



JANE AND AATOS ERKKO FOUNDATION

ANNUAL REPORT 2019
PROFIT AND LOSS STATEMENT 2019



JANE AND AATOS
ERKKO FOUNDATION



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Foundation

The primary purpose of the Jane and Aatos Erkkö Foundation is to promote and support research and education in the fields of technology, economics and medicine. The Foundation also supports arts and culture, as well as sports and physical education, to promote people's wellbeing and the nation's interests in this respect.

Foundation's grants 2002–2019

During the report year, the total amount of grants awarded by the Foundation during its history exceeded EUR 200 million. The personal donations and bequests of the founders have created a stable and strong financial basis and enabled the Foundation to carry out its ambitious work to support science and culture. The research themes and cultural activities are testimony to the Foundation founders' spiritual legacy and values for a society based on education and culture.

Fulfilling the purpose of the foundation during the report year

In 2019, the Foundation paid almost EUR 33 million in grants to science and culture. Total grants made during the report year clearly exceeded the amount of donations granted in earlier years.

Medicine received grants of EUR 14 million. Grants were awarded for research into the effect of oxygen deficiency in a number of diseases and for studies of regulators of human regulatory T cell differentiation and function, among others.

Technology projects received grants of EUR 7 million. Grants were awarded, for example, for research into the production of solar fuels and the storage of renewable energy.

A total of EUR 5 million was awarded to other sciences. Grants were made for, among other things, atmospheric system and Earth research lasting several years and research into the carbon sink effect of trees.

Cultural activities received grants of EUR 4 million and other social activities received EUR 2 million. The most significant grants went to the organisation of the Helsinki Biennial, design and construction of the national Olympics training centre and the Culture Kids programme.

A list of all grants awarded and statistical information about the Foundation can be found in an appendix to the Annual Report.

Foundation's investment activities

The market value of the Foundation's assets was EUR 1,252 million at year-end 2019 (2018: EUR 1,035m). Share investments accounted for 94.3% (94.5%), fixed-income investments for 5.6% (5.3%) and shares in limited liability housing companies for 0.1% (0.2%) of the assets.

The return on investments in 2019 was 24.8% (-11.2%) including unrealised changes in market value. The return was exceptionally good and the best ever in the Foundation's history. When analysing the result, it should be borne in mind that the heavy equity weighting means rather large differences in individual annual returns.

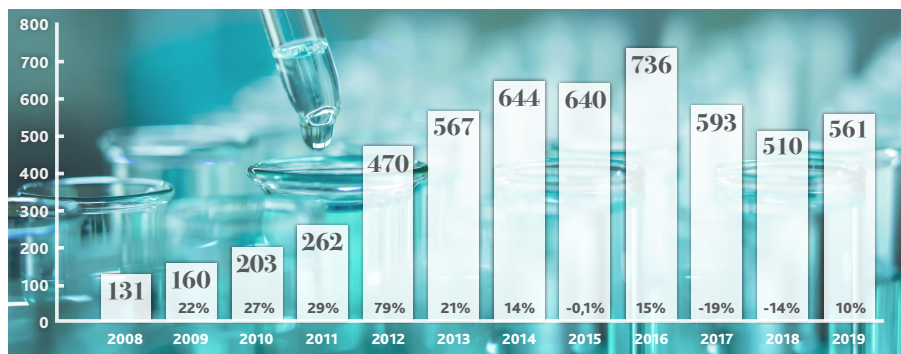
The Foundation reported a surplus of EUR 43.2 million (EUR 13.6m deficit) for 2019. Value impairments from earlier years and the reversals thereof accounted for EUR 37.9 million of the surplus.

Grant operations

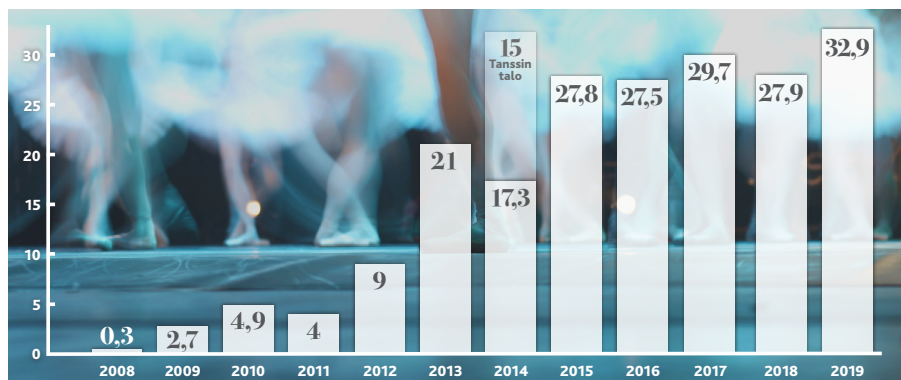
The Foundation's operations have become established and the Foundation has found its own line and place on the foundations playing field in Finland. In 2019, total grants amounted to EUR 33 million, the highest in any year in the Foundation's history. The Foundation also awarded its largest ever science research grant: EUR 2.9 million for a 3-year atmospheric system and Earth research.

During the full year, grants were awarded to 57 research groups, organisations or persons. Grant recipients were selected in accordance with the objectives of the charter, taking into account its broad purpose when making decisions on grants. The Board of Trustees has continued the established practice of funding larger, longer-lasting projects of an internationally high calibre.

Grant applications processed in 2008-2019 (annual number and growth (%))



Grants 2008-2019 (€m)





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ERKKO FOUNDATION

The Foundation processed a total of 561 applications. The Foundation has taken decisive steps to make the application instructions clearer and has sought to inform applicants of the award criteria in an attempt to avoid applications that fail to meet the criteria.

During the year under review, 57 (2018: 58) positive funding decisions were made, of which 41 (2018: 31) concerned scientific research, 13 (2018: 17) concerned culture and 3 (2018: 10) concerned other areas. The Foundation awarded 9 large research grants, each totalling more than EUR 1 million, covering several years of research as well as 12 research grants of EUR 500,000-1,000,000.

Grants for scientific research

The Foundation has awarded grants for high-calibre scientific research. Basic research accounted for most of the grants awarded. Research programmes have not been funded, instead funding decisions have been allocated to individual studies, the scientific significance and effectiveness of which the Foundation's Board of Trustees can directly evaluate.

Research plans may involve a risk because without considerable risk-taking the research results may remain modest. Whereas successful high-risk projects often have major scientific significance, they can often open up new research areas and increase knowledge even if they fail.

The criteria for evaluating the research projects funded include goals, the researchers' professional skills and achievements, project implementation plans and the significance of the results. Since funding decisions usually concern research teams and post-doc research, no individual grants have been awarded for doctoral dissertations. The same also applies to short-term travel and conference grants.

Further funding may be awarded if the research has been innovative and the results show significant scientific value that leads to new research initiatives.

When making decisions, the Foundation may, at its discretion, use external advisers. The number of advisers was added to during the year under review.

Proof of Concept

The Foundation started to use a new Proof of Concept (POC) form of funding to fund high-risk research projects. Using the new form of grant, the Foundation seeks to encourage researchers to make research initiatives for which it has traditionally been hard to find funding in the absence of preliminary research findings.



JANE AND AATOS
ERKKO FOUNDATION

The Proof of Concept grant is open to doctoral researchers at all stages of their career. Whereas the project can be a springboard for promising young researchers as start-up funding, new research by experienced researchers is also a target group. Funding is for around two years and the project aim is to collect enough conclusive research or methodological findings as a basis for a wider project. Application can be made for further funding if the results clearly indicate that the follow-up project can be of international relevance.

Professor Kai Kaila received a PoC-grant (EUR 400,000) for two years for a new rational therapy for Alzheimer's disease. The research aims at arresting the occurrence and progress of Alzheimer's disease and not just treating the symptoms. Professor Heikki Ruskoaho's team received a POC grant (EUR 537,000) for two years to study novel compounds for the treatment of leukaemia. Ruskoaho's innovative research group has coincidentally discovered novel compounds with properties that kill leukaemia cells.

Niko Moritz PhD, who heads the Biomaterials Science group at the University of Turku, received an 18-month PoC grant (EUR 236,000) for a project aimed at developing the additive manufacturing (AM) of osteoconductive implants. This is a medical technology project with good breakthrough potential and good application prospects.

Medicine

Medicine again accounted for a significant share of the grants awarded. Medical research is costly because it requires human and laboratory resources as well as a sufficiently long research period. Additionally in funding, the Foundation favours a more expensive salary model that guarantees social security for researchers.

As in previous years, the Board of Trustees targeted medical grants at internationally competitive high-calibre basic and clinical research as well as biomedical research. The objectives of the supported research projects included pharmaceutical inventions, new treatment methods and inventions in medical technology.

Only in exceptional cases has the Foundation supported pharmaceutical studies and comparative studies on treatment. Nor has the Foundation funded long-term epidemiological projects or framework projects where funding would go to funding parts of a larger project.

The largest grant (EUR 1,695,000) for medicine was awarded to Professor Riitta Lahesmaa at the University of Turku for a three-year study of the function of Treg cells, which regulate the immune system. T cells are key regulators of the body's immune system because when functioning properly they protect the body from, among other things, infection, autoimmune disease and cancer. Lahesmaa has a long experience and a strong track record in immune system research and the project combines her excellence with recent breakthroughs.



JANE AND AATOS
ERKKO FOUNDATION

Professor Elina Ikonen, head of the Biofilm Research Unit at the University of Helsinki, was awarded five-year funding of EUR 1,400,000 for research on fats and libido metabolism. In the project, Ikonen continues her international front-line research in exploring the basic mechanisms of human fat metabolism disorders.

Technology

Professor Mika Valden at Tampere University was awarded four-year funding of EUR 1,316,000 for research focusing on solar fuel production to mitigate climate change. Valden's research group and Professor Mircea Guina's research group aim to design and build a photoelectrochemical (PEC) cell structure, where carbon dioxide and water molecules are broken up by sunlight electrochemically into methanol on the surface of solar cells.

Professor Tanja Kallio at Aalto University was awarded four-year funding of EUR 872,000 for the storage of renewable energy in chemical compounds. The topic is important for the world's growing population because storage prevents the extensive use of renewable energy. Renewable energy is seasonal and production does not usually coincide with peak consumption and lulls. Kallio is working on a project that would bind solar energy into a chemical binding energy that would allow it to be transported.

The Foundation continued its collaboration with the Technology Industries of Finland Centennial Foundation. The Future Makers programme has endeavoured to encourage Finnish universities to further develop their strategic expertise and long-term cooperation with companies.

The funding programme attracted 93 applications, of which six projects have received funding (EUR 1,600,000) from the Jane and Aatos Erkkö Foundation. The boards of both foundations made their funding decisions independently.

The largest research funding (EUR 600,000) was awarded to researcher Syed Ghufuran Hashmi and his team at Aalto University. Hashmi's team is developing solar cell material to make it easier to recover solar energy.

Other research activities

The Foundation's largest research funding ever, EUR 2,900,000, was awarded to Academician Markku Kulmala, Professor, who is head of the Aerosol and Environmental Physics Laboratory at the University of Helsinki, and his atmospheric and Earth system research group for three years. Kulmala's research group focuses on studying carbon sinks and a so far little known, yet important phenomenon with regard to studying climate change; the study and measurement of aerosols that cool the atmosphere (CarbonSink+). The research centre headed by Kulmala is among the world's leading experts in the field.



JANE AND AATOS
ERKKO FOUNDATION

Academician Eva-Mari Aro professor at the University of Turku was awarded three-year funding of EUR 1,464,000 for a study of the opportunities of photosynthesis research. The study is part of the "Biofuture" research field at the University of Turku. Biofuture research is one of the University of Turku's strongest fields and photosynthesis research is a key part of the research carried out in the Department of Biochemistry. The research aims at applications supporting sustainability and a carbon-neutral society.

Culture and other societal activities

The selection criteria applied by the Board of Trustees to arts and cultural projects included high artistic quality and an international scope. Selection criteria are applied on a case by case basis and the interests of the Foundation's founders have been taken into account insofar as the charter allows.

Culture Kids

The City of Helsinki received a three-year grant of EUR 900,000 for the Culture Kids programme. Since 2020, every child born in Helsinki has cultural actors as sponsors that help bring children and their families into personal touch with art and culture. When a child is born, maternity and child health clinics invite families to take part in the activities and culture kids are invited to two events free of charge each year until the child starts school.

The Foundation values the City of Helsinki's positive approach to culture and through the grant seeks to support the younger members of the city's population to grow into culture consumers. The Foundation trusts that the project will create equal opportunities for families to enjoy cultural experiences.

Visual arts

Helsinki Art Museum (HAM) was awarded a two-year grant of EUR 2,500,000 to set up the internationally significant Helsinki Biennale. Vallisaari will be the venue of biennale, which will combine, art, nature, history and outdoor recreation. Artists have been invited to produce new works for the biennale or to exhibit their existing works. The event is open to all from June to the end of September 2020.

Music

Sibelius Academy, which is part of Uniarts Helsinki, has received funding of EUR 690,000 for five international orchestra and co-productions which will take place in 2020-2023. Each production includes one or more international partners. When produced, the co-productions will prepare students for international labour markets and give students and Finnish audiences an opportunity to benefit from the best impulses from the international orchestra arena.



JANE AND AATOS
ERKKÖ FOUNDATION

The Foundation has also continued to support the International Hamina Tattoo, a military music festival, with a grant of EUR 230,000. The event is held in the town of Hamina and military music was an interest of the Foundation's founder and honorary chairman Minister Aatos Erkkö, who played an active role in raising the Hamina Tattoo to an international calibre.

Dance

Helsinki International Ballet Competition association has received a grant of EUR 120,000 for the 2020 international ballet competition to be held in Helsinki. The Foundation's founder, Mrs Jane Erkkö, made a significant contribution in her role as a supporter of the competition and as a member of the association's board.

The competition attracts the best young dancers from everywhere in the world to Finland to compete in a repertoire of classical ballet and modern dance. The competition seeks to help young talented dancers at the start of their career to progress in their international career.

Physical education

Urhea campus, the international standard sports centre, under construction in Helsinki, received a grant of EUR 1,500,000. The sports hall aims to provide young athletes in different sports with a sports and studies package where the athlete has access to training conditions and support services of an international calibre. The centre will also serve schoolchildren in the Helsinki Metropolitan Area as well as local sports clubs and exercise classes in the evenings and at weekends.

Special projects

Dance House

The Foundation granted EUR 15 million to the Dance House project in 2014. The architectural look "Leija" (Kite) was published on 17 August 2017. An objection to the plan resulted in a delay in the start of construction, which did not get under way until the autumn of the year under review. The Dance House foundation stone was laid on 31 January 2020 and the building is scheduled to open in autumn 2021.

The Dance House will become an open, multicultural, unconventional, creative and modern stage that brings different social groups together through dance. The objective is to create an attractive, high-calibre programme to ensure that ticket sales cover most of the building's operating costs.



JANE AND AATOS
ERKKO FOUNDATION

Processing, payment and reporting of grant decisions

The Foundation processes grant applications continuously, but the Board of Trustees makes decisions four or five times a year. The preparation of applications is flexible.

Issues of legal disqualification are taken into account when processing grant applications as are the impacts of any conflicts of interest in processing and decision-making. In the event of disqualification, it is primarily the responsibility of the persons concerned to report their disqualification and the grounds for it. The Foundation's officers, advisers and members of the Board of Trustees and other bodies report any commitments of conflicts of interest that affect the preparation of grant decisions and where a conflict of interest exists they do not participate in preparation and decision-making.

Grants have been paid according to the payment schedule drawn up by each recipient. For reasons relating to the predictability of the Foundation's cash flow and the effective planning of cash management, payments are primarily made three times a year – in January, May and September. Exceptions to this can be made for a justified reason. The research grants awarded are mainly paid through a university or similar research community.

The Foundation requires successful applicants to submit reports on the progress and results of their projects. The Board's approval is required for fundamental changes in the content or finances of a project.

The recipient of a donation or grant must report on the spending and results of their project. An annual interim report is required for longer-term grants. Reporting is a requirement for payment of the following instalment. Once the project has ended, a final report is required which should show how the objectives set for the project have been realised and any problems arising during the project. Recipients of a donation or grant are requested in conjunction with reporting to also send an evaluation of the effectiveness of the project.

Effectiveness

The Foundation recognises the importance of the effectiveness evaluation and the problems associated with evaluation. As the research funding granted by the Foundation mainly focuses on basic research, scientific effectiveness, and societal effectiveness as is nowadays required, does not materialise quickly because of the nature of basic research. In addition, total funding granted by the Foundation to research groups usually comprises several different sources, which makes it difficult to identify the effectiveness of individual funding. There are often no clear consistent quantitative indicators to reliably evaluate effectiveness.



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ERKKO FOUNDATION

Data protection and document management

When submitting an application for a donation or grant to the Jane and Aatos Erkkö Foundation, applicants provide personal information about themselves to the Foundation. This information forms a personal data registry for the Foundation (General Data Protection Regulation GDPR). The Foundation has made every effort to create as transparent a register as possible taking into applicants' rights broadly into account.

Work on transferring the Foundation's document archive to electronic form was completed and a records management plan has been drawn up. The e-archive will streamline application preparation, payment and reporting.

Communication

The Foundation seeks to communicate clearly and openly. During the year under review, the Foundation drew up a communication strategy, which is reviewed and updated where necessary to correspond to changed circumstances.

The Foundation's principal communication channel is its own website, which during the year under review was redesigned with content refinements, new looks and artwork. The website gives detailed information to provide grant applicants and others interested in the Foundation with comprehensive and information particulars about the Foundation, its purpose and operations.

The website provides essential information about the Foundation, including the Foundation's charter and bylaws, the members of the Board of Trustees, the Financial and Executive Committees, together with the annual report, financial information and key financial figures. The website also contains instructions on the application process and the evaluation criteria approved by the Board for scientific research and cultural projects.

Personal meetings of the Foundation's Secretary General with university and faculty management as well as with researchers and actors in the culture sector also account for a significant part of the Foundation's communication.

The Foundation has not for now used social media since they are not considered as adequately furthering the Foundation's operations and maintenance would also require constant content production and presence.

The Foundation regularly publishes press releases about grants and the Foundation's other operations.



JANE AND AATOS
ERKKO FOUNDATION

Information about approved grants is published on the website as soon as possible after Board meetings. Information about projects to be confirmed is added later. Information about any significant changes in the Foundation's operations, assets or administration is announced where necessary.

The Foundation does not justify or publish the grounds for its decisions or disclose the names of the advisers.

Finances

General

The Foundation's assets have been gradually added to with financial donations from the founders in 2002 and with major bequests in 2012 and 2014.

At year-end 2019, the Foundation's assets had a market value of EUR 1,252 million (EUR 1,035m) comprising a securities portfolio of EUR 238 million (EUR 202m) in the Foundation's direct ownership, Sanoma Corporation shares valued at EUR 376 million (EUR 338m), shares valued at EUR 2 million (EUR 3m) in limited liability housing companies as well as the securities portfolio of EUR 636 million (EUR 495m) of the Asipex Group. The Foundation has full ownership of Oy Asipex Ab, which is domiciled in Helsinki and had full ownership of the Swiss subsidiary Asipex AG.

At year-end 2019, share investments accounted for 94.3% (94.5%), fixed income investments for 5.6% (5.3%) and shares in limited liability housing companies for 0.1% (0.2%) of the Foundation's assets.

Income statement

Consolidated income statement

The deficit on ordinary activities was EUR 33.5 million (2018: EUR 27.8m). Approved grant decisions in 2019 amounted to EUR 33 million (EUR 27.8m). EUR 32.9 million (EUR 27.2m) in grants was booked for 2019. The difference between grants approved and grants booked is owing to cancelled projects. Other operating costs were EUR 0.6 million (EUR 0.5m).

The book profit of the Foundation's investments was EUR 76.7 million (EUR 14.1m), which included the EUR 44.1 million (EUR 0.5m) net income of the subsidiary Group, dividend income of EUR 21.3 million (EUR 17.2m), EUR 8.0 million (EUR 9.1m impairments) in reversals of impairments on shares and funds, proceeds of EUR 1.5 million (EUR 2.5m) from the sale of investments, EUR 1.7 million (EUR 1.8m) in profit shares in funds, interest income and expenses of EUR 0.2 million (EUR 0.2m) and other funding income and expenses of EUR 0.1 million (EUR 1.0m).



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ERKKO FOUNDATION

The surplus for the 2019 accounting year was EUR 43.2 million (EUR 13.6m deficit). EUR 37.9 million of the surplus was the reversal of impairments of earlier accounting periods.

Parent foundation

The parent foundation's deficit for 2019 was EUR 0.9 million (EUR 14.2m deficit).

Related party transactions

Fees paid to the members of the Board of Trustees and the salary (subject to withholding tax) paid to the Secretary General totalled EUR 273,308 in 2019.

Members of the Board of Trustees were paid a monthly fee, as well as an attendance fee, for their work on the Board and Committees. The chair of the Board of Trustees was paid a monthly fee of EUR 1,200 and members and the deputy member of the Board were paid a monthly fee of EUR 1,000. The chairs of the Board and Committees were paid an attendance fee of EUR 500 and members were paid EUR 400. The fees were not increased during 2019. Given the Foundation's sizeable investment assets and the large amounts involved in individual grant decisions, these fees are normal in terms of the extent of operations.

Except for the auditors' fees, the Foundation had no other transactions with or without consideration with related parties. Nor did the Foundation grant loans or securities to related parties.

Return on investments

The investment year was almost a mirror image of the previous year, when fears of recession, a trade war and fiscal tightening by central banks lowered stock prices. Now that central banks have re-started recovery measures, fears of recession faded and towards the autumn the threat of a trade war and risks of a hard Brexit receded considerably. Low interest rates and the lack of investment alternatives also supported the development of share prices.

The return on the Foundation's investments in 2019 was +24.8% (2018: -11.2%), including unrealised changes in market values. The return on investments was the best ever. The strongly developed stock market, a high share allocation in line with the long-term strategy and successful choices of shares contributed to good performance. The diversified share portfolio (excluding Sanoma shares) in particular generated excellent returns at +31.3% (-7.2%), which also significantly outperformed the market return calculated with a corresponding geographical allocation. At the close of the financial year, the Foundation's share investments have averaged a total return of exceeding 10% p.a. over the past ten years. The Foundation's annual returns fluctuate greatly because of the high equity weighting.



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ERKKO FOUNDATION

Sanoma Corporation shares

The Foundation owns 39,820,286 Sanoma Corporation shares, which represent 24.35% of all Sanoma Corporation shares and voting rights.

The total return on Sanoma Corporation shares was +16.7% (-19.1%), including unrealised changes in value. In 2019, the Foundation received EUR 17.9 million (2018: EUR 13.9m) in dividends from Sanoma Corporation.

Risk management

The Foundation's operations depend on its investment assets and its core operations have become established. This means that the Foundation's most significant risks relate to the systematic management of the investment assets and market risk.

The primary goal of investment activities is to retain and increase the long-term real value of the Foundation's assets. The Foundation's investment activities also aim to secure a steady cash flow and sufficient liquidity to ensure the continuity of its core operations. Since the investment horizon is long, the investment strategy is equity oriented (equity weighting was 94.3% at year-end 2019) and the investment portfolio is not generally hedged against risks. Short-term market movements are not relevant to the Foundation since the aim is for good long-term real returns and cash flow. There is usually great fluctuation in annual returns.

In line with the Foundation's investment strategy, investments are diversified geographically and by sector, company and currency. The Foundation's investments are mainly in liquid securities and funds that can be realised quickly. This means the Foundation has a very low funding and liquidity risk.

Domestic and international economic situations are reflected in the Foundation's investments. Investment risks are mainly related to the general market risk, i.e. the performance of international stock markets and dividend income over the long term.

In addition, around 30% of the Foundation's assets consist of Sanoma Corporation shares, which constitute the greatest single price risk.

Liquid assets have been managed and investment activities carried out in line with the investment policy adopted by the Board of Trustees. The Financial Committee has dealt with matters related to investments.

Asipex Group's investment activities and risk management comply with the investment policy adopted by its Board of Directors and is in line with the investment policy of the Jane and Aatos Erkkö Foundation.



JANE AND AATOS
ERKKO FOUNDATION

Administration

Board of Trustees

Nils Ittonen served as Chair of the Board of Trustees and Juhani Mäkinen as Vice Chair. Their term of office lasts until the next annual meeting.

Heli Rahka, Reetta Meriläinen, Kerstin Rinne, Mikko Mursula, Marianne Heikkilä, Antti Vasara and Jussi Pesonen were re-elected as members of the Board at the annual meeting on 25 March 2019. The terms of office of all Board members lasts until the next annual meeting. The Board of Trustees convened four times during 2019, but the Board also considers the Foundation's matters at other times than in meetings.

Financial Committee

At its annual meeting, the Foundation's Board of Trustees appointed Mikko Mursula as Chair of the Financial Committee and Nils Ittonen, Marja Leskinen and Karl Tujulin as members.

The Financial Committee closely follows developments in the financial markets and general economic trends, and acts within the framework of the investment strategy adopted by the Board of Trustees. The Financial Committee convened four times in 2019.

Executive Committee

At the annual meeting, the Foundation's Board of Trustees appointed Nils Ittonen as Chair of the Executive Committee and Juhani Mäkinen and Marja Leskinen as members.

The Executive Committee prepares matters for the Board to decide on. The Executive Committee convened four times in 2019.

Association of Finnish Foundations

The Jane and Aatos Erkko Foundation is a member of the Association of Finnish Foundations (formerly Council of Finnish Foundations). The purpose of the Foundation is to safeguard the general and common interests of Finnish non-profit organisations, funds and associations that award grants, and to promote the expertise and good operating practices of Council members.



JANE AND AATOS
ERKKO FOUNDATION

Administration and officers

Marja Leskinen served as the Foundation's Secretary General and Jenni Hietala as the full-time Foundation assistant.

The Foundation employed an average of seven people during the accounting period. Five of these worked for the subsidiary Group.

Competent, motivated employees, a Board of Trustees dedicated to operations and a high-calibre comprehensive cooperation network are the Foundation's key success factors.

Auditors

At its annual meeting on 25 March 2019, the Board of Trustees re-appointed the audit firm PricewaterhouseCoopers Oy as the Foundation's auditors, with Samuli Perälä APA as the principle auditor and Valtteri Helenius APA as the deputy auditor.

Outlook for 2019

Marja Leskinen, who has served as the Foundation's General Secretary since 1 August 2010, will retire on 31 August 2020. To ensure that the change of General Secretary is as smooth as possible, the areas of responsibility of the Foundation's officers and the Foundation's ways of working have been reviewed and revised. The Foundation's documentary material and archives are up to date and in electronic form.

Hanna-Mari Peltomäki MA was appointed the new Secretary General on 17 February 2020. She will be supported by the competent employees of the Foundation and Oy Asipex Ab.

Grants will be selected in accordance with the objectives of the charter and grants will continue to be allocated to larger projects. In line with the course chosen by its founders, the Foundation will continue to award grants primarily to support high-calibre scientific research as well as for arts and cultural projects.

The Foundation will continue to collaborate with the Technology Industries of Finland Centennial Foundation (Future Makers programme). In addition, efforts will be made to increase funding directed at research in the field of technology provided that applications are received that meet the Foundation's criteria.



JANE AND AATOS
ERKKO FOUNDATION

The annual total of grants awarded by the Foundation has grown since 2012. In terms of growth in grant operations or major new initiatives, the Foundation must take into account financial and administrative restrictions as well as the considerable funding required by the Dance House investment decision.

The long- and short-term return on the Foundation's investments, return expectations and the Foundation's financial situation will be considered when making decisions about grants.

Since the close of the accounting period, emergency measures taken by governments to slow the spread of the coronavirus pandemic have impacted the Foundation's operating environment and activities as well as the fair value of the Foundation's investment assets. Should the exceptional measures continue over a longer period, they may affect the Foundation's planned operations. Short-term fluctuations in share prices have no impact on operations.



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ERKKO FOUNDATION

Grants awarded in 2019:

Professor Markku Kulmala, University of Helsinki

Quantifying carbon sink, CarbonSink+ and their interaction with air quality €2,900,000

HAM Helsinki Art Museum

Helsinki Biennale 2020 €2,500,000

Professor Riitta Lahesmaa, University of Turku

New regulators of human regulatory T cell function and differentiation €1,695,000

Jane and Aatos Erkkö Foundation and Technology Industries of Finland Centennial Foundation funding for the Future Makers Programme

- Aalto University, **Syed Ghufan Hashmi DSc.** Cutting-edge low cost carbon-based printed perovskite solar cell technology (€350,000)
- Aalto University, Assistant Professor **Ilkka Laakso.** Accessible magnetic resonance imaging (€325,000)
- Aalto University, Academy Research Fellow **Pekka Peljo.** Digital drive for revolutionizing materials discovery for the next generation energy storage (€250,000)
- Aalto University, Professor **Tapio Ala-Nissilä.** Heat storage materials to meet the challenges of future energy storage (€250,000)
- LUT University, Professor **Tuomas Koironen.** Neo-Carbon Materials – Conversion of carbon dioxide to graphene, carbon nanotubes and carbon black with emission-free electricity (€225,000)
- Tampere University, Professor **Jouni Mattila.** Intelligence through telepresence for autonomous control of collaborative heavy-duty mobile manipulators (€200,000)

€1,600,000

Professor Johanna Myllyharju, Professor Peppi Karppinen, University of Oulu

Key enzyme regulators of the hypoxia response, collagen synthesis and epigenetic pathways as therapeutic targets €1,500,000

Urhea-halli Oy

National Olympic Training Centre €1,500,000

Professor Eva-Mari Aro, University of Turku

Opportunities of molecular level photosynthesis research €1,464,000



JANE AND AATOS
ERKKO FOUNDATION

Professor Elina Ikonen, University of Helsinki Novel rapid protein degradation technology: application for studying lipid transport in mammalian cells and tissues	€1,400,000
Professor Mika Valden, Tampereen yliopisto Mitigating climate change by the conversion of carbon dioxide and water into solar fuels	€1,316,000
FinnDisMice, national consortium, Universities of Helsinki, Turku and Oulu Novel mouse models of Finnish disease heritage as tools to study rare disease mechanisms: FinnDisMice	€1,200,000
Professor Yrjö Helariutta, University of Helsinki Molecular basis and processing the carbon sink effect of trees	€1,000,000
Gonghong Wei PhD, University of Oulu Towards systems understanding of prostate cancer susceptibility	€990,000
Professor Tuula Salo, Universities of Helsinki, Turku and Oulu Matrix matters: The relevance of proper extracellular matrices for personalized cancer medicine assays	€927,000
City of Helsinki / Cultural Office Culture Kids 2020–2027	€900,000
Professor Tanja Kallio, Aalto University Storing of renewable energy in high added-value chemicals (USVA)	€872,000
Professor Pedro Camargo, University of Helsinki Marrying plasmonic hosts and catalytic single-atoms for solar to chemical energy conversion in single-atom plasmonic catalysts (SAPCs)	€700,000
Professor Perttu Permi, University of Jyväskylä Peptidoglycan hydrolases as weapons against resistant Staphylococcus aureus	€696,000
Uniarts Helsinki / Sibelius Academy International orchestra and cooperation co-production 2019–2023	€690,000
Associate Professor Jussi Toppari, Assistant Professor Anton Kuzyk, University of Jyväskylä, Aalto -University Functional optical nanostructures by DNA self-assembly	€557,000



JANE AND AATOS
ERKKO FOUNDATION

Anamaria Balic PhD, University of Helsinki The role of Hedgehog signalling in the specification and regulation of tissue-specific stem cells and cancer stem cells	€554,000
Professor Mauri Kostainen, Aalto University DNA-supported catalytic systems	€545,000
Professor Heikki Ruskoaho, University of Helsinki Novel compounds for the treatment of leukaemia	€537,000
Hongxia Zhao PhD, University of Helsinki Regulation of Mitochondrial Ultrastructure and Dynamics: Functional Link to Mitochondrial Diseases	€498,000
Docent Peter Mattjus, Åbo Akademi University The glycolipid transfer protein GLTP – A lipid sorting orchestrator in health and disease	€488,000
Isaac Afara PhD, University of Eastern Finland Computational modelling in spectroscopic characterization of connective tissues in osteoarthritis (COMPACT)	€487,000
Assistant Professor Kirsi Mikkonen, University of Helsinki Improved gut health by wood-derived gums (GOOD)	€481,000
Shintaro Katayama PhD, Folkhälsan Research Center "In-silico Histopathology" Elucidation of altered ensembles of tissue-resident cells in human diseases	€454 000
Professor Mika Pettersson, University of Jyväskylä Towards graphene-based neuroprosthetics	€450,000
Professor Cecilia Sahlgren, Åbo Akademi University AKT-mediated post-translational regulation of NOTCH3 – decoding the notch phosphorylation switchboard for targeted therapies in cancer	€427,000
Professor Kai Kaila, University of Helsinki Rational therapy for Alzheimer's disease: Prevention of KCC2 protein degradation	€400,000
Alejandra Sierra Lopez PhD, University of Eastern Finland Multidimensional diffusion MRI for more specific detection of white matter damage after brain injury	€372,000



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Docent Emilia Peltola, Aalto University Carbin nonstructures for central nervous system research and diagnostics	€326,000
Karita Haapasalo-Tuomainen Phd, University of Helsinki Innate immunity in atherosclerosis and Alzheimer's disease	€306,000
Aki Manninen PhD, University of Oulu Molecular crosstalk between hemidesmosomes and focal adhesions in prostate cancer cells	€300,000
Docent Matti Jalasvuori, University of Jyväskylä CRICON: Conjugative delivery of CRISPR-Cas9 system for eradicating antibiotic resistance	€255,000
Niko Moritz PhD, University of Turku Additive manufacturing of osteoconductive composite implants	€236,000
Town of Hamina 16th Hamina Tattoo International Military Music Festival 2020	€230,000
Xiaoju Wang PhD, Åbo Akademi University Healing the wounds with Finnish woods: Conductive hydrogel scaffolds of cellulosic nanomaterials and polysaccharide biopolymers for delivery of bioactive cues in soft tissue engineering	€190,000
Andreas Norrman PhD, ETH Zürich Controlled coherence photonics	€177,000
Espoon Musiikkifestivaalit yhdistys ry For organising PianoEspoo Festivals in 2019 and 2021	€150,000
Helsinki International Ballet Competition Association Helsinki International Ballet Competition 2020	€120,000
Hanna Knihtilä MD, The Channing Division of Network Medicine, Brigham and Women's Hospital, Harvard Medical School, Boston, USA Epigenetics of childhood asthma	€102,000
Tampere Hall Ltd/ Musiikkitalo, Helsinki London Philharmonic Orchestra	€102 000
The Finnish Institute for Children's Literature Illustration art of children's books 1847–2019	€95,000



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Minna Paloniemi MD, University of Cambridge, UK

Understanding virus persistence; focus on RNA viruses causing haemorrhagic fever in humans

€64 000

Helsinki Chamber ry

Helsinki Chamber Music Festival 2019–2020

€60,000

Museum Railway Association

To complete the overhaul of the Tubize steam locomotive and return it to the museum train service in 2019

€55,000

Foundation for Finnish National Opera and Ballet

The history of the Ballet School of the Finnish National Opera and Ballet 2020-2022

€32,000

Versoi Ensemble

Versoi Ensemble chamber music tour 2019 and developing and establishing activities

€28,000

Kuopion Musiikinystävien Yhdistys r.y.

For organising Kuopio XIII violin competition in 2020

€20,000

Suomen Nuoriso-opisto

J.H. Erkkö Literature Competition 2019

€8,000

Erkko Upper Secondary School, Orimattila

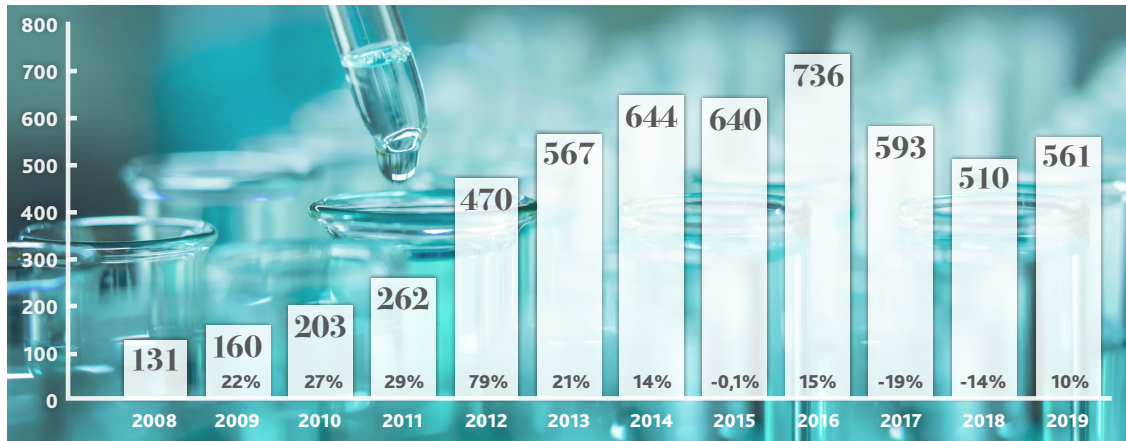
Annual scholarships

€4,900

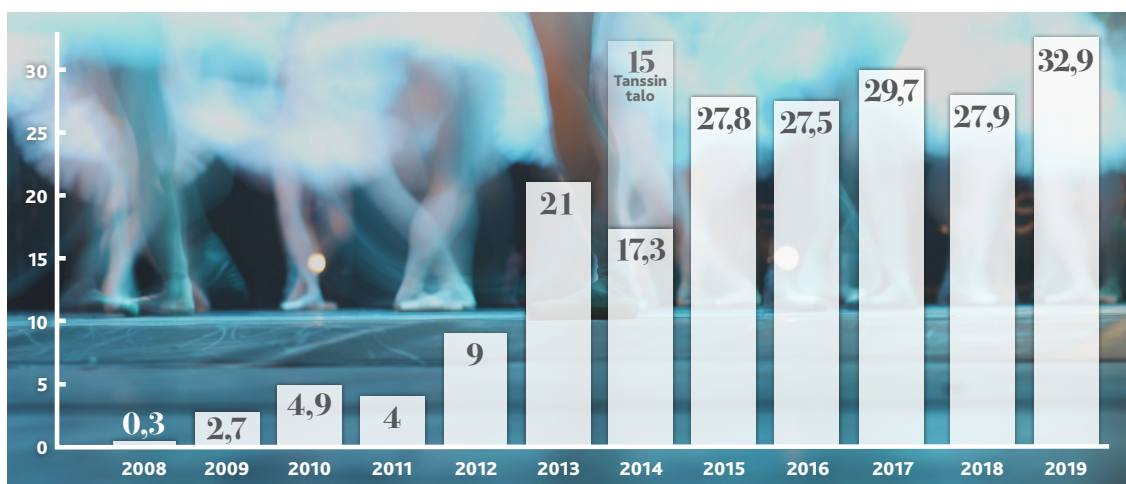


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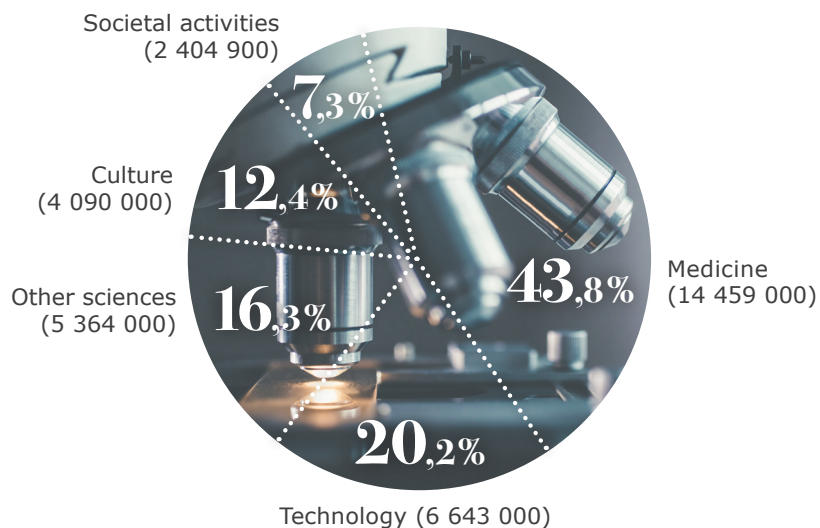
Grant applications processed in 2008-2019 (annual number and growth (%))



Grants 2008-2019 (€m)



Grants awarded in 2019 (€)



Jane and Aatos Erkko Foundation group

Income statement

	1.1.2019-31.12.2019	1.1.2018-31.12.2018
ORDINARY ACTIVITIES		
Grants	-32 914 155.30	-27 246 193.46
Operating expenses		
Personnel expenses	-402 744.88	-356 189.43
Depreciation	-3 024.46	-2 357.76
Other expenses	-183 773.71	-166 510.61
	-589 543.05	-525 057.80
DEFICIT ON ORDINARY ACTIVITIES	-33 503 698.35	-27 771 251.26
INVESTMENT AND FUNDING ACTIVITIES		
Income		
Interest income	245 409.93	151 178.61
Dividend income	23 018 151.83	19 008 313.98
Rental income	5 500.00	14 000.00
Capital gains	1 465 938.73	2 534 228.61
Impairment reversals	8 028 069.01	0.00
Other income	353 109.78	1 573 240.87
Asipex group income	185 569 043.71	135 416 769.97
Total income	218 685 222.99	158 697 732.04
Expenses		
Interest expenses	-100.00	-20.77
Payments	-10 748.56	-43 160.56
Impairment	0.00	-9 070 971.03
Other expenses	-487 873.30	-572 213.04
Asipex group expenses	-141 485 756.53	-134 874 330.74
	-141 984 478.39	-144 560 696.14
	76 700 744.60	14 137 035.90
DEFICIT/SURPLUS	43 197 046.25	-13 634 215.36
DEFICIT/SURPLUS FOR THE PERIOD	43 197 046.25	-13 634 215.36

Jane and Aatos Erkko Foundation group

Balance sheet

ASSETS	31.12.2019	31.12.2018
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	7 440.96	13 019.33
Tangible assets	45 012.42	50 609.65
Investments	273 500 868.17	274 550 868.17
TOTAL NON-CURRENT ASSETS	273 553 321.55	274 614 497.15
CURRENT ASSETS		
Short-term receivables	806 116.99	4 860 146.74
Securities	586 699 533.34	518 976 395.54
Cash and cash equivalents	47 797 422.44	42 099 272.72
TOTAL CURRENT ASSETS	635 303 072.77	565 935 815.00
TOTAL ASSETS	908 856 394.32	840 550 312.15
LIABILITIES	31.12.2019	31.12.2018
EQUITY		
Basic capital	1 000 000.00	1 000 000.00
Reserve fund	8 052 051.86	8 052 051.86
Retained surplus	779 312 947.12	778 711 157.41
Deficit/surplus for the period	43 197 046.25	-13 634 215.36
TOTAL EQUITY	831 562 045.23	774 128 993.91
DEBT		
Long-term debt	38 627 767.26	39 661 611.96
Short-term debt	38 666 581.83	26 759 706.28
TOTAL DEBT	77 294 349.09	66 421 318.24
TOTAL LIABILITIES	908 856 394.32	840 550 312.15