



2022

ANNUAL REPORT AND
REPORT ON OPERATIONS

STOCKHOLM SCHOOL
OF ECONOMICS

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PRESIDENT'S STATEMENT

The year 2020 will go down in history as the year of the Covid-19 pandemic. Here at the Stockholm School of Economics (SSE) the year was an extraordinary one, as it was for society at large. It was dominated by lockdowns, illness and death, but also by a lightning-fast transformation. SSE readjusted its activities several times during the year, and the ability to adapt and learn that the organization demonstrated is astounding. Undoubtedly, SSE today is infinitely better equipped for the future that will emerge after the pandemic has subsided.

In March, SSE migrated its teaching to digital platforms, and for most of the year teaching was conducted in "hybrid" form — a combination of physical and digital interaction. Digital teaching works well, but it is clear that the courses at SSE are most effective when centered on physical attendance. As a way of clarifying and articulating issues around the role of our educational philosophy, we have formulated five C's with the aim of defining what our programs provide. They provide **Content** — scientifically based knowledge, material and facts. They also provide **Context** — a contextualization of the material presented. This is created via meetings, discussions and testing arguments. They provide **Community**, which involves becoming part of a context, not only during the period of study, but for life. Working and studying at SSE also provides **Contacts**, the network of contacts created through the school but, more importantly, through the deep friendships that are formed during the period of study. The fifth C, **Confidence**, is about daring to speak in front of others; feeling that your voice matters, that you are worth listening to and that you can and must take your place in social contexts — it's about developing self-assurance and self-confidence. The concept of Community is used to describe context both online and in the physical world. There is no question that a sense of community can be created without people having to meet physically. But if you are going to feel a bond with an institution of higher learning, physical presence is important. The sense of belonging that a student acquires at an institution of higher learning is extremely difficult to create digitally. Context is associated with and reinforced by activating as many of the five senses as possible. Also, without physical meetings, it is difficult to build self-confidence and trust. To practice daring to stand in front of a group, to experience the feeling that what you say counts in order to grow as a person, does not work without physically being face to face with others. This is something that online video cannot provide. Experiencing how others react to your behavior, reading body language, seeing subtleties and hearing intonations are what is called meta-learning. In a learning situation, these are things that are communicated

alongside the course content. The self-confidence that a good education can provide is perhaps the most important element if the overall purpose of the education is to give the individual more freedom in life. So, the Covid-19 pandemic has prompted us to define what type of institution SSE should be and has made us think about how we use different teaching tools to convey the five C's.

In 2020, we significantly advanced our positions, despite the pandemic. Our internationalization is progressing, all programs are now offered in English, and the proportion of employees from other countries is rising. SSE joined the Global Network for Advanced Management (GNAM) — a high-profile, collaborative network of members including HEC, IMD, Oxford, Berkeley, Yale, Fudan, Hong Kong UST, and the National University of Singapore. Applications for admission to our programs are significantly higher than in 2019 (Master's +52 percent, Bachelor's in Business & Economics +15 percent and Bachelor's in Retail Management +26 percent). Research productivity was high, Swedish House of Finance received an additional five years of funding, and our sustainability initiative Misum maintains high productivity. In addition, when the Financial Times ranked our Master's in Management seventh worldwide, we took this as an indication that our initiatives are working. The first year of the 2020s did not turn out as we had anticipated. But it strengthened SSE. I would like to thank all the employees, students, alumni, Board members and benefactors who helped us to become stronger. We feel well prepared to meet and shape the future.



Professor Lars Strannegård,
President of the Stockholm
School of Economics.

STOCKHOLM SCHOOL OF ECONOMICS IN BRIEF

MISSION
To strengthen Sweden's competitiveness through research and science-based education

VISION
To be a world-class international business school based in Stockholm, Sweden

2020 RANKING



SSE's Master's program in International Business is ranked in the Top 10 worldwide for the first time, climbing all of six spots from 13th to 7th place. SSE remains the best business school in the Nordic region, rising an impressive five spots from 26th to 21st in the ranking of European Business Schools. SSE is also placed in the Top 10 worldwide in two subjects, Accounting and Finance, in a global survey by the Financial Times alumni survey of Executive MBA programs. In the survey, alumni from the SSE MBA Executive Format program are asked to evaluate their education. Among more than 100 global Executive MBA programs, Accounting and Finance both ranked 8th on their respective list.

FINANCIAL TIMES GLOBAL RANKINGS

Executive Education:	
Open Programs	17 of 75
Customised Programs	30 of 85
FT Top 50 Schools	19 of 50
Masters in Management	7 of 90
Masters in Finance	19 of 55
Executive MBA	60 of 100
European Business Schools	21 of 90

SSE's international profile is based on four academic fields in which we have established research centers:

FINANCE – Swedish House of Finance

RETAIL – Center for Retailing

INNOVATION – House of Innovation

SUSTAINABILITY – Mistra Center for Sustainable Markets

THE LEADERS OF THE FUTURE need a mix of different types of knowledge to be successful. This is recognized in SSE's educational mission, summarized in the acronym FREE:

FACT AND SCIENCE-BASED MINDSET

To be able to make decisions based on facts and have the ability to distinguish between different types of knowledge.

RELECTIVE AND SELF-AWARE

Greater reflection and self-awareness; what impact do I have on others?

EMPATHETIC AND CULTURALLY LITERATE

To be able to put yourself in other people's situation and view things from their perspective, and to be able to show sensitivity for and understanding of other cultures.

ENTREPRENEURIAL AND RESPONSIBLE

To strive to create innovation in a responsible way and seek improvement through change.

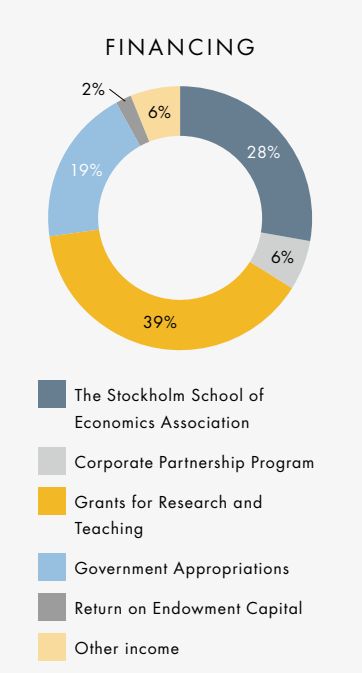
ACCREDITATIONS AND INTERNATIONAL NETWORKS



FINANCING AND DONATIONS

The Stockholm School of Economics is a private higher education institution that is financed by a variety of external sources such as endowments, Corporate Partners, foundations and private individuals. The Stockholm School of Economics Association is the single largest contributor to SSE. The Association was founded in 1906 with the aim of maintaining the Stockholm School of Economics.

The Stockholm School of Economics Association manages assets currently amounting to approximately SEK 1.6 billion. The Association also owns the properties in central Stockholm in which the School's operations are conducted. Our Corporate Partners' support provides significant funding for our research and enables SSE students to apply theories, tackle challenges and find real-life solutions to problems. Foundations play an



important role through their financial support for our research and educational programs, and often provide multi-year support to SSE. This long-term support allows us to plan for the future in a more sustainable and cost-effective way.

In 2020, one of our donors was the Brothers Jonas and Robert of Jochnick Foundation which continued their support the Master's program in International Business and provided several scholarships to international students. This year, more than 500 alumni also supported SSE financially. Most of the funding from our alumni went to strategic projects, such as classroom renovations, digitalization of classrooms and research projects such as Sweden Through the Crisis. The donations from SSE alumni contribute greatly to preparing the next generation of leaders.





A DIGI-PHYSICAL LEARNING ENVIRONMENT

Last year, more than ever before, the world took giant digital strides forward. So, too, did SSE.

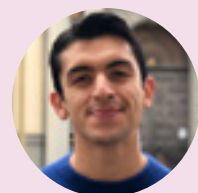
During the year, major efforts were focused on improving the digital experience. The School's newly installed and upgraded Wi-Fi network delivers a higher connection speed, and the number of access points has been expanded for better coverage. Digital teaching has been strengthened by the construction of four classrooms with support for full hybrid teaching and expanded access to technology in a further six rooms. Noteworthy on the system side are increased use of the cloud-based communication tool Zoom and the video platform Kaltura. During the year, pilot courses were evaluated and training sessions linked to Canvas, a new learning management system implemented in 2020, were held.

To better measure how students experience the learning environment, the School invested in a new course assessment system. Blue is a cloud-based tool for student feedback. The compilation and reporting of course assessments have been transferred to this system, to ensure data security and integrity, to automate and accelerate the feedback cycle as much as possible and to provide more flexibility in survey management and presentations of results. There are plans to use Blue for more types of student feedback processes.

Finally, a new InfoCenter was inaugurated during the year. The vision is world-class service – a one-stop shop for students and their needs, as well as for all guests and visitors. Backed by a new case management system, InfoCenter will be the first point of contact for more and more functions at the School.

"The hybrid strategy has exceeded my expectations, although I prefer to be physically present when permitted. My professors have been good at adapting the half-class format and most have created new benefits from studying online. This has advanced the pace of our digitalization."

Arian Tavassoli, BSc Retail Management, 3rd year

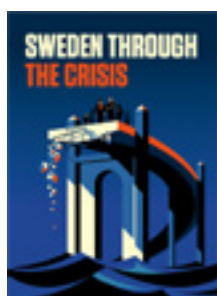




RESEARCH AT SSE

Research at SSE has rarely been as relevant to the society around us as it was this year. Two research initiatives were established once the pandemic was a fact and industry after industry began to suffer badly in financial terms.

FOCUS ON COVID-19



In 2020, two complementary projects focusing on Covid-19 were established. The “Sweden Through the Crisis” project brought together nearly 90 researchers from different departments, producing 45 articles on various topics. Editors on this project were Martin Carlsson-Wall, Göran Lindqvist, Sara Rosengren, Andreas

Werr and Filip Wijkström. In addition to a book and digital seminars, a series of seven videos was also produced in association with Utbildningsradion (the Swedish Educational Broadcasting Company).

The second project, SSE Corona Economic Research Network (CERN), was headed by Professor Jörgen Weibull. Robert Östling, Professor at the Department of Economics, and Maria Perrotta Berlin, Senior Lecturer at Stockholm Institute of Transition Economics (SITE), participated in the project coordination group. CERN is a research network with a specific focus on coronavirus-related issues. It serves as a platform for compilation and sharing of research relating to the pandemic. SSE hosts the network, which brings together research and data in economics and other related disciplines from researchers in Sweden, Europe and North America.

DEPARTMENT OF MANAGEMENT AND ORGANIZATION

The Department of Management and Organization has been highly active in the Sweden Through the Crisis project. In all, 11 articles have been contributed on a number of topics, including the home office, developments in the HR function and how organizations can lead and learn from crises.

Karin Svedberg Helgesson’s article in Sweden Through

the Crisis shows how the use of private organizations as “proxies for the state,” so to speak, is not a panacea. Firstly, private organizations have their own interests, including economic ones. This presents one dilemma, in that conflicts of role readily arise when companies are expected to take responsibility for the safety of society. For example, it may be difficult in practice to both protect the public in the fight against money laundering and the financing of terrorism and, at the same time, to safeguard the company’s interests in good customer relations and profits. Another dilemma is that it is becoming more difficult for both citizens and customers to know who should be held accountable – and for what – when the boundaries between private and public are blurred.

DEPARTMENT OF ECONOMICS

During 2020, the Department of Economics conducted several research projects relating to Covid-19. Examples of research questions included: What is the best way to deal with a pandemic? Should you try to slow down or eradicate the spread of infection? Why did Sweden choose a different strategy from the other Nordic countries? How are the costs apportioned?

Robert Östling analyzed different strategies for dealing with a pandemic and how we can understand different countries’ choice of strategy. **Tore Ellingsen** and **Jesper Roine** investigated why Sweden, unlike the other Nordic countries, focused in the early stages on slowing down the spread of infection, and why the Swedish government chose to follow to a greater extent the recommendations of the Public Health Agency of Sweden.

Jörgen Weibull analyzed how much and when economic and social activity should be restricted to ensure that infected people receive the best possible care, without the socio-economic costs becoming overburdensome.

Örjan Sjöberg and **Lin Lerpold** (Department of Marketing and Strategy) analyzed how Covid-19 has affected different socioeconomic groups. They found that immigrants in the service sector have been particularly vulnerable to both spread of infection and financially.

Mats Lundahl used Haiti as an example to analyze the enormous challenges poor countries face if they are affected by Covid-19.

DEPARTMENT OF ACCOUNTING

Within the scope of Sweden Through the Crisis, the Department of Accounting contributed nine articles. **Tomas Hjelström** discusses the risks of increased indebtedness in value chains; **Lukas Goretzki** and **Kalle Kraus** point to the critical importance of CFOs and business controllers during crises; and **Ting Dong**, **Henrik Nilsson** and **Milda Tylaite** argue for the importance of the role of auditors in helping banks arrive at credit decisions. **Mariya Ivanova's** article shows that companies that proactively engaged in risk management benefited from this during Covid-19 and **Florian Eugster** shows in his analysis of earnings calls that US companies have been more negative and uncertain about the future than Swedish companies. In addition to these articles, **Emilia Cederberg**, **Henrik Nilsson**, **Marek Reuter** and **Torkel Strömsten** co-authored Misum's article on sustainability, and **Martin Carlsson-Wall** contributed three articles: one on sport and two on the future of education.

In addition to their contributions to Sweden through the Crisis, **Niclas Hellman**, **Mariya Ivanova** and **Zeping Pan** conducted a research project investigating the accounting by companies that extract natural resources. This is because both the International Financial Reporting Standards (IFRS) and US GAAP give companies considerable flexibility in choosing their accounting method, which may be expected to affect the quality and comparability of accounting information. How different operators (analysts, investors, lenders, auditors) are affected is studied within the scope of international substudies. The project is ongoing and in 2020 was granted a prestigious grant from IAAER/KPMG. It involves continuous interaction with world-leading accounting researchers and the international standard-setting body IASB. The project is thus supportive of IASB's ongoing project to improve standard-setting in this field.

DEPARTMENT OF MARKETING AND STRATEGY

Research during the year included such topics as creativity and historical market phenomena.

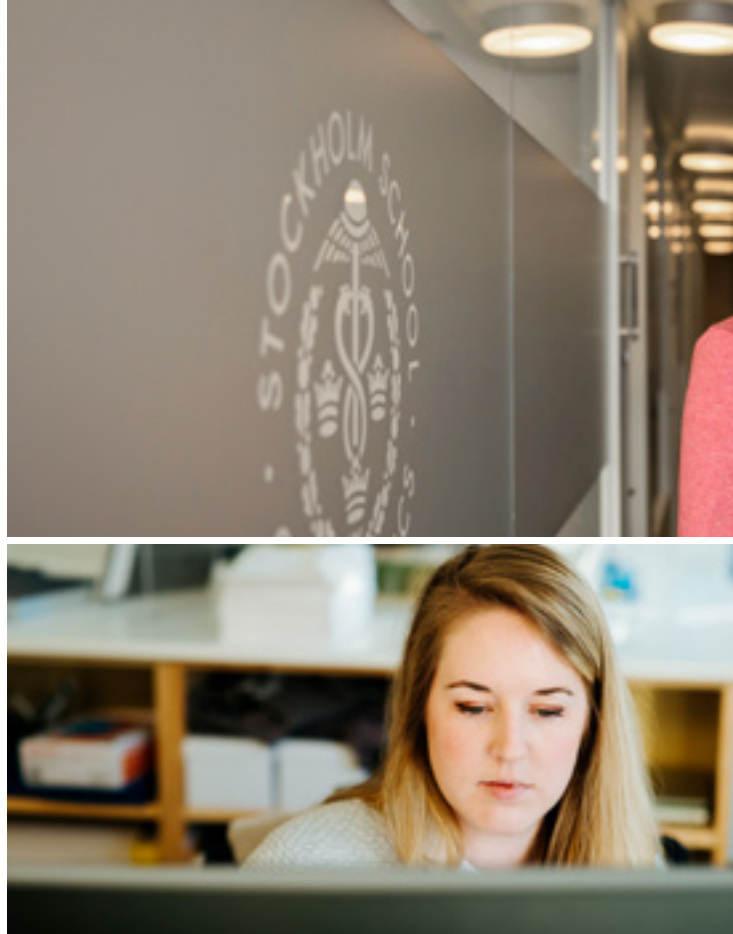
A comprehensive meta-study by **Sara Rosengren** and **Micael Dahlen**, with co-authors from Germany and Australia, examines how advertising creativity affects people's reactions. The results clearly show the benefits

of creativity, especially when it comes to creating positive attitudes towards brands. The study also provides a better understanding of how these effects arise.

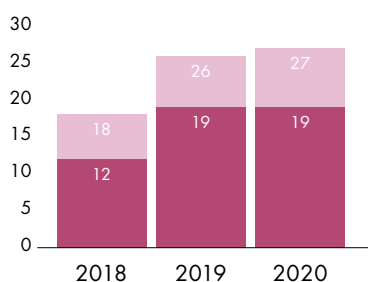
A study by **Jessica Backsell** and Stefan Schwarzkopf (CBS) traces the roots of today's "freeports" — tax-free zones for trading and storing high-value collectibles. The study analyzes the spatial and temporal arrangements that characterize these zones and draws parallels with theological concepts of intermediate states.

A historical study by **Albin Skog** and **Örjan Sölvell** describes how a group of prominent merchant families in Bordeaux in the 18th and 19th centuries managed to preserve their positions of power and wealth by transferring central trading institutions from the terrible slave trade to the prestigious wine trade. The study contributes to the understanding of what is known as institutional transposition.

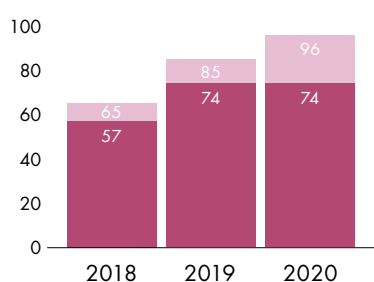
In the Sweden Through the Crisis project, the



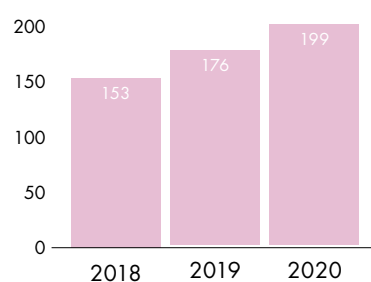
NUMBER OF PUBLICATIONS IN FT50 JOURNALS



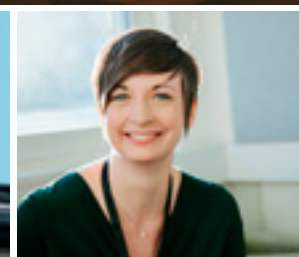
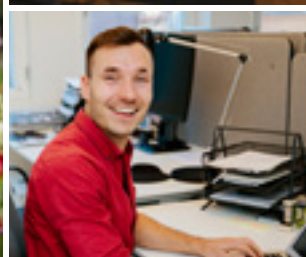
NUMBER OF PUBLICATIONS IN AJG 3 & 4 JOURNALS



NUMBER OF PEER-REVIEWED PUBLICATIONS



Legend: Total (light pink), Of which, core faculty (dark pink)



department contributed 11 articles looking at everything from the future of the marketing function, whether nudging is better than other policy tools, and how industrial networks can contribute to the possibility of the fossil-free economy restarting after the Covid-19 pandemic. Many authors made important contributions, but Professor Emeritus **Lars-Gunnar Mattsson** may be singled out in particular, as he co-authored two articles that have both since been made into videos in Utbildningsradion's series on the pandemic.

SWEDISH HOUSE OF FINANCE/DEPARTMENT OF FINANCE

Marieke Bos and **Ramin Baghai**, in association with Lauren Bach and Ruis Silva, investigate how corporate restructuring affects the mental health of employees. Restructuring often involves redeployment or layoffs of individual employees, but may also require closures of entire departments and workplaces. These are events that can have a profound impact on employees, thus affecting the value of the company's (human) capital. Given the major changes taking place at work during the current pandemic, investigation of these issues is of particular relevance.

It is important to understand the conditions governing how an investor can influence the behavior of companies.

For example, can investors influence high-carbon companies to change their production technology to reduce emissions? To shed light on this issue, **Marcus Opp** has developed a theoretical framework based on the interaction between the social costs of a company's production and funding constraints.

Michael Halling, working with researchers from Misum,

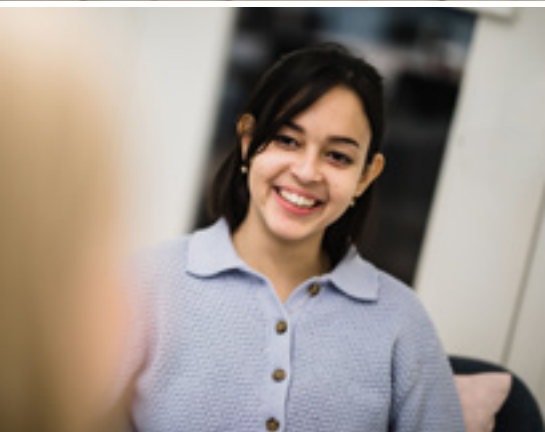
investigate how the world's response to the Covid-19 pandemic is affecting the UN's sustainable development goals. The crisis measures undertaken in the pandemic are reinforcing social inequalities and holding back strategic and long-term investments in sustainability by companies and governments. The article emphasizes that low-income groups suffer the largest negative economic consequences of the Covid-19 crisis. Their analysis also highlights that the ability and willingness of companies to make strategic investments are diminishing, and that both companies and governments need to deploy resources to ensure a sustainable recovery from the crisis.

Sweden has set prices on CO₂ emissions for almost 30 years. **Per Strömberg** and **Gustav Martinsson** have compiled a unique database encompassing a significant majority of all emissions at the company level in the Swedish manufacturing industry since 1990. The report describes how carbon taxation works and includes a breakdown of CO₂ in the Swedish manufacturing industry. The authors calculate the marginal cost of CO₂ emissions for all companies per year. They show that CO₂ emissions from the manufacturing sector have decreased by 31 percent since 1990, and describe why.

In Sweden Through the Crisis, **Bo Becker** contributed a chapter about the way that politicians, authorities and banks should approach the financial restructuring of firms by the Covid crisis.

HOUSE OF INNOVATION/DEPARTMENT OF ENTREPRENEURSHIP, INNOVATION AND TECHNOLOGY

Lotta Hultin and **Magnus Mähring** studied how Syrian refugees in Lebanon use mobile phones to maintain



and revive a social network in war-torn areas, but also to build new networks. **Mattias Nordqvist** investigated what happens when the next generation of family-owned companies engages in external initiatives to achieve greater autonomy and pursue independent business ideas. **Mark A. Conley's** research finds that organizations with a culture based on rapid progress at the expense of longer-term perspectives are more likely to make unethical decisions.

Over the year, House of Innovation offered seven industry events, 11 academic seminars and two major conferences, one of which — From Connectivity to Connectedness — was part of the national Digital@ldag initiative.

In the Sweden Through the Crisis project, House of Innovation contributed 14 articles. The articles cover areas such as innovation, family businesses, policy-making, artificial intelligence, micro-entrepreneurship and social entrepreneurship.

CENTER FOR DATA ANALYTICS

Emelie Fröberg, in association with **Sara Rosengren** at the Center for Retailing, compared the benefits of artificial intelligence via automatic machine learning, employing practitioners' rules of thumb — heuristics — to predict future customer purchases. The study is based on 338,184 grocery purchases, 179,568 beauty product purchases and 111,289 pharmacy purchases. The results indicate that predictions of customer purchases are more accurate when AI is used. Customers in the predicted top five percent systematically account for more than 20 percent of the next period's purchases. Retailers can use open source AI to automatically manage customer relationships in real time — all that is required for machine learning is data with a customer ID, a purchase amount and a date. The researchers speculate that this paves the way for more companies to use the benefits of data analytics.

CENTER FOR RETAILING

During the year, the Center for Retailing organized the second round of the CFR Research School in Retailing, under the direction of **Sara Rosengren** and **Angelica Blom**. The research school is funded by the Swedish Retail and Wholesale Council and brings together doctoral students from different universities and disciplines in Europe. Courses focus on research traditions, methods and executive education in retailing. They are administered by the Center's faculty in collaboration with world-leading researchers. Guests included Visiting Professor Anne Roggeveen, co-editor of the Journal of Retailing. In 2020, a total of 22 doctoral students from 15 universities in seven countries participated in one or more of the courses.

In the Sweden Through the Crisis project, the Center for Retailing contributed four articles. **Jonas Colliander** and **Sara Rosengren** discuss how the retail industry changes in times of crisis, while **Erik Wetter**, **Sara Rosengren** and **Huong Nguyen** describe the opportunities and challenges of using data from private companies to improve a country's crisis management. **Fredrik Lange** and **Sara Rosengren** describe two concrete examples of co-creating

education with Corporate Partners during a crisis. Finally, **Wiley Wakeman** writes about the benefits of a company taking care of the employees who are forced to quit. Good closure for both parties can have long-term benefits, both in terms of the company's brand and how it is perceived by the people who remain.

MISTRA CENTER FOR SUSTAINABLE MARKETS, MISUM

Misum was awarded a second round of funding of SEK 65 million from Mistra for the next five years, and **Martina Björkman Nyqvist** was appointed the Center's new Executive Director. Misum expanded via three new research platforms: 1) The Accounting Frameworks Platform, headed by **Torkel Strömsten**, studies how accounting can function as a productive tool in the creation of sustainable markets, 2) The Human Capital and Sustainable Development Platform, headed by **Martina Björkman Nyqvist**, explores broad issues focused on the development of sustainable, healthy and educated countries with a particular focus on developing markets, and 3) The Sustainable Business Development through Entrepreneurship and Innovation Platform, headed by **Sarah Jack**, studies the development of sustainable business and how best to conduct business in partnership with different social groups for a sustainable impact on society.

In Sweden Through the Crisis, Misum contributed an article dealing with the long-term effects of Covid-19. In particular, the authors focused on the risks arising in the form of reduced sustainability investments and on the fact that the pandemic hits the weak members of society especially hard.

STOCKHOLM INSTITUTE OF TRANSITION ECONOMICS (SITE)

Since 1989, SITE has been involved in building research capacity both at SSE and in countries in Eastern Europe and the Caucasus. Today SITE coordinates a unique network of academic institutions in the region. The network includes institutions in Russia, Latvia, Poland, Belarus, Ukraine and Georgia. Research at SITE focuses on issues of interest and relevance to the countries and aims to advance our knowledge of developments in the region on a deeper level. One focus area of the network is gender issues, where **Pamela Campa** analyzed how quotas in electoral lists affect women's ability to have their voices heard in politics. She concludes that, despite some short-term benefits, quotas do not increase women's influence in the longer term. This year, SITE launched a project to study the effects of the pandemic in the countries that are part of the SITE network. As part of the project, **Maria Perrotta Berlin** studied how the pandemic has affected levels of domestic violence. She concludes that domestic violence may increase even if societies do not lock down, as a result of the socioeconomic challenges raised by the pandemic. **Giancarlo Spagnolo's** research on procurement and corruption highlighted how the pandemic has contributed to increased corruption, as a result of inadequate scrutiny of crisis procurements.

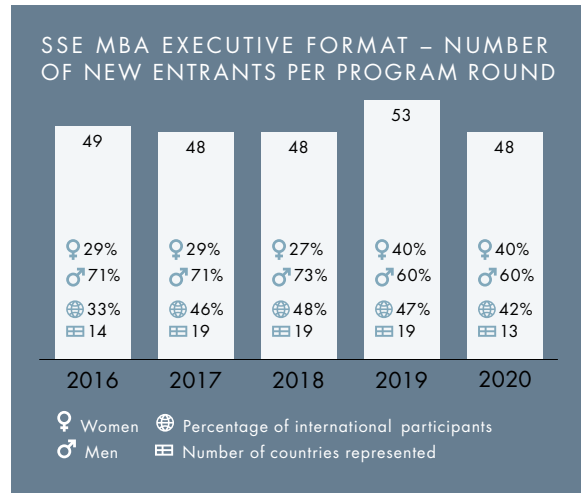
EDUCATION

EXPANSION IN PROGRAM MARKETING

SSE regularly uses its own students in the School's marketing. This creates an authentic impression, and students have their own experience of the questions and concerns they have as aspiring students, and can answer based on their own experience of what it is like to be a business student.

Program marketing activities were quickly adapted to an expanded digital presence, when many physical events had to be cancelled due to Covid-19. SSE organized and participated in a large number of digital events. The level of digital meetings with prospective students was increased using, for example, new digital recruitment platforms and chat forums. Unibuddy is a chat platform that enabled interested students to chat during the year with the School's 43 student ambassadors from 20 countries, as well as with the school's admissions team. At the time of writing, students from 111 countries have chatted via the platform. BridgeU is a new service that matches SSE with high schools worldwide with a pronounced international profile. The service is based on recommendations and networking. Crucially, BridgeU provides users with opportunities for building long-term relationships with international study counsellors. In addition, during the year the School:

- participated in more than 50 digital fairs, events and school visits
- arranged eight SSE webinars for the School's Bachelor's and Master's programs, with a total of 2,400 registered students
- increased cooperation with SSE Riga for the recruitment of that institution's Bachelor's students to SSE's Master's program
- increased the focus on student-generated content and long-term commitment from SSE students in the School's social media channels

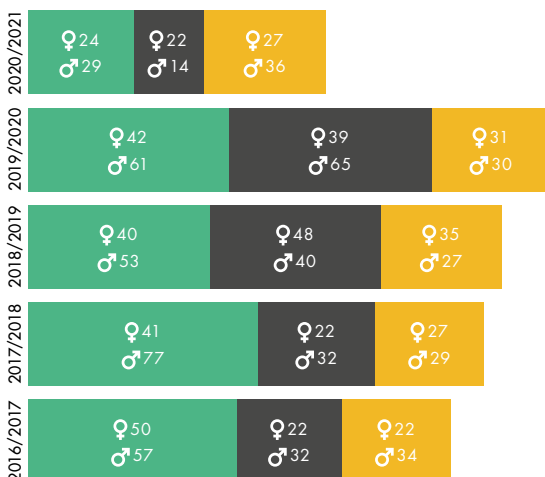


- optimized digital campaigns, leading to better results at lower cost
- focused more closely on video production

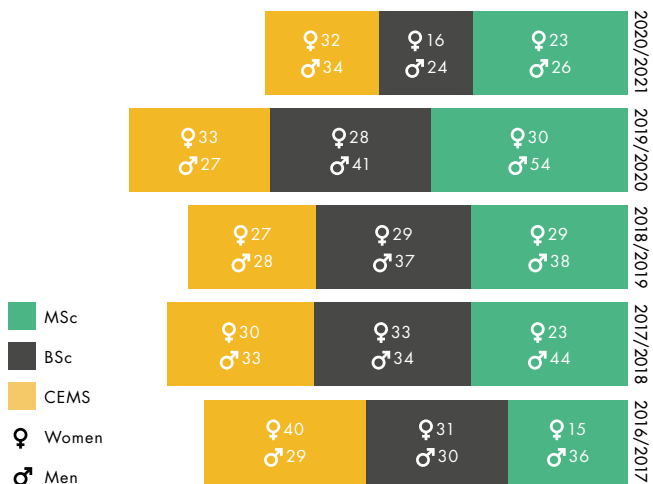
SSE MBA Executive Format continues to attract international participants, and the proportion of women is very high compared to executive MBA programs globally. During the pandemic, some program weeks were successfully conducted in purely digital form and others in hybrid form.

Students at SSE were offered two additional partner universities to choose from this year. In total, the School has 79 partner universities around the world. SSE already has three double-degree collaborations with Bocconi in Italy, Sciences Po in France, and St. Gallen in Switzerland. With the latter institution, a further double-degree collaboration was initiated in the Master's program in Finance. SSE is a member of CEMS, a partnership that this year comprises 33 internationally prominent business schools, 70 multinational companies and seven social partners. During the CEMS year, the approximately 65

OUTGOING EXCHANGE STUDENTS



INCOMING EXCHANGE STUDENTS





students spend one semester at SSE and one semester at one of the network's other schools. As a result, the students receive two Master's degrees, one from SSE and one from CEMS. In 2020, the number of full-time students was 1,710, and the number of annual performance equivalents was 1,561.

RECRUITING FOR GREATER DIVERSITY

In January 2020, a focus group made up of representatives from different parts of the School was established to strengthen and coordinate work on expanding recruitment. The object of the exercise is to increase the number of students from groups that in various ways are underrepresented. Another aim is to show the breadth of career choices after graduation and to highlight successful examples of different careers. Within the framework of broadening participation, many activities, both internal and external, are under way. In addition to the Ambassador Program (Master's and Bachelor's levels), which is professionalized and streamlined every year, a couple of external long-term collaborations were also established in 2020. One of these was with the Stiftelsen Läxhjälpen (Study Aid Foundation). We are also engaged in in-depth collaborations with secondary schools in the Greater Stockholm region. Since January 2020, SSE has been a member of Include, a national network that works to widen recruitment and participation in higher education.

CIVICA

The collaboration, an alliance of eight leading European social science institutions within the European university sphere, was intensive during the pandemic year, providing partners with the opportunity to continuously share experiences on adaptations and conditions for students and employees, and more. CIVICA also assisted with arranging exchanges in Europe for students who were unable to travel to their destinations outside Europe. During the year:

- the project was expanded using a parallel research project that was also allocated additional funding from the EU Research Fund Horizon 2020
- CIVICA student ambassadors were appointed
- CIVICA launched its website and Twitter account
- CIVICA started posting news and press releases

- all work packages were launched. SSE is leading a work package on Bachelor's degree courses that was launched in autumn 2020 and will begin in the following year.

EXECUTIVE EDUCATION

After a record start to the year, the organization had to deal with significant losses in sales and revenue. Furthermore, it also had to close the Campus Kämpasten conference facility for two periods together totaling more than six months. At the same time, the organization quickly adjusted and created long-term solutions for delivering programs when physical meetings were not possible. Technologically, the change was made possible by the construction of four new studios at the Sveavägen site. This not only enabled "live-online" delivery instead of physical (on site) delivery, but also provided facilities for recording of videos and podcasts. Kämpasten was also rebuilt with a greater focus on sound and image.

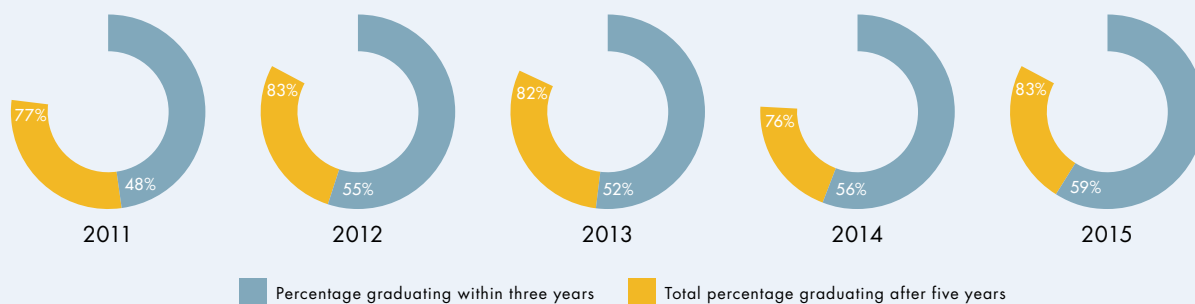
The combination of teaching openness and technological development also created opportunities for hybrid teaching, where participation can be both physically on site and remotely, according to the preferences of the participants. In addition, purely online programs were also developed during the year, including a 15-hour academy targeting the financial and insurance industries, as well as creating "blended" solutions, where physical, live-online, and online elements are mixed, all to enable flexibility towards customers. All in all, the combination of educational theory and technology enabled programs to be implemented, albeit in different formats.



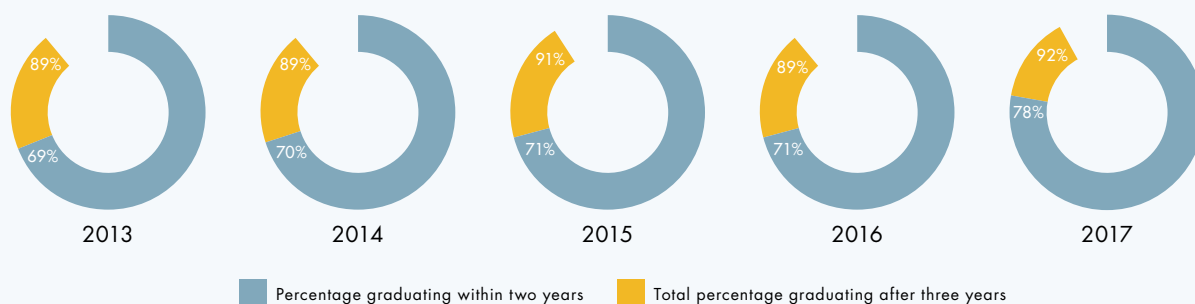
Anders Richtné, CEO SSE Executive Education.

THROUGHPUT OF STUDENTS

BSc STUDENTS (YEAR INDICATES ENROLLMENT YEAR)



MSc STUDENTS (YEAR INDICATES ENROLLMENT YEAR)



Customers continued to show a strong demand for physical meetings, not least on the Kämpasten campus. Networking that takes place outside the classroom is highlighted in particular, as well as opportunities for benchmarking and learning that arise during breaks and over dinner. One advance that made physical meetings possible in Covid-adapted arrangements was the development by Kämpasten, in collaboration with other conference facilities in Sigtuna and epidemiologists, of the "Sigtuna model" – a model that ensures physical distancing 24/7 for participants.

"The hybrid solution made our studying experience easier. Not only because we still had the opportunity to meet our teachers and classmates in person, but also because it gave us the flexibility of participating in class no matter where we were."

Marta Pires,
MSc International Business,
1st year



ART AND LITERATURE CREATING ADDED VALUE

SSE's educational mission FREE is based on the fact that our students, in addition to acquiring facts and scientific knowledge, also take an empathetic, reflective and entrepreneurial approach. Art and literature interweave economic knowledge with existential learning, and help us in practical terms with our problem solving on the basis of trust, hopefulness and reality-based curiosity.

Thanks to the Art Initiative and Literary Agenda, SSE is filled with an undiminishing flow of contemporary art, lectures, exhibitions, fiction and associated discussion groups and courses linked to esthetics that make the School an even more knowledge-intensive environment. Themes during the year included: What's worth our attention? The benefits of mediocrity? What do war and violence do to a person?

CO₂ sculptures by Bigert & Bergström were installed on the steps leading to Sveavägen in central Stockholm. The sculptures represent carbon dioxide molecules as ankle shackles weighing 300 kilograms each and symbolize the volume of carbon dioxide generated by every person in Sweden over three weeks. Photographer August Eriksson placed his sign "Pay attention" on our main gate at the start of the school year, and in October we showed Belgian artist Emmanuel Van der Auwera's art video HOME on our large screen. During the year, weekly art walks were organized for the School's students, with the video being linked to the work White Noise, part of the School's permanent collection: Two images of war. During

the spring, digital art talks, studio visits and workshops were held, and a new influential artwork donated to the School was installed in the atrium: Leap of Faith (Getting Over) by Maria Miesenberger. In November, a new classroom The Cabinet was completed, a cabinet of curiosities with works by Dan Wolgers, Sara-Vide Ericson, Hanna Ljungh and Bella Rune, among others.

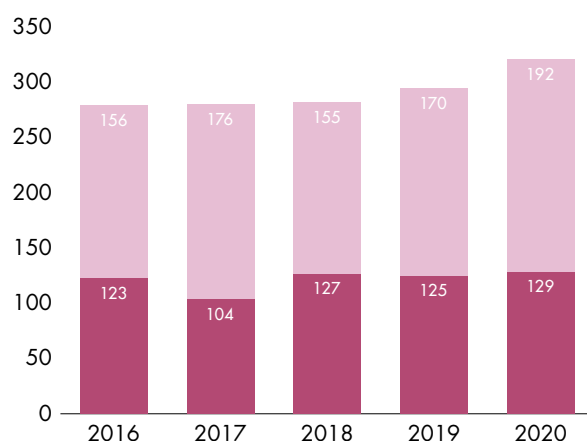
The Art Initiative is sponsored by the Jonas & Christina of Jochnick Foundation. SSE's Literary Agenda is sponsored by the Natur & Kultur publishing foundation and McKinsey & Company.

CAREER MANAGEMENT IN THE NEW NORMAL

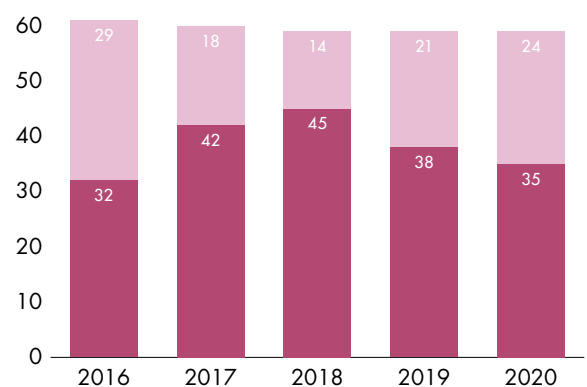
The digital platform SSE Career Hub, which opened last year, became a major asset this year when all career management needed to move online. Helping students to build on their strengths and overcome challenges in times of change and crisis became even more important. The pandemic affected the economy, which in turn led to a great deal of uncertainty about recruitment processes and internships. The need for career management reached a whole new level. In the initial stage, SSE's alumni network provided invaluable help to students in the form of sharing experiences of past crises in one-on-one conversations and via digital group sessions. The alumni network also offered concrete proposals for internships, projects and employment.

The digital shift also led to recruitment activities, such as graduate recruitment fairs, traditionally conducted on campus, moving online. Here, the international networks EFMD/Higher Education Career Services were of major assistance due to the exemplary early offerings of digital recruitment fairs focusing on different industries in the spring. This made it possible for SSE students to be offered global

ENROLLED STUDENTS BSc BUSINESS AND ECONOMICS



ENROLLED STUDENTS BSc RETAIL MANAGEMENT*



ENROLLED STUDENTS MSc

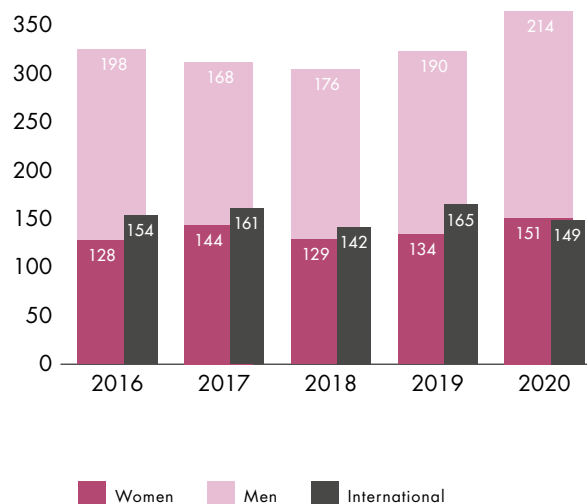


FOTO: MIKAEL OLSSON



Leap of Faith (Getting Over) by Maria Miesenberger, a new influential work of art that was installed in the atrium during the past year.

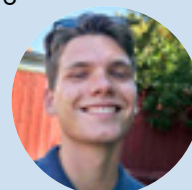
FOTO: MIKAEL OLSSON

opportunities in a way that was greatly appreciated. The level of participation was high and results took concrete form, in both applications and job offers.

DURING THE YEAR, CAREER MANAGEMENT:

- Organized workshops for students on how to network to create job opportunities, how job interviews and assessment centers work, how to structure CVs and personal letters, and collective intelligence where students provide each other with support and advice in groups.
- Provided increased coaching support. With increased demand for coaching, not only were more coaches made available to the students, but also alumni took part during the spring in a unique Covid-19-based initiative in which the alumni supported students on how to get through financial crises.
- Arranged a digital Finance Internship Day where companies in the financial industry were invited to meet students interested in internships in the sector.
- Continued to develop and expand the SSE Career Hub digital platform, which brings together job advertisements, online tools for education and training in application processes, as well as information about the School’s coaching offerings, to meet students’ individual needs for support. This hub also provides students with access to global virtual job fairs with themes such as finance, NGOs, tech, marketing, entrepreneurship and innovation.
- Organized skills seminars on the topic of self-leadership and design thinking.

“SSE is more than just a place for learning, it is a place where relationships are formed between teachers, students and businesses. Sadly, the Covid-19 pandemic has limited this aspect, but the high standard of education and the dynamic educational experience has remained, while the school has done its utmost to keep both students and the surrounding community safe during uncertain times.”



Isak Andersson,
BSc Business and
Economics, 3rd year

SASSE HAS THE FLOOR

Running a student union in the midst of a pandemic has definitely been a special experience. Nothing could be done as it had been previously. It is thanks in large part to the hard work and innovation of active members, and the open communication between the union, the School and external parties, that new students could still be welcomed with a red carpet on their first day, and that we were able to continue to include students in the spirit that is so unique to SSE. Having to think differently has also led to a number of new initiatives. SASSE took over the administration of the Lars Fredericsson Foundation and will give eight scholarship holders the opportunity to receive funding annually to explore entrepreneurship.

After years of discussions, the union has also started to lay the groundwork for establishing a subsidiary. A student consulting company that is not only able to give students experience and a job that is compatible with their studies, but also an opportunity to test in practice what they learn during their course.

Finally, distance learning in the spring and an uncertain environment has also led to an increased focus on the mental health of students. After a survey of students’ stressors, it has been decided to establish, together with the Student Health Council, a Health Track intended to counter stress via group and individual-based exercises.

PROGRAM PORTFOLIO

DEGREES*	BSc	Business & Economics
		Retail Management
	MSc	International Business
		Business & Management
		Economics
		Finance
		Accounting, Valuation & Financial Management
	PhD	Business Administration
		Economics
		Finance
	MBA	SSE MBA Executive Format
	Executive Education	Open programs
		Customized and consortium programs

*These programs are open to international applicants.

SSE IN SOCIETY

The relationship with SSE may begin as a student, but it often continues in a different form after graduation. Alumni continue to support SSE and our activities in many different ways, for which we are very grateful. By giving time, sharing experiences and making valuable donations that make further development of the study environment and our research possible, alumni have played a part in the creation of a large network of mentors, businesses and partners. And SSE alumni also influence society in the business world, financial markets and retail through the high decision-making positions they occupy in business.

ALUMNI REPRESENTATION IN TOP 30 SWEDISH COMPANIES ON OMX STOCKHOLM

At least one alum on the Board of Directors	72%
At least one female alum on the Board of Directors	38%
Alumni representation in the Executive Management Team	48%

MENTORSHIP PROGRAM AND CORPORATE PARTNERS

The SSE Mentorship Program is offered to all MSc students. It is an opportunity to connect students with alumni and corporate partners who have many years of work experience. A careful matchmaking process is designed to ensure that the program is beneficial to both students and mentors. The majority of current mentors are SSE alumni that represent a broad range of industries and career paths. The number of mentors from our Corporate Partners saw a great increase this year of more than 100 percent.

The SSE Mentorship Program kicked off for the 2020/2021 academic year in October 2020, with more than 350 participants in total. This year, there is a notable increase in the number of second-year Master's students, as well as a sharp rise in returning students, with more than twice as many as last year. This indicates that the support has become even more important for and appreciated by students who are entering the workforce during the ongoing pandemic.

The Corporate Partnership Program provides opportunities for businesses to collaborate with both researchers and students. For SSE's part, interactions with the business community are very much appreciated and form a natural part of the School's activities. In 2020, relationships were further deepened and strengthened in a number of different areas.

For example, the number of case collaborations increased compared to previous years. As a result, students benefit from the opportunity to work on reality-based challenges, which prepares them for working life and close contact with society and businesses. In 2020, SSE participated in Skillbridge, a new case-based competition

in which students from the top tier of Swedish institutions of higher learning in medicine, communication, technology and economics were jointly tasked with solving a concrete societal problem. This year's case was based on Covid-19.

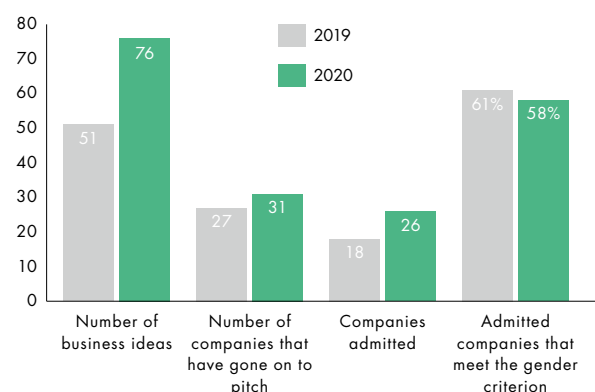
In addition, the School's Corporate Partners were continuously offered opportunities to organize guest and lunchtime lectures, participate in digital research seminars and, with SSE as a platform, expand their network with others. These activities helped to strengthen SSE as a knowledge-based forum for business and other social institutions.

SSE BUSINESS LAB

During the year, sharp growth was recorded in several different areas. Funding of SEK 2.4 million was granted by Vinnova for its excellence incubator program in the 2020–2022 period. A new partner network was launched and already has four corporate members: Assessio and Manifest Group are Platinum Partners, and Scrive and Sigma Software Silver Partners. To further strengthen the link between the students and the organization, the Shadow Board of SSE Students was established. The Shadow Board will advise on issues concerning the interaction of students with SSE Business Lab. A new network of alumni entrepreneurs is now also active. The network already comprises 60 entrepreneurs who previously followed SSE Business Lab's Incubate program in the years 2001–2019. Several of the entrepreneurs engage as investors or mentors in current member companies.

In April, all programs were fully converted to digital form. Member companies have been able to participate in the programs via Zoom, but have also been able to use office space at SSE Business Lab if they wish. Examination of the companies — Demo Days — was conducted in wholly digital form, with 80–100 participating investors live on each occasion. During the year, the presence in all digital channels was developed, leading to a sharp increase in engagement and a large increase in the number of followers and further strengthening the organization's brand in Stockholm's startup ecosystem. Awareness of the brand among students and alumni has grown, and SSE Business Lab has achieved a wider reach.

SSE BUSINESS LAB



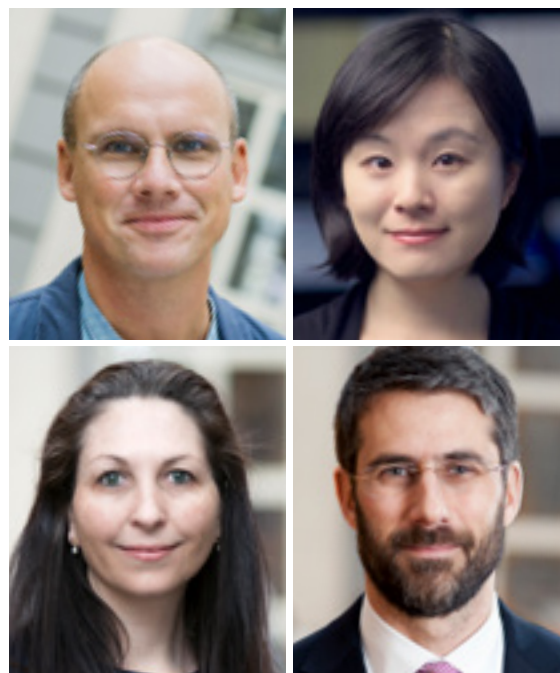
SSE AS A WORKPLACE

A year marked by a pandemic has affected the work environment and mental health of employees. A few employees have had to leave due to the financial situation, which has resulted in changes, work-wise and psychosocially, for colleagues who remain in place. During the year, the HR Department worked extensively to assist in the major transitions many have had to make to mostly work from home. Managers were offered leadership training with focus on leading on distance in order to meet new challenges. The department also provided tips and inspiration – and shared videos – about creating an ergonomic workstation at home, including reminders of the importance of establishing good routines and taking regular breaks. In October, SSE conducted its annual employee survey, which this year included a new section with questions focusing on changes in conditions arising from the pandemic. Generally, respondents replied that their department/unit/team had performed well during the pandemic (average rating 4.22 out of 5) and that they had been able to prioritize and perform their tasks satisfactorily despite the pandemic (average score 3.89 out of 5).

A Covid-19 task force was assembled, with representatives of Management, HR, IT, faculty, students, facilities management and others. The task force, which meet regularly, has overall responsibility for ensuring that the School's activities can carry on while continuously monitoring and adapting to current societal and governmental rules regarding the Covid-19 virus.

TEACHING ACHIEVEMENTS

- SSE's Award for Outstanding Pedagogical Achievement: Robert Östling and Dong Yan.
- Corporate Partners' Pedagogical Award: Ciara Sutton.
- SASSE Teacher of the Year Award at BSc level: Ramin Baghai.
- SASSE Teacher of the Year Award at MSc level: Lukas Goretzki.

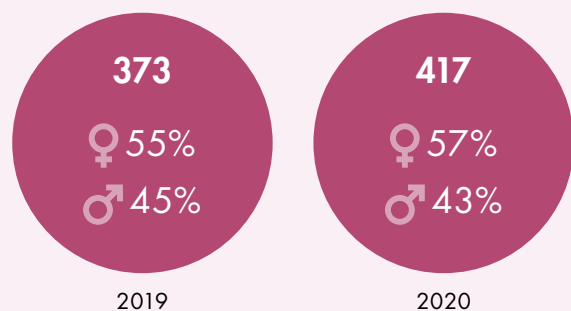


Professor Robert Östling, Assistant Professor Dong Yan, Assistant Professor Ciara Sutton and Professor Bo Becker.

ACADEMIC APPOINTMENTS DURING THE YEAR

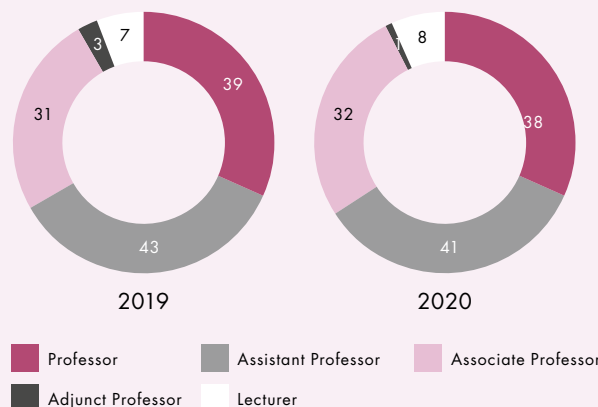
- Robert Östling was appointed Professor of Economics.
- Bo Becker was appointed Cevian Capital Professor of Finance.
- The following were appointed Associate Professors in 2020: Jonas Colliander, Frida Pemer, Abhijeet Singh and Martin Sköld.
- The following started as Assistant Professors in 2020: Emilia Cederberg, Irina Gazizova, Anastasia Girshina, Carl Christner Henning, Alexander Mafael, Diogo Mendes, Kathrin Reinsberger, Tobias Sichert and Roxana Turturea.

NUMBER OF EMPLOYEES*



*Includes both full- and part-time employees

CORE FACULTY





SUSTAINABILITY

Sustainability underpins every aspect of SSE's activities and is driven at all levels by students, faculty and other employees. The Mistra Center for Sustainable Markets (Misum) plays an important role in ensuring that the education we provide (for example, in observing PRME – Principles for Responsible Management Education), our research and our campuses continue to maintain a focus on sustainability in every respect. As the President mentions in the foreword, Misum received an additional five years of funding from Mistra in the amount of SEK 65 million. Misum's sphere of influence is not solely confined to its own activities. A variety of workshops, seminars and events also help to influence the world around us in increasing the focus on sustainability. The Global Challenges teaching initiative continued to offer stimulating teaching for students in the Bachelor's programs, and since autumn 2020 the courses have been integrated even more closely into the education.

Sustainability work at SSE is performed through coordination of the Sustainable SSE group with representatives from the School, the student association and other students, as well as with Executive Education. As one element in the development of SSE's strategy, a sustainability strategy has been developed in close dialogue with the President and other members of management. SSE's sustainability strategy is based on SSE overall strategy, with a focus on sustainability in teaching, research, outreach and campuses. Misum is an important driving force in the work of actively supporting implementation of the strategy.

Students for Climate Action (SSCA) is a student initiative that brings together and engages students, alumni and faculty at SSE, and the student association – SASSE – also focuses on sustainability in its work. By honing

our focus on environmental and climate issues in academia, our aim is to accelerate the shift to a sustainable economy. Based on an earlier report from the students on sustainability in teaching, work to step up the pace of developing and integrating sustainability continued in the School's Bachelor's program during the year. Several projects aimed at increasing gender equality and diversity are continuing at SSE. A gender equality and diversity expert works on a full-time basis with both employees and students.

In its purchasing policy, the School has elected to make sustainability one of its most important criteria, affecting both supplier management and project design in, for example, development of our campuses. SSE's travel policy has a clear focus on sustainable travel, although 2020 was a year with a significantly lower level of travel due to Covid-19. The continued digital transformation in teaching and research is expected to result in lower travel for activities in 2021 and beyond. The Facilities Department develops properties and premises on SSE campuses, with a focus on sustainability in both refurbishment and extension, as well as in new construction, repairs and maintenance. Recycling and waste management are included in sustainability work, and these areas are subject to continuous development and efficiency improvement.

SSE's capital investment also observes clear sustainability guidelines. An investment policy and specific guidelines ensure that asset management is managed via responsible investments that are required to adhere to sound ethical principles and to contribute to long-term sustainable global development. The market value of SSE's securities portfolio, consisting of endowment capital and dedicated funds, amounted to approximately SEK 594 million at year-end.

CHAIRMAN'S STATEMENT

It has been a tumultuous year. The pandemic resulted in lockdowns that required the adoption, in record time, of new digital learning environments and methods for teaching. It is with pride, but not surprise, that we can see that SSE has risen to these challenges in the best way.

SSE welcomes new knowledge and facts that sometimes overturn accepted truths. That is what an academic institution should and must do. No knowledge is written in stone. Through science-based education and research, SSE helps students to meet the challenges of tomorrow in a reflective and responsible way. The threats are already here today. They are manifested in areas such as climate change, rising protectionism and infectious viruses. We all became aware of this when the Covid-19 pandemic struck.

However, SSE proved to have a tremendous capacity to quickly adapt both teaching and research. We pushed through teleworking for teachers and digital hybrid teaching for our students. New elements of teaching nowadays include digital platforms and tools for communication, student feedback and case management.

During the fall, the Board adopted a new strategy. It encompasses six strategic objectives. Areas of focus include research results and teaching quality; collaboration with other organizations; administration and business; career management for students; a good working environment for both students and teachers and continued development as an internationally recognized business school; as well as increased funding for education and research.

The School's internationalization is an important part of the strategy and it has paid off. For the first time ever, SSE's Master Program in International Business broke into the world's Top 10 in 2020. Several of our other programs rank among the world's Top 20. Additionally, SSE started up the revised Bachelor's Business and Economics program in the fall. As a result, all educational programs are now given in English and available to international students. Internationalization also requires teachers to be recruited from other countries. In 2020, this recruitment increased despite the pandemic.

If SSE is to continue as an international, world-class business school, it will also be essential for us to continue to play an active role in various academic networks. The School is a member of CIVICA, an EU initiative to increase mobility in education, CEMS, an international exchange program in International Management and GNAM, the Global Network for Advanced Management, which SSE joined in 2020.



The concept of FREE runs through every part of SSE's new strategy. It is the combination of knowledge and maturity that is needed for our students to be successful. The leaders of the future need to be **F**act- and science-based, **R**eflective and self-aware, **E**mpathetic and culturally literate, and **E**ntrepreneurial and responsible. The latter cannot be emphasized enough, since it is a question of responsibly seeking improvement through change and, in that way, contributing to positive growth and a better world.

During the year, the Board also worked intensively with SSE's funders to support "the student journey" — an element of the strategy that aims to give students the career management they need for a successful career.

It is pleasing to note that, despite the pandemic, we have maintained a high quality in our teaching and research. Our teaching methods have in many ways been improved with the aid of digital tools. Combined with an even clearer focus on internationalization, research and science-based education, this has helped SSE to remain an important player in boosting Sweden's competitiveness.

Finally, I would like to extend my sincere thanks to all our employees, faculty, students, funders and others who have contributed and supported SSE during this tumultuous year.

Laurent Leksell, PhD (Econ.)
Chairman of the Board

ANNUAL REPORT

The Board of Directors and the President of the Stockholm School of Economics (SSE), corporate identity number 802006-2074, hereby present the School's annual report and consolidated accounts for the financial year January 1 – December 31, 2020.

ADMINISTRATION REPORT

GENERAL

The Stockholm School of Economics (SSE) is the leading business school in the Nordic and Baltic countries and enjoys a high reputation in Sweden and internationally. World-class research forms the basis of our programs, consisting of Bachelor's, Master's and postgraduate programs, an EMBA program and a wide range of further education programs. Our programs are developed in close collaboration with both the research and the business communities, which gives our students great opportunities for achieving leading positions in businesses and other organizations.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

2020 was largely dominated by the Covid-19 pandemic and its effects. This impacted SSE's activities in a number of ways. Initially, the spread of the coronavirus created a great deal of uncertainty about the School's ability to provide teaching and access to the campus. During the spring, SSE transitioned to distance learning and then, from the autumn semester, to hybrid teaching. The rapid transition to distance learning showed good adaptability and meant the impact on teaching was less than feared. Research was also largely conducted as planned and with a greater focus on digitalization and how the pandemic affects different subject areas.

The Covid-19 pandemic created uncertainty about donations and funds raised, which are significant sources of income for SSE, but the outcome in 2020 was marginally lower than in the preceding year. The pandemic affected revenues in the partner program, where a few partners operating in challenging industries chose to leave. Income from fee-paying students decreased slightly, with fewer students than in 2019. During the spring, a number of international students left Stockholm. As a result, some student apartments remained empty for some time. These apartments were partly occupied during the autumn term, limiting loss of this income.

A number of foundations and institutions provided research grants for various areas in SSE, where research

productivity was high during the year despite the pandemic. Multi-year grants from Scania, the Wallenberg Foundations and the Erling Persson Family Foundation have created significant scope for further strengthening our research. In 2019, a number of donations were received from alumni. These were intended for investments in, for example, student recruitment, student health and other student support, admissions and career management. In 2020, the funds were partly used for effective adjustment of teaching to a hybrid model, with investments in both fit-for-purpose classrooms and teaching technology aids. As part of SSE's internationalization, the English-language program Bachelor of Science in Business and Economics started in the fall, an initiative involving a certain amount of development expenditure during the year. Additional grants from the Stockholm School of Economics Association, for investments in SSE's properties, allowed for property renovations to begin. In Sweden's National Budget Bill, SSE was awarded grants for expansion of the Master's level program, as well as a share of the government's Covid-19 support for higher education. Furthermore, SSE continued to develop the EU's CIVICA project, a collaborative alliance of eight leading European social science institutions within the framework of the European Commission's European University of the Social Sciences initiative, one of the EU's main initiatives for the creation of a European Education Area. Other research projects with EU funding were initiated during the year, in particular at House of Innovation.

In view of the current situation, SSE realigned costs during the year, for example by reducing travel, events, marketing, consultancy and other external services, as well as by streamlining administration. Some projects and initiatives, such as in the IT department and the library, have been reprioritized and deferred, which has reduced costs. However, the transition to distance and hybrid teaching led to some increased IT costs associated with this area during the year.

SSE ranked programs continue to achieve high rankings, and students on the programs receive early offers of employment after graduating. For example, SSE's Master

in International Business program placed seventh in the world (13th in 2019) according to the Financial Times' Master in Management's ranking for 2020. For the 20th consecutive year, SSE's Executive Education ranked highest in the Nordic and Baltic countries in the management and leadership development field, according to the Financial Times' 2020 global ranking of business schools.

With regard to the business activities in Executive Education, the Covid-19 pandemic resulted in a sharp decline in business operations, resulting in reduced income. In

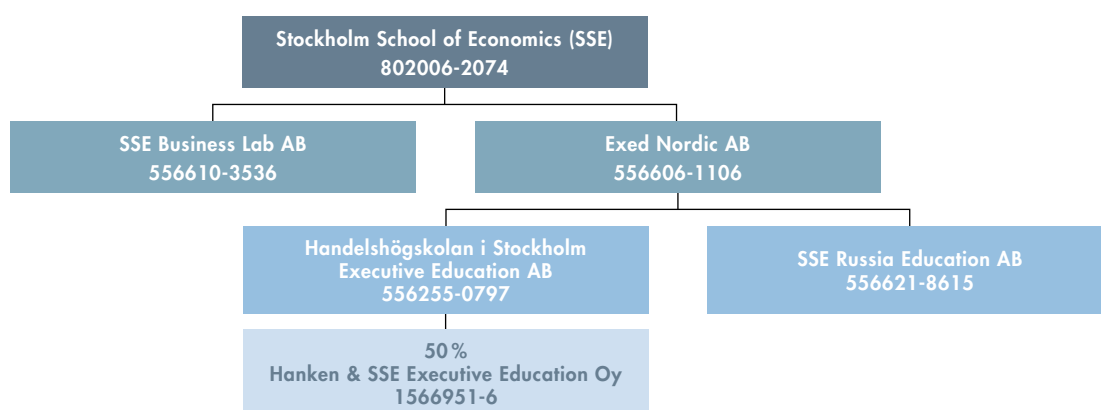
order to meet this challenging development, a number of measures were implemented to cut costs in all parts of the business. Program activities were converted to digital format, and the Kämpasten conference facility could only be used to a limited extent during the year.

Following the 2018 fire at the conference facility, a new outbuilding was completed during the year. The ongoing dispute regarding the contract that was in effect at the time of the fire continued during the year and a decision was taken to refer the case to arbitration in spring 2021.

THE GROUP AND ACTIVITIES IN THE SUBSIDIARIES

SSE is structured like a corporate group. The Parent Company's activities are the activities of the university, while the subsidiaries engage in commercial activities, mainly within the Exed Nordic Group. The Stockholm School of Economics is based in Stockholm. Exed Nordic AB owns 100 percent of the shares in Handelshögskolan i

Stockholm Executive Education AB. Exed Nordic AB also owns SSE Russia Education AB since 2016. Furthermore, SSE owns 100 percent of the shares in SSE Business Lab AB, an incubator business whose task is to contribute knowledge and infrastructure to students at SSE with a focus on entrepreneurship.



COMPOSITION OF THE BOARD OF DIRECTORS

FULL MEMBERS

Laurent Leksell, Chairman of the Board, SSE, appointed by the Stockholm School of Economics Association
Per-Olof Söderberg, Deputy Chairman, SSE, appointed by the Stockholm School of Economics Association
Lars Strannegård, President, SSE
Benjamin Dousa, appointed by the City of Stockholm for the period 11/04/2019–12/31/2022
Bertil Andersson, appointed by the Stockholm School of Economics Association
Johan Forssell, appointed by the Stockholm School of Economics Association
Lena Gustafsson, appointed by the Swedish government
Ulla Litzén, appointed by the Stockholm School of Economics Association
Katarina Martinson, appointed by the Stockholm School of Economics Association

SSE MANAGEMENT TEAM

Lars Strannegård, President, SSE
Pär Åhlström, Vice President Degree Programs
Lars Ågren, Senior Executive Vice President
Katarina Hägg, Vice President External Relations

Sven Nyman, appointed by the Stockholm School of Economics Association

Richard Friberg, appointed by Faculty Forum from November 1, 2020

Lin Lerpold, appointed by Faculty Forum from July 1, 2020

Hanna Hedlund, appointed by the Student Union from March 1, 2020

DEPUTIES

Karin Axelsson, appointed by the Swedish government

Inger Edvardsson, appointed by the City of Stockholm

Arian Tavassoli, appointed by the Student Union until February 28, 2021

SECRETARY

Helena Segerdahl, appointed by the Chairman of the Board

Anders Richtnér, CEO SSE Executive Education

Peter Hultman, Chief Financial Officer

Charlotte Celsing, HR Director



PARENT COMPANY'S FINANCIAL PERFORMANCE AND POSITION

In 2020, SSE's, that is, the Parent Company's, income totaled SEK 488.4 million (538.5). The major share of income consisted of grants of SEK 351.1 million (358.3) for research and teaching. The Stockholm School of Economics Association's contribution to the university's operations was a significant amount, SEK 134.1 million (132.1). The Association's commitment also includes ensuring that the School is able to fulfil its pension obligations (Note 31). The year's grant to cover the effect of the remeasurement of the pension liability was SEK 5.1 million (50.7). During the year, government appropriations amounted to SEK 96.0 million (94.1). Other external income decreased to SEK 241.9 million (249.8), mainly as a result of lower external grants for research. Funds raised, SEK 11.3 million (11.9), comprise a donation from the Knut and Alice Wallenberg Foundation and the Marianne and Marcus Wallenberg Foundation for the Jakob and Marcus Wallenberg Chair in Innovative and Sustainable Business.

In 2020, the costs of operations amounted to SEK 519.6 million (569.9). External costs fell to SEK 217.9 million (229.3) as a result of the pandemic. Such costs include travel, business entertainment, events, marketing and

certain costs related to IT and the library, where projects have been deprioritized and deferred. However, costs of premises increased, including costs for investments in buildings and premises relating to safety and accessibility, as well as for the development and adaptation of classrooms and technologies for hybrid and distance teaching. Employee benefit costs decreased to SEK 300.5 million (339.5), mainly because the year's remeasurement of the pension liability resulted in a significantly lower impact of SEK 5.1 million on costs, compared to the impact of SEK 50.7 million in the preceding year. Salary costs increased as a result of recruitments, especially to externally funded positions in the faculty. Operating income for the year amounted to SEK -31.2 million (-31.5).

The realized return on SSE's dedicated funds and endowment funds amounted to SEK 11.4 million (24.4) in 2020. The change from 2019 was in part attributable to lower capital gains and in part to lower dividends.

Total return, taking into account the change in the market values of the securities portfolio in 2020, was 6.6 percent. SSE's net income for the year totaled SEK -19.8 million (-6.8). Cash and cash equivalents at year-end amounted to SEK 151.4 million (126.6).

Parent Company (SEK thousand)	2020	2019	2018	2017	2016
Operating income	488,400	538,474	470,829	434,990	445,097
Of which, funds raised	11,300	11,850	11,850	12,600	51,350
Of which, contribution to remeasurement of pension liability	5,108	50,684	22,248	15,287	22,059
Net income for the year	-19,803	-6,858	25,544	4,165	36,811
Equity	362,653	382,455	387,649	338,249	309,815

GROUP'S FINANCIAL PERFORMANCE AND POSITION

The Group's results are affected not only by developments in SSE's activities, but also above all by the performance of the subsidiary Handelshögskolan i Stockholm Executive Education AB (Exec Ed). The Covid-19 pandemic clearly affected the activities of Exec Ed. During the spring, sales decreased in pace with a sharp decline in program and course delivery. In adapting to the situation, a number of actions were taken during the year, such as improving cost-effectiveness and reviewing and adapting the workforce through lay-offs, redundancies and other measures. Exec Ed drew on the packages of measures offered by the government in response to the pandemic. The first half of 2021 is expected to remain financially challenging for the Exec Ed business.

The fire at the Kämpasten study center in summer 2018 continued to affect results in 2020. A new outbuilding accommodating the substation for the entire center was completed in 2020. In connection with the fire, a dispute arose over the insurance compensation. The dispute was settled by arbitration with the insurance company. A further dispute with a subcontractor arising from the fire was ongoing through the year and will be settled by arbitration in 2021. Net income for the year decreased by 43 percent to SEK 121.5 million (214.0). Operating expenses totaled SEK 144.7 million (226.1). Income after financial items for Exec Ed amounted to SEK -22.6 million (-12.2).

Activities at SSE Russia were affected by the pandemic, and measures including digitalization and distance learning were taken to mitigate the impact. As regards the incubator SSE Business Lab, 2020 was a successful year despite the pandemic, with the business performing well and additional funding from Vinnova, among others.

Net income for the year for the Group amounted to SEK -42.3 million (-17.7). Cash and cash equivalents in the Group amounted to SEK 158.2 million (135.7) at year-end.



Group (SEK thousand)	2020	2019	2018	2017	2016
Operating income, Group	604,825	744,424	709,575	617,961	645,247
Of which net turnover, Exec Ed*	108,969	204,035	196,203	191,155	204,653
Income after financial items, Group	-43,264	-19,817	47,566	11,505	46,932
Income after financial items, Exec Ed*	-22,621	-12,214	23,022	9,038	11,456
Net income for the year, Group	-42,344	-17,695	44,988	10,090	44,900
Balance sheet total, Group	1,152,918	1,190,843	1,126,980	1,036,432	983,908
Equity/assets ratio, Group	34%	37%	40%	37%	35%

*2020 Annual Report, Handelshögskolan i Stockholm Executive Education AB

SSE's sustainability report for 2020 is presented in a separate document.

For further information regarding the performance and position in general, please see the following Income Statements, Balance Sheets and related notes.

INCOME STATEMENT

	Note	Group		Parent Company	
		Jan. 1, 2020	Jan. 1, 2019	Jan. 1, 2020	Jan. 1, 2019
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Operating income					
Grants for research, teaching and operations	2	351,085	344,572	351,059	358,267
Funds raised	3	11,300	11,850	11,300	11,850
Net sales	4, 5	120,472	224,350	0	0
Government appropriations		95,979	94,086	95,979	94,086
Contribution to remeasurement of pension liability		5,108	50,684	5,108	50,684
Other income	6	20,882	18,882	24,955	23,587
		<u>604,825</u>	<u>744,424</u>	<u>488,400</u>	<u>538,472</u>
Operating expenses					
Other external expenses	7, 8, 9	-296,700	-382,126	-217,933	-229,268
Personnel costs	10, 11	-357,868	-399,968	-300,516	-339,489
Amortization/depreciation and impairments of property, plant and equipment and intangible assets		-4,987	-4,718	-1,174	-1,179
Other operating expenses		0	-2,166	0	0
		<u>-659,555</u>	<u>-788,978</u>	<u>-519,623</u>	<u>-569,936</u>
Net operating income		-54,730	-44,554	-31,223	-31,464
Income from financial items					
Result from participations in Group companies	12	0	0	0	276
Results from participations in associated companies and jointly controlled companies	13	-508	525	0	0
Profit from other securities and receivables held as non-current assets	14	11,371	24,376	11,371	24,376
Interest income	15	638	127	60	6
Other interest income from Group companies		0	0	0	205
Interest expense and similar profit/loss items	16	-35	-291	-11	-257
		<u>11,466</u>	<u>24,737</u>	<u>11,420</u>	<u>24,606</u>
Income after financial items		-43,264	-19,817	-19,803	-6,858
Pre-tax income		-43,264	-19,817	-19,803	-6,858
Tax on net income for the year	17	920	2,122	0	0
Net income for the year		-42,344	-17,695	-19,803	-6,858

BALANCE SHEET

	Note	Group		Parent Company	
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
ASSETS					
Non-current assets					
Intangible assets					
Brands	18	0	0	0	0
		0	0	0	0
Property, plant and equipment					
Buildings and land	19	44,358	35,188	0	0
Expenditure on leased property	20	10,989	12,603	3,057	4,175
Equipment, tools, fixtures and fittings	21	7,465	8,531	50	105
Work in progress and advance payments on property, plant and equipment	22	18,306	19,434	0	0
		81,118	75,756	3,107	4,280
Financial non-current assets					
Shares in Group companies	23	0	0	7,108	7,108
Participations in associated companies and jointly controlled companies	24	3,178	3,685	0	0
Other securities held as non-current assets	25	447,284	440,053	447,284	440,053
Receivables from Stockholm School of Economics Association	26	355,333	364,244	355,333	364,244
Other non-current receivables	27	2,905	2,651	0	0
		808,700	810,633	809,725	811,405
Total non-current assets		889,818	886,389	812,832	815,685
Current assets					
Current receivables					
Accounts receivable		37,700	81,625	16,551	29,257
Receivables from Stockholm School of Economics Association		33,122	44,238	33,122	44,238
Current tax		1,923	0	0	0
Other receivables		2,319	6,970	2,047	2,003
Prepaid expenses and accrued income	28	29,848	35,922	26,411	31,085
		104,912	168,755	78,131	106,583
Short-term investments					
Other short-term investments		25,769	35,842	25,769	35,842
		25,769	35,842	25,769	35,842
Cash and bank balances					
Cash and bank balances		132,419	99,857	125,609	90,709
		132,419	99,857	125,609	90,709
Total current assets		263,100	304,454	229,509	233,134
TOTAL ASSETS		1,152,918	1,190,843	1,042,341	1,048,819

BALANCE SHEET

	Note	Group		Parent Company	
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
EQUITY AND LIABILITIES					
Equity, Group					
Endowment capital	29	185,500	185,500		
Dedicated funds	30	261,285	276,097		
Other equity including net income for the year		52,857	25,325		
Total equity, Group		393,928	436,272		
Equity, Parent Company					
Endowment capital				185,500	185,500
Dedicated funds				261,285	276,097
Profit brought forward				-64,329	-72,284
Net income for the year				-19,803	-6,858
Equity at year-end				362,653	382,455
Provisions					
Provisions for pensions and similar obligations	31	358,238	366,894	355,333	364,244
Deferred tax	32	8,327	9,255	0	0
Total provisions		366,565	376,149	355,333	364,244
Non-current liabilities					
Appropriations brought forward	33	168,064	167,280	168,064	167,280
Total non-current liabilities		168,064	167,280	168,064	167,280
Current liabilities					
Accounts payable		25,523	37,363	14,668	20,311
Liabilities to Group companies		0	0	37,616	30,065
Other liabilities		46,194	21,143	39,342	11,091
Accrued expenses and deferred income	34	152,644	152,636	64,665	73,373
Total current liabilities		224,361	211,142	156,291	134,840
TOTAL EQUITY AND LIABILITIES		1,152,918	1,190,843	1,042,341	1,048,819

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity – Group

	Endowment capital	Dedicated funds	Other equity
Balance at beginning of year	185,500	276,097	25,325
Utilization/reservation of dedicated funds not utilized during the year	0	14,812	14,812
Net income for the year	0	0	-42,344
Balance at year-end	185,500	261,285	52,857

Changes in equity, Parent Company

	Endowment capital	Dedicated funds	Profit brought forward	Net income for the year
Opening balance	185,500	276,097	72,284	-6,858
Utilization/reservation of dedicated funds not utilized during the year	0	14,812	14,812	0
Transfer of net income for previous year	0	0	-6,858	6,858
Net income for the year	0	0	0	-19,803
Closing balance	185,500	261,285	64,330	-19,803

STATEMENT OF CASH FLOWS

	Note	Group		Parent Company	
		Jan. 1, 2020	Jan. 1, 2019	Jan. 1, 2020	Jan. 1, 2019
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Operating activities					
Operating profit		-54,730	-44,554	-31,223	-31,464
Adjustments for non-cash items	35	4,987	4,545	1,174	1,180
Realized return on dedicated funds, endowment capital and participations in associated companies		11,996	24,901	11,431	24,587
Interest received and paid		-35	-164	-11	-257
Income tax paid		1,935	360	0	0
Cash flow from operating activities before changes in working capital		-35,847	-14,912	-18,629	-5,954
Cash flow from changes in working capital					
Decrease (+) / increase (-) in accounts receivable		43,925	7,274	12,706	2,943
Decrease (+) / increase (-) in receivables		17,975	50,199	15,746	7,793
Decrease (-) / increase (+) in accounts payable		-11,740	10,769	-5,643	9,884
Decrease (-) / increase (+) in current liabilities		24,960	-1,164	27,094	11,402
Cash flow from operating activities		39,273	52,166	31,274	26,068
Investing activities					
Acquisition of buildings and land	19, 20	0	-229	0	0
Acquisition of equipment, tools and installations	21	-564	-5,024	0	0
Acquisition of work in progress and advance payments on property, plant and equipment		-9,784	-19,210	0	0
Sale of participations in Group companies		0	5,206	0	325
Amortizations for the year from Group companies		0	0	0	5,000
Acquisition of long-term securities	25	-11,850	-27,143	-11,850	-27,142
Sale of long-term securities	25	4,619	6,069	4,619	6,069
Cash flow from investing activities		-17,579	-40,331	-7,231	-15,748
Financing activities					
Increase in/utilization of dedicated funds		0	1,664	0	1,664
Change in appropriations brought forward		784	34,871	784	34,871
Cash flow from financing activities		784	36,535	784	36,535
Change in cash and cash equivalents					
Cash and cash equivalents at January 1		135,698	87,328	126,551	79,696
Exchange rate difference in cash and cash equivalents		12	0	0	0
Cash and cash equivalents at December 31	36	158,188	135,698	151,378	126,551

NOTES

Note 1 Accounting and valuation policies

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and Recommendation BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3), from the Swedish Accounting Standards Board. The annual report has been prepared in SEK thousand.

The policies are unchanged from the preceding year.

Valuation policies

Receivables

Receivables are recognized at the amounts expected to be received.

Other assets, provisions and liabilities

Other assets, provisions and liabilities are measured at historical cost, unless otherwise indicated below.

Income recognition

Income is recognized at fair value of what has been received or will be received. Deductions are made for discounts provided.

In accordance with the Swedish Accounting Standards Board's main rule, profit is recognized for educational assignments provided, at a fixed price using the percentage-of-completion method. In calculating the profit earned, the degree of completion is calculated as days completed as per the balance sheet date, as a percentage of the total number of days for educational assignments performed.

Property, plant and equipment

Property, plant, equipment are recognized at historical cost, less accumulated depreciation and any impairment losses. The assets are depreciated on a straight-line basis over the estimated useful life of the assets, other than in the case of land, which is not depreciated. The useful life is reviewed at each balance sheet date. The following useful lives apply:

	Number of years
Buildings	17-33
Expenditure on leased property	10-20
Equipment, tools and machines	3-17

Intangible assets

Intangible assets are recognized at historical cost, less accumulated amortization and any impairment losses.

	Number of years
Brands	9

"Brands" consist of IFU, which was taken over on January 1, 2006.

Leases

All leases are classified as operating leases and are expensed on a straight-line basis over the term of the lease.

NOTES

Income tax

Current tax is income tax for the current financial year that is based on the taxable net income for the year and the share of the previous financial year's income tax that has not yet been recognized.

Current tax is measured as the probable amount according to the tax rates and tax rules enacted on the balance sheet date.

Deferred tax is income tax on taxable profit for future financial years arising from previous transactions or events.

Deferred tax is calculated on temporary differences. A temporary difference arises when the carrying amount of an asset or liability differs from the taxable amount. Temporary differences are not taken into account in differences attributable to investments in subsidiaries, branches, associated companies and joint ventures if the Company can control the timing of the reversal of the temporary differences and if it is not clear that the temporary differences will be reversed within the foreseeable future. Differences arising from initial recognition of goodwill or at initial recognition of an asset or liability, unless the transaction attributable is a business combination or affects tax or recognized income, are also not regarded as constituting temporary differences.

Deferred tax assets arising from loss carryforwards and other future tax deductions are recognized to the extent that it is probable that the deductions can be offset against future taxable surpluses.

Provisions

Provisions for pension obligations

Plans for which pension premiums are paid are recognized as defined-contribution, meaning that the contributions are expensed in the income statement. In cases where defined-benefit pension plans are financed in-house, the pension liability is recognized at the amount received from SPP Konsult AB, which provided the information.

Consolidated accounts

Subsidiaries

Subsidiaries are companies in which the Parent Company, directly or indirectly, controls more than 50% of the voting rights or otherwise exercises a controlling influence. A controlling influence consists of a right to shape a company's financial and operational strategies in order to obtain economic benefits. Recognition of business combinations is based on the unitary approach. In this method, the acquisition analysis is performed as per the point in time when the acquirer obtains a controlling influence. From this point on, the acquirer and the acquired entity are treated as an accounting entity. In addition, with application of the unitary approach, all assets (including goodwill) and liabilities, together with income and expenses, are included in their entirety for partly owned subsidiaries, as well.

The historical cost for subsidiaries is calculated at the sum of fair value at the time of acquisition for paid-for assets, together with liabilities incurred and acquired and equity instruments issued, expenses that are directly attributable to the business combination and any additional purchase consideration. The acquisition analysis determines the fair value, with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities, as well as minority interests. Minority interests are measured at fair value at the time of acquisition. As of the time of acquisition, the consolidated accounts include the acquired company's income and expenses, identifiable assets and liabilities, as well as any goodwill acquired or negative goodwill incurred.

Associated companies

Shareholdings in associated companies, in which the Group controls no less than 20 percent and no more than 50 percent of the votes, or otherwise exercises a significant influence over the operational and financial management, are recognized according to the equity method. In this method, the carrying amount in the Group for shares in associated companies is the sum of the Group's share in the associated companies' equity, any residual values of consolidated surplus and deficit values, including goodwill and negative goodwill, less any intra-group profit. In the consolidated income statement, the Group's share in the associated companies' net income after tax, adjusted for any amortization or liquidation of surplus or deficit amounts acquired, including amortization of goodwill/liquidation of negative goodwill, is recognized under Share in associated companies' profit. Dividends received from associated companies are deducted from the carrying amount. Shares in profit accrued after the acquisitions of associated companies that have not yet been realized through dividends are allocated to the equity fund.

NOTES

Elimination of transactions between Group companies and associated companies

Intra-group receivables and liabilities, income and expenses and unrealized gains or losses arising from transactions between Group companies are eliminated in their entirety. Unrealized gains arising from transactions with associated companies are eliminated to the extent that corresponds to the Group's ownership interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of any need for impairment.

DISCLOSURES REGARDING INDIVIDUAL ITEMS

Note 2	Grants for research, teaching and operations	Group		Parent Company	
		2020	2019	2020	2019
	<i>Stockholm School of Economics Association</i>				
	– Grants for operations	63,000	63,000	63,000	63,000
	– Grants for rent	66,598	66,598	66,598	66,598
	– Grants for renovation of property	4,536	2,500	4,536	2,500
	Corporate Relations	27,009	26,109	27,009	26,109
	Other external grants for research	103,016	105,497	103,016	118,697
	Other external grants for teaching	86,926	80,869	86,900	81,363
		<u>351,085</u>	<u>344,573</u>	<u>351,059</u>	<u>358,267</u>
Note 3	Funds raised	Group		Parent Company	
		2020	2019	2020	2019
	The Jacob and Marcus Wallenberg Chair in Innovative and Sustainable Business	11,300	11,300	11,300	11,300
	Professorship in Finance, specializing in Venture Capital	0	550	0	550
		<u>11,300</u>	<u>11,850</u>	<u>11,300</u>	<u>11,850</u>
Note 4	Net sales	Group		Parent Company	
		2020	2019	2020	2019
	<i>Net sales by geographical area</i>				
	Sweden	108,237	203,440	0	0
	Russia	12,214	20,507	0	0
	Latvia	0	402	0	0
	Finland	21	0	0	0
		<u>120,472</u>	<u>224,349</u>	<u>0</u>	<u>0</u>
	<i>Net sales by income category</i>				
	Education programs	99,534	194,861	0	0
	Conference income	9,684	14,883	0	0
	Other	11,254	14,605	0	0
		<u>120,472</u>	<u>224,349</u>	<u>0</u>	<u>0</u>

NOTES

Note 5	Purchases and sales within Group	Parent Company			
		2020	2019	2020	2019
	Percentage of sales pertaining to Group companies			5%	6%
	Percentage of purchases pertaining to Group companies			1%	1%
Note 6	Other operating income	Group		Parent Company	
		2020	2019	2020	2019
	<i>Other operating income by category of income</i>				
	Insurance compensation	8,700	9,793	0	0
	Administrative services and rental income	4,492	4,169	16,771	17,301
	Redeployment and layoff support	3,438	0	0	0
	Exchange gains on operating receivables/liabilities	265	384	100	169
	Other	3,987	4,536	8,084	6,117
		<u>20,882</u>	<u>18,882</u>	<u>24,955</u>	<u>23,587</u>
Note 7	Leases – Operating lease lessees	Group		Parent Company	
		2020	2019	2020	2019
	Lease fees during the year totaled	89,508	91,759	89,044	89,766
	Future minimum lease fees for non-cancellable leases fall due for payment as follows:				
	Within 1 year	83,649	85,082	83,407	83,513
	Between 2 and 5 years	14,055	23,596	13,710	22,964
		<u>97,704</u>	<u>108,678</u>	<u>97,117</u>	<u>106,477</u>
Note 8	Remuneration of auditors	Group		Parent Company	
		2020	2019	2020	2019
	<i>Finnhammars Revisionsbyrå AB</i>				
	Statutory audit	615	641	344	415
	Auditing services outside scope of statutory audit	79	0	0	0
	<i>Other auditors</i>				
	Statutory audit	26	25	26	25
		<u>720</u>	<u>666</u>	<u>370</u>	<u>440</u>

NOTES

Note 9 Other external expenses

	Group		Parent Company	
	2020	2019	2020	2019
Costs of premises (rent and operational)	111,855	112,014	111,666	114,989
External expenses	132,306	161,322	106,267	114,279
Direct costs in Exed Nordic Group	52,540	108,790	0	0
	<u>296,701</u>	<u>382,126</u>	<u>217,933</u>	<u>229,268</u>

Note 10 Personnel costs

	Group		Parent Company	
	2020	2019	2020	2019
Payroll costs	340,631	325,558	284,070	268,758
Remeasurement of pension liability	5,108	50,684	5,108	50,684
Other employee expenses	12,129	23,726	11,338	20,047
	<u>357,868</u>	<u>399,968</u>	<u>300,516</u>	<u>339,489</u>

Note 11 Employees

	Group		Parent Company	
	2020	2019	2020	2019
<i>Average number of employees</i>				
The average number of employees was	338	330	281	267
Of whom, women	186	182	151	144
Of whom, men	152	148	130	123

Salaries, benefits, etc.

Salaries, benefits, social security costs and pension costs have been paid in the following amounts:

Board, CEO/President:

Salaries and benefits	4,678	4,503	2,755	2,652
Pension costs	1,494	806	685	657
	<u>6,172</u>	<u>5,309</u>	<u>3,440</u>	<u>3,309</u>

Other employees:

Salaries and benefits	222,955	207,989	187,996	174,275
Pension costs	33,624	34,192	26,919	28,059
	<u>256,579</u>	<u>242,181</u>	<u>214,915</u>	<u>202,334</u>

Social security costs, excluding pension costs

	77,880	78,068	65,715	63,115
Total, Board of Directors and others	<u>340,631</u>	<u>325,558</u>	<u>284,070</u>	<u>268,758</u>

Gender representation in Board of Directors and Management

Number of Board members	34	34	14	14
Of whom, women	9	9	6	6
Of whom, men	25	25	8	8
Number of other executives	18	15	7	7
Of whom, women	7	4	2	2
Of whom, men	11	11	5	5
Pension obligations, Board of Directors and President	1,174	841	0	0

NOTES

Note 12 Result from participations in Group companies	Group		Parent Company	
	2020	2019	2020	2019
Capital gain/loss	0	0	0	276
	0	0	0	276

In the Parent Company, the item refers to a capital gain on liquidation of SSE's subsidiary Center for Retailing vid Handelshögskolan i Stockholm AB.

Note 13 Results from participations in associated companies and jointly controlled companies	Group		Parent Company	
	2020	2019	2020	2019
Share in income	-508	524	0	0
	-508	524	0	0

Note 14 Realized return on dedicated funds endowment capital	Group		Parent Company	
	2020	2019	2020	2019
Return on endowment capital	4,780	10,182	4,780	10,182
Return on dedicated funds	6,591	14,194	6,591	14,194
	11,371	24,376	11,371	24,376

Note 15 Other interest income and similar profit/loss items	Group		Parent Company	
	2020	2019	2020	2019
Interest	70	11	60	6
Exchange rate difference	568	116	0	0
	638	127	60	6

NOTES

Note 16 Interest expense and similar profit/loss items	Group		Parent Company	
	2020	2019	2020	2019
Other interest expense	35	291	11	257
	<u>35</u>	<u>291</u>	<u>11</u>	<u>257</u>

Note 17 Tax on net income for the year Group	2020		2019	
	Current tax		-65	
Deferred tax		985		2,146
		<u>920</u>		<u>2,122</u>

Note 18 Brands	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Opening balance, historical cost	8,747	8,747	0	0
Closing balance, accumulated historical cost	<u>8,747</u>	<u>8,747</u>	<u>0</u>	<u>0</u>
Opening balance, depreciation/amortization	-8,747	-8,747	0	0
Closing balance, accumulated depreciation	<u>-8,747</u>	<u>-8,747</u>	<u>0</u>	<u>0</u>
Closing balance, carrying amount	0	0	0	0

Item refers to the IFU brand in the subsidiary Handelshögskolan i Stockholm Executive Education AB.

Note 19 Buildings and land	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Opening balance, historical cost	63,208	70,455	0	0
Purchasing	0	229	0	0
Sales/disposals	0	-7,638	0	0
Exchange rate differences	10,912	162	0	0
Closing balance, accumulated historical cost	<u>74,120</u>	<u>63,208</u>	<u>0</u>	<u>0</u>
Opening balance, depreciation/amortization	-45,067	-44,557	0	0
Sales/disposals	0	745	0	0
Exchange rate differences	0	-14	0	0
Amortization for the year	-1,239	-1,240	0	0
Closing balance, accumulated depreciation	<u>-46,306</u>	<u>-45,066</u>	<u>0</u>	<u>0</u>
Opening balance, revaluations	17,046	25,982	0	0
Reclassifications	0	-8,433	0	0
Depreciation for the year on the revaluation amount	-502	-502	0	0
Closing balance, accumulated revaluations net	<u>16,544</u>	<u>17,046</u>	<u>0</u>	<u>0</u>
Opening balance, impairment losses	0	-1,083	0	0
Reversal of impairment	0	1,116	0	0
Exchange rate differences	0	-33	0	0
Closing balance, accumulated impairment losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Closing balance, carrying amount	44,358	35,188	0	0

NOTES

Note 20 Expenditure on leased property	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Opening balance, historical cost	22,892	22,892	12,977
Closing balance, accumulated historical cost	22,892	22,892	12,977	12,977
Opening balance, depreciation/amortization	-10,288	-8,674	-8,801	-7,683
Amortization for the year	-1,615	-1,615	-1,119	-1,118
Closing balance, accumulated depreciation	-11,903	-10,289	-9,920	-8,801
Closing balance, carrying amount	10,989	12,603	3,057	4,176

Note 21 Equipment, tools, fixtures and fittings	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Opening balance, historical cost	22,576	18,679	980
Purchasing	564	5,022	0	0
Sales/disposals	0	-1,127	0	0
Closing balance, accumulated historical cost	23,140	22,574	980	980
Opening balance, depreciation/amortization	-14,045	-13,811	-875	-814
Sales/disposals	0	1,128	0	0
Amortization for the year	-1,630	-1,361	-55	-61
Closing balance, accumulated depreciation	-15,675	-14,043	-930	-875
Closing balance, carrying amount	7,465	8,531	50	105

Note 22 Work in progress and advance payments on property, plant and equipment	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
	Opening balance, historical cost	19,434	224	0
Purchasing	9,784	19,210	0	0
Reclassifications	-10,912	0	0	0
Closing balance, accumulated historical cost	18,306	19,434	0	0
Closing balance, carrying amount	18,306	19,434	0	0

The investments pertain to an outbuilding at the Kämpasten conference facility.

Note 23 Shares in Group companies			Parent Company	
			Dec. 31, 2020	Dec. 31, 2019
Company	Headquarters	Number/Share of equity, %	Carrying amount	Carrying amount
Exed Nordic AB				
556606-1106	Stockholm	100%	7,008	7,008
SSE Business Lab AB				
556610-3536	Stockholm	100%	100	100
			7,108	7,108

NOTES

Note 27 Other non-current receivables

Group	Dec. 31, 2020	Dec. 31, 2019
Opening balance, historical cost	2,651	2,397
New loans	<u>254</u>	<u>254</u>
Closing balance, accumulated historical cost	<u>2,905</u>	<u>2,905</u>
Closing balance, carrying amount	2,905	2,651

Note 28 Prepaid expenses and accrued income

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Accrued appropriations	13,189	18,415	13,135	18,174
Prepaid expenses	16,471	16,186	13,276	12,911
Accrued income	188	1,320	0	0
	<u>29,848</u>	<u>35,921</u>	<u>26,411</u>	<u>31,085</u>

Note 29 Endowment capital

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
O. A. Söderberg's Professorship in Business Administration	35,500	35,500	35,500	35,500
R. Söderberg's Professorship in Economics	50,000	50,000	50,000	50,000
T. & R. Söderbergs' Professorship in Business Administration, specializing in Business Leadership and Management	50,000	50,000	50,000	50,000
ICA-Retail's Professorship in Business Administration, specializing in Retailing	50,000	50,000	50,000	50,000
	<u>185,500</u>	<u>185,500</u>	<u>185,500</u>	<u>185,500</u>

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Note 30 Dedicated funds

	Group		Parent Company	
	2020	2019	2020	2019
<i>Dedicated funds</i>				
Handelsbanken's				
Professorship in Accounting	61,020	61,020	61,020	61,020
Professorship in Finance, specializing in Venture Capital	40,503	42,000	40,503	42,000
Ragnar Söderberg's Professorship in Finance	15,351	15,351	15,351	15,351
Peter Wallenberg's				
Professorship in Marketing	12,621	12,621	12,621	12,621
The Peter Wallenberg				
Professorship in Finance	5,217	8,704	5,217	8,704
Environmental and Energy Economics	3,629	4,472	3,629	4,472
Banking and Insurance Economics	5,843	6,647	5,843	6,647
Industrial Economics	1,193	1,193	1,193	1,193
Scholarship funds	0	3,500	0	3,500
Johan Björkman's				
Professorship in Economics	56,920	56,920	56,920	56,920
J & M Wallenberg Chair in Innovative and Sustainable Business	37,072	31,624	37,072	31,624
	<u>250,495</u>	<u>255,178</u>	<u>250,495</u>	<u>255,178</u>
<i>Unused return on endowment capital and dedicated funds</i>				
O. A. Söderberg's				
Professorship in Business Administration	7,439	8,826	7,439	8,826
R. Söderberg's				
Professorship in Economics	332	2,049	332	2,049
Handelsbanken's				
Professorship in Accounting	619	1,786	619	1,786
Professorship in Finance, specializing in Venture Capital	0	1,569	0	1,569
Finance	1,156	2,306	1,156	2,306
Peter Wallenberg's Professorship in Marketing	941	2,899	941	2,899
Banking and Insurance Economics	0	516	0	516
Johan Björkman's Professorship in Economics	303	968	303	968
	<u>10,790</u>	<u>20,919</u>	<u>10,790</u>	<u>20,919</u>
	<u>261,285</u>	<u>276,097</u>	<u>261,285</u>	<u>276,097</u>

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Note 31 Provisions

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
<i>Provisions for pensions and similar obligations under the Swedish Pension Obligations Vesting Act</i>				
Carrying amount at beginning of year	366,895	329,603	364,244	327,206
Premiums paid	254	253	0	0
Pensions paid during the year	-14,019	-13,646	-14,019	-13,646
Remeasurement of pension liability	5,108	50,684	5,108	50,684
Carrying amount at year-end	358,238	366,894	355,333	364,244

The pension provision at the Stockholm School of Economics is secured by the Stockholm School of Economics Association for pension commitments entered into up to June 30, 2004. Effective July 1, 2004, the School's pension scheme's pension commitment has been secured by *Alecta pensionsförsäkring, ömsesidigt* (Alecta Mutual Pension Insurance Company) under a special agreement.

Note 32 Deferred tax

Group

Dec. 31, 2020

	Temporary difference	Deferred tax assets	Deferred tax
Buildings and land	29,120	0	5,999
Pension provisions, SLP	1,882	0	456
Loss carry-forwards	0	0	0
Other (untaxed reserves)	9,087	0	1,872
		0	8,327

Dec. 31, 2019

	Temporary difference	Deferred tax assets	Deferred tax
Buildings and land	19,093	0	3,933
Pension provisions, SLP	1,649	0	400
Other (untaxed reserves)	23,893	0	4,922
		0	9,255

Note 33 Appropriations brought forward

This item consists mainly of research appropriations not yet used, together with funds allocated for research.

Note 34 Accrued expenses and deferred income

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Deferred program income	71,749	59,480	0	0
Other deferred income and appropriations	44,213	44,823	43,934	44,823
Accrued salary and associated costs	18,904	18,904	10,451	13,354
Other items	17,778	29,429	10,280	15,196
	152,644	152,636	64,665	73,373

NOTES

Note 35 Adjustment for non-cash items

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Amortization	4,987	4,545	1,174	1,179
	<u>4,987</u>	<u>4,545</u>	<u>1,174</u>	<u>1,179</u>

Note 36 Cash and cash equivalents

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Cash and bank balances	132,419	99,857	125,609	90,709
Short-term investments	25,769	35,842	25,769	35,842
	<u>158,188</u>	<u>135,699</u>	<u>151,378</u>	<u>126,551</u>

Note 37 Pledged assets

	Group		Parent Company	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Provision of pension obligation	2,905	2,651	0	0

Refers to pension commitment for Handelshögskolan i Stockholm Executive Education AB.

Stockholm, February 21, 2021



Laurent Leksell



Lars Strannegård



Benjamin Dousa



Johan Forssell



Katarina Martinsson



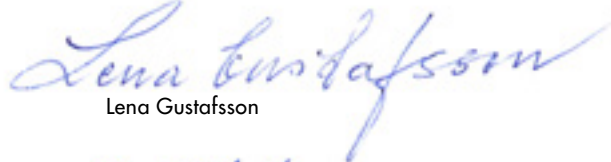
Helena Stjernholm



Lin Lerpold



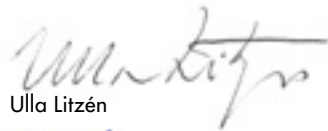
Per-Olof Söderberg



Lena Gustafsson



Bertil Andersson



Ulla Litzén



Sven Nyman



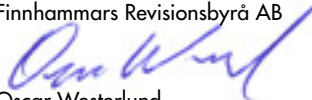
Richard Friberg



Hanna Hedlund

Our Audit Report was submitted on February 22, 2021.

Finnhammars Revisionsbyrå AB



Oscar Westerlund
Authorized Public Accountant



Ulf Bourker Jacobsson
Appointed by the City of Stockholm

AUDIT REPORT

To the Annual General Meeting of the Stockholm School of Economics Association,
regarding the **Stockholm School of Economics**, CIN 802006-2074

Report on the annual report and the consolidated accounts

Opinions

We have audited the annual report and the consolidated accounts of the Stockholm School of Economics for the year January 1, 2020 – December 31, 2020.

The Annual Report is presented on pages 21–44 of this document. In our opinion, the annual report and the consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Stockholm School of Economics and the Group as of December 31, 2020, and its financial performance and cash flow for the year, in accordance with the Swedish Annual Accounts Act. The statutory directors' report is consistent with the other parts of the annual accounts and consolidated financial statements.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Stockholm School of Economics and the Group, in accordance with generally accepted auditing standards in Sweden, and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Information other than that of the annual report and the consolidated accounts

The Board of Directors and the President are responsible for such other information. The other information is provided in a separate annual report. Our opinion on the annual accounts and consolidated financial statements does not cover this other information and we do not express any form of assurance regarding this other information. In connection with our audit of the annual report and the consolidated accounts, our responsibility is to read the information identified above and to consider whether the information is materially inconsistent with the annual report and the consolidated accounts. In this procedure we also take into account the knowledge that we otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If, based on the work performed concerning this information, we conclude that this other information contains a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the President

The Board of Directors and the President are responsible for ensuring that the annual report and consolidated accounts are prepared and that they give a true and fair presentation in accordance with the Swedish Annual Accounts Act. The Board of Directors and the President are also responsible for such internal control as they determine is necessary to enable the preparation of an annual report and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the President are responsible for the assessment of the Stockholm School of Economics' and the Group's ability to continue their operations. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the President intend to liquidate the Stockholm School of Economics, to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

We are tasked with conducting our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our objectives are to obtain reasonable assurance about whether the annual report and the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements may 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 this annual report and consolidated accounts.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual report and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those and other risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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 the Stockholm School of Economics' internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the President. Make a judgement on the appropriateness of the Board of Directors' and the President's use of the going concern basis of accounting in preparing the annual report and consolidated accounts.
- We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Stockholm School of Economics' and the Group's ability to continue its operations. 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 annual report and the consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual report and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Stockholm School of Economics to cease its operations.
- Evaluate the overall presentation, structure and content of the annual report and consolidated accounts, including the disclosures, and whether the annual report and consolidated accounts represent the underlying transactions and events in a manner that provides a true and fair presentation.

We must inform the Board of Directors and the President of, among other matters, the planned scope and timing of the audit. We must also advise of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinion

In addition to our audit of the annual report and the consolidated accounts, we have also carried out an audit of the administration by the Board of Directors and the President of {1>the Stockholm<1} School of Economics for the year January 1, 2020 – December 31, 2020.

We recommend that the Annual General Meeting of the Stockholm School of Economics Association discharge the members of the Board of the Stockholm School of Economics and the President from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent in relation to the Stockholm School of Economics and the Group in accordance with generally accepted auditing standards in Sweden. We have otherwise fulfilled our professional responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the organization and administration of the Stockholm School of Economics. This includes, among other things, continuous assessment of the Stockholm School of Economics' and the Group's financial situation and ensuring that their organization is designed such that the accounting, management of assets and financial affairs are controlled in a satisfactory manner. The President is tasked with managing the day-to-day management in accordance with the Board's guidelines and instructions.

Auditor's responsibilities

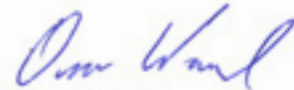
Our objective regarding the audit of the administration, and therefore our opinion on discharge from liability, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether any Board member or the President has in any material respect taken any action or been guilty of any negligence that may give rise to liability for the Stockholm School of Economics.

Reasonable assurance is a high degree of certainty, but no guarantee, that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to liability for the Stockholm School of Economics.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. Our audit of the administration is mainly based on our audit of the accounts. Additional audit procedures performed are based on the auditor's professional judgement and the judgment of other selected auditors, on the basis of risk and materiality. This means that we focus our examination on such actions, areas and relationships that are material to the operations and where deviations and violations would have particular importance for the situation of the Stockholm School of Economics. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

Stockholm, February 22, 2021

Finnhammars Revisionsbyrå AB



Oscar Westerlund
Authorized Public Accountant

To the Annual General Meeting of the Stockholm School of Economics Association, regarding the Stockholm School of Economics
Corporate ID number 802006-2074

For the attention of the City Council of the City of Stockholm

Report by the auditors appointed by the City of Stockholm on the operations of the Stockholm School of Economics in 2020

I, as auditor appointed by the City Council of the City of Stockholm, have examined the Stockholm School of Economics' accounts, annual report and the administration by the Board of Directors in the year 2020.

I have examined the School's observance of law and statutes, whether the business was managed in a fit-for-purpose and financially satisfactory manner, and whether the internal controls are adequate.

I have performed my examination in accordance with generally accepted auditing standards for municipal activities, with the focus and scope necessary to obtain reasonable grounds for assessment and testing.

In my examination of accounts and the annual report, I have relied on the examination and assessment of the authorized public accountant.

In my overall judgement, the Board has carried out its duties in accordance with the Articles of Association of the Stockholm School of Economics, that the organization has been managed in a fit-for-purpose and financially satisfactory manner and that the internal controls have been adequate.

In my judgement, the annual report has been prepared in accordance with the Swedish Annual Accounts Act.

Stockholm, February 22, 2021



Ulf Bourker Jacobsson
Elected Auditor

STOCKHOLM SCHOOL OF ECONOMICS

The Stockholm School of Economics is the leading business school in the Nordic and Baltic countries and enjoys an excellent reputation in Sweden and internationally. World-class research forms the basis of our programs, consisting of Bachelor's, Master's and postgraduate courses, an MBA program and a wide offering in executive education. **Våra program är utvecklade i nära samarbete med både forskning och näringsliv, vilket ger våra studenter stora möjligheter att uppnå ledande positioner i företag och andra organisationer.**

SSE is accredited by EQUIS, which ensures that both teaching and research maintain the highest international standards. SSE is also the only Swedish member of the CEMS and PIM worldwide collaborations between leading business schools, providing further assurance of the high quality for which SSE is known.

