



JANE AND AATOS ERKKO FOUNDATION

ANNUAL REPORT 2020
PROFIT AND LOSS STATEMENT 2020



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The Foundation

The Foundation's primary goal is to promote and support research and teaching in the fields of technology, economics and medicine. Another goal is to promote arts and culture as well as sports and physical education and wellbeing in the interests of the Finnish nation.

Grants awarded by the Foundation during 2002–2020

The personal donations and last wills and testaments of the founders have created a strong and sound financial basis for the Foundation, allowing it to pursue ambitious goals in support of science and the arts. The scientific themes and cultural projects co-funded by the Foundation are an indication of the founders' spiritual legacy and values in the efforts to promote a society based on education and learning. By the end of the reporting period, the Foundation has awarded grants to a total value of over EUR 270 million.

Over the past decade, the Foundation has expanded its role as a long-term sponsor of science and the arts. The grants awarded by the Foundation relate to research of a high international standard, with the largest projects representing a substantial percentage of all funding. Science and academic research account for about 70% of all the grants. The approval rate of grant applications is 9.1%.

Activities during the reporting period

In 2020, the Foundation awarded a total of EUR 45.2 million (EUR 33 million in 2019) in grants for science and the arts. Consequently, the total amount of grants in the year being reviewed clearly exceeded that of grants awarded in the previous years.

Medical grants totalled EUR 18.1 million (EUR 14m). Grants were awarded, inter alia, for cancer and virus research and projects to combat antibiotic resistance.

Technology projects received EUR 8.8 million (EUR 7m), one important area being product development food science. Additionally, the Foundation gave Aalto University EUR 10.5 million for the establishment of a multidisciplinary Bioinnovation Centre.

Other branches of science received a total of EUR 1.7 million (EUR 5m) in aid. Grants were awarded for atmospheric and nature research.

A total of EUR 6 million (EUR 6m) was awarded for culture and other societal activities. Cultural grants focused on classical music, pictorial arts and dance by supporting international visits.

Attached to this report is a list of all the grants awarded by the Foundation.



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The Foundation's investment activities

At the turn of the year, the market value of the Foundation's assets totalled EUR 1442 million (EUR 1252m). Of this, equities accounted for 88.4% (94.3%) and fixed-income investments 11.5% (5.6%).

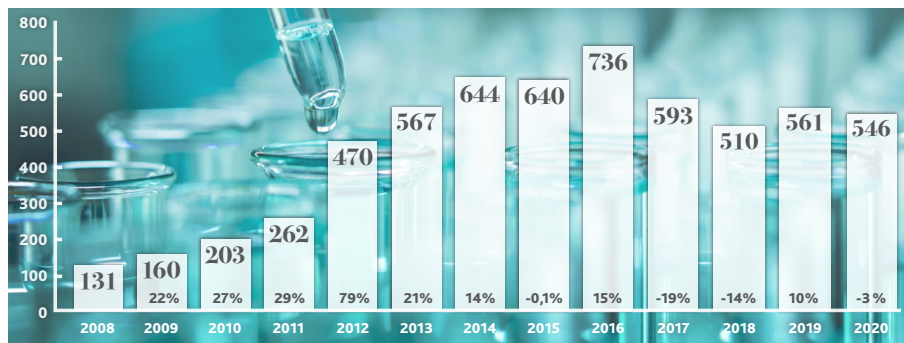
The return on the investments in 2020, with due regard to unrealised changes in market values, was +19.4% (+24.8%). After weak performance in the first half of the year, the annual return turned excellent despite the Covid-19 pandemic. When assessing financial performance, it should be borne in mind that the year-on-year fluctuations in returns are considerable because of the high stock weighting.

The surplus for the 2020 financial year was EUR 23.2 million (EUR 43.2m).

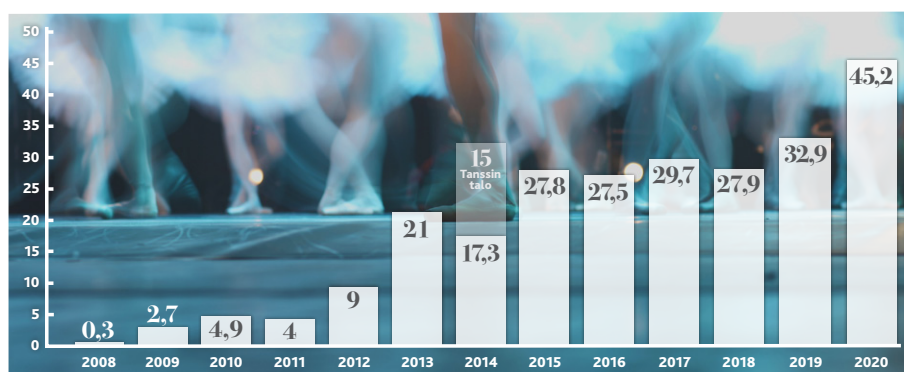
The Foundation's grant activities

The total amount of grants awarded in 2020 – EUR 45.2 million – is the highest in the Foundation's history in annual terms. Additionally, 2020 also saw one of the largest single grants ever given by the Foundation: The EUR 10.5 million awarded to Aalto University will be used to establish a multidisciplinary centre combining technology, design and economic sciences to carry out research and develop breakthrough solutions for a transition to the circular and bioeconomy.

Grant applications processed during 2008-2020 (annual number and increase %)



Grants 2008-2020 (EURm)





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During the year under review, grants were awarded to a total of 59 (57) research teams, organisations and individuals. The approved projects were selected in accordance with the Foundation Charter with due regard to the ultimate purpose of the Foundation. The Foundation Board continues to pursue the policy adopted by the founders of funding major, long-term projects of a high international standard.

The total number of applications reviewed by the Foundation in 2020 was 546 (561). As a result of the updates to the instructions for applying, the applications are now, in terms of content, more in line with the objectives set out in the Foundation Charter. At the same time, the focus on major projects has reduced the number of applications.

Towards the end of the year, a project was launched to revamp the online application process to improve service. Now the system provides more detailed information on the projects for which funding is requested and will facilitate and automate future follow-up.

Of the approved applications, 44 (41) were for scientific research, 14 (13) for cultural projects and 1 (3) for other purposes. The Foundation awarded 10 multi-year grants exceeding EUR 1 million and 20 grants ranging from EUR 500,000 to 1,000,000.

Sponsoring scientific research

The Foundation awards grants for high-standard scientific research. The research plans often involve risks; if successful, the projects may prove to be of great importance, but even if they fail, they may still open up new avenues for research and contribute to our body of knowledge.

Most grants relate to basic research. Grants have been awarded for specific studies or projects whose scientific significance and impact can be directly assessed by the Foundation Board. Any follow-up grants are awarded subject to the condition that the outcomes meet the objectives originally established for the project.

The criteria used in assessing the research projects include objectives, the qualifications and track record of the scientist and research team, the plan for project implementation and the significance of the findings. Most of the grants are awarded to research teams and post-doctoral projects. No funding is provided for individual PhD theses. Nor are any grants awarded for travel or conferences.

In preparing the funding decisions, the Foundation relies on external advisers, who have also been consulted in upgrading the application process and developing the models designed to facilitate the work of experts.



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Medicine

As in the previous years, the share of medical grants of all funding (40.2%) was again substantial. Medical research requires human and laboratory resources as well as ample time. In its grants policy, the Foundation prefers a salary model which is more expensive for the Foundation but more beneficial for researchers as it provides access to social security benefits. The educational impact of the projects is considerable: the research teams always include doctoral and postdoc researchers.

As in the previous years, the Board allocated funding to internationally competitive basic, clinical and biomedical research. The research projects may aim for medicinal inventions, new treatment procedures and medical technology inventions.

Funding is rarely granted for medicine trials and comparative treatment studies. Nor have any grants been awarded for long-term epidemiological studies.

The single biggest medical grant (EUR 1,525,000) was awarded for a four-year joint project headed by Adjunct Professor Antti Rannikko and involving the Helsinki, Tampere and Turku Universities and the Helsinki Uusimaa Hospital District (HUS) . This multidisciplinary clinical research project focuses on prostate cancer in an attempt to substantially upgrade the diagnostics of this disease. It would make it possible to include this form of cancer in the national screening programme, which would facilitate early detection and reduce mortality.

A two-year project (EUR 1,495,000) headed by Adjunct Professor Juha Klefström of the HUS Comprehensive Cancer Centre and Helsinki University studies, in phase 1B, the clinical translation of new VeMA immunotherapy for the treatment of metastatic breast cancer. The project partners are the Cancer Centre and two pharmaceutical companies. Normally, the Foundation does not fund medicinal research, but researcher-driven medicine development is different from company-driven research. The project may be assumed to generate major benefits for the scientific community, healthcare operators and taxpayers.

Of the follow-up grants, the largest (EUR 1,328,000) was awarded to a three-year study launched by a consortium coordinated by Professor Ville Kolehmainen of the University of Eastern Finland. The project studies the electrical impedance tomography of stroke. It is a project that generates new technology by drawing on mathematics, physics, medical technology and neurosciences, and its impact on clinical practices may be substantial, not forgetting its commercial potential.

Another major follow-up grant (EUR 960,000) was awarded to a research team headed by Professor Timo Otonkoski of the Helsinki University, which seeks to improve the diagnostics of infertility and recurring miscarriages. The project represents world-class basic research and pioneering applied research related to the reprogramming of cells and infertility treatments.

The Proof Of Concept (POC) form of funding introduced in 2019 for financing risky and new avenues of research was most utilised by those engaged in medical research.



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POC grants were awarded to Adjunct Professor Cory Dunn (EUR 477,000) and Adjunct Professor Fabio Valoppi (EUR 303,000) of the University of Helsinki.

Professor Dunn's basic research focuses on peroxisomal assembly and related metabolism and signalling activity. Peroxisomes are the recycling centres for cells' lipid molecules in which lipids are converted for the myriad needs of cells.

Adjunct Professor Fabio Valoppi's project develops oleogels for food production purposes, in which lipid molecules are enclosed within partially indigestible molecular structures. New ways of slowing down fat absorption are expected to have a positive impact on weight management.

Although both projects deal with fat metabolism, they will shed new light on the various mechanisms of the human organism in important ways. The first project addresses the biochemistry of the components of cells while the second represents applied research, aiming for innovation in the field of food chemistry.

Technology

Grants awarded to engineering and technology research teams accounted for about 20% of the total funding provided in 2020. Together with the substantial grant to Aalto University, this percentage exceeded the funding awarded to medicine by almost 43%.

The second largest grant in the Foundation's history, EUR 10.5 million, was awarded to Aalto University in autumn 2020. The Bioinnovation Centre financed by the grant will contribute to a transition to the circular and bioeconomy. The funding will enable the establishment of a chair in biomaterials and the opening of the first call for the doctoral school. It is Finland's first multidisciplinary doctoral school – and one of the few schools in the world – to focus on sustainable development education and research. The Foundation pins high hopes on this new type of strategic grant. Progress will be monitored closely to learn from the experiences to be gained from the centre. The Foundation's objective is to continue to fund major high-standard projects of social relevance that will help build a more sustainable future.

The biggest single grant (EUR 1,648,000) for scientific research was awarded to a team headed by Professor Kati Hanhineva. The four-year project focuses on the health effects of plant-based foods and the production of novel foodstuffs. Hanhineva is a Professor in Food Chemistry and Food Development at the University of Turku. The chair established in early 2020 focuses on research into plants cultivated in Finland, promotes the development of healthy foods and supports food exports based on sustainable development.

Cooperation with the Technology Industries of Finland Centennial Foundation was continued within the framework of the Future Makers Programme. This funding scheme seeks to reinforce the strategic capabilities of universities and identify forward-looking proposals for research projects conducive to industrial and social renewal.



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A total of 94 (93) applications were received in 2020. Grants were awarded to 6 projects. Five of these received a total of EUR 1,475,000. The funding decisions were made independently by the Boards of the two foundations.

The biggest single research grant (EUR 950,000) went to a consortium project coordinated by Professor Heidi Kuusiniemi of the University of Vaasa. The project, launched jointly by the universities of Vaasa and Tampere, Aalto University and Land Survey of Finland, explores the use of the positioning, navigation and timing features of LEO satellites in indoor environments.

Additionally, funding (EUR 500,000) was provided under the scheme for research into the development of computer games for use in the treatment of depression carried out by a team headed by Professor Matias Palva of Aalto University. The grant will be used to analyse the effects of games on brain functions and to find out whether playing action video games alleviates the symptoms of depressive patients and improves their cognitive capabilities.

Other research

Funding granted in 2020 for purposes other than medical and technological research remained modest, accounting for only 4% of the total.

Professor Anna-Liisa Laine of the Helsinki University was awarded a two-year follow-up grant (EUR 993,000) for the analysis and further processing of the findings of the study carried out by the Research Centre for Ecological Change (REC), previously established with co-funding from the Foundation. The REC aims for a coordinated analysis of long-term ecological data in order to understand the effects of global changes, while at the same time preparing a scientifically sound proposal for a national plan to gather long-term data. The existing data can be used in support of decision making within the environmental administration.

Cultural and other societal activities

The selection criteria applied by the Foundation Board underline high artistic quality of international standard. Additionally, the Foundation awards discretionary grants for projects that promote wellbeing in Finland. Due consideration is given to the areas of interest expressed by the founders within the limits imposed by the Foundation Charter. Some 15% of the grants in 2020 were awarded to art and culture.

Key priority was given to international tours and visits related to classical music, pictorial arts, dance and education.

The grants are primarily intended to facilitate artist visits to Finland and other locations. Among the recipients are Events Helsinki (visits by dance companies and orchestras) EUR



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900,000; Aalto ARTS Summer School EUR 949,000; Kiasma (international ARS exhibition) EUR 500,000; the Ateneum Art Museum (classics of Finnish art abroad) EUR 450,000; the Finnish Baroque Orchestra (concert series by international professional choirs) EUR 318,000; and the Turku Music Festival (international visits) EUR 300,000.

The largest single grant was awarded to the Tero Saarinen Company (EUR 1,400,000) for the 2020–2023 dance productions. The company's repertoire will include Finnish premieres, revivals and visits by top foreign dance companies.

Additionally, the Foundation made a capital contribution of EUR 700,000 to The AKG Fund for Nordic Art and Culture. Established by the Albright-Know Art Gallery (Buffalo, NY, USA), the fund seeks to promote content production by Scandinavian artists while at the same time contributing to the creation of a Nordic Gallery.

Tanssin talo as a special cultural project

In 2014, the Foundation granted EUR 15 million to the Tanssin talo (House of Dance) project. The architectural plans entitled 'Leija' (Kite) were published on 17 August 2017. Because of a zoning complaint, construction did not start until the autumn of 2019. The foundation stone was laid on 30 January 2020, and the building is due for completion in autumn 2021. The opening ceremony will be celebrated on 2 February 2022.

The impacts of the Covid-19 pandemic on funding activities

The Foundation has sponsored virus research for a long time. At the outbreak of the pandemic, the Foundation promptly awarded grants to two meritorious research teams for Covid-19 research. The findings will have wider implications for combatting virus threats.

Professor Olli Vapalahti's research team at the University of Helsinki was granted EUR 1,142,000 for a three-year study to identify new tools to fight the Covid-19 pandemic and other zoonotic viral threats.

Professor Ilkka Julkunen's team at the University of Turku received EUR 1,100,000 for a three-year study on the biology of coronaviruses. The team focuses on analysing the properties of the pandemic SARS-CoV-2 virus, diagnostic development as well as the analysis and monitoring of immune response.

Together with four other foundations, the Ministry of Education and Culture and the Arts Promotion Centre, the Foundation granted some EUR 1.5 million for culture professionals facing economic hardships. The Foundation's share of the grant was EUR 100,000.



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The pandemic was not reflected in the number of grant applications filed with the Foundation. With regard to ongoing projects, delays and postponements were taken into account in the Foundation's policy decision, urging grantees to consider the changes on a timely basis to avoid back-to-back applications. The decision was designed to alleviate the aggravated situation facing the grantees.

Preparation of grant decisions, disbursement and reporting

The Foundation receives applications continually, and decisions are made at Board meetings held four times per year.

When applications for funding and grants are processed, due consideration is given to disqualification grounds and the impact of potential conflicts of interest on preparation and decision-making. The members of the Board and governing bodies as well as experts and Foundation officers are required to disclose any interests and conflicts of interest that may affect preparation and decision-making. If so, they recuse themselves.

Disbursements are made according to the disbursement plan prepared by the applicant and approved by the Foundation. To ensure the predictability of the Foundation's cash flow and efficient cash management, disbursements are normally made three times a year: January, May and September. As a rule, research grants are credited to a university or other research community.

The grantees report on the progress and outcomes of their projects. If any material changes take place in an approved project in terms of contents or finances, the Board is required to make a new decision.

Long-term projects are required to submit annual interim reports, whereas the implementation and outcomes are described in the final report. Grantees are also to submit an evaluation of the impact of the project and the significance of the findings.

Data protection and document management

When submitting applications for funding or grants to the Jane and Aatos Erkkö Foundation, the applicants disclose personal information, which creates a personal data file for the Foundation. The Foundation has used its best efforts to put in place a transparent procedure in which the rights of the applicants are duly considered as required under the Data Protection Act.

The Foundation's documents are saved in electronic format in a system based on an archive formation plan.



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Communications

The Foundation seeks to communicate transparently, flexibly and unambiguously.

The primary channel of communication is the Foundation's website. The site offers extensive information on matters such as the Foundation and its activities, including the grant application process and assessment criteria.

An important part of the communications are the Foundation Agent's personal meetings with the governing bodies of universities and faculties as well as researchers and cultural actors.

The decisions on grant awards are posted on the website as soon as possible after Board meetings. The list of grants is updated with regard to projects whose implementation is pending. Any material changes in the Foundation's activities, financial position and administration are communicated as appropriate.

The grounds for approving or rejecting grants are not publicised, nor are the names of the external advisers disclosed.

Finances of the foundation

General

The Foundation's assets have accumulated gradually following the provision of the initial capital by the founders in 2002 and substantial testamentary bequests received in 2012 and 2014.

At the end of 2020, the market capitalisation of the Foundation's assets stood at EUR 1442 (EUR 1252m) consisting of a directly held securities portfolio of EUR 244 million (EUR 238m); shares held in Sanoma Plc valued at EUR 547 million (EUR 376m); housing company shares valued at EUR 1 million (EUR 2m); and Asipex Group's securities portfolio of EUR 650 million (EUR 636m). The Foundation's wholly owned company Oy Asipex Ab is based in Helsinki and it has a wholly owned Swiss subsidiary Asipex AG. At the end of 2020, the Foundation had approved but not yet disbursed grants in the amount of EUR 85.6 million.

At the end of 2020, equities accounted for 88.4% (94.3%), fixed-income investments 11.5% (5.6%) and housing company shares 0.1% (0.1%) of the Foundation's total assets.



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Income statement

Group

The remainder of activities was EUR 45.8 million (EUR 33.5m). Grants awarded during the reporting period amounted to EUR 45.2 million (EUR 33.0m). Total grants recognised for 2020 were EUR 45.1 million (EUR 32.9m). The difference between awarded and recognised grants is due to returns of unused grants. Operating expenditure amounted to EUR 0.7 million (EUR 0.6m).

The book return on the investments held by the Foundation were EUR 69.1 million (EUR 76.7m). Of this, the net return earned by the subsidiary group was EUR 44.3 million (EUR 44.1m); return on equities EUR 22.2 million (EUR 21.3m); depreciation and impairment on equities and funds EUR 2.0 million (revaluations EUR 8.0m); sales proceeds on investments EUR 3.7 million (EUR 1.5m); fund profit participation EUR 1.5 million (EUR 1.7m); interest income and expenditure EUR 0.0 million (EUR 0.2m); and other financial income and expenditure EUR -0.5 million (EUR -0.1m).

The surplus for 2020 was EUR 23.2 million (EUR 43.2m).

Parent foundation

The deficit of the parent foundation in 2020 was EUR 21.0 million (EUR 0.9m).

Related-party transactions

Board fees and the Agent's salary subject to withholding tax totalled EUR 325,245.20 in 2020.

Board members were paid a monthly fee as well as meeting fees for service on the Board and committees. The fee of the Chair of the Board was EUR 1200 per month and that of the members EUR 1000 per month. Chairs of the Board and committees received a meeting fee of EUR 500 and members EUR 400 per meeting. These fees were not increased during 2020. Since the Foundation's assets are substantial and the amounts of individual grants high, the Board fees are reasonable considering the responsibilities of the members and the scope of the activities.

Aside from auditor's fees, the Foundation had no transactions between related parties, for consideration or otherwise. Nor did the Foundation extend any loans or give any guarantees for and on behalf of related parties.

Return on investments

As a result of the Covid-19 pandemic, the year 2020 was also dramatic and eventful in economic terms. The deep recession following the outbreak of the pandemic, accompanied by a



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sharp fall in share prices and reduced liquidity of the investment markets, caused central banks and governments to launch unprecedented stimulation programmes. Finally, massive support measures and restored liquidity gave a boost to the market and enabled a quick recovery of the economy. Renewed hope was also infused by positive news of vaccines.

The return on the Foundation Group's investments in 2020, with due regard to unrealised changes in market values, was +19.4% (+24.8%). Sanoma shares performed exceptionally well yielding a return of +53.3% (+16.7%). Similarly, the diversified equity portfolio (excluding Sanoma) gave a healthy return of +10.3% (+31.3%), which clearly exceeds market returns at equivalent geographical allocation. At the end of the reporting period, the ten-year return on the equities held by the Foundation exceeded 10% p.a. Annual returns may vary greatly due to the high stock weighting.

Sanoma Plc shares

The Foundation holds 39,820,286 shares in Sanoma Plc, representing 24.35% of the aggregate of shares and voting rights in the company.

The total return on Sanoma Plc shares inclusive of unrealised changes in value was +53.% (+16.7%). The dividends paid by Sanoma Plc to the Foundation in 2020 amounted to EUR 19.9 million (EUR 17.9m).

Responsible investing

The Foundation invests its assets responsibly with due regard to not only financial considerations but also environmental, social and governance criteria.

The Foundation monitors the responsibility and impact of its portfolio in terms of the 17 objectives set out in the UN Agenda 2030 (Sustainable Development Goals, SDG). Investments are avoided in companies whose business is substantially based on alcohol, tobacco, arms or gambling.

The Foundation seeks to measure and report on the SDG performance of its portfolio on a regular basis. In 2020, the Foundation carried out, together with a partner, an SDG analysis of the Foundation Group's stock portfolio. According to the analysis, the SDG performance of stock investments was equivalent to or better than the benchmark index with almost all indicators.



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Risk management

The Foundation's activities depend on its investment assets and its operations are established on a permanent footing. As a result, the most significant risks the Foundation is exposed to are related to asset management and market risks.

Hence, it is the primary goal of investment activities to protect and increase the real value of the assets in the long term. Other objectives include a steady cash flow and adequate solvency needed to ensure continuity. As the investment horizon is long, the assets are invested mostly in equities (weighting 88.4% at the end of 2020), and hedging is normally not used. Short-term fluctuations in share prices are unimportant to the Foundation because it seeks a healthy real return and steady cash flow in the long run. Normally, annual returns fluctuate sharply.

In accordance with the Foundation's strategy, investments are diversified in terms of geographical area, line of business, companies and currencies. Most of the investments are made in liquid securities and fund units that can be quickly converted into cash, which means that the Foundation's exposure to financial and liquidity risks is low.

The state of the economy in Finland and internationally is reflected in the Foundation's investments. The risks are primarily related to the general market risk, i.e., the movements in the international stock market and dividends in the long term. Additionally, some 38% of the Foundation's assets consist of shares held in Sanoma Plc, which poses the biggest single price risk.

Money flows and investments have been managed in accordance with the investment policy approved by the Board, and the matters related to investment activities are reviewed by the Foundation's Financial Committee.

The investment activities and risk management of the Asipex Group are conducted in accordance with the investment policy adopted by Asipex's Board of Directors, which, in turn, is in line with the investment policy pursued by the Jane and Aatos Erkkö Foundation.

Administration

Board

The Annual General Meeting held on 29 May 2020 appointed Nils Ittonen Chair of the Board and Juhani Mäkinen Deputy Chair.

Heli Rahka, Reetta Meriläinen, Kerstin Rinne, Mikko Mursula, Marianne Heikkilä, Antti Vasara and Jussi Pesonen were appointed members of the Board.



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The term of every board member ends at the following General Annual Meeting. During 2020, the Board convened four times; however, the Board also addresses foundation business at other times outside meetings.

Financial Committee

At the General Annual Meeting, the Board appointed Mikko Mursula Chair of the Financial Committee and Nils Ittonen, Marja Leskinen and Karl Tujulin were appointed as members. Additionally, the Annual General Meeting appointed Hanna-Mari Peltomäki as the Secretary General, who replaced Marja Leskinen in this position on 1 September 2020.

The Financial Committee monitors the financial market and general economic developments acting within the framework of the investment strategy adopted by the Board. The Financial Committee convened four times during the reporting period.

Working Committee

At the General Annual Meeting, the Board appointed Nils Ittonen Chair of the Working Committee and Juhani Mäkinen and Marja Leskinen were appointed as members. Additionally, the Annual General Meeting appointed Hanna-Mari Peltomäki to replace Marja Leskinen as of 1 September 2020.

The Working Committee prepares matters for presentation to the Board. The Working Committee convened four times during the reporting period.

Association of Finnish Foundations

The Jane and Aatos Erkkö Foundation is a member of the Association of Finnish Foundations. The purpose of the Association is to look after the common interests of Finnish grant foundations, funds and societies as well as to promote and develop good governance practices and professional skills.

Administrative staff and officers

Marja Leskinen, L.LM, who had served as the Secretary General from 1 August 2010, retired on 31 August 2020. Previously, she had been a member of the Board since the Foundation's establishment in 2002.

During Marja Leskinen's term, the Foundation's activities expanded considerably. As a result of her efforts, the operations were established on a more professional basis and reshaped to better reflect the will of the founders. The Foundation pursues a unique policy and



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plays a distinct role among Finnish foundations. The Foundation's pioneering role as a sponsor of long-term research of the highest international standard and as an enabler of major art and culture projects would not have materialised without Marja Leskinen's vision and commitment to her duties. Her laudable efforts provide a sound basis for developing the Foundation's activities in the current decade. The Board expresses its sincere gratitude to Marja Leskinen for her sustained and commendable work on behalf of the Foundation.

The new Secretary General, Hanna-Mari Peltomäki, M.A., assumed her position on 1 July 2020.

During the reporting period, the Foundation employed an average of eight people of whom five worked for the subsidiary group.

The key success drivers in the Foundation's operations include qualified and motivated staff, a committed Board and an extensive network of select partners. Administrative tools were upgraded during the year by introducing an electronic accounting system and e-invoicing.

Audit

At the Annual General Meeting held on 29 May 2020, the Board appointed PricewaterhouseCoopers Oy as the auditor of the Foundation's accounts with Samuli Perälä, APA, serving as the auditor-in-charge and Valtti Helenius, APA, as the deputy auditor-in-charge.

Activities in the current year

In 2021, the Foundation will prepare and make decisions on grants and monitor the progress achieved in the approved projects. Grants will be awarded in compliance with the objectives set out in the Foundation Charter focusing on major undertakings. The Foundation will award grants for research of international relevance aiming for scientific breakthroughs as well as art and culture products deemed to possess world-class potential. Additionally, the Foundation will support select projects related to university education and sports as well as third-sector programmes.

At its meeting on 21 October 2020, the Board discussed the Foundation's policies for the 2021-2023 period. As far as grants are concerned, the following revisions were made: 1) support for research, particularly in the field of technology, will be expanded; 2) art and culture will be sponsored to help meet world-class standards; 3) funding will be provided for projects that promote wellbeing and support skills development and social inclusion in a sustainable manner. Cooperation with the Technology Industries of Finland Centennial Foundation will be continued.



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The Foundation observes no fixed application periods and the applications are processed flexibly. In future, the Board will review applications for medical grants twice a year (March and September meetings) and technological grants similarly twice a year (May and December meetings). Additionally, the models for harnessing expertise will be updated and preparations for the Foundation's anniversary celebrations in 2022 will be initiated.

To upgrade the grant activities, the Foundation is to diversify the methods of assessing the operating environment and update the grant review processes and tools during 2021, for example by improving the existing application and reporting system and revising the instructions for applying. The updated application system and revised instructions were introduced at the end of January 2021.

The number and amount of annual grants awarded by the Foundation have increased substantially since 2012. Hence, award decisions are made with due regard to the short-term and long-term returns on investments, expected returns and the overall economic situation. The grants payable are taken into account in liquidity planning and more resources will be allocated to monitoring long-term projects.

The impact of the Covid-19 pandemic on both investments and grants will be watched. In investment activities, monitoring will focus on the investment environment and specific investments. In grant activities, project leaders have been given ample time to plan changes in order to avoid back-to-back applications. Because of the prevailing emergency conditions, the Foundation has so far refrained from awarding grants for postdoc work outside Finland.



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Grant decisions in 2020:

Aalto University Establishment of the Bioinnovation Centre	€10,500,000
Professor Kati Hanhineva, University Of Turku Novel plant-based foods: impact on health and role for fermentation	€1,648,000
Adjunct Professor Antti Rannikko, University of Helsinki/HUS University of Tampere/TAYS/Aalto University/University of Turku Prostate cancer – towards personalized diagnostics, screening and treatments	€1,525,000
Adjunct Professor Juha Klefström of the HUS Comprehensive Cancer Centre and Helsinki University Clinical translation of new VeMA immunotherapy for the treatment of metastatic breast cancer	€1,495,000
Future Makers Programme of Jane and Aatos Erkko Foundation and Technology Industries of Finland Centennial Foundation	€1,475,000
• Professor Heidi Kuusniemi, University of Vaasa INdoor navigation from CUBesAT Technology	(€550,000)
• Professor Robin Ras, Aalto University Mechanically durable water-repellent coatings	(€300,000)
• Professor Matias Palva, Aalto University Digital medicines for the treatment of brain diseases a maintenance of brain health through new game technology	(€250,000)
• Professori Arto Visala, Aalto-yliopisto Sustainable and cost-efficient semi-autonomous forest machine system for the climate challenged future	(€200,000)
• Professor Mikko Alava, Aalto University Intelligent foams: new biobased materials from foam by means of artificial intelligence	(€175,000)
Tero Saarinen Company (Into liikkeessä ry) Productions 2020–2024	€1,400,000
Professor Ville Kolehmainen, University of Eastern Finland Electrical impedance tomography – a novel method for improved diagnostics of stroke	€1,328,000
Professor Olli Vapalahti, University of Helsinki New methods to fight the Covid-19 pandemic and other zoonotic viral threats	€1,142,000



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PhD Daniela Bezuidenhout, University of Oulu Harnessing earth-abundant 3D metals for ammonia activation and functionalisation	€1,104,000
Professor Ilkka Julkunen, University of Turku Biology of the coronavirus: Properties of the pandemic SARS-CoV-2 virus, diagnostic development as well as the analysis and monitoring of immune response	€1,100,000
Academy Professor Anu Wartiovaara, University of Helsinki Virus defence and Viking genes at the crossroads of epileptic mechanisms	€1,000,000
Professor Anna-Liisa Laine, University of Helsinki National centre of expertise for combining nature time series	€993,000
Professor Jukka Westermarch, University of Turku New target mechanisms for treating RAS-driven cancers	€975,000
Professor John Eriksson, Professor Lea Sistonen, Turku Bioscience Centre/Åbo Akademi DUAL-TARGETING OF HPV-DRIVEN CANCERS – Eliminating E6 and E7 oncogenes and the protein quality control in cancer cells	€968,000
Adjunct Professor Heli Skottman, University of Tampere 3D bioprinting technology for building human cornea from functional stem cells – Bioprinters against blindness	€965,700
Professor Timo Otonkoski, University of Helsinki Towards understanding embryo development and placenta functionality	€960,000
Aalto University, School of Arts, Design and Architecture (Aalto ARTS) Aalto ARTS Summer School – International education and research in the arts, design, media and architecture	€949,000
Professor Lari Lehtiö, University of Oulu Targeting tankyrase protein-protein interactions and enzymatic activity as anticancer strategies	€945,000
PhD Juho Helaja, University of Helsinki/Aalto University Bio-sourced green catalytic technology for high value chemicals	€934,000
Adjunct Professor Merja Kontro, University of Helsinki/ Åbo Akademi Channelling of antibacterial compounds from waste to promote human health	€930,000



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Helsinki Events (Helsinki Festival) International visits by orchestras and dance companies 2021–2023	€900,000
Academy Professor Pekka Lappalainen, University of Helsinki Actine cytoskeleton of Leishmania parasites as a new medicine target	€780,000
Adjunct Professor Theo Kurtén, University of Helsinki Investigation into the mechanism of atmospheric dimerine formation based on the theory of relativity	€725,000
PhD Nikolai Tkachenko, Professor Karoliina Honkala, University of Tampere/University of Jyväskylä Light activation of molecular catalysts for carbon dioxide reduction	€716,000
Albright-Knox Art Gallery, Buffalo, New York, USA The AKG Fund for Nordic Art and Culture	€700,000
D.Sc. Pedro Nardelli, Lappeenranta–Lahti University of Technology Swarming technology for reliable and energy-aware aerial missions	€600,000
Adjunct Professor Ville Paavilainen, University of Helsinki Secretion mechanisms of small peptide hormones	€597,000
Adjunct Professor Tarja Sironen, University of Helsinki Prevention of antibiotic resistant tuberculosis using new sequencing techniques	€563,000
Academy Fellow Biswajyoti Sahu, University of Helsinki Transposable elements as lineage-specific enhancers in cancer	€550,000
Kiasma ARS22 anniversary exhibition	€500,000
PhD Šárka Lehtonen, University of Eastern Finland Molecular crosstalk between astrocytes and microglia in Parkinson’s disease	€498,000
Adjunct Professor Cory Dunn, University of Helsinki Revealing new cellular components controlling peroxisomal assembly and the response to peroxisomal dysfunction	€477,000
Adjunct Professor Santtu Mikkonen, D.Eng. Panu Karjalainen, University of Eastern Finland/University of Tampere Assessment of traffic particle emissions through measurements in real-life conditions and ageing chambers	€465,000



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Ateneum Art Museum/National Gallery Finnish classical art abroad	€450,000
Professor Emeritus Mikael Skurnik, University of Helsinki Phage therapy – a biological method for treating (resistant) bacterial infections	€428,500
PhD Vootele Voikar, University of Helsinki Behaviour and welfare of laboratory mice – enhancing scientific validity and credibility by refining the framework	€360,000
Finnish Baroque Orchestra Top international professional choirs concert series in the Helsinki Music Centre 2023–2025	€318,000
Adjunct Professor Fabio Valoppi, University of Helsinki Engineered oleogels for body weight management	€303,000
Adjunct Professor Jukka Kallijärvi, Folkhälsan Research Center GRACILE - new disease mechanisms and potential treatments for neonatal mitochondrial diseases	€300,000
Turku Music Festival Foundation For three international visits in 2021–2022	€300,000
Professor Antti Poso, University of Eastern Finland Development of a new SurA antibiotic against resistant gram-negative bacteria	€291,000
Adjunct Professor Peter Richard, VTT Technical Research Centre of Finland New tools for the metabolic engineering of fungi for aromatic compounds	€257,000
PhD Kari Koivuranta, VTT Technical Research Centre of Finland PlastBug2 – Microbial degradation of plastic waste	€253,000
PhD Annamaria Mesaros, University of Tampere Guided audio captioning for complex acoustic environments	€248,300
Adjunct Professor Katri Selander, University of Oulu/Turku Harmful impacts of immuno-oncological cancer treatments on healthy tissue	€210,000
Professor Andre Ribeiro, University of Tampere Robustness of Gene Regulatory Networks to Genome-Wide Perturbations	€200,000



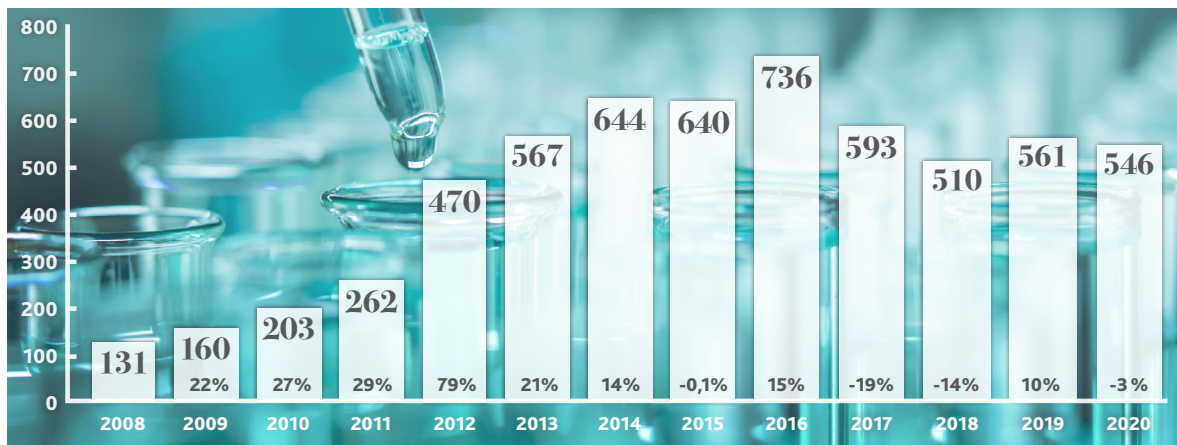
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D.Sc. Tom Bäckström, Aalto University Authentication between speech operated devices using acoustic fingerprints	€187,600
Cantores Minores Sponsor Society International partnering projects	€150,000
Adjunct Professor Otto Hemminki, University of Toronto Full analysis of the tumour antibodies of cancer patients receiving immunotherapy	€140,000
Ministry of Education and Culture Financial support for culture professionals facing economic hardships	€100,000
Dance Info Finland Ice Hot Helsinki 2020–2022	€100,000
SHED Helsinki Foundation Joint performance by British and Finnish youth at the Chickenshed Theatre in London, the Helsinki City Theatre and schools in the Helsinki area	€94,400
PhD Xing Wan, KU Leuven Belgium/University of Helsinki Validation of the molecular targets for bactericidal proteins from bacteriophage origin	€41,000
Youth Institute of Finland J.H. Erkkö Writing Competition 2020	€8,000
Erkkö General Upper Secondary School in Orimattila Stipends	€4,900

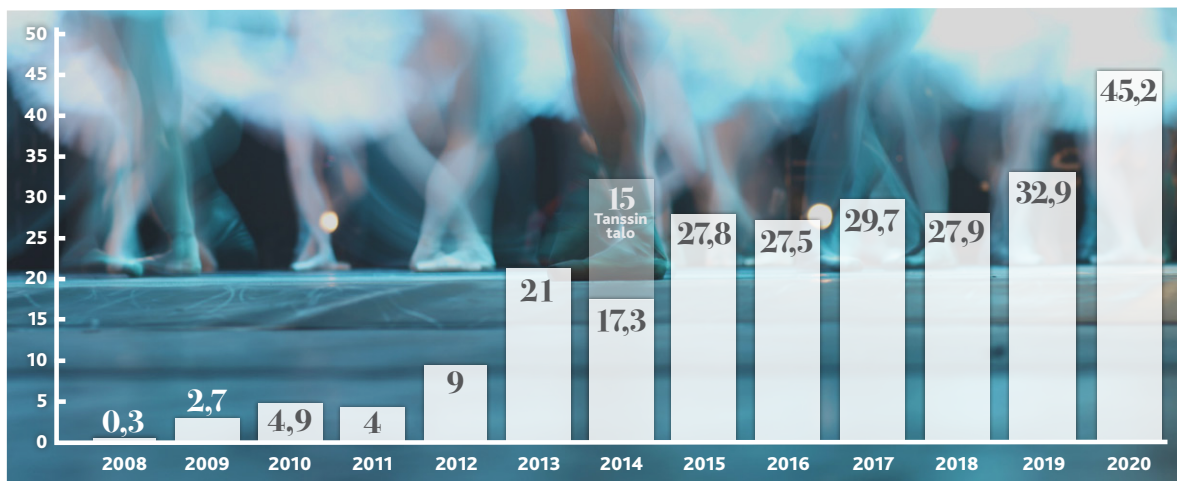


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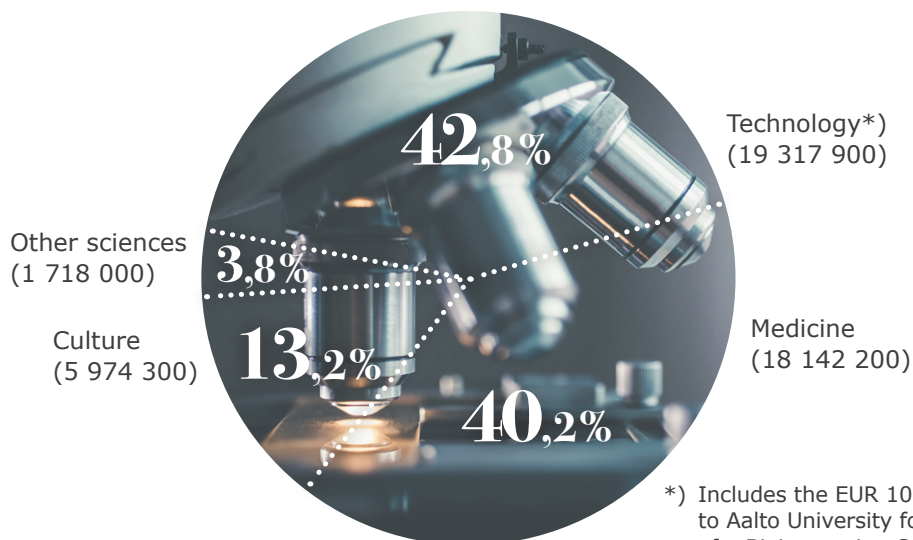
Grant applications processed during 2008-2020 (annual number and increase %)



Grants 2008-2020 (EURm)



Grants awarded in 2020 (EUR)



*) Includes the EUR 10.5 m major grant to Aalto University for the establishment of a Bioinnovation Centre.

Jane and Aatos Erkko Foundation group

Income statement

	1.1.2020-31.12.2020	1.1.2019-31.12.2019
ORDINARY ACTIVITIES		
Grants	-45 129 457,50	-32 914 155,30
Operating expenses		
Personnel expenses	-468 454,33	-402 744,88
Depreciation	-3 584,16	-3 024,46
Other expences	-208 744,69	-183 773,71
	-680 783,18	-589 543,05
DEFICIT ON ORDINARY ACTIVITIES	-45 810 240,68	-33 503 698,35
INVESTMENT AND FUNDING ACTIVITIES		
Income		
Interest income	769,57	245 409,93
Dividend income	23 639 616,77	23 018 151,83
Rental income	2 750,00	5 500,00
Capital gains	3 706 548,25	1 465 938,73
Impairment reversals	365 857,58	8 028 069,01
Other income	15 220,31	353 109,78
Asipex group income	340 700 498,97	185 569 043,71
Total income	368 431 261,45	218 685 222,99
Expenses		
Interest expenses	-10 150,51	-100,00
Payments	-9 615,29	-10 748,56
Impairment	-2 355 815,01	0,00
Other expenses	-555 667,25	-487 873,30
Asipex group expences	-296 447 838,26	-141 485 756,53
	-299 379 086,32	-141 984 478,39
	69 052 175,13	76 700 744,60
DEFICIT/SURPLUS	23 241 934,45	43 197 046,25
DEFICIT/SURPLUS FOR THE PERIOD	23 241 934,45	43 197 046,25

Jane and Aatos Erkkö Foundation group

Balance sheet

ASSETS	31.12.2020	31.12.2019
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	2 072,52	7 440,96
Tangible assets	49 374,44	45 012,42
Investments	272 750 868,17	273 500 868,17
TOTAL NON-CURRENT ASSETS	272 802 315,13	273 553 321,55
CURRENT ASSETS		
Short-term receivables	415 748,81	806 116,99
Securities	544 855 444,42	586 699 533,34
Cash and cash equivalents	131 686 938,12	47 797 422,44
TOTAL CURRENT ASSETS	676 958 131,35	635 303 072,77
TOTAL ASSETS	949 760 446,48	908 856 394,32
LIABILITIES	31.12.2020	31.12.2019
EQUITY		
Basic capital	1 000 000,00	1 000 000,00
Reserve fund	8 052 051,86	8 052 051,86
Retained surplus	824 053 770,83	779 312 947,12
Deficit/surplus for the period	23 241 934,45	43 197 046,25
TOTAL EQUITY	856 347 757,14	831 562 045,23
DEBT		
Long-term debt	56 071 353,41	38 627 767,26
Short-term debt	37 341 335,93	38 666 581,83
TOTAL DEBT	93 412 689,34	77 294 349,09
TOTAL LIABILITIES	949 760 446,48	908 856 394,32