

Annual Report 2021



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Form of ownership	Legal person governed by public law
Main activities	1) academic research 2) provision of higher education based on integrated teaching and research activities 3) provision of teaching- and research-based services to the society
Financial year	01.01.2021–31.12.2021
Auditor	KPMG Baltics OÜ
Council	11 members
Council Chair	Ruth Oltjer
Attached	Report of independent sworn auditor

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Activity Report 2021

UNIVERSITY GOVERNANCE
OPERATING ENVIRONMENT
TEACHING AND STUDIES
RESEARCH
ENTREPRENEURIAL UNIVERSITY
CONTRIBUTION TO SOCIETY
ORGANISATION

Rector's foreword



Dear colleagues and partners,
The University of Tartu annual report 2021 comes at a difficult time: the COVID-19 pandemic has affected our lives for two years, and now a war in Ukraine, initiated by the Russian Federation, is reshaping the world, its security situation and economy.

The university's mission is to be a promoter of society and its provider of evidence-based support – also

in crises. The year 2021 was a ground-breaking one for the future of Estonian universities. The government delivered the promise made in the Estonian Research Agreement in 2018 and increased public research funding to 1% of GDP. In spring, Estonian universities launched a public debate on higher education funding. In a short time, all parliamentary parties came to understand that the underfunding of higher education is one of the most important challenges facing the country in the coming years.

In 2021, we started to align our activities with the objectives of the university's new strategic plan A2025. The COVID-19 pandemic inevitably disrupted the day-to-day running of the university, but at the same time, it gave an unexpected impetus to research and development. Coronavirus-related research projects helped boost research income, and the university also earned record income (incl. private funding) from teaching activities. Overall, the university's budget revenue in 2021 was higher than ever. However, this does not alleviate the funding gap in higher education, as a total shortfall of around €100 million has accumulated in higher education funding in Estonia over the years.

In December, the university council completed its five-year term of office. During this time, it dealt with many important issues: compiled a new strategic plan and its supporting documents, agreed on longer-term principles of the university's budgeting, and established the company UniTartu Ventures to better apply the university's intellectual property in business. It is good to see that the new council, which started work in 2022, includes several members of the previous council as well as new and highly competent decision-makers from within the university, the private sector and abroad.

During the year, the university also worked hard to prepare for doctoral reform. The reform, which will come into force in 2022, will be a major step toward securing the next generation of both top-level professionals and academic staff the society needs. Doctoral students can now start working as researchers at the university and receive at least the average Estonian salary to dedicate themselves to their doctoral research.

In the field of developing management quality, we are proud of the 360° feedback survey for managers, which was carried out for the first time at the university. It provided a balanced overview of the perception of managers' activities at different levels and supported managers' development.

Many initiatives launched in 2021 will continue to influence our activities in 2022 and the coming years. The university needs to offer its in-depth knowledge to society also in the new security situation and, at the same time, support the Ukrainian academic community and students. To do all this, we have a strong community, but also smart and constructive cooperation with other universities and partners.

Toomas Asser
Rector of the University of Tartu

Abbreviations

Universities

EBS	Estonian Business School
EAA	Estonian Academy of Arts
EAMT	Estonian Academy of Music and Theatre
EULS	Estonian University of Life Sciences
TU	Tallinn University
TUT	Tallinn University of Technology
UT	University of Tartu

Fields of study

EDU	Education
HUM	Humanities and arts
SOC	Social sciences, journalism and information
BUS	Business, administration and law
SCI	Natural sciences, mathematics and statistics
ICT	Information and communication technologies
ENG	Engineering, manufacturing and construction
AGR	Agriculture
HEA	Health and welfare
SER	Services

Faculties of the University of Tartu

HV	Faculty of Arts and Humanities
SV	Faculty of Social Sciences
MV	Faculty of Medicine
LT	Faculty of Science and Technology

Other abbreviations

A2025	University of Tartu Strategic Plan for 2020–2025
ARWU	Academic Ranking of World Universities by Shanghai Ranking Consultancy
AS	<i>aktsiaselts</i> (public limited company)
ECTS	Credit point of the European Credit Transfer and Accumulation System
EHIS	Estonian Education Information System
EIT	European Institute of Innovation and Technology
ENLIGHT	European university Network to promote equitable quality of Life, sustainability and Global engagement through Higher education Transformation
ERA	European Research Area
ERC	European Research Council
ESI	Essential Science Indicators
ETIS	Estonian Research Information System
EU	European Union
EU13	13 newest member states of the European Union
FTE	full-time equivalent
GDP	gross domestic product
HEI	higher education institution
mEUR	million euros
MoER	Estonian Ministry of Education and Research
MOOC	massive open online course
MTÜ	<i>mittetulundusühing</i> (non-profit organisation)
OÜ	<i>osaühing</i> (private limited company)
PUT	personal research funding
QS	QS World University Rankings
R&D	research and development
SA	<i>sihtasutus</i> (foundation)
SME	small and medium-sized enterprise
SIS	Study Information System
TAIE	Estonian Research and Development, Innovation and Entrepreneurship Strategy 2021–2035
THE	Times Higher Education World University Rankings
UNESCO	United Nations Educational, Scientific and Cultural Organization
UTTV	University of Tartu video portal

Key figures

Employee figures are given as at 31 December.

Student figures are given as at 10 November. The number of students does not include external students, visiting students and resident doctors. The first level of higher education includes professional higher education, bachelor's studies and integrated bachelor's and master's studies.

The number of **graduates** of a given year refers to students who completed their studies during the period from 1 October of the previous calendar year to 30 September of the given calendar year.

The number of **curricula** in which students were enrolled includes curricula in which students were enrolled as at 10 November (including all joint curricula).

The number of **publications** includes Estonian Research Information System (ETIS) categories 1.1, 1.2, 1.3, 2.1, 2.5, 3.1, 3.2, 3.3, 4.1, 5.1, 6.3, 6.4. High-level publications include ETIS categories 1.1, 1.2, 2.1 and 3.1. The number of publications includes those authored by persons who had a valid employment contract with the University of Tartu or who were enrolled as regular doctoral students in the corresponding calendar year. The data retrieved from ETIS as at 15 February of the following year.

	2017	2018	2019	2020	2021
Employees					
Number of employees	3,435	3,602	3,635	3,767	3,767
Number of employees (FTE)	2,805	2,935	2,957	3,055	3,166
incl. academic staff	51.1%	51.7%	51.3%	52.5%	52.1%
Number of academic staff (FTE)	1,432	1,517	1,518	1,604	1,650
incl. PhD holders	73.3%	74.3%	76.3%	74.5%	74.0%
incl. international academic staff	10.0%	12.3%	13.9%	15.5%	17.7%
Number of professors (FTE)	170	179	186	186	209
incl. female professors	22.8%	23.3%	25.9%	26.4%	28.3%
Students					
Number of students	12,896	13,169	13,395	13,641	13,909
at the first level of higher education	60.8%	60.4%	60.6%	60.6%	60.6%
in master's studies	29.9%	30.6%	30.9%	31.1%	31.1%
in doctoral studies	9.3%	9.0%	8.6%	8.3%	8.3%
Number of international students	1,195	1,457	1,660	1,678	1,746
percentage of all students	9.3%	11.1%	12.4%	12.3%	12.6%
Number of graduates	2,625	2,630	2,715	2,778	2,961
incl. number of PhD graduates	138	122	129	118	105
Curricula					
Number of curricula to which students were admitted	162	161	159	159	160
incl. English-taught curricula at the first and second level of higher education	26	26	30	29	31
Number of curricula with enrolled students	213	198	197	188	182
Research publications					
Number of publications	2,512	2,374	2,834	2,813	3,215
incl. number of high-level publications	1,709	1,709	1,983	1,995	2,382
incl. number of publications of the category 1.1	1,231	1,259	1,480	1,472	1,846
Position in international university rankings					
THE	301–350	301–350	301–350	251–300	251–300
QS	314	321	301	285	300
ARWU	301–400	301–400	301–400	401–500	401–500

More detailed data are available on the UT website statistika.ut.ee.

UNIVERSITY GOVERNANCE

The highest decision-making body of the University of Tartu is the **council**, which is responsible for the university's economic activities and long-term development, approves the university's statutes and adopts the strategic plan and budget. The council has 11 members: five nominated by the university, five by the minister of education and research, and one by the Estonian Academy of Sciences. 2021 was the last year of the second composition of the council:

- **Ruth Oltjer** (Council Chair), General Manager of AS Chemi-Pharm,
- **Eva Åkesson**, former Rector of Uppsala University,
- **Jaan Eha**, UT Professor of Cardiology, Academician,
- **Els Heinsalu**, President of the Estonian Young Academy of Sciences,
- **Heidi Kakko**, expert in growth companies,
- **Birute Klaas-Lang**, UT Professor of Estonian as a Foreign Language,
- **Vahur Kraft**, entrepreneur,
- **Tõnu Lehtsaar**, Counsellor-Chaplain for UT staff,
- **Ants Nõmper**, Managing Partner of Ellex Raidla Law Firm,
- **Jüri Sepp**, UT Professor emeritus,
- **Richard Villems**, UT Professor of Archaeogenetics, Academician.

The **senate** is the university's highest academic decision-making body, responsible for the university's teaching, research and development activities and ensuring the excellent quality of these activities. The senate comprises 22 members: the rector as chair, four representatives of each faculty, and five student representatives. Senate members are elected for three years (student members are elected for one). In 2021, the senate included:

representatives of the Faculty of Arts and Humanities

- Professor **Aivar Kriiska**,
- Professor **Raili Marling**,
- Lecturer **Ave Matsin**,
- Professor **Renate Pajusalu**,

representatives of the Faculty of Social Sciences

- Professor **Kairi Kreegipuu** (until 30 March 2021),
- Professor **Veronika Kalmus** (from 1 July 2021),
- Professor **Marju Luts-Sootak**,
- Professor **Maaja Vadi**,
- Professor **Urmas Varblane**,

representatives of the Faculty of Medicine

- Professor **Küllli Kingo**,
- Associate Professor **Tanel Laisaar**,
- Professor **Pärt Peterson**,
- Professor **Mihkel Zilmer**,

representatives of the Faculty of Science and Technology

- Professor **Peeter Burk**,
- Professor **Krista Fischer**,
- Professor **Marco Kirm**,
- Professor **Tõnu Meidla**,

student representatives (until 30 June 2021)

- **Rait Bessonov**,
- **Karl Lembit Laane**,
- **Mari-Ann Lind**,
- **Kerdo Kristjan Tamm**,
- **Trine Tamm**,

student representatives (from 1 July 2021)

- **Joosep Heinsalu**,
- **Stella-Maria Kangur**,
- **Imar Yacine Koutchoukali**,
- **Kertu Liis Krigul**,
- **Katariina Sofia Päts**.

The **Rector** of the University of Tartu is Professor **Toomas Asser**. The rector manages the everyday life of the university, following the resolutions of the council and the senate, and is responsible for the lawful and expedient use of the university's assets. The Rector's Office comprises the rector, vice rectors for research, academic affairs and development, deans of faculties, director of administration, head of finance, and academic secretary.

Studies and research are conducted at the University of Tartu in 27 institutes and four colleges of **four faculties**:

- Faculty of Arts and Humanities (HV),
- Faculty of Social Sciences (SV),
- Faculty of Medicine (MV),
- Faculty of Science and Technology (LT).

The academic structure also comprises four non-faculty **institutions**:

- Museum,
- Natural History Museum and Botanical Garden,
- Library,
- Youth Academy.



Professor **Toomas Asser**
Rector



Professor **Anti Selart**
Dean of the Faculty of
Arts and Humanities



Professor **Raul Eamets**
Dean of the Faculty of
Social Sciences



Professor **Margus Lember**
Dean of the Faculty
of Medicine



Professor **Leho Ainsaar**
Dean of the Faculty of
Science and Technology



Aune Valk
Vice Rector for
Academic Affairs



Kristjan Vassil
Vice Rector for
Research



Erik Puura
Vice Rector for
Development



Kalle Hein
Head of Finance



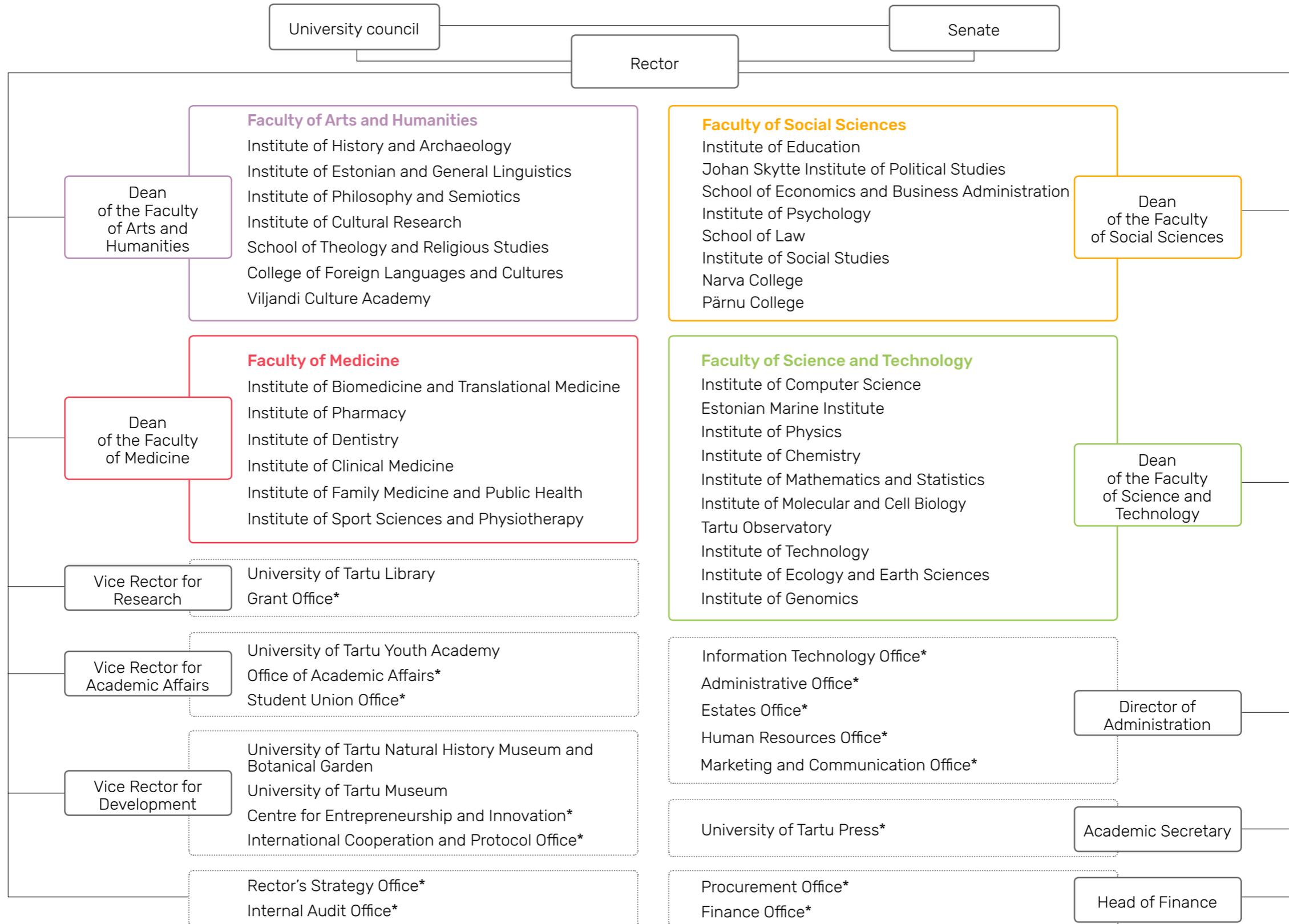
Kstina Vallimäe
Director of Administration



Tõnis Karki
Academic Secretary

University structure

as at 31 December 2021



* support units

Strategic plan

At the beginning of 2021, the university's new **strategic plan** for 2021–2025 (A2025) took effect. The strategic plan is specified by other strategy documents: language and internationalisation principles, financial strategy, strategy for the involvement of private funds, and spatial development strategy. The strategy for the involvement of private funds adopted by the council in autumn 2021 is a completely new strategy document that aims to increase the university's financial capacity by planning the activities necessary for implementing the strategic plan and increasing and diversifying the university's revenues.

The strategic plans of all four faculties and the library were also compiled in 2021. To specify the objectives of the university's strategic plan, the rector approved the action plan for teacher education and educational sciences, which is a follow-up of the previous action plan on the topic.

The implementation of the strategic plan is monitored using digital dashboards, and the data about the university's core activities and assets are publicly available on the statistics dashboard.

To implement the university's strategic goals, the Rector's Office compiles an **action plan** each year and evaluates the achievement of the objectives based on the key performance indicators set in the strategic plan and other documents. The 2021 action plan linked the development tasks of A2021 and the performance agreements of the members of the Rector's Office and the funding allocated from the central development funds for achieving them. Therefore, the planning of development activities is also directly linked to managers' individual performance agreements.

The larger tasks in the university's 2021 action plan concerned the development of

- teaching: e-learning, teacher training and new forms of study. Attention was on the changes needed in curricula to foster future skills and on expanding the opportunities of digital university and e-learning. Another focus was on teaching the Estonian language and culture and publishing textbooks in Estonian;
- research: increasing income from project-based funding measures, supporting doctoral reform and experimental research;
- the organisation in general: implementing the academic career model, information systems, and promoting management quality and equal treatment.

Units receive central development grants from several university **funds** based on measurable performance targets, indicators and deadlines::

- the development fund is used to support the implementation of the strategic plan, primarily cross-faculty development activities;
- the council's strategic development support for higher education is used to fund the faculties' teaching-related strategic developments. In the 2021 budget, almost a third of this support was related to the development of e-learning;
- the deans' performance funding helps to achieve the new challenges set for the financial year;
- the rector's reserve fund is used to cover one-off unforeseen needs.

In A2025, also the main courses of action for **sustainable development** were agreed upon as follows:

- we take joint effort with other universities and research institutions to apply the roadmap of the European Green Deal;
- we promote the attitude supporting the global sustainable development goals among students and provide the knowledge and skills required for that;
- our researchers contribute to achieving the goals of sustainable development and the roadmap of the European Green Deal;
- we cooperate with ministries to organise the studies and counselling needed to achieve the goal of Estonian climate neutrality;
- we develop and implement integrated environmental principles and promote a way of thinking that supports sustainable development in the university and in educating the public.

In November, the university organised a sustainable development seminar, which underlined that sustainable development starts with the sustainable individual. In 2021, the university continued to develop the areas of equal treatment, mental health, fairness of salary and career development. Capital investments to improve the working and learning environment were planned with a focus on human well-being and environmentally sustainable building and energy solutions. Among other projects, the planning of the Maarjavälja green area was launched, with an emphasis on landscaping around the new academic and research buildings, providing opportunities for outdoor learning, working and recreation, and preserving biodiversity. The plan is to create an outdoor experimental area and promote organic gardening in cooperation with the City of Tartu to make the urban environment interesting, rich in life and close to nature.

We promote a way of thinking that supports sustainable development in the university and in educating the public.

In May, the senate adopted the university's **principles of quality management**. Quality management is a part of strategic management, is based on the statutes and the strategic plan of the university and is the responsibility of the rector. Regular internal and external evaluations give information about the quality of the university's main and supporting activities.

For external evaluation, in 2021, the institutional accreditation self-evaluation report was compiled, giving a detailed overview of the scope of the university's activities and their compliance with the objectives and the relevant legislation across 12 evaluation standards. More than 80 people helped compile the self-evaluation report.

Under the University of Tartu Act, the university has created **national sciences professorships** engaged in the instruction, research and development of Estonian language, culture and history. In 2021, the results of the professors' previous work period were assessed and, based on the updated action plans, the professorships of archaeology, Estonian history, art history, the history and dialects of Estonian language, Estonian as a foreign language, modern Estonian language, Estonian literature, Estonian and comparative folklore, ethnology, intellectual history and cultural semiotics continue at the university from 2022.

In its development activities, the university relies on its international experience and cooperation. For that, it participates in several university networks. An example is ENLIGHT, the European University Network to promote equitable quality of life, sustainability and global engagement through higher education transformation.

Key performance indicators

	Baseline 2020	Result 2021	Target 2025
International national university			
Number of graduates from teacher-training curricula	276	314	350
Percentage of international employees taking Estonian language courses	28%	30%	45%
Percentage of international students taking Estonian language courses	28%	40%	75%
Percentage of international graduates	15%	15%	13–15%
Percentage of international academic employees	12.5%	13.5%	15–20%
Percentage of students participating in learning mobility among graduates	12.7%	11.3%	18%
Education			
Dropout rate	9.5%	9.0%	< 9%
Percentage of academic employees who actively participated in teaching-related development activities	41%	43%	50%
Students' satisfaction with the teaching of courses	86%	87%	95%
Number of continuing education learners	40,493	41,012	43,000
Percentage of newly admitted students with outstanding study results	57%	73%	60%
Graduation rate of doctoral studies	35%	32%	50%
Research			
Percentage of publications among the world's top 10% most cited research publications	17.1%	17.0%	17–20%
Volume of international research funding (mEUR)	12.8	14.9	17.8
Volume of business contracts (mEUR)	6.83	6.12	8
Number of university's new spin-offs in a year	3	0	5
Organisation			
Income per academic staff member €	124,158	127,550	150,000
Employee satisfaction	66%	65%	70%
Income from teaching per student €	5,662	5,829	6,500



In the following chapters, information about the achievement of the key performance indicators of the strategic plan is marked with "A2025".

OPERATING ENVIRONMENT

The European Commission's 2021 Strategic Foresight Report says that at all levels of activity, from local to global governance and power structures, we are most affected by climate change, technological acceleration, digitalisation, and demographic shifts.

To support its strategic objectives, the European Commission reformed the **European Research Area** (ERA), renewed its governance and agreed on new priority areas for action:

- investing in research and innovation for a green and digital future;
- improving researchers' access to infrastructure and facilities;
- supporting researchers' mobility, skills and career opportunities;
- promoting gender equality and broader inclusion;
- disseminating the principles of open science and developing digital infrastructures and services to foster it.

The common, renewed European Research Area is implemented with the support of the **Horizon Europe** framework programme for research and innovation. Its budget for the next seven-year period is €95.5 billion, almost 25% more than that of the previous Horizon 2020 framework programme.

According to an analysis by the Estonian Research Council, Estonian institutions and organisations had received a total of €241.1 million from Horizon 2020 by the beginning of 2021; the University of Tartu had signed contracts for nearly €63.7 million of that amount. The support of the European Union (EU) framework programme to Estonian projects was nearly three times higher per gross domestic product (GDP) and one and a half times higher per capita than the EU average. Of all the Horizon 2020 grants to Estonia, the largest was the support for the ERA Chairs action: €34.6 million (14.4%). Seven University of Tartu projects were supported in this action, accounting for half of the projects supported in Estonia. Estonian applications fared best in the European Research Infrastructures action (50% success

rate), where the University of Tartu received €3.2 million of the €4.4 million that came to Estonia.

According to the European Commission's 2021 Economic Forecast, Estonia will receive more than €8 billion from EU funds, including the Recovery and Resilience Facility, over the next seven-year budget period. Nearly a quarter of this will be channelled into the **green and digital dual transition**. The best way to deliver large-scale and lasting change would be through the education system, but the state has not currently allocated money for universities to do this. Nearly €1.3 billion from EU funds is planned to support research and development (R&D) and innovation in Estonia. In supporting R&D and innovation, the focus is shifting to the promotion of **knowledge transfer** (incl. technology transfer) and supporting cooperation between the research system and the business sector to develop demand-driven R&D and innovation services. More detailed discussions on the measures will continue in 2022.

The Government of the Republic approved the Estonian Research and Development, Innovation and Entrepreneurship Strategy 2021–2035 (TAIE), which aims to increase the well-being of Estonian society and the productivity of the Estonian economy, providing competitive and sustainable solutions for the development needs of Estonia and the world. To achieve this, activities are planned on three axes:

- the research system axis ensures the high level and sectoral diversity of Estonian research;
- the business environment axis ensures favourable conditions for enhancing the competitiveness of enterprises;
- the knowledge transfer axis ensures synergies between the research system, the business environment and other systems to enhance society's overall resilience and ability to adapt to crisis situations and global changes.

The Ministry of Education and Research (MoER) continued the preparation of the new **Organisation of Research and Development Act**. The university wishes to see clearer coordination of TAlE activities between the parties involved, incl. the organisation of research ethics, changes in the evaluation of R&D, and the linking of its results to the funding of R&D institutions. The discussion on the draft act continues in 2022.

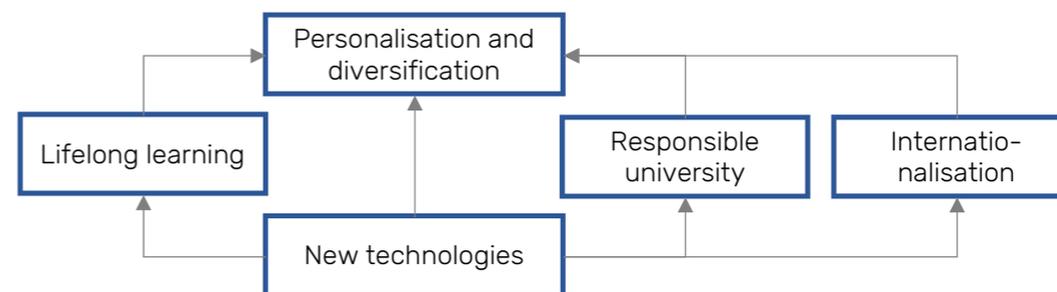
The government approved **the state budget strategy for 2022–2025**, guided by its priorities: a rapid exit from the COVID-19 pandemic, green and digital transition, support for people’s mental and physical health, etc. Economic growth and increasing prosperity depend on increasing the knowledge intensity of the economy. The strategy foresees that at least 1% of GDP goes to R&D funding, i.e. is invested in boosting R&D and innovation.

The **field of higher education** reflects major global trends – population growth, ageing, migration, technological developments, etc. – as well as trends amplified by the COVID-19 pandemic – changing business models and the nature of work, and increasing inequality. These trends are not new, but the resulting pressures on formal education institutions have intensified.

Continuous change in the demand for new skills leads to a growing need for **lifelong learning**, i.e. further training and retraining, and career breaks for self-improvement.

Improving the quality of teaching, increasing the inclusion of target groups, cooperation with communities, supporting linguistic diversity and promoting lifelong learning skills are at the heart of the European Higher Education Area. One strategic initiative of the European Commission is to develop a common EU approach to micro-credentials to ensure the quality, recognition and valuing of continuing education.

The Foresight Centre has also indicated in its report on trends in higher education that factors shaping the future of higher education point to a growing expectation of a **personalised**



Factors shaping the future. Source: Foresight Centre’s report on trends in higher education

provision of education. In a context of rapid and wide-ranging changes, higher education must prepare people to alternate between studies and work to improve choice and coping. Learning skills and flexible learning opportunities tailored to the target group’s needs are becoming increasingly important.

According to the European Commission’s review, the Estonian education system is linear and rigid, not allowing enough flexibility to combine work and studies and acquire new skills. A study commissioned by the MoER on the international experience of **micro-credentials** showed that most countries use short-term learning pathways to respond more quickly to labour market needs. In Estonia, micro-credentials have not yet been formally defined, but larger universities are already marketing micro-credential programmes, which are essentially paid continuing education programmes based on bachelor’s and master’s courses.

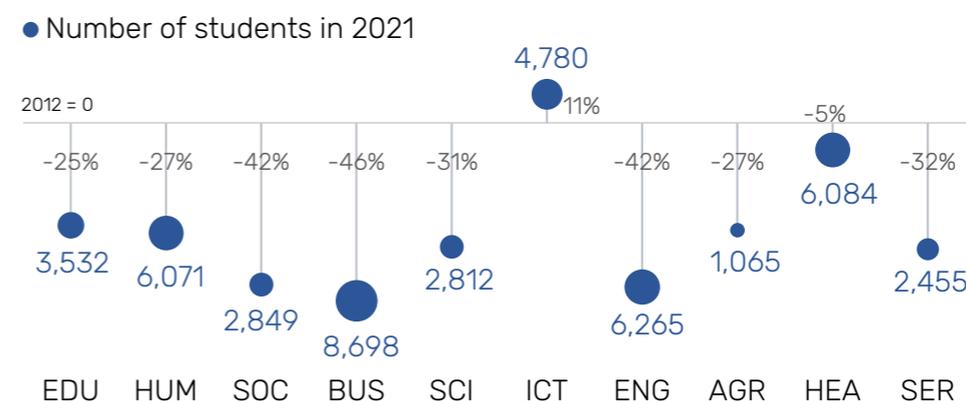
At the end of 2021, a draft act aiming to change the way **doctoral studies** are undertaken and funded was submitted to the Riigikogu. The doctoral reform aims to provide doctoral students with secure income and social guarantees. This is done by offering them the junior research fellow’s position at the university or an employment contract outside the university in a field related to their doctoral research. The reform also aims to foster cooperation between universities and businesses and to prepare top-level professionals with PhD for careers outside academia. According to the plan of the MoER, the amendments will enter into force by 1 August 2022, and the transition to the new model will take place gradually, starting from the admission of the 2022/2023 academic year.

The **public spending on higher education** in Estonia in 2021 was higher than the average of other European countries, but the expenditure per student was around the EU average. For instance, in Nordic countries, the public sector contributes more than twice as much per student. In Estonia, the activity support for higher education has increased by around 2.0–4.9% per year over the last five years, but this is not proportional to the economic growth indicators of the rest of society and does not provide universities with sufficient resources to provide quality higher education. Compared to 2012, higher education expenditure as a percentage of GDP has fallen from 1.4% to 1.1%. The marginal increase in the activity support for higher education has not allowed universities to raise the salaries of academic staff in line with that of the rest of Estonia, which reduces students' opportunities to get quality higher education.

Estonian universities joined forces in 2021 to draw public attention to the inadequate funding of higher education. A higher education support group was formed in the Riigikogu, which led a seminar entitled "The revolutionary situation in Estonian higher education", and a debate on the funding of higher education as a matter of national importance was held in the Riigikogu.

According to the EU's Education and Training Monitor for 2021, **tertiary education attainment among 25–34-year-olds** in the Estonian population (currently around 43%) has increased more slowly than the EU average over the past decade. Estonia ranks second in the EU in terms of the gender gap in tertiary education attainment. Among 25–34-year-olds in Estonia, 55% of women and only 33% of men have a university education. The number of people with higher education is insufficient to meet labour market demand. Given the country's rising demand for high-skilled jobs in specific fields, falling numbers of enrolled students and a shrinking population, experts recommend tackling the gender gap in tertiary education attainment and reducing the drop-out rate in higher education. One way to increase the share of people with higher education is to attract international students and staff.

In 2021, there were 44,611 **higher education students** in Estonia, 83% of them in tuition-waiver student places. In ten years, student numbers have dropped in almost all fields of study. The only exception is information and communication technology, which had 11% more students in 2021 than ten years ago.



The number of students in Estonia in 2021 by fields of study and change compared to 2012. Source: EHIS

The number of **international students** admitted, which had shrunk due to the COVID-19 pandemic, increased by 21% compared to 2020 but was still 14% lower than before the pandemic. In the 2020/2021 academic year, 1,542 international students completed their studies in Estonia, accounting for 16% of all graduates.

According to Statistics Estonia, in the past academic year, the number of international students working was lower than before, but the amounts they earned, and therefore the tax revenue received by the state, were higher.

In 2021, as part of the Estonian study of Eurostudent VII, the first **analysis of students' mental health** was completed. The most common conditions indicative of mental health problems were found in bachelor's students and rather in younger students. In general, working students have a better emotional state than non-working students, and students who are parents have a better emotional state than those without children.

TEACHING AND STUDIES

Financing

MoER uses a higher education funding model in which money for supporting higher education studies is divided into activity support and targeted grants. 80% of the activity support is baseline funding, the money distributed between higher education institutions based on the volume of funding in the previous three years. 20% of the activity support is performance-based funding, 17% of which is allocated based on meeting the performance indicators and 3% based on implementing the objectives of the administrative agreement made with the higher education institution (HEI).

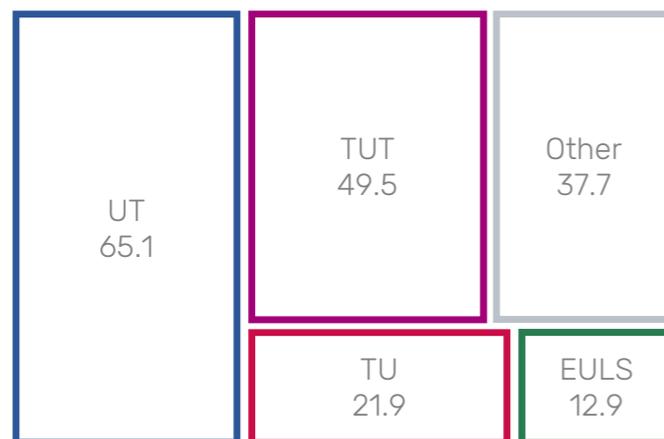
In 2021, the MoER allocated a total of €187.2 million to Estonian higher education institutions based on administrative agreements, incl. €65.1 million to the University of Tartu.

The total activity support to Estonian public universities was €131.2 million, of which the University of Tartu received €50.2 million. The University of Tartu's share in the activity support of public universities has remained at 38% since the

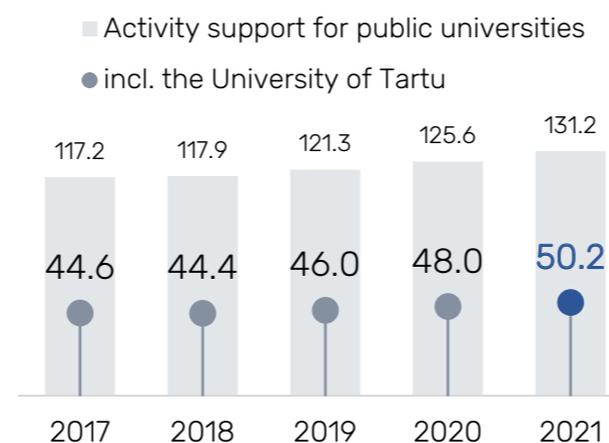
new funding model was adopted in 2017. The overall volume of activity support to public universities increased by 4.4% compared to 2020. Despite the small rise, the change in higher education funding has remained below the increase in GDP and average salary for several years already. This underfunding is not compensated even by the university's efforts to attract more private funding, which is why in 2021, the university with other members of Universities Estonia launched a public debate on alleviating the underfunding of higher education.

Compared to other universities, the University of Tartu has been relatively successful in terms of national performance indicators in recent years. In 2021, the performance-based funding was €10.2 million.

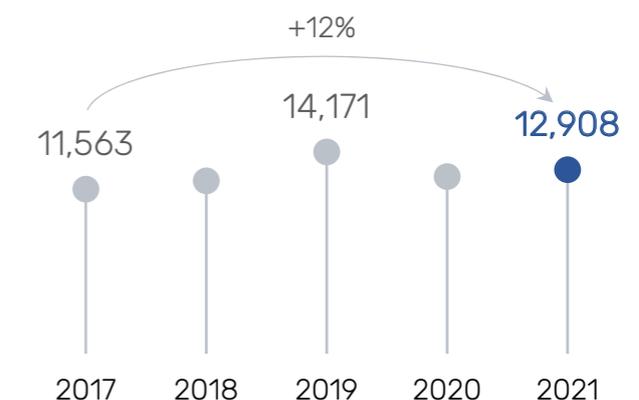
Besides activity support, the University of Tartu earned an additional funding of €21.3 million in 2021 from student-funded degree studies, continuing education, development projects and teaching grants, nearly 26.3% of the total teaching and study budget (excl. medical residency). That was €12,908 per one member of academic staff.



Support allocated to higher education institutions in 2021 in million euros. Source: MoER



Activity support for Estonian HEIs, incl. the University of Tartu, in million euros, in 2017–2021. Source: MoER



Income from teaching and studies received in addition to activity support per academic staff member in euros in 2017–2021

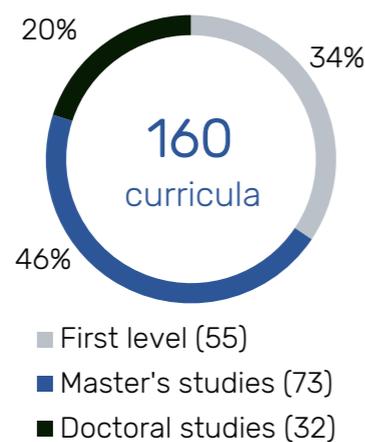
Curricula

In 2021, students were admitted to 160 curricula. Over four years, the number of curricula provided by the university has decreased by 15%. The university continues to regularly review and update curricula. In 2021, two new Estonian-taught master’s curricula were opened for admission, and one Russian-taught master’s curriculum in Narva College.

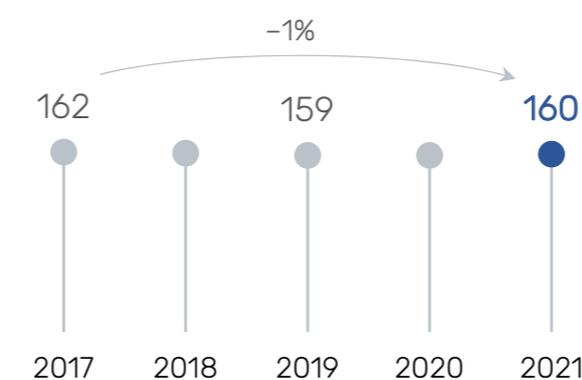
Number of curricula by study levels in 2017/2018 and 2021/2022

	Curricula to which new students were admitted		Curricula with enrolled students	
	2017/2018	2021/2022	2017/2018	2021/2022
First level of higher education	56	55	78	61
Master’s studies	73	73	100	87
Doctoral studies	35	32	35	34
Total	162	160	213	182

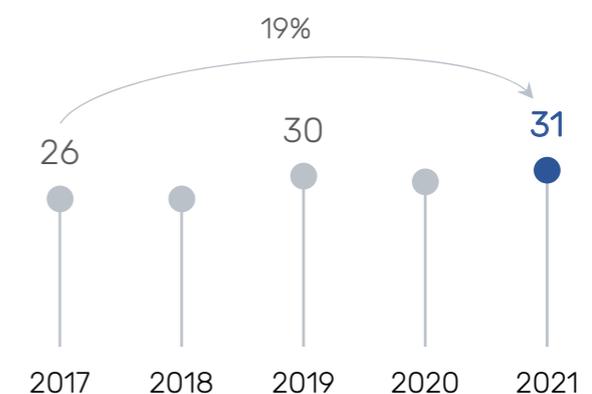
Students were admitted to 31 **foreign-language-taught curricula**, incl. 28 curricula of the second level of higher education, i.e. master’s level. In 2021, curricula taught in a foreign language accounted for 24% of all curricula of the first and second level of study.



Number of curricula (incl. joint curricula) to which new students were admitted in 2021



Number of curricula (incl. joint curricula) opened for admissions in 2017–2021



Number of foreign-language-taught curricula (incl. joint curricula) opened for admissions at the first and second level of higher education in 2017–2021

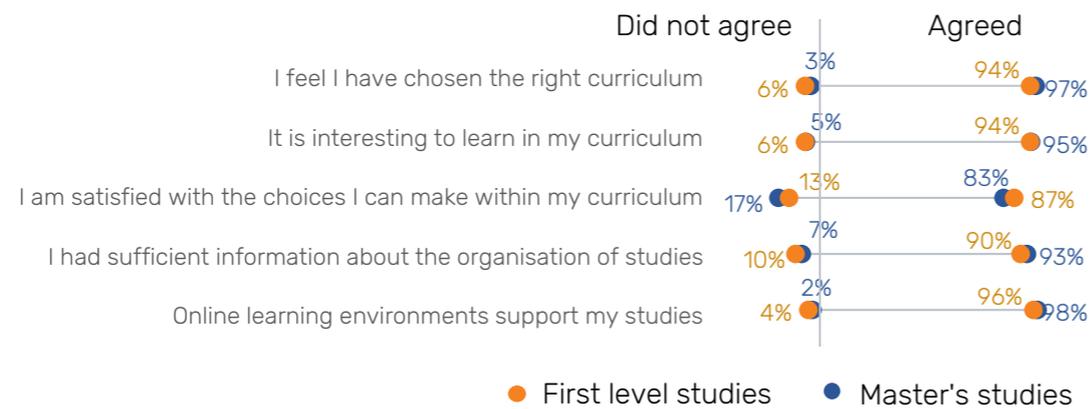
Over the last five years, five new foreign-language-taught master’s curricula have been added. With the rise in the number of curricula taught in a foreign language, also the percentage of international students increased to 13% of the total number of students. Significant support to international master’s and doctoral students has been provided by the national scholarship programme Dora Plus (2015–2023) and the Development Cooperation Programme of the Ministry of Foreign Affairs.

The university has been successful in applying for funding from the Erasmus Mundus Joint Masters programme. In 2021, we participated in five joint curricula recognised by this programme. The university continues to lead the curriculum Excellence in Analytical Chemistry, which has been recognised by Erasmus Mundus for three times.

In 2021, the senate approved an amendment to the Statutes of Curriculum, according to which students of the first- and second-level curricula taught in a foreign language who have no knowledge of the Estonian language must take 6 ECTS of Estonian language and culture courses. The amendment must be introduced to curricula by the admission of the 2023/2024 academic year at the latest.

In the autumn, a new system of **internal evaluation of curricula** was implemented, based on curriculum statistics and feedback on curricula and courses. While earlier, the internal evaluation took place once in three years, according to new procedure, teaching quality is assessed every year: in the first two years, the programme director makes an interim report, and on the third year, a detailed report. Every year approximately one third of all curricula undergo detailed evaluation. This arrangement of evaluation enables the councils of academic units and faculties to better review the curricula's strengths and proposals for development, as they can focus on fewer curricula at a time. For preparing, approving and publishing the internal evaluation report, a dedicated solution was created in the study information system (SIS).

Responding to a course feedback survey allows students to analyse their learning experience. The questions concern the coherence and structure of the course, organisation of studies and the learning environment, development of students' competences and the work of support systems. In 2021, 54% of the respondents gave feedback on their curriculum, all in all 2,937 questionnaires were completed. Although the special arrangements resulting from the coronavirus have affected studies for several years already, students' satisfaction has not decreased. The curriculum feedback survey of 2021 showed that 95% of students have chosen a curriculum that suits them and they find it interesting to study.



Results of the 2020/2021 curriculum feedback survey (percentage of agreement and disagreement with the statement)

Admissions

The university organises open doors days and other information events to support applicants in making informed career choices. The **Open Doors Day 2021** was held online. A total of 1,379 people registered for the online conference introducing studies and university life and 1,158 for workshops. In June, 850 people registered to participate in the online **information day for admission**. Anyone who wants can become a **student shadow** at almost any time of the year to familiarise themselves with the specialisation of interest, attend lectures and seminars and get feedback directly from students of the same specialisation. 662 young people participated in student shadowing in 2021.

Commissioned by the MoER, the university developed **preparatory courses for state examinations** in Estonian and mathematics, aiming to support secondary school-leavers, whose performance was affected by distance learning due to the corona pandemic. More than 2,500 pupils studied in the preparatory courses for state examinations in broad and narrow mathematics and Estonian language. The university recognised the development and organisation of these courses with the teaching award 2021.

In 2021, 8,107 pupils **completed general secondary education** in Estonia. 3,599 (44%) of them continued studies at a higher education institution in Estonia. 1,265 pupils, or 35% of those who had just left school and applied for a higher education institution chose the UT (34% in 2020).

4,311 students started their studies – nearly 4% more than in the previous year. 2,506 students started at the **first level of higher education**: 1,775 in bachelor's studies, 421 in professional higher education, and 310 in integrated bachelor's and master's studies. Recent upper secondary school graduates made up 64% of students admitted to regular studies and 13% of those admitted to block mode studies at the first level of higher education in 2021.

We create an integrated feedback system supporting the good quality of studies.

The percentage of newly admitted students with outstanding study results* in 2021 was 74%.



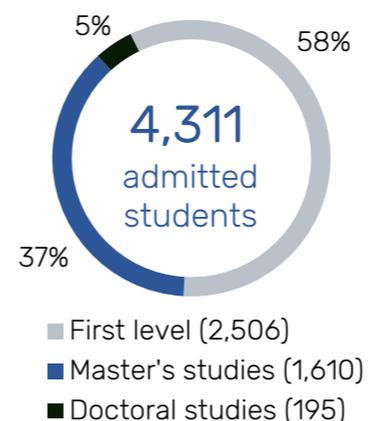
* The percentage is calculated by dividing the number of students matriculated to the first level of study whose score in the state examination in broad mathematics was at least 90 points by the average number of students in Estonia who have scored at least 90 points in this state examination over the last three years, and then multiplying the result by 100.

1,604 students started at the **master's level** (2% more than the year before). 52% of those admitted to master's studies at the UT in 2021 had completed their previous studies elsewhere, incl. 29% at a university abroad, 5% at Tallinn University, 5% at Tallinn University of Technology and 2% at Estonian University of Life Sciences.

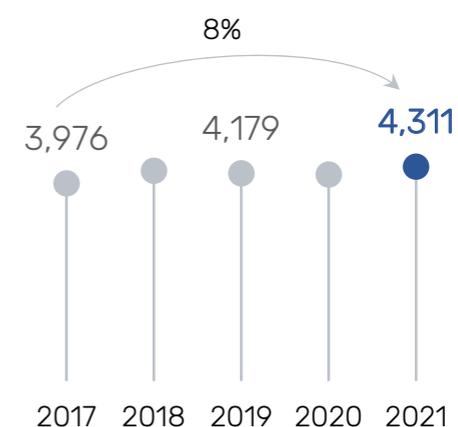
According to the contract for allocating activity support, the university creates at least 164 student places for admission to **doctoral studies** every year in 2019–2021. In addition, it is possible to apply for faculty-funded student places. In 2021, 195 doctoral students started their studies. Compared to 2020, the university admitted 14 more doctoral students.

In 2021, the council adopted the strategy for the involvement of private funds. The university has gradually increased the proportion of **student-funded studies** over the last couple of years in both English-taught and Estonian programmes. In the 2021 admissions, the percentage of students starting studies in a paid student place surged, compared to the year before, from 8% to 15%. The university had the right to admit students to seven student-funded Estonian-taught curricula with part-time study.

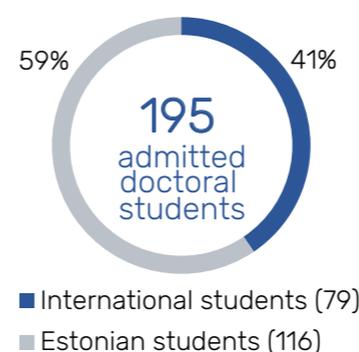
659 **international students** started their studies, accounting for 4% of all new students at the first level of study, 29% in master's studies and 50% in doctoral studies. The share of international students in all admitted students has increased over five years from 13% to 15%. The university does not aim to significantly increase international admissions.



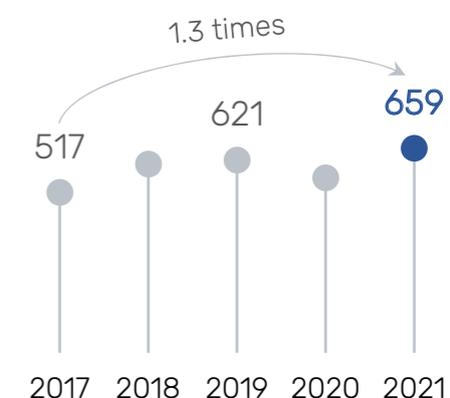
Number of students admitted in 2021 by study level



Number of students admitted in 2017–2021



Number of PhD students admitted in 2021



Number of international students admitted in 2017–2021 (incl. to joint curricula)

We admit students of high potential to study in our international curricula.

Students and studying

In 2021, there were 13,909 students at the University of Tartu, 88% of them studying in non-student-funded places. Over the last five years, the number of students has gradually grown. Master's and doctoral students accounted for 39% of the university's student body, similarly to previous years.

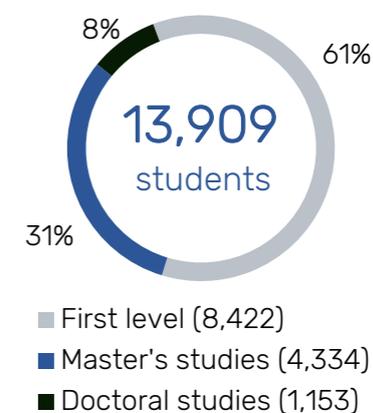
Students studied in four faculties according to a total of 182 curricula, incl. five joint curricula. 125 students studied in joint curricula managed by the University of Tartu, and 175 students based on joint curricula managed by other higher education institutions. The largest number of students (5,936) studied in the Faculty of Social Sciences.

Digital learning is used at the university mostly in combination with classroom studies to support students' individual work. In 2021, 5,414 degree courses, 81% of all courses, had full or partial online support. 7% of these courses were fully and 93% partly online. In 2021, the university offered 12 MOOCs (massive open online courses). A total of 6,825 learners participated in the courses and 2,431 learners completed them.

Use of digital learning at the university

	2017	2018	2019	2020	2021
Online courses in degree studies					
Number of courses (percentage of all courses in brackets)	2,737 (35%)	3,738 (49%)	4,892 (69%)	5,282 (76%)	5,414 (81%)
incl. number of fully online courses	116	120	123	321	397
Number of participants	74,789	100,076	125,522	133,720	139,543
Digital continuing education					
Number of participants in digital continuing education	22,559	18,493	17,029	28,602	31,919
Number of MOOCs	15	20	19	21	12
Number of MOOC participants	11,935	8,991	7,275	12,787	6,825
Number of Moodle courses	5,010	6,054	7,421	8,611	9,367
Number of videos					
in UTTV video portal	5,166	6,997	7,470	7,828	8,180
on Panopto video lecture server	1,236	4,319	5,719	13,239	21,089

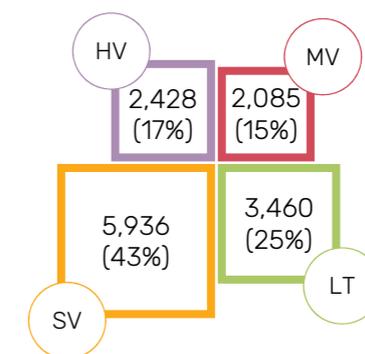
In 2021, faculties received about 384,000 euros from the strategic development budget to improve the quality of digital learning. The faculties used the support to hire e-learning support persons, develop the quality of online courses and purchase tools and equipment required for digital learning. 14 courses of the University of Tartu were awarded the e-course quality label by the Estonian Quality Agency for Higher and Vocational Education.



Number and percentage of students by study level in 2021



Number of students in 2017–2021

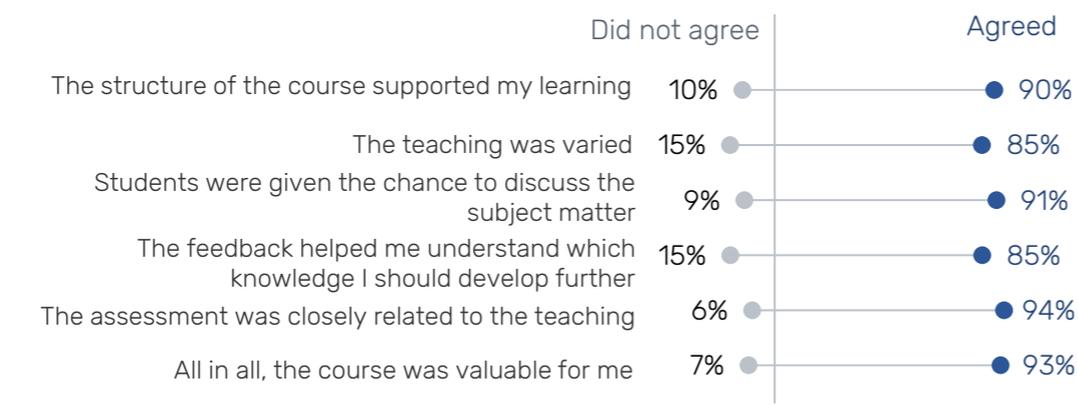


Number of students by four faculties in 2021

We increase our strength in e-learning, creating opportunities for innovative international virtual mobility in cooperation between universities.

For the fourth time, the university organised an e-learning experience seminar to share good practice both in and outside the university. This seminar focused on using online practical classes.

Two years ago, the new **course feedback** survey was taken into use. All students must give feedback to four courses. In the autumn semester of 2020, the four courses were for the first time selected for the student by a SIS algorithm, to ensure that feedback is given to as many courses as possible, and that feedback is based on random sample rather than students' preferences. Thanks to the algorithm, the number of courses that received feedback increased by 10%, mainly among those with a smaller number of enrolled students. In addition to the mandatory feedback, students may select more courses to rate.



Results of the course feedback survey in 2020/2021 (percentage of agreement and disagreement with the statement)

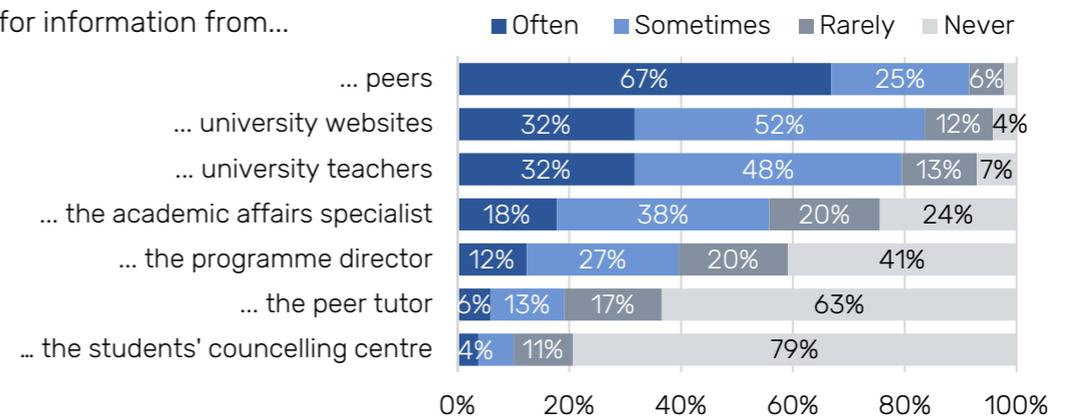
The university's Centre for Applied Social Sciences carried out a survey on **how students coped** with the changed circumstances due to COVID-19 in 2020/2021. The study showed that students coped well in the corona year. Distance learning was more difficult for first-year and international students. These two groups of learners also took academic leave during the corona year more often than earlier. International students interrupted studies slightly more than in previous years.

Students' grades improved significantly in the corona year. At the discussion of the survey results, the parties concluded that what contributed to the improvement of grades was the possibility to watch recorded lectures online, preference for using materials in exams instead of fact-checking (helped to understand the material and make connections), introduction of various online platforms, pre-exam self-assessment quizzes in Moodle, and the changes in the form of assessment.

Within the **central support service**, students received help in 2021 from

- two study advisers,
- four student mobility advisers,
- psychologists (3.1 FTE positions, incl. in regional colleges),
- two career counsellors,
- an entrepreneurship adviser,
- a special needs adviser,
- 107 tutors.

I have asked or searched for information from...



Results of course feedback survey in 2020/2021 about asking for information

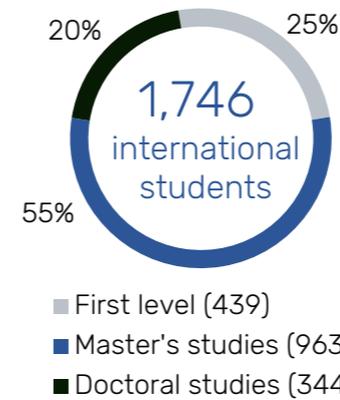
Study and recreation spaces for students are being created in several academic buildings. Supported by the central budget for occupational health, a fitness trail was created in the Omicum: the 630-metre indoor health trail runs through two interconnected academic buildings, going 199 steps up and 220 steps down on the way.

International studies

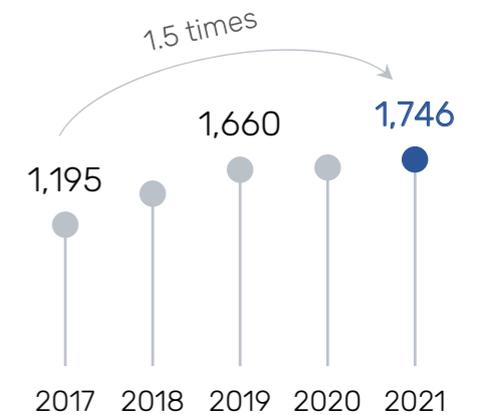
In 2021, the UT had 1,746 **international students**, 13% of the total number of students. While the overall number and percentage of international students in Estonia decreased compared to 2020 primarily due to coronavirus-related travel restrictions, at the University of Tartu their number rose. Of all UT international students, 55% were master's students and 20% doctoral students. International students came from a total of 98 countries. Over the last five years, the percentage of international students has grown the most in the Faculty of Social Sciences. 39% of all international students studied in the Faculty of Science and Technology, 39% in the Faculty of Social Sciences, 12% in the Faculty of Arts and Humanities, and 9% in the Faculty of Medicine.

The coronavirus pandemic had a considerable impact on both incoming and outgoing **study mobility**. 436 students went abroad as exchange students, incl. 209 for traineeship. Compared to the previous academic year, the number fell by 11%. The percentage of those who studied abroad decreased by 28%, but 21% more students than in the previous year went abroad for traineeship. The most popular countries of destination were Finland (37%), United Kingdom (10%) and Germany (5%). 192 students, i.e. 40% of all students who studied and trained in foreign universities used the EU Erasmus+ higher education programme.

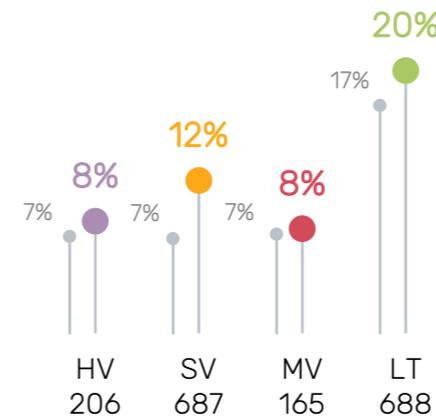
The number of international visiting students was 401, 29% fewer than the year before. Under the Erasmus+ programme, a total of 243 exchange students studied at the UT. One in four students using the Erasmus+ programme came from a partner university in Germany. Also French, Italian, Spanish and Czech students were highly interested in studying here.



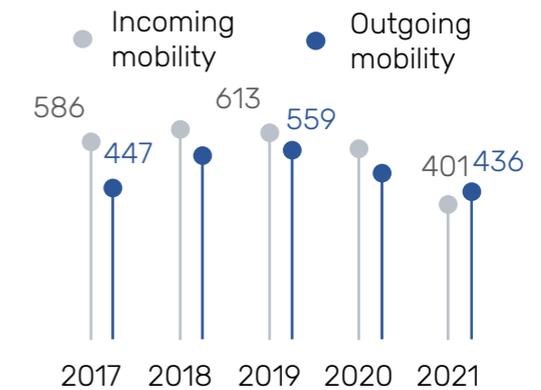
Number of international students by study level in 2021



Number of international students in 2017–2021



Number and percentage of international students by faculties in 2021. For comparison, the percentage of international students in 2017 is shown in grey



Student mobility in 2017–2021





The university's goal is that at least 18% of its graduates would have international mobility experience. **Among the graduates of 2021, 11% had mobility experience.** Enhanced mobility opportunities are provided to students also by the ENLIGHT network through flexible, i.e. short-term learning opportunities and those combined with e-learning.

To allow for study mobility, as of 2020/2021, the curricula of the first and second level of higher education, excl. one-year curricula, the curricula of Medicine, Dentistry and Pharmacy, and the curricula with the obligation to study abroad, include a **mobility window** of 15 ECTS as an elective module. A mobility window is a module or set of courses in the curriculum, incl. practical training, which the student may perform abroad, if requested. This requires agreements with partner universities to support mutual recognition of studies. A mobility window helps to better plan studies abroad to avoid the extension of the standard period of study, and supports the achievement of learning outcomes during the studies abroad.

At the beginning of each semester, international (visiting) students are offered a short orientation course introducing the city and the University of Tartu. Also international student tutors and support students help them adapt better. Since 2019, tutor training has also been provided in English.

In 2021, the university started to use the SoleMove software to better organise student mobility, for example, to manage student exchange and cooperation agreements between higher education institutions. Before that, part of the mobility process was paper-based.

Interruption of studies

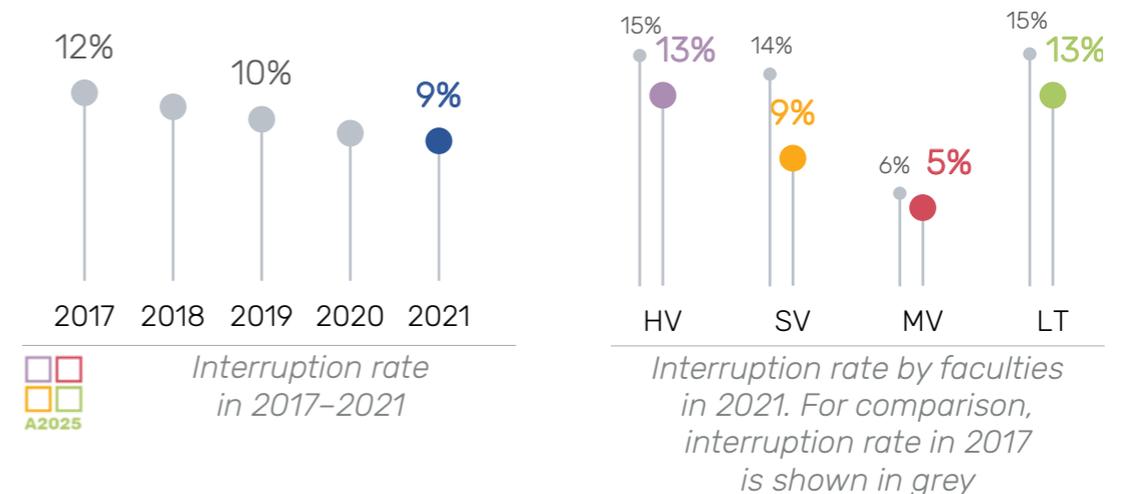
1,424 students interrupted their studies in 2021. The interruption rate was 10%: 11% at the first level of higher education, 9% in master's and doctoral studies. However, part of these students continued their studies at the UT within a year. Comparing the total number of students in two consecutive years (2020 and 2021), it could be said that the **dropout rate was 9%**.



The main reasons for interrupting studies were:

- the student's request (45%),
- expiry of study period (24%),
- insufficient academic progress (17%).

Since 2019, the UT has been developing a learning analytics model with the aim to reduce interruption of studies and support students' progress through early detection. The learning analytics application has been prepared for the SIS and will be taken into use in 2022. The tool will notify programme directors and academic affairs specialists of students who need more attention to successfully cope with studies.



Graduation

2,961 students graduated from the University of Tartu in 2021, incl. 427 cum laude. The highest percentage of graduates were among students in the field of business, administration and law (22%). The percentage of international graduates in 2021 was 15%.



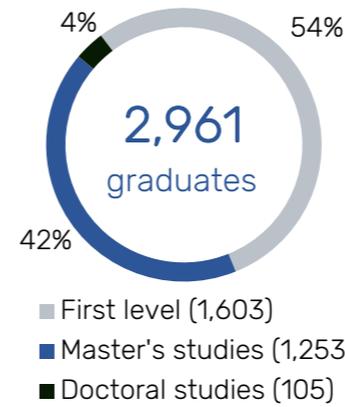
According to Statistics Estonia's 2021 impact analysis result, the share of UT international alumni who stay in Estonia to work has increased significantly over the past year: in 2019, it was 44%, and in 2020, 52%.

The percentage of international students was the highest among the graduates of the field of engineering, manufacturing and construction (42% of the graduates of this broad field of study were international students). The number of graduates in 2021 was the largest in the field of ICT (83) and social sciences, journalism and information (82). According to the analysis of Statistics Estonia, the alumni of the fields of ICT and engineering, manufacturing and construction were the most likely to remain working in Estonia after graduation. This is facilitated by the large number of companies with a suitable international working environment.

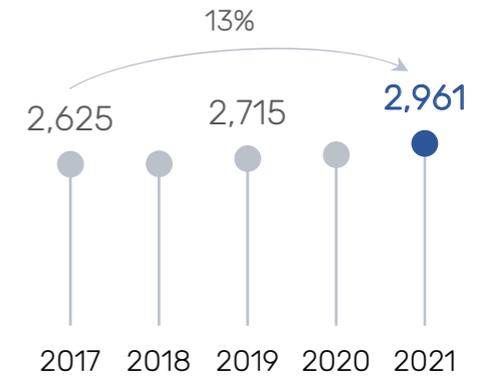
The university's objective is to increase the number of graduates from teacher-education curricula to at least 350 by 2025. In 2021, 314 students graduated from teacher-education curricula, which is nearly 40 more than the year before.



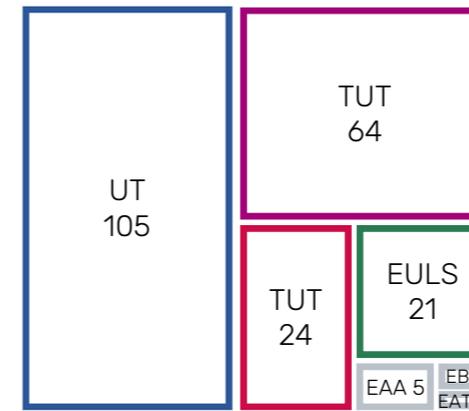
In 2021, 222 doctoral theses were defended in Estonia, nearly half of them at the University of Tartu. 105 doctoral students graduated from the University of Tartu, 11 fewer than in 2020. Doctoral graduation rate has generally improved over the last years. 32% of those admitted to doctoral studies six years before (standard period of study + two years) defended their thesis in 2021.



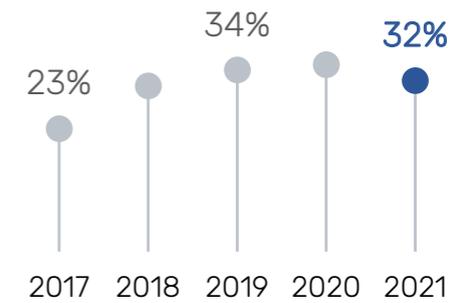
Number of graduates by levels of study in 2021



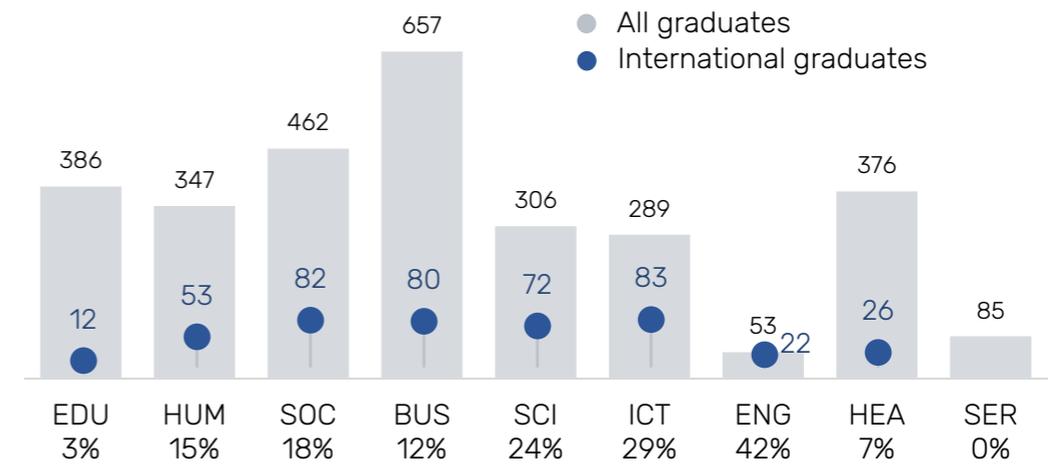
Number of graduates in 2017-2021



Number of doctoral graduates in Estonian universities in 2021. Source: EHIS



Graduation rate in doctoral studies in 2017-2021



Number of graduates by fields of study in 2021. Percentage of international graduates in each field of study is shown below the columns

Doctoral studies

The university has put much effort in the development of doctoral studies since 2018, and many important changes were made in 2021. Changes within the university go in parallel with the national reform that gives doctoral students the status of junior research fellow, at least the average Estonian salary and social guarantees. In January 2021, a law amendment took effect, linking the post of junior research fellow to matriculation to doctoral studies. As a result, the number of junior research fellows working at the UT increased from 229 in 2020 to 333 in 2021.

In 2021, the senate approved the **Regulations for Doctoral Studies**, which brought several UT bylaws together into one document, and made a clearer distinction between doctoral studies and studies at the first and second level of higher education. Amendment of the university's bylaws continues in 2022 in line with changes in law.

Instead of 34 former doctoral curricula, eight new **doctoral programmes** were opened. From now on, the faculties will manage the doctoral studies through the faculties' centres for doctoral studies. The new programmes are more flexible and research-focused than the former curricula. The assessment of research in ECTS and the requirement for a course-based curriculum structure were abandoned. The volume of compulsory studies was reduced from 60 ECTS to 30 ECTS. More importance is attached to transferrable skills and non-academic career opportunities.

An interim analysis was made about the supervisors of doctoral theses to get an overview of cooperation with institutions and enterprises. In 2017–2019, 391 doctoral theses were defended, in which 87% of the supervisors were UT employees. Other organisations included, for example, Tartu University Hospital, Cybernetica AS, Solis BioDyne OÜ, OÜ BioDesign, Tallinn Zoo, Estonian Taxpayers' Association, and the North Estonia Medical Centre. In addition to supervising, cooperation with the non-academic sector takes the form of cooperation agreements (R&D projects) and topics for doctoral theses.

Continuing education

In 2021, a total of 41,012 continuing education learners participated in 1,423 courses: 40,004 took continuing education courses and 1,008 studied in courses of degree programmes. The university also organised 234 internal training courses attended by 3,548 people. There were 2.88 continuing education learners per one student at the university. Income from continuing education, incl. projects, programmes and targeted financing, was 7.04 million euros.

Compared to 2020, the overall number of continuing education learners increased 1.3% and income earned from continuing education rose 14.3%. The percentage of fully or partly online continuing education programmes increased from 59% to 72% over the year.

Number of continuing education courses and participants in 2021

	Courses	Participants
Continuing education in total	1,423	41,012
Continuing education programmes	944	40,004
incl. partly or fully online courses (in brackets: percentage of all continuing education programmes and participants)	677 (72%)	31,919 (80%)
incl. MOOCs	12	6,825
Degree study courses	479	1,008

The university provides continuing education to both public- and private-sector institutions. Among others, courses were commissioned by the Environmental Board, Financial Supervision Authority, Integration Foundation, Estonian Unemployment Insurance Fund, Social Insurance Board, National Institute for Health Development, State Agency of Medicines, the Estonian Patent Office, Tax and Customs Board, Chamber of Notaries, the Supreme Court of Estonia, Swedbank AS, several ministries, local authorities and educational institutions. For the second year in a row, the university provided free courses to employees of SMEs on the basis of state-commissioned continuing education. In 2021, the project supported 22 courses completed by 899 learners.



A2025

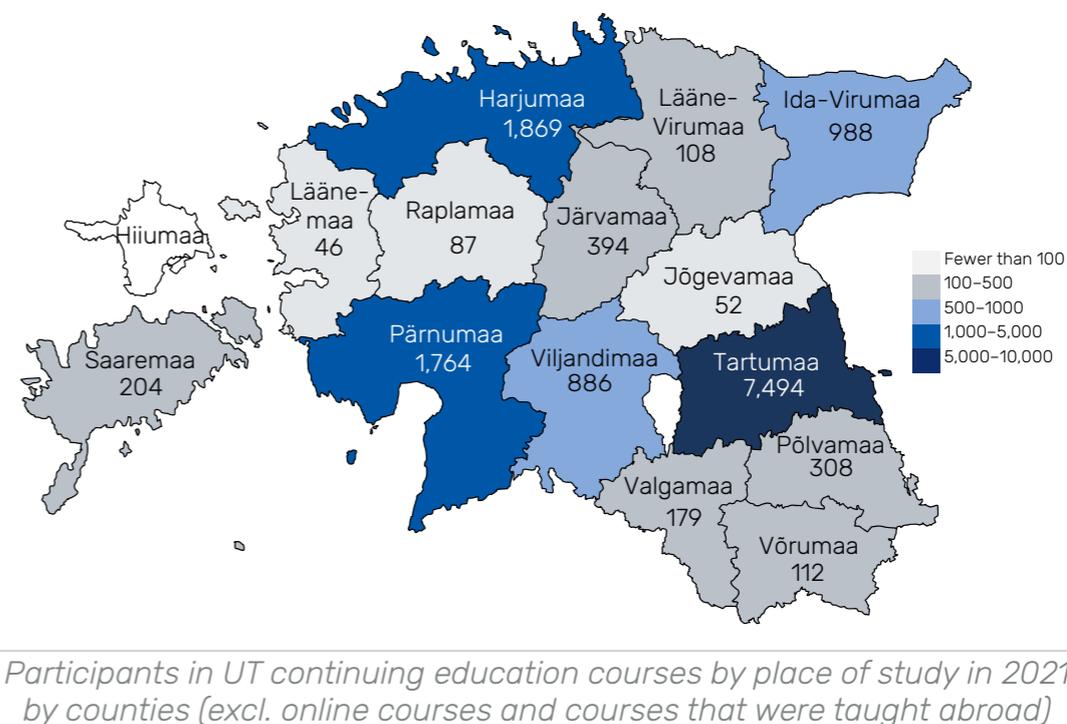
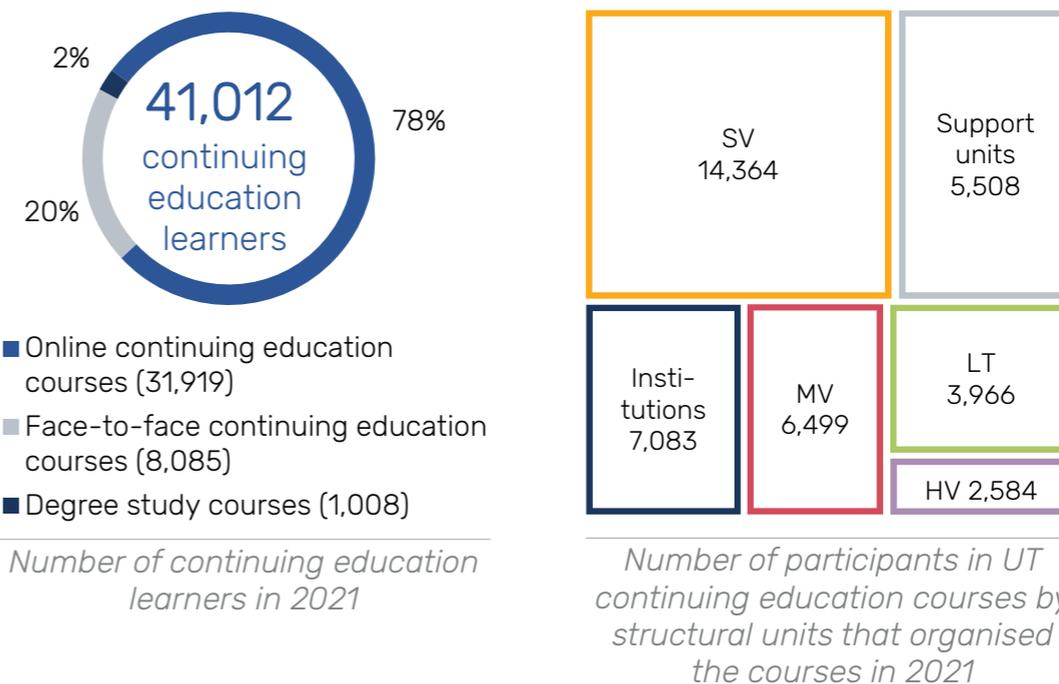
In 2021/2022, the university started offering **micro-credential programmes** – longer, comprehensive continuing education programmes that take into account the labour market needs and the opportunities of employed people. They enable to obtain another specialisation or competence in a narrow field of activity and, if requested, continue studies in a degree programme and complete higher education in the field. In the autumn semester of 2021/2022, the UT started 18 micro-credential programmes, with more than 200 learners.

Continuing education was successfully provided also outside Tartu: the highest participation rates were in the counties of Harju, Ida-Viru, Pärnu, Saaremaa and Viljandi, i.e. mostly in regions where the university has a college or an office.

Programmes of the **University of the Third Age** have expanded nearly all across Estonia. As it was not possible to organise popular lectures in 2020/2021 due to health risks, the programmes switched to online learning and the participants were offered video and radio lectures in Estonian and Russian. In the autumn semester of 2021/2022, 12 programmes were opened in 11 locations in Estonia. In addition, the programme of health and psychology webinars started, allowing to study in real time. All in all, more than 2,281 people participated in the University of the Third Age programmes.

Due to the coronavirus pandemic, the highly popular lectures of the University of the Third Age were suspended at the end of the year. Instead, online lectures and webinars and pre-recorded video and radio lectures were offered. Also workshops, language and computer courses, and lecture viewings for small groups were organised. Online learning helped develop the digital skills of the elderly, and motivated them to use computer-based communication channels more confidently.

The Põlva programme of the University of the Third Age received the teaching award of the year in Põlva County, and the Võru programme was nominated for the teaching award of the year in Võru County. The online programme of the University of the Third Age won Tartu County's special teaching award of the year.



RESEARCH

Financing

In 2021, the University of Tartu was allocated €20.5 million from the state budget for the **baseline funding** of research. This was 44% of the total baseline funding (€46.3 million) divided between the 20 positively evaluated research and development institutions in Estonia. The amount of baseline funding has increased, but its share in the university's research revenue in the past three years has not. The increase in baseline funding in the state budget is slower than the increase in the number of private research and development institutions applying for it.

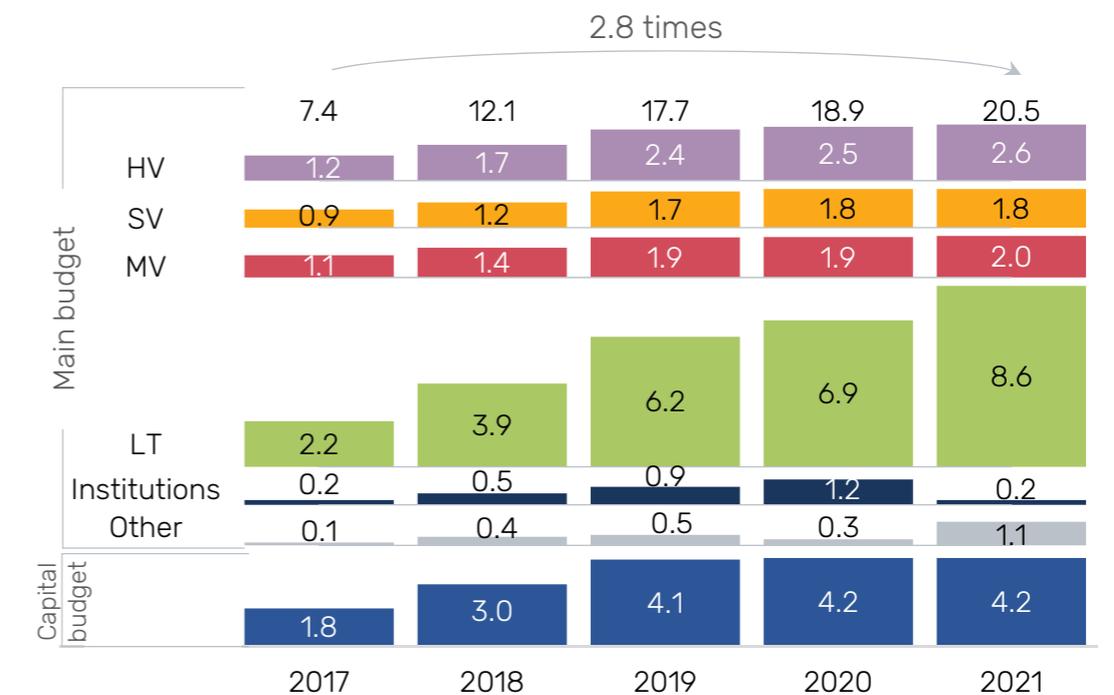
The university council allocated the part of baseline funding intended to support national disciplines (€1.1 million) to the Faculty of Arts and Humanities. 4.2 million euros of the main part of the baseline funding was allocated for investments in academic and research buildings, and the rest was distributed as follows:

- 74% to academic units according to their contribution to earning the university's baseline funding,
- 20% to the UT development fund,
- 6% to the rector for performance-based funding of faculties.

Academic units used their allocations to initiate and co-finance more than one hundred research topics and projects, incl. to support experimental development. From the development fund, bridging grants were allocated to units whose research grants and baseline funding decreased by more than 10% compared to the previous year so that they could reorganise their work and cover the costs of applying for new projects. Labour costs accounted for nearly 33.5% (€6.6 million) of the costs made from the financial accounts of baseline funding.

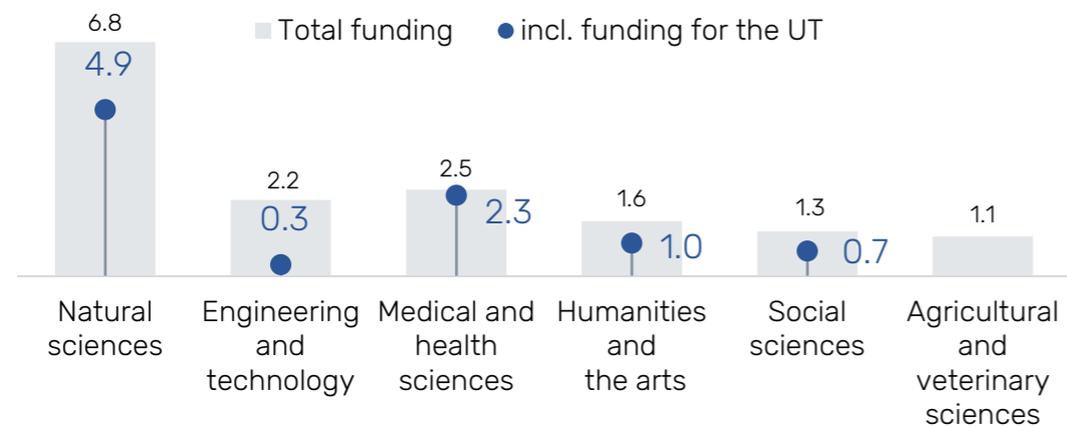
Baseline research funding allocated to R&D institutions for 2017 and 2021, in million euros

R&D institution	2017	2021	Increase
UT	7.4	20.5	13.1 (2.8 times)
TUT	3.8	10.5	6.7 (2.8 times)
TU	1.2	3.4	2.2 (2.8 times)
EULS	1.5	3.5	2.0 (2.3 times)
Other	3.0	8.4	5.4 (2.8 times)
Total	16.9	46.3	29.4 (2.7 times)



Distribution of baseline funding for research in 2017–2021 between the university's main budget and capital budget after distribution of performance-based grants and allocations from the development fund (in million euros)

The **personal research funding** (PUT) of the Estonian Research Council yields most of the university's research income (nearly 25%). In 2021, a total of €15.6 million were allocated for new projects under the two types of PUT – start-up and team grants – in Estonia. UT researchers received €9.2 million (60%) of that amount to launch 50 new projects. Also, 127 existing PUT projects continued and received €17 million. In addition, three new post-doctoral researchers received PUT funding (€377,340 in total).



Funding for start-up and team grants started in 2021 by fields of research, in million euros

In 2021, 32 contracts financed from the **structural funds** were concluded at the university, in the total amount of €6.7 million. This includes nearly one million euros from the Mobilitas Plus programme, supporting the research by international or returning post-doctoral researchers in Tartu. Structural funds also largely financed the university's **COVID-19** research.

Starting from the beginning of the coronavirus pandemic in 2020, the university has concluded research contracts on COVID-19 for a total of €15.8 million.

R&D contracts concluded in 2021 amounted to a total of €66.7 million, nearly 25% of them being contracts with international funding.

With the support of foreign funders, €16.8 million worth of R&D contracts were signed at the university in 2021. Contracts

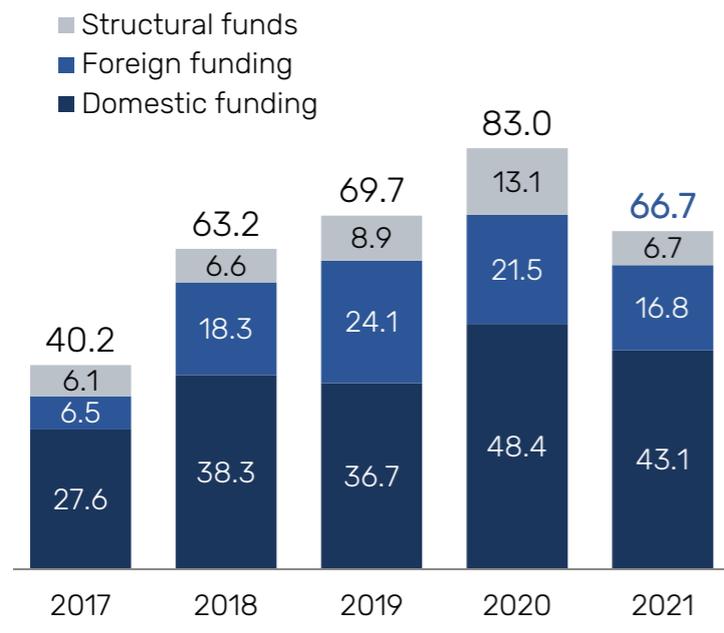
funded from the **Horizon 2020** programme (17) were concluded in the total amount of €7.3 million. As at the end of 2021, this programme had funded the university's projects with a total of €69 million. This places the UT second among the universities of Central and Eastern Europe (EU13).

So far, the most successful initiative of Horizon 2020 has been the **ERA Chairs action**: the university has received a total of €17.3 million for seven chairs, which is the best result in Europe for one institution. From the closed Horizon 2020-funded European Green Deal Call, the university's researchers received €2.3 million for two projects.

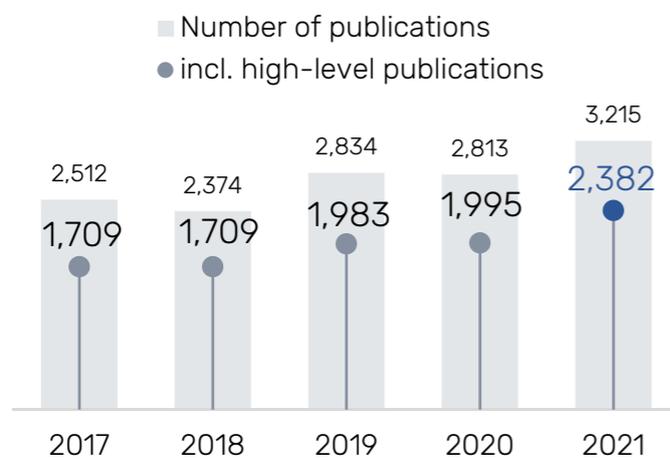
The first project, WaterLANDS, aims to find practical solutions for carbon sequestration in wetlands. The project will test the opportunities for restoring common types of mire in Europe and the management and funding models needed to achieve this. Apart from the university, Estonian partners of the project include the Estonian Fund for Nature, the State Forest Management Centre and Tootsi Turvas AS. In total, partners from 13 European countries are involved.

The second project, oPEN Lab, aims to identify and test economically feasible integrated solutions, based on the examples of cities in Belgium, Spain and Estonia, that would allow creating positive energy neighbourhoods integrated with the existing energy system.

2021 was the first year of the new EU framework programme **Horizon Europe**, intended to support research and innovation from 2021–2027. The university's employees submitted nearly one hundred applications to this programme. These included four applications in the Teaming action, aiming to create pan-European centres of excellence at the University of Tartu.



The value (in million euros) of the university's R&D contracts concluded in 2017–2021 (project-based funding, to be supplemented by baseline funding)



Research publications by UT members, incl. the number of high-level research publications, in 2017–2021. Source: ETIS

Thanks to Horizon Europe, more than 30 **partnership networks** were launched during the year. Around a third of all Horizon Europe funding is planned for implementing partnership schemes. In 2021, the university continued to participate in three networks of the European Institute of Innovation and Technology (EIT), through which it received a total of €800,000 for 13 projects. These networks are

- European innovation network EIT Urban Mobility,
- European cooperation network of innovative manufacturing technologies EIT Manufacturing,
- Network of European health innovators EIT Health.

Between 2015 and 2021, the university received a total of €6.7 million in co-funding from the European Commission through Horizon 2020 partnerships, which makes about 10% of the total funding received from Horizon 2020 and Horizon Europe over the same period.

To encourage and support the applicants for high-level European Research Council (ERC) grants, the university created the ERC Incentive Grant. It was awarded to 16 young researchers based on internal competition. If the action proves effective, the university plans to develop the financial support and advice for ERC grant applicants into a permanent support service.

Publications

According to the Estonian Research Information System, UT members published 3,215 **research publications** in 2021, incl. 2,382 classified as **high-level** (387 more than in 2020). Thus, the average number of high-level publications published per academic staff member (FTE) was 1.24.

As at September 2021, 17% of publications by UT researchers published in the past five years (2016–2020) and indexed in the Web of Science database have reached the top 10% most cited publications in their field.

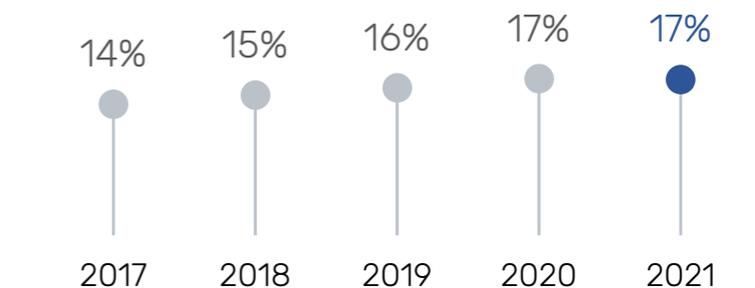


According to the research database Essential Science Indicators (ESI), 74 researchers affiliated with the University of Tartu ranked among the 1% most cited researchers in their field in 2021 (70 in 2020). Five of them (marked with an asterisk) have been included for their research impact in the “Highly Cited Researchers 2021” report by Clarivate Analytics, which is based on ESI data and lists the 6,000 most influential researchers in the world.

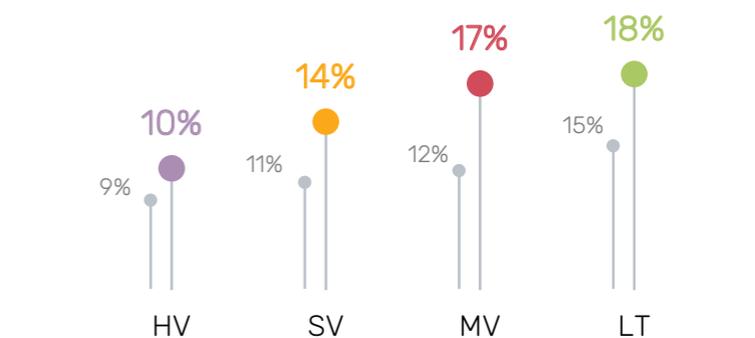
Tsipe Aavik	Andres Merits	Tiit Teder
Priit Adler	Andres Metspalu	Leho Tedersoo*
Helene Alavere	Ene Metspalu	Tanel Tenson
Sten Anslan	Mait Metspalu	Martti Vasar
Mohammad Bahram*	Kairit Mikkel	Richard Villems
Mikhail Brik	Lili Milani	Jaak Vilo
Mikael Brosche	Mari Moora	Maarja Öpik
Alexander John Davison	Reedik Mägi	Helder Almeida Santos
Tõnu Esko	Mari Nelis	Vinay Choubey
Krista Fischer	Jane Oja	Alastair Forbes
Toomas Haller	Elin Org	Mikk Jürisson
Aveliina Helm	Eveli Otsing	Allen Kaasik
Indrek Hiiesalu	Leopold Parts	Maire Lubi
Inga Hiiesalu	Hedi Peterson	Toomas Marandi
Angela Ivask	Kadri Pöldmaa	Pärt Peterson
Heikki Junninen	Sergei Põlme	Margus Punab
Toomas Kivisild	Kadri Pärtel	Jüri Allik
Hannes Kollist	Meelis Pärtel	James Hammiton Love
Indrikis Krams	Maido Remm	Rene Möttus
Urmas Kõljalg	Lauri Saag	Henn Ojaveer
Triinu Kõressaar	Irja Saar	Anu Realo
Ülo Langel	Ave Suija	Frank Jacomina Albert Witlox*
Ivo Leito	Martin Zobel*	Kessy Abarenkov*
Jaan Liira	Mari-Liis Tammesoo	
Ülo Mander	Kaido Tammeveski	

■ LT ■ MV ■ SV ■ Natural History Museum and Botanical Garden

According to ESI data, during 2021, the publications by the university’s staff in the past ten years brought the UT among the top 1% of the most cited institutions in 14 out of 21 fields. Two new such fields were added in 2021: engineering and materials science. Ten years ago, the university was among the top 1% in six fields only.



Percentage of publications ranking in the world’s top 10% by citations for their field of all UT publications in 2017–2021



Percentage of publications ranking in the world’s top 10% by citations for their field of all publications in 2021. For comparison, the percentage in 2017 is shown in grey

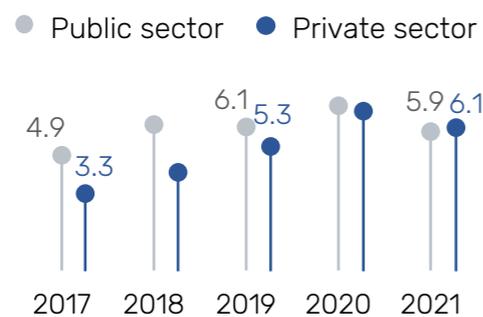
ENTREPRENEURIAL UNIVERSITY

The total volume of **R&D service contracts** with the private and public sector in 2021 was €12 million, which is nearly 10% less than a year before. The largest R&D contractors by amount were Bolt Technology OÜ, the University of Helsinki, the Ministry of the Environment and H2Electro OÜ. The services included research on self-driving car technology, genetic studies, fisheries stock assessment and the development of novel hydrogen energy storage devices.

Private companies have commissioned services related to developing future technologies, such as renewable energy solutions and applied research to tackle the health crisis. In 2021, nine of the ten largest private-sector R&D partners were Estonian companies, and their total contribution to the R&D activities carried out in cooperation with the university was €4 million. A year ago, there were only six Estonian companies among the ten largest contractors. The Ministry of the Environment and its agencies continue to be the largest public-sector contractor of R&D services, having invested €1.8 million in environmental research and monitoring.

2021 saw fewer applied research contracts signed with companies using public support measures. This may be due to the fact that the new applied research programme of Enterprise

Estonia no longer obliges the companies to cooperate with universities (unlike the previous similar measure, Nutikas). The new applied research programme, focusing more on product development, was not fully launched in 2021. However, it is good to see an increase in the volume of new service contracts signed without public



Volume of service contracts with the public and private sector in 2017–2021, in million euros

support measures. The total volume of business contracts was €6.12 million.

For six years, the university has coordinated **Adapter**, the cooperation network of Estonian R&D institutions. 18 institutions have joined it by now. In 2021, Adapter mediated the contacts of research and development institutions most often to enterprises in the manufacturing, science and technical sectors. Enterprises are most often interested in physics, chemistry, and materials science and topics related to food and cosmetics. Adapter is a cooperation partner of Pärnu Management Conference. The 2021 conference focused on the role of research in improving the competitiveness of Estonia.

The university's **partnership programme** offers enterprises a wide range of teaching, research, and development services. More than 70 enterprises and business associations have joined the programme. In 2021, the university concluded contracts worth €0.56 million with these enterprises, offered more than 50 traineeship positions to students, involved experts in giving lectures and cooperated in large and international projects. Entrepreneurs have commissioned continuing education courses and offered both financial and non-financial support. A new direction in 2021 was to involve the university's spin-off companies in the partnership programme. The value of service contracts concluded with them in 2021 was €1.43 million (€0.76 million in 2020).

Tartu Science Park is the university's main partner in developing an ecosystem for knowledge-intensive enterprises. In 2021, procedures were streamlined so that companies stemming from the university could move more smoothly into the science park's incubation programmes. Also, two pitching competitions were organised jointly for knowledge-intensive start-ups: Nordic Pitchmatch during sTARTUp Day and Pitching Hero Competition during the Entrepreneurship Week in October.



We actively search for opportunities to cooperate with businesses. We value cooperation projects between academic staff and businesses.

Cooperation with the **investors' community** also continued in 2021. Together with SuperAngel, a fund of angel investors, the Science Base Camp was organised, where the university's research-intensive start-ups could test their ideas on customers and potential investors during a development sprint. Two participants of the spin-off programme went to Stage Two, the pan-European competition for business ideas. The European Institute of Innovation & Technology chose the university, together with Tartu Science Park, as a pan-European training partner for research-intensive start-ups.

Twenty new teams and researchers joined the university's **spin-off programme** in 2021. Five teams completed the programme. In 2021, start-up companies created by UT researchers involved more than €2 million of private investors' money. The university and the City of Tartu chose OÜ TBD-Biodiscovery as the most successful spin-off company of the university of the year based on their financial results. At the Estonian Startup Awards 2021 gala, the spin-off company Up Catalyst OÜ received third place in the category The Big Bang of 2021.

In 2021, the university invested €171,000 in **protecting its intellectual property**. The amounts used for intellectual property protection have tripled over the past three years. At the end of 2021, the university had 39 pending patent applications and 54 valid patents for 27 inventions. *Lactobacillus fermentum* ME-3 continues to be the university's most successful object of intellectual property.

From the **Feasibility Fund**, the university supported 15 projects with a total of nearly €0.5 million in 2021. In the three years of the fund, the university has invested one million euros in experimental development. The results of the first years have shown that it is the first and crucial step for taking research results outside the university. Several research-intensive start-ups have been created based on the projects of previous calls, and the research results have also been applied in existing companies.

The annual **Delta Career Day** was held online in 2021. More than 45 companies were present, incl. Tele2 Eesti, Eesti Energia, Swedbank and Telia Eesti. The career day aims to bring together

IT students and ICT companies to share information about traineeship and job opportunities.

In the workshops of the **Starter pre-incubation programme within "Edu ja tegu"** entrepreneurship education programme, mentors help students of various disciplines develop their ideas into business models, work on their presentation skills and set up a business. In 2021, 44 teams completed the Tartu programme of Starter, with 152 participants and nearly 30 mentors from outside the university. At the students' business ideas competition of the international business festival sTARTUp Day, teams of the Starter programme won special prizes. For instance, the Tartu City Government's prize went to team Echo, which is creating an on-demand reusable packaging system for take-away food. The team BerryBot, developing an AI-based strawberry-picking robot, was accepted into the university's spin-off programme.

In the university-wide optional course **"Project-based internship"**, from the 2020/2021 academic year, students can also be involved in the development of local life. The innovative learning format "Kodukohta tagasi" ("Back home") helps to make university studies more practical and gives an opportunity to apply theoretical knowledge to solve a real-life problem or promote local life. In 2021, a pilot project was carried out in the municipality of Põltsamaa, which ended with a community radio broadcast during one summer week. The 2,500-euro Ülo Pärnits Scholarship by Ülemiste City went to a project-based internship team Help Students Learn for their proposals on designing the learning environment of the new building of Tallinn International School. The team comprised seven students of four curricula, supervised by **Eneken Titov**, a member of the management board of AS Mainor.

In 2021, the preparatory phase of the cooperation project "Development of innovative capacity and entrepreneurial competence of Ukrainian universities: sharing best practice of Estonia" (UnivEntre) started. The project is led by the university's Startup Lab and funded by the Ministry of Foreign Affairs. A meeting was held with the Ukrainian partner to develop a course for the teaching staff of Ukrainian universities to support entrepreneurship education.

We value the development of ideas with business potential and the creation of prototypes.

CONTRIBUTION TO SOCIETY

Estonia's national university

For the many-sided intellectual and creative development of the university's members, the professorship of liberal arts has been created. A prominent Estonian creative person is invited to fill this position every academic year. In the spring semester of 2021, **Olga** and **Priit Pärn** continued in this position. Their most popular lectures

have been watched more than 3,000 times on UTTV. For the 2021/2022 academic year, the poet, essayist and translator

Hasso Krull was elected to the position of professor of liberal arts. His lecture course "Gods of the Future: Ontological War and the Art of Attunement" focuses on understanding the society of the future. In the autumn semester, Hasso Krull gave 14 lectures, each of which has been watched nearly 1,000 times on UTTV.

The **expatriate Estonian professorship** aims to promote collaboration between the university's academic community and top researchers of Estonian descent elsewhere in the world, increase students' opportunities to attend lecture courses taught by top-level international professors, and introduce Estonia's national university in the world. In 2021, **Jaan Valsiner**, Professor of Cultural Psychology at Aalborg University, started as the expatriate visiting professor at the University of Tartu. He is one of the world's leading cultural psychologists, whose research focuses on the intersections and interconnections of psychology and semiotics, and who has helped to promote Estonian research in the world. Jaan Valsiner's course focuses on the dynamics of meaning-making in irreversible time, in sign systems, nature, culture and society.

On the **Mother Tongue Day**, Associate Professor of Applied Linguistics **Kristiina Praakli** gave a public lecture about changes in the Estonian linguistic environment over the past 25 years. This was the tenth Mother Tongue Day lecture at the university.

The university in regions

The impact of the university's colleges in Narva, Pärnu and Viljandi reaches far beyond the organisation of studies. For instance, Viljandi Culture Academy coordinates the activities of Viljandi as the UNESCO Creative City of Crafts and Folk Art and has signed a cooperation agreement with the City of Viljandi for the development of creative entrepreneurship.

The City of Pärnu and the UT have signed a five-year cooperation agreement to make the college a prominent centre of higher education and competence in western Estonia. In 2021, the Association of Local Authorities of Pärnu County joined this cooperation. Academia Pernaviensis, founded with the co-support of Pärnu College, aims to promote an academic communication environment in Pärnu.

Narva College organises Estonian language and literature clubs and the largest teachers' conference in Estonia. The XXII pedagogical conference held in 2021 focused on the trends of multilingual education in Estonia. The college is also one of the leaders of the Ida-Viru Education Cluster. On the college's initiative, the Ida-Viru research council was established to support the Union of Ida-Virumaa County Municipalities.

For all these societal functions, from 2021, the MoER has also allocated separate activity support to colleges.

Knowledge sharing

In the 2020/2021 academic year, more than 2,700 pupils took part in 48 **Youth Academy** courses and nearly 800 learners from 69 schools in the workshops programme. More than 2,400 pupils from nearly 230 schools started learning in 55 Youth Academy courses and more than 500 pupils from 43 schools registered for workshops.

We develop studies on the Estonian history, language and culture to preserve and advance the Estonian language and culture.

We find talented youth in general education schools across Estonia and support their interest in research and the development of their skills from an early school age until the end of secondary school.

The Youth Academy organised the final rounds of the Olympiads of 15 subjects with 931 participants in total. 137 Estonian pupils participated in 22 international subject competitions and Olympiads and brought home four gold, 21 silver and 31 bronze medals. To prepare Estonian pupils for international Olympiads, numerous selection competitions and training camps supervised by the university's researchers were organised.

In addition to Olympiads, the Youth Academy organised open competitions in astronomy, mathematics, computer science, chemistry and physics. These attracted 1,025 participants. Among online competitions, the mathematics contest Känguru organised at schools was by far the most popular, with nearly 12,000 participants in 2021.

The integrated experimental learning programme for chemistry, physics, biology and mathematics Uurimislabor ('Investigation Lab') is meant for pupils of basic and secondary schools. In 2021, a total of 524 pupils took part in the programme.

The Youth Academy coordinates the programme "Talendid Tartusse!" ('Talents to Tartu!'), supported from the university's development fund. It offers talented young people more diverse learning opportunities at the UT and a scholarship for the three best applicants. Starting from their first year of studies, students in the programme can take part in research projects or develop their teaching skills besides their curricular courses. 41 students joined the programme in 2021.

The UT **Museum** had 27,539 visitors in 2020, which is only 42% of the visitor numbers before the pandemic. 364 education programmes were organised, 134 of them online, reaching 7,120 pupils. At the end of the year, a new part of the permanent exhibition – the Cathedral's Chamber of Mysteries – was opened, seeking answers to questions about the cathedral's history. In the new project "Art or Science", a large number of instructional posters and other illustrative teaching materials from the

university's collection were made publicly available in the Estonian museums' online portal muis.ee and will soon be on display at the exhibition. Supported by the state-funded project "Digitisation of Cultural Heritage 2018–2023", the large-scale digitisation of collections continued.

During the year, in addition to the permanent exhibitions of the **Natural History Museum and Botanical Garden**, visitors could see an exhibition about insect pollinators and human-animal interaction, take part in the events of the mushroom week, get to know valued plants from Estonian forests and meadows, and enjoy **Veljo Runnel's** photo exhibition "Fifty shades of green". Led by the Natural History Museum and Botanical Garden, the seventh Nature Festival was held in 2021. As a result of the nature observations marathon, more than 7,500 entries were added to the eBiodiversity data portal from all over Estonia, which is the new participation record.

In spring, the third citizen-science campaign "Looking for cowslips" took place, led by the university's researchers and the Estonian Fund for Nature. By spring 2021, the campaign spread across entire Europe, so that cowslip observations were done in nearly 30 countries.

By the end of 2021, the UT **Library** had 31,866 registered users, 30% of them from outside the UT. Students accounted for 58% of the total number of readers. During the year, the main building of the library was visited 122,415 times and 3.8 million virtual visits were registered. By the end of the year, access to 134 online databases had been created via the library. In 2021, the multispectral imaging lab was launched, allowing images to be taken in 16 types of light, incl. infrared and ultraviolet. Photographing different materials in the lab can give researchers important information about what is invisible to the eye: pigments, fibres, underdrawings, retouching, erased or faded lettering and watermarks.

The library staff organised 12 exhibitions, the most significant of which was "Life on the Front Page. Estonian Newspapers 1821-2021".

We create opportunities that enable talented youth to prepare for university studies and devote themselves to self-development during their studies.

In collaboration with state authorities, we create a motivating environment for researchers to find solutions to societal problems by involving experts from different fields.

In 2021, more than 5,000 new donors joined the Estonian Biobank. There are more than 207,000 biobank donors by now, which is nearly

20% of the Estonian adult population. Thanks to them, genetics research in Estonia can progress in great strides.

Led by Associate Professor of Neuropsychiatric Genetics **Kelli Lehto** and Professor of Epi- and Pharmacogenomics **Lili Milani**, the largest genetic study on mental health and well-being in history was launched. 86,000 biobank donors completed its online questionnaire.

In 2021, also the personality study started, unique in both its size and depth. The study will provide an opportunity to match people's personality traits with their genetic makeup and determine what life experiences and genes shape personality traits and how these traits translate into health. The study is led by two Estonian researchers: Associate Professor of Behavioural Genetics **Uku Vainik** from the University of Tartu and Reader in Psychology **Rene Mõttus** from the University of Edinburgh.

Feedback from society

The **national research award for outstanding lifetime achievements** in research and development went to Professor emeritus **Jüri Talvet**, whose contribution to Estonian research is founding Spanish studies and bringing the study of Spanish literature and culture to a world-class level. In 2021, Jüri Talvet was also awarded the title of the **Honorary Citizen of Tartu**.

Academician and Professor of Physical Chemistry **Enn Lust** and Associate Professor in Physical and Electrochemistry **Alar Jänes** received the **national research award in chemistry and molecular biology**. Their series of works was entitled "Development and application of operando methods for investigation of porous electrodes of Na-ion batteries and other porous materials and fuel cells".

Academician and Professor of Human Physiology **Eero Vasar**, Associate Professor of Translational Medicine **Mario Plaas**, Associate

Professor in Human Physiology **Mari-Anne Philips** and Associate Professor in Psychiatry **Liina Haring** received the **national research award in medicine** for their research "Translational research in neuropsychiatry: from genetically modified laboratory animals to schizophrenia spectrum disorders in people".

Professor in Marine Ecology **Jonne Kotta** received the **national research award in geology and biology** for his series of works "Marine life in the winds of climate change".

The Estonian Academy of Sciences elected **Maris Laan** as the **Academician of Public Health** and **Elmo Tempel** as the **Academician of Astronomy and Astrophysics**. The research of Professor of Human Genetics Maris Laan focuses on reproductive genetics and genomics. Professor of Astronomy Elmo Tempel mainly studies galaxy formation processes, the mapping of large-scale structures in the universe and the origin of dark matter.

Academician and Professor of Geology and Mineralogy **Kalle Kirsimäe** was awarded the **Order of the White Star, 3rd class**. He was recognised for his contribution as a leader of Earth's crust projects and for research on the mineralogy and geochemistry of industrial and mining wastes and their potential application, which has shaped the Estonian energetics landscape.

Three university employees received the **Order of the White Star, 4th class**. Professor emerita of Language Technology **Mare Koit** was recognised for her work in teaching and developing the discipline of language technology. Her research focuses on artificial intelligence, machine translation and the modelling of oral communication. Professor of Civil Law **Irene Kull** was recognised for her scientific-theoretical work on issues related to the law of obligations and for drafting practical legislative proposals on that basis. Order of the White Star, 4th class, was also awarded to a geologist and visiting professor at the University of Tartu **Alvar Soesoo**.

Order of the White Star, 5th class, was awarded to Head of the Lifelong Learning Centre **Tiia Ristolainen**, who is a leader of adult education, incl. the University of the Third Age.

Order of the Estonian Red Cross, 1st class, was awarded to Professor in Medical Microbiology [Irja Lutsar](#) for her work as the head of the government's COVID-19 scientific advisory council, giving research-based and well-considered recommendations and measures that helped curb the spread of the virus in Estonia.

The **Young Environmental Scientist Award** was given to Associate Professor of Atmospheric Physics [Velle Toll](#), who studies the climatic impact of human activity to improve weather prediction accuracy in the future.

The **Tiiu Sild memorial lifetime achievement award** for long-standing and systematic popularisation of research and technology was granted to [Tõnu Viik](#), long-time astronomer and scientific advisor of Tartu Observatory, who has worked in the field of astronomy for nearly 60 years. He has worked actively to make the observatory known in Estonia and other countries and make people aware of the usefulness of astronomical knowledge.

The **best science and technology communicator prize** was awarded to Associate Professor of Computational Neuroscience and Artificial Intelligence [Jaan Aru](#), who is able to present brain science in an engaging way to children and ministry officials alike, showing that knowledge about the brain can help us act more effectively.

Another research communication award was given to curators of the Voronja Gallery's season 8 summer exhibition "Trinity – Science. Art. Fiction", Professor of Human Genomics [Tõnu Esko](#) and Associate Professor of Materials Chemistry [Kaija Põhako-Esko](#). They received the **first prize for activities and series of activities to popularise science and technology** for showing science from a novel perspective and bringing it closer to people who otherwise have no contact with science.

Professor of Urban and Population Geography, Academician [Tiit Tammaru](#) received the **Medal of the Baltic Academies of Sciences** for bringing Estonia to the forefront of modern human geography.

In 2021, both main prizes of the **National Contest for University Students** went to doctoral students of the University of Tartu: [Sander Ratso](#) for his research paper "Electrocatalysis of Oxygen Reduction on Non-Precious Metal Catalysts" and [Juhan Saharov](#) for his research paper "From Economic Independence to Political Sovereignty: Inventing 'Self-Management' in the Estonian SSR". A total of 62 papers by students of the University of Tartu were awarded a prize or a mention in the contest.

In the field of youth work, **MoER recognised** Junior Lecturer in Youth Work of Narva College [Kaur Kõtsi](#) for his contribution to the promotion of professional standards in youth work and the development of youth work curricula.

In 2021, lead editors of media outlets in the Estonian Association of Media Enterprises named the COVID-19 scientific advisory board the **friend of the press**: Professor of Medical Microbiology [Irja Lutsar](#), Professor of Mathematical Statistics [Krista Fischer](#), Associate Professor of Affective Psychology [Andero Uusberg](#), Professor of Surgical Diseases [Peep Talving](#), Lecturer in Infectious Diseases and physician of infectious diseases at Tartu University Hospital [Pilleriin Soodla](#) and Professor of Applied Virology [Andres Merits](#).

The university received the honorary title **"Spordisõber 2021"** (Friend of Sports) from the Ministry of Culture and the Estonian Olympic Committee for allowing athletes admission under special conditions and a more flexible schedule of studies.

Feedback from the Estonian population shows that the university's work is recognised: 84% of the respondents to the survey by Kantar Emor consider the University of Tartu to be the **most reputable** higher education institution in Estonia. Respondents say that the university's reputation lies, above all, in reliability, high-level education and research, and the high value of diploma in the labour market. In addition, respondents regard the competition for studies at the university as tight and university graduates as successful. Also, the internationality of the national university is seen as a great advantage.

Culture and sport



Tartu Academic Male Choir at its traditional Christmas concert at the university's assembly hall



Concert of the University of Tartu Folk Dance Ensemble at the Car-Free Avenue in Tartu



Concert of the Academic Women's Choir of the University of Tartu "Pöördumine" at the university's assembly hall



Brass band Popsid performing at the Car-Free Avenue in Tartu



The U16 and U18 teams and the first team of the University of Tartu Academic Sports Club won gold medals in the finals of the 2021 Basketball Cup

We provide students with an integrated university experience, giving them possibilities to participate in student organisations, cultural activities, sports organisations, professional societies and representative bodies.

ORGANISATION

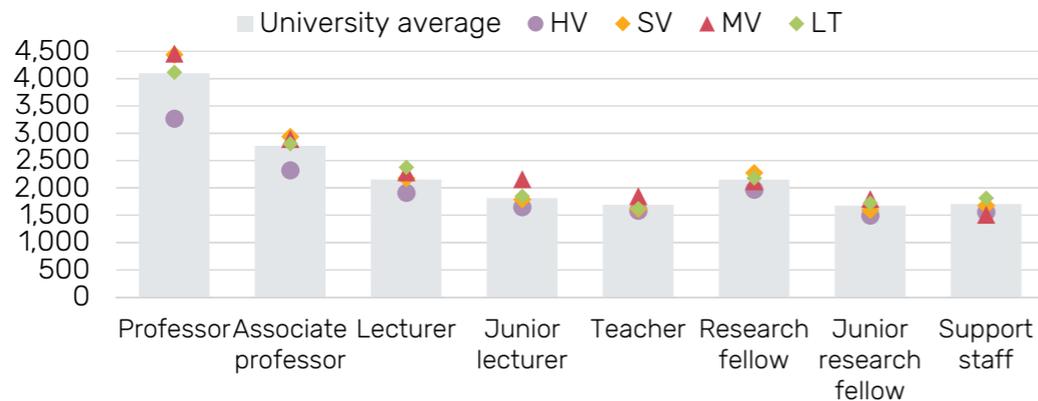
Employees

At the end of 2021, a total of 3,941 people worked at the University of Tartu either part-time or full-time. The number of full-time equivalent (FTE) employees was 3,166. 2,127 people worked in academic positions, incl. 241 professors, 65 of whom (27%) were women.

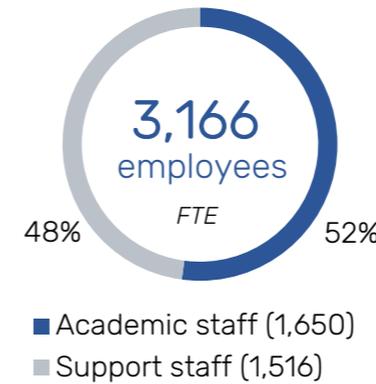
The university's staff included 469 **foreign nationals** from 73 countries. 377 international employees held an academic position. International employees accounted for 18% of the total number of UT academic staff. Most of them were junior research fellows (123) or research fellows (99). 45 foreign nationals were employed as professors.

1,471 of academic staff members held a **PhD** (69%). The requirement to hold a PhD or an equivalent qualification applies to professors, associate professors, lecturers and research fellows.

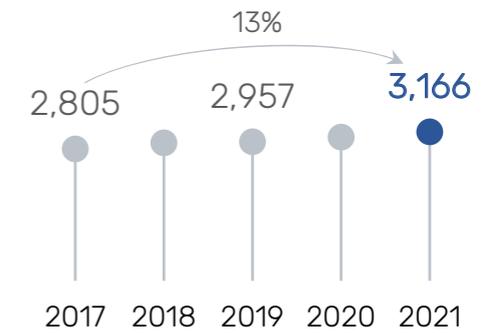
The **average gross monthly** salary of UT employees was €2,095. In a year, the average gross monthly salary increased by 8%: 7.7% among academic staff and 8.9% among support staff. The average salary increase was the biggest for teachers (17.2%), junior lecturers (11.7%), lecturers (10.5%) and associate professors (9.5%). The average salary increased by 8.1% for professors, 7.4% for research fellows and 6.8% for junior research fellows.



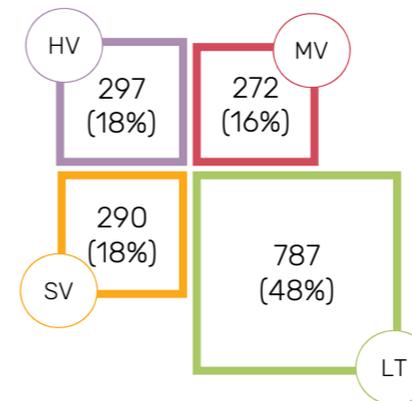
Average salary (in euros) by positions and faculties in 2021



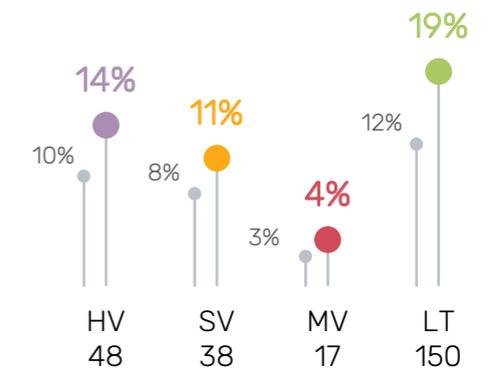
Number of employees (FTE) in 2021



Number of employees (FTE) in 2017-2021



Number of international academic staff members (FTE) and their division by faculties in 2021



Number of international academic staff and their percentage by faculties in 2021 (excl. junior research fellows). For comparison, the percentage of international staff in 2017 is shown in grey

In 2021, the **Gender Equality Plan** was developed, which is the first major step towards addressing this issue more extensively and systematically at the university. In the plan, the university has set four main objectives for the following four years:

- to enhance the members' awareness of gender equality and to show its connections with the university's main activities (teaching and studies, research, service to society);
- to promote gender equality among the members through gender-responsive recruitment, creating equal career opportunities, career counselling and mentorship, reducing the gender pay gap, creating flexible working arrangements that support work-life balance;
- to involve, in a balanced way, employees of both genders in governing bodies and decision-making;
- to promote an organisational culture that values the equal treatment of all members, incl. to improve the members' awareness of equal treatment and sexual harassment; to focus on preventing and solving of problems.

Training courses

43% of academic staff have actively participated in the development of teaching skills in the past five years.

The university supports the **development of teaching and supervising skills** of academic staff by offering training courses, counselling, collegial feedback communities, the scholarship of teaching and learning, and teaching conferences. All teaching staff members who want to enhance their teaching skills can get support from the academic developers of each faculty and instructional designers. In 2021, 64 training courses and seminars on the development of teaching skills were organised for 1,643 participants.



The **main courses** for developing teaching and supervising skills include "Learning and Teaching in Higher Education", "Supervising Student Papers", and the English-taught "University Teaching". There are many other courses on teaching-related topics, including support for using the Moodle e-learning environment, effective teaching methods, flipped learning, analysing feedback, creating audio lectures, creating group cohesion and organising online exams.

As in the previous years, the UT allocated 12 **grants** for the systematic development and research of teaching skills. Together with earlier grant recipients, the university has supported 84 teaching staff members in researching and developing their teaching and sharing the results.

For the third year, the **"Visit your colleague" week** took place, during which teaching staff members opened the doors of their lecture halls to colleagues. In 2021, the programme included 40 open lectures and attracted 99 visits. One of the week's goals is to encourage teaching staff to discuss teaching and learning with colleagues. They are encouraged to visit the classes of other faculties because one may get valuable ideas from the work of colleagues from other fields of study.

In 2021, the annual **conference "From Lecturer to Lecturer"** was dedicated to the topic of learning and teaching spaces. Nearly 300 participants registered for the conference. Discussions about the learning space ranged from physical spaces that support learning and traditional lecture halls to modern virtual environments supported by artificial intelligence. The workshops explored how to organise secure and supervised online tests, how educational psychology can be applied in the system to support teaching staff, and how to delimit the learning space. Participants shared their experiences of teaching digital and media literacy and discussed teaching during the corona pandemic. In online poster presentations, teaching staff members shared their experiences of changes and innovations in teaching.

30% of international staff have taken an Estonian language course in the past five years.



To promote **good language use and orthography**, four training courses and seminars took place, attended by 150 UT employees. The UT supports the Estonian language learning of its international staff. 74 international employees and 16 family members learned Estonian, so the number of international employees who learned Estonian increased by 23% compared to the previous year. Interest in learning Estonian is constantly growing.

The university organises various **adaptation-supporting events** for international staff and their families. There were fewer events and participants during distance learning, but some events did take place, such as a guided orienteering tour, a Christmas event, and a cooking workshop. 58 people took part in these events.

For the professional development of staff, 152 training courses, seminars and events took place in 2021 for 3,975 participants. English language courses, especially for the development of conversation skills, continue to be popular. Also, training courses related to the development of teaching skills, self-management and mental health were in high demand. A Russian language course was organised in 2021. The majority of courses were delivered online.

Eight training courses were offered to **managers** during the year, with 221 participants. The most popular training course was the one on conducting remote meetings.

Training courses were also offered on topics such as performance appraisals, strategic planning, and coping with disagreements and changes.

In 2021, the first edition of the **360° feedback survey** for managers took place, aiming to support the self-analysis and development of managers, collect

feedback to better understand the expectations and needs of their colleagues and partners, and map the strengths and development needs of managers. After the survey, a feedback session with a consultant helped each manager to reflect on the results and set new development goals. Feedback was given to the members of the Rector's Office, heads of institutes, colleges and institutions, heads of support units and vice deans – a total of 69 senior-level managers. Each manager received feedback from about 15–20 colleagues and cooperation partners. Involving different parties in the survey helped get a balanced overall picture of how the manager's activities are perceived.

2021 saw the continuation of the training of **peer group counselling leaders** which started a year earlier. Over two years, 42 employees have completed the training programme. In 2021, masterclasses were held where peer group counselling leaders could improve their knowledge and exchange experiences. In peer group counselling, participants can get support, inspiration and solutions to work-related problem situations from their colleagues. In a trusting and constructive atmosphere, solutions are sought to stories that group members want to discuss. It is a well-established form of collaboration that helps maintain a fresh outlook on work and benefits both the participants and the organisation as a whole.

527 people took part in the university's second **mental health and well-being conference**. The solution-centred online conference offered food for thought and useful techniques for maintaining one's mental health and coping with stress. Speakers talked about how to support one's mental fitness, how to rest one's brain during busy times, why it is important to fit exercise into working life and how to do it smartly. The power of collegiality and techniques for creating a good working atmosphere were also discussed. By the end of 2021, the UTTV recording of the conference had been watched more than 3,300 times.

Work environment

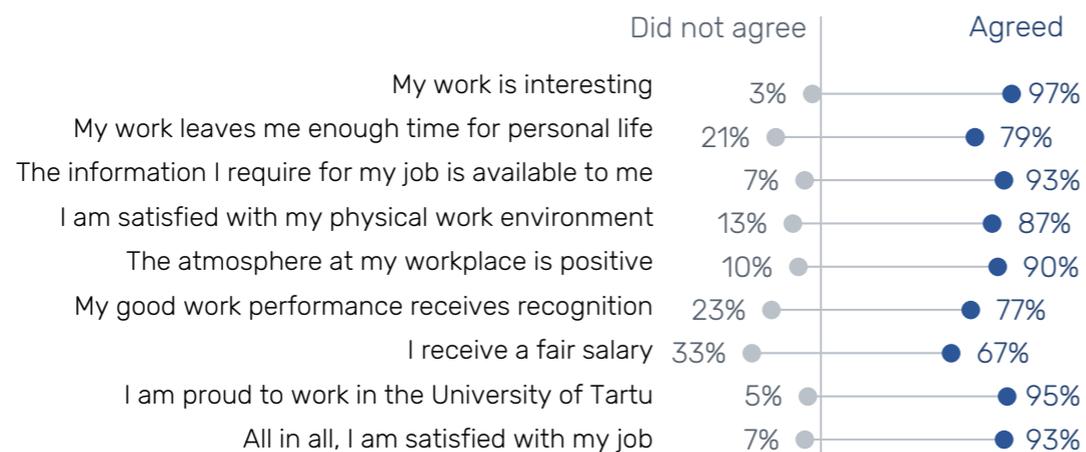


In 65% of units, at least 3/4 of staff are completely or generally satisfied with their job.

1,436 employees (37% of all staff) responded to the 2021 job satisfaction survey. The annual survey provides employees with an up-to-date overview of the work environment in their unit and the university, and gives managers feedback and ideas on how to design, maintain and develop a good work environment.

Compared to five years ago, employees are significantly more likely to perceive that the university cares about its staff. Ratings to opportunities to be involved in decision-making, the timely communication of management decisions and the recognition for good performance have also improved.

At the university, employee satisfaction mostly depends on interesting work, salary and work atmosphere. 97% of respondents found their job interesting, and 90% were satisfied with their work atmosphere. As in previous years, ratings for salary fairness were the lowest: only 67% of respondents considered their salary fair. The ratings for satisfaction with recognition (77%) and work-life balance are also relatively lower: 79% of university staff find that work leaves enough time for their personal life.



Job satisfaction survey in 2021 (percentage of agreement and disagreement with the statement)

Recognition

The university recognises its members and outstanding members of society for their impressive deeds and achievements. There are three levels of recognition:

- central forms of recognition (the award “Contribution to Estonian National Identity”, granting of honorary doctorates and honorary fellowships, the award “Pillar of the University”, and honorary decorations);
- annual awards to university members (research award, contribution to society award, language award, teaching award, teaching quality award, teaching staff of the year award);
- recognitions by structural units.

With the **“Contribution to Estonian National Identity”** award, the UT annually recognises individuals whose creative work has made an outstanding contribution to promoting the national identity of Estonians and Estonia. In 2021, the UT “Contribution to Estonian National Identity” award went to composer **Erkki-Sven Tüür**.

The university’s highest recognition, the University of Tartu **Grand Medal**, was awarded to the leader of the development of hydrogen technology in Estonia, Professor of Physical Chemistry, Academician **Enn Lust**, whose long-term outstanding work has helped to promote sustainable research-based green energy.

In addition, the university awarded 18 University of Tartu Medals, 69 Badges of Distinction, 12 Stars of Appreciation and 15 decorations “100 Semesters at the University of Tartu”.

In 2021, the senate appointed four **honorary doctorates**:

- Professor **Marja-Liisa Helasvuo** from the University of Turku;
- Professor **Astrid Stadler** from the University of Konstanz;
- Professor **Mart Saarma** from the University of Helsinki;
- Director of the European Bioinformatics Institute and Deputy Director of the European Molecular Biology Laboratory **Ewan Birney**.

The UT **research award** 2021 was granted for developing tumour-penetrating peptides for drug delivery, which will allow using smaller drug doses in cancer treatment in the future, significantly reducing the side effects of drugs. The award went to Professor [Tambet Teesalu](#).

The UT **contribution to society award** 2021 was granted for introducing the nationwide wastewater monitoring method. The method has been used since autumn 2020 for detecting the spread of the coronavirus. In the future, wastewater monitoring can be applied for various goals, such as detecting illegal drugs and drug residues. The award went to Professor [Tanel Tenson](#) and his research team, incl. Associate Professor [Veljo Kisand](#), Research Fellow [Helen Tammert](#), Research Fellow [Peeter Laas](#) and Specialist [Kristel Panksep](#).

The UT **language award** 2021 was granted for research and development combining language and technology in machine translation and neural speech synthesis. The decisive factor in choosing the awardee was that digitisation enables to ensure the development and preservation of the Estonian language. The award went to Professor [Mark Fišel](#) and his research team, incl. Head of Applied Natural Language Processing [Liisa Rätsep](#), Junior Research Fellows [Hele-Andra Kuulmets](#) and [Andre Tättar](#) and Programmers [Annika Laumets-Tättar](#), [Rasmus Lellep](#), [Agnes Luhtaru](#), [Taido Purason](#) and [Maali Tars](#).

Teaching staff of the year in 2021 were

- Teacher of Norwegian Language [Antonina Kostina](#) from the Faculty of Arts and Humanities;
- Professor of Communication Studies [Triin Vihalemm](#) from the Faculty of Social Sciences;
- Professor in Dermatology and Venereology [Küllü Kingo](#) from the Faculty of Medicine;
- Lecturer of Botany [Ene Kook](#) from the Faculty of Science and Technology.

The **teaching quality award** is given to recognise an institute, college or faculty for activities supporting the quality of teaching that have been designed and implemented successfully and effectively in cooperation of staff and students over the past three years. The teaching quality award 2021 went to the Institute of Pharmacy for the continuous and systematic development of pharmacy studies.

To value good teaching, the **teaching award** was given out in 2021 for the first time. The award was given to recognise three activities that value effective cooperation, development and innovation in the university's degree studies and continuing education:

- the development of clinical practice for the master's curriculum in Physiotherapy (team: [Kadri Medijainen](#), [Margot Bergmann](#), [Monika Mets](#), [Doris Vahtrik](#));
- experience seminars on the development of teaching methodologies at the Faculty of Science and Technology and the Institute of Estonian and General Linguistics (team: [Reidar Andreson](#), [Toomas Esperk](#), [Krista Fischer](#), [Heili Kasuk](#), [Evely Kirsiaed](#), [Asko Lõhmus](#), [Janika Raun](#), [Maido Remm](#), [Vesal Vojdan](#), [Kaire Uiboleht](#), [Helen Plado](#), [Maigi Vija](#));
- Estonian language and mathematics state examination courses for upper secondary school students (team: [Ilona Tragel](#), [Küllü Habicht](#), [Maigi Vija](#), [Kristel Mikkor](#), [Tiina Kraav](#), [Kerli Orav-Puurand](#), [Karin Täht](#)).

International cooperation

In internationalisation, the university continues to focus on developing network-based cooperation, which allows having a say in EU higher education and research policy-making as an equal partner.

The project of the European Universities Initiative **ENLIGHT** and the related network of nine comprehensive European research universities are off to a good start. In 2021, the network's project **ENLIGHT RISE** received a positive funding decision from the Horizon 2020 programme "Science with and for Society" (SwafS). The project focuses on developing research support services and launching joint research projects.

Although most international seminars and conferences were virtual or hybrid events, also some high-level visits and meetings took place during the year. Ambassadors from many countries visited the university to mark the 100th anniversary of the establishment of diplomatic relations with Estonia or the 30th anniversary of the re-establishment of diplomatic relations, and several exhibitions, lectures and concerts took place.

In March, the University of Tartu and the University of Göttingen organised a joint virtual conference, "The Impact of Digitisation on Internationalisation. Challenges and Opportunities for the Future of Universities". It was the opening event of the annual culture festival "German Spring" led by the German Embassy.

At the EXPO 2020 World Expo in Dubai, which opened in October 2021, a week introducing Estonian education was held in December. The Estonian delegation led by the Minister of Education and Research **Liina Kersna** included Rector **Toomas Asser**. Education was very much in the spotlight at this year's EXPO, with a focus on educational needs and possible solutions to meet them. The University of Tartu was permanently represented in the Estonian pavilion with its own screen and short videos introducing the contribution of Estonian researchers to solving global problems.

Communication channels

The functioning of the marketing and communication work at the university was analysed and reorganised in 2021. The role, content and appearance of the university's magazine *Universitas Tartuensis* were also renewed, and the construction of the university's new website was completed. The new website was launched at the beginning of 2022.

In 2021, the university joined the Brussels-based collaboration and information agency **Science Business Network**, which mediates information on the latest developments in research and innovation policy and brings together leading organisations from industry, research, innovation and policy-making in the EU and its member states. There are 30 universities in the network, incl. the University of Tartu and Tallinn University of Technology from Estonia.

During the year, the **Estonian media** mentioned the University of Tartu 20,663 times, which was 54.2% of the media coverage of all Estonian public universities. Estonia's major media channels published more than 6,700 stories on research topics related to the University of Tartu. The university was mentioned in the media most often in connection with the corona pandemic, which accounted for almost half of all media coverage of the university. Research-related media coverage has increased steadily in recent years. This is due to both the increased interest of different audiences and the researchers' willingness to present their work. The university offers its staff counselling and training on research communication.

In 2021, the **Facebook initiative** "Ask a researcher anything about coronavirus" took place. It was led by young researchers who felt that new ways to alleviate vaccine-related fears were needed and that direct communication channels should be used to address people's concerns. Within a week, researchers received more than 70 questions. The answers were grouped by topic and were published in major news portals and local newspapers. The bold initiative of UT researchers inspired the "Kust sa tead?" network to organise a similar campaign a few months later, with a wider range of partners and answers in both Estonian and Russian.

Traditional events



In 2021, graduation ceremonies took place in a large tent on Toome Hill in Tartu



The opening ceremony of the academic year was held in front of the main building



At the opening ceremony, the new mascot Tiksu greeted students for the first time



Memorial Day in Raadi cemetery



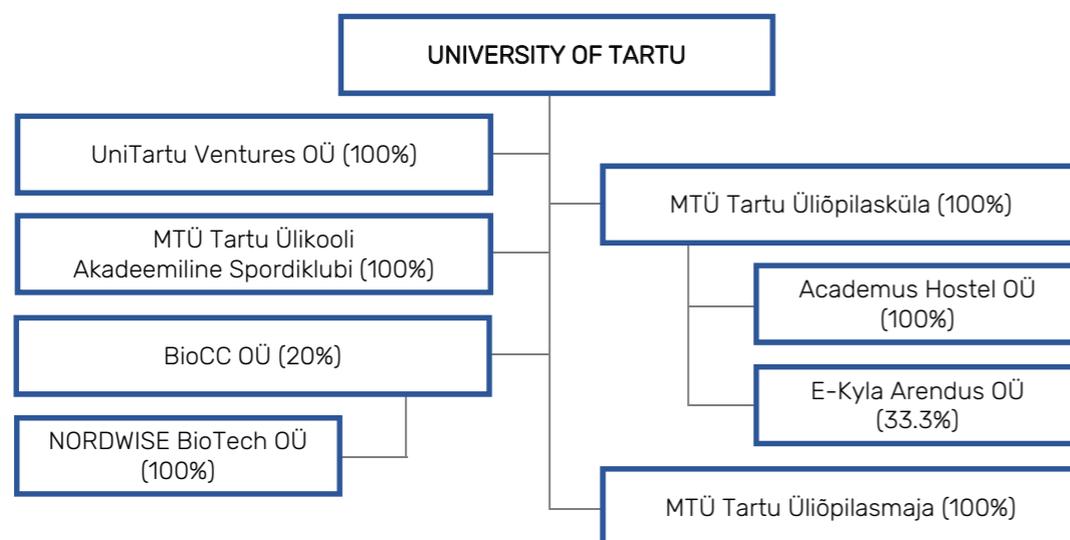
Rector's reception for international staff



To celebrate the 102nd anniversary of Estonia's national university, candles were lit in front of the main building

Finances

At the end of 2021, the consolidation group of the University of Tartu consisted of the university and eight other legal entities. The group's operating revenue in the 2021 fiscal year was €233.9 million, up 14.6% since 2020.



The university's financial strategy supports the implementation of the strategic plan by means of effective budgeting at all levels of the university. The financial strategy aims to ensure the long-term financial sustainability of the university and all faculties, and increase the efficiency of the university's activities in all fields of study and research and in the service of society.

In 2021, the university met the **general goals set in the financial strategy**:

- cash flows from economic activities are positive; result: +21.5 million euros;
- the university's net assets form at least 75% of the balance; result: 76%;
- loan burden does not exceed 25% of the annual revenue; result: 9%.

Main indicators of the field and volume of activity of the legal entities in the consolidation group in thousand euros

Legal person in public law	Field of activity	Operating revenue	Total net gain / loss	Balance sheet total	Net assets
Tartu Ülikool	Higher education, research	229,693	9,111	348,961	266,991
NORDWISE BioTech OÜ	Research and development, sales of BioCC products	148	-86	2,902	2,830
Academus Hostel OÜ	Accommodation	0	0	25	25
E-Kyla Arendus OÜ	Software development for student residences	15	-3	48	46
BioCC OÜ	Research in natural sciences	1,726	96	1,254	511
MTÜ Tartu Üliõpilasküla	Student accommodation	3,789	-55	1,608	853
UniTartu Ventures OÜ	Intellectual property investment in enterprises	0	-79	85	71
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	Students' sports activities	3,134	228	620	434
MTÜ Tartu Üliõpilasmaja	Students' cultural activities	432	7	445	259
University of Tartu group		233,947	9,222	351,579	268,574

Main indicators (consolidated)

	2017	2018	2019	2020	2021
Financial indicators in thousand euros					
Operating revenue	153,817	191,087	204,793	204,140	233,947
Operating expenses	162,522	184,022	193,421	200,611	224,724
Financial revenue and expenses	-56	-72	-135	-83	-1
Annual total net gain/loss	-8,772	6,993	11,207	3,425	9,222
Balance sheet total	269,281	305,983	323,664	338,201	351,579
Current assets	45,211	60,816	64,596	82,036	95,688
Fixed assets	224,070	245,167	259,068	256,165	255,891
Current liabilities	24,935	33,601	44,156	58,922	66,127
Long-term liabilities	7,736	27,662	23,581	19,927	16,878
Net assets	236,610	244,720	255,927	259,352	268,574
Loans from banks	10,446	32,135	27,662	23,574	19,926
Ratios in percentages					
Operating expenses / operating revenue	106	96	94	98	96
Loans / operating revenue	7	17	14	12	9
Current assets / current liabilities	181	181	146	139	145
Fixed assets / balance sheet total	83	80	80	76	73
Loans / balance sheet total	4	11	9	7	6
Net assets / balance sheet total	88	80	79	77	76

Major investments in 2021 with projects' total costs:

- reconstruction of the Jakobi 5 academic building for the Institute of Education was completed (€7.6 million);
- reconstruction of the Liivi 2 academic building for the Institute of Ecology and Earth Sciences was completed (€7.2 million);
- reconstruction works were done in Pärnu College (€0.8 million).

Major investments in 2022 with projects' estimated costs:

- reconstruction of the Lossi 3 academic building will be completed (€8.4 million);
- renovation of the Nooruse 7 student residence will start: design in 2022, construction in 2023–2024 (€3.7 million);
- renovation of Biomedicum will be completed, and the building will be connected to district cooling (€2.5 million);
- reconstruction of the roof of the university library will be completed, and a solar park will be constructed (€2.4 million);
- renovation of the university's main building will start, which is planned to be completed over three years (€2.1 million);
- the Old Anatomical Theatre will be renovated for the Information Technology Office, Youth Academy and Johan Skytte Institute of Political Studies (€1.7 million);
- the Struve building (Uppsala 6) will be renovated for the Human Resources Office (€0.8 million);
- the extension of the building of the Estonian Marine Institute at Mäealuse 14a, Tallinn, will be completed (€0.9 million).



Academic building at Liivi 2

Consolidated Financial Statements

2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
CONSOLIDATED STATEMENT OF CASH FLOWS
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT
SIGNATURES TO ANNUAL REPORT 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Current assets			
Cash and cash equivalents	3	60,288	50,164
Receivables and prepayments	4	35,197	31,697
Inventories	6	203	175
Total current assets		95,688	82,036
Non-current assets			
Investments in associates	7	110	100
Investments in financial assets		2	2
Receivables and prepayments	8	2,042	18
Investment property	9	6,794	7,018
Property, plant and equipment	10	238,882	241,087
Intangible assets	11	8,061	7,940
Total non-current assets		255,891	256,165
TOTAL ASSETS		351,579	338,201
LIABILITIES AND NET ASSETS			
Liabilities			
Current liabilities			
Borrowings	12	3,049	3,654
Payables and deferred income	15	63,078	55,268
Total current liabilities		66,127	58,922
Non-current liabilities			
Borrowings	12	16,878	19,927
Total non-current liabilities		16,878	19,927
Total liabilities		83,005	78,849
Net assets			
Capital of the university		144,182	144,182
Accumulated surpluses (prior periods)		115,170	111,745
Surplus for the period		9,222	3,425
Total net assets		268,574	259,352
TOTAL LIABILITIES AND NET ASSETS		351,579	338,201

The amounts in the table are in thousands of euros.

The notes on pages 54 to 87 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Note	2021	2020
Revenue			
Revenue from sale of goods and provision of services	17	30,451	27,527
State budget funding for education activities	18	82,291	78,228
State budget funding for research activities	19	29,022	26,365
Grants related to assets	20	8,216	4,423
Grants related to income	21	81,099	67,327
Other income	22	2,868	270
Total revenue		233,947	204,140
Expenses			
Goods, materials and services used	23	-22,325	-21,469
Operating expenses	24	-51,664	-41,935
Scholarships and study grants		-13,966	-13,966
Staff costs	25	-117,094	-104,856
Depreciation, amortisation and impairment losses	26	-18,601	-17,835
Significant write-downs of current assets		220	544
Other expenses	28	-1,294	-1,094
Total expenses		-224,724	-200,611
Surplus on operating activities		9,223	3,529
Share of profit of associates	7	10	9
Income on investments in financial assets		8	0
Interest income		96	47
Interest expense		-116	-139
Other finance income		1	0
Surplus before income tax		9,222	3,446
Income tax expense		0	-21
Surplus for the period		9,222	3,425

The amounts in the table are in thousands of euros.

The notes on pages 54 to 87 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021	2020
Cash flows from operating activities			
Surplus on operating activities		9,223	3,529
Adjustments for			
Depreciation, amortisation and impairment losses	26	18,601	17,835
Other non-cash transactions with non-current assets	10	8	0
Gain on sale of non-current assets	22	-27	-22
Change in provisions		0	-243
Grants related to assets received	20	-8,216	-4,423
Grants related to assets passed on		441	85
Change in receivables and prepayments		-6,459	-10,355
Change in inventories	6	-28	-31
Change in payables and deferred income		8,024	16,219
Interest paid		-116	-140
Corporate income tax paid		0	-21
Net cash from operating activities		21,451	22,433

	Note	2021	2020
Cash flows from investing activities			
Paid for acquisition of property, plant and equipment		-4,554	-5,637
Proceeds from sale of property, plant and equipment		36	20
Paid for assets under construction		-11,603	-9,581
Prepayments made for property, plant and equipment	10	-96	-164
Paid for acquisition of intangible assets		-392	-528
Government grants related to assets paid (partners)		-237	-79
Proceeds from government grants related to assets		9,017	4,678
Dividend income on investments in financial assets		8	0
Collection of a non-current receivable		5	0
Interest received		143	54
Net cash used in investing activities		-7,673	-11,238
Cash flows from financing activities			
Repayments of loans received	12 and 14	-3,648	-4,088
Payments of finance lease principal	13	-6	-6
Net cash used in financing activities		-3,654	-4,094
Net cash flow		10,124	7,101
Cash and cash equivalents at beginning of period	3	50,164	43,063
Increase in cash and cash equivalents		10,124	7,101
Cash and cash equivalents at end of period	3	60,288	50,164

The amounts in the table are in thousands of euros.

The notes on pages 54 to 87 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Capital of the university	Accumulated surpluses	Surplus for the period	Total
At 31 December 2019	144,182	100,538	11,207	255,927
Transfer of surplus	0	11,207	-11,207	0
Surplus for the period	0	0	3,425	3,425
At 31 December 2020	144,182	111,745	3,425	259,352
Transfer of surplus	0	3,425	-3,425	0
Surplus for the period	0	0	9,222	9,222
At 31 December 2021	144,182	115,170	9,222	268,574

The amounts in the table are in thousands of euros.

The notes on pages 54 to 87 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

1.1. General information

The consolidated financial statements of the University of Tartu as at and for the year ended 31 December 2021 (the financial statements) have been prepared in accordance with the Estonian Financial Reporting Standard, which is a set of requirements for general purpose financial statements that is based on internationally recognised accounting and reporting principles. The main requirements of the Estonian Financial Reporting Standard are set out in the Estonian Accounting Act and more specific guidance is provided in the Public Sector Financial Accounting and Reporting Guidelines.

The financial statements have been prepared using the going concern basis of accounting, i.e., assuming that the University of Tartu and the group's subsidiaries (the group) are going concerns. The financial year began on 1 January 2021 and ended on 31 December 2021. The financial statements are presented in thousands of euros.

The financial statements have been prepared on the historical cost basis unless stated otherwise in these accounting policies.

The consolidated statement of financial performance has been prepared using Income Statement Format 1 in Annex 2 to the Estonian Accounting Act. Certain account titles in the statements of financial performance and changes in net assets as well as the structure of the statements have been modified to represent the nature of the operations of the University of Tartu group more faithfully.

In the consolidated statement of cash flows, cash flows from operating activities have been reported using the indirect method. Cash flows from investing and financing activities have been reported using the direct method.

1.2. Preparation of consolidated financial statements

1.2.1. Basis of consolidation

In preparing consolidated financial statements, the financial statements of the parent and all the subsidiaries under its control are combined line by line. Intra-group balances and transactions and any resulting unrealised profits are eliminated. Unrealised losses are also eliminated unless the costs cannot be recovered. The accounting policies of the subsidiaries are adjusted to ensure consistency with the policies adopted by the group.

These financial statements comprise the financial information of the University of Tartu (the parent), its subsidiaries UniTartu Ventures OÜ, Academus Hostel OÜ, MTÜ Tartu Üliõpilasküla, MTÜ Tartu Üliõpilasmaja and MTÜ Tartu Ülikooli Akadeemiline Spordiklubi, its associates E-Kyla Arendus OÜ and BioCC OÜ and the latter's subsidiary NORDWISE BioTech OÜ.

1.2.2. Subsidiaries

A subsidiary of the University of Tartu is an entity controlled by the University of Tartu. Control is presumed to exist when the parent holds, directly or indirectly, over 50% of the voting power of an entity or has the power to govern an entity's operating and financial policies by some other means.

The term 'subsidiary' also covers foundations and non-profit associations. The existence of control of foundations and non-profit associations is determined considering, among other factors, whether the assets of the entity will transfer to the parent when the entity is liquidated. When the parent has control of a foundation or a non-profit association (generally over 50% of voting power), the investment is accounted for as a wholly-held investment.

Information about subsidiaries is disclosed in note 2.

1.2.3. Associates

An associate of the University of Tartu is an entity over which the University of Tartu or its subsidiary has significant influence but not control. Significant influence is presumed to exist when the University of Tartu or its subsidiary holds 20 to 50% of the voting power of an entity.

When the University of Tartu or its subsidiary has significant influence (generally 20 to 50% of voting power) in a foundation or non-profit association, neither an investment in an associate nor a financial asset is recognised in the consolidated statement of financial position. Contributions to the investee's capital are recognised as an expense (a transfer made).

Investments in associates are accounted for using the equity method. Under the equity method, an investment is initially recognised at cost and its carrying amount is subsequently adjusted to recognise the investor's share of changes in the investee's net assets (both changes in the investee's profit or loss and other items of net assets), depreciation, and amortisation of the difference identified in the purchase price allocation between the fair value and carrying amount of the investee's assets, liabilities and contingent liabilities.

At each reporting date the group assesses whether there is any indication that the recoverable amount of an investment may have decreased below its carrying amount. If such indication exists, the investment is tested for impairment. The recoverable amounts of investments are estimated as described in subsection 1.11. Impairment of assets.

Information about associates is disclosed in note 7.

1.2.4. Interests in foundations

The University of Tartu is a founding member in the following foundations:

- Tartu University Hospital Foundation
- Science Centre AHHA Foundation
- Tartu Science Park Foundation
- University of Tartu Foundation
- Estonian Agrenska Foundation
- Viljandi Centre for Creative Industries Foundation
- Information Technology Foundation for Education (deleted from the register on 10 February 2021).

The University of Tartu has significant influence over the following foundations:

	Domicile	Net assets At 31 December		Representation of the university in terms of council members
		2021	2020	
Tartu University Hospital Foundation	Estonia	172,977	167,724	3 members of 8
Science Centre AHHA Foundation	Estonia	8,192	8,538	2 members of 6
Tartu Science Park Foundation	Estonia	4,186	4,256	1 member of 5
University of Tartu Foundation	Estonia	3,477	3,367	2 members of 8
Estonian Agrenska Foundation	Estonia	3,025	2,141	1 member of 5
Viljandi Centre for Creative Industries Foundation	Estonia	-113	-122	1 member of 5

The amounts in the table are in thousands of euros.

1.2.5. Investments in financial assets

Current and non-current investments in shares and other equity instruments (except for investments in subsidiaries and associates) whose fair value cannot be measured reliably are measured at cost less any impairment losses.

The University of Tartu group has interests in two companies:

- Tervisetehnoloogiate Arenduskeskus AS 7.69% interest
- STACC OÜ 2% interest.

1.2.6. Parent's separate primary financial statements presented in the notes

The notes to the consolidated financial statements include the separate primary financial statements of the group's parent (the consolidating entity): the statements of financial position, financial performance, cash flows and changes in net assets. The parent's primary financial statements are prepared using the same accounting policies as those applied on the preparation of the consolidated financial statements. In the parent's primary financial statements presented in the notes to the consolidated financial statements, investments in subsidiaries and associates are measured at deemed cost less any impairment losses. If the deemed cost of an investment recognised in the parent's financial statements exceeds the interest in the investee's net assets which have decreased due to a dividend distribution, a loss incurred, or some other reason, the deemed cost of the investment is written down to the interest in the investee's net assets. When the interest in the investee's net assets subsequently increases, the write-down is reversed and the carrying amount is increased to the lower of deemed cost and the interest in the investee's net assets.

1.3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances on current accounts (excluding overdrafts), term deposits with a short maturity (up to three months) and card payments in transit. In the consolidated statement of financial position, overdrafts are classified as current borrowings.

1.4. Receivables and prepayments

Trade receivables, accrued income and other current and non-current receivables (including loans provided and deposits) are measured at their amortised cost. The amortised cost of current receivables is generally equal to their nominal value (less any write-down for impairment). Therefore, current

receivables are measured at the amount that is expected to be collectible. Non-current receivables are recognised initially at the fair value of the consideration receivable. After initial recognition, they are measured at amortised cost using the effective interest method. Non-current receivables that do not bear interest are measured at their present value by applying a discount rate of 4% per year.

The collectibility of receivables is estimated using the approximation technique which is based on historical experience. On the application of the approximation technique, receivables which are 90 to 180 days past due are written down by 50% and receivables which are more than 180 days past due are written down in full (100%). Doubtful receivables are carried within trade receivables until they are collected or considered uncollectible and written off the statement of financial position.

When it appears that the collection of a receivable is impracticable, the item is considered uncollectible and written off the statement of financial position. A receivable is considered uncollectible when the group has no means of collecting it (the debtor has been liquidated or gone bankrupt and the assets in the bankrupt's estate are insufficient for settling the debt, etc.) or when the costs of collecting the receivable would exceed the estimated income from its collection.

When a doubtful receivable is subsequently collected, the previously recognised impairment loss is reversed by reducing expenses from impairment of receivables in the period in which the item is collected.

1.5. Impairment of financial assets

At each reporting date the group assesses whether there is any indication that a financial asset or a group of financial assets measured using the amortised cost or the cost method may be impaired. If such indication exists, financial assets measured at amortised cost are written down to the present value of their expected future cash flows (discounted at the financial asset's

original effective interest rate) and financial assets measured at cost are written down to the amount that could reasonably be expected to be collected if the financial asset were sold at the reporting date. An impairment loss is recognised as an expense in the consolidated statement of financial performance.

1.6. Inventories

Inventories are assets, which are: held for sale in the ordinary course of economic activity; in the process of production for such sale; or in the form of materials or supplies to be consumed in the production process or the rendering of services. Inventories comprise goods purchased for sale, materials, work in progress and finished goods as well as equipment and real estate held for resale and capitalised expenses directly attributable to the provision of services for which revenue cannot yet be recognised using the stage of completion method.

Inventories are initially measured at cost, which comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Expenditure on fuel excise duty incurred on the acquisition of inventories is capitalised and included in the cost of the inventories.

Borrowing costs are not included in the cost of inventories. In accordance with the Public Sector Financial Accounting and Reporting Guidelines, non-recoverable levies and taxes paid on the acquisition of inventories are recognised as an expense.

The cost of goods is assigned using the FIFO formula. In the consolidated statement of financial position, inventories are measured at the lower of cost and net realisable value.

1.7. Investment property

Investment property comprises property (land or a building or a part of a building) that the group leases out to a non-public sector entity to earn rentals or holds for capital appreciation

and which is not used in the operating activity of any public sector entity. Buildings and premises that are used by public sector entities are recognised as items of property, plant and equipment.

An investment property is measured initially at its cost that includes any expenditure directly attributable to its acquisition (e.g., notary's fees, stamp duties, legal and advisory fees, and other expenditures without which the transaction would probably not have occurred). Borrowing costs are not included in the cost of investment property. In accordance with the Public Sector Financial Accounting and Reporting Guidelines, non-recoverable levies and taxes incurred on the acquisition of investment property are recognised as an expense and, after initial recognition, investment property is measured at cost less any accumulated depreciation and any impairment losses.

Depreciation is charged using the straight-line method. Each investment property is assigned a depreciation rate that corresponds to its useful life. Where an investment property consists of significant parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. In 2021, the depreciation rates assigned to the group's investment properties ranged from 2 to 4% per year. Exceptions included properties without buildings (plots of land), which are not depreciated.

Subsequent costs on an investment property are added to the carrying amount of the property when it is probable that future economic benefits associated with the costs will flow to the group and the costs can be measured reliably. The costs of day-to-day maintenance and repair of investment properties are recognised as an expense as incurred. When a part of an investment property is replaced, the cost of the new part is added to the carrying amount of the property if it meets the definition of investment property and the recognition criteria and the carrying amount of the replaced part is written off the

consolidated statement of financial position.

An investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses arising from derecognition of investment property are recognised in the period in which the property is derecognised in the consolidated statement of financial performance within Other income and Other expenses respectively.

When the purpose of use of an investment property changes, the property is reclassified. From the date of reclassification, the investment property is accounted for using the accounting policies applied to the class of assets the property was transferred to.

1.8. Property, plant and equipment

Property, plant and equipment are assets which have a cost of at least 5,000 euros and which the group uses for meeting its statutory responsibilities, rendering services or administrative purposes and expects to use for a period exceeding one year.

As an exception, land, assets acquired for library collections (see subsection 1.9), assets belonging to museum collections (museum objects) and assets belonging to and in the possession of the University of Tartu group that have been entered in the national register of cultural property are recognised as items of property, plant and equipment regardless of cost.

Assets acquired for museum collections are reported as items of property, plant and equipment in an aggregated amount. Accounts in unit and title terms are kept in the museums' information systems. Items of artistic value that are not recognised as assets of museum collections or assets entered in the national register of cultural property are recognised as items of property, plant and equipment, provided their cost exceeds the threshold for recognition as items of property, plant and equipment, and they are depreciated over their estimated useful lives.

Assets whose useful lives exceed a year but cost is less than 5,000 euros are recognised as an expense on implementation. Items of immaterial value that have a cost of 2,000 to 4,999.99 euros are accounted for off the statement of financial position.

An item of property, plant and equipment is initially recognised at cost, which comprises the purchase price and any costs directly attributable to bringing the item to the location and condition necessary for it to be capable of operating in the intended manner. Costs not included in the cost of an item of property, plant and equipment include the costs of opening a new facility, the costs of introducing a new product or service (including the costs of advertising activities), the costs of conducting business in a new location or with a new class of customer (including staff training expenses), administration and other general overhead costs and borrowing costs. In accordance with the Public Sector Financial Accounting and Reporting Guidelines, non-recoverable levies and taxes are not capitalised as part of the cost of an item of property, plant and equipment. In the consolidated statement of financial position, items of property, plant and equipment are carried at cost less any accumulated depreciation and any impairment losses. Assets held under finance leases are accounted for similarly to assets that have been purchased.

Subsequent costs on an item of property, plant and equipment are capitalised and added to the carrying amount of the item if they meet the definition of property, plant and equipment and the recognition criteria (including it being probable that they will participate in the generation of future economic benefits) and their cost exceeds the threshold for recognising assets as items of property, plant and equipment (5,000 euros). Other repair and maintenance costs are recognised as an expense as incurred.

Depreciation is charged using the straight-line method. Each item of property, plant and equipment is assigned a depreciation rate that corresponds to its useful life. In the case of assets with significant residual value only the depreciable amount (cost less residual value) is depreciated over the useful life of the asset.

When an asset's residual value increases to an amount greater than the asset's carrying amount, depreciation of the asset is discontinued.

Where an item of property, plant and equipment consists of significant parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives.

In 2021, the group assigned classes of property, plant and equipment the following annual depreciation rates:

- | | |
|--|--------|
| • Land | 0% |
| • Buildings | 2–40% |
| • Equipment and vehicles | 7–50% |
| • Library collections | 0% |
| • Other items of property, plant and equipment | 2–50%. |

Assets with an unlimited useful life (land, assets entered in the national register of cultural property, assets belonging to museum collections and items belonging to library collections) are not depreciated. Assets acquired for decor and design that do not have permanent value and assets transferred to auxiliary museum collections which are replaced after certain periods are depreciated over their estimated useful lives.

Depreciation of an asset begins when it is available for use (i.e., in the location and condition necessary for it to be operating in the intended manner). Depreciation of an asset ceases when the asset's depreciable amount has been fully depreciated or the asset is permanently retired from use. Depreciation rates and methods and residual values are reviewed at each reporting date.

As a public sector entity that applies the Estonian Financial Reporting Standard, the University of Tartu group does not conduct impairment tests or recognise impairment losses for items of property, plant and equipment that are required for rendering public service unless the value of such an item has declined due to damage or the item has been partly or

fully retired from use due to some other reason. Other items of property, plant and equipment are tested for impairment whenever there is any indication or reason to believe that the value of the asset has decreased. When the recoverable amount of an item of property, plant and equipment (i.e., the higher of its net selling price and value in use) has decreased below its carrying amount, the item is written down to its recoverable amount (see also subsection 1.11).

When there is indication that the useful life or residual value of an asset has changed significantly, depreciation accounting is adjusted prospectively.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses from derecognition of items of property, plant and equipment are recognised in the consolidated statement of financial performance in the period of derecognition.

1.9. Library collections

Section 41, clause 2 of subsection 2, of the Public Sector Financial Accounting and Reporting Guidelines provides that public libraries whose core activity is the storage and lending of library items may, by way of an exception, recognise library items as items of property, plant and equipment regardless of cost. Consistent with the provision, the group's statement of financial position includes items acquired for the library collections of the University of Tartu since January 2004. Items acquired for library collections are reported as items of property, plant and equipment in an aggregated amount. Accounts in unit and title terms are kept in the library's information system. In the consolidated statement of financial position, library collections are measured at cost.

The following collections of the library of the University of Tartu have been recognised as items of property, plant and equipment in the group's statement of financial position:

- Library items that the University of Tartu has acquired since 2004
- Library items received from other libraries by means of exchange (measured at their cost in the library's exchange collection)
- Library items paid for by the ELNET consortium that have been acquired for the University of Tartu (recognised as revenue from non-monetary grants related to assets).

The following library collection items whose cost is unknown and fair value cannot be measured reliably are accounted for in unit terms off the statement of financial position:

- Library items acquired before 2004
- Library items received through donations
- Legal deposit copies sent to the library of the University of Tartu by Estonian publishing houses consistent with the Legal Deposit Copy Act.

Library collections recognised in the consolidated statement of financial position are not depreciated. Library items are recognised as an expense in full when they are retired from use or it is determined that they have been lost.

1.10. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance that is expected to be used for more than one year and has a cost that exceeds the threshold for recognition as a non-current asset. An intangible asset (software, a right of use or another intangible asset) is recognised in the consolidated statement of financial position when the group controls the asset, it is probable that future economic benefits attributable to the asset will flow to the group, the cost of the asset can be measured reliably and the asset did not result from internal expenditures on research and development. Research and development expenditures are recognised as an expense as incurred. An intangible asset is measured initially at cost, which comprises its purchase price and other directly attributable

costs of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any impairment losses.

The group's intangible assets include the biological material databases of the Institute of Genomics, software, rights and licences, and other intangible assets. Detailed accounts of the biological material databases are kept in the information system of the Institute of Genomics.

All of the group's intangible assets are assumed to have finite useful lives. Intangible assets are amortised on a straight-line basis over their estimated useful lives. Each intangible asset is assigned an amortisation rate that corresponds to its useful life. When the useful life of an intangible asset cannot be estimated reliably, it is assumed that the useful life is up to ten years. Amortisation rates and methods are reviewed at each reporting date.

In 2021, the group applied the following annual amortisation rates:

- | | |
|--|--------|
| • Biological material databases and DNA bank | 2–5% |
| • Software | 20–25% |
| • Other intangible assets | 20%. |

When there is indication that the useful life or residual value of an asset has changed significantly, amortisation accounting is adjusted prospectively (see also subsection 1.11).

1.11. Impairment of assets

As a public sector entity that applies the Estonian Financial Reporting Standard, the University of Tartu group does not conduct impairment tests or recognise impairment losses for non-current assets required for rendering public service unless the value of an asset has declined due to damage or the asset has been partly or fully retired from use due to some other reason. In the case of other non-current assets, items of property, plant and equipment with unlimited useful lives (land, assets entered

in the national register of cultural property, assets belonging to museum collections and items belonging to library collections) are remeasured at each reporting date and depreciable and amortisable assets are assessed at each reporting date to determine whether there is any indication of impairment. When there is indication of impairment, the group estimates the asset's recoverable amount and compares it to the asset's carrying amount.

An impairment loss is recognised in an amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset or the smallest group of assets that generates largely independent cash flows. An impairment loss is recognised as an expense in the period in which it is incurred.

At the end of each reporting period the group assesses whether there is any indication that the recoverable amount of an asset written down in an earlier period may have increased (except for goodwill whose impairment losses are not reversed). If an impairment test indicates that the recoverable amount of an asset or a group of assets (a cash-generating unit) has risen above its carrying amount, the previously recognised impairment loss is reversed and the asset's carrying amount is increased to an amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the consolidated statement of financial performance by reducing expenses from impairment losses.

1.12. Financial liabilities

Upon initial recognition financial liabilities (trade payables, borrowings, accrued expenses, and other current and non-current payables) except for derivative financial instruments with a negative fair value are measured at their

cost which includes any directly attributable transaction costs. After initial recognition, financial liabilities are measured at their amortised cost. Derivative financial instruments are measured at their fair value. Derivative financial instruments with a negative fair value are recognised as financial liabilities.

The amortised cost of current financial liabilities is generally equal to their nominal value. Therefore, current financial liabilities are measured in the amount payable. Non-current financial liabilities are recognised initially at the fair value of the consideration received (less any transaction costs). Thereafter they are measured at their amortised cost using the effective interest method. Interest expense on financial liabilities is recognised on an accrual basis within Interest expense in the consolidated statement of financial performance.

A financial liability is classified as current when it is due to be settled within 12 months after the reporting date or the group does not have an unconditional right to defer settlement for at least 12 months after the reporting date. Liabilities which become payable on demand at the reporting date due to a breach of the provisions of the loan contract are also classified as current. A financial liability is derecognised when it is discharged or cancelled or expires.

1.13. Leases

A finance lease is a lease that transfers all significant risks and rewards of ownership of an asset to the lessee. In accordance with the Public Sector Financial Accounting and Reporting Guidelines, a lease is also classified as a finance lease when the leased asset cannot be easily replaced with another asset. All other leases are classified as operating leases.

1.13.1. The group as a lessee

The group recognises finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the

present value of the minimum lease payments. Lease payments are apportioned between the finance charge (interest expense) and the reduction of the outstanding liability. Interest expense on a lease is recognised in the period in which it is incurred within Interest expense in the consolidated statement of financial performance. The finance lease liability (net of the finance charge) is classified into current and non-current borrowings.

Assets held under finance leases are depreciated similarly to assets that are owned, over the shorter of their estimated useful life and lease term. Depreciation expense is recognised within Depreciation, amortisation and impairment losses in the consolidated statement of financial performance.

Operating lease payments are recognised as an expense on an accrual basis over the lease term.

1.13.2. The group as a lessor

Assets leased out under operating leases are presented in the group's statement of financial position according to their nature, i.e., similarly to other assets recognised in the group's statement of financial position. Assets leased out under operating leases are depreciated using a depreciation policy consistent with the group's normal depreciation policy for similar assets. Operating lease payments received are recognised as income on a straight-line basis over the lease term.

1.14. Deferred income

Deferred income comprises prepaid grants and co-financing, advances received under research and development contracts and other deferred income that has not been recognised as income of the reporting period.

When a grant or co-financing has been received but has not yet been used for incurring expenses or acquiring assets, it is recognised as deferred income (see subsection 1.15).

1.15. Grants

Grants comprise resources (grants) received through non-exchange transactions, i.e., without directly giving goods or services in exchange, and resources transferred (grants provided or passed on) through non-exchange transactions, i.e., without directly receiving goods or services in exchange. Grants are accounted for in accordance with the principles outlined in the Public Sector Financial Accounting and Reporting Guidelines.

Grants comprise:

- Government grants (hereafter 'grants') – grants received and provided on a project basis for particular purposes that have a specified goal along with milestones for monitoring the achievement of the goal, a timeframe, and a monetary budget and where the provider of the grant (the donor) requires from the recipient (the beneficiary) detailed reporting on the use of funds received and any surplus funds have to be returned to the provider of the grant
- Operational funding grants (hereafter 'operational funding') – funding received and provided based on the functions and tasks outlined in the statutes and the goals outlined in the development documents of the recipient.

Grants are also divided into:

- Domestic grants
- International grants.

A grant is recognised in the consolidated statement of financial position when cash has been transferred or received or on the date when the receivables, liabilities, income and expenses associated with the grant are recognised. Grants are classified into grants related to income and grants related to assets. The main condition for grants related to assets is that the group as the grant recipient has to purchase, build or otherwise acquire a certain asset. A grant is recognised as income in the period in which the operating costs are incurred or the non-current asset is acquired unless the conditions of the grant involve the risk that

the grant may be reclaimed or may not be received.

Operational funding is recognised as income when the cash has been received.

When a grant provider or intermediary provides a grant using simplified reimbursement of expenditures (standardised unit costs, payments of specific amounts, reimbursements of indirect expenditures compensated at a uniform rate) without requiring expense documents, grant income is recognised in the period in which the grant is provided.

On recognising grants in the consolidated statement of financial performance, the group differentiates between grants received and grants passed on (as an intermediary). Grants passed on are grants received for passing on to another party, not for covering the group's own operating expenses or acquiring assets. When the group acts as a grant intermediary, income from grants received for passing on equals expenses from grants passed on.

Non-monetary grants are measured at the fair value of the goods and services received. Assets received from other public sector entities by way of non-monetary grants are measured at their fair value or, if this cannot be determined, at their carrying amount in the transferor's financial statements.

When it appears that some conditions attaching to the grant have not been met and the group as the grant intermediary or recipient is liable to the grant provider for the recipient's compliance with the conditions attaching to the grant and the use of the funds for their designated purpose, the group recognises at the date the breach of contract is identified a receivable from the grant recipient and/or a liability to the grant provider, and reduces income from grants received and/or expenses from grants provided.

1.16. Provisions and contingent liabilities

A provision is recognised when the group has a present legal or constructive obligation as a result of a past obligating event, it

is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is recognised in the consolidated statement of financial position in an amount which is management's best estimate of the expenditure required to settle the underlying obligation at the end of the reporting period. When it is probable that the provision will be used within more than 12 months after the reporting date, it is measured at its discounted value unless the effect of discounting is immaterial.

Other possible or present obligations whose realisation is not probable or amount cannot be measured sufficiently reliably are disclosed in the notes to the consolidated financial statements as contingent liabilities.

1.17. Revenue and expenses (excluding grants)

Revenue and expenses are recognised on an accrual basis.

Revenue is measured at the fair value of consideration received or receivable for the sale of goods or rendering of services in the ordinary course of the group's activities, taking into account any discounts and rebates allowed.

Revenue from the rendering of education services comprises tuition fees collected and to be collected by the University of Tartu from its students, participants in continuing education programmes, etc. Relevant revenue is recognised in the same period in which the service is rendered.

Revenue from the rendering of other services is recognised when the service has been rendered or, if the service is rendered over an extended period, using the stage of completion method. Revenue from services rendered over an extended period is recognised by reference to the stage of completion of the service at the end of the reporting period, assuming that the outcome of the transaction (i.e., the revenue and costs associated with the transaction) can be estimated reliably and it is probable that the economic benefits associated with the

transaction will flow to the group. When the outcome of a contract or project involving the rendering of services cannot be estimated reliably but it is probable that the group will at least recover the costs incurred, revenue is recognised to the extent of costs incurred.

Revenue from the sale of goods is recognised when all significant risks of ownership of the goods have been transferred to the buyer, the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the group. Interest income is recognised when it is probable that it will be received and its amount can be measured reliably.

1.18. Corporate income tax

Under the Estonian Income Tax Act, corporate earnings are not subject to tax. Instead, income tax is levied on dividend distributions, fringe benefits, gifts, donations, entertainment expenses, expenses not related to the taxpayer's business and transfer price adjustments. The tax rate for dividend distributions is 20% (the amount of tax payable is calculated as 20/80 of the amount of the net dividend). The income tax payable on a dividend distribution is recognised as a liability and an expense in the period in which the dividend is declared regardless of the period for which the dividend is declared or the period in which the dividend is actually distributed. The obligation to pay income tax arises on the 10th day of the month following the disbursement of the dividend.

From 2019, dividend distributions may be taxed at the rate of 14% (with the amount of tax payable calculated as 14/86 of the net distribution). The more favourable rate may be applied to a dividend distribution which amounts to up to three prior

financial years' average dividend distribution. In calculating the average dividend distribution of the three prior years, 2018 is the first year that is taken into account.

1.19. Foreign currency transactions

The functional currency of all group entities is the euro. The consolidated financial statements are presented in euros.

A transaction in a foreign currency is recorded by applying to the foreign currency amount the exchange rate of the European Central Bank at the date of the transaction. At the reporting date, foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates of the European Central Bank ruling at that date.

Exchange gains and losses arising on translation are recognised in the consolidated statement of financial performance in the period in which they arise. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates of the European Central Bank quoted at the date the fair value was determined. Non-monetary foreign currency assets and liabilities that are not measured at fair value are not translated at the reporting date but are continuously measured using the exchange rates of the European Central Bank quoted at the dates of the transactions.

1.20. Events after the reporting period

The financial statements reflect all adjusting events that occurred between the reporting date and the date on which the financial statements were authorised for issue. The effects of material non-adjusting events after the reporting period are disclosed in the notes to the financial statements.

NOTE 2. SUBSIDIARIES OF THE GROUP

	Domicile	Ownership interest (%)	
		31 Dec 2021	31 Dec 2020
UniTartu Ventures OÜ	Estonia	100	100
Academus Hostel OÜ	Estonia	100	100
MTÜ Tartu Üliõpilasküla	Estonia	100	100
MTÜ Tartu Üliõpilasmaja	Estonia	100	100
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	Estonia	100	100

The group has control of (holds over 50% of voting power in) all subsidiaries that are non-profit associations (MTÜs). Accordingly, the non-profit associations are fully consolidated.

NOTE 3. CASH AND CASH EQUIVALENTS

	31 Dec 2021	31 Dec 2020
Cash on hand	54	75
Current accounts and overnight deposits	20,732	32,566
Term deposits with a short maturity	39,502	17,523
Total	60,288	50,164

The amounts in the table are in thousands of euros.

Interest income on current accounts and term deposits with a short maturity amounted to 96,311 euros in 2021 (2020: 46,382 euros). Interest rates for term deposits and current accounts ranged from 0.01 to 0.7% in the reporting period (2020: from 0.01 to 1%).

NOTE 4. RECEIVABLES AND PREPAYMENTS

	31 Dec 2021	31 Dec 2020
Trade receivables	5,407	3,617
Accounts receivable	5,425	3,854
Allowance for impairment	-18	-237
Grants receivable (note 5)	13,657	15,167
Other receivables (note 8)	390	38
Prepayments	11,034	7,608
Prepaid grants and co-financing	10,271	6,832
Prepayments to suppliers	748	759
Prepayments to staff	15	17
Prepaid and refundable taxes	4,709	5,267
Total	35,197	31,697

The amounts in the table are in thousands of euros.

NOTE 5. GRANTS RECEIVABLE

	31 Dec 2021	31 Dec 2020
Carrying out research to prevent and monitor the spread of COVID-19 (Ministry of Education and Research)	2,522	0
Activities supporting the activity "Institutional development programme for R&D and higher education institutions" (ASTRA) (Ministry of Education and Research)	1,669	2,269
Centres of excellence projects (Ministry of Education and Research)	1,334	1,134
International aid projects	1,105	927
Mobilitas Pluss mobility grants (Estonian Research Council)	1,049	949
Projects of sub-measure for modernising research infrastructure of national importance (Ministry of Education and Research)	876	1,195
Projects of the European Territorial Cooperation Programme	855	820
EU framework programme for research and innovation Horizon 2020	786	2,318
Projects funded by Education and Youth Board	687	395
Projects funded by the European Maritime and Fisheries Fund (Agricultural Registers and Information Board)	662	868
Projects of measures for education activities administered by the Ministry of Education and Research	345	339
Projects funded by the Environmental Investment Centre	336	773
Dora Pluss programme (Education and Youth Board)	289	799
Programme for systematic development of entrepreneurship and entrepreneurial studies at all levels of education (Ministry of Education and Research)	279	106
Research and development grants for valorisation of (adding value to) resources (ReSTA) (Estonian Research Council)	202	227
Grants from the European Economic Area and Norway (Ministry of Social Affairs, Ministry of Education and Research)	180	171
Programme for implementing personalised medicine in Estonia (National Institute for Health Development)	177	94
Projects funded by the Estonian Health Insurance Fund	78	135
Programme for higher education scholarships and grants in smart specialisation growth areas (Education and Youth Board)	67	522
Project "Estonian Research and Education Literature" (Ministry of Economic Affairs and Communications)	12	0
Project for developing and enhancing the internship system (Ministry of Education and Research)	10	0
Projects of sub-activity "Teeme+" for popularisation of science (Ministry of Education and Research)	10	0
Projects for supporting research and development in specific areas (RITA 4) (Estonian Research Council)	6	72
ASTRA project PER ASPERA (Investment in the IT Centre) (Ministry of Education and Research)	0	795
Projects of the EU 7th Framework Programme	0	119
Other projects funded by Archimedes Foundation	0	31
Other	121	109
Total	13,657	15,167

The amounts in the table are in thousands of euros.

NOTE 6. INVENTORIES

	31 Dec 2021	31 Dec 2020
Goods purchased for resale	128	120
Finished goods	65	48
Materials	10	7
Total	203	175

The amounts in the table are in thousands of euros.

No inventories were written down due to the decrease of their net realisable value below cost and no unusable goods were recognised as an expense in 2021 or in 2020. No prior period inventory write-downs were reversed in 2021 or 2020.

NOTE 7. INVESTMENTS IN ASSOCIATES

	BioCC OÜ	E-Kyla Arendus OÜ	Total
Carrying amount at 31 December 2019	73	18	91
Cost at 31 December 2019	1	15	16
The group's share of profit or loss for 2020	10	-1	9
Carrying amount at 31 December 2020	83	17	100
Cost at 31 December 2020	1	15	16
The group's share of profit or loss for 2021	11	-1	10
Carrying amount at 31 December 2021	94	16	110
Cost at 31 December 2021	1	15	16
The group's ownership interest			
At 31 December 2020	20%	33.33%	
At 31 December 2021	20%	33.33%	

The amounts in the table are in thousands of euros.

All associates operate in Estonia. None of the associates is a listed company.

BioCC OÜ has a wholly-held subsidiary, NORDWISE Biotech OÜ. BioCC OÜ's consolidated result for 2021 under the cost method was a profit of 54,735 euros, which increased the value of the investment of the University of Tartu by 10,947 euros. E-Kyla Arendus OÜ ended the financial year with a loss of 2,971 euros, which lowered the value of the investment of the University of Tartu by 990 euros.

The table below provides an overview of movements in the associates' equity.

	BioCC OÜ	E-Kyla Arendus OÜ	Total
At 31 December 2020			
Share capital	6	5	11
Share premium	0	41	41
Statutory capital reserve	1	0	1
Retained earnings (prior periods)	360	6	366
Profit or loss for the period	50	-3	47
Total equity	417	49	466
The group's share of equity	83	17	100
The group's ownership interest	20%	33.33%	
At 31 December 2021			
Share capital	6	5	11
Share premium	0	41	41
Statutory capital reserve	1	0	1
Retained earnings (prior periods)	410	3	413
Profit or loss for the period	55	-3	52
Total equity	472	46	518
The group's share of equity	94	16	110
The group's ownership interest	20%	33.33%	

The amounts in the table are in thousands of euros.

NOTE 8. NON-CURRENT RECEIVABLES

	31 Dec 2021	31 Dec 2020
Receivable related to an investment in non-current assets	2,028	0
Other non-current receivables	14	18
Total	2,042	18

The amounts in the table are in thousands of euros.

Consistent with an agreement signed between the University of Tartu and MAX IV Laboratory (Lund University, Sweden) on 23 September 2013, during the period 2014–2015 the University of Tartu invested in the equipment of the MAX IV Laboratory: FinEstBeAMS (the Finnish – Estonian Beamline for Materials Science). FinEstBeAMS is an integral part of the laboratory infrastructure of MAX IV Laboratory. On 24 September 2021, the parties signed Collaboration Agreement No. 8499 by which title to the equipment transferred to Lund University and the University of Tartu gained the right of access the equipment of MAX IV Laboratory until 31 December 2030 in exchange for the investment made. The value of the investment transferred was 3.03 million euros. As a result of the transaction, the University of Tartu removed the transferred asset from its statement of financial position and recognised a receivable from Lund University for the right to use the MAX IV Laboratory until 31 December 2030. At 31 December 2021, the current portion of the receivable amounted to 303,300 euros and the present value of the non-current portion was 2,028,061 euros. The present value was found by applying a 4% discount rate. See notes 4, 10 and 22 for further information.

NOTE 9. INVESTMENT PROPERTY

	Narva mnt 18/20, Tartu city	Ülikooli 20, Tartu city	Riia 191, Tartu city	Total
Cost				
At 31 December 2019	0	1,953	93	2,046
Additions to investment property	5,830	0	0	5,830
Rental income for 2020	396	20	0	416
Property management expenses for 2020	42	23	0	65
Of which expenses re-invoiced to tenants	39	9	0	48
At 31 December 2020	5,830	1,953	93	7,876
Additions to investment property	0	0	0	0
Rental income for 2021	478	17	0	495
Property management expenses for 2021	60	19	0	79
Of which expenses re-invoiced to tenants	56	9	0	65
At 31 December 2021	5,830	1,953	93	7,876
Depreciation				
At 31 December 2019	0	634	0	634
Depreciation for the period (note 26)	175	49	0	224
At 31 December 2020	175	683	0	858
Depreciation for the period (note 26)	175	49	0	224
At 31 December 2021	350	732	0	1,082
Carrying amount				
At 31 December 2019	0	1,319	93	1,412
At 31 December 2020	5,655	1,270	93	7,018
At 31 December 2021	5,480	1,221	93	6,794

The amounts in the table are in thousands of euros.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment and vehicles	Library collections	Other items	Assets under construction	Prepayments for property, plant and equipment	Total
Cost								
At 31 December 2019	2,487	289,254	95,820	10,668	3,903	6,746	127	409,005
Additions	0	16	4,386	276	778	8,764	164	14,384
Reclassifications	0	7,812	308	0	12	-7,277	-225	0
Transfer to investment property	0	0	0	0	0	-5,830	0	-5,830
Sales and write-off	0	-1,953	-1,984	-11	-49	0	0	-3,997
At 31 December 2020	2,487	294,499	98,530	10,933	4,644	2,403	66	413,562
Additions	0	0	3,815	329	243	11,436	96	15,919
Reclassifications	0	11,677	424	0	35	-11,988	-148	0
Charged to expenses	0	0	0	0	0	0	-8	-8
Sales and write-off	-1	-5,469	-3,206	-16	-6	0	0	-8,698
At 31 December 2021	2,486	300,707	99,563	11,246	4,916	1,851	6	420,775
Depreciation								
At 31 December 2019	0	86,006	70,381	0	2,696	0	0	159,083
Depreciation for the period (note 26)	0	8,893	7,313	0	164	0	0	16,370
Depreciation of items sold and written off	0	-949	-1,980	0	-49	0	0	-2,978
At 31 December 2020	0	93,950	75,714	0	2,811	0	0	172,475
Depreciation for the period (note 26)	0	8,909	5,932	0	220	0	0	15,061
Depreciation of items sold and written off	0	-2,445	-3,192	0	-6	0	0	-5,643
At 31 December 2021	0	100,414	78,454	0	3,025	0	0	181,893
Carrying amount								
At 31 December 2019	2,487	203,248	25,439	10,668	1,207	6,746	127	249,922
At 31 December 2020	2,487	200,549	22,816	10,933	1,833	2,403	66	241,087
At 31 December 2021	2,486	200,293	21,109	11,246	1,891	1,851	6	238,882

The amounts in the table are in thousands of euros.

NOTE 11. INTANGIBLE ASSETS

	Biological material databases	Software	Other intangible assets	Acquisitions in stages	Total
Cost					
At 31 December 2019	9,561	1,287	183	0	11,031
Additions	0	0	0	524	524
Reclassifications	216	0	0	-216	0
Write-off	0	-222	0	0	-222
At 31 December 2020	9,777	1,065	183	308	11,333
Additions	0	36	0	356	392
Reclassifications	204	460	0	-664	0
At 31 December 2021	9,981	1,561	183	0	11,725
Amortisation					
At 31 December 2019	2,175	1,042	173	0	3,390
Amortisation for the period (note 26)	159	64	2	0	225
Amortisation of assets written off	0	-222	0	0	-222
At 31 December 2020	2,334	884	175	0	3,393
Amortisation for the period (note 26)	168	101	2	0	271
At 31 December 2021	2,502	985	177	0	3,664
Carrying amount					
At 31 December 2019	7,386	245	10	0	7,641
At 31 December 2020	7,443	181	8	308	7,940
At 31 December 2021	7,479	576	6	0	8,061

The amounts in the table are in thousands of euros.

NOTE 12. BORROWINGS

	31 Dec 2021	31 Dec 2020
Current borrowings		
Finance lease liabilities (note 13)	1	6
Current portion of non-current loans (note 14)	3,048	3,648
Total	3,049	3,654
Non-current borrowings		
Finance lease liabilities (note 13)	0	1
Loans (note 14)	16,878	19,926
Total	16,878	19,927

The amounts in the table are in thousands of euros.

NOTE 13. FINANCE AND OPERATING LEASES

Finance leases – the group as a lessee

	Equipment and vehicles
At 31 December 2020	
Cost at 31 December 2020	19
Accumulated depreciation at 31 December 2020	-7
Of which depreciation for 2020	-4
Carrying amount at 31 December 2020	12
Principal payments made in 2020	6
At 31 December 2021	
Cost at 31 December 2021	19
Accumulated depreciation at 31 December 2021	-11
Of which depreciation for 2021	-4
Carrying amount at 31 December 2021	8
Principal payments made in 2021	6
Finance lease liabilities at 31 December 2020	6
Finance lease liabilities at 31 December 2021	1
Payments due not later than 1 year	1
Interest rates	2.15%
Maturity date	2022
Base currency	EUR

The amounts in the table are in thousands of euros.

Finance lease interest paid in 2021 amounted to 107 euros (2020: 256 euros).

Operating leases – the group as a lessor

	Buildings and structures	
	31 Dec 2021	31 Dec 2020
Operating lease income for the reporting period	652	541
Rental income due not later than 1 year	537	559
Rental income due later than 1 and not later than 5 years	1,534	1,986
Rental income due later than 5 years	838	1,213
Cost of assets leased out	9,814	9,782
Carrying amount of assets leased out	7,153	7,379

The amounts in the table are in thousands of euros.

Operating lease income includes rental income on both investment property and property, plant and equipment. Where part of an asset has been leased out under an operating lease, the cost and carrying amount of the asset are included in the cost and carrying amount of assets leased out based on the proportion of the area that has been leased out.

Under the Creation of Usufruct and Real Right Contract No. 716, signed between the University of Tartu and Tehvandi Sports Centre Foundation on 22 March 2012, a fixed-term usufruct of 50 years was created on the Kääriku property for the benefit of Tehvandi Sports Centre Foundation as from 1 April 2012. The usufruct was without charge until 31 December 2021. From 1 January 2022, the University of Tartu may charge a usufruct fee.

Operating leases – the group as a lessee

	Buildings and structures	Equipment and vehicles
At 31 December 2020		
Operating lease payments made in 2020	272	10
Payments due not later than 1 year	170	6
Payments due later than 1 and not later than 5 years	15	4
Payments due later than 5 years	0	0
At 31 December 2021		
Operating lease payments made in 2021	297	10
Payments due not later than 1 year	130	9
Payments due later than 1 and not later than 5 years	123	14
Payments due later than 5 years	33	0

The amounts in the table are in thousands of euros.

NOTE 14. LOANS AND ASSETS PLEDGED AS LOAN COLLATERAL

The group uses bank loans to finance long-term investments and the construction and renovation of buildings. The loans (1–4) in the tables below have been taken by the University of Tartu. Other members of the group have not taken loans.

The University of Tartu did not take any new loans in 2021. The loan taken from OP Corporate Bank plc Estonian branch (1) was repaid.

	Balance at 31 Dec 2021	Repayable			Maturity date	Base currency / interest rate ¹
		Within 12 months	Between 1 and 5 years	In over 5 years		
OP Corporate Bank plc Estonian branch (2)	406	168	238	0	22 May 2024	EUR3 ² + 0.82%
Luminor Bank AS (3)	2,320	480	1,840	0	20 Oct 2026	EUR3 ² + 0.64%
OP Corporate Bank plc Estonian branch (4)	17,200	2,400	9,600	5,200	20 May 2028	EUR3 ² + 0.52%
Total	19,926	3,048	11,678	5,200		

	Balance at 31 Dec 2021	Repayable			Maturity date	Base currency / interest rate ¹
		Within 12 months	Between 1 and 5 years	In over 5 years		
OP Corporate Bank plc Estonian branch (1)	600	600	0	0	8 Dec 2021	EUR3 ² + 0.96%
OP Corporate Bank plc Estonian branch (2)	574	168	406	0	22 May 2024	EUR3 ² + 0.82%
Luminor Bank AS (3)	2,800	480	1,920	400	20 Oct 2026	EUR3 ² + 0.64%
OP Corporate Bank plc Estonian branch (4)	19,600	2,400	9,600	7,600	20 May 2028	EUR3 ² + 0.52%
Total	23,574	3,648	11,926	8,000		

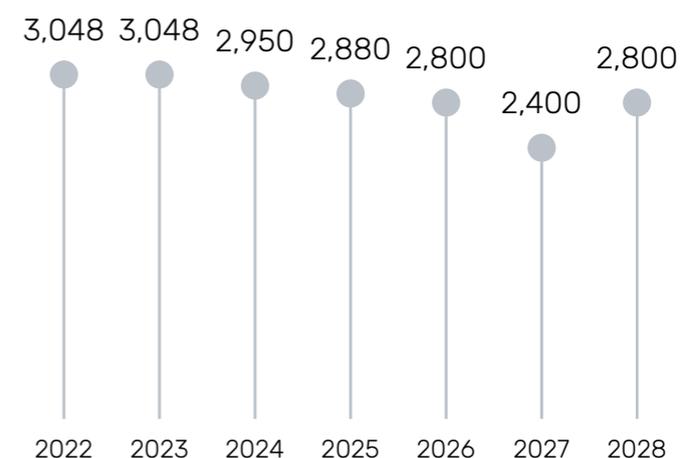
The amounts in the table are in thousands of euros.

¹ The contractual interest rates of all the loans are equal to their effective interest rates.

² Euribor® – European commercial banks' 3 month average money market loan interest rate.

The loans from OP Corporate Bank plc Estonian branch (1, 2, 4) are secured with mortgages of two immovable properties. The first is a property with a building located at Raatuse 22, Tartu city. The mortgage amounts to 4.32 million euros. At 31 December 2021, the carrying amount of the property was 3.76 million euros (31 December 2020: 3.92 million euros). The second is a property with a building located at Lossi 36, Tartu city. The mortgage amounts to 5.94 million euros. At 31 December 2021, the carrying amount of the property was 4.53 million euros (31 December 2020: 4.74 million euros).

The loan agreements include covenants that require the University of Tartu to maintain certain financial ratios at certain levels. If the University of Tartu breaches a loan covenant, the bank may immediately call in the loan. At 31 December 2021, the university's financial indicators were in compliance with all loan covenants.



Repayments of loan principal by year
in thousands of euros

NOTE 15. PAYABLES AND DEFERRED INCOME

	31 Dec 2021	31 Dec 2020
	535	483
Võlad tarnijatele	6,378	4,554
Võlad töövõtjatele	4,608	3,832
Maksuvõlad	5,811	4,722
Sotsiaalmaks	3,022	2,678
Üksikisiku tulumaks	1,688	1,495
Käibemaks	729	227
Töötuskindlustusmakse	204	182
Kogumispensionimakse	133	125
Ettevõtte tulumaks	35	15
Muud võlad	1,185	1,227
Siht- ja kaasfinantseerimise vahendamine	1,041	1,098
Riiklikud õppetoetused ja sihtstipendiumid	115	113
Muud võlad	30	16
Saadud ettemaksed	44,561	40,450
Siht- ja kaasfinantseerimisena saadud ettemaksed (lisa 16)	43,972	39,991
Õppeteenustasude ettemaksed	540	420
Muud ettemakstud tulud	49	39
Kokku	63,078	55,268

The amounts in the table are in thousands of euros.

NOTE 16. DEFERRED GRANT AND CO-FINANCING INCOME

	31 Dec 2021	31 Dec 2020
Deferred income from Estonian residents	17,193	15,699
Estonian Research Council	7,767	6,255
Ministry of Education and Research	4,162	5,033
Education and Youth Board	4,137	0
Ministry of Foreign Affairs	274	168
Estonian Defence Forces	114	260
Environmental Investment Centre	84	46
Swedbank AS	39	29
Ministry of Social Affairs	6	133
Ministry of Justice	2	85
Archimedes Foundation	0	3,070
Ministry of the Environment	0	53
Ministry of Finance	0	51
Other domestic grants	608	516
Deferred income from non-residents	26,779	24,292
EU framework programme for research and innovation Horizon 2020	25,527	23,732
Other international grants	1,252	560
Total	43,972	39,991

The amounts in the table are in thousands of euros.

NOTE 17. REVENUE FROM SALE OF GOODS AND PROVISION OF SERVICES

	2021	2020
Research and development activities	15,802	14,834
Lease and rental activities	5,220	4,686
Revenue from degree studies for a tuition fee	4,709	4,086
Revenue from continuing education	2,889	2,220
Sale of goods	281	266
Other services	1,550	1,435
Total	30,451	27,527

The amounts in the table are in thousands of euros.

Revenue from sale of goods and provision of services by geographical area:

	2021	2020
Estonia	27,300	24,753
Other countries of the European Union	2,095	2,047
Other countries	1,056	727
Total	30,451	27,527

The amounts in the table are in thousands of euros.

NOTE 18. STATE BUDGET FUNDING FOR EDUCATION ACTIVITIES

	2021	2020
Funding for higher education	60,781	57,369
Funding for medical residents	21,377	20,732
Other state budget funding	133	127
Total	82,291	78,228

The amounts in the table are in thousands of euros.

NOTE 19. STATE BUDGET FUNDING FOR RESEARCH ACTIVITIES

	2021	2020
Baseline funding for research institutions	20,542	18,895
Funding for remuneration of junior research fellows	5,467	0
Funding for research activities	979	2,652
State budget funding for research information for the library	933	892
Funding for national programmes and scientific collections	751	802
Operational funding for combined research institutions	350	350
Institutional research support	0	1,783
Funding for infrastructure	0	497
Funding for maintenance of institutional research infrastructure	0	494
Total	29,022	26,365

The amounts in the table are in thousands of euros.

NOTE 20. GRANTS RELATED TO ASSETS

	2021	2020
Investment support for the renovation of the study and research building of the Institute of Education at Jakobi 5 (Ministry of Education and Research)	6,200	0
Acquisition of non-current assets in projects of sub-measure for modernising research infrastructure of national importance (Ministry of Education and Research)	917	447
Acquisition of non-current assets in the framework of the ASTRA programme activity for the acquisition and modernisation of education and research infrastructure (Ministry of Education and Research)	681	1,200
Development of the University of Tartu BSL3 biosafety core facility (Ministry of Education and Research)	618	0
Cooperation project Kobar (Renovation of Pärnu College) (Pärnu County Development Centre)	435	0
Storage of the database data and tissue samples of the Estonian Genome Centre (Ministry of Social Affairs)	194	84
Acquisition of research equipment for centres of excellence (Ministry of Education and Research)	169	55
Acquisition of non-current assets in the framework of a cyber security programme (Ministry of Economic Affairs and Communications)	143	0
Expansion of the data array of the High Performance Computing Centre (Education and Youth Board)	89	0
Acquisition of non-current assets under target grants aimed at solving the problems caused by SARS-CoV-2 (Estonian Research Council)	86	0
Compensation of ineligible VAT paid on the acquisition of non-current assets (Ministry of Education and Research)	83	19
Acquisition of non-current assets in projects of the Mobilitas Pluss programme (Estonian Research Council)	32	30
Acquisition of non-current assets in projects of the EU framework programme for research and innovation Horizon 2020	23	0
Acquisition of non-current assets in projects of the European Territorial Cooperation Programme	15	0
Acquisition of non-current assets in an innovation support project for fisheries (Agricultural Registers and Information Board)	12	56
ASTRA project PER ASPERA (Investment in the IT Centre) (Ministry of Education and Research)	-1,488	2,320
Other domestic grants related to assets	7	212
Total	8,216	4,423

The amounts in the table are in thousands of euros.

As a rule, projects are funded with grants on a reimbursement basis. The University of Tartu as a grant recipient first incurs expenditures using its own funds and then the provider or intermediary of the grant reimburses the expenditures on the basis of a relevant application and supporting documents. Implementation of projects and receipt of grants are influenced by the grant provider's or intermediary's assessment of the eligibility of project expenditures incurred. Grants used for expenditures that are found to be ineligible have to be repaid to the grant provider or intermediary.

Due to recovery claims received, the University of Tartu as a recipient and intermediary of grants reduced income from grants related to assets by 1.51 million euros in 2021 (2020: no reduction). The reduction was recognised within income from grants related to assets and most of it was attributable to the financial correction of expenditures reported under the University of Tartu ASTRA project PER ASPERA (Investment in the IT Centre).

NOTE 21. GRANTS RELATED TO INCOME

	2021	2020
Domestic grants related to income	36,230	33,388
Including		
Grants from the Estonian Research Council	27,724	21,595
Of which personal research grants	24,966	21,085
Grants from the Ministry of Education and Research	1,534	5,312
Grants from the Ministry of Social Affairs	1,211	1,509
Grants from the Education and Youth Board	695	0
Grants from the Ministry of Justice	518	494
Grants from the Ministry of Economic Affairs and Communications	107	250
International grants related to income	44,869	33,939
Including		
Grants from the European Union and its institutions	16,212	10,164
Grants passed on by the Ministry of Education and Research	11,239	10,926
Grants passed on by the Estonian Research Council	4,794	4,050
Total	81,099	67,327

The amounts in the table are in thousands of euros.

Due to recovery claims received, the University of Tartu as a recipient and intermediary of grants reduced income from grants related to income by 50,112 euros in 2021 (2020: 68,561 euros). The reduction was recognised within income from grants related to income.

NOTE 22. OTHER INCOME

	2021	2020
Income on an investment in non-current assets (note 8)	2,635	0
Membership fees	65	65
Income on land granted into the use of other persons	57	0
Gain on sale of non-current assets	27	22
Donations from individuals and legal persons	23	106
Miscellaneous income	61	77
Total	2,868	270

The amounts in the table are in thousands of euros.

The sales price of property, plant and equipment sold in 2021 was 36,284 euros (2020: 25,802 euros).

NOTE 23. GOODS, MATERIALS AND SERVICES USED

	2021	2020
Services purchased	21,995	21,312
Goods purchased	158	144
Materials purchased	172	13
Total	22,325	21,469

The amounts in the table are in thousands of euros.

NOTE 24. OPERATING EXPENSES

	2021	2020
Expenses on education and research activities	21,514	15,426
VAT expense	7,829	5,950
Utilities and maintenance expenses (excluding heating and electricity)	2,951	2,724
Electricity expenses	2,929	1,719
Office expenses and expenses on fixtures and fittings	2,652	2,451
Office equipment maintenance and software expenses	2,599	2,246
Expenses on research equipment maintenance and supplies	1,480	1,749
Heating expenses	1,350	1,093
Work-related travel expenses	878	794
Lease and rental expenses	858	705
Repair expenses	842	1,435
Expenses on purchase of assets of immaterial value	776	754
Expenses on professional publications and literature	717	852
Transport expenses	715	696
Advertising expenses	589	423
Telecommunications and postal expenses	122	139
Miscellaneous operating expenses	2,863	2,779
Total	51,664	41,935

The amounts in the table are in thousands of euros.

NOTE 25. STAFF COSTS

	2021	2020
Remuneration expenses	87,456	78,352
Other pay and benefits	396	301
Taxes on staff costs	29,242	26,203
Total	117,094	104,856
Average number of staff converted to full-time equivalent	3,172	2,998

The amounts in the table are in thousands of euros.

NOTE 26. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	2021	2020
Depreciation of property, plant and equipment (note 10)	15,061	16,370
Loss on write-off of property, plant and equipment (note 27)	3,029	1,005
Amortisation of intangible assets (note 11)	271	225
Depreciation of investment property (note 9)	224	224
Write-off of items of library collections (note 10)	16	11
Total	18,601	17,835

The amounts in the table are in thousands of euros.

NOTE 27. LOSS ON WRITE-OFF OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	2021	Reason for write-off
Buildings	3,024	
Liivi 2, Tartu city	2,016	Write-off of parts replaced during renovation
Jakobi 5, Tartu city	922	Write-off of parts replaced during renovation
Ravila 19, Tartu city	47	Write-off of parts replaced during renovation
Ringi 35, Pärnu city	27	Write-off of parts replaced during renovation
Lai 38, Tartu city	12	Write-off of parts replaced during renovation
Equipment and vehicles	5	Write-off of unusable items
Total	3,029	

	2020	Reason for write-off
Buildings	1,004	
Kääriku complex, Otepää rural municipality	310	Write-off of parts replaced during renovation
Struve 1, Tartu city	287	Write-off of parts replaced during renovation
Narva mnt 89, Tartu city	155	Write-off of parts replaced during renovation
Ravila 19, Tartu city	105	Write-off of parts replaced during renovation
Munga 4, Tartu city	77	Write-off of parts replaced during renovation
Lutsu 1, Tartu city	47	Write-off of parts replaced during renovation
Raekoja plats 2, Narva city	20	Write-off of parts replaced during renovation
Turu 7, Viljandi city	3	Write-off of parts replaced during renovation
Equipment and vehicles	1	Write-off of unusable items
Total	1,005	

The amounts in the table are in thousands of euros.

NOTE 28. OTHER EXPENSES

	2021	2020
Membership fees	580	510
Entertainment expenses	492	433
Awards and gifts	140	96
Miscellaneous expenses	82	55
Total	1,294	1,094

The amounts in the table are in thousands of euros.

NOTE 29. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, related parties include:

- the group's associates;
- non-profit associations that are not part of the University of Tartu group but are under the group's significant influence;
- foundations in which the University of Tartu group is a founder;
- members of the executive and higher management of the University of Tartu (members of the council, the rector, vice rectors, deans, and heads of functions) and foundations, non-profit associations and companies under their control or significant influence;
- members of the management boards of the subsidiaries of the University of Tartu and foundations, non-profit associations and companies under their control or significant influence;
- close family members of the members of the executive or higher management of the University of Tartu and the members of the management boards of the subsidiaries including spouses, domestic partners and children, and foundations, non-profit associations and companies under their control or significant influence.

The group has disclosed in these financial statements all transactions with related parties.

There were no transactions in 2021 that did not comply with the law or the group's internal regulations or were not conducted on market terms. No receivables from related parties were written down in 2021 or 2020.

	Sales		Purchases	
	2021	2020	2021	2020
Services	717	779	8,650	8,105
Associates	1	6	4	15
Non-profit associations	16	7	55	36
Foundations	530	586	8,488	7,994
Companies	166	178	103	60
Individuals	4	2	0	0
Goods	2	1	44	16
Foundations	2	1	35	12
Companies	0	0	9	3
Individuals	0	0	0	1
Other	57	0	0	0
Foundations	57	0	0	0
Total	776	780	8,694	8,121

The amounts in the table are in thousands of euros.

In the consolidated statement of financial performance, sales of goods and services to related parties are included in *Revenue from sale of goods and provision of services* and purchases from related parties are included in *Goods, materials and services used and Operating expenses*.

	Receivables		Liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Non-profit associations	1	0	1	0
Foundations	30	20	742	737
Companies	15	6	0	3
Individuals	1	0	0	0
Total	47	26	743	740

The amounts in the table are in thousands of euros.

In the consolidated statement of financial position, receivables from related parties are included in *Receivables and prepayments* and liabilities to related parties are included in *Payables and deferred income*.

	Grants related to income	
	2021	2020
Non-profit associations	11	7
Foundations	20	1,256
Total	31	1,263

The amounts in the table are in thousands of euros.

In the consolidated statement of financial performance, grant income from related parties is included in *Grants related to income*.

	Deferred grant income	
	31 Dec 2021	31 Dec 2020
Foundations	15	0
Total	15	0

The amounts in the table are in thousands of euros.

In the consolidated statement of financial position, deferred grant income from related parties is included in *Payables and deferred income*.

Remuneration provided to the executive and higher management of the University of Tartu and the members of the management boards of the subsidiaries breaks down as follows:

	2021	2020
University of Tartu	776	753
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	121	115
MTÜ Tartu Üliõpilasküla	48	39
OÜ UniTartu Ventures	40	0
MTÜ Tartu Üliõpilasmaja	30	29
Academus Hostel OÜ	0	4
Total	1,015	940

The amounts in the table are in thousands of euros.

The University of Tartu has no obligation to provide termination benefits to the members of its executive and higher

management. Subsidiaries' management board members are entitled to termination benefits in accordance with the terms and conditions of their service contracts. Contingent termination benefits payable to members of group entities' executive and higher management at 31 December 2021 totalled 66,333 euros (31 December 2020: 51,972 euros).

NOTE 30. CONTINGENT ASSETS AND LIABILITIES

30.1. Possible liabilities from tax audits

The tax authority may audit the group's tax accounting within five years after the deadline for the submission of a tax return. On the detection of a misstatement or omission, the tax authority may charge additional tax, late payment interest and penalty payments. The group's management is not aware of any circumstances that might cause the tax authority to assess a significant amount of additional tax to be paid by the group.

30.2. Mortgages

The group has created two mortgages for the benefit of Swedbank AS on its properties at Vanemuise 46 and Pepleri 14 in Tartu city. The mortgage on Vanemuise 46 amounts to 1.60 million euros and collateral claims may total 0.16 million euros. The mortgage on Pepleri 14 amounts to 0.32 million euros and collateral claims may total 0.03 million euros.

The group has also created two mortgages for the benefit of AS SEB Pank. The mortgage on the property at Nooruse 1 in Tartu city, amounts to 4.79 million euros. The mortgage on the property with three buildings with the addresses Ülikooli 16, Jakobi 2 and Lossi 3 in Tartu city, amounts to 4.79 million euros and collateral claims may total 0.48 million euros.

At the end of 2021, the University of Tartu did not have any outstanding contractual obligations that were secured by the above mortgages.

30.3. Other contingent liabilities

In accordance with the Creation of Usufruct and Real Right Contract No. 716, signed between the University of Tartu and Tehvandi Sports Centre Foundation on 22 March 2012, a fixed-term usufruct of 50 years was created on the Kääriku property for the benefit of Tehvandi Sports Centre Foundation as from 1 April 2012. Under the agreement, on the expiry of the usufruct the university has to compensate Tehvandi Sports Centre Foundation for all capital investments that have been agreed with the university in writing. The investments will be depreciated using contractual and agreed depreciation rates. Investments that have not been agreed with the university need not be compensated on the expiry of the usufruct. Nor is there any obligation to pay compensation for investments or expenditures financed with non-refundable support provided by the EU structural funds or other donors. The university has agreed with Tehvandi Sports Centre Foundation capital investments of 15.82 million euros. The compensation payable by the university on the expiry of the usufruct will be determined by depreciating the investments at the agreed rates from the month of their implementation. At 31 December 2021, the carrying amount of investments qualifying for compensation was 14.71 million euros (31 December 2020: 12.03 million euros) but the realisation of the compensation obligation was unlikely.

NOTE 31. ASSETS ACCOUNTED FOR OFF THE STATEMENT OF FINANCIAL POSITION

Assets with a cost of 2,000 to 4,999.99 euros were accounted for off the statement of financial position in 2021. At the reporting date, the total cost of such assets was 10.65 million euros (31 December 2020: 10.11 million euros).

The library items of the library of the University of Tartu are accounted for in detail in the library information system ESTER. At 31 December 2021, the estimated total value of the library's collections was 51.14 million euros (31 December 2020: 45.74 million

euros), of which 11.25 million euros (31 December 2020: 10.93 million euros) was recognised in the consolidated statement of financial position (see note 10).

At the reporting date, the collection of the University of Tartu Botanical Gardens included 13,435 taxonomic units (species and varieties) of trees, bushes and other plants (31 December 2020: 12,609 taxonomic units).

Detailed accounts of items stored in museum collections are kept by the museums. From 2011, the assets included in museum collections are recognised in the consolidated statement of financial position in an aggregated amount. The total carrying value of the museum collections was 0.16 million euros at the reporting date (31 December 2020: 0.14 million euros). Altogether, at the reporting date the museums had 1,471,484 storage items (31 December 2020: 1,416,736 storage items): the History Museum had 159,478 storage items (31 December 2020: 131,260 storage items), the Art Museum had 34,306 storage items (31 December 2020: 34,306 storage items), the Natural History Museum had 1,277,647 storage items (31 December 2020: 1,251,117 storage items), the library had 30 storage items (31 December 2020: 30) and the faculty of medicine had 23 storage items (31 December 2020: 23).

NOTE 32. EFFECTS OF THE COVID-19 PANDEMIC

The coronavirus pandemic, which started in 2020, and its containment measures have seriously disrupted the economy and the life of society. Although in 2021 people and organisations were already getting adapted to the pandemic, the University of Tartu continued to apply partly remote work and study arrangements. Planned trips and conferences were postponed, cancelled, or replaced with online participation where possible.

The university did not run into financial difficulty because most of its revenue results from the government sector and there were no state budget cuts. Our researchers provided the government with expert advice, which helped contain the pandemic and plan measures in both 2020 and 2021 while also improving researchers' profile in

society. Various COVID-19-related projects generated considerable project revenue and, despite travel restrictions, we succeeded in increasing tuition fee revenue, which is mostly derived from international students. The university's total revenue grew by 14.6% year on year.

The payment behaviour of the university's counterparties did not deteriorate and the level of past due receivables did not increase significantly. However, the university agreed longer-term settlement schedules with the catering service providers operating in its buildings and released them from paying the rent for the time when the buildings were closed.

The entities of the University of Tartu group also qualified for some national crisis support measures. The University of Tartu Museum received 93,3257 euros and the Natural History Museum and the Botanical Gardens 56,000 euros through the Ministry of Culture. The subsidiary MTÜ Tartu Ülikooli Akadeemiline Spordiklubi, which operates a sports club, likewise benefited from the crisis support measures. Several events that would have generated rental income for the sports club in 2021 (e.g., the semi-finals of the Eesti Laul song contest, the Startup Day and the Miss Valentine competition) were cancelled. The resulting loss of rental income was compensated with 265,092 euros allocated from the support measures. The staff and customers of the sports club felt the impact of the virus more severely in the second half of the year but effective communication and mutual understanding helped find solutions to the cancellation or rescheduling of training sessions and competitions without major problems.

The subsidiary MTÜ Tartu Üliõpilasmaja, which operates a student club that coordinates the activities of arts and other groups and manages the premises used for cultural events, was also strongly affected by the COVID-19 crisis. Due to the restrictions, some of the planned public events had to be postponed. Rehearsals continued in smaller groups outdoors and online. The situation improved somewhat in the autumn.

The operations of the subsidiary MTÜ Tartu Üliõpilasküla, which manages student accommodation, were affected by the second wave of the pandemic that hit in the first half of the year and the third wave that arrived in the autumn. Due to a decline in income and growth in the prices of building materials and services, there was no other option but to increase rent by 10% starting from July. Despite all challenges, the subsidiary was able to maintain the occupancy of the rental premises in the range of 89 to 91%.

NOTE 33. EVENTS AFTER THE REPORTING PERIOD

In spring 2022, the world is struggling with two major crises: the COVID-19 pandemic, which has entered its third year, is still ongoing and on 24 February 2022 Russia started a war against Ukraine. As in previous years, the pandemic and related restrictions are causing problems for businesses and the economy. The effects of the war in Ukraine are also gradually reaching Estonia. The University of Tartu has supported its Ukrainian staff and students since the start of the war and has made preparations to receive refugees arriving from Ukraine. Despite the experience gained in crisis management and coping with uncertainty in previous years, we expect both crises to have a certain impact on the operations and operating expenses of the university in 2022. On the other hand, the university receives a major share of its revenue from the government sector and, according to information available at the date these financial statements are authorised for issue, there will be no budget cuts in 2022. Still, both crises, and the war in particular, have affected the number of applications submitted by international fee-paying students: the number for 2022 is only around 60% of that for the previous year.

The University of Tartu group treats the ongoing COVID-19 pandemic and the consequences of the war as non-adjusting events after the reporting period. It is not yet possible to provide quantitative estimates of the potential effects of the crises on the university's subsequent periods' financial results but the management of the university currently expects that the impacts on the results for 2022 will be limited.

NOTE 34. PRIMARY FINANCIAL STATEMENTS OF THE PARENT

University of Tartu statement of financial position

	31 Dec 2021	31 Dec 2020
ASSETS		
Current assets		
Cash and cash equivalents	58,269	48,183
Receivables and prepayments	35,168	31,651
Inventories	173	150
Total current assets	93,610	79,984
Non-current assets		
Investments in subsidiaries and associates	151	151
Investments in financial assets	2	2
Receivables and prepayments	2,042	18
Investment property	6,794	7,018
Property, plant and equipment	238,301	240,622
Intangible assets	8,061	7,940
Total non-current assets	255,351	255,751
TOTAL ASSETS	348,961	335,735
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Borrowings	3,048	3,648
Payables and deferred income	62,044	54,281
Total current liabilities	65,092	57,929
Non-current liabilities		
Borrowings	16,878	19,926
Total non-current liabilities	16,878	19,926
Total liabilities	81,970	77,855
Net assets		
Capital of the university	144,182	144,182
Accumulated surpluses (prior periods)	113,698	110,299
Surplus for the period	9,111	3,399
Total net assets	266,991	257,880
TOTAL LIABILITIES AND NET ASSETS	348,961	335,735

The amounts in the table are in thousands of euros.

University of Tartu statement of financial performance

	2021	2020
Revenue		
Revenue from sale of goods and provision of services	27,226	24,535
State budget funding for education activities	82,291	78,228
State budget funding for research activities	29,023	26,365
Grants related to assets	8,216	4,423
Grants related to income	80,147	66,665
Other income	2,790	185
Total revenue	229,693	200,401
Expenses		
Goods, materials and services used	-20,533	-19,655
Operating expenses	-50,634	-41,127
Scholarships and study grants	-13,733	-13,771
Staff costs	-114,700	-102,748
Depreciation, amortisation and impairment losses	-18,524	-17,800
Significant write-downs of current assets	221	544
Other expenses	-2,665	-2,447
Total expenses	-220,568	-197,005
Surplus on operating activities	9,125	3,396
Share of profit of subsidiaries	0	97
Income on investments in financial assets	8	0
Interest income	93	45
Interest expense	-116	-139
Other finance income	1	0
Surplus before income tax	9,111	3,399
Surplus for the period	9,111	3,399

The amounts in the table are in thousands of euros.

University of Tartu statement of cash flows

	2021	2020
Cash flows from operating activities		
Surplus on operating activities	9,125	3,396
Adjustments for		
Depreciation, amortisation and impairment losses	18,524	17,800
Other non-cash transactions with non-current assets	8	0
Gain on sale of non-current assets	-27	-22
Change in provisions	0	-243
Grants related to assets received	-8,216	-4,423
Grants related to assets passed on	441	85
Change in receivables and prepayments	-6,477	-10,469
Change in inventories	-23	-30
Change in payables and deferred income	7,978	16,104
Interest paid	-116	-140
Net cash from operating activities	21,217	22,057

	2021	2020
Cash flows from investing activities		
Paid for acquisition of property, plant and equipment	-4,361	-5,194
Proceeds from sale of property, plant and equipment	36	20
Paid for assets under construction	-11,603	-9,581
Prepayments made for property, plant and equipment	-96	-157
Paid for acquisition of intangible assets	-392	-528
Government grants related to assets paid (partners)	-237	-79
Proceeds from government grants related to assets	9,017	4,678
Paid for acquisition of a subsidiary	0	-150
Proceeds from refund of shares on liquidation of a subsidiary	0	16
Proceeds from distribution of retained earnings on liquidation of a subsidiary	0	97
Dividend income on investments in financial assets	8	0
Collection of a non-current receivable	5	0
Interest received	140	52
Net cash used in investing activities	-7,483	-10,826
Cash flows from financing activities		
Repayment of loans received	-3,648	-4,088
Net cash used in financing activities	-3,648	-4,088
Net cash flow	10,086	7,143
Cash and cash equivalents at beginning of period	48,183	41,040
Increase in cash and cash equivalents	10,086	7,143
Cash and cash equivalents at end of period	58,269	48,183

The amounts in the table are in thousands of euros.

University of Tartu statement of changes in net assets

	Capital of the university	Accumulated surpluses	Surplus for the period	Total
At 31 December 2019	144,182	99,015	11,284	254,481
Transfer of surplus	0	11,284	-11,284	0
Surplus for the period	0	0	3,399	3,399
At 31 December 2020	144,182	110,299	3,399	257,880
Transfer of surplus	0	3,399	-3,399	0
Surplus for the period	0	0	9,111	9,111
At 31 December 2021	144,182	113,698	9,111	266,991

The amounts in the table are in thousands of euros.

University of Tartu adjusted unconsolidated net assets

	31 Dec 2021	31 Dec 2020
Unconsolidated net assets of the University of Tartu	266,991	257,880
Less: carrying amount of investments in subsidiaries and associates	-151	-151
Plus: value of investments in subsidiaries and associates under the equity method	1,734	1,623
Total	268,574	259,352

The amounts in the table are in thousands of euros.



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Independent Auditors' Report

(Translation of the Estonian original)

To the Council of University of Tartu

Opinion

We have audited the consolidated financial statements of University of Tartu (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements presented on pages 52 to 87, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Estonian financial reporting standard.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) and we have fulfilled our other 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the management report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or



otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Estonian financial reporting standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG Baltics OÜ
Licence No 17

/digitally signed/

Andris Jegers

Certified Public Accountant, Licence No 171

Tallinn, 9 May 2022

/digitally signed/

Siim Külasepp

Certified Public Accountant, Licence No 698

SIGNATURES TO ANNUAL REPORT 2021

The annual report of the University of Tartu for the year ended 31 December 2021 consists of an activity report and consolidated financial statements.

The management of the University of Tartu has prepared the activity report and the consolidated financial statements. The consolidated financial statements are accompanied by the independent auditors' report. The rector of the University of Tartu has reviewed the annual report and approved its presentation to the council of the university.

(signed digitally)

Toomas Asser

Rector, Professor

(signed digitally)

Kalle Hein

Head of Finance

(signed digitally)

Signe Vösoberg-Pastik

Chief Accountant

ACTIVITY REPORT

Editors Katrin Pajuste-Kuul, Helina Riisalu,
Saima Tiirmaa-Oras, Maiki Udam

The report was compiled with the assistance of Jaanika Anderson, Viivika Eljand-Kärp, Kalle Hein, Ingrid Jaggo, Tuuli Kaldma, Katriin Kaljovee, Kaja Karo, Kristi Kerge, Kristi Kuningas, Aitel Käpp, Gea Kääpa, Kalmer Lauk, Lauri Leht, Kristel Lään-Saarik, Liisi Muiste, Kadri-Ann Mägi, Karin Org, Lehti Pilt, Mari-Liis Pintson, Kärt Puura, Lauri Randveer, Taivo Raud, Tiia Ristolainen, Kersti Roosimäe, Jürgen Rünk, Margit Tago, Monika Tasa, Piret Tatunts, Ülle Tensing, Annika Tina, Ana Valdmann, Aune Valk, Raivo Valk, Karl Vetemaa, Kätlin Virgo, Sirje Üprus and many others

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FINANCIAL STATEMENTS

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Translation Inga Aarpuu (KPMG Baltics OÜ)
Design Helina Riisalu

Photos on the cover:

- Kait Tamra performing on the Tartu City Piano in front of the university's main building
- Presentation of the award "Contribution to Estonian National Identity" to Erkki-Sven Tüür
- Graduates of the Faculty of Medicine
- Presentation of the world's first autonomous hydrogen vehicle
- Olga and Priit Pärn handing over the professorship of liberal arts to Hasso Krull
- Recording of the New Year's video greeting in front of the university's main building
- Mascot Tiksu at the ice rink on Town Hall Square

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