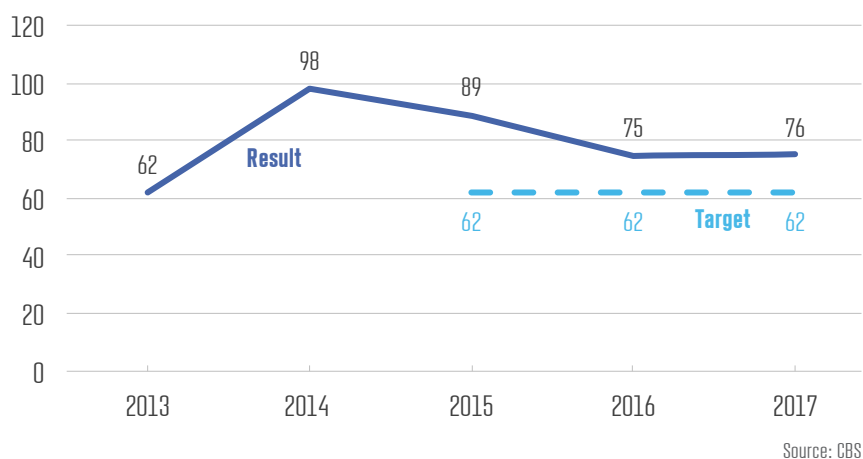
Note: The goals for 2015 to 2017 have been revised after the completion of the development contract. The revision was due to changes in the ABS list, and CBS has reserved its right in the development contract to make revisions on the basis of changes in the ABS list. Source: CBS.

CBS met the goal regarding the number of articles published in journals on the ABS 4 and 4* list in 2017. The 2017 goal was 56 articles, but CBS published 58 articles.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2017	Result 2017	Comments
6.4 Higher research quality No. of articles published in FT45 publications	62	76 ✓	

Figure 30 No. of articles published in publications on the FT45 list



FT45 is a list on which Financial Times ranks the 45 best business school-relevant journals. As it includes fewer journals than the ABS list, FT45 is a narrower list. The list reflects the number of articles published in the journals on the list. Thus, FT45 does not cover all of CBS' research areas.

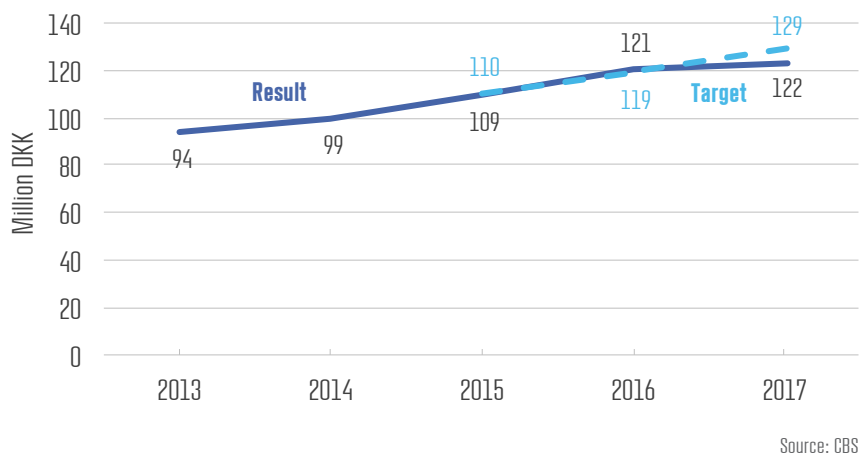
CBS met the goal regarding number of articles published in journals on the FT45 list. The 2017 goal was 62 articles, but CBS published 76 articles. CBS considers the level attained satisfactory. However, the number fell from 2014 to 2016, which should be seen in light of the fact that 2014 was a particularly good year.

The number of articles published in journals on the list is made up as the sum of articles published in a two-year period: the current year and the past year.

CONTRIBUTION TO SOCIETY

Indicator	Goal 2017	Result 2017	Comments
7.1 Externally funded research (DKKm)	128.7	122.2 ✗	

Figure 31 Externally funded research activity



For a number of years, CBS' particular focus has been on increasing externally funded research activities. The level of project research activity has been higher in 2017 than in 2016, so producing more research for external funding. However, unlike in public funding, private donors do not provide an overhead contribution for indirect expenses. Since an increasing share of CBS' external funding comes from private foundations and companies, the result is that CBS receives and spends less external funds for indirect expenses related to the projects.

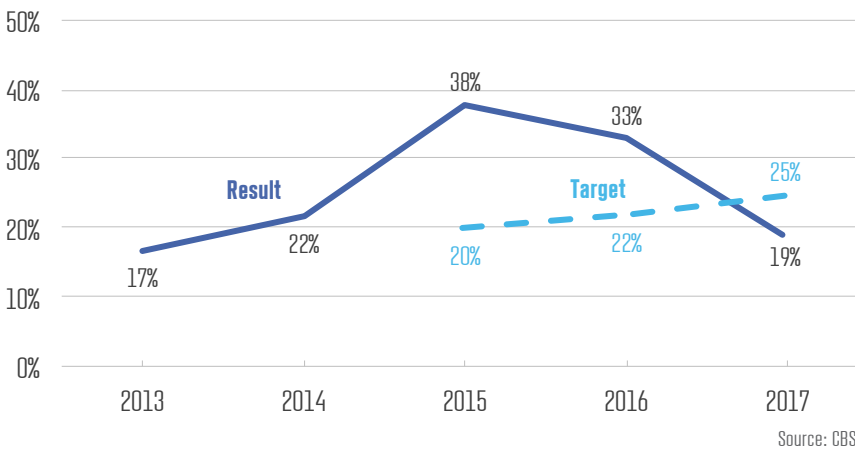
CBS maintains its focus on increasing income from externally funded projects. Seen in this light, the result is considered satisfactory.

The DKK 122.2 million is inclusive of donations of approx. DKK 0.4 million in total.

GENDER RATIO

Indicator	Goal 2017	Result 2017	Comments
8.1 Gender ratio Ratio of qualified, female applicants for professorships	25 %	19 % ✓	<p>CBS did not meet the goal for the ratio of qualified, female applicants for professorships.</p> <p>2017 saw 19% qualified female applicants for professorships at CBS. The goal was for 25% of qualified applicants for professorships to be women. There has been a few more qualified candidates for vacant professorships in 2017 than in previous years, although this has been caused by a somewhat higher number of male applicants.</p> <p>Gender diversity remains a major focal point of CBS in recruitment and it will be monitored in the years ahead.</p>

Figure 32 Ratio of qualified, female applicants for professorships



Financial statements

COMMENTS ON THE PROFIT FOR THE YEAR

CBS reports profit of DKK 26 million for 2017, with total operating income being DKK 15 million lower than for 2016 whereas total operating expenses inclusive of financial expenses are DKK 4 million higher.

The primary reason for income declining from 2016 to 2017 is that CBS did not receive an extraordinary basic research grant of DKK 20 million in 2017 as it did in the preceding two years. However, income from research has only gone down by DKK 9 million in total, primarily because CBS had achieved an increase in ordinary basic research funding of DKK 6 million as CBS had outperformed the sector average on the parameters underlying the allocation of research funding (no. of completed PhD programmes, bibliometric research, externally funded research activity and performance-based funding earned). Also, CBS has obtained an extraordinary basic research grant of DKK 4 million for Big Data initiatives, and finally there has been a slight increase in externally funded research. As for CBS' programmes, income from performance-based funding and tuition fees paid by students has gone down by a total of DKK 5 million. As expected, student activity has declined by approx. DKK 4.5% on 2016 when this activity peaked because the requirements of the study progress reform led to graduation by many of the students who were behind time. At the same time, performance-based funding will continue to be reduced by 2% a year in realignment contribution. However, on the positive side is a DKK 13 million increase in income from the completion bonus

compared to 2016. One of the reasons is that CBS met the study progress reform target for average study time and so earned a full progress bonus and the other is that the number of graduates triggering a completion bonus went up compared to the total increase in the sector. Finally, CBS realised an additional DKK 6 million in tuition fees paid by students. In 2017, these payments accounted for around 20% of total income from programmes.

The decline in income in 2017 has been somewhat lower than expected at the onset of the year and particularly in CBS' three-year financial plan, "Financial Balance 2019". The reason why it has been possible to curb this decline despite the discontinuation of extraordinary basic research funding and the introduction of the realignment contribution is not least that CBS has seen positive effects in 2017 of the income-generating initiatives launched in 2016 and 2017 following the Board of Directors' adoption of "Financial Balance 2019". For the programmes, the initiatives have resulted in CBS in 2017 earning a full completion bonus while the level of study activity and the graduation rate has generally gone up compared to expectations, and they have also led to higher activity with respect to external research funding. The reason for this is not least that CBS' objective of attracting private research funding was at a satisfactory level in 2017 as well.

On the cost side, the most significant change compared to 2016 is the DKK 15 million reduction in payroll costs for academic staff, which is a result of CBS not succeeding in

recruiting new researchers as and when researchers resigned. The budgeting model and budgeting processes in this area were revised in 2017 to ensure better and long-term management of academic staff recruitment, and a model was implemented in this respect for multi-year allocation of academic staff positions to CBS' departments. A total increase in operating expenses of DKK 13 million, excluding payroll costs, compared to 2016 is a reflection of a higher level of academic activity, for instance, related to the departments and the celebration of CBS' centenary, and of the fact that CBS has speeded up investments in the fields of IT and buildings.

The profit for the year leads to CBS' equity at year-end 2017 standing at DKK 299 million, i.e. DKK 115 million more than the minimum level of DKK 184 million set by the Board of Directors. This means that CBS has a financial latitude to raise the number of academic staff for a period by using equity to temporarily strengthen programme quality. It will also be necessary to maintain heavy focus on long-term financial planning as, for instance, the continued realignment contribution of 2% of the educational grant will challenge CBS' income base in the longer term.

A profit of DKK 16 million is expected for 2018, and together with the 2017 profit of DKK 26 million this will result in expected equity of DKK 315 million at year-end 2018.

Table 2 Financial highlights

DKK'000	2015	2016	2017
Profit	15,142	45,293	25,993
Assets	1,378,406	1,420,045	1,410,262
Equity	227,704	272,997	298,990

Source: CBS

INCOME STATEMENT

		2017	2016
	Note	(DKK'000)	(DKK'000)
Performance-based funding		662,709	673,513
Basic research funding and other government funding		345,038	354,265
Externally funded projects		121,855	119,943
Tuition fees paid by students		167,757	161,712
Other income	2	37,700	40,312
Total operating income		1,335,059	1,349,745
Payroll costs	3	859,026	867,031
Rent and real property tax		98,958	105,771
Operation and maintenance of buildings		66,117	65,722
Other operating expenses	4	238,675	219,045
Total operating expenses		1,262,776	1,257,569
Profit before amortisation/depreciation and net financials		72,283	92,176
Depreciation of buildings	5	25,142	24,232
Depreciation of non-current assets, excl. buildings	5	4,734	5,535
Profit before net financials		42,407	62,409
Financial expenses		16,414	17,116
PROFIT FOR THE YEAR		25,993	45,293

BALANCE SHEET

ASSETS		31/12/2017	31/12/2016
	Note	(DKK'000)	(DKK'000)
IT systems, licences, etc.		5,476	833
Total intangible assets	5	5,476	833
Land and buildings		993,264	997,165
Leasehold improvements		109,716	110,382
Assets under construction		26,778	19,367
IT equipment, etc.		8,950	12,618
Total property, plant and equipment	5,6	1,138,708	1,139,532
Investments		5,479	5,479
Rent deposits		30,256	30,000
Total investments	5	35,735	35,479
Total non-current assets	5	1,179,919	1,175,844
Trade receivables		5,602	14,117
Receivables from current grants		33,591	33,234
Other receivables		5,090	5,135
Prepayments		6,829	6,942
Total receivables		51,112	59,428
Cash		179,231	184,773
Total current assets		230,343	244,201
TOTAL ASSETS		1,410,262	1,420,045

BALANCE SHEET

EQUITY AND LIABILITIES		31/12/2017	31/12/2016
	Note	(DKK'000)	(DKK'000)
Equity		298,990	272,997
Total equity		298,990	272,997
Provisions	7	24,206	29,873
Government loans	6	188,536	188,535
Mortgage debt	6, 8	509,475	540,052
Balance with the Government		12,255	12,255
Total long-term liabilities		710,266	740,842
Current portion of long-term liabilities other than provisions		31,195	31,679
Trade payables		32,675	35,292
Compensated absence commitment		93,424	91,936
Prepayments received, current grants		68,600	60,276
Other short-term liabilities		39,353	47,262
Deferred income		111,553	109,888
Total short-term liabilities other than provisions		376,800	376,333
Total liabilities other than provisions		1,087,066	1,117,175
TOTAL EQUITY AND LIABILITIES		1,410,262	1,420,045

Reference is also made to the following three notes:

Note 9: Contractual obligations

Note 10: Unspent funding, research projects

Note 11: List of accumulated profit/loss from income-generating activity

CASH FLOW STATEMENT

	2017	2016
	(DKK'000)	(DKK'000)
Profit for the year	25,993	45,293
Amortisation, depreciation and other non-cash operating items	33,443	33,342
Increase/decrease in receivables	8,317	8,666
Increase/decrease in short-term liabilities other than provisions	951	25,619
Increase/decrease in provisions	-5,666	4,755
Cash flows from operating activities	63,038	117,675
Investments in intangible assets	-5,568	-
Investments in property, plant and equipment	-28,127	-14,740
Investments in financial assets	-257	3,242
Cash flows from investing activities	-33,952	-11,498
Repayment of mortgage debt	-34,628	-34,207
Balance with the Government	-	-3,395
Cash flows from financing activities	-34,628	-37,602
Total increase/decrease in cash and cash equivalents	-5,542	68,575
Cash and cash equivalents at 1 January	184,773	116,198
Cash and cash equivalents at 31 December	179,231	184,773

STATEMENT OF CHANGES IN EQUITY

	2017	2016
	(DKK'000)	(DKK'000)
Equity at 1 January	272,997	227,704
Retained earnings	25,993	45,293
Equity at 31 December	298,990	272,997

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. 70 of 27 January 2011 on state accounting etc., the Financial Administrative Directions prepared by the Ministry of Finance, Ministerial Order no. 261 of 18 March 2015 on the law on universities, Ministerial Order no. 1648 of 15 December 2016 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 ("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.

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 likely 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 and 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 right |
| • IT licences/software: | 3 years |
| • Licences with contractual duration: | Life of right |

Development projects are capitalised when approved by the Board of Directors 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:

- New buildings 100 years
- Property improvements/complete renovations 80 years
- Other buildings 50 years

Buildings put into service after 1 January 2011:

- 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
- Tools and equipment 3-5 years

Property improvements 10-20 years

Land is not depreciated.

Library material collections are not capitalised.

Art above DKK 100,000 is capitalised, but not depreciated.

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 amortised cost.

CURRENT ASSETS

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

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

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

LIABILITIES

Liabilities comprise provisions, long-term liabilities (government loans and mortgage debt) 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 donors 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, 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

	2017	2016
Conferences, awards and gifts	5,499	7,916
Sale of goods and services	18,396	12,474
Government cooperation	6,759	6,586
External funding	2,832	8,619
Other income	4,214	4,717
Total	37,700	40,312

Note 3 Payroll costs

	2017	2016
Full-time academic staff	383,761	398,647
Part-time academic staff	111,474	121,233
Technical and administrative staff	357,426	346,613
Shared payroll costs	6,365	538
Total	859,026	867,031

For remuneration to Senior Management and external board members, refer to the section on "Remuneration 2017" in the chapter "Information about CBS in 2017" on page 51.

Note 4 Other operating expenses

	2017	2016
Conferences and business trips	57,916	51,345
Office expenses	39,419	34,156
Consultants (for research and educational purposes and technical and management consultants)	37,357	42,098
IT equipment and software	43,874	34,739
Books, journals, etc.	27,266	22,237
Other	32,843	34,470
Total	238,675	219,045

Note 5 Non-current assets

	Intangible assets	Land and buildings	Leasehold improve- ments	Assets under con- struction	IT equip- ment, etc.	Invest- ments	Total
Cost at 01/01/2017	14,555	1,212,418	137,045	19,367	32,881	35,479	1,451,745
Additions during the year	5,568	12,866	7,708	13,729	141	256	40,269
Transfers during the year	-	-	-	-6,318	-	-	-6,318
Disposals during the year	-	-	-	-	-206	-	-206
Cost at 31/12/2017	20,123	1,225,284	144,753	26,778	32,816	35,735	1,485,490
Accumulated amortisation/ depreciation at 01/01/2017	13,722	215,253	26,663	-	20,263	-	275,901
Amortisation/depreciation for the year	925	16,767	8,374	-	3,809	-	29,876
Disposals, accumulated am- ortisation/depreciation	-	-	-	-	-206	-	-206
Accumulated amortisation/ depreciation at 31/12/2017	14,647	232,020	35,037	-	23,866	-	305,571
Cost at 31/12/2017	5,476	993,264	109,716	26,778	8,950	35,735	1,179,919

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

	Carrying amount of land at 31/12/2017	Carrying amount of building at 31/12/2017	Total carrying amount at 31/12/2017	Mortgage loans	Government loans	Public land assessment value 2016
Howitzvej 11-13	3,336	29,600	32,936	40,268	-	32,500
Howitzvej 60	10,693	33,321	44,014	31,274	5,661	77,000
Solbjerg Plads 3	60,314	409,588	469,902	248,527	119,384	720,000
P. Andersensvej 17-19	3,843	6,475	10,318	4,881	1,051	9,700
Kilevej 14A	34,158	226,665	260,823	167,695	56,281	417,000
P. Andersensvej 3	14,636	-	14,636	4,066	-	26,027
Porcelænshaven 7	1,979	7,549	9,528	-	-	8,900
Construction of space, Solbjerg Plads	-	5,443	5,443	-	6,158	-
Porcelænshaven 22	2,429	103,094	105,523	43,959	-	42,000
St. Blichersvej 22	1,847	7,043	8,890	-	-	4,700
Howitzvej 30	10,450	19,320	29,770	-	-	34,500
Total land and buildings	143,685	848,098	991,783	540,670	188,535	1,372,327
H.V. Nyholmsvej 21 - leasehold improvements			103,919			
Other premises – leasehold improvements			7,278			
Total leasehold improvements			111,197			
Total			1,102,980	540,670	188,535	1,372,327

Government loans are free of interest and repayments.

Note 7 Provisions

	31/12/2017	31/12/2016
Provision for leasehold renovation	18,207	17,226
Other provisions	5,999	12,647
Total	24,206	29,873

Note 8 Mortgage debt

Term to maturity:	31/12/2017	31/12/2016
0-1 year	31,195	31,678
1-5 years	135,581	131,480
After more than 5 years	373,894	408,573
Total	540,670	571,731

Note 9 Contractual obligations

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

	31/12/2017	31/12/2016
Lease, Sdr. Fasanvej 9	3,241	3,202
Lease, Dalgas Have**	32,358	50,781
Leases, Porcelænshaven	29,941	59,058
Lease, Amager Strandvej 108	16,618	20,681
Lease, Dirch Passers Allé	7,294	14,771
Lease, H.V. Nyholmsvej 21	36,212	43,244
Lease, Solbjergvej 3, 1st and 3rd floors	-	439
Other	2,780	2,767
Total	128,444	194,943

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

** The lease is being renegotiated, and a new lease with a non-cancellable period until 31 July 2033 is expected to be entered into, with a total contractual liability of approx. DKK 500 million.

Note 10 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 donated for research projects in progress reflects funding for specific research projects promised by donors. 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 donor.

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 donors less expenses already incurred.

UNSPENT UK95 FUNDING

Donor	Grants donated for research projects in progress		Expenses incurred on projects in progress		Residual amount, research projects in progress	
	2017	2016	2017	2016	2017	2016
Government	199,980	195,657	153,462	134,888	46,518	60,769
Public	17,399	16,592	9,142	11,049	8,257	5,543
EU	100,424	96,617	54,714	53,548	45,710	43,069
Private	293,476	254,650	143,233	106,250	150,243	148,400
Abroad	18,996	16,514	7,388	8,086	11,608	8,429
Total	630,275	580,030	367,939	313,821	262,336	266,210

Note 11 List of accumulated profit/loss from income-generating activity

	2014	2015	2016	2017
Income	1,534	2,248	3,303	1,847
Direct and indirect expenses	849	500	931	2,004
Profit	685	1,748	2,372	-157
Accumulated profit*	14,460	16,208	18,580	18,423

* 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 2014.

SUPPLEMENTARY FINANCIAL INFORMATION

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

DKKm	2013	2014	2015	2016	2017
Subsidised research activities UK-95:					
Grants, etc.	92.06	97.00	108.42	119.94	121.85
of which operating income and government transfers	0.71	0.30	0.00	0.00	0.00
Expenses	92.06	97.00	108.42	119.94	121.85
of which overheads	16.14	15.60	18.15	18.66	16.56
Profit for the year	0.00	0.00	0.00	0.00	0.00
Other subsidised activities UK-97:					
Grants, etc.	8.39	7.14	10.64	8.21	4.57
of which operating income and government transfers	0.01	0.00	0.00	0.00	0.00
Expenses	8.39	7.14	10.64	8.21	4.57
of which overheads	0.09	0.08	0.08	0.15	0.10
Profit for the year	0.00	0.00	0.00	0.00	0.00
(Commercial) income-generating activities UK-90:					
Total income	3.00	1.53	2.25	3.30	1.85
Expenses	1.07	0.85	0.50	0.93	2.00
Profit for the year	1.93	0.68	1.75	2.37	-0.16

b1. Financial statements according to purpose

DKKm	2013	2014	2015	2016	2017
Education	641.7	658.8	682.9	713.9	702.5
Research	491.2	495.1	478.7	460.7	464.8
Dissemination and knowledge exchange	39.7	42.0	46.2	44.7	51.5
General management, administration and services	81.4	80.0	78.6	85.1	90.2
Total	1,254.0	1,275.9	1,286.4	1,304.4	1,309.0

b2. Income distribution

DKKm	2013	2014	2015	2016	2017
Education	763.2	764.0	805.1	838.1	835.7
Research	255.5	260.5	293.6	292.3	278.9
External funds	104.7	107.8	122.2	131.6	126.5
Basic funding	59.0	60.8	51.7	59.2	60.9
Other income	51.5	45.8	29.0	28.6	33.0
Total	1,233.9	1,238.8	1,301.5	1,349.7	1,335.0

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 2017.

d. Disclosures on contributions to or acquisition of shares in companies under sections 4(1) and 4a(1) of the act on public research institutions' commercial activities and cooperation with foundations

CBS did not make any additional grants to Forskerparken Symbion in 2017.

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 2017.

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 2017.

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

DKKm	2013	2014	2015	2016	2017
Expenses relating to political and other student activities	2.3	2.2	3.0	3.1	2.5

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

CBS performs secretariat functions for two foundations 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 approx. DKK 3.5 million at 1 January 2017. CBS also performs the secretariat function for Timelærereforeningens Legat, which will be in a winding-up process until 17 December 2018. DKK 0.3 million remained at 1 January 2017.

i. Staff and staff turnover

	2013	2014	2015	2016	2017
FTEs	1,528	1,598	1,552	1,586	1,540
Appointments	228	209	144	207	195
Resignations	141	178	170	191	189

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 September 2016 to 31 August 2017**Consumption**

Rate group	No. of students enrolled on full or partial free places	No. of scholarship recipients	Consumption of free places (DKK'000)	Consumption of scholarships (DKK'000)
Rate 1	58	39	1,766	2,706
Rate 2	5	2	150	87
Rate 3	-	-	-	-

Financial statements

Year	Transferred from the Danish Agency for Higher Education (DKK'000)	Profits transferred concerning international paying students (DKK'000)	Consumption in the reporting period (DKK'000)	Profit (DKK'000)
2014	5,107	-	3,952	1,155
2015	5,009	-	4,314	695
2016	4,840	-	4,852	-12
2017	4,721	-	4,708	13

l. 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 university international educational programmes.

m. Department allocation of funding for scholarships for very talented students for the academic years 2015/2016 and 2016/2017

Year	No. of scholarship students admitted	Grants from UDS (DKK'000)	Consumption in the reporting period (DKK'000)
2015	1	800	58
2016	10	1,400	665
2017	10	500	1,201

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 0.6 million at 31 December 2017.

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 2017, CBS spent around 150 hours, corresponding to an expense of approx. DKK 44,000, on administration, etc. in relation to Stipendiefonden for studerende ved Copenhagen Business School and HBH Fonden.

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.

The financial statements are prepared in accordance with the Danish State Accounting Act etc., Ministerial Order no. 70 of 27 January 2011 on state accounting, etc., the Financial Administrative Directions prepared by the Ministry of Finance, Ministerial Order no. 261 of 18 March 2015 on the law on universities, Ministerial Order no. 1648 of 15 December 2016 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 ("state accounting rules").

It is hereby represented:

1) that we consider the accounting policies applied appropriate and the accounting estimates reasonable. Consequently, in our opinion, the annual report gives a true and fair view of Copenhagen Business School's financial position at 31 December 2017 and of the results of its operations and cash flows for 2017, and that the listing of and reporting on goals in the annual report are adequate;

2) that we believe that the management commentary contains a fair review of the affairs and conditions referred to therein and describes the principal risks and uncertainties that Copenhagen Business School faces, and that the transactions covered by the financial statements comply with laws and other regulations as well as agreements entered into and usual practice; and

3) that business procedures have been established to ensure financially appropriate administration of the funds and institutions comprised by the annual report.

Frederiksberg, 5 March 2018

PER HOLTEN-ANDERSEN
President

KIRSTEN WINTHERR JØRGENSEN
University Director

Adopted by the Board of Directors of Copenhagen Business School, CBS, on 5 March 2018:

KARSTEN DYBVAD
Chairman

LISBET THYGE FRANDBSEN
Deputy Chairman

IDA KIRSTINE ANDERSEN BOE

ARVID HALLÉN

ALFRED JOSEFSEN

DAVID LANDO

METTE MORSING

MICHAEL RASMUSSEN

JAKOB RAVN

THOMAS SKINNERUP PHILIPSEN

METTE VESTERGAARD

INDEPENDENT AUDITOR'S REPORT

The Board of Copenhagen Business School 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 2017, 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 the Danish State Accounting Act etc., Ministerial Order No. 70 of 27 January 2011 on state accounting, etc., the Financial Administrative Directions prepared by the Ministry of Finance, Ministerial Order no. 261 of 18 March 2015 on the law on universities, Ministerial Order no. 1648 of 15 December 2016 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 public auditing standards as the audit is based on the provisions of the Danish Agency for Higher Education's Ministerial Order no. 1648 of 15 December 2016 on funding and auditing, etc. at universities and the agreement on internal audits at universities entered into between the Minister of Higher Education and Science and the Auditor General in pursuance of 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 our 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 auditing standards, cf. the Danish Ministry of Higher Education and Science's Ministerial Order no. 1648 of 15 December 2016 on funding and auditing etc. at universities as well as the agreement on internal audits at universities entered into by the Danish Minister of Higher Education and Science and the Auditor General, pursuant to Section 9(1) of the Danish Auditor General Act 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 the 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. 1648 of 15 December 2016 on funding and auditing etc. at universities as well as the agreement on internal audits at universities entered into by the Danish Minister of Higher Education and Science and the Auditor General, pursuant to Section 9(1) of the Danish Auditor General Act, 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 economy, 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 public auditing standards. 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, laws and other regulations, agreements as well as 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 significant critical comments to report in this connection.

Copenhagen, 5 March 2018

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 2017

FINANCIAL HIGHLIGHTS

Table 3

	2013	2014	2015	2016	2017	Changes from 2016 to 2017
Income (DKK m) (1)						
1 Education	763	764	805	838	836	0%
2 Research	255	260	294	292	279	-5%
3 External funds	104	107	122	132	127	-4%
4 Research-based public-sector services	-	-	-	-	-	-
5 Basic grants for other purposes	58	60	52	59	61	3%
6 Other income	51	45	29	29	33	15%
Expenses broken down by purpose (DKK m)						
7 Education	642	659	683	714	702	-2%
8 Research	491	495	479	461	465	1%
9 Dissemination and knowledge exchange	40	42	46	45	52	15%
10 Research-based public-sector services	-	-	-	-	-	-
11 General management, administration and services	81	80	79	85	90	6%
Financial ratios						
Profit margin (%)	-1.6	-3.0	1.2	3.4	1.9	-
Liquid ratio	104.3	55.8	57.8	70.9	61.1	-
Funding ratio	78.6	70.0	69.9	65.0	62.4	-
Profit/loss for the year (DKK m)	-20	-37	15	45	26	-
Total operating income (DKK m)	1,231	1,236	1,302	1,350	1,309	-
Balance sheet (DKK m)						
15 Equity	250	213	228	273	299	10%
16 Balance sheet total	1,419	1,355	1,378	1,420	1,410	-1%
Staff (2)						
12 Academic FTEs	676	700	651	602	565	-6%
13 Part-time academic FTEs	225	240	239	274	250	-9%
14 Technical-administrative FTEs	627	658	662	710	725	2%
Headcount						
Academic staff	748	736	673	639	633	-1%
Part-time academic staff	712	844	874	882	884	0%
Technical-administrative staff	586	610	649	684	700	2%
Number of student assistants and invigilators	391	388	395	373	358	-4%
Number of permanent international researchers at CBS	125	135	133	125	135	8%
Buildings						
17 Total building space (gross area in sq m)	120,268	131,645	131,858	133,946	133,946	0%

		2013	2014	2015	2016	2017	Change from 2016 to 2017
Students, full-time programmes							
18	No. of students admitted to bachelor programmes	2,744	2,724	2,730	2,522	2,558	1 %
19	No. of students admitted to master programmes	3,233	3,282	3,185	3,306	3,389	3 %
20	No. of students enrolled (3)	16,659	17,747	17,513	15,568	14,911	-4 %
21	Value-added output (STÅ)	10,821	11,349	11,883	13,003	12,317	-5 %
	No. of bachelor students enrolled	7,333	7,423	7,442	7,172	7,167	0 %
	No. of master students enrolled	9,326	10,324	10,071	8,396	7,744	-8 %
Graduates							
22	No. of graduated bachelors	1,817	1,866	1,914	1,959	1,925	-2 %
23	No. of graduated masters (4)	2,169	2,117	2,328	4,379	3,566	-19 %
Open and part-time programmes							
24	No. of student FTEs (5)	1,640	1,501	1,564	1,472	1,539	5 %
25	No. of graduates on executive master and diploma programmes	1,468	1,252	1,408	1,144	1,328	16 %
	No. of diploma students enrolled (6,7)	3,125	3,477	3,779	3,793	3,472	-8 %
	No. of executive master/MBA students enrolled	1,035	1,340	1,537	1,885	2,039	8 %
Internationalisation							
26	No. of outgoing students (exchange students) (8)	1,416	1,374	1,538	1,465	1,509	3 %
27	No. of ingoing students (exchange students)	1,039	1,107	1,027	1,156	1,181	2 %
28	No. of full-programme international students	3,474	4,046	4,291	3,955	3,928	-1 %
	No. of cooperation and development agreements for exchange students (9)	338	314	318	319	297	-7 %
PhD programmes (10)							
29	No. of PhD fellows enrolled	239	239	224	192	192	0 %
30	No. of PhD fellows admitted	42	48	34	35	56	60 %
31	No. of approved PhD theses	44	47	36	58	44	-24 %
Research and dissemination output							
32	No. of publications (11)	1,811	1,928	1,766	1,721	1,528	-11 %
33	No. of patent applications pending	2	-	-	-	-	-
34	No. of invention applications pending	-	-	-	-	-	-
35	No. of projects with the Danish business community	80	96	116	140	138	-1 %
36	No. of external projects	248	254	252	281	279	-1 %
37	Financial value of cooperation with the Danish business community (DKKm) (12)	25	33	39	50	56	13 %
	No. of Career Partners	7	24	28	32	34	6 %

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

1. See also B2 under “Supplementary information”. The reason for the decline in income from 2016 to 2017 is that, in 2016, CBS received an extraordinary research grant of DKK 20 million that did not continue in 2017.
2. Research FTEs went down from 2015 to 2016 and again from 2016 to 2017. The decline in research FTEs is a consequence of CBS’ 2015 savings plan which took full effect in 2017. CBS has had focus on recruiting academic staff in 2017. The number of recruitments has been much higher in 2017 than in previous years. However, the positions have been filled predominantly from the autumn of 2017. So they will not feed fully through to the total number of research FTEs until in 2018. In addition, CBS still has several unfilled allocated positions. “Number of permanent international researchers at CBS” includes the positions of professor, professor with special responsibilities and associate professor (headcount in December 2017). In the section “International profile”, the number of international faculty members is measured in FTEs for all positions, except for research assistants.
3. Because of the study progress reform, etc., the students graduate faster, entailing that the total population of students decreases. The level is expected to stabilise in the period 2018 to 2019.
4. The number of master graduates increased extraordinarily from 2015 to 2016. This was due particularly to the study progress reform which, combined with other study-related initiatives, has made a great number of the older master students who were behind schedule graduate. The 2017 number is still much higher than in 2015, although it is expected to stabilise during the period 2018 to 2019.
5. The number of graduates on executive master and diploma programmes increased in 2017. The reason is that some master programmes only admit students every other year, meaning that students graduate every other year as well. This is why the number may be expected to go down again in 2018.
6. The number of students enrolled in master/MBA and diploma programmes includes students registered in CBS’ programme administration system STADS. The number may also include students who were inactive in 2016, but who are still enrolled on a programme.
7. The number of students enrolled on the diploma programme (HD 1) in 2016 has been corrected from 4,250 to 3,793. The error had been caused by students having stopped but not de-registered. The error has not had any financial effect.
8. In 2017, the activity corresponded to 1,509 outgoing exchange students. The same student may go on exchange for several semesters, as reflected by the figure 1,509. In 2017, 1,268 students were on exchange programmes.
9. The number of cooperation agreements is determined differently from 2017. Previously, agreements with faculties/schools under the same university were counted – now they are combined so that 297 equals the number of partner universities. At the same time, the number of agreements has been reduced a little as well over the past two years.
10. The number of PhD fellows admitted has increased from 2016 to 2017 because CBS has invested in more PhD programmes in 2017. The number of PhD theses approved has gone down to a level somewhat lower than the number of students admitted. Even so, the population remains unchanged from 2016 to 2017. This is because relatively many PhD fellows graduated in 2017 without a PhD degree.
11. The number of publications has gone down from 2016 to 2017, one of the reasons being a decline in research FTEs.
12. The financial scope of the collaboration with the business community has increased by 13% from 2016 to 2017 because of CBS’ particular focus on increasing externally funded research activities.

UNIVERSITY GOVERNANCE

The President is in charge of the day-to-day management of the university. The University Director, the Dean of Education and the Dean of Research report to the President and are members of CBS Senior Management together with the President. Deans are appointed by the President. The members of Senior Management are not members of the Board of Directors, but attend board meetings.

The Dean of Education is responsible for all programmes and related programme administration: bachelor, master, executive master/MBA and diploma programmes. Study boards and programme directors report to the Dean of Education.

The Dean of Research has the organisational and strategic responsibility for CBS' research and research staff. CBS' research programmes are organised in departments. Heads of department report to the Dean of Research.

The University Director has the overall responsibility for CBS' finances and the managerial responsibility for interdisciplinary administrative units, CBS' library and CBS' Campus.

CBS is a mono-faculty university. Programmes are not organised in departments but the departments provide teaching for CBS' programmes within their respective areas of expertise. Being a mono-faculty university, CBS has one Academic Council. The Academic Council reports to the President and must ensure the quality and legitimacy of decisions of academic importance as well as contribute to the communication between management, staff and students.

ORGANISATION OF CBS' MANAGEMENT

The framework for CBS' work is laid down in the Danish University Act. CBS' bylaws provide the framework for the development, activities and organisation of the university. In accordance with the University Act, the bylaws have been approved by the Minister for Higher Education and Science. CBS op-

erates a one-tier management structure. The supreme authority is the Board of Directors. The Board has an external majority. The Board appoints and dismisses the President and appoints and dismisses the University Director on the recommendation of the President. Day-to-day management is undertaken by the President within the framework laid down by the Board of Directors. Other Management members perform their duties based on the authority provided by the President.

FRAMEWORK FOR THE BOARD OF DIRECTORS' WORK

The Board of Directors has laid down rules of procedure for its activities. Under these rules, the Chairman is in continuous contact with the President, who is responsible for keeping the Chairman informed of all significant matters. The Board of Directors performs annual, internal evaluations of the work of the Board of Directors and Senior Management. Board meetings are open. Agendas, appendices and minutes of the meetings of the Board of Directors are published on CBS' website.

The Chairman may decide to discuss individual items on the agenda in private, in which case the relevant documentation is not made public. As a government-financed, self-governing institution, CBS is subject to statutory audit by the Auditor General. In addition, CBS has appointed an institutional auditor. In the financial year 2017, Deloitte serves as the institutional auditor of CBS. The Board of Directors has taken out professional liability insurance covering the Board of Directors and Senior Management.

CORPORATE GOVERNANCE RECOMMENDATIONS

CBS' Board of Directors relies on the Recommendations on Corporate Governance, which are maintained by the Committee on Corporate Governance. Even though the Recommendations on Corporate Governance are primarily aimed at limited liability companies, the Board of Directors considers them a valuable tool for assessing and developing the framework for the Board of Directors' work. The Board of Directors' report on its

compliance with the Recommendations on Corporate Governance is available on this website: www.cbs.dk/cbs/organisation/bestyrelse/god-selskabsledelse.

BOARD COMPOSITION

The Board of Directors is composed of appointed external members and internal members elected by employees and students. The Board of Directors consists of 11 members: six external members (appointed for a term of four years), two academic staff (elected for a term of four years), one administrative staff (elected for a term of four years) and two students (elected on a staggered term basis for a term of two years).

A new member joined the Board of Directors in 2017: Student Ida Kirstine Andersen Boe was elected as new member for the students. She took up her seat from 1 February 2017.

SENIOR MANAGEMENT 2017	BOARD OF DIRECTORS 2017														
<p>Per Holten-Andersen, President Peter Møllgaard, Dean of Research Jan Molin, Dean of Education Kirsten Winther Jørgensen, University Director</p>	<p>Karsten Dybvad (Chairman) Lisbet Thyge Frandsen (Deputy Chairman) Ida Kirstine Andersen Boe Arvid Hallén Alfred Josefsen David Lando Mette Morsing Kristian Mols Rasmussen Michael Rasmussen Jakob Ravn Mette Vestergaard</p> <p>Other positions of trust, directorships, etc. held by members of the Board are disclosed on CBS' website: www.cbs.dk/cbs/organisation/bestyrelse</p>														
REMUNERATION 2017															
<p>REMUNERATION OF SENIOR MANAGEMENT (DKK'000) Total annual salary, including pension, at 31 December 2017:</p> <table data-bbox="140 1205 770 1361"> <tr> <td>Per Holten-Andersen:</td> <td>1,586</td> </tr> <tr> <td>Jan Molin:</td> <td>1,266</td> </tr> <tr> <td>Kirsten Winther Jørgensen:</td> <td>1,206</td> </tr> <tr> <td>Peter Møllgaard:</td> <td>1,203</td> </tr> </table> <p>Variable pay elements for Senior Management in 2017: Senior Management's total fixed salaries including pension at 31 December 2017: 5,181. Variable pay elements paid to Senior Management in 2017: 80. Senior Management's variable pay elements in 2017 accounted for 1.5% of total salaries paid to Senior Management in 2017.</p>	Per Holten-Andersen:	1,586	Jan Molin:	1,266	Kirsten Winther Jørgensen:	1,206	Peter Møllgaard:	1,203	<p>REMUNERATION OF EXTERNAL BOARD MEMBERS (DKK'000)</p> <table data-bbox="825 1196 1455 1308"> <tr> <td>Chairman:</td> <td>208</td> </tr> <tr> <td>Deputy Chairman:</td> <td>139</td> </tr> <tr> <td>Other external board members (per member):</td> <td>69</td> </tr> </table>	Chairman:	208	Deputy Chairman:	139	Other external board members (per member):	69
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Jan Molin:	1,266														
Kirsten Winther Jørgensen:	1,206														
Peter Møllgaard:	1,203														
Chairman:	208														
Deputy Chairman:	139														
Other external board members (per member):	69														

INTERNATIONAL ACCREDITATIONS AND RANKINGS

CBS has both international and national accreditations and rankings. The national accreditation is statutory and managed by the Danish Accreditation Institution whereas the international accreditations and rankings are very important to CBS' international branding. CBS also uses them as a lever to maintain high quality within research and education and to attract talented researchers and students.

In most cases, CBS has generally been given a higher ranking or maintained its rank compared to last year. Something CBS has good reason to be pleased with. A handful has been given a lower ranking, and they will be a particular focal point next year.

IMPORTANT REACCREDITATION SECURED

This year, CBS was reaccredited by the international quality assurance organisation, AACSB, for another five-year period. The AACSB panel recommended CBS for unconditional positive reaccreditation. So now CBS holds the Triple Crown title with accreditations from AACSB, EQUIS and AMBA, an award held by approx. 70 business schools worldwide. The next visit of the organisation will be in 2021.

FINANCIAL TIMES

The Financial Times too once again ranks CBS among the best master programmes in business economics and management in the world. In the Master in General Management 2017 category, CBS ranks #38 out of 95 programmes. This ranking of CBS is based on answers and figures from alumni from eight different MSc programmes in Economics and Business Administration. Among the parameters used are class diversity, pay after graduation, internships, teachers' level of education and exchange programmes. It should also be mentioned that the CEMS Master in International Management, which is a programme that CBS has a stake in as well, ranked 9th in the world in 2017.

In the Financial Times' European Business School Rankings 2017, CBS has dropped from #35 to #51. This drop has nothing to do with the quality of programmes but rather

that CBS was unable to provide the Financial Times with the necessary data. Regrettably, the number of Executive MBA (EMBA) programme graduates did not match the Financial Times' minimum requirement that a class must have at least 30 graduates. Only 17 graduated from this programme in 2014. This is also the reason why the Executive MBA was left out of the ranking list this year. The same problem will not occur next year, however, since the number of graduates has gone up again.

TIMES HIGHER EDUCATION

Times Higher Education World University Ranking ranks CBS #30 in the Business & Economics category, and CBS is particularly pleased with this result. CBS gains distinction on the following parameters: research, high citation counts, international outlook, teaching and close cooperative relationships with the industry. This is exactly what CBS would like to be recognised for.

THE ECONOMIST AND BLOOMBERG BUSINESSWEEK

CBS' Full-Time MBA has moved up seven positions in The Economist MBA Ranking from #95 in 2016 to #88 in 2017. The full time MBA is doing particularly well in the following categories: student diversity (geographical), student work experience, and their earned income as graduates. CBS' full time MBA is the only MBA programme in the Nordics that appears in the Economist ranking. The same goes for Bloomberg Businessweek's Global MBA Ranking, where CBS' full time MBA is among the top 30 international MBA programmes for the third year running.

SUSTAINABILITY AND CSR

Corporate Knights Better World MBA Ranking gives scores on business schools and full time MBA programmes with explicit focus on sustainability and CSR. The ranking is based on the curricula of the MBA programmes and the number of research centres and publications within the fields of sustainability and CSR across the school. Once again, CBS ranks at the very top as #4 in the world.

Table 4 CBS on the ranking lists

	2013	2014	2015	2016	2017
Financial Times					
European Business Schools	34	45	34	35	51
CEMS Master in International Management	7	5	4	*	9
Master in General Management	40	37	32	36	38
Full-Time MBA Europe	35	-	37	34	36
Executive MBA World	79	91	62	50	**
Executive MBA Europe	27	33	31	27	**
Times Higher Education					
THE World University Rankings	-	-	201-250	251-300	201-250
THE by subject 'Business and Economics'	-	-	-	-	30
THE by subject 'Social Sciences'	-	-	-	88	94
Bloomberg Businessweek					
International Full-Time MBA			28	27	30
The Economist					
MSc in Social Science – Organizational Innovation and Entrepreneurship				31	***
Full-Time MBA				95	88
University of Texas at Dallas – Top 100 Business School Research Rankings					
UTD World	76	82	77	83	****
UTD Europe	6	6	7	10	****
QS Top Business Schools ***					
By subject 'Business and Management Studies'			10	13	13
CEMS Master in International Management	-	-	-	-	8
Full-Time MBA World	-	-	-	-	26
Full-Time MBA Europe	9	12	12	-	13
Executive MBA Europe	-	-	-	-	12
Corporate Knights Magazine					
Better World MBA	10	-	3	4	4
Eduniversal					
Eduniversal World	3	1	3	1	1
Eduniversal Europe	2	1	3	1	1

** CEMS has decided not to submit data.
 **Programmes not included in the ranking list due to insufficient data.
 *** QS Rankings 2018 was published in 2017 and therefore included in this annual report.
 ****Figures not yet available..

LIST OF PROGRAMMES

BACHELOR OF SCIENCE AND SOCIAL SCIENCES

BSc in Economics, Business Administration and Social Sciences
 BSc in Business Administration, Social Sciences and Philosophy
 BSc in Business Administration, Social Sciences and Information Systems
 BSc in Business Administration, Social Sciences and Commercial Law
 BSc in Business Administration, Social Sciences and Organisational Communication
 BSc in Business Administration, Social Sciences and Management Science
 BSc in Business Administration, Social Sciences and Psychology
 BSc in Business Administration, Social Sciences and Project Management
 BSc in International Business
 BSc in Business Administration and Service Management
 BSc in Business Administration and Sociology
 BSc in International Business and Politics
 BSc in Business, Language and Culture
 BSc in Business, Asian Language and Culture
 BSc in International Shipping and Trade
 BSc in European Business

BACHELOR OF ARTS

BA in Intercultural Market Communication
 BA in English and Organisational Communication
 BA in Information Management

MASTER OF SCIENCE AND SOCIAL SCIENCES

MSc in Economics and Business Administration - 14 specialisations
 MSc in Social Science - Human Resource Management
 MSc in Social Science – Political Communication and Management
 MSc in Social Science - Management of Creative Business Processes
 MSc in Social Science - Organisational Innovation and Entrepreneurship
 MSc in Social Science - Service Management
 MSc in Social Science - Public Management and Social Development (offered at SDC campus in Beijing)
 MSc in Business Economics and Auditing
 MSc in Business Administration, Social Sciences and Commercial Law
 MSc in Business Administration, Social Sciences and Organisational Communication
 MSc in Business Administration, Social Sciences and Mathematical Business Economics

MSc in Business Administration, Social Sciences and Psychology
 MSc in Business Administration and E-business
 MSc in Business Administration and Innovation in Health Care
 MSc in Business, Language and Culture – two specialisations
 MSc in International Business and Politics
 MSc in Business Administration and Information Systems – three profiles
 MSc in Advanced Economics and Finance (elite master programme)
 CEMS - Master in International Management
 MSc in Business Administration and Bioentrepreneurship
 MSc in Business Administration and Philosophy

MASTER OF ARTS

MA in International Business Communication

CONTINUING EDUCATION

Full time MBA
 Executive MBA
 Flexible Executive MBA
 Executive MBA in Shipping & Logistics
 Master of Public Governance
 Master of Public Administration
 Master of Management Development
 Master of Tax
 Master in Leadership and Innovation in Complex Systems
 Graduate Certificate (HD1)
 (HD2) Graduate Diploma in Business Administration - Finance
 (HD2) Graduate Diploma in Business Administration - Financial Planning
 (HD2) Graduate Diploma in Innovation Management
 (HD2) Graduate Diploma in International Business
 (HD2) Graduate Diploma in Business Administration - Marketing Management
 (HD2) Graduate Diploma in Business Administration - Organisation and Management
 (HD2) Graduate Diploma in Business Administration - Financial and Management Accounting
 (HD2) Graduate Diploma in Business Administration - Supply Chain Management
 (HD2) Graduate Diploma in Business Administration - Accounting Control and Process Management

PROGRAMMES BEING PHASED OUT

MA in International Business Communication

DEPARTMENTS

DEPARTMENT OF MARKETING (MARKTG)

The department does research in and teaches marketing management, attaching importance to theory-based empirical research and theory development. This research seeks to contribute to a holistic understanding of the interaction and activities taking place in a market. In the areas of B2B marketing and B2C marketing, the department focuses on research in brand marketing management, circular economy and sustainability, CSR, neuromarketing, design management, international marketing, product innovation management, relationship marketing, strategic marketing and tourist and destination marketing.

DEPARTMENT OF FINANCE (FI)

The department focuses on financial issues related to, e.g., corporate finance and financial structures, financial frictions, financial market pricing, alternative ownership, pensions and personal finance, international financial markets and corporate governance.

DEPARTMENT OF INNOVATION AND ORGANIZATIONAL ECONOMICS (INO)

The department carries out research in and teaches innovation and entrepreneurship. Its research ranges from large-scale analyses of enterprises' use of external knowledge sources or entrepreneurial businesses' chances of survival to development of specific tools for innovative processes. The department's research typically involves an element of economic organisation, i.e. how innovation or entrepreneurship interacts with the way in which businesses are organised or how sectors and value chains are structured, the distribution of work between universities, biotech businesses and pharmaceutical manufacturers in connection with the development of new drugs.

DEPARTMENT OF MANAGEMENT, SOCIETY AND COMMUNICATION (MSC)

The department is an interdisciplinary research environment focusing on the relationship between business and society in a globalised world and on how globalisation changes and challenges management, organisation and control. Key research areas include corporate social responsibility, sustainability, the role and development of the private sector in emerging economies, intercultural marketing, and business and organisational learning. Across perspectives and themes, the department focuses on culture, communication and context.

DEPARTMENT OF INTERNATIONAL ECONOMICS AND MANAGEMENT (INT)

The department carries out research in international business management, corporate governance and leisure, culture and tourism as well as in emerging markets, including Eastern Europe, Russia, India, Japan and China - with particular emphasis on Asia area studies.

DEPARTMENT OF DIGITALIZATION (DIGI)

The department carries out research and teaches in the cross field between IT and business, with focus on Big Data, money of tomorrow, IT in mergers, social media management, Internet of Things, business models for cloud computing and sharing economy, digitalisation of work and e-sports.

DEPARTMENT OF MANAGEMENT POLITICS AND PHILOSOPHY (MPP)

The department's core areas are public and political management, management philosophy, corporate history, general management, strategy, innovation and entrepreneurship. Through interdisciplinary research, the department contributes new knowledge on management and societal diagnostics for the benefit of Danish companies and the public sector. Through teaching in the cross field between business economics, social sciences and humanities, we help ensure that CBS graduates have a critical and holistic understanding of what management is in a globalised reality.

DEPARTMENT OF ECONOMICS (ECON)

The department conducts research of clear corporate relevance as well as in more traditional socio-economic areas, including the effects of globalisation on business, government economic policy, foreign exchange market reactions to interest rate changes and corporate market conduct.

DEPARTMENT OF ORGANIZATION (IOA)

The department focuses on organisational processes and their implications for private, public and voluntary organisations. The department's research and teaching focus on e.g. strategy, HRM, change and management. Its researchers develop and adjust organisational theories and analytical methods based on empirical studies and inclusion of wider social science perspectives such as sociology, anthropology and psychology. Working with diverse organisations and sectors, researchers apply their knowledge to specific management challenges and dilemmas.

DEPARTMENT OF OPERATIONS MANAGEMENT (OM)

The department carries out research in and teaches corporate business economics issues in an organisational perspective. Its main focus is on explaining management technologies needed by businesses to create innovation, plan production, cooperate with other businesses and manage finances.

DEPARTMENT OF ACCOUNTING AND AUDITING (ACC)

The department carries out research and teaches within three main areas: management control, financial accounting and private and public sector auditing.

LAW DEPARTMENT (LAW)

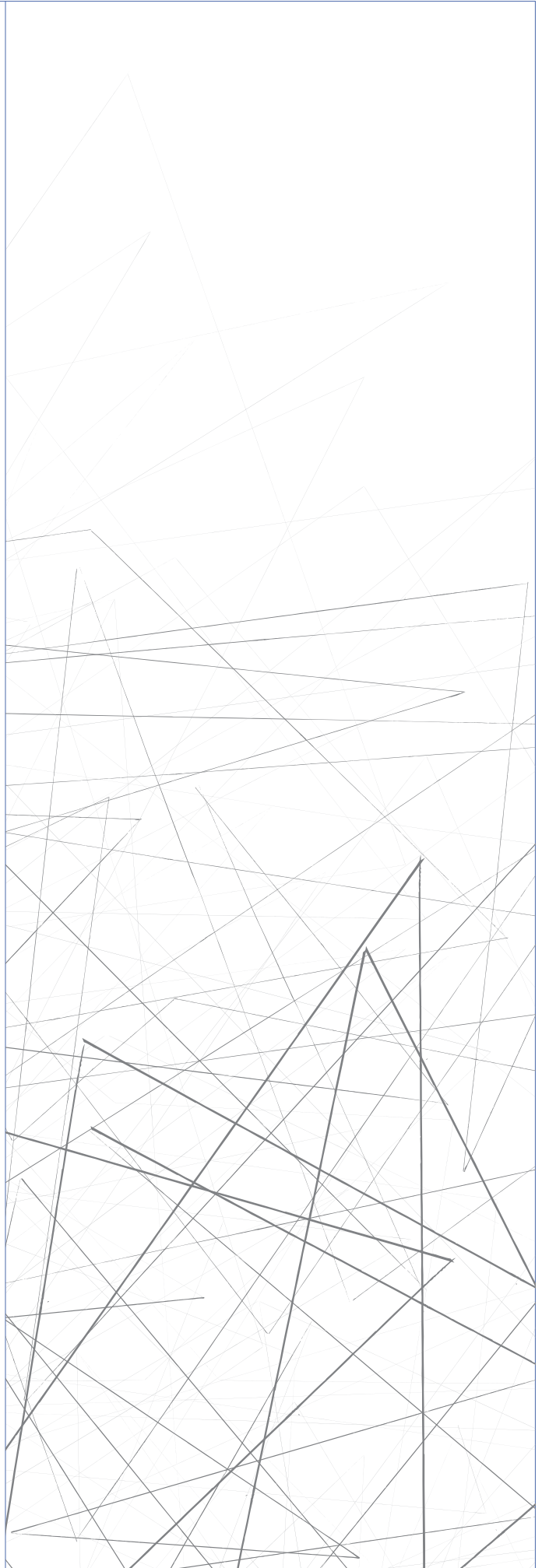
The department's research focuses on commercial law from a social and commercial perspective based on international and national framework conditions for business as a result of globalisation, specifically the content of and interplay between international law, EU law and national law.

DEPARTMENT OF STRATEGIC MANAGEMENT AND GLOBALIZATION (SMG)

The department conducts research within corporate strategic behaviour and planning in a globalised world, focusing on knowledge management, strategy, strategic entrepreneurship, offshoring and outsourcing and multinational organisation.

DEPARTMENT OF BUSINESS AND POLITICS (DBP)

The department conducts research in the institutional challenges facing society as a result of the interplay between business and politics. Based on theories on international and comparative political economics and sociology, research is conducted within the areas of technology and innovation, financial regulation, institutional competitiveness, relations between civil society and industry, public-private partnerships and European and global governance.



RESEARCH, TEACHING AND COMMUNICATION AWARDS

Many recognised CBS researchers won Danish as well as international awards in 2017 in recognition of their excellent research and the communication thereof, like employees and students at CBS have achieved recognition for their efforts.

AWARDS FOR CBS EMPLOYEES AND STUDENTS

DSEB Research Award 2017

Brooke Harrington, Professor with special responsibilities, Department of Business and Politics

DSEB Research Dissemination Prize 2017

Anton Grau Larsen, Assistant Professor, and Christoph Ellersgaard, Assistant Professor, Department of Business and Politics

DataProfit Research Team – composed of:

- Thomas Ritter, Professor, Department of Strategic Management and Globalization
- Carsten Lund Pedersen, Post.doc, Department of Strategic Management and Globalization
- Hans Eibe Sørensen, Research Assistant, Department of Strategic Management and Globalization
- Christina Merolli Poulsen, Project Manager, Department of Strategic Management and Globalization/ Department of Operations Management

DSEB Teaching Award 2017

Daniel Hardt, Associate Professor, Department of Digitalization

Kalle Rose, Associate Professor, Law Department

Mogens Kamp Justesen, Associate Professor, Department of Business and Politics

CBS Student Award 2017

Ditte Öhrström, MSc and CEMS MIM student

Freja Ruiya Vulff, BSc IBA student

Nima Sophia Lama Tisdall, MSc IBP student

CBS Administration Award 2017

Gitte Østergaard, Senior Assistant, Department of Operations Management

Merete Borch, Academic Officer, Department of Management, Society and Communication

Lise Søstrøm, Senior Assistant, Department of Management, Society and Communication

Mads Vigen, Project Manager, Campus Services

Siv Britt Mansa, Senior Advisor, Campus Services

CBS International Citizen Centenary Prize

Brooke Harrington, Professor with special responsibilities, Department of Business and Politics

Fonnesbech's PhD Prize 2017

Maitane Elorriaga Rubio, PhD fellow, Department of Strategic Management and Globalization

CBS Centenary PhD Prize 2017

Viktor Avlonitis, PhD fellow, Department of Operations Management

Philip Rosenbaum, PhD fellow, Department of Economics

Erin Leitheiser, PhD fellow, Department of Management, Society and Communication

Fonnesbech's Student Prize 2017

Magnus Kennow Rasmussen, BSc student in Business Administration, Social Sciences and Information Systems

Patrick Borchert, MSc EBA student

Stefanie Rehberg, MSc IB and CEMS student

Fonnesbech's TAP/VIP Employee Prize 2017

The exam aids group:

- Lene Mette Sørensen, Senior Advisor, Dean's Office - Education

- Tine Büchler Poulsen, Senior Advisor, Dean's Office - Education

- Martin Tong, IT Business Partner, IT

- Hanne Erdman Thomsen, Associate Professor, Department of Management, Society and Communication

- Dorte Kronborg, Associate Professor, Department of Finance

- Ulf Nielsson, Associate Professor, Department of Finance

- Pia L. Rønnow Torp, Team Leader, Legal

- René Kramhøft Jakobsen, Area Manager, Programme Administration

Elite Research Travel Scholarship 2017

Adrián Meridá, PhD fellow, Department of Innovation and Organizational Economics

EXTERNAL AWARDS**Knight's Cross of the Order of Dannebrog**

Anne-Marie Søderberg, Professor, Department of Management, Society and Communication

Ole Thyssen, Professor (Doctor of Philosophy), Department of Management, Politics and Philosophy

Ole Fogh Kirkeby, Professor MA (Doctor of Philosophy), Department of Management, Politics and Philosophy

Membership of the Danish Royal Academy of Sciences and Letters

Lasse Heje Pedersen, Professor, Department of Finance

Honorary Doctorate (hedersdoktor) at the University of Gothenburg, October 2017

Alan Irwin, Professor, Department of Organization

Listed on the 2017 Highly Cited Researchers list and therefore one of The World's Most Influential Scientific Minds

Lasse Heje Pedersen, Professor, Department of Finance

Awarded a five-year honorary membership of "Senior Fellow of the Institute of Place Management" (MMU, Manchester, UK) for "making an outstanding contribution for place management"

Sebastian Zenker, Associate Professor, Department of Marketing

Honorary professor in the School of Business, University of Leicester

John Christiansen, Professor, Department of Operations Management

The highest Medal of the State of Baden-Württemberg, the "Order of Merit of Baden-Wuerttemberg", March 2017

Lucia Reisch, Professor, Department of Management, Society and Communication

June 2017: Honorary appointment as "Leibniz Chair" at the Leibniz Institute for Prevention Research and Epidemiology – BIPS GmbH, Bremen, June 2017

Lucia Reisch, Professor, Department of Management, Society and Communication

The Wharton School WRDS Award for the Best Empirical Finance Paper for the paper: 'What is the Expected Return on a Stock?'

Christian Wagner, Professor, Department of Finance, together with Ian Martin, London School of Economics

Winner of the Willamette University Atkinson Graduate School of Management Best Paper in International Ethics, Social Responsibility, and/or Sustainability ved the Academy of Management 2017 meeting, with the paper: 'Strategic Corporate Social Responsibility in Multinational Enterprises'

Christian Geisler Asmussen, Professor with special responsibilities, Department of Strategic Management and Globalization, together with A. Fosfuri

CEMS 2017 Block Seminar of the year award for the seminar: "The Strategy as Practice – Critical Thinking, Problem Formulation, and Biases"

Diego Stea, Associate Professor, Department of Strategic Management and Globalization, together with Phillip Nell

Best Paper Proceedings at the Academy of Management for the paper: 'Team cohesion in intensive care nursing: At the interface of nurse self-concept and unit structure', 2017

Minna Paunova, Associate Professor, Department of Management, Society and Communication, together with J. Li-Ying

Best presentation award, 19th International Conference on Marketing and Retailing, Vienna. Paper with the title: 'Understanding the Interplay between Consumer Knowledge, Trust and Relationship Satisfaction in Financial Services'

Torben Hansen, Professor, Department of Marketing, together with Lars Grønholdt, Alexander Josiassen and Anne Martensen

CEPR Prize 2017 for Outstanding Research in Organisation and Management for the paper: 'Face-to-Face Communication in Organisations'

Tom Kirchmaier, Professor with special responsibilities, Department of International Economics and Management, together with Jordi Blanes i Vidal and Diego Battiston

2017 Outstanding Reviewer Award, Supply Chain Management: An International Journal (Emerald Literati Network Awards for Excellence)

Andreas Wieland, Associate Professor, Department of Operations Management

The Association of the Friends of Technische Universität Darmstadt, Germany Award for outstanding scientific achievements and the best doctoral dissertation of 2016 at the Department of Law and Economics of the Technische Universität Darmstadt, Germany, 2017

Michael Wessel, Assistant Professor, Department of Digitalization

Best Paper Award in the ICIS Track: Digital Platforms, On-line Communities, and Open Governance 2017, for the paper: (2017). Building National eHealth Platforms: The Challenge of Inclusiveness. The International Conference on Information Systems. AIS Electronic Library

Tina Blegind Jensen, Professor with special responsibilities, Department of Digitalization, together with P. Vassilakopoulou, M. Grisot, N. Sellberg, J. Eltes, A.A. Thorseng, M. Aanestad

Best paper award from the organizers of the 50th Hawaii International Conference on System Sciences (HICSS), for the paper: Public-private collaboration in the emergence of shared digital infrastructure: The case of Nem-ID in Denmark, HICSS 2017.

Jonas Hedman, Associate Professor, and Rony Medaglia, Associate Professor, Department of Digitalization, together with B. Eaton

Runner up Best Student Paper Award at the Academy of Management, 'Organizational Communication & Information Systems' division, for the paper: "Digital Acceleration: How Digitalization is Reshaping the Work-Life Interface"

Abayomi Baiyere, Assistant Professor, Department of Digitalization

Best Paper Award, Academy of Management 2017, Managerial and Organizational Cognition division, for the paper: 'Processes of Negotiating Identity in a Cross Sector Partnership'

Majken Schultz, Professor, Department of Organization, together with Sarah Easter

DRUID Best Paper Award (DRUID Conference 2017, New York) for the paper: 'Social Ties for Labor Market Access – Lessons from the Migration of East German Inventors', CEPR Discussion Paper No. DP11601.

Karin Hoisl, Professor, Department of Innovation and Organizational Economics, together with Matthias Dorner, Dietmar Harhoff, Stefan Bender

Best paper award by the International Corporate Governance Society for the paper: 'The Power of Non-Controlling Stake: Below Parity Representation of Employees on Corporate Boards'

Aleksandra Gregoric, Associate Professor, Department of Innovation and Organizational Economics, together with Thomas Poulsen.

