



# JANE AND AATOS ERKKO FOUNDATION

ANNUAL REPORT 2021  
PROFIT AND LOSS STATEMENT 2021



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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.

In the 2010s, the Foundation consolidated its position as a long-term sponsor of science and culture. The Foundation's strategy for 2021–2023 underlines the promotion of high-quality research aiming at scientific breakthroughs as well as the advancement of art and culture of the highest international standard. The Foundation seeks to enable long-term projects and increase the share of grants intended for more extensive cutting-edge projects. Additionally, the strategy foresees an increase in technology grants along with medicine, which is already being sponsored on a major scale.

## Activities carried out during the reporting period to accomplish the foundation's mission

In 2021, the Foundation awarded a total of EUR 54.4 million (EUR 45.2 million in 2020) in grants for science and the arts, the highest amount in the Foundation's history.

Of this, EUR 31.7 million (58.3%) was allocated to scientific research. Medical grants, inclusive of medical technology, accounted for EUR 16.5 million. Technological projects received EUR 7.7 million in funding and other fields of science EUR 7.5 million.

Cultural grants totalled EUR 2.6 million (4.8%) and grants for other activities of material importance to society EUR 20.1 million (36.9%). Additionally, the Foundation's Board awarded a conditional EUR 20 million grant to the new architecture and design museum. The money was earmarked for the capitalisation of the new museum foundation, not for the actual construction work or museum activities. The museum grant is the biggest single donation to date for any culture project in Finland.

The approval rate of all grant applications was 13.4% (10.8%). The number of applications received decreased, particularly in the arts and culture sector. The biggest single reason for this was the Covid-19 pandemic, which was also reflected in the increase in the number of change requests processed during the year. Also, the revision of the application instructions carried out in 2021 affected the applications in terms of content by making them more consist with the objectives of the Foundation Charter.

The return on the investments in 2021, with due regard to unrealised changes in market values, was +17.8% (+19.4%). In particular, the diversified equities portfolio (excluding holdings in Sanoma Corporation) gave an excellent return. 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.



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At the turn of the year, the market value of the Foundation's assets totalled EUR 1635 million (EUR 1442m). Of this, equities accounted for 91.2% (88.4%) and fixed-income investments 8.7% (11.5%).

The surplus for the 2021 financial year was EUR 33.8 million (EUR 23.2m).

Attached to this report is a list of all the grants awarded by the Foundation as well as a summary of the key financial indicators.

## The Foundation's grant activities

During the year under review, grants were awarded to a total of 56 (59) research teams, organisations and individuals. The total amount of grants awarded – EUR 54.4 million – is the highest in the Foundation's history in annual terms. Additionally, 2021 saw the largest single grant ever given by the Foundation when the architecture and design museum was awarded EUR 20 million.

The total number of applications reviewed by the Foundation in 2021 was 417 (546). In particular, applications for culture and arts grants and those submitted by third sector actors decreased significantly. No major change took place in the applications for science grants. The number of applications for technology showed a positive trend, along with medicine. As far as other fields of science are concerned, ecology and natural sciences are gaining ground, whereas the number of applications for economics remained low.

Several factors may explain the fall in the total number of applications. The Foundation adopted a new timetable for processing science-related applications: medical grants are processed in March and September and technological grants in May and December. As in the past, applications related to other scientific disciplines and culture projects continued to be reviewed at all meetings. As a result of the uncertainty created by the Covid-19 pandemic, the number of international culture projects – one of the Foundation's priorities – fell sharply. At the same time, the Foundation received a large number of requests for time extensions and budget changes to grants already awarded. Also, the revision of the application instructions and improved advice have helped reformulate the applications to reflect the objectives of the Foundation Charter more closely.

Of the approved applications, 43 (44) were for scientific research, 11 (14) for cultural projects and 2 (1) for other purposes. A total of 9 grants in excess of EUR 1 million were awarded for extensive multi-year projects and 10 grants for projects with budgets ranging from EUR 500,000 to 1,000,000.

The approved projects were selected in accordance with the Foundation Charter with due regard to the ultimate purpose of the Foundation. When applications are processed, due consideration is given to disqualification grounds and the impact of potential conflicts of interest on preparation and decision-making.



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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 are being allocated to monitoring long-term projects. Disbursements are made three times a year: January, May and September. Grantees are required to submit an interim report before disbursement and provide a summary of the project outcomes and an impact assessment in the final report.

## Sponsoring scientific research

The Foundation fulfils its mission by sponsoring research of international standard aiming at scientific breakthroughs. A precondition for any follow-up grant is that the research aims established in the initial phase are achieved. Additionally, the Foundation provides Proof of Concept funding for promising preliminary research ideas. Projects aiming at preliminary findings may spawn more extensive programmes. Eligible projects may also involve several fields of science or consist of consortia formed by several research communities or universities. In its grants policy, the Foundation favours a compensation plan that guarantees adequate social security for the researchers.

Grants are awarded for projects whose scientific significance and impact can be directly assessed by the Foundation Board. The same holds for the Future Makers Programme launched jointly with the Technology Industries of Finland Centennial Foundation. In preparing the grant proposals, the Foundation relies on external experts who are also involved in other development efforts designed to contribute to the Foundation's grant activities.

While the Foundation does not sponsor post-graduate students individually, eligible projects may include work related to doctoral dissertations. Hence, the educational impact of the Foundation grants is significant in that they provide employment for doctoral and post doc researchers. One of the Foundation's goals is also to facilitate the career advancement of young researchers.

## Medicine

Grants awarded for medicine, inclusive of medical technology, accounted for 38% of the total number of projects, or 30% of total funding. As in the previous years, most of the grants were given for basic and clinical research. Medical grants focused on research into cancer, cell and molecular biology, microbiology and virology. In medical technology, materials engineering and nanotechnology were prioritised.

The biggest single grant of the year in the amount of EUR 5,000,000 was awarded to the national PET Centre for the purchase of a new PET imaging device. The Centre, managed by the University of Turku, Åbo Akademi and Turku University Hospital, coordinates research and training in PET imaging and develops PET diagnostics.



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PET (Positron Emission Tomography) is a functional imaging technique that provides data on tissues, metabolic processes and the absorption of medicines. The Foundation grant makes it possible to acquire PET technology that permits the introduction of whole body screening in Finland.

The grant award was exceptional in that the Foundation does not normally subsidise equipment purchases. Arguments in favour of the acquisition of the PET device included its nationwide usage and importance to the advancement of research and diagnostics.

The largest medical research grant (EUR 1,200,000) was awarded to Professor Vesa Kiviniemi of the University of Oulu. His team's follow-up research project will focus on the glymphatic system of the central nervous system and the extension of imaging models. Research into Alzheimer's disease has taken a major step forward as researchers have succeeded in describing in detail the abnormality of the pulse that maintains the brain's clean-up system in people with the disease.

Another example of the facilitation of long-term research is the EUR 900,000 extension grant awarded to the working group led by Professor Mika Pettersson of the University of Jyväskylä. This medical technology project makes use of the techniques developed by the University of Jyväskylä for modifying graphene by means of laser beams by combining the findings with the neuroscience expertise of the University of Tampere in order to enable research into nerve-machine interfaces. The team will continue its efforts following a successful Proof Of Concept phase, and its findings may lead to new applications in many fields of science and technology.

## Technology

One of the Foundation's aims is to sponsor technology. During the reporting period, dialogue with universities and researchers involved in technology research was stepped up. Further action will be taken in 2022 to explore the operating environment and intensify mutual communications.

About 30% of the grants were awarded to technology projects. However, it should be pointed out that the actual amounts of grants were smaller than those awarded for projects in other fields of science: of the aggregate amount of funding provided, technology accounted for 14%. Typical of the grants awarded in the reporting period was that many of the projects related to technology research were designed to promote sustainable ecosystems or, more generally, to support long-term research intended to develop new technology. For example, the projects may promote sustainable food production, or focus on themes such as health and wellbeing or safe and digitalised daily life.

The largest single grant for technology research in the reporting period (EUR 1,200,000) was awarded to Professor Alan Schulman of the University of Helsinki. His team's pan-genome project is working on a domestic plant protein source to develop meat substitutes for the



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Finnish food industry. The project seeks to increase interest in the cultivation of broad bean and accelerate its breeding programmes worldwide.

Another project representing sustainable basic food science is the project initiated by Dr. Noora Mäkelä-Salmi of the University of Helsinki, which received EUR 411,500 in funding. The Foundation has recognised the growing need to support young researchers in setting up their own teams to ensure the high quality of future research, as exemplified by the grant awarded to Mäkelä-Salmi.

The Future Makers Programme launched jointly with the Technology Industries of Finland Centennial Foundation was continued. A total of 89 (94) applications were received in 2021, of which 6 were granted. The Jane and Aatos Erkkö Foundation sponsored four projects to a total value of EUR 1,685,000. The biggest single grant (EUR 750,000) was given to a project headed by Professors Sebastiaan van Dijken and Päivi Törmä which seeks to develop new technology to reduce heat losses. To reduce energy consumption and CO<sub>2</sub> emissions, it is imperative to develop new types of computing technologies that consume less energy.

## Other scientific research

Funding for other scientific research amounted to 9% (4%) of the total during the reporting period. In terms of euros, these grants accounted for 14%. The Foundation's two largest science grants of the year were for projects launched by the University of Helsinki.

The biggest single grant for other scientific research, EUR 3,020,000, was awarded to a five-year environmental science study led by Professor Alf Norko, which focuses on the symbiotic crisis related to climate change and biodiversity using an inter-disciplinary approach. The project will be carried out in a centre to be set at the Tvärmine research station. This internationally ground-breaking research, of particular relevance to the Baltic Sea, investigates the interaction between the ocean and the atmosphere and its impact on climate. The funding will allow Finnish and Swedish climate and marine researchers to pool their expertise and infrastructure to promote research in the world's shallow coastal zones.

The project called Max Planck University of Helsinki Centre for Social Inequalities in Population Health, coordinated by Professor Pekka Martikainen of the Faculty of Social Sciences, was awarded a conditional grant of EUR 2,000,000. The five-year research Centre, which is to study health differences, will materialise if equivalent funding is provided by the Max Planck Foundation. The Centre will draw upon a wide range of multidisciplinary data to generate information to identify the root causes of health inequalities and provide a basis for taking remedial action.





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## Culture and the creative sector

The Foundation's objectives are to raise the cultural and artistic sector to an international level and to support projects that promote wellbeing, skills development and social inclusion. Due consideration is given to the areas of interest expressed by the founders within the limits imposed by the Foundation Charter.

Of all the grants awarded during the reporting period, 20% were awarded to art and culture, or 5% in terms of money. The grants helped sponsor high-standard dance and music performances, tours and visits as well as engage children and young people in arts and sports.

The largest single grant (EUR 1,000,000) was awarded to the House of Dance Association for organising shows by major international players during 2022–23. The grant will finance a diversified visitor programme and offer an overview of the current state of dance in Europe. In 2014, the Foundation granted EUR 15 million to the Tanssin Talo (House of Dance) project. The building located in Ruoholahti, Helsinki, was executed as a new construction and renovation project and inaugurated on 2 February 2022. The international repertoire will showcase the potential of the new big stage as a year-round venue for dance visits and make this art form available to wider audiences.

The Foundation also awarded a grant (EUR 450,000) to the new Chamber Music in Cities Association, which coordinates a project that brings together metropolitan area institutions, independent musicians, students and major concert halls across Finland. A series of concerts to be held in Helsinki and tours in various parts of Finland will strengthen cooperation and create favourable conditions for long-term activities.

## Architecture and design museum

The Foundation awarded a conditional EUR 20 million grant to the new architecture and design museum. The money was earmarked for the capitalisation of the new museum foundation, not for actual construction or museum activities, which are to be funded by the return on the capital. The collections of the existing Museum of Finnish Architecture and Design Museum foundations will be transferred to the new museum foundation. The total amount of capital required for the new foundation is EUR 150 million, of which the State of Finland and City of Helsinki are prepared to contribute EUR 120 million.

The Foundation's EUR 20 million grant is the largest ever private donation to a cultural project in Finland. The Foundation's conditional decision is effective up to the end of 2024. The Foundation's representative in the project steering group is board member Kerstin Rinne, LL.M.

The decision to promote the creation of an architecture and design museum of a high international standard is a tribute to the Foundation's founders, Jane and Aatos Erkkö.



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## Overview of the projects completed in the reporting period

Aside from the previously mentioned House of Dance, another building project supported by the Foundation was also completed during the year. August 2022 saw the opening of Urhea Campus, the National Olympic Training Centre, in Mäkelänrinne, Helsinki, which the Foundation sponsored with EUR 1.5 million in 2019. The campus offers accommodation and extensive facilities for training and studies, which contributes to the overall development of young talents.

Finland's first international contemporary art event – the Helsinki Biennale HAM – organised by the Helsinki Art Museum was held in June–September 2021. The series of events, postponed by one year because of the Covid-19 pandemic, combined outstanding contemporary art with maritime Helsinki. The EUR 2.5 million grant from the Foundation was instrumental in staging an international indoor and outdoor exhibition on the Island of Vallisaari. The free event attracted a total of 145,000 visitors. Additionally, a wide range of other art experiences were offered by the biennial across Helsinki. The Helsinki Biennial Inspired programme drew an audience of close to 90,000 people. Despite the exceptional circumstances due to Covid-19, the event attracted extensive coverage in the international media.

All in all, 38 scientific projects were completed during the year, most of them launched in 2016–2017. Typically, the duration of Foundation-sponsored research projects varies from 3 to 5 years. The projects generate more than 50 doctoral dissertations in addition to other scientific publications. Getting young researchers involved in cutting-edge research early in their careers is of great importance.

## Finances of the Foundation

### General

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

At the end of 2021, the market capitalisation of the Foundation's assets stood at EUR 1635 (EUR 1252m) consisting of a directly held securities portfolio of EUR 270 million (EUR 244m); shares held in Sanoma Plc valued at EUR 542 million (EUR 547m); housing company shares valued at EUR 1 million (EUR 1m); and Asipex Group's securities portfolio of EUR 817 million (EUR 650m). The Foundation's wholly owned company Oy Asipex Ab is based in Helsinki and it has a wholly owned Swiss subsidiary Asipex AG. By the end of 2021, the Foundation had approved but not yet disbursed grants in the amount of EUR 98.3 million.

At the end of 2021, equities accounted for 91.2% (88.4%), fixed-income investments 8.7% (11.5%) 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 54.8 million (EUR 45.8m). Grants awarded during the reporting period amounted to EUR 54.4 million (EUR 45.2m). Total grants recognised for 2021 were EUR 54.2 million (EUR 45.1m). The difference between awarded and recognised grants is due to returns of unused grants. Operating expenditure amounted to EUR 0.6 million (EUR 0.7m).

The book return on the investments held by the Foundation were EUR 88.6 million (EUR 69.1m). Of this, the net return earned by the subsidiary group was EUR 48.3 million (EUR 44.3m); return on equities EUR 23.5 million (EUR 22.2m); revaluations of equities and funds EUR 5.4 million (write-downs EUR 8.0m); sales proceeds on investments EUR 10.6 million (EUR 3.7m); fund profit participations EUR 0.8 million (EUR 1.5m); interest income and expenditure EUR 0.0 million (EUR -0.0m); and other financial income and expenditure EUR -0.1 million (EUR -0.5m).

The surplus for 2021 was EUR 33.8 million (EUR 23.2m).

### Parent foundation

The deficit of the parent foundation in the financial year 2021 was EUR 14.6 million (EUR 21.0m).

## Related-party transactions

Board fees and the Agent's salary subject to withholding tax totalled EUR 294,688 in 2021.

Board members were paid a monthly fee as well as meeting fees for service on the Board and committees. At its annual meeting on 29 March 2021, the Foundation Board decided to raise the fees as they had not been adjusted since 2014. After all, the Foundation's activities have expanded substantially. The increases apply as of 1 April 2021. The fee of the Chair of the Board was EUR 2000 per month and that of the members EUR 1500 per month. Chairs of the Board and committees received a meeting fee of EUR 600 and members EUR 500 per meeting. Since the Foundation's investment 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. Board members' work is not limited to meetings.

Aside from auditors' 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.



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## Investment activities

Global economic growth was robust in 2021 as the world recovered from the Covid-19 pandemic. The biggest surprise for the markets was the high rate of inflation and its persistence. Equity valuations fell slightly, but much higher-than-expected earnings growth, a lack of investment options, high market liquidity and continued interventions by central banks kept equities on a strong upward path. Overall, corrections in the main indices remained exceptionally small, while geographical differences in market returns were higher than usual. The best performance was put in by developed markets led by the United States, whereas the emerging markets and Asia generated the lowest returns.

In euro terms, inclusive of dividends, the MSCI World AC index returned +28% (+7%), the SP500 index +38% (+9%), the MSCI Europe index +25% (-3%), the HEX portfolio index +25% (+16%), the Nikkei index +4% (+14%) and the MSCI Emerging Market index +5% (+9%).

The return on the Foundation Group's investments in 2021, with due regard to unrealised changes in market values, was +17.8% (+19.4%). The diversified equity portfolio (excluding Sanoma) gave an excellent return of +32.5% (+10.3%), which clearly exceeds market returns at equivalent geographical allocation. The Sanoma shares underperformed the market by yielding a return of +2.7% (+53.3%). At the end of the reporting period, the ten-year total return on the equities held by the Foundation was approx. 14% 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 +2.7% (+53.3%). The dividends paid by Sanoma Plc to the Foundation in 2021 amounted to EUR 19.9 million (EUR 19.9m).

## Responsible investment

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.



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The Foundation measures the sustainability performance of its investment portfolio regularly. An extensive sustainability analysis of the Foundation Group's investment portfolio was carried out in consultation with a partner. According to the analysis, the SDG performance of the Foundation's investments was equivalent to or exceeded the benchmark index in almost all indicators. Moreover, performance has consistently improved year-on-year in all key areas of sustainability.

## Risk management

The Foundation's activities depend on its investment assets and its operations are established on a permanent footing. Risk management by the Foundation is governed by good and transparent governance and clear-cut internal processes. The most significant risks are related to asset management and market risks as well as potential reputational risks arising from sponsorship.

Efforts have been made to improve ways of working and core processes, something that has become all the more important during the Covid-19 pandemic. As a small organisation, the Foundation has taken steps to reduce its risk exposure, for example by appointing deputies for the various areas of responsibility and developing documentation.

In both its sponsoring and investment activities, the Foundation monitors current developments and participates in a range of events to keep up with the evolving operating environment and identify potential social and reputational risks. During the reporting period, the Foundation focused on monitoring longer-term projects and planning disbursements to ensure the predictability of its liquidity.

Special efforts were made to monitor the impacts of the Covid-19 pandemic on grants and investments. In the second year of the pandemic, the number of applications declined. In particular, applications from the arts and culture sector fell as international activities, one of the Foundation's priority, came to a practically complete stop. By contrast, there was a sharp increase in the number of change requests. 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 made to alleviate the already complicated situation of the grantees. In investment activities, monitoring will focus on the impact of the pandemic and ESG considerations on the investment environment and specific investments.

The primary goal of the investment activities is to protect and increase the real value of the assets in the long term. Other objectives include a steady cash flow and adequate liquidity needed to ensure the continuity of core activities. As the investment horizon is long, the assets are invested mostly in equities (weighting 91.2% at the end of 2021), 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.



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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 33% 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 adopted by the Board, and 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 Erkko Foundation.

## Communications

The Foundation seeks to be transparent, clear and up-to-date in its communications.

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 communications is 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 and published in a news release as soon as possible after Board meetings. The list of grants is updated with regard to projects whose implementation is pending. The grounds for approving or rejecting grants are not publicised, nor are the names of the external advisers disclosed.

Any material changes in the Foundation's activities, financial position and administration are communicated as appropriate. All the releases are found in the Foundation's ePress newsroom. The latest releases are also available on the website.

Other major communication activities carried out during 2021 were related to the Foundation's extensive application system and the revision of the guidelines for applicants and beneficiaries.



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## 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.

## Administration

### Board

The Annual General Meeting held on 29 March 2021 appointed Nils Ittonen Chair of the Board and Juhani Mäkinen Deputy Chair.

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

The term of every board member ends at the following General Annual Meeting. During 2021, the Board convened six times, but it also deals with the Foundation's business outside meetings.

### Financial Committee

At the General Annual Meeting, the Board appointed Mikko Mursula Chair of the Financial Committee with Nils Ittonen, Hanna-Mari Peltomäki and Karl Tujulin nominated as members.

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

### Working Committee

At the General Annual Meeting, the Board appointed Nils Ittonen Chair of the Working Committee, while Juhani Mäkinen and Hanna-Mari Peltomäki were appointed members.

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



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## 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

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

The key success drivers in the Foundation's operations are a qualified and motivated staff, a committed Board and an extensive network of select partners.

## Audit

At its annual meeting of 29 March 2021, the Foundation Board appointed PricewaterhouseCoopers Oy as the auditor of the Foundation's accounts with Samuli Perälä, APA, serving as the auditor-in-charge and Valtteri Helenius, APA, as the deputy auditor-in-charge.

## Activities in the current year

In 2022, 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 projects 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.

For the 2021–2023 period, the Foundation Board has established the following strategic goals: 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 in 2022.





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The Foundation observes no fixed application periods and the applications are processed flexibly. The Board reviews applications for medical grants twice a year (March and September meetings) and technological grants similarly twice a year (May and December meetings). Applications related to other scientific disciplines and culture projects continue to be reviewed at all meetings.

The Foundation's application system and guidelines were revised during 2021. Further action will be taken in 2022 by updating the reporting and expert assessment tools. Communications will be diversified in order to develop grant activities. The grants payable are taken into account in liquidity planning and resources will continue to be allocated to monitoring progress in long-term projects. The effects of the pandemic will be monitored, and project executors will be allowed more time for planning changes in order to avoid back-to-back applications.

Since the end of the reporting period, the security situation in Europe has changed radically after Russia's attack on Ukraine. This has had a direct impact on the world economy through the commodity markets and the extensive sanctions imposed on Russia. Growing uncertainty will affect the fair value of the Foundation's investment assets. If the state of war persists for a long time or the conflict spreads, it may have an impact on the Foundation's planned activities. Short-time price fluctuations will not impact its activities. The tough boycott measures against Russia and Belarus will also have an impact on the activities of the Foundation's grantees in the field of arts and sciences.



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## Grant decisions in 2021:

<b>New Architecture and Design museum, City of Helsinki</b> Conditional capitalisation of the new museum foundation.	€20,000,000
<b>Turku PET Centre, University of Turku</b> A new fast total body simultaneous PET imaging for scientific research and clinical diagnostics. 2 years	€5,000,000
<b>Professor Alf Norkko, University of Helsinki</b> Centre for Coastal Ecosystem and Climate Change Research (CoastClim). 5 years	€3,020,000
<b>University of Helsinki</b> Max Planck – University of Helsinki Centre for Social Inequalities in Population Health. Conditional. 5 years	€2,000,000
<b>Technology Industries of Finland Centennial and Jane and Aatos Erkko Foundation, funding for “The Future Makers Program”</b>	€1,685,000
• Sebastiaan van Dijken and Päivi Törmä, Aalto University Optical control of spin waves for low-power computing. 3 years	(€750,000)
• Mikko Möttönen, Aalto University Utilization of the most accurate heat radiation sensor in applications. 3 years	(€435,000)
• Pertti Hakonen, Aalto University Strong entangled photon source for transfer of quantum information. 3 years	(€250,000)
• Ari Väisänen, University of Jyväskylä Jätteestä seuraavan sukupolven molekylaariksi materiaaleiksi. 3 years	(€250,000)
<b>Professor Vesa Kiviniemi, University of Oulu</b> Target-controlled glymphatic treatment. 5 years	€1,200,000
<b>Professor Alan Schulman, University of Helsinki</b> PanFaba: A faba bean pan-genome for sustainable protein security. 4 years	€1,200,000
<b>Professor Mart Saarma, docent Tommi Kajander, University of Helsinki</b> Identification of receptors for CDFN and MANF – novel molecular mechanisms in cellular stress and disease. 3 years	€1,190,000



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<b>Professor Päivi Peltomäki, University of Helsinki</b> New approaches for cancer prevention in Lynch syndrome. 4 years	€1,173,000
<b>Tanssin talo ry</b> International Guest Performances in the Erkkö hall of the Dance House Helsinki in 2022 and 2023.	€1,000,000
<b>PhD Johanna Ivaska, University of Turku</b> Cancer metastasis – new biological paradigms as drug targets. 4 years	€990,000
<b>Professor Akseli Hemminki, University of Helsinki</b> Overcoming current obstacles in solid tumor bispecific T-cell engager (BiTE) technology by oncolytic adenoviral delivery. 3 years	€950,000
<b>Professor Hannes Lohi, University of Helsinki</b> Of dogs, wolves and men – from genes to brain function. 3 years	€938,000
<b>Finnish Institute of International Relations</b> The expansion of the exchange programme related to the U.S.-studies 2021–2023. 3 years	€900,000
<b>Professor Mika Pettersson, University of Jyväskylä</b> Graphene-based nerve-machine interface. 3 years	€900,000
<b>Associate professor Paola Vivo, Tampere University</b> Human-centered solar smart technology design for healthy aging (SOL-TECH). 3 years	€750,700
<b>Docent Riikka Räisänen, University of Helsinki/VTT/LUT University</b> BioAnt – Biobased antimicrobial textile finishing agents from plant biomass side-streams. 2 years	€700,000
<b>Professor Thomas Kietzmann, University of Oulu</b> New networks linking hypoxia to obesity. 5 years	€667,000
<b>Professor Paula Elomaa, associate professor Timo Hytönen, University of Helsinki</b> ASTROS: How meristems guide plant reproductive development? Plant developmental biology. 4 years	€612,000
<b>PhD Vivek Sharma, University of Helsinki</b> Complexity – Energy and ROS production in mitochondria. 3 years	€485,000
<b>Professor Varpu Marjomäki, University of Jyväskylä</b> Safe and broadly acting antiviral drugs. 2 years	€480,000



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<b>PhD Maria Lahtinen-Kaislaniemi, Finnish Food Authority</b> Strontium isotope analysis as food authenticity methodology in Finland. 4 years	€477,000
<b>Kamarimusiikkia kaupungeissa ry</b> Concert series with chamber music.	€450,000
<b>PhD Juha Huiskonen, University of Helsinki</b> CellCargo – Molecular mechanisms in cellular cargo trafficking complexes. 3 years	€448,000
<b>Docent Rajaram Venkatesan, University of Oulu</b> Molecular mechanisms of cholesterol import in mycobacteria. 2 years	€420,000
<b>Doctor Noora Mäkelä-Salmi, University of Helsinki</b> IntOat – Interactions of oat macromolecules and their role in the structure formation. 3 years	€411,500
<b>Zodiak Presents ry</b> Zodiak 2025 – Development of audience engagement work in the international ecosystem of contemporary dance. 5 years	€410,000
<b>Assistant Professor Nima Rezaei, LUT University</b> Process Intensification in Carbon Capture and Utilization using Nano Confinement. 3 years	€400,000
<b>PhD Kari Kurppa, University of Turku</b> Eliminating the seeds of relapse – targeting residual disease following cancer therapy. 3 years	€398,000
<b>Docent Svetlana Molchanova, University of Helsinki</b> Leucine-rich repeat proteins in the development of motor and attentional functions. 2 years	€387,000
<b>Associate professor Weiwei Lin, Aalto University</b> Automated Inspection System for Bridges using Drive-By Method and Deep Learning Techniques. 3 years	€346,000
<b>PhD Mika Komppula, Finnish Meteorological Institute</b> Detailed measurement of cloud properties with a holographic microscope. (PoC). 2 years	€330,880
<b>Professor Zachary Taylor, Aalto University</b> All-electronic THz spectroscopy for Hydration Monitoring in Paper Product Manufacturing. 3 years	€313,000



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<b>Docent Joni Turunen, Folkhälsan Research Center</b> Molecular Mechanism and Treatments of Keratitis Fugax Hereditaria Caused by the Variant in the Inflammasome NLRP3 Gene. 2 years	€ 300,000
<b>Docent Hilikka Timonen, professor Markku Vainio, Finnish Meteorological Institute/University of Helsinki</b> Compact and precise sensor for global black carbon monitoring. (PoC). 2 years	€ 298,000
<b>Associate professor Jose Lado, Aalto University</b> Engineering heavy fermions in twisted van der Waals materials. 2 years	€ 294,200
<b>Academy Research Fellow Kristiina Huttunen, University of Eastern Finland</b> Resolution to Defeat Brain Creatine Deficiency Syndrome. 2 years	€ 293,700
<b>Mika Salmi, Aalto University</b> 4D printing of hybrid materials. 3 years	€ 286,000
<b>Professor Vesa Olkkonen, Biomedicum Helsinki</b> Novel Golgi machinery controlling cellular lipid metabolism: Function in diseases of liver and lung. 3 years	€ 285,000
<b>Professor Heikki Tanila, University of Eastern Finland</b> Sleep-related epileptiform discharges in Alzheimer's disease. 2 years	€ 280,100
<b>Docent Carlos Figueiredo, University of Turku</b> Targeting CD74 in metastatic melanoma – mechanisms, prognostication, and therapeutic opportunities. 2 years	€ 260,000
<b>Associate professor Vittorio Fortino, University of Eastern Finland</b> Combining multi-omics data and Artificial Intelligence (AI) for disease subtype and drug discoveries. 3 years	€ 211,500
<b>Docent Veikko Linko, Aalto University</b> Hybrid nanopore devices for unraveling single-molecule interactions. (PoC). 2 years	€ 200,000
<b>Docent Antti Nyssölä, VTT</b> AEROCOW – Secreted edible protein production from carbon dioxide by bacteria. (PoC). 2 years	€ 200,000
<b>Finnish National Opera and Ballet</b> Ballet energy for children. 2 years	€ 200,000



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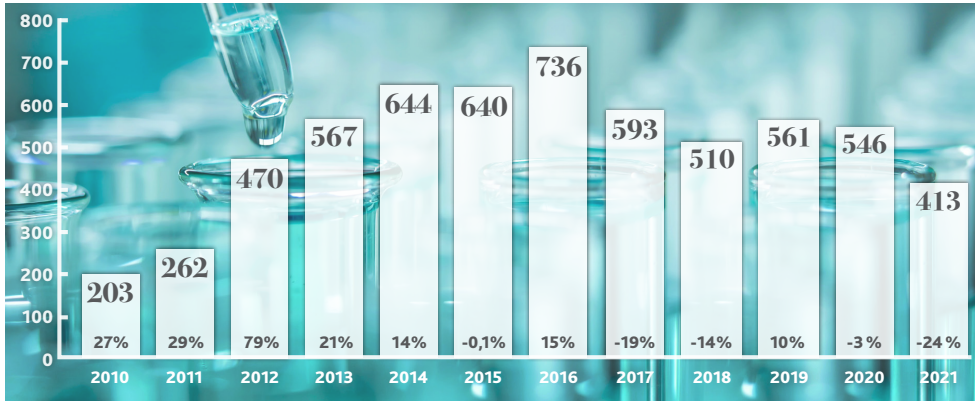
<b>Helsinki Cup Oy</b> Equal girls project. 2 years	€ 190,000
<b>Hamina Tattoo</b> International Military Music Festival Hamina Tattoo 2022.	€ 140,000
<b>John Nurminen Foundation</b>	€ 80,000
<b>Punavuoren kamarimusiikkiyhdistys ry.</b> European Union Youth Orchestra visit in Helsinki and Tampere 2022.	€ 80,000
<b>Helsinki International Ballet Competition Association</b> Helsinki International Ballet Competition 2022–2024.	€ 50,000
<b>Sinfonia Lahti/Lahden kaupunginorkesteri</b> The Estonian Festival Orchestra's concert at the Lahti Sibelius Festival.	€ 45,000
<b>The Finnish Institute for Children's Literature</b> Illustration art of children's books 1847–2019.	€ 30,000
<b>Suomen Nuoriso-opisto</b> J.H. Erkkö Writing Contest.	€ 8,000



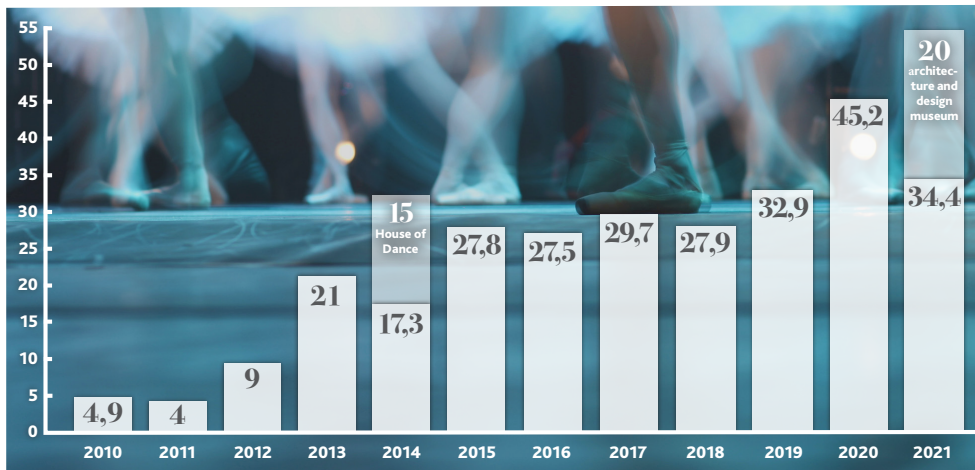


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Number of applications 2010–2021 (annual number and increase %)

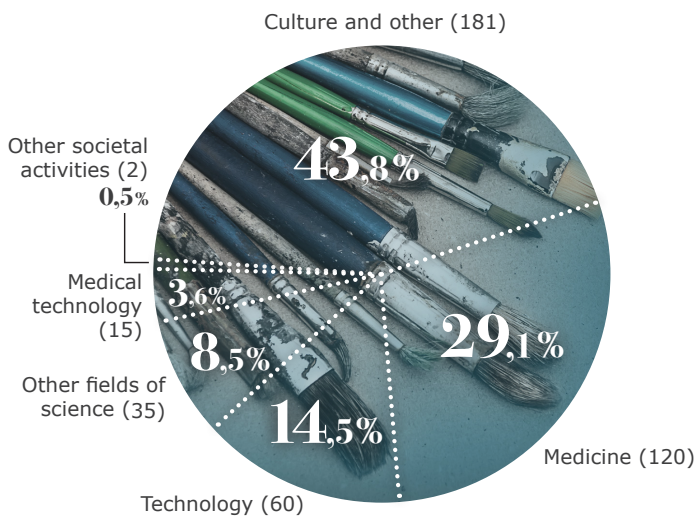


Grants 2020–2021 (EURm)



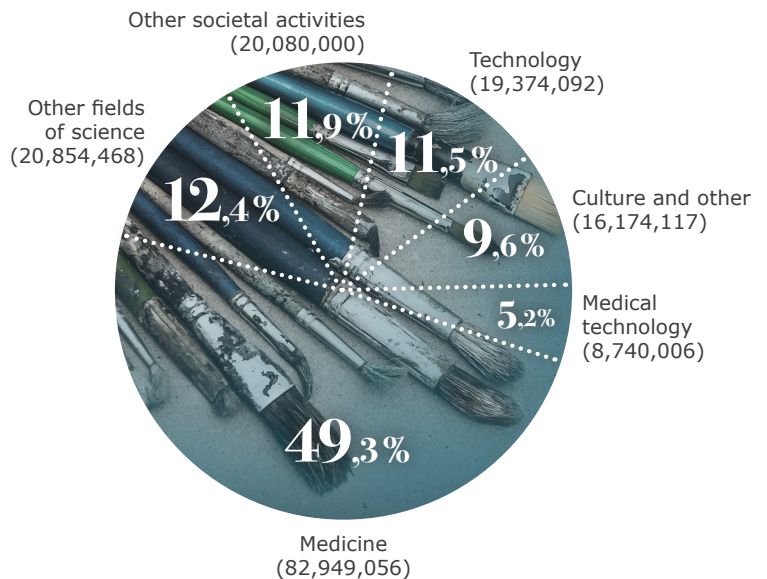
Number of grants in 2021 by sector

(excl. grants to the Future Makers Programme)



Grants in 2021 by sector (EUR)

(excl. grants to the Future Makers Programme)

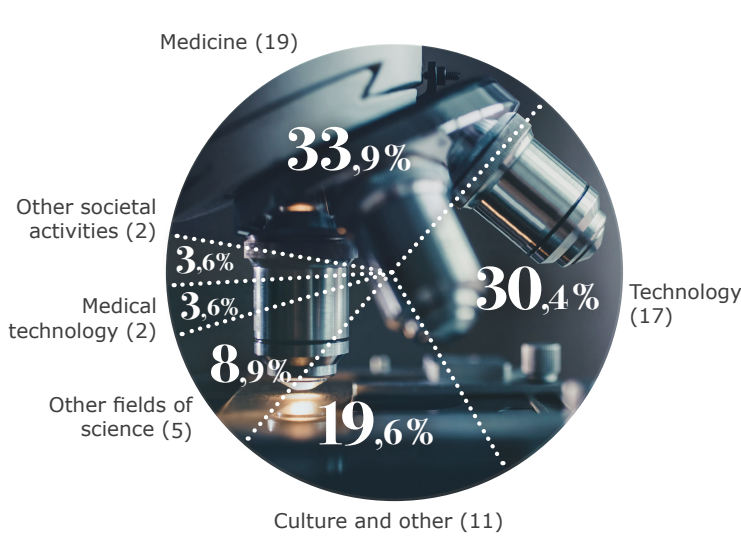




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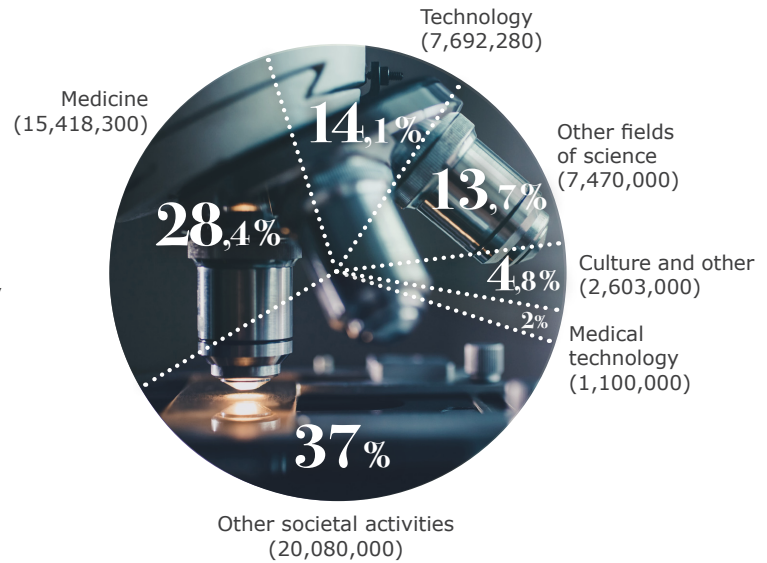
### Number of grants awarded in 2021 by sector

(incl. grants to the Future Makers Programme, the EUR 20 million grant to the architecture and design museum and the EUR 80,000 grant to the John Nurminen Foundation)



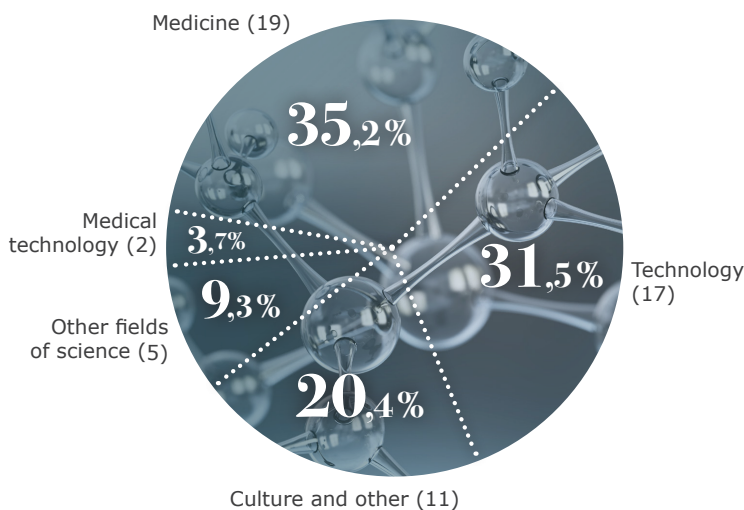
### Grants awarded in 2021 by sector (EUR)

(incl. grants to the Future Makers Programme, the EUR 20 million grant to the architecture and design museum and the EUR 80,000 grant to the John Nurminen Foundation)



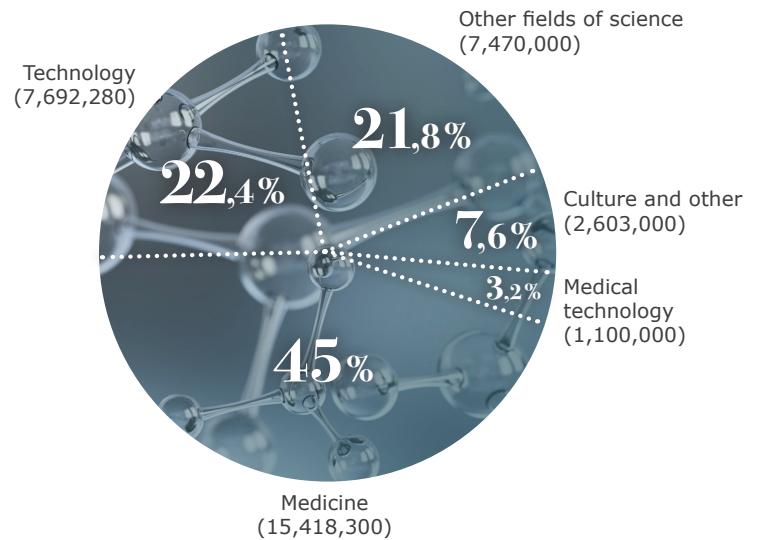
### Number of grants awarded in 2021 by sector

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### Grants awarded in 2021 by sector (EUR)

(incl. grants to the Future Makers Programme, excl. EUR 20 million grant to the architecture and design museum and the EUR 80,000 grant to the John Nurminen Foundation)



# Jane and Aatos Erkkö Foundation Group

## Income statement

	1.1.2021–31.12.2021	1.1.2020–31.12.2020
ORDINARY ACTIVITIES		
Grants	-54,188,554.56	-45,129,457.50
Operating expenses		
Staff expenses	-440,857.75	-468,454.33
Depreciation	-3,479.34	-3,584.16
Other expenses	-169,288.75	-208,744.69
	-613,625.84	-680,783.18
REMAINDER FOR ORDINARY ACTIVITIES	-54,802,180.40	-45,810,240.68
INVESTMENT AND FINANCING ACTIVITIES		
Returns		
Interest income	14.75	769.57
Dividends received	24,291,437.94	23,639,616.77
Rental income	0.00	2,750.00
Capital gains on disposals	10,567,823.81	3 706,548.25
Revaluations	5,365,577.24	365,857.58
Other income	362,730.72	15,220.31
Income from Asipex Group	161,345,284.50	340,700,498.97
Total income	201,932,868.96	368,431,261.45
Expenses		
Interest expenditure	-28,855.08	-10,150.51
Charges	-6,960.00	-9,615.29
Impairment	-6,078.09	-2,355,815.01
Other expenses	-294,427.05	-555,667.25
Expenses from Asipex Group	-113,043,933.79	-296,447,838.26
	-113,380,254.01	-299,379,086.32
	88,552,614.95	69,052,175.13
REMAINDER	33,750,434.55	23,241,934.45
SURPLUS FOR THE FINANCIAL YEAR	33,750,343.55	23,241,934.45

# Jane and Aatos Erkko Foundation Group

## Balance sheet

ASSETS	31.12.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets		
Immaterial rights	0.00	2,072.52
Tangible assets	59,224.45	49,374.44
Investments	272,750,868.17	272,750,868.17
<b>TOTAL NON-CURRENT ASSETS</b>	<b>272,810,092.62</b>	<b>272,802,315.13</b>
CURRENT ASSETS		
Current receivables	457,998.96	415,748.81
Financial securities	617,747,001.18	544,855,444.42
Cash at bank and in hand	125,379,904.81	131,686,938.12
<b>TOTAL CURRENT ASSETS</b>	<b>743,584,904.95</b>	<b>676,958,131.35</b>
<b>TOTAL ASSETS</b>	<b>1,016,394,997.57</b>	<b>949,760,446.48</b>
EQUITY AND LIABILITIES	31.12.2021	31.12.2020
EQUITY		
Equity capital	1,000,000.00	1,000,000.00
Reserve fund	8,052,051.86	8,052,051.86
Surplus from previous financial years	869,592,386.61	824,053,770.83
Surplus for the financial year	33,750,434.55	23,241,934.45
<b>TOTAL EQUITY</b>	<b>912,394,873.02</b>	<b>856,347,757.14</b>
LIABILITIES		
Non-current liabilities	63,765,217.18	56,071,353.41
Current liabilities	40,234,907.37	37,341,335.93
<b>TOTAL LIABILITIES</b>	<b>104,000,124.55</b>	<b>93,412,689.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,016,394,997.57</b>	<b>949,760,446.48</b>