

# Annual Report 2023



**UNIVERSITY  
OF OULU**

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# UNIVERSITY OF OULU ANNUAL REPORT 2023

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# Annual report

## Activities in 2023

A strategy update was carried out at the University of Oulu in 2023, and “Our Northern Handprint is Global – Strategy of the University of Oulu for the 2030s” was approved in December 2023. The Finnish Education Evaluation Centre (FINEEC) conducted an international audit of the university's quality system in autumn 2023.

## Education

The development of education at the University of Oulu was furthered in 2023 by continuing implementation of the Noste development programme that was launched in 2022. International educational cooperation at the University of Oulu was strengthened as the UNIC European University represented by the university expanded and funding ensured for the next operating period. The university continued its active participation in the national Digivisio 2030 project and the development work to utilise digitalisation in learning and teaching carried out in connection with it. During its meeting on 19 October 2023, the Board of Directors of the University of Oulu decided that the university would join HigherEd Hub Finland Oy, a company established by Finnish higher education institutions. Its task is to maintain and develop the digital services created in the Digivisio 2030 project.

In the first joint application of spring 2023, a total of 8,238 applicants applied to the university's English master's and bachelor's degree programmes. The number of applicants almost doubled compared to 2022, when the number of applicants was 4,278. A total of 17,580 applicants applied for bachelor's and master's degree programmes in Finnish in the second joint application during the spring. In this respect, the number of applicants remained close to the previous year's level. During 2023, a total of 14,178 degree students studied at the university (university students registered for attendance or non-attendance according to the situation on 20 September of the statistical year).

A total of 2,903 degrees were completed at the University of Oulu in 2023 (Table 1). In comparison with 2022, the number of completed degrees increased at all levels of education. The most significant increase in the number of degrees was in doctoral degrees, the number of which also exceeded the average annual target agreed with the Ministry of Education and Culture for the current agreement period (182 degrees).

**Table 1. Undergraduate and postgraduate degrees completed at the University of Oulu**

Level of education	2019	2020	2021	2022	2023
Bachelor's degrees*	1,153	1,173	1,050	1,206	1,274
Master's degrees	1,502	1,509	1,446	1,407	1,442
Doctoral degrees	158	143	161	170	187

\*) The bachelor's degrees also include degrees completed as commissioned education.



A total of 49.5% of Bachelor's degrees completed at the university in 2023 were completed within the target time. The corresponding share for Master's degrees in 2023 was 48.8%. With regard to Bachelor's degrees, the share of students who completed their studies within the target time decreased in relation to the level in previous years. For Master's degrees, the share of degrees completed within the target time was higher than in previous years (Table 2).

**Table 2. Bachelor's and Master's degrees completed within the target time**

Degrees completed within the target time	2019	2020	2021	2022	2023
Bachelor's degrees completed within the target time*	544	569	596	630	630
Share of Bachelor's degrees completed in the target time*	47.2 %	48.5 %	56.8 %	52.2 %	49.5 %
Master's degrees completed within the target time	635	631	648	670	704
Share of Master's degrees completed in the target time	42.3 %	41.8 %	44.8 %	47.6 %	48.8 %

\*) The bachelor's degrees also include degrees completed as commissioned education.

## Research

In 2023, the University of Oulu continued to strengthen the profiling of its research, supported by the Academy of Finland's flagship programme and competitive funding allocated for university profiling. The Academy of Finland's flagship programme was expanded with four new research flagships, one of which is Digital Waters (DIWA) coordinated by the University of Oulu. The University of Oulu is also involved in the new FAME Flagship of Advanced Mathematics for Sensing, Imaging and Modelling led by the University of Eastern Finland and the Finnish Quantum (FQF) flagship coordinated by Aalto University. In 2023, the University of Oulu launched three new research programmes that received PROFI 7 funding. The new research programmes strengthen existing research profile fields and link them to new multidisciplinary topics.

In 2023, the University of Oulu's supplementary funding accounted for 42.1% of the total funding. Funding from the Academy of Finland and Business Finland, which are the most important domestic funding providers, also increased in comparison to 2022 (Table 3). The amount of international competitive funding continued to grow in 2023. Slightly more than EUR 14 million of international competitive funding consisted of EU Framework Programme funding and other qualitative competitive EU funding.







**Table 3. Research funding**

Research funding	2019	2020	2021	2022	2023
Research funding from the Academy of Finland, EUR 1,000	26,826	25,484	29,169	29,523	30,802
Business Finland funding, EUR 1,000	9,204	7,607	7,249	10,073	11,723
International competitive research funding, EUR 1,000	9,793	10,103	11,728	14,492	16,147
Share of supplementary funding of total funding	39.5 %	39.8 %	39.5 %	41.6 %	42.1 %

Researchers at the University of Oulu published nearly 2,900 scientific publications in 2023 (preliminary information). The number and share of Jufo 3 publications out of all publications increased significantly from the level in 2022 (Table 4). Jufo 3 is the highest category of the national publication forum.

**Table 4. University of Oulu publications**

Publications	2019	2020	2021	2022	2023
Jufo-1 publications, pcs	1,729	1,702	1,960	1,843	1,588
Jufo-2 publications, pcs	708	724	795	731	613
Jufo-3 publications, pcs	287	261	319	401	545
Scientific publications, pcs	2,833	2,809	3,175	3,091	2,880

The publication numbers for 2023 presented in the table are not final outcomes (the collection of publication data for 2023 is still ongoing).

## Innovation

The goal of the University of Oulu is to commercially utilise research results so that they produce economic benefits for the researcher, the university and the surrounding society. In 2023, 51 invention notices and 6 copyright notices were filed by the university. During the year, the rights for 11 inventions were transferred to a research project's business partner.

Based on the inventions, seven new patent applications were submitted in the name of the University of Oulu. At the end of 2023, the university was the holder of a patent family based on 56 priority patents or applications. In 2023, the university signed 10 use agreements for 3 patents, 2 inventions, layout designs and a data license, and 1 software.

In 2023, the university granted Proof-of-Concept (PoC) funding for 14 researcher projects. This funding totalled EUR 280,732, with EUR 133,140 coming from the City of Oulu Development Fund. The purpose of PoC funding is to support the first technical implementation of a research-based idea to demonstrate its feasibility.

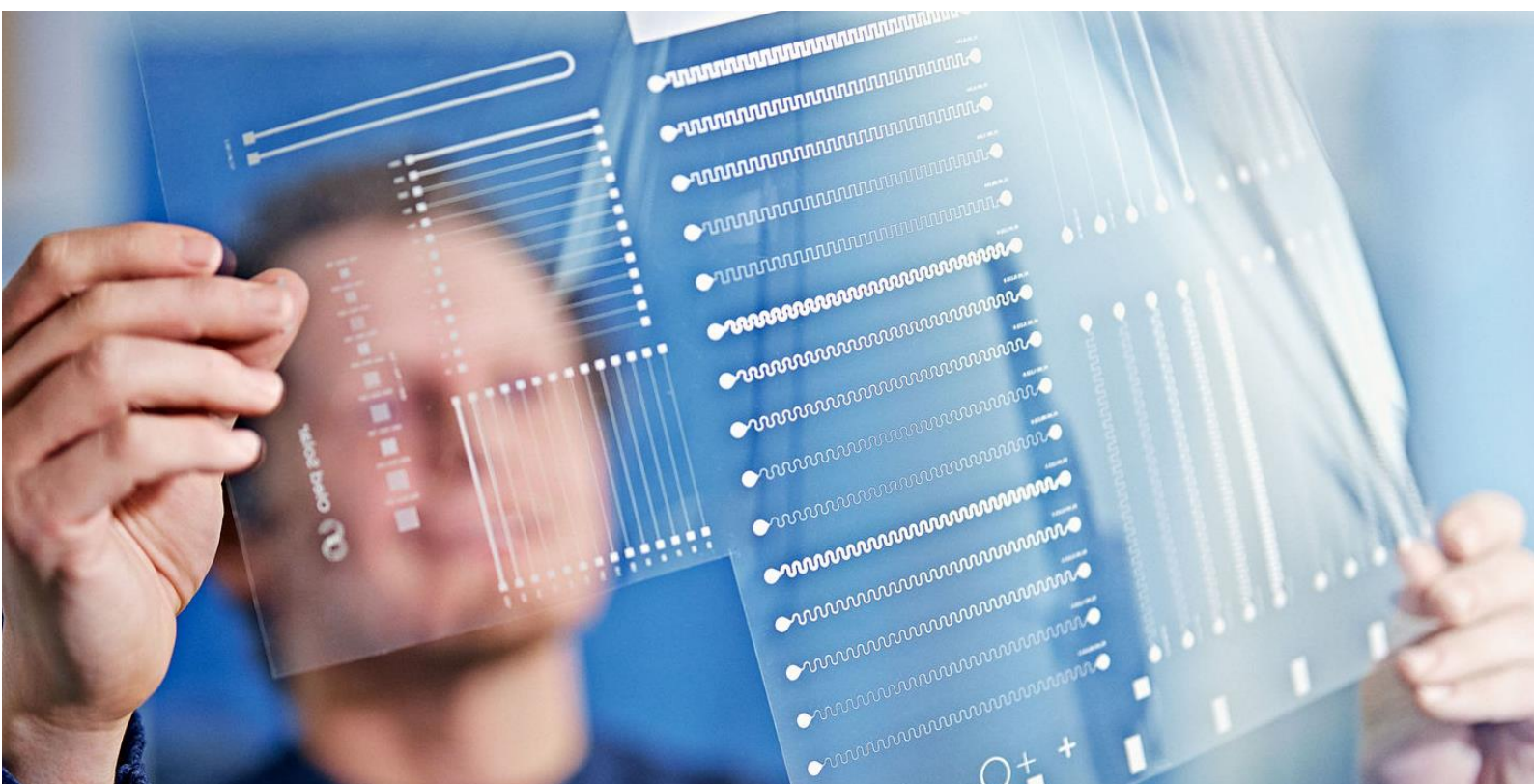
One new research-based company was established during the year, and the university currently has a small ownership stake in six spin-out companies. At the end of the year, the university had 13 commercialisation ideas in which setting up a new company is a feasible option.

**Table 5. Key Figures of Innovation activities 2019–2023**

Year	2019	2020	2021	2022	2023
Invention disclosures	61	36	46	56	57
Priority patent applications	6	10	10	9	7
Patent portfolio of the university (number of patent families)	37	39	45	52	56
Technology transfer agreements (assignment documents or licence agreements for company-commissioned research)	17	24	13	21	21
New research-based companies	2	2	3	2	1
Proof of Concept (PoC) projects	11	15	17	13	14
Business Finland TUTLI funding (new projects)	0	7*	2	2	3

\*One of the projects that received a decision in 2020 was part of the autumn 2019 application round (decision received 3 January 2020).

Each year, the University of Oulu engages in cooperation with hundreds of companies and stakeholder organisations. A significant part of this cooperation takes place in publicly funded projects, but some involves projects commissioned by corporate clients to meet a specific need. The total financing received from companies in 2023 totalled EUR 6.0 million, with EUR 1.4 million coming from foreign companies. The number of collaboration projects funded by Business Finland increased for the third consecutive year, and now stands at 29 projects in which grant from Business Finland is EUR 12.2 million.



## Fund-raising

Following matched funding campaigns supported by the state, the University of Oulu will continue its systematic long-term fund-raising, in which donations are collected for pre-determined donation targets. The collection targets that were prepared and launched in 2023 included NMR research, student mobility and traineeships, a professorship in preventive medicine and a professorship in business analytics.

A total of EUR 2,146,046 was donated during the year. At the end of 2023, the market value of fund-raising investments totalled EUR 89.9 million, which represents a significant share of the University of Oulu's investment assets.

The fund-raising campaign launched earlier to assist with the acquisition of an FUS Lifu device for research on brain and memory disorders was completed in 2023, and eventually made it possible to acquire and install the device. During the 2021–2023 period, a total of EUR 2.2 million in donations were collected from over 300 private individuals and many companies and organisations. Fund-raising will continue in order to strengthen the research and the research group.

In 2023, donated funds were extensively channelled to activities in line with the university's strategy. The donations have enabled new research openings, development work related to new technologies, and the establishment of new professorships. Donated funds have also been allocated to support the career paths of young researchers, acquire research infrastructures, support students and renew teaching. All in all, EUR 1.7 million in donations was allocated to more than 50 different targets. The amount includes depreciation (EUR 146,666) recorded for the FUS device acquisition in 2023.

**Table 6. Fundraising at the University of Oulu. Donations 2008–2023**

Donor	2008–2019	2020	2021	2022	2023
Public organisations	1,634,555	0	300	20,350	30,500
Foundations, associations	8,880,563	130,000	1,626,700	2,344,645	1,444,000
Companies	7,935,275	442,967	721,300	937,000	35,000
Financial and insurance institutes	1,664,872	0	0	290,000	225,719
Private individuals	2,628,759	59,279	247,299	443,241	410,826
Business	29,837	0	0	0	0
<b>Total</b>	<b>22,773,861</b>	<b>632,246</b>	<b>2,595,599</b>	<b>4,035,236</b>	<b>2,146,046</b>
Ministry of Education and Culture match funding	34,334,113	0	0	4,990,000	0





## Facilities

At the end of 2023, the University of Oulu had 158,178 m<sup>2</sup> of leased premises.

The Linnanmaa teacher training school premises has experienced indoor air problems, and at its meeting on 30 January 2023 the Board of Directors of the University of Oulu authorised the rector to investigate the implementation of temporary facilities for the Linnanmaa units of the teacher training school. The outcome of this process was a decision to install temporary modular classrooms for the Linnanmaa primary school on the lower secondary school plot. General upper secondary school activities will be transferred to the Environmental Building (Ympäristötietotalo) on the main Linnanmaa campus. In its meeting on 20 September 2023 the Board of Directors of the University of Oulu made a decision to start the teacher training school facilities needs report.

The university's carbon footprint working group compiled a roadmap for long-term actions to significantly reduce the carbon footprint by 2030. Carbon-neutral district heating was the only method used to heat the main campuses in 2023. The university participated in the Astetta Alemmas (Down a degree) campaign, and electricity consumption in particular was monitored much more closely in 2023.

The electricity shortage predicted for winter 2022–2023 was not realised, and rotating power outages were not required. The security situation in the world and Finland was reflected in the university's activities to a certain extent. At the beginning of 2023, civil defence shelter caretakers received training at the Linnanmaa and Kontinkangas campuses in order to develop preparedness. In accordance with the safety action plan, the University of Oulu's crisis management group was reorganised in 2023 and the general safety instructions were clarified.

## Financial position

The operating profit for 2023, which means profit without the impact of investment activities and fund-raising, showed a deficit of EUR 12.6 million (deficit of EUR 13.1 million in 2022).

The surplus on investment and financial activities was EUR 23.0 million (change in fair value EUR 19.7 million), which increased the university's overall result to a surplus of EUR 11.7 million (deficit of EUR 37.8 million in 2022).

Turnover in 2023 was EUR 283.7 million (EUR 266.3 million in 2022), of which government funding granted by the Ministry of Education and Culture for 2023 was EUR 164.1 million (EUR 155.6 million in 2022). The funding includes EUR 1.0 million in funding for additional starting places granted in 2020 for 2023, EUR 0.8 million in additional funding for studies leading to teacher qualification and education leading to a degree, and EUR 4 million in additional funding for the development of strategy and strategic measures.

Income from supplementary funding was EUR 119.5 million (EUR 110.7 million), equal to 42.1% (41.6%) of total income. The largest increase (EUR 4.1 million) was achieved in the return on EU funding.

During the financial year, total operating expenses amounted to EUR 296.2 million (EUR 279.5 million in 2022), of which personnel expenses accounted for EUR 198.0 million, equal to 66.8% of total operating expenses (EUR 190.6 million and 68.2% in 2022). Other expenses increased by EUR 8.9 million in comparison to 2022, representing 30.8% (29.4%) of total operating expenses. This trend was most affected by an increase in travel expenses, rents for facilities and outsourced



services. Facility rental expenses totalled EUR 28.7 million in 2023 (EUR 27.7 million), equal to 9.7% (9.9%) of operating expenses.

The amount of supplementary research funding reported to the Ministry of Education and Culture was EUR 84.8 million (EUR 77.2 million), which corresponds to 28.6% (27.6%) of the university's total expenditure. The figure is calculated using the formula specified by the ministry, and it differs slightly from the figure for grant income given in the income statement. Supplementary funding consists mainly of project funding from the Academy of Finland, Business Finland and the European Union. Research expenditure on international competitive research funding totalled EUR 16.1 million (EUR 14.5 million), and research expenditure on domestic competitive research funding totalled EUR 46.7 million (EUR 44.3 million).

The balance sheet total on 31 December 2023 was EUR 343.8 million (EUR 332.6 million in the previous year). The fixed assets on the balance sheet totalled EUR 295.9 million (EUR 265.6 million), while current assets totalled EUR 48.0 million (EUR 67.0 million).

**Table 7. Financial indicators of the University of Oulu**

Financial indicators	2020	2021	2022	2023
Change in net sales %	7.31	5.45	1.01	6.52
Operating profit %	0.04	1.74	-4.93	-4.43
Change in equity % (development of the university's own funds)	5.77	13.35	-10.88	4.71
Return on investments at fair value	3.8 %	11.6 %	-11.9 %	11.2 %
Quick ratio	2.39	1.21	1.71	1.11
Adequacy of cash, days	55	8	40	4
Solvency, %	88.7 %	89.9 %	86.5 %	86.6 %
Net gearing	-15.61	-2.14	-12.4	-1.33

Key figures calculated in accordance with the Code of Financial Administration in Universities (10 November 2023).

In 2016, the investment assets allocated to the university's asset management portfolios were reclassified under fixed assets as 'other long-term investments'. A significant portion of the university's basic capital is composed of the funds collected through fund-raising, including matched funding from the state. Total equity at the end of the year amounted to EUR 268.9 million (EUR 256.6 million). The value of University Properties of Finland Ltd shares was EUR 54.2 million and the Group's shares and holdings (acquisition of Oulu University of Applied Sciences in 2018 with 50.5% of the share capital) totalled EUR 5.3 million. Current liabilities amounted to EUR 74.1 million (EUR 74.4 million) and compulsory reserves totalled EUR 0.3 million (EUR 0.2 million).

During the past two years, the operations of CWC Nippon Ltd, a subsidiary of the University of Oulu, have been very limited, and in 2024 preparations will be made to terminate the operations. The subordinated loan granted to the company (EUR 30,000) and the subsidiary shares (EUR 186,635.79) have been written down in the University of Oulu's 2023 accounting.

Total investments in the financial statements amounted to EUR 15.3 million (EUR 7.8 million). Investment grants received totalled EUR 4.3 million (EUR 1.4 million). Of the total investments, investments in intangible and tangible assets totalled EUR 15.3 million (EUR 7.8 million), and other investments amounted to EUR 0 million (EUR 0 million). The University of Oulu holds 10.57 % of the share capital of University Properties of Finland Ltd and 19.44 % of the share capital of Certia Oy.







## Investment activities

Although the economy faced challenges, the market year 2023 was fairly positive for investors. Despite the bank crisis early in the year and the geopolitical challenges that began later, key annual returns on stock and interest indexes were clearly positive. Important market themes during the year included inflation and interest rates. The interest rate increases that began in 2022 continued into 2023, and signs of the effectiveness of the stricter monetary policy were visible. The pace of inflation growth slowed in the United States and Europe, although the figures remained above central bank targets. The conflict in the Gaza Strip that began in early October increased uncertainty in the market. The most significant impact was seen in the development of raw material prices, especially oil. The news caused a sharp increase in the price of crude oil, with investors fearing an expansion of the conflict and its broader impact on oil production.<sup>1</sup>

The December interest rate decision made by the European Central Bank (ECB) was not a surprise to the market. The central bank maintained its steering and deposit interest rates at 4.5% and 4.0% and announced that it would reduce reinvestments of securities in the second half of 2024. The central bank was reticent concerning future decisions and did not provide the market with any hints about eagerly awaited decreases in the interest rate. As expected, the United States Federal Reserve System (Fed) kept its key interest rate range between 5.25% and 5.5%, but its interest rate projections surprised the market positively.<sup>1</sup>

The Federal Open Market Committee expects as many as three reductions of 25 basis points during 2024, which would put the interest rate at 4.5-4.75%. In September, the forecast for interest rates was half a percentage point higher. The Purchasing Managers' Indexes published in December for the euro zone reinforced the picture of a weak economy. The index figures continued to decrease in December, and the combined index for services and industry fell to 47.0. An index of less than 50.0 points indicates a slowdown in economic activity. Rising interest rates have negatively impacted domestic demand and caused caution on the part of consumers, which has cast shadows on economic development in the euro area.<sup>1</sup>

According to the investment policy approved by the University Board, the university's investment assets are to be invested over a period of several decades, but at least part of the annual return must be quickly available when the Board decides annually on its allocation. The return from investment activities is mainly allocated to finance strategic recruitments and separate projects approved by the Board of Directors and to increase equity, thus securing the financing of more and/or larger projects in the future.

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<sup>1</sup> Investment Research Finland's investment report to the University of Oulu 12/2023

**Table 8. Summary of the University of Oulu's investment activities in 2023**

Summary by portfolio	Weight of stock	Market value (€)	%	Return from the beginning of the year (€)	Return from the beginning of the year (%)	Profit from the beginning of the portfolio (%)
Scholarship Fund of the University of Oulu	54.2 %	4,366,674	2.0 %	433,355	10.7 %	5.1 %
Professor Pentti Kaitera Fund	54.2 %	1,497,674	0.7 %	147,811	10.8 %	6.0 %
Council Reserve Fund	53.3 %	7,431,208	3.4 %	875,271	13.4 %	6.0 %
Fundraising	54.4 %	45,817,556	21.1 %	5,424,354	10.8 %	5.4 %
State-capitalised assets	53.4 %	64,898,210	29.8 %	7,635,353	13.3 %	5.3 %
Liquidity portfolio	30.3%	24,205,917	11.1 %	2,724,424	11.6 %	3.8 %
Match funding	54.4 %	44,029,291	20.2 %	3,153,580	10.5 %	3.8 %
Alternative investments	100.0 %	21,996,030	10.1 %	862,154	4.6 %	12.2 %
Cash assets	0.0 %	3,395,659	1.6 %	0	0.0 %	0.0 %
<b>Total</b>		<b>217,638,219</b>	<b>100.0%</b>	<b>21,256,302</b>		





### Comments on the portfolio's responsibility:

At the end of the year, the ESG rating for the University of Oulu's investment portfolio was 7.1 and the portfolio was in the top one-third (leader). Although the ESG rating decreased slightly due to a methodological change made by MSCI in the summer, each individual element (E,S,G) has developed in the right direction. In particular, the downward trend in carbon risk was significant in 2023. The carbon risk of the University of Oulu's portfolio on 31 December 2023 was 86.8 (on 31 December 2022: 127.3).

### University of Oulu's investments in 2023

On 31 December 2023, the market value of the University of Oulu's total investment assets was EUR 214.2 million, and the return on investment activities in 2023 was EUR 21.3 million.

The University of Oulu's investment portfolio without the liquidity portfolio produced a return of 3.2% in December and 11.1% for the entire year of 2023. In December, the portfolio produced a return of 0.3 percentage points more than the benchmark index for the portfolio and the return on the portfolio for the whole year was very similar to the benchmark. However, it did provide a return of 0.1 percentage points more than its benchmark index. The euro-based return without the liquidity portfolio was approximately EUR 18.5 million in 2023.

The listed shares in the portfolio yielded a return of 3.9% in December (difference in comparison to index: 0.4%) and 16.4% for the entire year (index: 16.5%). Interest rates also provided exceptional returns in 2023, with higher credit risk HY corporate bonds yielding a return of 12.5% and lower credit risk IG corporate bonds a return of 9.0% in the university's portfolio. A result of -3.1% was recorded for the EMD loans divested during the year.

In 2023, the University of Oulu's Investment Committee comprised Maaria Eriksson (KEVA), Kateryna Diesen (Varma, starting on 1 June 2023), Pirjo Kivari (Oulun Energia), Aki Kangasharju (ETLA) and Pekka Riuttanen (University of Oulu). The Investment Committee began its work in autumn 2013.

## Personnel

In 2023, the average number of people working at the University of Oulu was 3,770. The total number of person-years was 3,222 (2022: 3,217 person-years). Among university personnel, the percentage of fixed-term employees decreased slightly compared to the previous year. Fixed-term employees accounted for 58.3% of all personnel (2022: 58.9 %). In the doctoral and post doc stage, research staff are primarily hired on fixed-term contracts. Of employees subject to the total working time system, 73.3% were fixed-term employees on 31 December 2023 (2022 73.6 %).

In 2023, a total of 51.7% of university staff were women (2022: 52.4 %). The average age of university staff was 42 years. In total, 59.5% of the personnel were aged 44 or less (2022: 58.3%). Women account for 25% of the rectors and vice rectors, 44% of the deans and vice deans, and 20% of the other managers, excluding administration. The representation of women in academic management at the University of Oulu is being monitored, and the objective is to improve in this area. The total number of international personnel increased compared to the previous year and was 930, or 24.2% of all personnel, on 31 December 2023 (2022: 810 people, 22.5%).

The number of applicants in the University of Oulu's personnel recruitment increased by 33% in 2023 compared to 2022. A total of 403 vacancies were posted externally by the university in 2023 (2022: 393). A total of 78% of the job advertisements were for teaching and research staff positions and 22% involved other staff positions. In 2023, a total of 10,691 applications were submitted for different positions (2022: 8,022).

Total pay expenditure (including salaries, fees and indirect wage expenses) per person-year increased in 2023, and the average pay expenditure per person-year was EUR 61,445 (2022: EUR 59,259). The development of well-being at work at the university level and in the different units continued in 2023 on the basis of action plans that are updated each year and a joint well-being survey for universities performed in spring 2023. In 2023, absences due to sick leave days were 5.1 calendar days per person (2022: 5.6 days).

Key figures concerning personnel information are presented in more detail in the notes to the financial statements.

## Risk management

Risk management is part of the University of Oulu's management system and supports the achievement of the university's strategic and operational objectives. The university's risk management policy was updated in 2023. As part of the development work carried out in 2023, the risk management process was defined and approved for the university. In addition, the university's management group updated the list of key identified risks created to support risk management. As part of the risk management process, identification of control measures for the four most significant risks was also initiated in 2023.

## Assessment of future developments

Key factors affecting the University of Oulu's future activities were assessed as part of the strategy update work in 2023. The challenges highlighted in the analyses included deterioration in the sustainability of nature, tensions in the geopolitical environment, and a decrease in the size of age groups applying for study positions. New opportunities that were identified included the green transition, areas of which are studied at the University of Oulu through multidisciplinary and interdisciplinary cooperation.

Based on the university's operating environment analysis and competence profile, the global challenges selected in the strategy will guide research, education and collaboration activities in the coming years. The selected global challenges are mitigating climate change and safeguarding biodiversity; a resilient and safe society; human health and well-being; and digitalisation and artificial intelligence at the service of humanity.

The Government of Finland is promoting implementation of the Act on Research and Development Funding, which aims to increase RDI funding to 4% of GDP by 2030. The University of Oulu continues to invest in high-quality top research, which strengthens our competitiveness in Finland and internationally. The university's vision is to continue to be among the international leaders in our research profile areas. Special attention will be paid to ensuring a vibrant link between education and research in the university's activities.



In the coming years, we will implement the strategy of the University of Oulu and direct our activities through three university-level development paths. The research development path aims to reinforce a strong scientific community and interdisciplinary research by taking into account a researcher orientation, research profile and infrastructure development. The focus in the future will be on emerging fields and renewal, which will be supported by investing in foresight work and management training for young researchers. All of the university's research activities have social impact, and they take the perspectives of open and responsible science and citizen science into account.

The education development path aims for high-quality education and an excellent learning experience. Development focuses on the degree programme portfolio, a thriving community, an international experience, and study guidance. In addition to verification of degree-based competence, the task of continuous learning set for universities will be strengthened. The Opin.fi service developed via national Digivisio cooperation will be launched in 2025. In the coming years, it will bring together the digital education offered by all higher education institutions.

The aim of the strategic cooperation and social impact development path is to strengthen the university's position as an internationally respected and responsible partner. The objective is to build strategic partnerships with universities and research institutes and have a targeted influence on EU research and innovation policies and funding programmes. The aim is to increase supplementary funding by strengthening corporate and stakeholder cooperation in the areas of research and education. The university also supports innovation activities so that inventions and other immaterial properties can be transformed into effective innovations.

## Board of Directors and auditors

During the year under review, the Board of Directors of the University of Oulu was chaired by Juhani Damski, and the board members were Anna Rotkirch (Jan-Sept 2023, Vice Chair), Mikko Ayub (Vice Chair starting in September 2023) Jukka Hiltunen, Liisa Jaakonsaari, Kalervo Väänänen, Tiina Rajala (starting in September 2023), Tiina Kinnunen, Johanna Uusimaa, Kimmo Kontio, Teemu Virtanen and Miriam Putula-Vasari.

The auditors were the Authorised Public Accountants BDO Audiator Oy, with Tiina Lind KHT, JHT and Ulla-Maija Tuomela KHT, JHT acting as principal auditors.

## Board proposal on the processing of the profit of the financial year

The Board proposes that the profit for the financial year (EUR 11,659,429.42) be entered in the balance sheet profit/loss account.

At its meeting on 12 February 2013, the Board of Directors decided to set up an unrestricted fund to which the proceeds of unallocated donations will be transferred after the financial statements for each year have been confirmed. No donations were transferred to the unrestricted fund in 2023. Use of the unrestricted fund from previous years takes the form of an intra-balance sheet transfers after the approval of the financial statements. The amount transferred to the restricted fund in 2023 was EUR 1,842,568.52.







## Income Statement

Consolidated Income Statement	Group	Group	University	University
	1.1.-31.12.2023	1.1.-31.12.2022	1.1.-31.12.2023	1.1.-31.12.2022
<b>Revenue</b>	<b>336,064,885</b>	<b>316,810,111</b>	<b>283,685,984</b>	<b>266,323,040</b>
Government funding	216,570,337	204,568,000	164,149,000	155,607,000
Income from grants	102,573,119	94,916,397	95,668,574	86,958,844
Income from business	11,123,060	10,453,762	12,324,307	11,269,455
Other income	5,798,370	6,871,953	11,544,102	12,487,741
<b>Expenses</b>	<b>-347,559,869</b>	<b>-328,522,841</b>	<b>-296,242,056</b>	<b>-279,450,232</b>
Personnel expenses	-233,377,738	-223,727,146	-197,974,978	-190,635,522
Depreciation	-8,118,281	-7,618,498	-7,058,671	-6,528,464
Other expenses	-106,063,850	-97,177,197	-91,208,406	-82,286,246
<b>Operating profit (loss)</b>	<b>-11,494,984</b>	<b>-11,712,730</b>	<b>-12,556,072</b>	<b>-13,127,192</b>
<b>Fundraising</b>				
Income from fundraising and donations	1,912,306	3,281,766	1,849,795	3,203,266
Other fundraising expenses	-17,326	-20,051	-6,977	-13,547
<b>Surplus / deficit</b>	<b>1,894,981</b>	<b>3,261,715</b>	<b>1,842,818</b>	<b>3,189,719</b>
<b>Investment Activities</b>				
Dividend income	1,739,972	1,920,801	1,739,972	1,920,801
Interest income	185,648	20,565	184,475	20,534
Rental income	211,403	194,112	0	0
Profit on sales of investments	1,880,059	12,965,493	1,598,551	12,629,012
Other income	544,436	726,355	488,527	657,600
Maintenance charges	-10,553	0	0	0
Financial charges	-75,813	-74,369	0	0
Loss on sales of investments	-657,965	-13,778,374	-349,802	-13,311,518
Other investment expenses	-114,810	-189,330	-94,981	-169,213
Change in fair value	21,782,836	-31,085,008	19,657,951	-28,581,385
<b>Surplus / deficit</b>	<b>25,485,214</b>	<b>-29,299,755</b>	<b>23,224,692</b>	<b>-26,834,168</b>
<b>Financial Activities</b>				
Other interest and financial income	45,141	1,046	0	0
Impairments of investments in other fixed assets	0	0	-216,636	0
Interest expenses and other financial expenses	-894	-8,637	0	0
<b>Surplus / deficit</b>	<b>44,247</b>	<b>-7,590</b>	<b>-216,636</b>	<b>0</b>
<b>Profit (loss) before appropriations and taxes</b>	<b>15,929,458</b>	<b>-37,758,360</b>	<b>12,294,802</b>	<b>-36,771,641</b>
<b>Appropriations</b>				
Change tied-up funds	-237,013	-2,437,333	-181,372	-2,282,363
Change equity funds	-1,327,924	2,758,164	-453,911	1,212,011
<b>Income taxes</b>	<b>-31,798</b>	<b>-39,363</b>	<b>-90</b>	<b>-31</b>
<b>Minority holdings</b>	<b>-1,217,152</b>	<b>-180,982</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT (LOSS)</b>	<b>13,115,570</b>	<b>-37,657,875</b>	<b>11,659,429</b>	<b>-37,842,025</b>

## Balance Sheet

Assets	Group 31/12/2023	Group 31/12/2022	University 31/12/2023	University 31/12/2022
<b>FIXED ASSETS</b>				
<b>Intangible assets</b>				
Intellectual property rights	1,160,722	941,458	1,157,208	941,458
Other intangible assets	2,609,168	3,297,363	2,567,390	3,181,225
Advance payments	1,589,443	1,177,815	1,489,270	1,177,815
	<b>5,359,333</b>	<b>5,416,636</b>	<b>5,213,868</b>	<b>5,300,498</b>
<b>Tangible assets</b>				
Land and water areas	300,000	300,000	0	0
Buildings and structures	138,381	104,441	138,381	104,441
Machinery and equipment	17,598,660	13,964,982	14,664,577	11,007,893
Other tangible assets	253,484	254,586	27,762	28,865
Advance payments and purchases in progress	1,643,217	1,222,822	1,473,381	1,139,259
	<b>19,933,742</b>	<b>15,846,832</b>	<b>16,304,102</b>	<b>12,280,458</b>
<b>Investments</b>				
Holdings in group companies	0	0	5,289,810	5,289,810
Receivables from group companies	0	0	0	30,000
Other shares and holdings	56,567,248	56,567,248	54,887,924	55,074,560
Other long-term investments	221,601,371	194,173,405	208,312,940	182,075,986
	<b>278,168,619</b>	<b>250,740,653</b>	<b>268,490,674</b>	<b>242,470,356</b>
<b>Funds in non-autonomous reserves</b>	15,636,543	14,627,301	5,872,425	5,563,289
<b>TOTAL FIXED ASSETS</b>	<b>319,098,237</b>	<b>286,631,421</b>	<b>295,881,068</b>	<b>265,614,601</b>
<b>CURRENT ASSETS</b>				
<b>Receivables</b>				
<b>Long-term receivables</b>				
Other receivables	2,405,793	1,248,856	2,390,905	1,223,149
Accrued income	7,417	5,142	0	0
	<b>2,413,211</b>	<b>1,253,998</b>	<b>2,390,905</b>	<b>1,223,149</b>
<b>Short-term receivables</b>				
Trade receivables	21,670,489	16,994,479	21,428,983	17,109,893
Other receivables	1,535,531	157,869	1,423,990	155,163
Accrued income	22,146,429	22,017,168	19,213,333	17,401,478
	<b>45,352,449</b>	<b>39,169,515</b>	<b>42,066,305</b>	<b>34,666,534</b>
<b>Shares and holdings</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>
<b>Cash and bank receivables</b>	<b>13,862,192</b>	<b>40,411,883</b>	<b>3,504,214</b>	<b>31,138,837</b>
<b>TOTAL CURRENT ASSETS</b>	<b>64,627,851</b>	<b>82,835,397</b>	<b>47,961,424</b>	<b>67,028,521</b>
<b>TOTAL ASSETS</b>	<b>383,726,089</b>	<b>369,466,817</b>	<b>343,842,493</b>	<b>332,643,122</b>



## ANNUAL REPORT 2023

Equity and Liabilities	Group 31/12/2023	Group 31/12/2022	University 31/12/2023	University 31/12/2022
<b>EQUITY</b>				
Basic capital	112,358,991	112,358,991	112,358,991	112,358,991
Basic capital of Scholarship Foundation	269	269	0	0
Non-autonomous reserves	6,003,291	5,539,803	5,870,687	5,416,776
Other equity of Scholarship Foundation	11,355,411	10,490,974	0	0
Other statutory reserves	13,104,252	12,867,239	12,548,953	12,367,581
Paid-up unrestricted equity reserve	324,692	324,692	0	0
Unrestricted reserves	2,169,782	2,169,821	2,169,782	2,169,821
Other equity				
Operating capital	35,268,582	35,268,582	35,268,582	35,268,582
Translation difference	31,701	18,883	0	0
Retained earnings (loss)	90,726,411	128,389,209	89,019,740	126,861,725
Profit (loss) for the financial period	13,115,570	-37,657,875	11,659,429	-37,842,025
<b>TOTAL EQUITY</b>	<b>284,458,951</b>	<b>269,770,589</b>	<b>268,896,164</b>	<b>256,601,452</b>
<b>MINORITY HOLDINGS</b>	<b>12,140,648</b>	<b>10,923,496</b>		
<b>STATUTORY PROVISIONS</b>				
Pension provisions	31,723	31,723	0	0
Other statutory provisions	382,957	231,252	335,572	156,852
	<b>414,680</b>	<b>262,974</b>	<b>335,572</b>	<b>156,852</b>
<b>GROUP RESERVE</b>	<b>3,524,275</b>	<b>3,524,275</b>		
<b>LIABILITIES</b>				
<b>Debts in non-autonomous reserves</b>	250	5,120	250	5,120
<b>Long-term</b>				
Advances received	998,333	2,193,000	486,000	1,458,000
	<b>998,333</b>	<b>2,193,000</b>	<b>486,000</b>	<b>1,458,000</b>
<b>Short-term</b>				
Advances received	36,651,701	39,536,646	33,219,298	36,009,052
Trade payables	6,295,903	5,482,773	5,692,849	4,996,713
Other creditors	14,983,073	15,196,264	13,566,945	13,336,647
Accruals	24,258,275	22,571,681	21,645,416	20,079,287
	<b>82,188,952</b>	<b>82,787,363</b>	<b>74,124,508</b>	<b>74,421,699</b>
<b>TOTAL LIABILITIES</b>	<b>83,187,534</b>	<b>84,985,483</b>	<b>74,610,757</b>	<b>75,884,819</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>383,726,089</b>	<b>369,466,817</b>	<b>343,842,493</b>	<b>332,643,122</b>

## Cash Flow Statement

The University of Oulu	1.1.-31.12.2023	1.1.-31.12.2022
<b>Cash flow from operating activities</b>		
Profit (loss) before appropriations and taxes	12,294,802	-36,771,641
Depreciation and impairment	7,058,671	6,528,464
Other non-payment income and expenses	-241,799	-1,308,170
Change in fair value	-19,657,951	28,581,385
Financial income and expenses	-3,566,741	-1,747,216
Other adjustments	-2,000	0
Income and expenses in non-autonomous reserves	635,283	1,070,352
Change in working capital		
Change in short-term non-interest-bearing receivables	-8,567,527	-6,581,686
Change in short-term non-interest-bearing liabilities	-1,274,061	18,369,542
Paid direct taxes	-90	-31
<b>Cash flow from operating activities (A)</b>	<b>-13,321,412</b>	<b>8,140,998</b>
<b>Cash flow from investment activities</b>		
Investments in tangible and intangible assets (-)	-15,257,396	-7,799,768
Revenue from the sale of intangible and tangible assets	2,000	0
Received investment grants	4,261,712	1,397,881
Investments / divestment income from investments (net)	-7,128,321	15,707,734
Other net income from investments		
Dividend income from investments	1,739,972	1,920,801
Net income from investments	1,642,294	-194,119
<b>Cash flow from investment activities (B)</b>	<b>-14,739,739</b>	<b>11,032,529</b>
<b>Cash flow from financing activities</b>		
Increase in equity	0	4,990,000
Interest and financial income received	184,475	20,534
Cash flow from financing for non-autonomous reserves	240,182	926,401
<b>Cash flow from financing activities (C)</b>	<b>424,656</b>	<b>5,936,935</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents (A+B+C)</b>	<b>-27,636,495</b>	<b>25,110,463</b>
Cash and cash equivalents at the beginning of the financial period	31,138,837	6,033,859
Cash and cash equivalents at the end of the financial period	3,504,214	31,138,837
	<b>-27,634,623</b>	<b>25,104,978</b>
Cash and cash equivalents in non-autonomous reserves at the beginning of the financial period	6,449	964
Cash and cash equivalents in non-autonomous reserves at the end of the financial period	4,577	6,449
	<b>-1,872</b>	<b>5,485</b>
<b>Total change in cash and cash equivalents</b>	<b>-27,636,495</b>	<b>25,110,463</b>



## Consolidated Cash Flow Statement

Consolidated Cash Flow Statement	1.1.-31.12.2023	1.1.-31.12.2022
<b>Cash flow from operating activities</b>		
Profit (loss) before appropriations and taxes	15,929,458	-37,758,360
Depreciation and impairment	8,118,281	7,618,498
Other non-payment income and expenses	-177,775	-1,232,452
Change in fair value	-21,782,836	31,085,008
Financial income and expenses	-3,746,625	-1,773,100
Other adjustments	-3,296	-37,348
Income and expenses in non-autonomous reserves	635,283	1,070,352
Change in working capital		
Change in short-term non-interest-bearing receivables	-7,510,674	-6,612,410
Change in short-term non-interest-bearing liabilities	-1,892,529	17,859,062
Interest and other financial expenses paid	-929	-13,199
Interest and other financial income received	1,881	1,046
Paid direct taxes	-61,087	-17,976
<b>Cash flow from operating activities (A)</b>	<b>-10,490,849</b>	<b>10,189,122</b>
<b>Cash flow from investment activities</b>		
Investments in tangible and intangible assets (-)	-16,868,958	-9,765,047
Revenue from the sale of intangible and tangible assets	5,450	37,348
Received investment grants	4,721,070	2,704,312
Investments / divestment income from investments (net)	-6,884,979	12,920,949
Other net income from investments		
Dividend income from investments	1,739,972	1,920,801
Net income from investments	1,776,758	-156,113
<b>Cash flow from investment activities (B)</b>	<b>-15,510,687</b>	<b>7,662,251</b>
<b>Cash flow from financing activities</b>		
Increase in equity	0	4,990,000
Interest and financial income received	228,943	20,565
Cash flow from financing for non-autonomous reserves	230,605	923,876
<b>Cash flow from financing activities (C)</b>	<b>459,548</b>	<b>5,934,441</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents (A+B+C)</b>	<b>-25,541,987</b>	<b>23,785,814</b>
Cash and cash equivalents at the beginning of the financial period	42,411,883	18,634,080
Cash and cash equivalents at the end of the financial period	16,862,192	42,411,883
	<b>-25,549,692</b>	<b>23,777,803</b>
Cash and cash equivalents in non-autonomous reserves at the beginning of the financial period	98,114	90,103
Cash and cash equivalents in non-autonomous reserves at the end of the financial period	105,818	98,114
	<b>7,705</b>	<b>8,010</b>
<b>Total change in cash and cash equivalents</b>	<b>-25,541,987</b>	<b>23,785,814</b>

## Realisation of quantitative targets 2020–2023

Degrees	Average 2020–2023	2023	Target 2021–2024
Doctoral degrees	165	187	182
Master's degrees	1,451	1,442	1,757
Bachelor's degrees	1,176	1,274	1,600

## Supplementary research funding (expenditure based), EUR million

Research funding	2020	2021	2022	2023
Total supplementary research funding	67.2	70.5	77.2	84.8
% of total expenditure	26.9	27.2	27.6	28.6

## National competitive research funding, EUR million

National competitive research funding	2020	2021	2022	2023
Academy of Finland	25.5	29.2	29.5	30.8
Business Finland	7.6	7.2	10.1	11.7

## International competitive research funding, EUR million

International competitive research funding	2020	2021	2022	2023
EU Framework Programme funding and other qualitative competitive EU funding	8.2	9.5	11.7	14.1
Other foreign funding	1.9	2.3	2.8	2.0

## Breakdown of total costs, EUR million

Breakdown of total costs	2020	2021	2022	2023
Personnel expenses	171.2	179.3	190.6	198.0
Depreciation	5.7	6.4	6.5	7.1
Materials, supplies, goods	9.7	10.3	12.8	12.0
Purchases of services	15.8	16.2	17.0	18.1
Rents for premises and other rents	29.1	29.4	30.3	30.8
Travel expenses	1.9	1.3	5.4	8.2
Other expenses	16.5	16.2	16.9	22.1
<b>TOTAL</b>	<b>249.9</b>	<b>259.1</b>	<b>279.5</b>	<b>296.2</b>

## Breakdown of income, EUR million

Breakdown of income	2020	2021	2022	2023
Basic funding	150.4	159.6	155.6	164.1
Compensation for teacher training schools	6.8	7.0	7.2	7.1
Supplementary funding	92.8	97.1	103.5	112.5
<b>TOTAL</b>	<b>250.0</b>	<b>263.7</b>	<b>266.3</b>	<b>283.7</b>





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