

CBS ANNUAL REPORT 2022



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Photos: Kasper Kristoffersen (front page, pages 12, 18 and 19) and Bjarke MacCarthy (pages 14 and 21)

Statements

Statement by Senior Management on the annual report

The annual report has been prepared in accordance with the Danish State Accounting Act, etc., Ministerial Order no. 116 of 19 February 2018 on state accounting, etc., the specific instructions in the Ministry of Finance's Financial Administrative Guidelines, Executive Order no. 778 of 8 August 2019 on the University Act, Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, and the Danish Agency for Higher Education and Science's guidelines for preparing annual reports.

In accordance with section 39(4)(nos. 1-3) of Ministerial Order no. 116 of 19 February 2018 on state accounting, it is hereby represented:

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

Frederiksberg, 27 March 2023:

Nikolaj Malchow-Møller
President

Arnold Boon
University Director

Adopted by the Board of Directors of Copenhagen Business School, CBS, on 27 March 2023:

Torben Möger Pedersen
Chairman

Michael Rasmussen
Deputy Chairman

Jonas Andersen

Lise Balslev

Gunnar Bovim

Louisa Loran

Lilian Mogensen

Sara Louise Muhr

Jesper Rangvid

Mette Vestergaard

Mikkel August Wallind

Independent auditor's report

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 2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, as stated on pages 44-47. The financial statements are prepared in accordance with Ministerial Order no. 1957 of 15 October 2021 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 Higher Education and Science, hereinafter collectively 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 Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities and the agreement on internal audits entered into by the Danish Minister for 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 this auditor's report. We are independent of Copenhagen Business School in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that 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, as the audit is performed based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark as well as the public auditing standards, as the audit is performed based on the provisions of Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Copenhagen Business School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Copenhagen Business School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Copenhagen Business School to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

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

Copenhagen, 27 March 2023

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with appropriations granted, laws and other regulations, and with agreements entered into and usual practice, and for ensuring that sound financial management is exercised in the administration of 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 procedures and performance audit procedures on 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 relevant provisions of appropriations, laws and other regulations, and with agreements entered into and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and the operation of the activities covered by the financial statements.

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

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

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

*Management
commentary*

Institution details

Institution

Copenhagen Business School

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cbs@cbs.dk
www.cbs.dk

Business Registration No.: 1959 6915

Financial year: 1 January 2022 to 31 December 2022

Registered in: Municipality of Frederiksberg,
Denmark

Banker: Danske Bank

Institution auditor: Deloitte

Board of Directors

Chairman

Torben Möger Pedersen
(took seat on 1 July 2019)

Deputy Chairman

Michael Rasmussen
(took seat on 1 February 2016)

Members in 2022

Jonas Andersen (took seat on 1 February 2022)

Lise Balslev (took seat on 24 November 2022)

Gunnar Bovim

Sarah Langkjær Diemar

Louisa Loran

Lilian Mogensen

Sara Louise Muhr

Tobias Harald Munch (resigned on 31 January 2022)

Jesper Rangvid

Mia Cudrio Thomsen (resigned on 24 November 2022)

Mette Vestergaard

Senior Management

President

Nikolaj Malchow-Møller

Deputy President

Inger Askehave

Dean of Education

Gregor Halff
(resigned on 31 March 2022)

Dean of Education

Anna Thomasson
(took office on 22 August 2022)

Dean of Research

Søren Hvidkjær

University Director

Kirsten Winther Jørgensen
(resigned on 14 August 2022)

University Director

Arnold Boon
(took office on 1 October 2022)

Introduction of Copenhagen Business School

Copenhagen Business School (CBS) is a globally recognised business university deeply rooted in the Nordic socio-economic model. As a publicly funded university, CBS has a comprehensive focus on the opportunities and challenges of the business community and society in the 21st century.

CBS therefore has a wide portfolio of research activities and education programmes of high international quality that have empowered generations of professionals and leaders in the private sector and other areas.

CBS offers research-based programmes at Bachelor, Master, Diploma, Executive Master and PhD levels.

In October 2022, the university had well over 20,000 full-time and part-time students. There were 712 academic staff (FTE), 716 administrative staff (FTE) and 192 PhD students.

The university is internationally recognised for its teaching and research and has been accredited by EQUIS, AACSB and AMBA (Triple Crown). As a business university, CBS is oriented particularly towards business community needs, and close on nine in ten graduates find employment in the private sector.

In 2020, the CBS Board of Directors adopted the strategy: *We transform society with business.*

OUR MISSION

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

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

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

OUR VISION

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

The strategy builds on CBS, with its global profile and Nordic heritage, not only having the qualifications but also a special responsibility for assisting in dealing with the huge challenges and opportunities that society is facing.

This means that CBS must address the big societal issues in disciplinary and interdisciplinary research of the highest quality.

CBS also needs to make sure that students, graduates and business executives develop both strong professional standards and transformational capabilities through education programmes and lifelong learning opportunities. Since complex challenges call for a joint effort, the focus of CBS' strategy is on enhancing current partnerships and starting new ones with other sciences, the business community, authorities and civil society.

The strategy is reflected in CBS' framework agreement with the Ministry of Higher Education and Science. This agreement lays down and specifies CBS' strategic development. A report on the framework agreement's first year is evident from page 29 of this annual report.

The CBS strategy's five core priorities, which are listed below, will on the following pages constitute the prism through which some of the selected professional results for the year will be illustrated.

CORE PRIORITIES

Employees (p. 12)

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

Research (p. 14)

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

Students (p. 18)

Attract the best students and transform them into lifelong learners

Teaching (p. 19)

Create incentive and support structures to design and deliver discipline-based and transformative education

Graduates (p. 21)

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

Professional results for the year



Below, the professional results for the year are illustrated through the five core priorities of the strategy.

CORE PRIORITIES

Staff
Research
Students
Teaching
Graduates

More academic staff and equal opportunities

Staff-wise, CBS has in 2022 recruited and promoted academic staff and started the implementation of the Gender Equality Plan adopted.

Recruitment of and career development for academic staff

It has been an important analysis of the realisation of the strategy to build a bigger force of research and teaching staff. Consequently, the number of academic FTEs has gone up

from 650 in 2020 to 712 in 2022. Over time, academic FTEs have generally been on the rise from 584 in 2018, which is a reflection of CBS' investment in its research organisation.

CBS is also investing in career development and has introduced a formalised career path for associate professors, the so-called promotion track, which continued in 2022. This is a promotion programme for particularly talented associate professors who are secured a clearer career path to be promoted professor.

In 2022, 12 associate professors (seven men and five women) entered the promotion track programme in its second round. Also, six men and two women holding the title of professor with special responsibilities were promoted professor.

Equal opportunities, diversity and inclusion

CBS wants to contribute by bringing a broader pool of talent into play and to have everybody have equal rights and opportunities to make their contribution to the development of a diverse and inclusive working and learning environment.

This is mirrored, for example, in the adopted Gender Equality Plan and the adopted Action Plan for Gender Diversity in Management that guide CBS' activities to increase equal opportunity and diversity.

These activities are planned under the auspices of CBS' DEI Lead together with CBS' Equal Opportunities Officer. New guidelines have been launched in 2022 for staff on how to handle sexism and sexual harassment, and there have been workshops with working environment representatives, trade union representatives and directors about these topics.

The long-term vision with respect to management is to strike a balance between women and men at all management levels, and CBS is working determinedly to achieve this vision.

The Action Plan for Gender Diversity in Management specifies gender balance targets in all three top management levels by the end of 2024. Here, the target is that each gender is to have a gender representation of no more than 60% in Senior Management and the Board of Directors, respectively, and no more than 67% among the heads of department.

The target was reached in Senior Management and the Board of Directors, whereas the 2022 rate for women among the heads of department is 18%. See Figure 1.

Figure 1: Gender composition target in 2024

Management level	Target for number of women at year-end 2024	Target for 2024	Status in 2022
		(%)	(%)
1. Board of Directors	To maintain the composition of 3 men and 3 women among external members elected	40-60%	50%
2. Senior Management	To maintain the composition of men and women in the form of at least 2 women out of the 5 members	40-60%	40%
3a. Heads of department	To achieve a balanced composition of men and women in the long term, and in the short term at least 3-4 women out of the total of 11 heads of department	33%	18%
3b. Office managers	To maintain/seek to achieve a balanced composition of men and women in the form of at least 4-5 women out of the total of 10 office managers	40-60%	50%



CORE PRIORITIES

Staff
Research
Students
Teaching
Graduates

Research that creates value

CBS' objective is to engage in research that creates value for society. This is done, for example, by publishing articles in the best journals and by doing research on big societal challenges and opportunities.

In 2022, CBS received exceptionally many external research grants that will help start many projects in the years ahead.

Excellent research

CBS wants to deliver excellent, interdisciplinary and transformational research. This is reflected, for example, in the publication of articles in the best disciplinary and interdisciplinary journals. CBS researchers published 116 articles in 2022 in the most prestigious journals on the Academic Journal Guide list (categories 4 and 4*). This is fewer than in 2021 when, with 142 articles, CBS saw the largest number of articles published so far.

CBS still ranks high on the most important international research rankings. In QS Social Sciences and Management, CBS ranks #53 in the world, corresponding to #18 in Europe and being the highest ranking university in the Nordics. CBS has thus advanced one place globally and three places in Europe compared to 2021.

In the more focused QS Business Administration and Management ranking, CBS ranks #14 in the world and #8 in Europe. Here, CBS has advanced one place globally while the rank in Europe is the same as in 2021.

External research funding obtained at a record high

As part of its strategy, CBS wants also to increase its share of external research funding. Total external research funding obtained in 2022 reached a record high with DKK 211 million. The amount was DKK 150.2 million in 2021.

One of the reasons for the increase is that CBS received several large grants in 2022, one of them amounting to DKK 59.4 million for a basic research centre.

Also, CBS has generally obtained much more EU funding than in previous years.

Figure 2 shows some of the most significant grants in 2022.

Figure 2: Selected external research funding

New centre of excellence

Professor Lasse Heje Pedersen at the Department of Finance was granted DKK 59.4 million from the Danish National Research Foundation for a new research centre, Center for Big Data in Finance. Lasse Heje Pedersen, who is one of the most quoted researchers in the world in the fields of financing and economy, is head of the centre. The grant which is the largest one received so far by CBS will ensure activities for six years.

By means of huge quantities of data and new methods, the centre is to generate tools that can provide new insights into the financial industry – such as the role of financial markets in the green transition and how social networks affect financial markets.

Besides generating new information for the business community and public authorities, the centre is also to improve the development of new strong financial economy research talent.

EU grant for research into the value chains of tomorrow

Professor Poul Fritz Kjær at the Department of Business Humanities and Law was granted DKK 15 million from the European Research Council to conduct research into how law and legal instruments regulate global value chains and to develop a model for what this type of regulation is to look like in future.

The grant – an ERC Advanced Grant, which is among the most prestigious ones in Europe – is targeted at top researchers who have contributed significant scientific results in their field of research in the past ten years.

Sapere Aude grant from Independent Research Fund Denmark for research into the housing market

Assistant Professor Kathrin Schlafmann of the Department of Finance received a Sapere Aude grant of DKK 6.2 million to study which forces drive house prices and how regulation of the housing and loan markets will affect house prices, the level of debts and the stability of the economy.

The Tietgen Award

Associate Professor Florian Kock at the Department of Marketing was given the Tietgen Award for his innovative and comprehensive research on tourism and leisure economy in Denmark.

The Tietgen Award is one of the greatest and most prestigious awards in the Nordics in the fields of humanities and social science. The Award is accompanied by a grant of DKK 500,000.

EU grant for research into the loss of data

Associate Professor Nanna Bonde Thylstrup of the Department of Management, Society and Communication was granted DKK 15 million to conduct research into what the loss of data involves.

Data loss is often associated with spectacular cases such as when big organisations or companies experience severe losses of data. However, we know very little about the daily challenges and opportunities involved in data loss, and it is becoming increasingly important the more data we produce, and the more requirements are imposed on us to delete, such as through GDPR.

The grant is the much-coveted ERC Starting Grant, which is awarded by the European Research Council.

EU grant to help threatened crafts

Associate Professor Marta Gasparin at the Department of Business Humanities and Law is to head a new four-year research project where she and four colleagues are to work with glassblowers and craftspeople to preserve crafts that are dying arts.

The project builds on traditional crafts on Bornholm and in four other European regions – namely the Faroe Islands, the province of Dalsland in Sweden, Venice and Bassano del Grappa in Italy. One of the aims is to develop new sustainable business models based on research on innovation, entrepreneurship and lifelong learning.

The project is called HEPHAESTUS and was granted DKK 30 million from the EU Horizon programme.

Current research focus areas

CBS' objective is to engage in research that creates value for society, and together with the business community CBS wants to take active responsibility in helping to handle the great challenges and opportunities of society.

One of the areas currently in need of knowledge is that related to the economic, political and commercial consequences of the war in Ukraine. CBS researchers have initiated a series of research projects regarding the current situation, and they provide the public with information on topics such as inflation, recession, economic sanctions, cyber security and corporate social responsibility.

Leadership is a particular research focus area at CBS. For instance, one of the results of management research was the book "Why Managers Matter" by CBS professors Nicolai J. Foss and Peter G. Klein. It rapidly gained great international recognition, and in October it was singled out by the Financial Times as being one of that month's best business books. To strengthen management research further, an interdisciplinary centre, CBS Leadership Centre, was prepared in 2022 that is to be a Nordic hub on management knowledge. The centre is aimed at researchers and businesspeople in Denmark and internationally.

The green transition is another particular focus area. Backed by VELUX FONDEN, CBS researchers together with Green Digital Alliance (GDA) and WWF Denmark designed a digital tool intended to help financial institutions in the Nordics factor in environmental damage when they invest in the shipping industry.

This tool includes new measurement systems and can tell how high the level of risk associated with shipping activities is in terms of damaging sensitive ecosystems in the oceans and in terms of CO2 emissions from each vessel.

Another green transition project that CBS is engaged in and that is backed by Innovation Fund Denmark is about capturing, storing and utilising CO2, also referred to as Carbon Capture, Utilization and Storage (CCUS). The project has as one of its aims to determine what factors play a role in people's willingness to pay for CCUS technologies.

Among other green research projects that CBS is a member of is a Horizon Europe project that is intended to create a circular system between urban and rural districts by utilising urban waste and transforming it into bio-based fertilizers for agricultural production.

Digitalisation is another key societal issue, and besides contributing to research into, for example, the use of artificial intelligence in municipalities, several of the researchers also have seats on consultative bodies. For instance, Mikkel Flyverbom, who is a professor of communication and digital transformations at CBS, was as the only researcher appointed a member of the Government's Digitalisation Council.

Resolution on freedom of expression adopted

In 2022, CBS adopted an official resolution that may in future be used as a guide in matters regarding freedom of expression, debate and research. The resolution has been set up in a collaboration between Senior Management and the Academic Council and was endorsed by the Board of Directors.

According to the resolution, all members of the CBS community must have the broadest possible latitude to speak, write, listen, challenge and learn. Knowledge is best advanced through free and open-minded conversation where there is scope to discuss competing ideas and contradictory views.

In connection with the freedom of expression resolution, CBS has revised its guidelines on good research communication to make it clear what is expected of CBS researchers in public debate. In addition, a procedure has been laid down for how CBS is to handle harassing and threatening solicitations to the university's researchers.

Figure 3: CBS freedom of expression resolution

"Freedom of expression is guaranteed by the Danish constitution as well as international human rights instruments ratified by Denmark.

In addition, academic freedom is guaranteed by the European Charter of Fundamental Rights and the case law of the European Court of Human Rights.

Copenhagen Business School cherishes this freedom as the foundation for open dialogue and discussions of diverse ideas and viewpoints. Indeed, knowledge is best advanced through free and open-minded inquiry and the open discussion of competing ideas. For these reasons, CBS strives to ensure that all members of the CBS community have the broadest possible latitude to speak, write, listen, challenge, and learn.

CBS's fundamental commitment is to the principle that debate or deliberation may not be suppressed because the ideas put forth are thought by others to be disagreeable or offensive. It is for the individual members of the CBS community, not for CBS as an institution, to make judgments for themselves, and to act on those judgments not by seeking to suppress speech, but by openly contesting the ideas that they oppose.

It is not the role of CBS to attempt to shield individuals inside or outside CBS from ideas and opinions they find unwelcome, wrong, or offensive.

At the intersection of our commitment to free expression and our community values lies the expectation of an inclusive learning and working environment. CBS deeply values inclusiveness, diversity, civility, and mutual respect. At the same time, CBS will not seek to limit speech on the grounds that others experience such speech as offensive. Controversies over free expression are opportunities for learning rather than occasions for disciplinary action.

As a corollary to CBS's commitment to protect and promote free expression, members of the CBS community must also act in conformity with the present resolution. Although anyone is free to criticise and contest the ideas of others, they may not obstruct or otherwise interfere with the freedom of others to express ideas they reject. To this end, CBS has a solemn responsibility not only to promote freedom of debate and deliberation, but also to protect that freedom for members of our community when others from within or outside CBS attempt to restrict it."

Part of this document has been adapted from the FIRE resolution and from the proposed "MIT Statement on Freedom of Expression and Academic Freedom".



CORE PRIORITIES

Staff
Research
Students
Teaching
Graduates

Thriving students

CBS has specific focus on the well-being of students. That is why the students have been the object of attention in connection with the post-COVID-19 reopening. Opening hours of Café Nexus have been adjusted as well to ensure a safe environment for everyone.

Student life back on campus

CBS has focus on students thriving both in their learning environment at campus and in their lives in general. Many people at CBS are committed to fostering students' well-being, although these efforts had a specific focus in 2022 through the strategic initiative "Student life transitions and well-being".

In early 2022, CBS was still in lockdown due to COVID-19. It was therefore necessary to help students settle again at campus and attend physical classes.

CBS initiated a series of events, campaigns and courses to help students better cope with challenging changes in their (student) lives and to improve their professional identity and social sense of belonging to campus.

Among other initiatives, the well-being ambassadors have arranged events about well-being-related dilemmas. Also, an Awareness Week on well-being was arranged along with courses for students offering practical tools for fostering well-being.

Study start began with a special theme that broke with the myth of the perfect student with the perfect life. Instead, the message was that we are all good enough and that we can all feel insecure sometimes.

Student café

Senior Management decided to adjust the opening hours of the student-operated Café Nexus. The point was to stop the so-called Thursday parties that have over time come to resemble professional night club parties. At the same time, the rules regulating the serving of spirits were adjusted.

Even though the decision met resistance from some students, it is to be viewed as a desire to make sure that the café appeals to as many students as possible and that everyone can go there safely.



CORE PRIORITIES

- Staff
- Research
- Students
- Teaching
- Graduates

Research-based teaching promoting transformative skills

CBS has in 2022 made a great effort to implement Nordic Nine in teaching. It was also decided to reform the MSc programme. Furthermore, the first flexible course pack has now been tested on selected programmes, with good results.

Nordic Nine in teaching

Together with the business community, CBS has defined nine capabilities, Nordic Nine, that are to enable students to navigate in an increasingly complex world and take responsibility for the development of businesses and society. This means that, besides a profound business knowledge, the students at CBS develop a number of capabilities that will enable them to act in a competent, responsible and holistic manner as business executives and staff.

Nordic Nine are institutional aims of learning integrated in all programmes in different ways. This has been done by revising competence profiles and, in 2022, also the around 1,400 course guides existing across CBS.

CBS is in the process of translating this into teaching. Also, a resource package has been developed for teachers to find inspiration from as to how to integrate Nordic Nine in their teaching.

Figure 4: Nordic Nine

Knowledge	Values	Action
you have deep business knowledge placed in a broad context	you are competitive in business and compassionate in society	you produce prosperity and protect the prosperity of next generations
you are analytical with data and curious about ambiguity	you understand ethical dilemmas and have the leadership values to overcome them	you grow by relearning and by teaching others to do the same
you recognise humanity's challenges and have the entrepreneurial knowledge to help resolve them	you are critical when thinking and constructive when collaborating	you create value from global connections for local communities

For instance, the Nordic Nine capabilities have been incorporated in the preparatory work on the upcoming MSc in General Management and Analytics. So, sustainability, social responsibility and the transition of businesses are elements that are not stated as specific titles of courses. Instead, they are embedded in the teaching of the courses and in the programmes consistently with the aspirations of Nordic Nine.

The students who started their studies in September 2022 and who represent the first real Nordic Nine year have also received a thorough introduction to Nordic Nine at study start.

In November 2022, CBS arranged a more externally oriented campaign about Nordic Nine on selected social media. The purpose was to raise businesses' and the surroundings' understanding and awareness of Nordic Nine. This content is evident on cbs.dk/nordic-nine.

Reform of the MSc programme

A new MSc programme was developed in 2019, namely MSc in Economics & Business Administration – General Management & Analytics (GMA), which was to solve the challenge related to the enrolment for CBS' current structure of the MSc programme.

Students can enrol on the new programme from 2023, and expectations are that many students will apply for admission to the new GMA programme. As a consequence, the current MSc structure is in future expected to see much fewer students.

Figure 5: Accreditation: CBS remains in an exclusive group

CBS' AACSB accreditation was prolonged in 2022 for another five years. The accreditation means that an independent panel has approved the quality of CBS' education programmes, research and impact. The panel particularly commended CBS for Nordic Nine, for the strong faculty culture marked by 'academic citizenship' and for a culture of partnership among academic staff and technical-administrative staff. With its AACSB accreditation, CBS is still "Triple Crown Accredited", and this is only shared by around 1% of business schools worldwide. "Triple Crown" refers to accreditations by European EQUIS, British AMBA and US AACSB.

Furthermore, abolishing the current structure was a ministerial requirement. CBS therefore decided in 2022 to reform the MSc programme. The aim was to abolish the current MSc structure and instead convert the current 14 MSc courses into a number of separate MSc programmes.

Based on an academic assessment, a recommendation from the MSc Study Board and a subsequent consultation process, Senior Management decided in December to apply to the Ministry for Higher Education and Science for approval of 10 separate MSc programmes effective from 2024:

- Accounting, Strategy and Control (ASC)
- Finance and Investments (FIN)
- Finance and Strategic Management (FSM)
- Finance and Accounting (FIR)
- Management of Innovation and Business Development (MIB)
- People and Business Development (PBD)
- Sales Management (SAM)
- Strategy, Organization and Leadership (SOL)
- Supply Chain Management (SCM)
- Economics and Marketing (EMF)

Flexible course packs

Signature Course Packs are flexible, research-based modules aimed at improving quality across programmes. As part of a strategic step, CBS has developed comprehensive teaching materials in one course pack so far to be used in teaching marketing at bachelor level.

This first complete course pack contains modularised courses with digital teaching materials (including 72 professionally produced videos) that may be used flexibly across many of CBS' programmes.

These materials were used on two courses in the spring of 2022 and on BSc in Economics and Business Administration in the autumn of 2022, with positive feedback from teachers and students.



CORE PRIORITIES

Staff
Research
Students
Teaching
Graduates

In-demand graduates

CBS graduates are in demand, and their unemployment rate is low. By gradually implementing Nordic Nine in its education programmes, CBS wants to make sure that future graduates meet the requirements of tomorrow – measured by a continuously low unemployment rate and recruiters' experience that the graduates hold the right qualifications.

Based on the existing compilation method, CBS has the lowest graduate unemployment rate of all Danish universities. The unemployment rate of CBS graduates (including those having left Denmark) has dropped from 7.1% in 2017 to 4.9% in 2022.

CBS' target of having an unemployment rate for graduates below that of other Danish universities (9.5% in 2022) has thus been maintained.

Adjusting the unemployment rate for graduates having left Denmark provides a more accurate unemployment rate. CBS will therefore use this compilation method in future.

Adjusted for these emigrated graduates, the unemployment rate of CBS graduates was 6.2% in 2022. See CBS in numbers on page 37. Compared with the other universities with the lowest unemployment rate, CBS' rate is the same as for the graduates of the IT University of Copenhagen. Closely followed by the Technical University of Denmark with an unemployment rate of 6.3%.

The unemployment rate of CBS graduates compared to the other universities therefore remains most satisfactory.

Financial results for the year

Introduction

In 2022, CBS realised a loss of DKK 47 million, which is DKK 38 million more than the loss of DKK 9 million estimated in the budget. The reason for the below-budget performance is that income has not grown as was expected and that operating expenses have increased more than provided for in the budget. Payroll costs, however, have largely developed according to budget.

The financial performance for 2022 shows that the post-COVID-19 level of costs has grown overly high compared to the development in revenue, for which reason focus has been on striking a balance between income and expenses in the years ahead in connection with the preparation of the 2023 budget. This is described in more detail in the section "Outlook for the next year".

Revenue has grown by DKK 15 million on 2021, whereas total expenses have gone up by DKK 112 million, for which reason, overall, the financial results are DKK 97 million lower.

Income

In the budget, CBS' income was estimated to increase by DKK 30 million from 2021 to 2022 but ended up increasing by only DKK 15 million.

CBS' primary source of income is student FTE, which accrues as the students at CBS complete their programmes. Here, expectations were slight growth of close on 1%, but this growth did not materialise as students' study progress was slightly lower than estimated in the budget, and the number of students in the higher rate 2 group was a little lower than anticipated.

For fee-based programmes (diploma, MBA and master programmes etc.), moderate growth was expected as well, yet here too this growth did not occur.

Finally, the third main area, externally funded projects, not much growth was expected, yet this turned out to be an overly pessimistic view. Income in this area went up by 14%, which is partly attributable to extra post-COVID-19 activity.

Expenses

The 2022 budget provided for a DKK 89 million increase in expenses from 2021 to 2022. This ended up at DKK 112 million.

Staff costs have gone up by DKK 35 million from 2021 to 2022, which is on a par with the budget. Besides the general development in wages and salaries, the increase is attributable to the hiring of 30 new staff at CBS.

Operating expenses have increased by DKK 76 million, which is DKK 22 million more than estimated. A heavy increase in operating expenses had already been anticipated in the budget based on the assumption that all COVID-19 restrictions would more or less have been lifted. The increase realised was even larger and due to increases in travelling and conference expenses, office expenses, and costs of operation of buildings and maintenance, some of which have been caused by rises in the general price level. To curb cost growth, CBS' particular focus has been on reducing energy consumption and on not having payroll costs increase by more than what was provided for in the budget.

Some of the above-budget increase has also to do with the higher level of activity seen in externally funded projects.

Finally, financial expenses are DKK 1 million higher in 2022 than in 2021. The budget was drawn up based on the assumption of a continuously low interest rate level.

The financial statements in financial highlights

	2022	2021	2020
	(DKK'm)	(DKK'm)	(DKK'm)
Operating income	1,484	1,469	1,447
Profit/loss	-47	49	80
Assets	1,496	1,553	1,591
Equity	453	500	451
Liquidity	151	229	271

Source: CBS

Balance sheet, equity and liquidity

At year-end 2022, CBS' balance sheet total stands at DKK 1,496 million, which is DKK 57 million down on the amount at year-end 2021.

In the asset side, primarily CBS' cash and cash equivalents have been reduced as its cash has gone down by DKK 77 million to stand at DKK 151 million at 31 December 2022. Total non-current assets have increased by DKK 14 million, distributed equally between items of intangible assets and of property, plant and equipment.

In the equity and liabilities side, mortgage debt has been reduced by DKK 36 million, now standing at DKK 368 million on the balance sheet, and equity has gone down by DKK 500 million to amount to DKK 453 million at year-end 2022, which is the primary explanation for the change in balance sheet value.

CBS has in 2022 experienced a significant increase in new grants for externally funded projects, causing the funds for additional activity on in-progress projects and for projects not yet initiated to rise from DKK 361 million to DKK 514 million. A small portion of this increase is due to an adjustment of the funds (DKK 36 million) and to CBS' focus having been on moving funds obtained faster to grants provided (DKK 62 million), although the main explanation is that CBS has succeeded in landing many new projects in 2022 (DKK 211 million).

Financial highlights

	2022	2021	2020	2019	2018	
Income statement (DKK'm) ¹⁾						
1	Government subsidies	1,143.5	1,146.6	1,135.1	-	-
2	Other grants	162.0	141.7	132.8	-	-
3	Sale of goods and services	11.8	15.5	15.4	-	-
4	Other income	167.1	165.6	164.1	-	-
5	Total operating income	1,484.4	1,469.4	1,447.4	-	-
13	Staff costs	1,030.8	995.5	942.4	-	-
14	Rent	101.8	99.0	95.7	-	-
15	Depreciation, amortisation and impairment losses	33.2	30.7	30.0	-	-
16	Loss on sale of buildings, land and tangible assets and impairment losses on for-sale buildings	-	-	-	-	-
17	Other operating expenses	356.6	286.3	288.8	-	-
18	Operating expenses	1,522.4	1,411.5	1,356.9	-	-
19	Profit before financial income/expenses and extraordinary items	-38.0	57.9	90.5	73.5	30.1
20	Profit/loss for the year	-47.5	49.0	79.7	58.4	13.7
Balance sheet (DKK'm)						
21	Non-current assets	1,276.7	1,262.4	1,248.7	1,212.5	1,206.1
22	Balance sheet total	1,496.0	1,552.9	1,590.5	1,473.7	1,416.1
23	Equity	452.8	500.2	450.8	371.2	312.7
24	Non-current liabilities	574.5	613.1	726.3	642.3	678.7
Financial ratios						
25	Profit margin	-3.2%	3.4%	5.5%	4.1%	1.0%
26	Liquid ratio	55.0%	78.0%	96.9%	59.6%	52.2%
27	Equity ratio	30.3%	32.8%	28.3%	25.2%	22.1%
28	Funding ratio	43.6%	46.8%	54.0%	55.0%	58.3%
29	Loan-to-income factor	35.8%	38.6%	46.9%	45.0%	50.0%

		2022	2021	2020	2019	2018
Staff						
30	Full-time academic staff ²⁾	712	687	650	609	584
31	Part-time academic staff	210	224	230	231	235
32	Technical-administrative staff	716	698	682	694	728
33	Total staff FTEs	1,638	1,608	1,562	1,533	1,547
	Headcount ³⁾	2,647	2,647	2,554	2,482	2,467
	Full-time academic staff	805	800	753	726	671
	Part-time academic staff	813	830	818	782	774
	Technical-administrative staff	712	703	684	674	679
	Number of student assistants and invigilators	317	314	299	300	343
	Number of permanent international researchers at CBS	201	185	173	178	152
Active enrolment – ordinary programmes						
34	Theory student FTE	12,765	13,031	12,448	12,407	12,234
35	Internship student FTE	-	-	-	-	-
36	Student FTE subsidised by other ministries	-	-	-	-	-
37	Total student FTE on ordinary programmes	12,765	13,031	12,448	12,407	12,234
38	No. of students admitted to business academy programmes	-	-	-	-	-
39	No. of students admitted to professional bachelor programmes	-	-	-	-	-
40	No. of students admitted to bachelor programmes ⁴⁾	2,729	2,861	2,841	2,800	2,619
41	No. of students admitted to master programmes	3,254	3,069	3,516	3,140	3,333
42	No. of students admitted to other ordinary programmes	-	-	-	-	-
43	Total no. of students enrolled on ordinary programmes	15,287	15,757	15,600	15,383	14,971
	No. of bachelor students	8,127	8,178	7,940	7,606	7,272
	No. of master students	7,160	7,579	7,658	7,777	7,582
44	No. of business academy graduates	-	-	-	-	-
45	No. of graduated professional bachelors	-	-	-	-	-
46	No. of graduated bachelors	2,176	2,054	2,006	1,985	1,999
47	No. of graduated masters	3,112	2,880	3,233	3,074	3,191
48	No. of graduates from other ordinary programmes	-	-	-	-	-

	2022	2021	2020	2019	2018	
Active enrolment – part-time programmes/open university						
49	Student FTE – part-time programmes/open university, higher education programmes ⁵⁾	1,441	1,616	1,471	1,476	1,511
50	Student FTE – part-time programmes/open university, non-higher education programmes	-	-	-	-	-
51	Total student FTE – part-time programmes/open university	1,441	1,616	1,471	1,476	1,511
No. of graduates on master and diploma programmes						
	No. of graduates on master and diploma programmes	1,031	1,198	1,110	1,192	1,160
	No. of diploma students	3,263	3,438	3,404	3,394	3,434
	No. of executive master/MBA students	1,638	1,648	1,539	1,585	1,420
Active enrolment – commercial activities (DKK'm)						
52	Active enrolment – commercial activities	0.7	0.0	0.1	0.1	1.8
Internationalisation ⁶⁾						
53	No. of outgoing students (exchange students)	1,072	460	1,387	1,485	1,525
54	No. of ingoing students (exchange students)	980	484	1,168	1,106	1,097
55	No. of full-time international students in Denmark	3,177	3,498	3,844	3,926	3,984
	No. of cooperation and development agreements for exchange students	289	291	295	296	296

		2022	2021	2020	2019	2018
PhD programmes						
56	No. of PhD fellows enrolled	192	199	208	209	185
57	No. of newly enrolled PhD fellows	33	42	44	63	42
58	No. of approved PhD theses	48	39	31	31	48
Research and dissemination						
	No. of research publications	1,680	1,641	1,705	1,596	1,533
59	No. of patent applications pending	0	0	0	0	0
60	No. of invention applications pending	0	0	0	0	0
61	No. of projects with the Danish business community ⁷⁾	170	136	107	132	137
62	No. of external projects	349	307	271	281	286
63	Financial value of cooperation with the Danish business community (DKK'm)	78.4	69.0	52.3	56.6	57.6
	No. of career partners	43	45	56	52	50
Buildings						
64	Total building space (gross area in sq m) ⁸⁾	138,149	135,843	132,577	132,577	135,216

Notes to the financial highlights table

The financial highlights table has been compiled based on the Danish Agency for Higher Education and Science's guidelines for the preparation of annual reports. The numbering of financial highlights is consistent with the specifications therein. Being a university, CBS is not required to report financial highlights for numbers 6-12, for which reason these numbers are not evident from the table. As a supplement, CBS has provided additional relevant financial highlights that are not numbered in the table, as per the possibility to do so under the guidelines.

- 1) CBS has been exempted from reporting income statement figures for the years 2017-2019. This is because CBS switched to a new Navision financial management system in 2020 and also a new recording structure under the Agency for Higher Education and Science's new common chart of accounts for educational institutions. CBS has described financial developments in the "Financial results for the year" section of the annual report.
- 2) Academic FTEs have been on the rise for some years, reflecting CBS' recruitment strategy and investment in strengthening CBS' research organisation. Historic figures and 2022 figures have been adjusted because heads of department are now fully categorised as technical-administrative staff.
- 3) In 2022, CBS has revised the calculation of headcount. In connection with the implementation of Navision Stat in 2022, new reporting of payroll was implemented as well, including reporting of headcount. The calculation of headcount has been inadequate since some staff in part-time faculty had not been included. That is why the calculation method has been revised and adjusted retrospectively until 2020 so that the time series is now subject to the same calculation method. The calculation includes all staff with student work hours in December of the year in question.
- 4) The decline in bachelor student intake and the rise in master student intake should be viewed in the light of a decision to move places from bachelor programmes to master programmes.
- 5) For student FTE – part-time programme, a correction was made for 2021 because of subsequent submission of student activity to the Ministry due to corrected data. The decline from 2021 to 2022 should be viewed in the light of 2021 being an extraordinary year.
- 6) Exchange was again possible after COVID-19 for which reason the number of both ingoing and outgoing exchange students has gone up in 2022.
- 7) CBS' total externally funded research activity has gone up from DKK 137 million in 2021 to DKK 157 million in 2022.
- 8) CBS' building space has increased from 2021 to 2022 because of the addition of the building at Peter Bangs Vej 36.

Report on the strategic framework agreement

In 2021, CBS entered into a strategic framework agreement with the Minister for Higher Education and Science for the period 2022 to 2025. CBS has started and completed a number of initiatives in 2022 in order to realise the five goals arranged in this framework contract. The overall assessment is that headway has been made in realising these goals based on the initiatives launched and the results already achieved, although for two of the five goals developments have only be rated as acceptable. Below, each goal is assessed, representing the conclusions from the progress report on the strategic framework agreement for 2022.

The complete progress report is disclosed on <https://www.cbs.dk/en/about-cbs/profile/strategic-framework-agreement>

Strategic goal 1: Ensuring that CBS' knowledge plays a part in solutions to big societal issues

The underlying basis of the assessment is a positive development in the indicators set along with satisfactory headway in this year's activities and the activities planned for the years ahead. So, CBS expects to complete the goal by the end of the term of the agreement.

Developments in 2022 underpin the high quality and relevance of CBS research. This goes for both disciplinary and interdisciplinary research and when it comes to attracting external funding for ambitious and large projects.

In 2022, CBS obtained a record high external amount to fund research and also received a grant for a new basic research centre, and this will affect the relevant indicator in the coming years as it is determined as a three-year average. Increased focus on EU grants has led to a massive increase in EU projects granted to CBS.

Also, there has been a positive development in the number of publications in prestigious journals as well as in inter-faculty project collaborations and research articles not related to SSH. Among other factors playing a role in realising the goal is increased focus on green transition and on selected strategic partnerships.

To this can be added that the departments' implementation of publication strategies in recent years has been contributory to the development in CBS' research productivity and quality. The optimisation of internal structures particularly in supporting research applications for external funding is considered to have assisted in this positive development.

Strategic goal 2: Ensuring that CBS graduates acquire skills that match the future needs of the business community

Overall, CBS estimates that the goal is developing satisfactorily.

The underlying basis of the assessment is a positive development in the indicators set along with satisfactory headway in this year's activities and the activities planned for the years ahead. So, CBS expects to complete the goal by the end of the term of the agreement.

CBS graduates are still in high demand by businesses. Unemployment figures for CBS graduates are low, and below the average for all university education programmes as well as for social sciences programmes. Nearly all CBS graduates are employed by the private sector.

The number of classes completed by academic staff has gone up, and this is considered to be an effect of recent years' economic strategy with a focus on upping the number of academic staff to strengthen research-based teaching. CBS does not expect to be able to up the number of academic staff in the coming years, for which reason it must be expected that the indicator will not see a similar increase in the coming years or will even stagnate.

The prerequisite for completing this strategic goal is a successful implementation of Nordic Nine on all degree programmes. As described in the framework agreement, Nordic Nine is a set of nine transformational capabilities that combine basic business skills with broader human and societal aspects. The aspiration is that these nine capabilities will better enable students to help deal with the complex issues of tomorrow.

A key prerequisite for a successful implementation of Nordic Nine is the establishment of the basic structure for working with Nordic Nine at programme level. This is done by revising capabilities profiles and course descriptions so that Nordic Nine is clearly reflected in the purpose and elements of each programme. All capabilities profiles for the programmes have been revised and approved in 2022, and course descriptions have subsequently been adjusted to match the approved capabilities profiles. This is an ongoing process because a need for adjustments may arise in future, depending on the evaluation of learning outcomes.

Strategic goal 3: Increasing diversity among staff and students at CBS

Overall, CBS estimates that the goal is developing acceptably.

The underlying basis of the assessment is satisfactory headway in this year's activities and the activities planned for the years ahead and an acceptable development in the indicators set. So, CBS still expects to complete the goal by the end of the term of the agreement.

CBS appreciates that it may take some time for the initiatives launched in this area to be reflected in the indicators set. Even so, CBS is prepared to make a determined effort to increase diversity among staff and students.

No notable development has been registered in the indicators set. Nevertheless, the work on completing this goal has seen considerable progress, not least with respect to gender-related diversity issues.

The strategic work of diversifying the population of staff and students with respect to gender is supported by the implementation of CBS' Gender Equality Plan and CBS' Action Plan for Gender Diversity in Management. Generally, gender diversity in CBS' supreme governing body is balanced, but not among the heads of department where the gender composition is 80-20.

It is obvious that the organisation is increasingly engaging itself in the work on gender equality, diversity and inclusion, but more knowledge is needed – about the magnitude of the challenges, their causes, and what initiatives may assist in completing the goal.

The composition of CBS' body of researchers is diverse in terms of nationality, culture and languages, meaning that the citizenship of 53% of the researchers is not Danish.

Perhaps the greatest challenge in completing this goal is to improve the diversity of CBS' body of students. Skewed gender balances still exist in some degree programmes (in 6 out of 18 bachelor programmes and in 9 out of 23 master programmes, over 70% of the students are of the same gender). Moreover, the socioeconomic and geographic diversity in CBS' student intake is quite narrow (60% of students enrolled in 2022 came from Copenhagen, Greater Copenhagen and North Zealand, whereas only 10% came from the Zealand Region).

The reduction of study places in Frederiksberg will probably also make it even harder to improve the socioeconomic and geographic diversity in CBS' student intake. With the current enrolment system and the massive influx to CBS, the struggle for study places will intensify, involving a risk of favouring students with a socioeconomically advantaged background.

Strategic goal 4: Fostering the academic development and well-being of CBS students

Overall, CBS estimates that the goal is developing satisfactorily.

The underlying basis of the assessment is a high level in the indicators set along with satisfactory headway in this year's activities and the activities planned for the years ahead. So, CBS still expects to complete the goal by the end of the term of the agreement.

Students at CBS generally experience high learning outcomes, a high level of well-being and quality in their studies. This is evident from the indicators set for the goal in that those for learning outcomes, well-being and quality remain high.

That said, CBS is aware that average measures do not reflect that there may be students who experience challenges with respect to the pressure of expectations and social well-being. That is why active efforts are made to strengthen the students' academic development and well-being through the strategic initiative Student Life Transitions and Well-being. Student life well-being is complex, and there are many relevant focus areas.

The initiative is working on an experimental basis, is testing pilot projects, and implementing the projects that prove to have an effect.

It should be pointed out that the baseline measurements in 2020 reflected a particular situation at CBS and in society because of the COVID-19 lockdown. In 2020, the first-year dropout rate was at a historic low because students did not have many other alternatives but to study.

Generally, students drop out from CBS in their first year of study (dropout at a later time is generally very low). As such, this is positive as quick clarification of any student-education mismatch is best for both the student and society. Previous data on students having dropped out from CBS point to many of the dropouts choosing a new CBS programme after they de-enrolled from their original programme.

Strategic goal 5: Ensuring that CBS promotes lifelong learning and leads the way in the development of the "learning society"

Overall, CBS estimates that the goal is developing acceptably.

The underlying basis of the assessment is the development in the indicator set for increasing continuing education activity along with satisfactory headway in this year's activities and the activities planned for the years ahead. So, CBS still expects to complete the goal by the end of the term of the agreement.

CBS has not seen any increasing activity in 2022 in its existing continuing education portfolio measured by the indicator set. CBS has recorded a decline of around 2% in the number of student FTEs on diploma and master programmes relative to the baseline (2020). This is not satisfactory by itself, although in view of general economy trends in society and not least developments in employment and businesses' experience with recruitment challenges, this is not surprising. Historically, the trend is that, in an economic boom, individuals and businesses are less inclined to engage in continuing education activities. Seen in this light, it is worth pointing out that tuition fees/revenue from part-time education/open university programmes have increased from approximately DKK 149 million in 2020 to approximately DKK 155 million in 2022, representing an increase in the number of master/MBA students and a slight decline in the number of diploma students.

CBS is experiencing an increase in businesses using CBS' continuing education opportunities. Also, the number of students that businesses enrol with CBS has gone down.

As for the general aspiration to promote lifelong learning and lead the way in the development of the "learning society", 2022 has been marked by internal analyses, internal development of the concept and format, and the initial phases of developing future educational opportunities.

In 2022, CBS developed an engagement model designed to serve as a basis for CBS' lifelong learning activities. Its purpose is to strengthen and build on CBS' already strong continuing education opportunities that are highly used today by non-CBS graduates. So currently, the focus of the CBS lifelong learning model is to develop opportunities for CBS graduates following the education and the learning capabilities they graduated from CBS with.

2022 has been a year marked by political attention on lifelong learning. First with the recommendations of the Reform Committee in the spring of 2022, and most recently with the Danish Government's proposal (in 2023) for shorter master programmes combined with more lifelong learning. CBS expects a future political agreement to affect CBS' work of completing this goal.

Outlook for the next year

Financial outlook

Recent years' budgetary reporting has been subject to considerable uncertainty in relation to COVID-19. This is not expected to be the case for 2023, although in 2022 it has become more expensive to run CBS, and the uncertainty about general economic developments is now heightened. Inflation and interest rates have soared in 2022, and not least energy prices have been at a historic high, and it is still uncertain whether 2023 will see a recession. The CBS budget has been drawn up assuming that the economy will experience a "soft landing" with rates of price increases growing lower, with interest rates stabilising at their current high level, which is not unusually high from a historic perspective, and with energy prices falling to a more "normal" level.

Another major uncertainty involved in budgetary reporting is that CBS' income from the Danish Ministry of Higher Education and Science is not known at the time when the budget is drawn up. Normally, however, a draft Finance Act would exist, and the final Finance Act would have been passed when the adopted budget is to be commented on in the annual report. This year, no Finance Act has been passed yet for 2023 because of the general election, for which reason it is not yet entirely clear what the income from the Ministry will be.

This is important as this income represents the bulk of CBS' income. One item of income in particular, the rate increase for the low rate 1, should be stressed in this respect since this has been subject to some political uncertainty. The budget has been drawn up assuming that the rate 1 increase will continue, which was also reported from the Finance Act negotiations in early March. The increase is in the region of DKK 55-60 million a year.

Income statement

Income is expected to be DKK 1,549 million in 2023, which is close on 4% up on the amount for 2022. With respect to government funding, it is primarily the indexing of income explaining the increase as CBS activities are expected to be on a par with 2022. Income from externally funded projects too is expected to increase by around 4%, which should be viewed against the quite heavy growth in 2022.

Finally, fee-based programmes are expected to increase by about 7%, which can be explained in part by CBS expecting to make some price adjustments after having kept prices largely unchanged for a number of years.

The CBS budget provides for a 3% increase in expenses, which represents a significant reduction in the growth of expenses compared to 2022. The assumption of limited growth applies to both payroll costs and operating expenses, for which reason, with the expected increases in pay and inflation, the level of activity cannot afford any increase; on the contrary, activity cuts are needed through tight financial management to ensure budget performance. A reduction of costs that will not be made easier by CBS looking into increasing property maintenance costs and by activities now having reached their pre-COVID-19 level. With an increase in costs estimated in the budget to be a lower than the increase in revenue estimated in the budget, CBS is planning for a loss of DKK 30 million for 2023.

Liquidity, debt and budget forecast year

Traditionally, CBS' focus has very much been on equity as a benchmark for whether it was possible to accommodate more or less expansive finances. Equity remains a key benchmark, yet now seen in conjunction with debt and liquidity. Any incurrence of new debt will inflict future expenses on CBS for interest, contributions and repayments for which reason efforts are made to incur further debt primarily to make long-term investments the amount of which will for CBS be equivalent to its future obligation to service the debt.

CBS also wants to make sure that its finances are so strong that it will be possible to accommodate new large projects that might prove necessary in future - among them, new building projects at Frederiksberg campus. Liquidity is a focal point primarily to ensure that funds are always available to honour expenses related to day-to-day operations, investments and debt repayment.

Besides a budget for the year ahead, CBS also prepares a forecast on developments for the next three years. This budget forecast is based on the assumption of continued financial performance.

So, expectations are that the loss is expected to decline to DKK 7 million in 2024 and that 2025 and 2026 will see an operating profit of DKK 10 million and DKK 20 million, respectively.

The period is anticipating considerable investments in the maintenance of buildings and the development of a new programme administration system, along with repayment of CBS' debts. This will presumably call for incurrence of new debt, but since old loans are being serviced as well, no notable increase in the total level of debts is expected.

Other expectations

Expectations are that 2023 will offer new challenges that CBS will deal with proactively. The SVM Government (Social Democrats, Liberal, Moderates) that took office recently and its proposed changes to the educational system will lead to new tasks for CBS. CBS will deal with these changes consistently with the university's strategy and will also have focus on the national institution accreditation and the ongoing work with its own programme portfolio reform.

Reform initiative

In 2023, the Danish Government's reform proposal for a new university programme structure by reducing up to half of the master programmes to one-year master programmes and by setting up more corporate graduate programmes is expected to have a massive impact on CBS' core activities. The changes are expected to lead to better continuing education opportunities for students enrolled on the new one-year master programme, and CBS will seek to combine one-year master programmes with new and existing life-long learning opportunities.

National institution accreditation

Of internal operational importance in 2023 may be mentioned in particular CBS' national institution accreditation. CBS is working determinedly to achieve positive accreditation in 2025. Without positive accreditation, CBS will be subject to regular study programme accreditation.

Positive accreditation is also a prerequisite for CBS being able to adjust its programme portfolio without every time having to undergo a ministerial approval process.

Reform of the programme portfolio

A positive institution accreditation decision is therefore also linked to further work to reform CBS' programme portfolio. The reform of the MSc programme in 2022 will be followed by a reform of the entire CBS programme portfolio in 2023.

This reform is intended to ensure a future portfolio that can also accommodate any future political reforms of the master programmes, such as one-year master programmes and new corporate graduate programmes.

CBS' overarching goal of the upcoming reform is to strengthen the entire programme portfolio, make it clearer to future students and recruiters, and to maintain the academic breadth of CBS' research and programmes.

With fewer programmes in a future portfolio, CBS will be able to invest more in the quality of each programme and ensure a more sustainable portfolio.

*CBS in
numbers*

International profile

3

international accreditations

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

33

programmes in English

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

289

partner universities

CBS has exchange agreements with 289 universities and business schools worldwide.

3,669

full-degree students

25% of students at CBS are international.

96

student nationalities

Students from 96 different countries are enrolled at CBS.

376

international faculty members, full-time equivalent (FTE)

EXCHANGE STUDENTS

943

exchange students

In 2022, CBS sent 943 students on international exchange and received 915 exchange students from all over the world.

North America

190 ingoing 253 outgoing

Europe

504 ingoing 530 outgoing

Africa and Middle East

3 ingoing 9 outgoing

Central and South America

62 ingoing 26 outgoing

Asia and Oceania

156 ingoing 125 outgoing

Programmes in numbers

Source: CBS and the Ministry of Higher Education and Science

BACHELOR STUDENTS

Total applicants

14,966

Admitted

2,729

Graduates

2,176

Applicants, first priority

5,227



46% women 54% men



47% women 53% men

MASTER STUDENTS

Total applicants

15,068

Admitted

3,254

Graduates

3,112

Applicants, first priority

6,832



50% women 50% men



52% women 48% men

Background of students admitted

CBS-students	65%
Other Danish universities	12%
Foreign universities	22%

Graduates employed



CONTINUING EDUCATION



Number of students

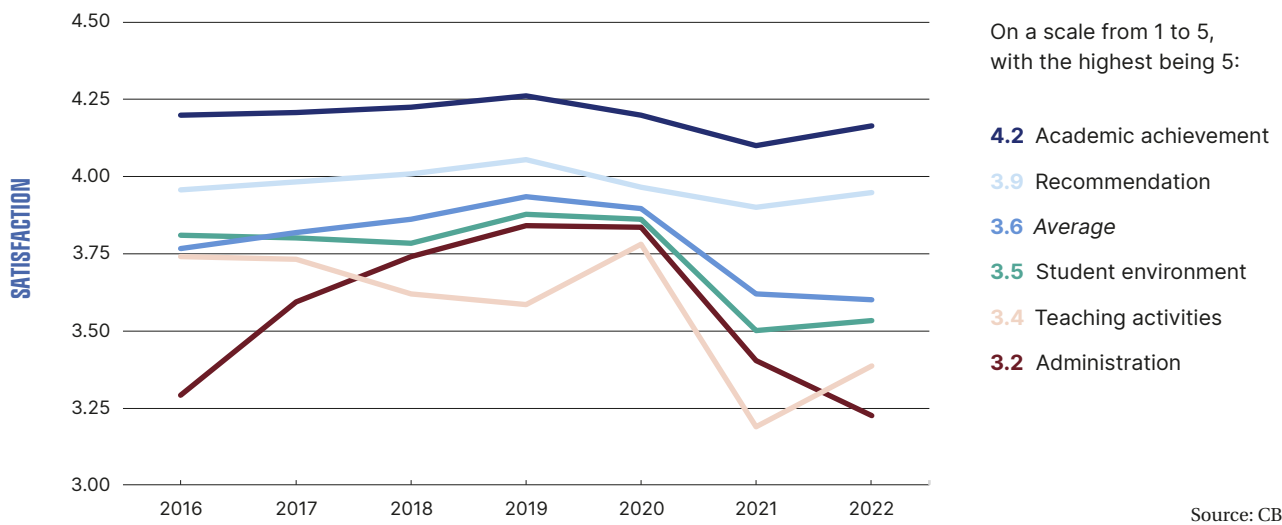
4,896

Graduates

1,031

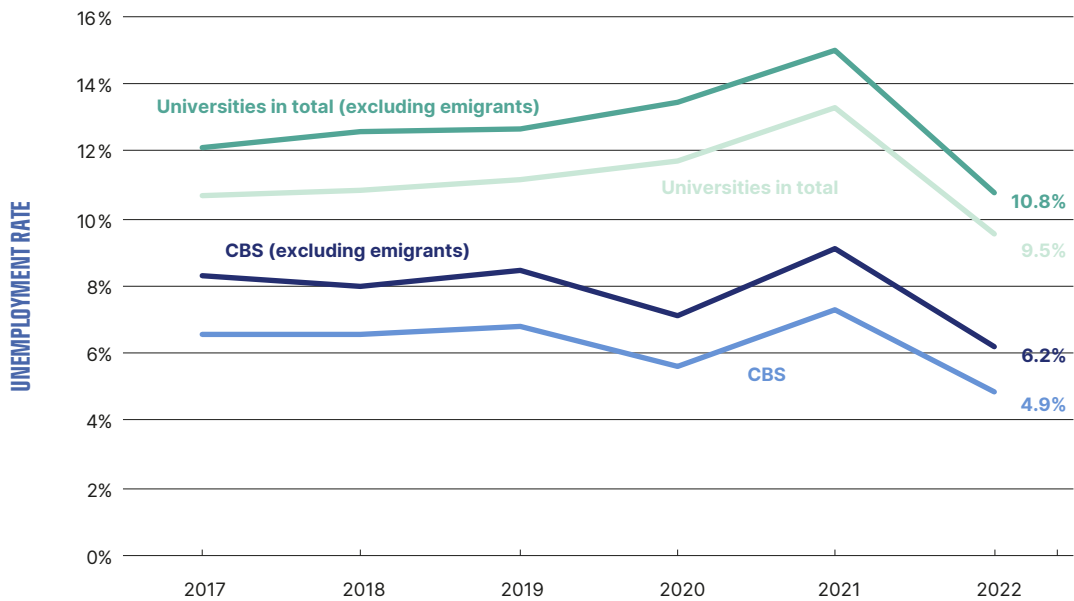
37% women 63% men

STUDENT SATISFACTION



UNEMPLOYMENT RATE FOR GRADUATES

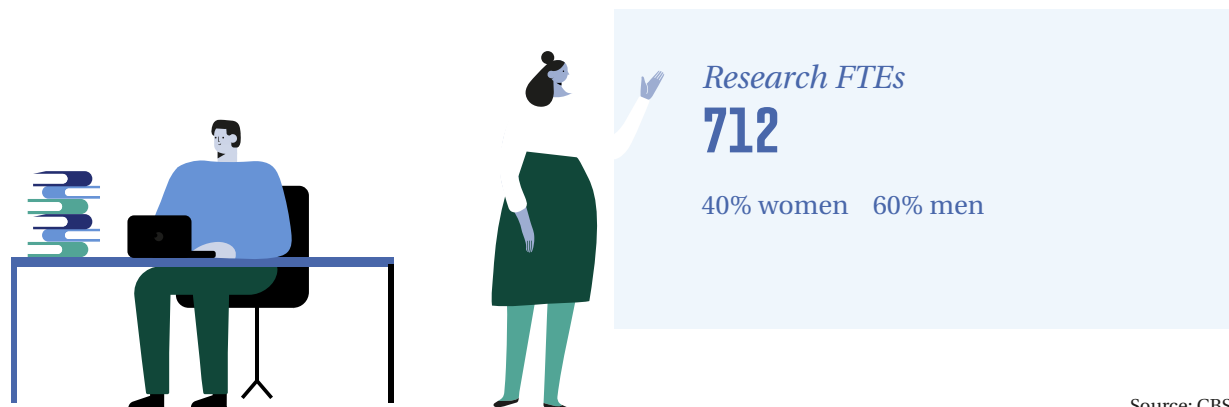
Calculated 4-7 quarters after graduation



Source: Danish Ministry of Higher Education and Science

Academic staff in numbers

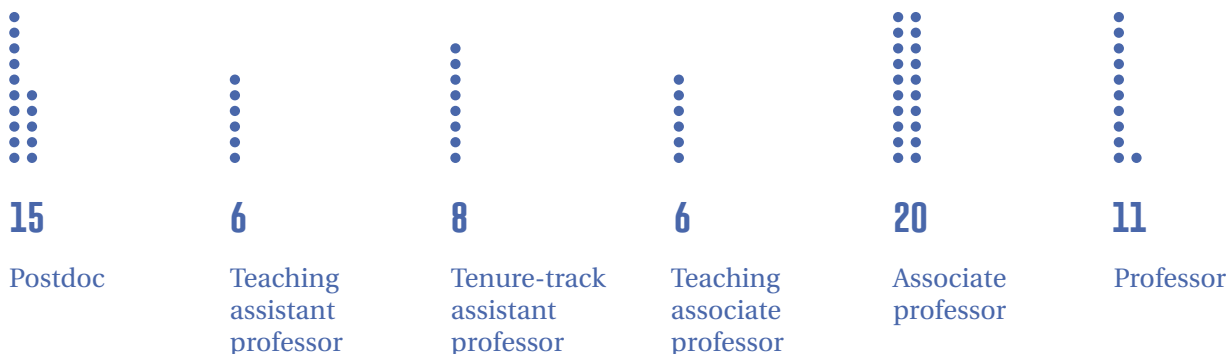
Population, recruitment and composition



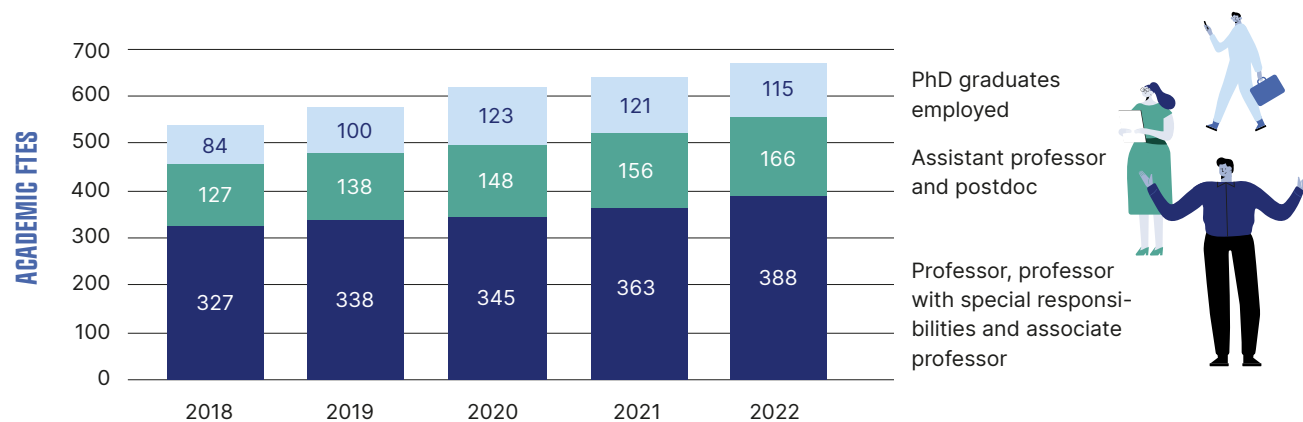
Source: CBS

RECRUITMENT OF ACADEMIC STAFF

By category of position



COMPOSITION OF RESEARCH FTEs



The figure does not include 51 FTEs for 2021, primarily research assistants and senior consultants

Source: CBS

Research in numbers

Funding and publications

FUNDING

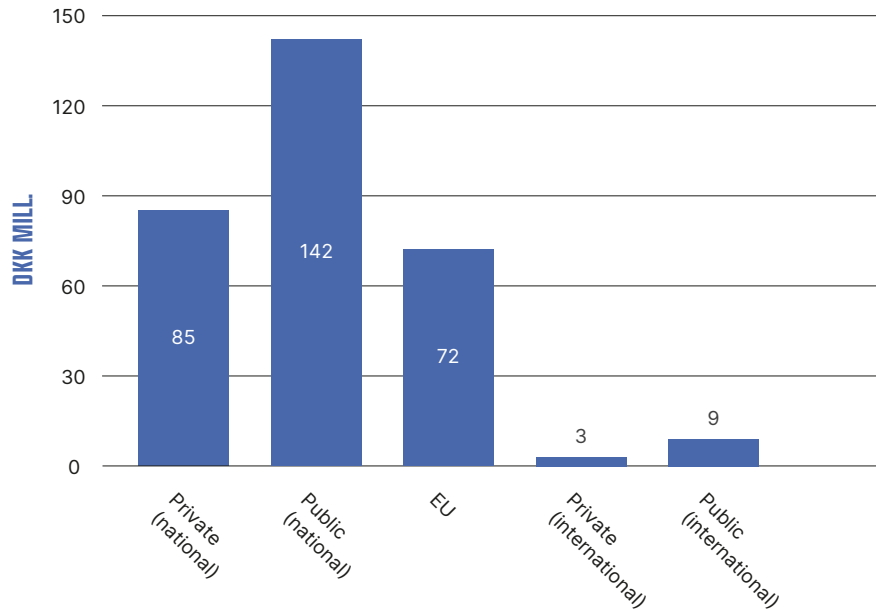
Basic research funds

DKK 411 mill.

Externally funded research, activity

DKK 157 mill.

Externally funded research, grants provided



PUBLICATIONS

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

48 AJG 4* publications

68 AJG 4 publications

74 FT50 publications

Source: CBS

PHD DEGREES

By type



33
PhD fellows



8
Industrial PhDs



5
External students



2
Double Degree



Source: CBS

*ESG key figures
and ratios*

Introduction

CBS reported on selected ESG ratios for the first time in 2020 when a base containing figures was established for 2019 and 2020. The method applied to calculate the figures was reviewed as part of the preparation of the 2022 financial statements.

This has led to a re-assessment of how staff turnover should be calculated. Under the calculation method used previously, a resignee only affected profit or loss by a portion corresponding to the period during which the resignee was no longer an employee. This is a method making sense when you want to look at the financial impact of the resignation in the financial year in question but produces too little value when you want to determine whether an employee resigns or not. That is why a resignation is attributed the same value regardless of whether an employee resigns in the beginning or in the end of the year. The new calculation method has also been applied to historical years and is primarily of relevance to the level of resignations as the methods show the same development trend.

Another relevant question to ask in measuring ESG, other than whether the ESG measures provide the information desired, is of course whether CBS is measuring using the right parameters. Here, CBS has initially opted to align with the recommendations of the Institute of State-Authorised Public Accountants in Denmark for relevant target metrics and to build a time series based thereon. So, now CBS has four years worth of data, and therefore the trends in data should become increasingly clearer. However, this is the case only in part since COVID-19 affects 2020 and 2021 metrics quite massively.

Comments on selected ESG key figures and ratios

The impact of COVID-19 is obvious particularly for water consumption as this has soared compared to 2020 and 2021. It should be borne in mind that CBS was not open in January 2022, for which reason 2022 does not represent a full year without COVID-19, although there has been an improvement on 2019 because, among other initiatives, CBS has had focus on replacing pipes leaking water. The measure also illustrates another challenge in reducing consumption as water consumption is very much driven by the behaviour of the many thousands of people spending their day at CBS, for which reason it is necessary, besides ensuring the use of energy-saving solutions, to also nudge their behaviour.

The measures of energy consumption and CO₂e Scope2 reflect a reduction in consumption, which is considered to be explainable by a generally large awareness by the population of the potential energy scarcity and hence the need for a change of behaviour. Moreover, CBS has regularly implemented various energy-saving measures, among them, a lowering of the temperature in buildings to 19 degrees Celsius.

Sickness absenteeism has grown somewhat in 2022 when compared to the other three years in the measurement. A comparison of the measures for 2021 and 2022 shows that the individual employee's period of sickness absence has not grown much longer but the difference arises particularly because many more have recorded sickness absence in 2022.

The ESG ratios provide an overall picture of the situation and developments at CBS, however, since they are aggregated ratios, they do not necessarily capture the nuances. The gender balance in the number of employees is thus 50/50, encompassing great variances for academic, part-time academic and technical-administrative staff. The measures for the three subgroups were analysed in connection with the year-end closing, and the conclusion is that there has not been any notable development in the underlying figures.

Read more about the method used in the appendix 'Methods used to calculate ESG data' at the back of the Annual Report.

Statement of ESG key figures and ratios

Environmental – climate and environmental data		Unit	2022	2021	2020	2019
1.1	CO2e Scope 1	mtu	22 tonnes	19 tonnes	22 tonnes	19 tonnes
1.2	CO2e Scope 2	mtu	1,089 tonnes	1,232 tonnes	1,213 tonnes	1,807 tonnes
1.3	Energy consumption	MWh	11,982 MWh	14,740 MWh	12,184 MWh	13,761 MWh
1.4	Renewable energy share	%	91%	88%	80%	80%
1.5	Water consumption	m3	25,910 m3	19,665 m3	19,585 m3	33,013 m3

Re 1.1 and 1.2 The ratios for 2019 and 2020 have been recalculated because further information has been obtained.

Social – social data		Unit	2022	2021	2020	2019
2.1	Workforce of full-time employees	FTEs	1,638	1,608	1,562	1,533
2.2	Gender diversity	%	50%	50%	49%	50%
2.3	Gender diversity for other management levels	%	35%	33%	29%	30%
2.4	Gender pay gap	Times	1.12	1.15	1.14	1.16
2.5	Employee turnover rate	%	11.3%	10.9%	9.8%	10.7%
2.6	Absenteeism	Days/ FTE	9.6	8.0	6, 7	7.1
2.7	Dropped out on first year of bachelor programme	%	10.1%	10.2%	9.6%	11.0%
2.8	Dropped out on first year of master programme	%	2.8%	2.6%	2.7%	3.5%

Governance – governance data		Unit	2022	2021	2020	2019
3.1	Gender diversity on the Board of Directors	%	55%	55%	45%	36%
3.2	Attendance at board meetings	%	91%	96%	96%	95%
3.3	Pay gap between CEO and staff	Times	2.8	2.8	2.8	2.9

*Financial
statements*

Summary of significant accounting policies

Basis of accounting

The financial statements are prepared in accordance with the Danish State Accounting Act, Ministerial Order no. 116 of 19 February 2018 on state accounting etc., the Financial Administrative Directions prepared by the Ministry of Finance, Ministerial Order no. 778 of 7 August 2019 on the University Act, Ministerial Order no. 1957 of 15 October 2021 on funding and auditing etc. at universities, and the directions and instructions on financial statements issued by the Danish Agency for Higher Education and Science.

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.

Common chart of accounts and allocation by purpose

Effective from 2021, CBS has implemented the common chart of accounts for educational institutions under the Danish Ministry of Higher Education and Science. Refer to the section on exemptions approved by the Danish Agency for Higher Education and Science for a more detailed description of matters varying from the Danish Ministry of Higher Education and Science's directions on the common chart of accounts.

The allocation of income and expenses by purpose takes place using the Ministry of Higher Education and Science's directions on the common chart of accounts. The common chart of accounts comprises the dimensions of type (state chart of accounts), sub-account, location and purpose. The common chart of accounts is used consistently with the Danish Agency for Higher Education and Science's classification and allocation guidelines, including related models and instructions. The allocation of expenses by purpose is made based on the principles laid down by the Danish Ministry of Higher Education and Science. Expenses not directly attributable to a specific purpose are allocated consistently with the directions in chapter 6 of the 2022 classification and allocation guidelines.

The allocation method used is primarily staff FTEs relative to payroll costs for the education programme purpose. For other allocations, mainly the specific calculations of consumption or payroll are used as an allocation method. Allocatable expenses are broken down into cost pools for payroll costs and operating expenses, respectively.

Annual report template

The annual report for 2022 has been presented in accordance with the common annual report template for educational institutions under the Ministry of Higher Education and Science.

Exemptions

CBS has been granted exemption by the Agency for Higher Education and Science from the following areas in the annual report for 2022:

- Presentation of expenses by purpose in the income statement, see the Agency's letter of 9 June 2021.
- Five-year comparative figures in the financial highlights table for the income statement and presentation of expenses by purpose, where changes in format make it disproportionately difficult to reproduce them. The exemption granted applies to 2018 and 2019.
- For 2022, CBS has been granted exemption from recording on accounts 33.10 and 43.10 with respect to the use of accounts for overhead (administrative contributions), refer to the Agency's memorandum of 12 December 2022.
- CBS has in 2022 been granted exemption from recording on accounts 12.XX/17.XX and 22.50.XX of transactions with municipalities, regions, central government and independent institutions, refer to the Agency's memorandum of 10 January 2023.

Basis of accounting

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 university programmes and income from other sales or renting are recognised as income in the year to which the income relates.

Expenses

Expenses are recognised in the year to which they relate; goods and services are recognised at the time of delivery. Financial expenses comprise interest, fees, etc. relating to loans and amortisation of capital losses in connection with loan refinancing. If the refinancing results in a capital loss of 10% or more, the capital loss is written off, whereas the loss is distributed over the remaining life of the rescheduled loan if it is lower than 10%.

Tax liability

CBS is not liable to tax.

Balance sheet

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

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

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

Non-current assets

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

Intangible assets

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 CBS' Board of Directors as being of strategic value and representing significant size and life. Internal time spent on the development of proprietary assets will be 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. With respect to licences, a distinction is made between whether it is a current licence (operations) or a major and long-term investment has been made in the licence (asset).

Property, plant and equipment

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

Non-current assets	Years
Buildings put into service before 2011:	
New buildings	100
Property improvements/complete renovations	80
Other buildings	50
Buildings put into service after 1 January 2011:	50
Installations	20
Leasehold improvements	10-20
Plant and machinery	10
Other equipment	5
IT (hardware, audio-visual equipment, etc.)	3-5
Tools and equipment	3-5
Property improvements	10-20

Land is not depreciated.

Library material collections are not capitalised.

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

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

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

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

Current assets

Current assets comprise trade receivables, other receivables, research grants not yet received from the 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, mortgage debt, construction donations and frozen holiday pay) and short-term liabilities.

Government loans and mortgage debt are measured at amortised cost, which implies that government loans are measured at the nominal debt outstanding. Short-term liabilities are measured at net realisable value.

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

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

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

Off-balance sheet items

Off-balance sheet items comprise information about contingent liabilities and contractual obligations. Significant liabilities in the form of leases and rent agreements are disclosed under "Contractual obligations".

Only leases etc. with a term of more than 12 months are disclosed. Any significant pending lawsuits brought against CBS whose outcome cannot be assessed at the time of the financial reporting are disclosed under "Contingent liabilities".

Cash flow statement

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

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

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

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

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

Income statement

	Note	2022	2021
		(DKK'000)	(DKK'000)
Government subsidies	1	1,143,517	1,146,617
Other grants	2	161,962	141,730
Sale of goods and services	3	11,848	15,427
Other income	4	167,101	165,647
Total operating income		1,484,428	1,469,421
Staff costs		1,030,849	995,499
Rent		101,795	98,990
Depreciation, amortisation and impairment losses	6, 7	33,207	30,721
Other operating expenses		356,541	286,325
Total operating expenses		1,522,392	1,411,535
Profit/loss before net financials		-37,996	57,886
Financial expenses	5	9,491	8,478
PROFIT/LOSS FOR THE YEAR		-47,457	49,408

Balance sheet

Assets	Note	31/12/2022	31/12/2021
		(DKK'000)	(DKK'000)
Acquired concessions, patents, licences, software etc.		-	-
Completed development projects		6,698	8,581
Intangible development projects in progress		7,833	-
Total intangible assets	6	14,531	8,581
Land and buildings		1,063,545	1,072,202
Leasehold improvements		76,640	84,335
Own work in progress		66,464	40,907
Transport equipment		132	179
IT equipment		8,409	11,212
Tools and equipment		3,058	4,186
Total property, plant and equipment	7	1,218,248	1,213,021
Other investments	8	5,479	5,479
Deposits	9	38,407	35,318
Total investments		43,886	40,797
Total non-current assets		1,276,665	1,262,399
Trade receivables	10	7,789	14,992
Receivables from current grants	11	33,468	32,967
Other receivables	12	14,730	5,033
Prepayments	13	12,204	8,941
Total receivables		68,191	61,933
Cash		151,113	228,579
Total current assets		219,304	290,512
TOTAL ASSETS		1,495,969	1,552,911

Equity and liabilities	Note	31/12/2022	31/12/2021
		(DKK'000)	(DKK'000)
Equity at 1 January 2005		-26,403	-26,403
Retained earnings		479,193	526,650
Other equity		-1	-3
Total equity		452,789	500,244
Provisions	14	26,639	25,153
Accrued donations	15	43,159	45,828
Government loans	16	188,536	188,536
Mortgage debt	17, 19	330,186	366,510
Other long-term debt	18	12,255	12,255
Total long-term liabilities other than provisions		574,136	613,129
Current portion of accrued donations	15	2,539	2,539
Current portion of non-current mortgage debt	19	38,295	37,972
Wages and salaries payable		22,713	24,884
Compensated absence commitment		43,763	41,698
Prepaid restricted contributions		141,037	132,931
Deferred income	20	127,179	126,522
Trade payables		48,098	40,566
Other short-term liabilities	21	18,781	7,274
Total short-term liabilities other than provisions		442,405	414,386
Total liabilities other than provisions		1,016,541	1,027,515
TOTAL EQUITY AND LIABILITIES		1,495,969	1,552,911

The following disclosures are also provided in relation to the balance sheet:

Note 22: Other liabilities

The following disclosures are also provided in relation to the income statement:

Note 23: Expenses by purpose

Cash flow statement

Cash flows	2022	2021
	(DKK'000)	(DKK'000)
Profit/loss for the year	-47,457	49,408
Amortisation, depreciation and impairment losses on non-current assets	34,709	34,779
Other non-cash operating items	1	-
Profit/loss from disposal of non-current assets	1,167	-
Reversal of items with no effects on cash flow	35,877	34,779
Increase/decrease in receivables exclusive of current grants	-5,757	12,412
Increase/decrease in current grants	-501	-3,116
Increase/decrease in short-term liabilities exclusive of prepaid restricted contributions	19,590	5,064
Increase/decrease in prepaid restricted contributions	8,106	16,840
Increase/decrease in provisions	1,486	2,409
Changes in working capital	22,924	33,609
Total cash flows from operating activities	11,344	117,795
Investment in intangible assets	-3,329	-
Investment in property, plant and equipment	-43,724	-41,812
Investments in financial assets	-3,088	-2,627
Cash flows from investing activities	-50,141	-44,439
Repayment of mortgage debt	-38,054	-41,731
Increase/decrease in committed donations	-2,669	631
Increase/decrease in other long-term liabilities other than provisions	2,054	-74,313
Cash flows from financing activities	-38,669	-115,413
Cash flow for the year	-77,466	-42,056
Total cash and cash equivalents, beginning of year	228,579	270,635
Total cash and cash equivalents, end of year	151,113	228,579

Statement of changes in equity

Statement of changes in equity	2022	2021
	(DKK'000)	(DKK'000)
Equity, beginning of year	500,244	450,839
Equity at 1 January 2005	-26,403	-26,403
Retained earnings		
Balance, beginning of year	526,650	477,242
Changes for the year	-47,457	49,408
Retained earnings, end of year	479,193	526,650
Other equity		
Balance, beginning of year	-3	-
Changes for the year	2	-3
Other equity, end of year	-1	-3
Equity, end of year	452,789	500,244

Notes

Note 1: Government subsidies

	2022	2021
	(DKK'000)	(DKK'000)
Education grants, full-time programmes	646,303	645,078
Education grants, part-time programmes/open university	17,245	19,180
Grants for research and development	411,274	403,187
Grants for other purposes	68,560	72,016
Special grants	135	7,156
Total	1,143,517	1,146,617

Note 2: Other grants

	2022	2021
	(DKK'000)	(DKK'000)
Research subsidies from Danish public sources etc.	54,745	49,886
Research grants from Danish private sources etc.	74,810	66,396
Research subsidies from the EU	16,570	11,960
Research grants from foreign sources etc.	10,963	9,073
Other grant-funded activities	4,874	4,415
Total	161,962	141,730

Note 3: Sale of goods and services

	2022	2021
	(DKK'000)	(DKK'000)
Other sale of goods and services	11,153	15,427
Course activities (commercial activities)	695	-
Total	11,848	15,427

Note 4: Other income

	2022	2021
	(DKK'000)	(DKK'000)
Tuition fees, full-time programmes	4,054	7,268
Tuition fees, part-time programmes/open university	158,043	154,955
Renting of premises and equipment	3,826	3,076
Scholarships	1,178	348
Total	167,101	165,647

Note 5: Financial income/expenses

	2022	2021
	(DKK'000)	(DKK'000)
Interest income and other financial income	-567	0
Total financial income	-567	0
Interest expenses and other financial expenses	127	78
Debt discount, mortgage loans	4,025	4,059
Interest and contributions, mortgage loans	5,906	4,342
Total financial expenses	10,058	8,478
Net financial income/expenses	9,491	8,478

Note 6: Intangible assets

	Acquired licences, software etc.	Completed development projects	Intangible devel- opment projects in progress	Total intangible assets
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
Cost, beginning of year	5,918	20,389	-	26,307
Reclassification	-	-	4,504	4,504
Additions during the year	-	-	3,329	3,329
Transferred from own work in progress	-	-	-	-
Reclassification	-	-	-	-
Disposals during the year	-1,276	-4,175	-	-5,451
Cost, end of the year	4,642	16,214	7,833	28,689
Accumulated amortisation and impairment losses, beginning of year	5,918	11,808	-	17,726
Reclassification	-	-	-	-
Amortisation and impairment losses for the year	-	1,883	-	1,883
Reversed amortisation and impairment losses	-1,276	-4,175	-	-5,451
Accumulated amortisation and impairment losses, end of year	4,642	9,516	-	14,158
Carrying amount at 31 December 2022	-	6,698	7,833	14,531

Note 7: Property, plant and equipment

	Land	Buildings owned	Donation buildings owned	Own work in progress	Leasehold improvements	Transport equipment	IT equipment	Tools and equipment	Total property, plant and equipment
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
Cost, beginning of year	182,802	1,146,024	50,775	40,907	150,988	690	29,843	19,542	1,621,573
Reclassification	-	-	-	-16,703	-	-	-	-	-16,703
Additions during the year	-	-	-	55,923	-	-	-	-	55,923
Transferred to/from own work in progress	-	12,694	-	-12,694	-	-	-	-	-
Disposals during the year	-	-248	-	-969	-	-457	-3,768	-	-5,444
Cost, end of the year	182,802	1,158,470	50,775	66,464	150,988	233	26,075	19,542	1,655,349
Accumulated depreciation and impairment losses, beginning of year	-	304,991	2,409	-	66,653	511	18,631	15,356	408,551
Depreciation and impairment losses for the year	-	18,682	2,669	-	7,695	47	2,803	1,128	33,024
Reversed depreciation and impairment losses	-	-248	-	-	-	-457	-3,769	-	-4,474
Accumulated depreciation and impairment losses, end of year	-	323,425	5,078	-	74,348	101	17,665	16,484	437,101
Carrying amount 31 December 2022	182,802	835,045	45,697	66,464	76,640	132	8,410	3,058	1,218,248
Public land assessment value of land and buildings, end of year	369,136	1,021,465	-	-	-	-	-	-	-

<i>Note 8: Other investments</i>	Legal basis for acquiring investments	Contributions for the year	Accumulated contributions	Carrying amount of investment	Ownership interest
		(DKK'000)	(DKK'000)	(DKK'000)	in %
Symbion Science Park	Act No. 483 of 9 June 2004 on technology transfer at public research institutions.	0	5,479	5,479	6.28%

<i>Note 9: Deposits</i>	2022	2021
	(DKK'000)	(DKK'000)
Deposits for leasehold premises		
Amount thereof recognised as an investment	-	-
Amount thereof recognised as a current asset	38,407	35,318
Other deposits		
Amount thereof recognised as an investment	-	-
Amount thereof recognised as a current asset	-	-
Total	38,407	35,318

<i>Note 10: Trade receivables</i>	2022	2021
	(DKK'000)	(DKK'000)
Trade receivables etc.	7,789	14,992
Provisions for losses on trade receivables etc.	-	-
Total	7,789	14,992

Note 11: Receivables from current grants

	2022	2021
	(DKK'000)	(DKK'000)
Receivables from grant activities in progress	33,468	32,967
Provisions for losses on current grants	-	-
Total	33,468	32,967

Note 12: Other receivables

	2022	2021
	(DKK'000)	(DKK'000)
Receivable, VAT	11,081	1,367
Intercompany accounts, wages and salaries	2,254	2,566
Other receivables	1,395	1,100
Total	14,730	5,033

Note 13: Prepayments (assets)

	2022	2021
	(DKK'000)	(DKK'000)
Licences	4,468	4,972
Subscriptions	1,874	1,345
Utility charges	1,131	1,193
Other	4,731	1,431
Total	12,204	8,941

Note 14: Provisions

	2022	2021
	(DKK'000)	(DKK'000)
Restoration of leasehold premises	24,771	22,168
Payroll – fixed-term employment	1,868	2,985
Total	26,639	25,153

Note 15: Accrued donations

	2022	2021
	(DKK'000)	(DKK'000)
Cost, beginning of year	50,776	47,736
Additions during the year	-	3,040
Disposals during the year	-	-
Cost, end of year	50,776	50,776
Depreciation and impairment losses, beginning of year	2,409	-
Depreciation and impairment losses for the year	2,669	2,409
Disposals during the year	-	-
Accumulated depreciation and impairment losses, end of year	5,078	2,409
Carrying amount at 31 December	45,698	48,367
Thereof, non-current	43,159	45,828
Thereof, current	2,539	2,539

*Note 16:
Government loans*

	Building	Interest rate	Fixed/ adjustable interest rate	Repay- ment freedom	Repay- ment freedom expires	Principal	Outstanding debt	Maturity
		(%)				(DKK'000)	(DKK'000)	(year)
Loan no. 0028-173-210	Solbjerg Plads 3	0%	-	-	-	119,385	119,385	30 years
Loan no. 26-7-62-10879	Howitzvej 60	0%	-	-	-	5,661	5,661	30 years
Loan no. 1003754691	P. Andersens Vej 17-19	0%	-	-	-	1,051	1,051	30 years
Loan no. 12037-02	Kilevej 14A	0%	-	-	-	56,281	56,281	30 years
Loan no. 23812-02	Construction of space at Solbjerg Plads	0%	-	-	-	6,158	6,158	30 years
Total						188,536	188,536	

The loans are non-serviceable.

Note 17:
Mortgage debt

	Building	ISIN code	Currency	Interest rate	Fixed/ adjustable interest rate	Contribution	Repayment freedom	Repayment freedom expires	Principal	Outstanding debt	Maturity
				(%)		(%)			(DKK'000)	(DKK'000)	(year)
0007-403-024	Solbjerg Plads 3	DK0009349094	DKK	2.5%	Fixed+indexed	0.375%	No	-	15,867	5,028	2028
0008-088-969	Solbjerg Plads 3	DK0009349094	DKK	2.5%	Fixed+indexed	0.375%	No	-	144,584	50,877	2029
0041-367-773	Solbjerg Plads 3	DK0009398893	DKK	-0.5%	Fixed (cash loan)	0.375%	No	-	157,998	110,632	2029
0032-304-884	Howitzvej 11-13	DK0009386294	DKK	1%	Adjustable	0.375%	No	-	32,540	21,646	2035
0032-746-060	Kilevej 14A	DK0009386294	DKK	1%	Adjustable	0.375%	No	-	106,500	55,701	2035
0032-737-817	Porcelænshaven 22	DK0009386294	DKK	1%	Adjustable	0.375%	No	-	6,555	3,436	2035
0039-438-423	Porcelænshaven 22	DK0009384679	DKK	1%	Adjustable	0.375%	No	-	40,000	35,513	2045
0041-392-191	Kilevej 14A	DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	98,285	79,427	2034
0041-392-104	P. Andersens Vej 17-19	DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	4,528	3,659	2034
0041-392-162	P. Andersens Vej 3	DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	4,114	3,325	2034
0041-392-146	Howitzvej 60	DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	31,817	25,712	2034
0041-392-081	Howitzvej 11-13	DK0009397812	DKK	0.5%	Fixed (cash loan)	0.375%	No	-	11,186	9,040	2034
									653,974	403,996	
Amortisation of debt discount											
										35,515	
Total										368,481	

Note 18: Other long-term debt

	2022	2021
	(DKK'000)	(DKK'000)
Deposits to be settled with the Ministry of Higher Education and Science	12,255	12,255
Total	12,255	12,255

Note 19: Current portion of non-current debt to the government and mortgage debt

	2022	2021
	(DKK'000)	(DKK'000)
Current portion of non-current debt to the government	0	0
Current portion of mortgage debt	38,295	37,972
Total	38,295	37,972

Note 20: Deferred income (liabilities)

	2022	2021
	(DKK'000)	(DKK'000)
Accrual of grants	100,104	102,184
Accrual of tuition fees	27,075	24,338
Total	127,179	126,522

Note 21: Other short-term liabilities

	2022	2021
	(DKK'000)	(DKK'000)
Deposits, renting	882	983
Non-classifiable income	626	1,273
Scholarships, student loans	1,147	1,478
Other	16,126	3,540
Total	18,781	7,274

Note 22: Other liabilities

	2022	2021
	(DKK'000)	(DKK'000)
CBS has contractual obligations comprising leases and rent agreements. Liabilities in the non-cancellable period amount to:		
Lease, Søndre Fasanvej 9	3,353	3,274
Lease, Dalgas Have	355,265	388,687
Lease, PorcelænsHAVEN	179,702	201,894
Lease, Amager Strandvej 108	26,743	30,861
Lease, H.V. Nyholmsvej 21	7,593	7,489
Lease, Finsensvej 6	42,342	48,368
Grundtvigsvej 37	8,866	-
Dirch Passers Alle	23,412	-
Peter Bangs Vej 34-36	28,860	-
Other	2,823	2,788
Total	678,959	683,361

Only non-cancellable terms exceeding 12 months are included.

Note 23: Expenses by purpose

	2022	2021
Education	659,233	601,137
Research and development	415,213	432,426
Dissemination and knowledge exchange	41,395	37,757
Dining unit and residence halls	5,051	9,450
General overhead costs	145,961	104,819
Buildings and operation of buildings	265,031	234,424
Total	1,531,884	1,420,013

In connection with the breakdown of the 2022 financial statements by purpose, the allocation methods were revised across CBS, refer to the directions in chapter 6 of the 2022 classification and allocation guidelines from the Ministry of Higher Education and Science.

Special specifications

<i>A. Income and expenses by type of business activity</i>	2022	2021	2020	2019
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
Ordinary activity				
Income	1,321,771	1,327,699	1,314,787	1,287,161
Expenses	1,206,649	1,278,136	1,235,060	1,228,694
Profit/loss	-48,018	49,563	79,727	58,467
Subsidised research activities				
Income	157,088	137,316	130,020	132,809
Expenses	157,009	137,374	130,020	132,809
Profit/loss	79	-58	0	0
Other subsidised activities				
Income	4,874	4,415	2,831	6,214
Expenses	4,874	4,392	2,831	6,214
Profit/loss	0	23	0	0
Commercial activities				
Income	695	0	108	70
Expenses	213	121	156	112
Profit/loss	481	-121	-48	-42
Accumulated profit/loss for commercial activities	18,803	18,321	18,442	18,490

2007 has been used as the first qualifying year to determine the accumulated profit/loss to the effect that recent years' accumulated profits/losses sum up more than four years of profit/loss. The accumulated profit/loss includes the accumulated profit/loss for the period 2007 to 2018.

B. Management remuneration

	2022	2021
Board of Directors		
Number of external members of the Board of Directors	6 members	6 members
Remuneration paid to the Chairman (DKK'000)	224	219
Total remuneration paid to other external members of the Board of Directors (DKK'000)	410	368
Directors in general		
Director FTEs	78	79
Total payroll costs (DKK'000)	72,010	70,999

C. Scholarships

	2022	2021	2020
	(DKK'000)	(DKK'000)	(DKK'000)
C.A. Petersens Fond			
Calculation at 31 December 2022 (DKK'm)			
Total balance	*	2,808	3,615
Total equity	*	7,302	6,846
The Start-Up Association			
Calculation at 31 December 2022 (DKK'm)			
Total balance	*	488	565
Total equity	*	463	548

*The annual report for 2022 for the Foundation and the Association will not be available until in April 2023.

D. Students' political activities

	2022	2021
	(DKK'000)	(DKK'000)
Political and other student activities	3,453	2,776
Total	3,453	2,776

E. Capital contributed to foundations

Capital contributed to foundations whose objective is to establish housing close to the university. CBS did not contribute capital to such foundations in 2022.

<i>F. Administrative expenses for foundations and associations</i>	2022	2021
	(DKK'000)	(DKK'000)
C.A. Petersens Fond	53	76
The Start-Up Association	70	68

G. Funds for free places and scholarships at the universities

Rate group	No. of students enrolled on full or partial free places	No. of scholarship recipients	Consumption of free places	Consumption of scholarships
			(DKK'000)	(DKK'000)
Rate 1	29	29	740	2,184
Rate 2	16	11	515	868
Rate 3	-	-	-	-

Financial year	Transferred from the Danish Agency for Higher Education and Science	Profits transferred concerning international paying students	Consumption in the reporting period	Profit/loss for the year	Accumulated profit/loss
	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)	(DKK'000)
2021	4,918	0	4,947	-29	4,556
2022	4,936	0	4,307	629	5,185

<i>H. Staff FTEs</i>	2022	2021
	(FTEs)	(FTEs)
FTEs inclusive of staff employed on special social terms	1,638	1,608

Appendix

Methods used to calculate ESG data

	Environmental – climate and environmental data	Unit	Method
1.1	CO2e Scope 1	mtu	Scope 1 emissions result from the company's own combustion of fuels and materials. In the period under review, the emissions are from one diesel car and one oil-fired boiler. CBS-owned electric cars are not included as their emissions are covered by Scope 2. Mileage and oil consumption are converted into CO2 emission in metric tonnes. This figure also includes CO2 equivalents for CH4 and N2O. The emission factors are derived from the Danish Energy Agency and GOV. UK. In 2022, the diesel emission factor is determined based on the Danish Energy Agency's emission factors for road transport (per km). The diesel car was disposed of in the first semester of 2022 and replaced by an electric car.
1.2	CO2e Scope 2	mtu	Scope 2 emissions result from the company's energy consumption from external sources. At CBS, the emissions are from district heating and electricity. Energy consumption is converted into CO2 emission in metric tonnes. This figure also includes CO2 equivalents for CH4 and N2O. The emission factors are from the year prior to the financial year since the declarations from Hofor and Energinet are prepared in the subsequent year.
1.3	Energy consumption	MWh	Consumption relates to rented, owned and subleased space. The figures come from Ørsted Regningservice and from CBS' access to own consumption from Ørsted.
1.4	Renewable energy share	%	Renewable energy sources in connection with the production of district heating and electricity. The district heating share is evident from the annual environmental declaration from Hofor. According to the contract with Ørsted, CBS only receives green electricity (from offshore wind parks in Denmark and the UK).
1.5	Water consumption	m3	Water consumption of owned, rented and subleased properties. The figures come from CBS' access to own consumption from Frederiksberg Forsyning.

	Social – social data	Unit	Method
2.1	Workforce of full-time employees	FTEs	Realised working hours in Statens Lønssystem (State Salary System). All staff (academic, part-time academic, technical and administrative staff). Working hours include both permanently employed and hourly staff.
2.2	Gender diversity	%	Realised working hours in Statens Lønssystem (State Salary System). All staff (academic, part-time academic and technical staff) by gender in %.
2.3	Gender diversity for other management levels	%	Formula: Gender diversity for other management levels = ((Women in management)/(All FTEs in management)) * 100. Management levels comprise: Senior Management, heads of department and heads of function (office managers).
2.4	Gender pay gap	Times	Calculation of gender pay gap = Median male pay / Median female pay. Realised salary in Statens Lønssystem (State Salary System) has been used as data. Full-time salary has been calculated for the year based on the December salary. Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included. Remuneration of each staff member is then added to the calculated full-time salary.
2.5	Employee turnover rate	%	New method from 2022. Previous periods have been re-calculated using the new method so as to have a complete time series. Formula: (Resignees' employment fraction as of January of the relevant financial year) / (Average total of all employees' employment fractions as of January of the relevant financial year and as of January of the relevant financial year +1). The employment fraction is calculated based on the contractually arranged weekly working hours. Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included.
2.6	Absenteeism	Days/FTE	Formula: (No. of sick days for all own FTEs)/(Total FTEs, calculated based on working hours). Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included.
2.7	Dropped out on first year of bachelor programme	%	No. of dropouts after year one after admission, calculated as a percentage of total students enrolled. Dropouts that re-enrol within 13 months do not count as dropouts. Note that the numbers for 2022 relate to 2020 and so on. This is because, firstly, the academic year must be over, and, secondly, the numbers must have been compiled before they can be reported. Source: The Ministry of Higher Education and Science's data warehouse.
2.8	Dropped out on first year of master programme	%	No. of dropouts after year one after admission, calculated as a percentage of total students enrolled. Dropouts that re-enrol within 13 months do not count as dropouts. Note that the numbers for 2022 relate to 2020 and so on. This is because, firstly, the academic year must be over, and, secondly, the numbers must have been compiled before they can be reported. Source: The Ministry of Higher Education and Science's data warehouse.

	Governance – governance data	Unit	Method
3.1	Gender diversity on the Board of Directors	%	Board members entitled to vote, i.e. all 11 members of the Board of Directors. Formula: Woman board members/All board members
3.2	Attendance at board meetings	%	Formula: Number of board meetings attended per board member/All board members (11 members). Basis: Minutes of board meetings (cbs.dk).
3.3	Pay gap between CEO and staff	Times	<p>Formula: CEO compensation/ Median staff salary. Realised salary in Statens Lønssystem (State Salary System) for 2022 has been used as data. Full-time salary has been calculated for the year based on the December salary.</p> <p>Staff paid by fixed periods are included in the calculation. Hourly staff, i.e. part-time academic and technical-administrative staff such as students, are not included. Remuneration of each staff member is then added to the calculated full-time salary for 2022.</p>