



# 2021 annual board report and financial statements

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Aalto University



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# **Annual board report 2021**

## ACTIVITIES DURING 2021

OUR OPERATIONS ARE BASED ON HIGH-QUALITY RESEARCH, EDUCATION, IMPACT AND SHARED VALUES: RESPONSIBILITY, COURAGE AND COLLABORATION. THE PURPOSE OF THE UNIVERSITY IS TO SHAPE A SUSTAINABLE FUTURE.

With its new strategy, which entered into force at the start of 2021, Aalto University is setting its sights firmly on building a sustainable future. The high-quality research, artistic activities and education at Aalto University and our shared values – responsibility, courage and collaboration – provide a firm basis for this. We have harnessed radical creativity and an entrepreneurial mindset to encourage the entire community to produce effective solutions for sustainable development.

**The high quality of our research, artistic activities and education have made us an internationally recognised player.**

According to major international rankings, Aalto University is already among the world's leading higher education institutions in its key research areas. This trend is spearheaded by art and design, in which our university was rated sixth in the world in the QS World University Rankings in 2021. Aalto University has also done extremely well in the general rankings, in which universities are evaluated from an overall perspective. In 2021, Aalto

University reached ninth place in the rankings for universities under the age of 50 (QS World University Rankings 'Top 50 Under 50'). In early 2022, Times Higher Education listed Aalto University as the 40th most international university in its World University Rankings.

There is strong demand for experts in the fields represented by Aalto University. The number of applicants is on the increase, and the employment rate of its graduates is extremely high. To meet the national need for experts, our university has pledged to increase degree education in its own fields. Aalto University educates game changers who will have excellent capabilities to renew society and enhance sustainable wellbeing both nationally and internationally.

Systematic and extensive cooperation with our key stakeholders, strategic partners and actors in the higher education sector will strengthen our impact. In the agreement period 2021–2024, Aalto University will play a key role in promoting different sectors of the Ministry of Education and Culture's internationalisation programme. Aalto University is also the university in charge of the national Digivision 2030 project that aims to develop a digital service environment in higher education institutions.

**Our most important resource and success factor is the multidisciplinary Aalto community which generates new ways of thinking.**

Ensuring the wellbeing of the personnel and students became a key development priority, especially due to the exceptional situation caused by the prolonged COVID-19 pandemic and working and studying on a remote basis. Community events held on a remote and hybrid basis during 2021 attracted a record number of participants. The Aalto University Board invited the entire Aalto community to the November community event to discuss the long-term development of the university and its future direction.

The development and building of a sustainable and vibrant campus continued during 2021. In addition to new construction, the university has also invested in the development of infrastructure and services. Progress in the comprehensive digitalisation project, including the related IT system reform, and improvements in information management will boost the development of the university's services and support knowledge management.

The strong commitment of Aalto University's extensive partner network to the university's socially significant objectives was reflected in increased donations received in 2021. The anniversary campaigns of the School of Arts, Design and Architecture and the School of Business, as well as the ongoing Government matching funding campaign, brought new donors to the university. Donation income helps to diversify Aalto University's funding base and will thus strongly boost our success and impact in both the short term and in the long term.

## THE ROLE OF AALTO UNIVERSITY

**AALTO UNIVERSITY IS AN AUTONOMOUS, MULTIDISCIPLINARY SCIENCE AND ART COMMUNITY, WHICH OPERATES IN THE FIELDS OF TECHNOLOGY, BUSINESS, ART AND DESIGN, AND IN FIELDS CLOSELY RELATED TO THEM.**

The mission of the university and the purpose of its activities is to promote free research and scientific and artistic education, to provide higher education based on research, and to educate students to serve our country and humanity at large. In carrying out its mission, the university promotes life-long learning, interacts with the surrounding society, and promotes the societal impact of research findings and artistic activities.

The national mission of the university is to promote Finland's success and to make a positive impact on Finnish society, its economy, technology, art, design, internationalisation and competitiveness, and to promote the welfare of humankind and the environment through high-quality research and education.

The university abides by the ethical principles of a world-class university in all its activities, follows the principles of good administration, safeguards academic autonomy and the independence of the professoriate intrinsic to it, which are prerequisites for freedom of education, research and art.



The Aalto University Foundation operates as Aalto University. The operations of a foundation university are governed by the Universities Act (Yliopistolaki 558/2009), the Foundations Act (Säätiölaki 487/2015) and the Aalto University Foundation Constitution.

# Shaping a sustainable future



## DRIVING RESEARCH EXCELLENCE

WE EXCEL AND MAKE BREAKTHROUGHS IN AND ACROSS SCIENCE, ART, TECHNOLOGY AND BUSINESS.

### RESEARCH

Aalto University is characterised by the high quality of its research. By attracting top international talent, the tenure track system facilitates the directing of research and enhances our scientific standards. At the end of 2021, Aalto University had a total of 395 tenure track professors. Over the next ten years, about 35% of our current professors will reach the age of 65, which means that the renewal of the university's professorial staff is continuing at a vigorous pace.

According to the Academy of Finland's State of Scientific Research in Finland review published at the end of 2021, Aalto University was the top producer of scientific publications among Finnish universities in all scientific fields included in the review that correspond to our key research areas. This demonstrates that Aalto University has been highly successful in taking a determined approach to positioning itself and focusing on its strengths.

An improvement in the quality of research is also reflected in the performance indicators. The most cited top 10% publications totalled 1 577 (1 512). The share of Aalto University publications that belong to the top 10% publications was 15.7% (15.5%). The university published 2 524 (2 464) international refereed articles in scientific journals in

2021. Aalto University collected a total of 6 429 (6 307) JUFO points with its scientific publications. The average score was 1.7, similar to the previous year's level (1.6). Aalto University received a total of EUR 99 million (EUR 91 million) in competitive research funding, of which about EUR 22 million (EUR 20 million) was international funding.

The Academy of Finland grants competitive funding to Finnish universities to strengthen their research profile. The aim of the funding is to support universities in strengthening their strategic profiles more quickly to enhance the quality of research. Aalto University received EUR 15.4 million of the EUR 100 million allocated for the funding period 2021–2026, which was the second largest sum granted to any Finnish university.

Aalto University has also been highly successful in the application rounds for the Academy of Finland's Flagship Programme. We are coordinating two of the ten flagships of the programme, the Finnish Centre for Artificial Intelligence (FCAI) and the Competence Centre for the Materials Bioeconomy (FinnCERES). Aalto University is also a partner in two other flagships: PREIN (Flagship on Photonics Research and Innovation) and GeneCellNano (Gene, Cell and Nano Therapy Competence Cluster for the

Treatment of Chronic Diseases). The Academy of Finland's Flagship Programme supports high-quality research and develops future expertise and sustainable solutions to challenges facing society. The programme also promotes economic growth by developing new business opportunities. In connection with the interim evaluation of the Flagships launched in 2021, the Academy of Finland granted further funding for six Flagships for the period 2022–2024. FCAI, FinnCERES and PREIN received a total of more than EUR 6.8 million.

Aalto University is responsible for coordinating three key research infrastructures selected for the national roadmap for the period 2021–2024: Bioeconomy (bioeconomy and circular economy), Otanano (microtechnologies, nanoscience and quantum technologies) and RAMI RawMatTERS (natural and synthetic inorganic materials). The university is also a partner in seven other research infrastructures on the national roadmap, which support the university in its key research areas. A total of 29 research infrastructures that are strategically important to Finland's research, education and innovation activities were selected for the national roadmap.

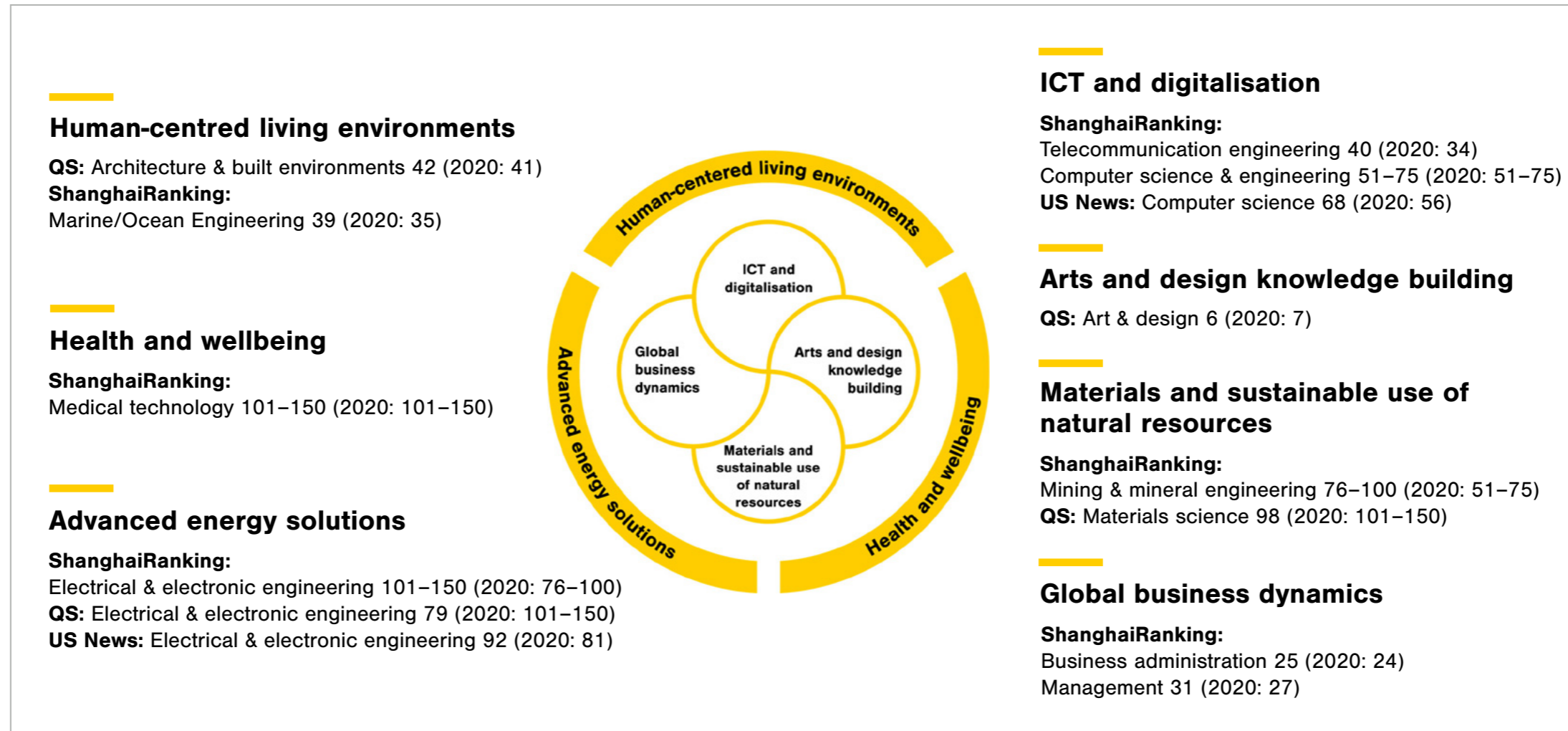
Three (3) national Centres of Excellence funded for the period 2018–2025 were operating at Aalto University in 2021: Quantum Technology, Inverse Modelling

and Imaging, and Research of Sustainable Space. In late 2021, the Academy of Finland selected the Centres of Excellence for the period 2022–2029. Aalto University manages two of them: High-Speed Electromechanical Energy Conversion Systems and Life-Inspired Hybrid Materials. Aalto University research groups are also partners in the following Centres of Excellence: Randomness and Structures, and Virtual Laboratory for Molecular Level Atmospheric Transformations.

The high quality and impact of our research is also reflected in the many prestigious international awards received by our academic faculty and appointments to posts in top scientific organisations. For example, in 2021 Professor Mika A. Sillanpää received an Advanced Grant from the European Research Council (ERC) totalling EUR 2.5 million. The journal *Physics World* selected an article published by Sillanpää's research group as the most important physics research breakthrough of the year. The article was published in the appreciated journal *Science* in May 2021.

In 2021, two (2) people holding the honorary title of Academician of Science worked at Aalto University. The quality of research conducted at the university is also reflected in the fact that it has 28 (27) recipients of research grants from the European Research Council (ERC), two (4) Academy Professors and 49 (44) Academy Research Fellows.

Figures in parenthesis refer to 2020 unless otherwise mentioned.



Determined efforts by Aalto University to strengthen academic quality and impact of its key areas is also reflected in the results of international higher education rankings. The figure shows some of the ranking results for 2021.

The EUR 10.5 million granted to Aalto University by the Jane and Aatos Erkko Foundation in 2020 for the establishment of a bioinnovation center and professorship was a major investment in Finnish bioeconomy and circular economy expertise. The work of the Aalto University Bioinnovation Center started in 2021 with the recruitment of a professor and the first doctoral students. The

center is expected to speed up the creation of breakthrough solutions and the widescale use of research results, thus contributing to sustainable economic growth in Finland. The center will also supplement competence clusters already operating in the same research area, such as the FinnCERES Flagship and the Bioeconomy Infrastructure.

International university partnerships and networks strengthen the global position of Aalto University. In 2021, the university evaluated its partnership activities and identified seven key international partner universities and five key networks. Focusing on a moderate number of university-level partnerships makes it possible to direct and concentrate our common resources, which will

support the internationalisation of Aalto University. The analysis of the key partnerships will continue in 2022 with the clarification of objectives and operating models. Technical University of Munich, KU Leuven and the Unite! network of universities are the latest higher education institutions joining our network of key partners.



## **We support a culture of open science and thus work to strengthen research integrity and societal impact.**

Open science promotes interdisciplinary research, ensures global and equal access to research findings, speeds up the creation of new inventions, and enhances the quality of science by enabling the verification of research results. In June 2021, Aalto University was in charge of the first Unite! network's H2020 project workshop, which was themed around the openness of science. The aim is to strengthen the practices of each university in the network and harmonise them towards a common institutional vision for open science and innovation. Open science means the open availability of scientific publications, research data, methods, code and infrastructures.

In autumn 2021, Aalto University organised ENRIO 2021, a broad-based conference on research ethics and responsible research, in cooperation with the Finnish National Board on Research Integrity (TENK) and the European Network of Research Integrity Offices (ENRIO). The conference discussed development themes relevant to open science, data management,

research ethics, research evaluation and research funding.

Aalto University offers its community a wide range of different tools for managing research data: training, services, instruction and support. In 2021, 82% (80%) of all publications by Aalto University were open access.

Scientific and artistic advisory boards (SABs and SAAB) visited Aalto University schools and departments in November 2021. The visits were organised online. This time, the task of the advisory boards was to examine the impact of the university's new strategy on the activities of its schools and the implementation of the recommendations listed in the RAI assessment (Research, Art and Impact Assessment) carried out in 2018.

The advisory boards noted with pleasure the progress achieved in the schools and departments since the previous visit and the top-quality work carried out in many areas. The recommendations and proposals contained in the report of the advisory boards covered research activities, organisational structure, sense of community, participation and recruitment. According to the advisory boards, the schools and departments have successfully implemented most of the recommendations contained in the 2018 RAI assessment.

## **ARTISTIC ACTIVITIES**

Over the past two years, the COVID-19 pandemic has caused the cancellation or postponement of a large proportion of artistic events, which has particularly affected the international results of artistic activities. In 2021, a total of 315 (239) results of artistic activities were recorded and 101 (75) of them were international.

The artistic activities of Aalto University are of high quality and are held in high regard internationally. Major results in 2021 included the Venice Architecture Biennale, where the exhibition in the Finnish pavilion was designed by Laura Bergeri, Kristo Vesikansa and Philip Tidwell (all working as teachers and researchers at Aalto University at the time). The New Standards exhibition presented the eventful history and story of the company Puutalo Oy. The company was an important actor during the reconstruction period after the Second World War, and its wooden prefabricated houses were briefly a global export hit.

The results of the cooperation between Aalto University and Helsinki Design Week were displayed at the Designs for Cooler Planet event on the Otaniemi campus in September. Resource wisdom was the theme of the exhibitions and events held in 2021. The event combined artistic activities with radical creativity and sustainable solutions, both cross-cutting approaches at Aalto University.

Figures in parenthesis refer to 2020 unless otherwise mentioned.



The annual 'Student Oscars' were awarded for the 48th time, and a film by a student of a Finnish university (Carrier, directed by Max Ovaska) was selected as a finalist for the first time. Photo: Arttu Liimatta.

The film sector has grown stronger. The film *Compartment No. 6* was the key event of the year, and all members of the team behind the film were Aalto University alumni. The film *Carrier* by Max Ovaska, a student at Aalto University, was chosen as a finalist in Student Academy Awards.

Fashion education has featured prominently in Finland and internationally in recent years. In 2021, Aalto University's degree programme in fashion was rated fourth in the global ranking of

the online *CEO World Magazine*. Three Aalto University students (Venla Elonsalo, Sofia Ilomen ja Arttu Åfeldt) were among the finalists in the Hyères fashion competition in France. The exhibition *Intimacy* at the Design Museum examined the intersection of novel politicisation and digital disruption of fashion.

Aalto University was also prominently featured in national art competitions. The *Ylivieska church* was one of the entries for the Finlandia Prize for

Architecture. It was designed by architects Kimmo Lintula, Niko Sirola and Mikko Summanen who all work as adjunct professors at Aalto University.

The renovated Aalto University *Töölö building* was the fourth building project of the university in which about one per cent of the project budget was allocated to art purchases. Radical creativity is used as the public art concept in the building, and the aim is to create a contrast between the iconic building and

its visually impressive interior. Sakari Kannosto's '*Kiertää-Circle*' symbolises communality, growth, ambition, courage, winning, responsibility, and waiting for the future and all things new. Kristina Riska's impressive '*invitableprogress I & II*' greet people in the foyer of the building. The work, consisting of two human-sized hollow ceramic sculptures, describes the limitations and opportunities of being a human.

## FUTURE-LED LEARNING

### WE SPARK THE GAME CHANGERS OF TOMORROW.

To meet the national need for experts, Aalto University has pledged to significantly increase degree education in its fields. The university already increased student intake in 2020 and 2021, and it has also concluded an agreement with the Ministry of Education and Culture on an additional intake of 546 for autumn 2022. Aalto University has filled an average of 90% of the additions agreed for 2020 and 2021, which corresponds to a total of 442 new students. Increasing student intake is justified in terms of accessibility of higher education, regional equality, regional demand for labour, and the structural balance of the higher education sector.

Aalto University's degree targets were significantly increased in the agreement between the university and the Ministry for the period 2021–2024. In 2021, the number of bachelor's degrees was 16% (14%), master's degrees 20% (4% higher) and doctorates 35% (7%) lower than the average targets agreed with the ministry. During the year, a total of 1 509 (1 340) students completed a bachelor's degree, 1 831 (1 952) students a master's degree, and 182 (214) students a doctorate.

In 2021, there were a total of 18 831 (18 285) degree students at Aalto University. The number of full-time equivalent bachelor's

and master's degree students was 12 611 (11 904). Bachelor's and master's degree students earned a total of 558 778 (555 902) ECTS study credits, equivalent to an average of 35 (36) study credits per active degree student. The number of international students totalled 4 120 (3 447), of whom 81% (83%) were studying for a full degree.

There is strong application pressure on the bachelor's degree programmes offered by Aalto University. A total of 22 734 (21 777) applications were received for the programmes in 2021. Compared with 2020, the number of both applications and applicants increased by 4%. Primary applicants accounted for 70% (69%) of all applications.

Aalto University's new bachelor's degree programmes in English have proved highly popular, and since their introduction, they have been among the top study options available to bachelor's degree applicants. In addition to international students, they also attract Finnish students.



An increasing number of students complete their studies within the target time. In 2021, 51% (43%) of bachelor's degrees and 25% (23%) of master's degrees were completed within the target time.

Figures in parenthesis refer to 2020 unless otherwise mentioned.

In January 2021, Aalto University also attracted a record number of applicants to its two-year master's degree programmes. A total of 8 898 (6 978) applications were received for the programmes. Compared with 2020, the number of applications increased by 28%. Most of the applications came from Finland, followed by China and India.

The long-term work to improve the quality of teaching was reflected in the improved results of the national bachelor's graduate surveys between 2013 and 2020. In 2021, for the first time, the average credit was lower than in the previous year (3.82 compared with 3.99). Aalto University has set the minimum average credit target at 4.1 for 2024. According to the career monitoring survey carried out by the Aarresaari career services network of Finnish universities, Aalto University graduates are highly satisfied with their degrees. The master's graduates responding to the survey feel that their degree is appreciated by the employers, while doctors feel that their position in the labour market improved after they had completed the degree.

Teaching and learning at Aalto University has been developed on the basis of a new learning strategy, Future-led learning, and the work has focused on five areas: the development of

digital learning and learning environments, multidisciplinary and cross-cutting approaches in teaching, radical wellbeing for the entire learning community, management and development of the education portfolio, including the priorities of lifewide learning, and learning centrality.

The work on the final report on the Teaching and Learning Evaluation Exercise (TEE 2020) was completed in early 2021. The focus in the evaluation was on the management of degree programmes, competence accumulation in the degree programmes, the realization of multidisciplinary in education, and fluency in studies. Common development priorities and priorities specific to individual higher education institutions were identified in the evaluation. Based on the results, the university prepared guidelines to steer the updating of curricula.

In the curriculum work, the aim is to ensure that the learning outcomes and contents of each degree programme, as well as the methods used to evaluate teaching and learning, constitute an integrated and predictable package and that students graduate within the target period.

## **We aim to meet the challenges ahead and provide future-led education that opens up opportunities for life-wide learning as well.**

The proposal of the School of Arts, Design and Architecture on revised degree programmes and options available to applicants was adopted in spring 2021. The programme and options will be gradually implemented from autumn 2022 onwards. One purpose of the reform is to ensure the smooth progress of studies and high quality of teaching as student numbers increase. The university's other schools have also updated their portfolios.

The co-educator project aimed at promoting learning and teaching brings together teachers from different parts of the university to develop teaching and curriculum work. The aim is to promote the integration of multidisciplinary, sustainable development, entrepreneurial competence, entrepreneurial mindset and radical creativity into teaching contents. Students are encouraged to include courses from outside their own fields in their studies and to participate in multidisciplinary courses or study modules.

Aalto University offers a wide range of master's degree programmes, minor subject programmes and freely available online courses focusing on sustainable development or containing themes relevant to the topic. As a result of the Climate University cooperation, a total of 13 open online courses on the circular economy, sustainability and climate change have already been published. The Aalto Ventures Program (AVP) supports the learning of key entrepreneurial skills, helping students develop new businesses. The Starting Up course, which is open to all, covers the fundamentals of startup entrepreneurship, offering tools and basic information on startup entrepreneurship for a broader audience. Multidisciplinary teaching based on research and artistic activities, as well as creative practices, is increasingly available to all Aalto University students.

Figures in parenthesis refer to 2020 unless otherwise mentioned.

The exceptional situation caused by the COVID-19 pandemic, which is now in its second year, has had a significant impact on the organisation of teaching and learning, the wellbeing of students, and the progress of studies. Systematic development of online teaching and associated services has allowed Aalto University to provide most of its teaching on a remote basis. As travel restrictions have prevented international movement of students, mobility periods have also been carried out by means of remote learning. Developing virtual mobility and providing internationalisation experiences will also be key development priorities in the future.

The university and the student union have actively cooperated to enhance the wellbeing of students. Efforts have been made to support wellbeing and the ability to study. For example, low-threshold services have been made available online. Multiprofessional support, such as study guidance, health services and the services of study psychologists and university chaplains are available under the Starting Point of Wellbeing umbrella. Efforts have been made to reduce the loneliness experienced by students by promoting attachment to the higher education community and the establishment of peer contacts.

Developing lifewide learning was a key theme in 2021. Aalto University Open University and especially Open University route to degree studies remained highly popular. Aalto University provides executive education and continuing education through Aalto University Executive Education Oy (Aalto EE). For many years, the Financial Times newspaper has placed Aalto EE among the top 1% of the world's business management education providers. At the end of 2021, Aalto University appointed a head of lifewide learning who also serves as the managing director of Aalto EE. The aim is to respond in the best possible way to future competence needs and to utilise synergies between the university's educational portfolio (degree education, open university, FITech network university and Aalto University Summer School) and the offerings of Aalto EE.

## INSPIRING ECOSYSTEM

**WE RENEW SOCIETY WITH RESEARCH-BASED KNOWLEDGE, CREATIVITY AND ENTREPRENEURIAL MINDSET. WE GENERATE INNOVATIVE SOLUTIONS TO TACKLE GRAND GLOBAL CHALLENGES.**

A world-class innovation and entrepreneurship ecosystem has grown around the university and has been highlighted as a model of the role that universities can play in pioneering regional innovation ecosystems. A Grid, one of Europe's largest startup centres, operates in Aalto University's premises at Otaniemi. It already provides a home for to about 150 startup companies and communities.

Student-driven entrepreneurship activities are also an important part of the entrepreneurship ecosystem. This ecosystem provides the basis for numerous startups and a wide range of cross-disciplinary innovations and new initiatives each year. Examples of student-based entrepreneurship activities include Aalto Entrepreneur Society (AaltoEs), the largest student-driven entrepreneurship community in Europe; Kiuas, Finland's leading business accelerator; and Slush, which has grown into one of the world's leading startup events.

In 2021, Aalto University exhibited the diversity of its entrepreneurship community at Slush. A total of 12 research-based startups from the university were present, and all of them contribute to the achievement of the sustainable development goals through their work. Junction, Europe's leading hackathon

community, held its main event online in November 2021. As part of the event, about 500 participants met face-to-face at Aalto Hub.

The innovation process is an essential part of the mechanisms of research having a societal impact. Patenting enhances the usability of an invention, and ultimately the technology can be transferred to a new company

built around the innovation. Iceye (which builds the world's smallest radar satellites), IQM (which builds of quantum computers) and the food delivery company Wolt are some of the companies created through Aalto University's innovation process. During the year, Aalto University processed 121 (118) innovation proposals, filed 54 (56) patent applications (priority patent applications), and carried out 18 (24) transfers

of technology or competence to businesses. On the Finnish Patent and Registration Office's list of Finnish companies with the highest number of patent applications, Aalto University was in the third (fourth) place in 2021.



Aalto University aims to increase its societal impact by bringing together international and national actors.

Figures in parenthesis refer to 2020 unless otherwise mentioned.

Aalto University plays a globally recognised role as a promoter of entrepreneurship. Cooperation with companies ensures that the changing capabilities needed in working life can be developed as part of teaching and that Aalto University's teaching resources and competence can be harnessed to support the development of working life. Aalto University encourages everyone in its community to adopt an entrepreneurial mindset in which problems and challenges are seen as an opportunity to develop new things. From Lab to Market events encourage researchers to analyse the impact of their research and to consider the commercialisation of their research results.

### **Corporate collaboration enhances the quality and impact of our academic activities.**

Business partnerships provide Aalto University with useful information on business life, as well as the needs in terms of expertise, competence, and innovation, and in this way they also enhance the societal impact of research and education. Aalto University is engaged in systematic cooperation with more than 500 companies. In 2021, the corporate collaboration volume, or income from companies, totalled about EUR 16 million (EUR 18 million).

A strategic business partnership means a long-term commitment to cooperation by the university and a company with the aim to work together to find solutions for a more sustainable future. At its best, long-term cooperation provides a basis for scientific breakthroughs and new innovations. ABB, Neste, Nokia and Saab are our current strategic business partners.

Strategic research cooperation with Saab expanded in 2021. With an additional investment of EUR 3 million, the company's total investment for the period 2017–2026 reached EUR 23 million. So far, ten dissertation-level research projects have been launched within the framework of this cooperation, and these have already produced dozens of scientific publications. The first doctors of science (technology) of the joint doctoral programme graduated in 2021.

The International Maritime Organization (IMO) has set a target of halving the greenhouse gas emissions from shipping by 2050. Aalto University and ABB are jointly developing world-class technologies as the shipping sector shifts to using electronic, autonomous and emission-free solutions. We are also cooperating closely in technologies related to digital twins for electric drives and 5G solutions for power grids. These developments are driven by the acceleration of electrification by the energy transition.

Nokia and Aalto University cooperate extensively in the fields of information and communication technology, artificial intelligence, art, design and business administration. Nearly 20 joint research projects are underway, focusing on sectors such as 5G technology, signal processing, antenna technology, artificial intelligence, machine learning, the Internet of Things, mobile cloud services and materials.

Several professors and postdoctoral researchers, as well as doctoral and master's students, from different schools of Aalto University are involved in the research cooperation with Neste, which focuses on renewable products, low-carbon solutions and the circular economy. In addition to this partnership, Neste is an important employer for Aalto University alumni and students.

Aalto University's strategic partners also include public sector actors, such as universities and research institutes, as well as international innovation networks. The European Institute of Innovation and Technology (EIT) has become the largest innovation community in Europe, and Aalto University is involved in six of its eight Knowledge and Innovation Communities (KIC).

Aalto University is engaged in effective cooperation with higher education institutions, research institutes and municipalities in the greater Helsinki. The Cities of Helsinki and Espoo are Aalto University's strategic partners. In autumn 2021, Aalto University joined the Kampusinkubaattorit (Campus Incubators) programme of the City of Helsinki and the region's higher education institutions. The purpose of the programme is to develop business incubators for campuses. By participating in the programme, Aalto University aims to strengthen in particular innovation and business activities in creative sectors. The programme complements Aalto University's technology-oriented business incubator activities, which are already extensive.

The 100 000 alumni of Aalto University are present in all areas of society, and many of them hold key positions in Finnish and international companies. They are particularly well represented among company founders, owners and board members. For example, according to information received from the Finnish Venture Capital Association, about 40% of the managing directors of Finnish-listed companies graduated from Aalto University. Moreover, companies established by Aalto University researchers, students and alumni have raised more than EUR 1.1 billion in funding over the past decade.

Figures in parenthesis refer to 2020 unless otherwise mentioned.



**Enabling  
our success**



## COMMUNITY & PEOPLE

DEVELOPING OUR CULTURE OF INCLUSION, CURIOSITY, COLLABORATION AND WELLBEING AS OUR COMPETITIVE EDGE.

### COMMUNITY

The culture of the Aalto community is founded on shared values, a way of working and ethical principles (Code of Conduct). The way of working is guided by the shared values: responsibility, courage and collaboration. Our Code of Conduct, the 'fair play rules of the university community, describe what adhering to the values means in practice. The Code of Conduct was updated in 2021 to reflect Aalto University's revised strategy and changes in the operating environment.

Equality, diversity and inclusion support the community's wellbeing, creativity and ability to promote world-class research, teaching and impact. In the equality, diversity and inclusion (EDI) plan prepared by the Aalto community in 2021, the community commits to build its equality, diversity and inclusion capabilities, foster inclusive learning experiences, develop equal people processes and practices, strengthen a data-driven operating model and promote accessibility and barrier-free environments. These themes are also focus areas in the online training 'Everyone is included' available to the Aalto community.

Issues related to the wellbeing of the Aalto community were highlighted in many areas in 2021. The Oasis of Radical Wellbeing project, launched in 2021, aims to provide Aalto community members with tools to better cope with the pressures arising from studying, work and society, as well as the pressures imposed by individuals on themselves. The principles of hybrid work were introduced in autumn 2021 to enable flexible remote and on-site work. Under the team charter, teams are encouraged to have internal discussions on the team's purpose, objectives and common operating methods, as well as on members' responsibilities and roles. Support is offered for personnel to develop both remote working skills and digital competence. The Starting Point of Wellbeing provides students with advice and service guidance in all wellbeing matters.

Aalto University is an active member of sustainable development university networks at both the national and international level. Aalto University is committed to the joint theses of sustainable development and responsibility adopted by Universities Finland, UNIFI. Aalto University has signed the SDG Accord, in which world universities pledge to act in accordance with the UN

Sustainable Development Goals, and it is also a member of the International Sustainable Campus Network (ISCN).

### PERSONNEL

The number of the university's personnel was 4 651 (4 610). A total of 60% (59%) of the personnel were employed in teaching and research positions, 12% (11%) were degree students working as teaching and research assistants and 28% (30%) belonged to other personnel groups. In total, 25% (24%) of the personnel were doctoral students.

A total of 37% (36%) of the personnel held a permanent employment contract and 84% (85%) worked full-time. Women accounted for 40% (40%) of the personnel. A total of 15% (14%) of the personnel will reach the age of at least 65 within the next ten years. The share of non-Finnish personnel was 33% (32%), reflecting the strong international focus of the university.

Significant investments in professorships connected to the tenure track system continued in 2021. At the end of 2021, the university had 395 (393) professors, of whom 296 (286) had been appointed since the establishment of Aalto University. A total of 99 (107) of

the professors had been appointed before the year 2010. Women accounted for 22% (20%) of the professors. International professors accounted for 27% (26%) of the total. 35% (34%) of the professors will reach the age of at least 65 within the next ten years.

Aalto University invites people who have made distinguished contributions to business, industry, or society and have a strong academic or artistic background to serve as professors of practice. The professors of practice, who mostly work part time, make their expertise available to the university and diversify its teaching offerings. At the end of 2021, Aalto University had 51 (58) professors of practice.

In 2021, the average number of personnel employed by the Aalto University Group was 4 796 (4 681). The University Group's personnel costs totalled EUR 272 million (EUR 256 million), of which the university accounted for EUR 260 million (EUR 244 million). Salaries and other compensations paid to the members of the board, the president, and the members of the boards of Aalto University Group companies and their CEOs totalled EUR 1.2 million (EUR 1.0 million).

Figures in parenthesis refer to 2020 unless otherwise mentioned.

## GOVERNANCE

The main governing bodies of Aalto University are the board, the president, the provost, the vice presidents, the Academic Affairs Committee, the deans of the university's schools, the vice-deans and the schools' academic affairs committees.

The board comprises seven external members, including the chair and vice chair. The board decides on the strategy of the university, matters concerning university operations and finances and on other far-reaching plans. The board also ensures that the university's activities are organised appropriately and that its assets are invested in a systematic and productive manner. The board appoints the president, the provost, the vice presidents, the deans and other personnel reporting directly to the president and the provost.

The president directs the university operations in accordance with the Universities Act, the values of the university community, the university strategy adopted by the board and the guidelines and regulations issued by the board. The president is responsible for the resource management and allocation of the university and leads the long-term strategic development and strategic partnerships of the university.

The provost substitutes for the president, supports the president in strategic development, appointment of professors and resource management, and leads all the processes connected to teaching, research and societal impact. The provost reports to the president, and the vice presidents report to the provost.

The Academic Affairs Committee is a joint multi-member university-level administrative body referred to in the Universities Act. The committee decides on the curricula and degree requirements, sets the admission criteria, and appoints the necessary committees for organising research and teaching. It also appoints the five-member nomination committee and the members of the board based on proposals made by the nomination committee.

Aalto University is organised into six schools and joint units. Led by the deans, the university's schools consist of departments, each led by a department head. The university's schools are responsible for teaching, research and other academic activities. They are academically independent within the framework of the university's strategy, guidelines, and annual operating plan and budget. Further provisions on the organisation of the schools' operations are issued in the bylaws of the schools. To deal with academic matters at the level of schools, the university has academic affairs

committees for each school. The school academic affairs committee performs the duties assigned to it by the University Academic Affairs Committee.

The university and its subsidiaries form the Aalto University Group, with the board and the president being responsible for its governance. The president appoints university representatives to the annual meetings of the subsidiaries, in which the board members of these companies are elected. The boards of the subsidiaries elect their CEOs, who are responsible for the operations of these companies.

In 2021, the Aalto University board comprised the following members: Sari Baldauf, Ilkka Kivimäki, Mikko Kosonen (chair), Karel Luyben, Liqiu Meng, Andreas Mortensen and Susanna Pettersson. Liqiu Meng stepped down in 2021 after serving as a board member for the maximum period permitted under the foundation's constitution (three terms). Maria Amatullo was elected as a new board member as of 1 January 2022. Ilkka Niemelä, Aalto University's president, served as the rapporteur for the board.

Aalto University would like to thank Liqiu Meng for her invaluable contribution to the international development of the university.

## INFRASTRUCTURES & CAMPUS

INVESTING IN OPEN STATE-OF-THE-ART PHYSICAL & DIGITAL INFRASTRUCTURES AND THE CAMPUS ENVIRONMENT AS LONG-TERM ASSETS.

### INFRASTRUCTURES

Infrastructures provide the framework for high-quality research, education and innovation. Aalto University maintains several high-level infrastructures for research and education and continuously develops them in cooperation with its partners. All of Aalto University's significant research and teaching infrastructures are open. Significant infrastructures include the following: Aalto Ice Tank multi-purpose basin, Aalto i3 supporting industry and innovation activities, Aalto NeuroImaging (ANI) brain imaging and behavioural research laboratories, Aalto Studios media centre, Bioeconomy infrastructure, Metsähovi radio observatory, OtaNano microtechnologies and nanotechnologies infrastructure, RAMI (RawMatTERS) raw materials research infrastructure, and Science-IT computational science infrastructure.

Both physical and digital accessibility of Aalto University's infrastructures was further improved during 2021. The research information system ACRIS and the electronic publication archive Aaltodoc comprise Aalto University's open publication archive. The open publication archive provides a free platform for self-archiving of and open access to the university's publications.

The software and high-performance computers used by the university are available to users outside the campus via virtual desktop infrastructure (VDI). Fast network connections on the campus enable efficient data transfer and high computational capacity. The campus also has an internal 5G network for the research environment. The university's internal Secwork allows the processing of highly sensitive data in research.

Digital accessibility of the infrastructure is also taken into account in development projects focusing on digitalisation, in which the compatibility of the university's systems and services is ensured through the IT architecture. Improvements were made in the recording of lectures and remote participation in 2021 by, for example, modernizing the audiovisual technologies of the teaching facilities and meeting rooms.

### CAMPUS

Aalto University's long-term campus development programme progressed according to plan in 2021. The renovation of the old Otaniemi shopping centre was completed in May 2021, and the shopping centre A Blanc now serves as the second service centre of the campus.

Construction of Aalto University Works continued in the K-block of the Otaniemi campus. Aalto University Works will be gradually built into a workshop complex for the use of university's various actors and partners. The extensive construction and renovation project will continue until 2026. The accessibility of the campus and individual buildings will be improved as part of the renovations. Outdoor area improvements at Amfi plaza and in front of Dipoli also started during 2021.

The Aalto University board made an investment decision regarding new construction in Otakaari 2A & 2B and renovation of Otakaari 5L. The buildings will provide the campus with additional space for teaching and research, as well as for events and studio work. Construction started in early 2022, and the work is expected to be completed in 2023. The board also made an investment decision about the construction of a student centre, which will be located in the middle of the campus and serve as a meeting place for Aalto University students. The student centre is a joint project of Aalto University and the student organisations. Aalto University will act as the developer, and the student organisations will redeem their share of the building after its completion. The student centre is expected to be completed in 2024.

Aalto University aims to make its campus carbon neutral by the year 2030. The university's carbon neutrality action plan focuses on the active reduction of carbon dioxide emissions instead of compensation. The carbon-neutral heating and cooling system jointly designed for the Works block by Aalto University and Fortum is a good example of an innovative energy solution. The first phase of the updated energy solution for the block was completed in 2021. After the completion of the second phase in a few years' time, a carbon-neutral system will meet up to a quarter of the heat demand on the Otaniemi campus.

At the end of December, a total of 47 500 m<sup>2</sup> (46 000 m<sup>2</sup>) of Aalto University's facilities were rented to the university's partners. The largest tenants were VTT Technical Research Centre of Finland Ltd, Aalto University Executive Education, Compass Group FS Finland Oy and Aalto Entrepreneurship Society. The university has use of a total of 210 000 m<sup>2</sup> (210 000 m<sup>2</sup>) of workspace, of which the Otaniemi campus accounted for 207 000 m<sup>2</sup> (206 000 m<sup>2</sup>) and other sites for 3 000 m<sup>2</sup> (4 000 m<sup>2</sup>). In 2021, the university's facility costs totalled EUR 44 million (EUR 43 million).

Figures in parenthesis refer to 2020 unless otherwise mentioned.

## SERVICES & FINANCIAL RESOURCES

**BUILDING DYNAMIC SERVICE SOLUTIONS AND DATA-DRIVEN OPERATIONS, AND STRENGTHENING OUR FINANCIAL RESILIENCE.**

### SERVICE SOLUTIONS

Aalto University's service functions support the university in carrying out its tasks and achieving its objectives. Service levels and resourcing are based on the university's strategic choices and the needs of the university's schools. The university's service resourcing model was renewed during 2021 to allow more flexibility in the service needs of the schools. The renewal focuses on the long-term development of services, the alignment of service processes and the transparency of service costs.

A service mindset, digitalisation of services and efficient data management play a key role in the development of the university's services. During 2021, the university made significant investments in the development of services through numerous development projects based on its strategy. Examples of system development work completed during the year include the introduction of the new study information system, recruitment system and travel management system.

Digivision 2030, a joint project of Finnish higher education institutions, was launched in 2021. Aalto University and the Metropolia University of Applied Sciences are jointly in

charge of the project. The main goal of the project is to make national learning data resources accessible to individuals and society, to enhance Finland's competitiveness and to make Finland a model country for flexible learning. All Finland's higher education institutions committed to the joint digital vision by signing a participation agreement by 31 March 2021. During its first year, the project has largely progressed on schedule. Among the areas identified for development are ensuring the timely availability of expert work and strengthening the link between the project and the higher education institutions' own development plans.

The university's information management principles are described in the information management model. The information footprint of Aalto University was described based on the information management model in 2021, and it also serves as the document publicity description required by the Information Management Act. The information footprint describes the information resources managed by the university and the information systems used in data management.

### DEVELOPMENT OF OPERATIONS AND RISK MANAGEMENT

Aalto University's quality system is based on the principle of continuous improvement. The planning and monitoring of the university's operations are built around the annual processes of the quality system. The purpose of the University Review is to assess the implementation of the strategy based on feedback and results from the previous year. Long-term goals for the next four years and plans for their implementation are set in the University Dialogue. Assumptions related to the operating environment are evaluated in the University Preview.

Developing the university's operations requires continuous quality monitoring and development. Preparations for the audit to be carried out late 2022/early 2023 were started in 2021. The audit will be conducted by the Finnish Education Evaluation Centre (FINEEC). The emphasis in the audit model for higher education institutions is on the impact of the activities as part of education, research and artistic activities. Implementation of equality, diversity and inclusion in the university community is the optional evaluation target at Aalto University.

Risk management is an essential part of the management system of Aalto University, supporting the realisation of the university's strategic and operational goals. To achieve its goals, the university is prepared to take risks in which the expected benefits are in reasonable proportion to the extent and likelihood of the potential losses. Aalto University aims to avoid risks that are unlikely to bring corresponding benefits and, when appropriate, to cost-effectively mitigate risks to an acceptable level. The purpose of risk management is to cover all the risks that may threaten the achievement of the university's short-term or long-term objectives. Particular consideration is given to the management of strategic risks and financially important risks.

The key risks in Aalto University's operating environment are related to the safeguarding of funding for the university's operations in the long term. The unpredictability and potential redirecting of public funding for the university sector may weaken Aalto University's ability to achieve its long-term strategic goals. The financial resilience of the university will also be affected by possibly accelerating inflation if its impact is not adequately taken into account in the universities' funding frame. Uncertainty in the financial markets may

have a negative impact on Aalto University's endowment portfolio and thus also impact the funding available for the university's core activities in the long term.

The prolonged COVID-19 pandemic and the continuation of the exceptional circumstances have increased the risks affecting the wellbeing of the Aalto community. Challenges to the wellbeing of personnel and students may weaken the efficiency and performance of the university's operations. The increase in remote work and studying has made the community more dependent on the functioning of digital solutions. When realised, threats associated with information security and information management may harm the university's operations.

The principle underlying Aalto University's property insurance cover is to insure key assets with a relatively high level of risk. The insurances secure all assets that are essential and material for the university's operations. Aalto University also has liability insurance cover with respect to possible damage caused to third parties by its operations, as well as management liability insurance cover with respect to financial damage that might result from the actions of the management and board members of the university and its subsidiaries.

## FINANCIAL POSITION

Aalto University's pro forma operative income totalled EUR 370 million (EUR 343 million), an increase of 8% compared to the previous year. Government funding of EUR 227 million (EUR 212 million) was the main source of income. The increase in government funding from 2020 is partly due to the renewal of the funding model for universities. During the agreement period 2021–2024, government funding includes funding for strategic development benefiting the whole higher education sector, such as the development of a digital service environment, and temporary funding for increasing student intake. Grant income was received as follows: EUR 50 million (EUR 47 million) from the Academy of Finland, EUR 24 million (EUR 24 million) from the European Union, and EUR 15 million (EUR 12 million) from Business Finland. Other funding increased to EUR 37 million (EUR 30 million) mainly as a result of higher turnover related to intellectual property rights.

Pro forma operative expenses totalled EUR 377 million (EUR 358 million), an increase of 5% compared to the previous year. Personnel and facility expenses were the two largest expense items. Personnel expenses accounted for 69% (68%) and

facility expenses for 12% (12%) of operative income/expenses. Personnel expenses increased by 6% from the previous year because of an increase in the number of personnel and the impact of collective labor agreement. Facility expenses grew by 2% as a result of higher electricity prices. Other expense groups increased by a total of 4% from 2020. Only a moderate increase in costs was recorded because, as a result of the exceptional situation caused by the COVID-19 pandemic, some of the university's operative expenses remained below normal levels.

Aalto University's pro forma operative loss was EUR 7 million (EUR 15 million).

Fundraising profit in the official profit & loss statement was EUR 12 million (EUR 1 million). The fundraising income of EUR 13 million (2 million) consisted of donations received. EUR 5 million of the donations were targeted to the establishment of the Bioinnovation Center and another EUR 5 million to professorships and professorships of practice. EUR 2 million was targeted to Aalto University's fields of education and to the university in general, in accordance with the terms of the Government matching funding campaign. In the profit & loss statement, the capitalisation of donations raised to restricted funds is deducted in change in restricted funds.

Profit from endowment activities totalled EUR 215 million (EUR 41 million). In 2021, the profit from endowment activities mainly consisted of realized profits from sale of investment funds and increased market value of investment funds. The strong development of the financial markets significantly impacted endowment profit.

Loss from financing activities amounted to EUR 1 million (EUR 3 million). The loss from financing activities in 2021 resulted from the development of real estate business. The profit/loss from endowment activities and financing activities includes both realised profits and losses as well as changes in the fair value of assets.

The net profit for the university's financial year was EUR 203 million (EUR 20 million), which was 55% (6%) of the turnover.

The university's balance sheet totalled EUR 2 044 million (EUR 1 869 million).

In assets, investments increased to EUR 1 402 million (EUR 1 206 million) as a result of a growth in endowment assets. Changes in the value of investments also resulted from changes in the valuations of shareholdings arising from the transfer of intellectual property rights and the sale of housing company shares reported as associated company. The housing company shares still held by the

Figures in parenthesis refer to 2020 unless otherwise mentioned.

university were transferred to other shareholdings. The increase in the balance sheet value of tangible assets to EUR 48 million (EUR 42 million) resulted from investments in teaching and research equipment, as well as IT equipment. Receivables decreased to EUR 509 million (EUR 515 million) due to repayments of intra-group loans. Cash and bank decreased to EUR 83 million (EUR 105 million).

In equity and liabilities, equity increased to EUR 1 591 million (EUR 1 377 million), due to the profit of the financial year. Because of donations received, restricted funds increased to EUR 71 million (EUR 60 million). Unrestricted funds increased to EUR 361 million (EUR 351 million). The value of the unrestricted funds was reduced by their use to finance the university's activities, while their value was increased by the endowment profits from previous years. Liabilities decreased to EUR 452 million (EUR 491 million), as a loan related to campus

investments fell due, and new loans raised were less than before.

In the cash flow statement, cash flow from ordinary operations decreased to EUR 30 million (EUR 41 million), mainly due to the change in working capital caused by the decrease in advance payments received. Cash flow from investments was EUR -25 million (EUR 7 million). Of the cash flow from investments, EUR -21 million (EUR -18 million) was related to investments in tangible and intangible assets and EUR -4 million (EUR 26 million) to endowment activities. Cash flow from financing activities was EUR -26 million (EUR -1 million). The change was mainly due to the fact that more loans were repaid than new loans were raised. The university's change in funds was EUR -22 million (EUR -48 million). Of this change, EUR -18 million (EUR 22 million) was related to the university's ordinary activities and EUR -4 million (EUR 26 million) to endowment activities.

KEY FIGURES, EUR 1M	2021	2020	2019	2018
Operative income	370	343	339	347
Operative profit/loss	-7	-15	-32	-18
Fundraising profit/loss	12	1	3	2
Endowment profit/loss	215	41	153	-64
<b>Profit/loss for the period</b>	<b>214</b>	<b>20</b>	<b>130</b>	<b>-85</b>
<b>Total cash flow</b>	<b>-22</b>	<b>48</b>	<b>-43</b>	<b>38</b>
Total assets	2 044	1 869	1 847	1 669
Total equity	1 591	1 377	1 353	1 221
Total liabilities	452	491	493	446

Figures in parenthesis refer to 2020 unless otherwise mentioned.

## Endowment

Aalto University engages in long-term and responsible endowment activities to support the implementation of the university's strategy. The endowment activities aim to preserve and accumulate the real value of the endowment capital in the long term, as well as to provide a steady and predictable income to fund university operations in the medium term. Preserving the real value of the endowment capital secures equality across generations by maintaining the purchasing power of the endowment capital and the funding it provides to the university's operations over time.

At the end of the year, the market value of the endowment portfolio was EUR 1 356 million (EUR 1 167 million). The average annual return on the endowment portfolio has been 6.0% after expenses since the inception of operations. In 2021, the return on the endowment portfolio was 18.4% (3.7%) after expenses. At the end of the year, 23% (26%) of the portfolio was held in fixed income instruments, 61% (60%) in equities and 16% (14%) in alternative risk.

Aalto University is committed to responsible investing and managing the endowment in a sustainable way in line with the university's values. The university has signed the Principles for

Responsible Investments (PRI) and is also a member of Finland's Sustainable Investment Forum (FINSIF) and the Standards Board for Alternative Investments (SBAI). Aalto University published its first endowment sustainability report in 2021.

## Aalto University Group

Aalto University Group's total income was EUR 637 million (EUR 415 million) and total expenses EUR 434 million (EUR 397 million). The Group recorded a net profit of EUR 202 million (EUR 18 million).

The Group's balance sheet totalled EUR 2 049 million (EUR 1 871 million) at the end of the year. The increase was due to a growth in the university's endowment assets. Cash flow from Aalto University Group's ordinary operations was EUR 44 million (EUR 52 million) and the cash flow from investments was EUR -35 million (EUR -15 million). Cash flow from financing activities was EUR -34 million (EUR 13 million). The group's total cash flow was EUR -26 million (EUR 50 million).

The sub-group Aalto University Executive Education recorded a turnover of EUR 20 million (EUR 18 million) and a net profit of EUR 1.0 million (EUR 0.2 million). All Aalto University Group companies have prepared their own financial statements for the financial year 2021.

### **Major events after the financial year**

No events of a material nature affecting the financial status of the Aalto University Group and its financial statements for 2021 took place between the end of the financial year and the preparation of the financial statements.

### **Estimate of future development**

Most of Aalto University's operations are financed from public funds. The university's main source of income is government funding, which accounted for 61% of the university's operative income in 2021. Other public funding from the Academy of Finland and Business Finland accounted for 17% of the income.

The annual government funding received by Aalto University in 2021 has declined by 27% from the level of funding in University's first year of operation in 2010, taking into account university inflation. This decline by almost a third in real terms poses significant challenges to the university's operations. If in the future years the impact of inflation will not be taken into account in the funding of universities, the funding of the university's research and education activities will be eroded further.

The potential redirecting of university sector funding and the balancing of public finances in the post-COVID-19 period may also weaken Aalto University's financial resilience. In particular, the substantial cuts in the Academy of Finland's research funding proposed by the Ministry of Finance would have a negative impact on Aalto University's funding opportunities in the coming years.

The Aalto University board approved the budget for 2022 and the long-term financial plan for the period 2023–2025 at its meeting on 10–11 June 2021. In the planning period, priority will be given to the safeguarding of academic activities, the efficiency of operations, long-term financial resilience and ensuring the wellbeing of the Aalto community. Efforts will be made to expand the funding base by increasing external funding.

During the planning period, measures will be taken to enhance the competitiveness of research and teaching infrastructures and develop the university's digital infrastructures and services. Adapting to the increase in the number of students will also require more professorships and more teaching and service resources. The significant increase in student intake will continue

in 2022. The background for the increase is the goal of raising educational levels in Finland set out in the Government Programme.

### **Activities with related parties**

Aalto University maintains a register of its related parties, which covers all necessary, practically available information. The register is updated on a yearly basis and includes the decision-makers of the university and its subsidiaries as well as their family members. A summary of financial activities with related parties is presented in the notes to the financial statements.

### **Auditor**

KPMG Oy Ab was the university's auditor during the financial year.

## KEY FIGURES ACCORDING TO THE UNIVERSITIES' FINANCIAL CODEX

FINANCIAL RATIOS	FOUNDATION				GROUP			
	2021	2020	2019	2018	2021	2020	2019	2018
<b>Change in revenue</b>								
Change in turnover %	8%	1%	-2%	-1%	8%	0%	-2%	-1%
<b>Profitability</b>								
Operating profit, % of turnover	-3%	-6%	-11%	-7%	-3%	-5%	-10%	-5%
Change in equity %	16%	2%	11%	-6%	15%	2%	10%	-6%
Endowment return %	18.4%	3.7%	15.6%	-6.0%				
<b>Liquidity (without endowment cash and bank)</b>								
Quick ratio	2.9	0.7	1.0	0.8	1.4	1.0	1.8	1.5
Days cash on hand	43	64	41	30	45	70	44	34
<b>Solvency</b>								
Equity ratio	80%	76%	75%	75%	81%	77%	77%	76%
Gearing	13%	16%	19%	17%	12%	15%	18%	16%

PERSONNEL STRUCTURE	2021			2020			2019			2018		
	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>FTE by personnel group</b>												
Academic career level 4	253	16%	84%	245	15%	85%	245	15%	85%	243	15%	85%
Academic career level 3	501	30%	70%	501	30%	70%	455	31%	69%	442	30%	70%
Academic career level 2	618	34%	66%	590	34%	66%	607	32%	68%	576	30%	70%
Academic career level 1	1050	32%	68%	1001	31%	69%	936	31%	69%	914	31%	69%
Other personnel	1977	53%	47%	1882	52%	48%	1881	46%	54%	1878	51%	49%
Total	4 398	40%	60%	4 218	40%	60%	4 125	39%	61%	4 052	39%	61%
<b>Number of academic leaders</b>	85	22%	78%	70	24%	76%						
<b>Number of full-time and part-time personnel</b>												
Full-time personnel	3 523	40%	60%	3 499	40%	60%	3 392	39%	61%	3 320	39%	61%
Part-time personnel	1 128	45%	55%	1 111	43%	57%	1 007	40%	60%	967	41%	59%
<b>Number of international personnel</b>												
Teaching and research personnel	1 315	28%	72%	1 254	29%	71%	1 140	28%	72%	1 000	28%	72%
Other personnel	224	50%	50%	225	46%	54%	222	35%	65%	216	37%	63%
<b>Share of fixed-term personnel</b>												
Teaching and research personnel	81%	32%	68%	81%	32%	68%	81%	32%	68%	81%	32%	68%
Other personnel	40%	51%	49%	46%	50%	50%	43%	46%	54%	42%	46%	54%

AGE STRUCTURE	2021				2020				2019				2018			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Personnel age structure and shares																
Under 20 years	3	0%	4	0%	0	0%	1	0%	2	0%	2	0%	1	0%	1	0%
20-29 years	412	9%	804	18%	347	8%	706	17%	306	7%	684	17%	300	7%	655	16%
30-39 years	546	12%	814	19%	529	13%	827	20%	517	13%	832	20%	497	12%	827	21%
40-49 years	402	9%	457	10%	371	9%	475	11%	364	9%	454	11%	357	9%	450	11%
50-59 years	286	7%	360	8%	293	7%	349	8%	299	7%	361	9%	303	8%	366	9%
60-79 years	128	3%	182	4%	136	3%	181	4%	128	3%	175	4%	123	3%	170	4%
Average age of personnel	39		39		38		36		39		36		39		37	
Average retirement age	64		65		64		65		65		65		65		66	
Number of retirements	20		29		22		14		18		22		29		29	

SALARIES	2021	2020	2019	2018
Salaries and other compensations (€1M)	219	208	200	193
Performance bonuses		-	-	-
Women's median salary compared with men's				
Teaching and research personnel	96%	96%	97%	
Other personnel groups	113%	113%	119%	
Total	95%	96%	96%	

COMPETENCE	2021	2020	2019	2018
Personnel training (days)				
Teaching and research personnel	23 245	33 314	13 802	6 648
Other personnel	11 370	12 727	11 498	20 307
Total	34 615	46 041	25 300	26 955

WELLBEING AT WORK	2021	2020	2019	2018
Personnel wellbeing survey result (scale 1-5)				
Job satisfaction	3.95	-	3.76	-
Direct supervisor work	4.20			
Competence, learning and development	4.20			
Workplace culture	4.04			
Absences due to sick leaves (days)	13 720	12 264	18 819	17 754



# Financial statements 2021

Based on the audited Finnish version

## AALTO UNIVERSITY FOUNDATION PRO FORMA PROFIT & LOSS STATEMENT, €1M

(not audited)

OPERATIVE INCOME	2021	%	2020	%	2019	%	2018	%	2017	%
Government funding	227	61%	212	62%	212	62%	219	63%	229	66%
Academy of Finland	50	13%	47	14%	48	14%	51	15%	45	13%
European Union	24	7%	24	7%	24	7%	21	6%	19	5%
Business Finland	15	4%	12	4%	11	3%	15	4%	18	5%
Corporate	13	4%	14	4%	14	4%	12	4%	12	4%
Other	37	10%	30	9%	26	8%	24	7%	21	6%
Transfer from special purpose funds	4	1%	4	1%	5	1%	4	1%	1	0%
<b>TOTAL</b>	<b>370</b>	<b>100 %</b>	<b>343</b>	<b>100 %</b>	<b>339</b>	<b>100 %</b>	<b>347</b>	<b>100 %</b>	<b>345</b>	<b>100 %</b>
<b>OPERATIVE EXPENSES</b>										
Academic personnel	185	49%	173	48%	167	45%	160	44%	153	45%
Service personnel	74	20%	70	20%	69	19%	67	18%	64	19%
Facilities	44	12%	43	12%	46	12%	52	14%	48	14%
Service purchases	38	10%	35	10%	41	11%	39	11%	29	8%
Depreciations	12	3%	12	3%	12	3%	10	3%	9	3%
Other	24	6%	24	7%	37	10%	36	10%	38	11%
<b>TOTAL</b>	<b>377</b>	<b>100%</b>	<b>358</b>	<b>100%</b>	<b>371</b>	<b>100%</b>	<b>365</b>	<b>100%</b>	<b>341</b>	<b>100%</b>
<b>OPERATIVE PROFIT/LOSS</b>	<b>-7</b>		<b>-15</b>		<b>-32</b>		<b>-18</b>		<b>4</b>	
Spending from endowment and cumulative profits	7		-15		32		18		-4	
<b>OPERATIVE PROFIT/LOSS 2</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	

## FOUNDATION PROFIT & LOSS STATEMENT, €1 000

	Note	1.1.-31.12.2021	1.1.-31.12.2020
<b>ORDINARY OPERATIONS</b>			
<b>Turnover</b>			
Universities Act based government grant		226 560	212 388
Income from grants	2	106 561	95 602
Income from business activities	7	26 855	23 598
Other income		5 702	7 594
		<b>365 678</b>	<b>339 182</b>
<b>Expenses</b>			
Personnel expenses	5	258 652	243 119
Facility expenses		43 700	43 032
Depreciation and amortization	8	12 243	12 424
Other expenses	6	62 671	59 268
		<b>377 266</b>	<b>357 843</b>
<b>OPERATING PROFIT/LOSS</b>		<b>-11 588</b>	<b>-18 661</b>
<b>FUNDRAISING</b>			
Fundraising income and expenses	9	12 063	717
<b>ENDOWMENT ACTIVITIES</b>			
	10		
Income and expenses		128 897	38 501
Changes in the fair value of investments		86 375	2 678
<b>Endowment activities total</b>		<b>215 272</b>	<b>41 179</b>
<b>FINANCING ACTIVITIES</b>			
	11		
Investment property, income and expenses		-6 918	-5 568
Other financial income and expenses		2 197	2 719
Changes in the fair value of derivatives		3 269	-203
<b>Financing activities total</b>		<b>-1 452</b>	<b>-3 051</b>
<b>PROFIT/LOSS BEFORE TRANSFERS IN FINANCIAL STATEMENTS AND TAX</b>		<b>214 295</b>	<b>20 185</b>
<b>APPROPRIATIONS AND TAXES</b>			
Change in restricted funds		-11 014	34
Tax	12	352	277
<b>NET PROFIT/LOSS OF THE FINANCIAL YEAR</b>		<b>202 929</b>	<b>19 942</b>

## FOUNDATION BALANCE SHEET, €1 000

	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible assets</b>	13	<b>1 041</b>	<b>981</b>
<b>Tangible assets</b>			
Buildings and constructions	14	18	25
Machinery and equipment		40 140	34 792
Other tangible assets		798	782
Advance payments and work in progress		6 676	6 212
		<b>47 632</b>	<b>41 811</b>
<b>Investments</b>	16		
Shares in Aalto group companies		67 566	67 564
Shares in associated companies		0	3 580
Shares in jointly owned companies		4 441	4 441
Other shareholdings		9 507	5 022
Endowment assets	17	1 320 676	1 125 650
		<b>1 402 190</b>	<b>1 206 258</b>
<b>TOTAL FIXED ASSETS</b>		<b>1 450 863</b>	<b>1 249 050</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>		<b>137</b>	<b>142</b>
<b>Receivables</b>			
<b>Long-term receivables</b>			
Receivables, associated companies	18	2 000	2 000
Loans to group companies		236 570	458 615
Other receivables		325	0
		<b>238 895</b>	<b>460 615</b>
<b>Short-term receivables</b>			
Accounts receivable	19	33 514	31 104
Loans to group companies		213 735	0
Receivable, group companies		488	902
Other receivables		11 379	10 098
Prepaid expenses and accrued income		11 336	11 873
		<b>270 451</b>	<b>53 977</b>
<b>Cash and bank</b>			
Ordinary activities		48 573	66 628
Endowment		34 892	38 776
		<b>83 465</b>	<b>105 403</b>
<b>TOTAL CURRENT ASSETS</b>		<b>592 948</b>	<b>620 137</b>
<b>TOTAL ASSETS</b>		<b>2 043 811</b>	<b>1 869 186</b>

## FOUNDATION BALANCE SHEET, €1 000

	Note	31.12.2021	31.12.2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Foundation capital	22	280 000	280 000
Capital reserve		445 618	445 618
<b>Restricted funds</b>			
Restricted funds expendable	23	15 522	11 690
Restricted funds capitalizing		55 970	48 788
<b>Unrestricted funds</b>			
Entrepreneurship fund	24	170	459
Tenure track fund		25 397	26 015
Accumulated endowment returns fund		335 043	324 204
Operating equity		154 644	154 644
Profit/Loss from previous years		76 028	66 019
Profit/Loss of the financial year		202 929	19 942
<b>TOTAL EQUITY</b>		<b>1 591 321</b>	<b>1 377 379</b>
<b>PROVISIONS</b>			
		<b>0</b>	<b>466</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Loans from financial institutions		274 034	257 623
Advance payments		172	4 492
Other long-term liabilities		13 950	11 037
		<b>288 156</b>	<b>273 152</b>
<b>Short-term liabilities</b>			
Loans from financial institutions		13 589	62 989
Advance payments		55 191	54 828
Accounts payable		9 683	7 945
Liabilities to group companies		40 369	45 613
Other liabilities		23 672	24 496
Accrued expenses		21 830	22 319
		<b>164 333</b>	<b>218 189</b>
<b>TOTAL LIABILITIES</b>		<b>452 489</b>	<b>491 342</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 043 811</b>	<b>1 869 186</b>

## FOUNDATION CASH FLOW STATEMENT, €1 000

	1.1.–31.12.2021	1.1.–31.12.2020
<b>CASH FLOW FROM ORDINARY OPERATIONS</b>		
Operating profit/loss	-11 588	-18 661
Depreciation included in the above	12 243	12 424
Changes in working capital	-8 778	29 971
Cashflow in fundraising	12 064	717
Paid direct taxes	-352	-277
Transfer from endowment cash and bank	31 380	35 809
Transfer to endowment cash and bank	-5 308	-18 525
<b>TOTAL CASH FLOW FROM OPERATIONS (A)</b>	<b>29 660</b>	<b>41 458</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
<b>CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS</b>		
Investments in tangible and intangible assets	-18 124	-14 198
Received investment grants	3 664	1 434
Net proceeds from real estate	-6 918	-5 568
<b>CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS (B1)</b>	<b>-21 378</b>	<b>-18 332</b>
<b>CASH FLOW FROM ENDOWMENT ACTIVITIES</b>		
Investments in endowment	-582 776	-316 105
Proceeds from sales of financial assets	602 002	355 088
Other net proceeds from investments activities	2 962	3 902
Transfer to other activities cash and bank (net)	-26 072	-17 284
<b>CASH FLOW FROM ENDOWMENT ACTIVITIES (B2)</b>	<b>-3 883</b>	<b>25 601</b>
<b>TOTAL CASH FLOW FROM INVESTMENTS (B)</b>	<b>-25 261</b>	<b>7 269</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Changes in equity	0	4 733
Changes in the loan portfolio		
Group net lending	-40	-19 770
Withdrawn long-term loans	30 000	0
Paid long-term loans	-62 989	-8 959
Other income and expenses	2 197	2 719
Other changes in cash flow	4 496	20 322
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>-26 337</b>	<b>-954</b>
<b>CHANGE IN CASH AND BANK</b>		
Ordinary activities	-18 055	22 172
Endowment activities	-3 883	25 601
<b>CHANGE IN CASH AND BANK (A+B+C)</b>	<b>-21 938</b>	<b>47 773</b>
Ordinary activities cash and bank beginning of year	66 628	44 456
Ordinary activities cash and bank end of year	48 573	66 628
<b>Change in cash and bank Ordinary activities</b>	<b>-18 055</b>	<b>22 172</b>
Endowment cash and bank beginning of year	38 776	13 174
Endowment cash and bank end of year	34 892	38 776
<b>Change in cash and bank Endowment activities</b>	<b>-3 883</b>	<b>25 601</b>
<b>CHANGE IN CASH AND BANK</b>	<b>-21 938</b>	<b>47 773</b>

## GROUP PROFIT & LOSS STATEMENT, €1 000

	Note	1.1.–31.12.2021	1.1.–31.12.2020
<b>ORDINARY OPERATIONS</b>			
<b>Turnover</b>			
Universities Act based government grant		226 560	212 388
Income from grants	2	106 561	95 625
Income from business activities	7	47 425	41 742
Other income		6 042	7 782
		<b>386 588</b>	<b>357 537</b>
<b>Expenses</b>			
Personnel expenses	5	270 755	254 323
Facility expenses		11 544	11 834
Depreciation and amortization	8	27 991	28 392
Other expenses	6	86 389	80 973
		<b>396 679</b>	<b>375 523</b>
Profit/loss attributable to minority interests in associated companies		49	-31
<b>PROFIT/LOSS FROM ORDINARY OPERATIONS</b>		<b>-10 042</b>	<b>-18 017</b>
<b>FUNDRAISING</b>			
Income and expenses	9	12 063	717
<b>ENDOWMENT ACTIVITIES</b>	10		
Income and expenses		128 897	38 501
Changes in the fair value of investments		86 375	2 678
<b>Endowment activities total</b>		<b>215 272</b>	<b>41 179</b>
<b>FINANCING ACTIVITIES</b>	11		
Investment property, income and expenses		-4 906	-2 489
Other financial income and expenses		-2 897	-3 192
Changes in the fair value of derivatives		3 550	230
<b>Financing activities total</b>		<b>-4 254</b>	<b>-5 451</b>
<b>PROFIT/LOSS BEFORE TRANSFERS IN FINANCIAL STATEMENTS AND TAX</b>		<b>213 040</b>	<b>18 428</b>
<b>APPROPRIATIONS AND TAXES</b>			
Change in restricted funds		-11 014	34
Tax	12	274	128
<b>NET PROFIT/LOSS OF THE FINANCIAL YEAR</b>		<b>201 752</b>	<b>18 334</b>

## GROUP BALANCE SHEET, €1 000

	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible assets</b>	13	<b>2 290</b>	<b>2 434</b>
<b>Tangible assets</b>	14		
Land and water areas		37 963	37 145
Buildings and constructions		425 980	411 861
Machinery and equipment		65 329	57 149
Other tangible assets		4 468	4 608
Advance payments and work in progress		23 367	44 310
		<b>557 107</b>	<b>555 073</b>
<b>Investments</b>	16		
Shares in associated companies		472	3 945
Other shareholdings		11 677	7 192
Endowment assets	17	1 320 676	1 125 650
		<b>1 332 824</b>	<b>1 136 787</b>
<b>TOTAL FIXED ASSETS</b>		<b>1 892 222</b>	<b>1 694 294</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>		<b>137</b>	<b>143</b>
<b>Receivables</b>			
<b>Long-term receivables</b>	18	<b>1 325</b>	<b>1 043</b>
<b>Short-term receivables</b>	19		
Accounts receivable		35 238	32 617
Other receivables		12 273	11 070
Prepaid expenses and accrued income		11 666	12 160
		<b>59 177</b>	<b>55 847</b>
<b>Securities</b>	21	<b>9 503</b>	<b>6 830</b>
<b>Cash and bank</b>		<b>86 877</b>	<b>112 419</b>
<b>TOTAL CURRENT ASSETS</b>		<b>157 019</b>	<b>176 281</b>
<b>TOTAL ASSETS</b>		<b>2 049 241</b>	<b>1 870 575</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	22		
Foundation capital		280 000	280 000
Capital reserve		445 618	445 618
Restricted funds with separate assets	23	71 492	60 478
Unrestricted funds	24	360 611	350 678
Operating equity		154 644	154 644
Profit/Loss from previous years		95 404	87 015
Profit/Loss of the financial year		201 752	18 334
<b>TOTAL EQUITY</b>		<b>1 609 519</b>	<b>1 396 767</b>
<b>PROVISIONS</b>		<b>54</b>	<b>521</b>
<b>LIABILITIES</b>			
<b>Long-term</b>	25		
Loans from financial institutions		280 003	262 257
Advance payments		4 550	2 832
Other long-term liabilities		9 572	12 697
<b>Total long-term liabilities</b>		<b>294 125</b>	<b>277 786</b>
<b>Short-term</b>			
Loans from financial institutions		14 876	65 868
Advance payments		58 847	59 104
Accounts payable		16 723	13 556
Accrued tax		4 949	5 383
Other short-term liabilities		25 530	27 529
Accrued expenses		24 616	24 060
<b>Total short-term liabilities</b>		<b>145 542</b>	<b>195 501</b>
<b>TOTAL LIABILITIES</b>		<b>439 668</b>	<b>473 287</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 049 241</b>	<b>1 870 575</b>

## GROUP CASH FLOW STATEMENT, €1 000

	1.1.-31.12.2021	1.1.-31.12.2020
<b>CASH FLOW FROM ORDINARY OPERATIONS</b>		
Operating profit/loss	-10 042	-18 017
Depreciation included in the above	27 991	28 392
Changes in working capital *	-11 583	24 347
Cashflow in fundraising	12 063	717
Paid direct taxes	-708	-512
Transfer from endowment cash and bank	31 380	35 809
Transfer to endowment cash and bank	-5 308	-18 525
<b>TOTAL CASH FLOW FROM OPERATIONS (A)</b>	<b>43 793</b>	<b>52 211</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
<b>CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS</b>		
Investments in tangible and intangible assets	-35 791	-43 918
Received investment grants	3 664	1 434
Net proceeds from real estate *	995	1 847
<b>CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS (B1)</b>	<b>-31 132</b>	<b>-40 638</b>
<b>CASH FLOW FROM ENDOWMENT ACTIVITIES</b>		
Investments in endowment	-582 776	-316 105
Proceeds from sales of financial assets	602 002	355 088
Other net proceeds from investments activities	2 962	3 902
Transfer to other activities cash and bank (net)	-26 072	-17 284
<b>CASH FLOW FROM ENDOWMENT ACTIVITIES (B2)</b>	<b>-3 883</b>	<b>25 601</b>
<b>TOTAL CASH FLOW FROM INVESTMENTS (B)</b>	<b>-35 015</b>	<b>-15 036</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Changes in equity	0	4 733
Changes in the loan portfolio		
Withdrawn long-term loans	31 335	0
Paid long-term loans	-64 581	-8 959
Other income and expenses	-2 897	-3 192
Other changes in cash flow	1 823	20 322
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>-34 320</b>	<b>12 904</b>
<b>CHANGE IN CASH AND BANK</b>		
Ordinary activities	-21 659	24 477
Endowment activities	-3 883	25 601
<b>CHANGE IN CASH AND BANK (A+B+C)</b>	<b>-25 542</b>	<b>50 078</b>
Ordinary activities cash and bank beginning of year	73 643	49 166
Ordinary activities cash and bank end of year	51 984	73 643
<b>Change in cash and bank Ordinary activities</b>	<b>-21 659</b>	<b>24 477</b>
Endowment cash and bank beginning of year	38 776	13 174
Endowment cash and bank end of year	34 892	38 776
<b>Change in cash and bank Endowment activities</b>	<b>-3 883</b>	<b>25 601</b>
<b>CHANGE IN CASH AND BANK</b>	<b>-25 542</b>	<b>50 078</b>

\*) External expenses €2 214 000, group have been adjusted year 2020

## Aalto University Foundation

Aalto University Foundation forms a group, domiciled in Helsinki.

The annual statements and financial reports of the Aalto University Foundation are available at Aalto University Foundation, Otakaari 24, 02150 Espoo.

## Accounting principles

Aalto University Foundation's accounting complies with the principles laid down in the Finnish Accounting Act (1336/1997) and the Accounting Code for Universities (2/500/2018) issued by the Ministry of Education and Culture (MoE). Financial assets and liabilities are valued at fair value through profit & loss statement or amortized cost in accordance with IFRS 9. Notes to financial assets and liabilities are presented in accordance with IFRS 7 where appropriate. The cash flow statement is presented as an indirect statement.

### Valuation of fixed assets

Fixed assets have been valued at the original acquisition cost deducted by accumulated depreciation according to plan. Depreciation according to plan has been calculated from intangible assets according to straight-line depreciation and from tangible assets based on straight-line depreciation or declining depreciation. Minimum value for activating fixed asset to balance sheet is €10 000.

Depreciation according to plan categories are:

Asset group	Depreciation method	Period
Intangible assets	Straight-line depreciation	4–10 years
Buildings	Straight-line depreciation	23–40 years
Longstanding teaching and research equipment, heavy machinery	Straight-line depreciation	10–15 years
Equipment, machinery and furniture	Straight-line depreciation or declining depreciation	4–5 years /25%

### Valuation of inventories

Inventories are valued in the balance sheet at acquisition cost or net realizable value if lower.

### Intellectual property rights

Aalto University owns, develops and commercializes intellectual property rights (IPR). University activates IPR registering costs. The shareholdings resulted from the transfer of rights are valued and revenue is recognized based on third-party valuation and conservative principles. Revenue from sales and licensing is recognized as invoiced. In connection with revenue recognition, possible liabilities to third parties are recorded.

### Endowment

Endowment Assets (Endowment portfolio) include the actual investment assets defined by the University Board. University's endowment portfolio consists of fund investments (non-current Assets), foreign currency derivatives (current Assets), and cash (current Assets). The endowment investment returns are used to fund university operations. Endowment portfolio is valued at the market value.

### Securities

Securities include short-term fund investments in current assets. Securities are valued at the market value.

### Financial receivables and liabilities

Financial receivables and liabilities are valued at amortized cost, except for derivatives, which are valued at fair value through profit or loss.

### Unrestricted funds

Investment and financing activities' surplus is transferred to the funds yearly, after approving the financial statements. The Board decides on the use of the funds to cover the university's activities.

### The fair value hierarchy

The fair value hierarchy of financial assets and liabilities valued at fair value is divided into three hierarchical levels with generally used calculation models.

Level 1: Fair values are based on quoted market prices of identical assets or liabilities.

Level 2: Fair values are to a significant extent based on other information than those used in level 1. Fair values are based on directly or indirectly verifiable prices or calculated based on market price components.

Level 3: Fair values are based on information on assets or liabilities that are not based on verifiable market information, for instance private equity fund.

### Valuation techniques and significant non-observable inputs

Levels 1-3 valuation techniques are based on the information described below. The table also contains information on possible non-observable inputs and their use in determining fair value.

Investment	Valuation basis
Investments in equity funds	The instruments included in the fund are valued at market value on the value date. If no reliable market value is available, the most recently confirmed market value is used. The valuation information is available on a monthly / quarterly basis from the fund manager.
Investments in fixed income funds	The instruments included in the fund are valued at market value on the value date. Investments in Fixed income funds can be valued at the last available bid price on each valuation day, if no reliable market value is available. If no reliable market value is available, the most recently confirmed market value is used. The valuation information is available on a monthly / quarterly basis from the fund manager.
Investments in private equity and alternative funds	The value of the fund is based on the fund valuation reports and the fair value corresponds to the fund's market value. The valuations of investments in private equity and alternative funds are based on market quotations or best-in-line feeds. If no reliable market value is available, the most recently confirmed market value is used. The valuation information is available on a monthly / quarterly basis from the fund manager.

### Financial assets and liabilities

Aalto University Group reports financial assets and liabilities according to below principles.

### Financial assets are valued according to following valuation principles:

Group of financial Assets	Instruments	Valuation principle
1. Financial assets at fair value through profit or loss.	Fund investments, Interest and Currency Derivatives.	Fair value, changes in value are recognized in profit or loss.
2. Loans and other receivables.	Sale and loan receivables, fixed-term deposits and other similar receivables.	Amortised cost.

Classification is made in connection with the initial acquisition of financial assets based on the purpose of the acquisition. If an item is not valued at fair value through profit or loss, transaction costs are included in the original book values of financial assets.

Financial liabilities are valued according to following valuation principles:

Group of financial liabilities	Instruments	Valuation principle
Financial liabilities at fair value through profit or loss.	Interest and Currency Derivatives.	Fair value, changes in value are recognized in profit or loss.
Financial liabilities recognized at amortized cost.	Bank loans, Bonds.	Amortised cost.

Costs originated from current liabilities are recognized as an expense in the financial period during which they incurred.

### Derivative contracts

Interest rate swaps and FX forward exchange agreements were used during the financial year. Derivatives are not subject to hedge accounting. Derivatives are included in the profit & loss statement, according to the Accounting Act, and both realized and unrealized profits and losses are included in the year they first arise. In the balance sheet the fair values of the derivatives are included in short term or long-term liabilities or receivables. The cash collateral of derivative agreement is shown in receivables.

### Value added tax compensation receivables and liabilities

According to the Universities Act the Ministry of Education and Culture shall compensate to the universities the value added tax included in the cost incurred by the universities procurements and facility rents relating to basic statutory functions. During the financial year the Foundation has followed net procedure as regards to the VAT. The receivables relating to the VAT compensation have been calculated according to the principles set in the Accounting Code for Universities.

### Revenue recognition

The revenue from ordinary operations of the university is recognized as a percentage of completion using cost to cost method. The non-invoiced turnover of the subsidiaries involved in business transactions is recorded in the accounts according to estimated level of completion of the deliverable. The corresponding receivable is recorded in the accrued income. Received advance payments are recorded in the balance sheet as short-term debts. The revenue from educational programs is recorded as income in proportion of number of training days provided.

### Business activities

Business activities are operations that according to tax authorities are subject to corporate income tax or subject to value added tax.

### Statutory pension

Statutory pension for employees born before 1 January 1980 and transferred from the three earlier universities has been arranged through Keva and for other employees in an external pension insurance company. Pension fees are expensed according to accrual basis.

### Items in foreign currencies

Receivables and liabilities in foreign currencies have been translated into euro using the European Central Bank's rates at the financial statement closing date. Events realized during the financial year have been translated into euros using the transaction date's exchange rates.

### Management compensation

The management compensation includes salaries and other compensation paid to the members of the Foundation Board of Trustees and the President and for the Board members and CEO's of the Group subsidiary companies.

### Pro forma profit & loss statement

A Pro forma profit & loss statement is included in the Financial Statements. In order to give a better overview of the financials, Pro forma profit & loss statement does not follow the official profit & loss statement structure. Pro forma profit & loss statement is not audited.

### Accounting principles and extent of the consolidated accounts

The Group consolidation is done according to the acquisition cost method.

Associated company Asunto Oy Kartanontanhua (31,45%) have not been consolidated in the Group accounts as consolidation is not necessary to give true and fair view of the financial situation of the Aalto University Foundation Group.

Internal business operations, internal receivables and liabilities, mutual ownership as well as internal profit sharing have been eliminated.

The profit & loss statement of the foreign Group company has been converted into euros with ECB's average exchange rate for the financial year. Balance sheet has been converted into euros with the exchange rates at the end of the financial year. Differences in exchange rates and elimination of shareholding caused by conversions are recorded in Profit/Loss from previous years.

## NOTES TO PROFIT & LOSS STATEMENT, €1 000

1. TOTAL INCOME AND EXPENSES	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Total income	633 810	407 846	637 352	414 967
Total expenses	430 881	387 904	435 600	396 633
<b>Difference</b>	<b>202 929</b>	<b>19 942</b>	<b>201 752</b>	<b>18 334</b>
2. GRANT INCOME	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Business Finland grants	14 777	12 125	14 777	12 147
Academy of Finland grants	49 878	46 755	49 878	46 755
European Union grants	24 236	24 228	24 236	24 228
Other grants	17 671	12 494	17 671	12 494
<b>Total</b>	<b>106 561</b>	<b>95 602</b>	<b>106 561</b>	<b>95 625</b>
3. PROFIT & LOSS STATEMENT BY FIELD OF OPERATION	Foundation 2021	Foundation 2020		
<b>Education</b>				
<b>Income</b>				
Government funding	102 233	91 707		
Income from grants	5 137	6 907		
Income from business activities	1 294	1 682		
Other income	275	572		
	<b>108 939</b>	<b>100 868</b>		
<b>Expenses</b>				
Total expenses	150 013	138 717		
<b>Education total</b>	<b>-41 075</b>	<b>-37 849</b>		
<b>Research/R&amp;D</b>				
<b>Income</b>				
Government funding	121 629	118 426		
Income from grants	99 143	86 958		
Income from business activities	24 985	21 176		
Other income	5 306	7 201		
	<b>251 063</b>	<b>233 761</b>		
<b>Expenses</b>				
Total expenses	221 714	213 821		
<b>Research/R&amp;D total</b>	<b>29 349</b>	<b>19 940</b>		
<b>Societal impact</b>				
<b>Income</b>				
Government funding	2 698	2 261		
Income from grants	2 281	1 729		
Income from business activities	575	421		
Other income	122	143		
	<b>5 676</b>	<b>4 554</b>		
<b>Expenses</b>				
Total expenses	5 539	5 306		
<b>Societal impact total</b>	<b>137</b>	<b>-752</b>		
<b>OPERATING PROFIT</b>	<b>-11 589</b>	<b>-18 661</b>		
Fundraising, investment and financial activities	225 884	38 846		
Appropriations	-11 014	34		
Tax	352	277		
<b>PROFIT (LOSS) OF THE FINANCIAL YEAR</b>	<b>202 929</b>	<b>19 942</b>		

Year 2020 figures are recalculated according to new calculation principles

## NOTES TO PROFIT & LOSS STATEMENT, €1 000

4. PROFIT & LOSS STATEMENT IN ACCORDANCE FINNISH ACCOUNTING ORDINANCE 3 §	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>ORDINARY OPERATIONS</b>				
<b>Income</b>	<b>139 119</b>	<b>126 794</b>	<b>160 078</b>	<b>145 118</b>
<b>Expenses</b>	<b>377 267</b>	<b>357 843</b>	<b>396 679</b>	<b>375 523</b>
Personnel expenses	258 652	243 119	270 755	254 323
Depreciation and amortization	12 243	12 424	27 991	28 392
Other expenses	106 372	102 300	97 933	92 807
<b>SURPLUS/DEFICIT FROM ORDINARY OPERATIONS</b>	<b>-238 148</b>	<b>-231 049</b>	<b>-236 601</b>	<b>-230 405</b>
<b>FUNDRAISING</b>				
<b>Income</b>	<b>13 049</b>	<b>1 745</b>	<b>13 049</b>	<b>1 745</b>
<b>Expenses</b>	<b>986</b>	<b>1 027</b>	<b>986</b>	<b>1 027</b>
<b>INVESTMENT AND FINANCING ACTIVITIES</b>				
<b>Income</b>	<b>157 300</b>	<b>58 674</b>	<b>151 290</b>	<b>53 003</b>
<b>Expenses</b>	<b>33 124</b>	<b>23 022</b>	<b>30 197</b>	<b>20 184</b>
Changes in the fair value of investments	89 644	2 476	89 925	2 908
<b>GENERAL GRANTS</b>	<b>226 560</b>	<b>212 388</b>	<b>226 560</b>	<b>212 388</b>
<b>SURPLUS BEFORE CHANGE IN RESTRICTED FUNDS AND TAX</b>	<b>214 295</b>	<b>20 185</b>	<b>213 040</b>	<b>18 428</b>
<b>APPROPRIATIONS AND TAXES</b>				
Change in restricted funds	-11 014	34	-11 014	34
Tax	352	277	274	128
<b>SURPLUS/DEFICIT OF THE FINANCIAL YEAR</b>	<b>202 929</b>	<b>19 942</b>	<b>201 752</b>	<b>18 334</b>
<b>5. PERSONNEL EXPENSES</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Group 2021</b>	<b>Group 2020</b>
Salaries and other compensations	218 926	207 906	228 884	217 297
Pension expenses	34 908	31 604	36 703	33 114
Other social expenses	6 008	4 835	6 360	5 139
<b>Total</b>	<b>259 842</b>	<b>244 345</b>	<b>271 946</b>	<b>255 550</b>
<b>6. OTHER EXPENSES</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Group 2021</b>	<b>Group 2020</b>
Materials and supplies	12 524	10 938	12 861	11 233
Travel expenses	1 269	2 247	1 301	2 302
Services	38 999	36 258	52 518	46 848
Other expenses	10 529	10 615	20 359	21 964
<b>Total</b>	<b>63 322</b>	<b>60 057</b>	<b>87 040</b>	<b>82 346</b>
<b>7. PROFIT &amp; LOSS STATEMENT FOR BUSINESS ACTIVITIES</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>
<b>Turnover</b>	<b>26 855</b>	<b>23 598</b>	<b>13 316</b>	<b>13 478</b>
<b>Personnel expenses</b>				
Salaries and other compensations	7 260	6 674	3 471	3 607
Pension expenses	726	876	611	618
Other social expenses	1 041	1 122	885	1 010
	<b>9 026</b>	<b>8 672</b>	<b>4 967</b>	<b>5 235</b>
<b>Depreciation</b>	<b>38</b>	<b>21</b>	<b>9</b>	<b>6</b>
<b>Other expenses</b>	<b>10 125</b>	<b>11 179</b>	<b>6 593</b>	<b>6 867</b>
<b>OPERATING PROFIT</b>	<b>7 665</b>	<b>3 726</b>	<b>1 747</b>	<b>1 370</b>
<b>Financing income and expenses</b>				
Investment property, income	5 673	4 223	0	0
Investment property, expenses	12 591	9 797	0	0
	<b>-6 918</b>	<b>-5 574</b>	<b>0</b>	<b>0</b>
<b>Tax</b>	<b>352</b>	<b>277</b>	<b>352</b>	<b>277</b>
<b>PROFIT (LOSS) OF THE FINANCIAL YEAR</b>	<b>395</b>	<b>-2 126</b>	<b>1 395</b>	<b>1 093</b>

## NOTES TO PROFIT & LOSS STATEMENT, €1 000

8. DEPRECIATION AND AMORTIZATION	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Depreciation according to plan				
Intangible assets	200	219	200	219
Goodwill	0	0	210	210
Buildings	7	25	17 667	16 264
Machinery and equipment	11 921	11 673	15 155	15 216
Other tangible assets	8	8	450	904
Additional depreciation	106	499	218	42
<b>Total</b>	<b>12 243</b>	<b>12 424</b>	<b>33 900</b>	<b>32 854</b>
<b>9. FUNDRAISING</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Group 2021</b>	<b>Group 2020</b>
Donations	13 049	1 745	13 049	1 745
Fundraising expenses	986	1 027	986	1 027
	<b>12 063</b>	<b>717</b>	<b>12 063</b>	<b>717</b>
<b>10. ENDOWMENT</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Group 2021</b>	<b>Group 2020</b>
<b>Income</b>				
Dividend income	66	1 220	66	1 220
Profit on sale of investments	128 889	41 156	128 889	41 156
Other income	17 633	6 393	17 633	6 393
	<b>146 588</b>	<b>48 770</b>	<b>146 588</b>	<b>48 770</b>
<b>Expenses</b>				
Interest expenses	79	277	79	277
Loss on sale of investments	2 071	5 569	2 071	5 569
Other expenses	15 541	4 423	15 541	4 423
	<b>17 691</b>	<b>10 269</b>	<b>17 691</b>	<b>10 269</b>
<b>Changes in the fair value of investments</b>	<b>86 375</b>	<b>2 678</b>	<b>86 375</b>	<b>2 678</b>
	<b>215 272</b>	<b>41 179</b>	<b>215 272</b>	<b>41 179</b>
<b>11. FINANCING ACTIVITIES</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Group 2021</b>	<b>Group 2020</b>
<b>Income</b>				
Dividend income	300	300	0	0
Investment property, income	5 673	4 230	4 555	4 230
Other income	4 739	5 375	147	4
	<b>10 711</b>	<b>9 905</b>	<b>4 702</b>	<b>4 234</b>
<b>Expenses</b>				
Investment property, expenses	12 591	9 797	9 461	6 719
Other expenses	2 842	2 956	3 044	3 196
	<b>15 433</b>	<b>12 753</b>	<b>12 506</b>	<b>9 915</b>
<b>Changes in the fair value of investments</b>	<b>3 269</b>	<b>-203</b>	<b>3 550</b>	<b>230</b>
	<b>-1 452</b>	<b>-3 051</b>	<b>-4 254</b>	<b>-5 451</b>
<b>12. TAX</b>	<b>Foundation 2021</b>	<b>Foundation 2020</b>	<b>Group 2021</b>	<b>Group 2020</b>
Tax	352	277	708	512
Change in deferred tax	0	0	-434	-384
<b>Total</b>	<b>352</b>	<b>277</b>	<b>274</b>	<b>128</b>



## NOTES TO BALANCE SHEET, €1 000

13. INTANGIBLE ASSETS	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Intellectual property rights</b>				
Acquisition value 1 Jan.	3 079	2 724	3 079	2 725
Increases	350	375	350	375
Decreases	-1	-21	-1	-21
<b>Acquisition value before depreciation 31 Dec.</b>	<b>3 427</b>	<b>3 079</b>	<b>3 428</b>	<b>3 079</b>
Total depreciation 1 Jan.	-2 126	-1 594	-2 126	-1 594
Depreciation for the financial year	-269	-532	-269	-532
Total depreciation 31 Dec.	-2 394	-2 126	-2 395	-2 126
<b>Book value 31 Dec.</b>	<b>1 033</b>	<b>953</b>	<b>1 033</b>	<b>953</b>
<b>Development expenses</b>				
Acquisition value 1 Jan.	0	0	2 483	2 483
<b>Acquisition value before depreciation 31 Dec.</b>	<b>0</b>	<b>0</b>	<b>2 483</b>	<b>2 483</b>
Total depreciation 1 Jan.	0	0	-1 031	-827
Depreciation for the financial year	0	0	-203	-204
Total depreciation 31 Dec.	0	0	-1 234	-1 031
<b>Book value 31 Dec.</b>	<b>0</b>	<b>0</b>	<b>1 249</b>	<b>1 453</b>
<b>Other long-term expenditure</b>				
Acquisition value 1 Jan.	230	220	230	220
Increases	2	15	2	15
Decreases	-22	-5	-22	-5
<b>Acquisition value before depreciation 31 Dec.</b>	<b>210</b>	<b>230</b>	<b>209</b>	<b>230</b>
Total depreciation 1 Jan.	-202	-202	-202	-202
Total depreciation 31 Dec.	-202	-202	-202	-202
<b>Book value 31 Dec.</b>	<b>8</b>	<b>28</b>	<b>8</b>	<b>28</b>
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1 041</b>	<b>981</b>	<b>2 290</b>	<b>2 434</b>

## NOTES TO BALANCE SHEET, €1 000

14. TANGIBLE ASSETS	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Land and water areas</b>				
Acquisition value 1 Jan.	0	0	37 145	37 118
Increases	0	0	818	26
<b>Acquisition value before depreciation 31 Dec.</b>	<b>0</b>	<b>0</b>	<b>37 963</b>	<b>37 145</b>
<b>Book value 31 Dec.</b>	<b>0</b>	<b>0</b>	<b>37 963</b>	<b>37 145</b>
<b>Buildings and constructions</b>				
Acquisition value 1 Jan.	191	164	539 823	525 443
Increases	0	28	32 044	14 382
Decreases	0	0	-140	-1
<b>Acquisition value before depreciation 31.12.</b>	<b>191</b>	<b>191</b>	<b>571 727</b>	<b>539 823</b>
Total depreciation 1 Jan.	-166	-141	-127 962	-111 693
Depreciation for the financial year	-7	-25	-17 785	-16 269
Total depreciation 31 Dec.	-173	-166	-145 748	-127 962
<b>Book value 31 Dec.</b>	<b>18</b>	<b>25</b>	<b>425 980</b>	<b>411 861</b>
<b>Machinery and equipment</b>				
Acquisition value 1 Jan.	125 084	114 125	160 214	148 478
Increases	17 310	11 448	23 379	12 234
Decreases	-3	-488	-3	-498
<b>Acquisition value before depreciation 31 Dec.</b>	<b>142 391</b>	<b>125 084</b>	<b>183 591</b>	<b>160 214</b>
Total depreciation 1 Jan.	-90 292	-78 434	-103 065	-87 637
Depreciation for the financial year	-11 959	-11 859	-15 193	-15 435
Foreign exchange difference	0	0	-4	7
Total depreciation 31 Dec.	-102 251	-90 292	-118 261	-103 065
<b>Book value 31 Dec.</b>	<b>40 140</b>	<b>34 792</b>	<b>65 329</b>	<b>57 149</b>
<b>Other tangible assets</b>				
Acquisition value 1 Jan.	797	747	5 763	5 722
Increases	24	50	310	42
<b>Acquisition value before depreciation 31 Dec.</b>	<b>821</b>	<b>797</b>	<b>6 073</b>	<b>5 763</b>
Total depreciation 1 Jan.	-15	-7	-1 155	-742
Depreciation for the financial year	-8	-8	-450	-413
Total depreciation 31 Dec.	-23	-15	-1 605	-1 155
<b>Book value 31 Dec.</b>	<b>798</b>	<b>782</b>	<b>4 468</b>	<b>4 608</b>
<b>Advance payments and work in progress</b>				
Acquisition value 1 Jan.	6 212	3 416	44 310	26 948
Increases	12 518	9 353	30 191	39 869
Decreases	-12 055	-6 557	-51 133	-22 507
<b>Acquisition value before depreciation 31 Dec.</b>	<b>6 676</b>	<b>6 212</b>	<b>23 367</b>	<b>44 310</b>
<b>Book value 31 Dec.</b>	<b>6 676</b>	<b>6 212</b>	<b>23 367</b>	<b>44 310</b>
<b>TOTAL TANGIBLE ASSETS</b>	<b>47 632</b>	<b>41 811</b>	<b>557 107</b>	<b>555 073</b>

Aalto University group owns a significant amount of campus facilities located in Otaniemi, Töölö, and Kirkkonummi. The bookkeeping value of campus assets owned by mutual real estate companies was € 498 million (€ 502 million). An external service provider estimates the market value of campus assets yearly. The market value at the year-end was € 715 million (€ 710 million). The market value estimate is not reflected in the financial statements.

Aalto University uses its campus assets mainly in university's core activities and partly for rent. University rents campus space to collaboration partners, start-up companies, campus restaurants and other service providers. The turnover from renting was € 8.8 million (€ 7.1 million), and a total of 47 500 m<sup>2</sup> (46 000 m<sup>2</sup>) was rented at the year end.

## NOTES TO BALANCE SHEET, €1 000

15. INVESTMENT GRANTS	Foundation 2021	Foundation 2020		
<b>Academy of Finland</b>	<b>3 664</b>	<b>1 434</b>		
Investment grant related refund liability on 31.12.2021 is €6 327 617 (in 2020 €4 077 162).				
16. CHANGES IN INVESTMENTS	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Shares in Aalto Group companies</b>				
Book value 1 Jan.	67 564	67 564	0	0
Increases	3	0	0	0
<b>Book value 31 Dec.</b>	<b>67 566</b>	<b>67 564</b>	<b>0</b>	<b>0</b>
<b>Shares in associated companies</b>				
Book value 1 Jan.	3 580	3 431	3 941	3 821
Increases	111	149	222	149
Decreases	-3 691	0	-3 691	-30
<b>Book value 31 Dec.</b>	<b>0</b>	<b>3 580</b>	<b>472</b>	<b>3 941</b>
<b>Shares in jointly owned companies</b>				
Book value 1 Jan.	4 441	4 441	0	0
<b>Book value 31 Dec.</b>	<b>4 441</b>	<b>4 441</b>	<b>0</b>	<b>0</b>
<b>Other shareholdings</b>				
Book value 1 Jan.	5 022	4 424	7 192	6 318
Increases	4 624	799	4 624	1 075
Decreases	-139	-202	-139	-202
<b>Book value 31 Dec.</b>	<b>9 507</b>	<b>5 022</b>	<b>11 677</b>	<b>7 192</b>

## NOTES TO BALANCE SHEET, €1 000

17. ENDOWMENT PORTFOLIO	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Endowment in fair value</b>				
Investments in equity funds	726 950	684 809	726 950	684 809
Investments in fixed income funds	180 176	159 037	180 176	159 037
Investments in alternative investments	413 549	281 804	413 549	281 804
<b>Investments total</b>	<b>1 320 676</b>	<b>1 125 650</b>	<b>1 320 676</b>	<b>1 125 650</b>

	Domicile	Aquisition value 31.12.	Market value 31.12.	Book value 31.12.
<b>Funds *</b>				
AQR Managed Futures Offshore Fund	Cayman Islands	25 053	21 353	21 353
AQR Style Premia All Country Equity Fund	Luxembourg	119 079	165 171	165 171
AQR Style Premia Offshore Fund	Cayman Islands	24 091	16 935	16 935
Black Diamond Credit Strategies Offshore Ltd	Cayman Islands	14 411	15 660	15 660
Brevan Howard Fund Limited	Cayman Islands	18 981	18 817	18 817
Capital Four Invest European Loan & Bond Fund	Luxembourg	18 538	22 521	22 521
Capstone Global (Offshore) Limited	Cayman Islands	17 706	17 434	17 434
Concordia G-10 Fixed Income Relative Value	Cayman Islands	16 818	19 782	19 782
Eaton Vance International Emerging Markets Local Income Fund	Ireland	32 816	33 169	33 169
eQ Eurooppa Indeks 1 K	Finland	31 045	57 046	57 046
iSharesMSCI Japan ESG Screened UCITS ETF	Ireland	53 642	57 200	57 200
iShares MSCI EM IMI ESG Screened UCITS ETF	Ireland	30 141	28 854	28 854
iShares MSCI Europe ESG Screened UCITS ETF	Ireland	87 287	94 550	94 550
iShares MSCI USA ESG Screened UCITS ETF	Ireland	47 354	60 417	60 417
iShares USD TIPS UCITS ETF	Ireland	8 150	8 765	8 765
iShares USD Treasury 7-10yr UCITS ETF	Ireland	13 145	12 515	12 515
Xtrackers S&P500 Equal Weight UCITS ETF	Ireland	30 334	40 803	40 803
Evli Suomi Pienyhtiöt B	Finland	10 065	41 418	41 418
Hamilton Lane Aalto Fund	Luxembourg	124 570	161 360	161 360
Kirkoswald Global Macro Fund Ltd	Cayman Islands	14 059	16 790	16 790
LGT EM Frontier LC Bond Fund	Ireland	30 000	29 818	29 818
Lodbrok European Credit Opportunities Fund	Cayman Islands	13 000	14 525	14 525
Millstreet Credit Offshore Fund	Cayman Islands	12 336	16 664	16 664
Mirae Asset Asia Great Consumer Equity Fund	Luxembourg	11 617	19 160	19 160
MW Systematic Alpha Plus Fund	Ireland	15 040	19 441	19 441
MW TOPS China A Share	Ireland	25 000	25 018	25 018
OP-Euro A	Finland	16 784	16 676	16 676
OP-Obligaatio Prima A	Finland	19 996	21 004	21 004
Robeco QI Global Dynamic Duration	Luxembourg	36 000	35 707	35 707
Robeco QI IGD Conservative Equities	The Netherlands	19 624	24 205	24 205
Robeco QI IGD Momentum Equities	The Netherlands	16 953	25 294	25 294
Robeco QI IGD Quality Equities	The Netherlands	16 915	25 350	25 350
Robeco QI IGD Sustainable Multi-Factor Equities	The Netherlands	35 000	39 718	39 718
Robeco QI IGD Value Equities	The Netherlands	15 048	22 745	22 745
Sandbar Fund Limited	Cayman Islands	13 000	12 454	12 454
Systematica Alternative Markets Fund	Cayman Islands	9 921	15 632	15 632
The Tudor BVI Global Fund	Cayman Islands	16 101	17 312	17 312
Two Sigma Absolute Return Enhanced Cayman Fund	Cayman Islands	15 000	13 063	13 063
Two Sigma Risk Premia Enhanced Cayman Fund	Cayman Islands	17 400	16 327	16 327
		<b>1 092 018</b>	<b>1 320 676</b>	<b>1 320 676</b>

<b>Short-term receivables</b>			
Other receivables and accrued income	1 528	1 528	1 528
Fixed-term deposit and cash	34 892	34 892	34 892

<b>Endowment total</b>	<b>1 128 438</b>	<b>1 357 096</b>	<b>1 357 096</b>
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\*) Aalto University Foundation only invests in funds registered in domiciles which participate in automatic exchange of tax information under the Common Reporting Standards (CRS) or US Foreign Account Tax Compliance Act (FATCA).

<b>Other shareholdings</b>			
Housing companies	3 472	3 472	3 472
IPR shareholdings	1 142	5 498	5 498
Other shareholdings	537	537	537
<b>Other shareholdings total (Foundation)</b>	<b>5 151</b>	<b>9 507</b>	<b>9 507</b>

## NOTES TO BALANCE SHEET, €1 000

18. LONG-TERM RECEIVABLES	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Long-term loan receivables</b>				
Loans to group companies	236 570	458 615	0	0
Loans to associated companies	2 000	2 000	1 000	1 000
<b>Total</b>	<b>238 570</b>	<b>460 615</b>	<b>1 000</b>	<b>1 000</b>

The loans granted to the subsidiaries are bullet loans and they mature between 2022-2027. The subordinated loan will be paid back between 2031-2035.

Other long-term receivables	Foundation 2021	Foundation 2020	Group 2021	Group 2020
VAT compensation	325	0	325	0
Other long-term receivables	0	0	0	43
<b>Total</b>	<b>325</b>	<b>0</b>	<b>325</b>	<b>43</b>

19. SHORT-TERM RECEIVABLES	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Accounts receivables</b>				
Less than 30 days	31 527	29 140	33 131	30 452
30-180 days	989	1 282	1 085	1 468
181-364 days	537	562	539	578
Over 364 days	461	120	483	120
<b>Total</b>	<b>33 514</b>	<b>31 104</b>	<b>35 238</b>	<b>32 617</b>

Other short-term receivables	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Loans to group companies	213 735	0	0	0
Receivable, group companies	488	902	0	0
Collateral receivables	2 240	3 280	2 240	3 280
Advance payments	15	382	15	382
VAT receivables	0	0	800	935
VAT compensation	1 645	1 876	1 645	1 876
Derivate receivables	1 062	2 151	1 062	2 151
Other short-term receivables	6 415	2 409	6 509	2 447
<b>Total</b>	<b>225 602</b>	<b>11 000</b>	<b>12 273</b>	<b>11 070</b>

Prepaid expenses and accrued income	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Accrued income endowment	465	432	465	432
Accrued income	9 211	10 865	9 211	10 910
Other prepaid expenses and accrued income	1 659	576	1 989	818
<b>Total</b>	<b>11 336</b>	<b>11 873</b>	<b>11 666</b>	<b>12 160</b>
<b>Short-term receivables</b>	<b>270 451</b>	<b>53 977</b>	<b>59 177</b>	<b>55 847</b>

20. VAT COMPENSATION	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Gross expenses entitled to VAT compensation				
Expenses in profit & loss statement	103 469	104 322		
Expenses activated into fixed assets	18 039	15 152		
<b>Total</b>	<b>121 508</b>	<b>119 474</b>		

VAT compensation	Foundation 2021	Foundation 2020	Group 2021	Group 2020
On expenses	24 179	17 539		
On fixed asset activations	2 691	2 955		
<b>Total VAT compensation</b>	<b>26 869</b>	<b>20 493</b>		

Received compensation from MoE	-22 292	24 953		
VAT compensation for the year	4 577	-4 460		

VAT compensation receivable/liability 1 Jan.	-4 492	1 748		
Received compensation clearance from MoE	33	-1 780		
VAT compensation for the year	4 577	-4 460		
<b>VAT compensation receivable/liability (net) 31 Dec.</b>	<b>119</b>	<b>-4 492</b>		

21. SECURITIES IN CURRENT ASSETS	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Market value 31 Dec.	0	0	9 503	6 830
Book value 31 Dec.	0	0	9 503	6 830

## NOTES TO BALANCE SHEET, €1 000

22. EQUITY	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Endowment capital 1 Jan.</b>	<b>280 000</b>	<b>280 000</b>	<b>280 000</b>	<b>280 000</b>
<b>Endowment capital 31 Dec.</b>	<b>280 000</b>	<b>280 000</b>	<b>280 000</b>	<b>280 000</b>

<b>Capital reserve 1 Jan.</b>	<b>445 618</b>	<b>440 885</b>	<b>445 618</b>	<b>440 885</b>
Increases, Governmental capitalization	0	4 733	0	4 733
<b>Capital reserve 31 Dec.</b>	<b>445 618</b>	<b>445 618</b>	<b>445 618</b>	<b>445 618</b>

<b>Operating equity 1 Jan.</b>	<b>154 644</b>	<b>154 644</b>	<b>154 644</b>	<b>154 644</b>
<b>Operating equity 31 Dec.</b>	<b>154 644</b>	<b>154 644</b>	<b>154 644</b>	<b>154 644</b>

<b>Restricted funds Expendable 1 Jan.</b>	<b>11 690</b>	<b>18 249</b>	<b>11 690</b>	<b>18 249</b>
Received donations	6 851	532	6 851	532
Use of funds	-3 019	-2 297	-3 019	-2 297
Transfer between funds	0	-4 794	0	-4 794
<b>Restricted funds Expendable 31 Dec.</b>	<b>15 522</b>	<b>11 690</b>	<b>15 522</b>	<b>11 690</b>

<b>Restricted funds Capitalizing 1 Jan.</b>	<b>48 788</b>	<b>42 263</b>	<b>48 788</b>	<b>42 263</b>
Received donations and return on capital	8 638	3 564	8 638	3 564
Use of funds	-1 456	-1 835	-1 456	-1 835
Transfer between funds	0	4 795	0	4 795
<b>Restricted funds Capitalizing 31 Dec.</b>	<b>55 970</b>	<b>48 788</b>	<b>55 970</b>	<b>48 788</b>

<b>Entrepreneurship fund 1 Jan.</b>	<b>459</b>	<b>160</b>	<b>459</b>	<b>160</b>
Capital transfer from Accumulated endowment returns fund	1 600	900	1 600	900
Use of fund	-1 889	-601	-1 889	-601
<b>Entrepreneurship fund 31 Dec.</b>	<b>170</b>	<b>459</b>	<b>170</b>	<b>459</b>

<b>Tenure Track fund 1 Jan.</b>	<b>26 015</b>	<b>23 444</b>	<b>26 015</b>	<b>23 444</b>
Capital transfer from net profit	0	3 100	0	3 100
Return on capital	1 301	1 172	1 301	1 172
Use of fund	-1 918	-1 701	-1 918	-1 701
<b>Tenure Track fund 31 Dec.</b>	<b>25 397</b>	<b>26 015</b>	<b>25 397</b>	<b>26 015</b>

<b>Accumulated endowment returns fund 1 Jan.</b>	<b>324 204</b>	<b>207 198</b>	<b>324 204</b>	<b>207 198</b>
Capital transfer from endowment return	41 179	153 346	41 179	153 346
Capital transfer to Tenure track fund	-1 301	-1 172	-1 301	-1 172
Capital transfer to Entrepreneurship fund	-1 600	-900	-1 600	-900
Capital transfer to net profit	-27 439	-34 267	-27 439	-34 267
<b>Accumulated endowment returns fund 31 Dec.</b>	<b>335 043</b>	<b>324 204</b>	<b>335 043</b>	<b>324 204</b>

<b>Net profit/loss from previous years 1 Jan.</b>	<b>85 961</b>	<b>185 894</b>	<b>105 350</b>	<b>207 125</b>
Changes in income and expenses in previous accounting periods	0	0	-15	-233
Capital transfer to Tenure track fund	0	-3 100	0	-3 100
Capital transfer from Tenure Track fund	1 918	1 701	1 918	1 701
Capital transfer to Entrepreneurship fund	0	0	0	601
Capital transfer from Entrepreneurship fund	1 889	601	1 889	0
Capital transfer to Accumulated endowment returns fund	-41 179	-153 346	-41 179	-153 346
Capital transfer from Accumulated endowment returns fund	27 439	34 267	27 439	34 267
<b>Net profit/loss from previous years 31 Dec.</b>	<b>76 028</b>	<b>66 019</b>	<b>95 403</b>	<b>87 016</b>

<b>Net profit/loss of the financial year</b>	<b>202 929</b>	<b>19 942</b>	<b>201 752</b>	<b>18 334</b>
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<b>Total equity</b>	<b>1 591 321</b>	<b>1 377 379</b>	<b>1 609 519</b>	<b>1 396 768</b>
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## NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
<b>23. RESTRICTED FUNDS</b>					
<b>Aalto Wide Funds, capitalizing</b>					
Aalto University general fund	0	0	46	0	46
<b>Aalto Wide Funds, expendable</b>					
Aalto Helps fund	4	0	1	0	5
Aalto University general fund	13	0	0	0	13
Campus Development fund	45	0	0	-14	31
Game Changers fund	327	0	25	-61	290
Materials and Sustainability fund	244	0	0	0	244
MIDE fund	1	0	0	0	1
<b>Study Field and School Donation Funds, capitalizing</b>					
<b>Field of Business and economics</b>					
Cooperative business EiR fund*	0	0	113	-14	99
Economics and data sciences professorship fund*	1 770	88	250	-168	1 940
Field of Business and economics fund	5 046	252	246	0	5 544
G. W. Sohlberg fund	128	6	0	0	134
Gustav Paulig fund	306	15	0	0	321
K. H. Lehtinen fund	69	3	0	0	72
Lindfors fund	327	16	0	0	343
Matti Lehti fund	135	7	0	-2	140
Nordea fund	1 672	84	0	0	1 756
Ownership professorship fund*	50	2	1 785	0	1 838
Oy Stockmann AB 100th Anniversary fund	193	10	0	0	203
Pohjola scholarship fund	55	3	0	0	58
Research scholarship fund	604	30	0	0	634
School of Business fund	0	0	38	0	38
School of Business service fund	5 928	296	0	-42	6 182
School of Business support fund	1 680	84	0	-50	1 714
Students' scholarship fund	7 483	374	17	-74	7 801
Urban economics professorship fund*	674	34	500	-126	1 081
Vakuutusosakeyhtiö Fennia fund	956	48	0	0	1 004
W. Bonsdorff fund	2 996	150	0	-100	3 046
Weilin & Göös scholarship fund	3 192	160	0	-10	3 341
Women's committee fund	453	23	0	-11	465

\*Hybrid fund: the return of the capital and the capital itself will be used.

## NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
<b>23. RESTRICTED FUNDS</b>					
<b>Study Field and School Donation Funds, capitalizing</b>					
<b>Field of Science and technology</b>					
Aleksander and Lucie Lampén fund	2 502	125	0	-23	2 605
Alumni fund	23	1	0	0	24
Architect Annikki Paasikivi scholarship fund	2 014	101	0	-97	2 018
Architect Väinö Vähäkallio scholarship fund	1 100	55	0	0	1 155
Architects' travel scholarship fund	52	3	0	-2	53
Bioinnovation Center professorship fund*	0	0	2 500	0	2 500
Combined student fund	89	4	0	-1	93
Engineers' travel scholarship fund	110	6	0	-3	113
Entrepreneurship support fund	1 619	81	0	0	1 700
Ernst Wirtzen fund	184	9	0	-4	189
Fabian and Jaakko Ahvenainen fund	1 730	86	0	-26	1 790
Field of Science and technology fund	0	0	380	0	380
Humanitarian architecture PoP fund*	558	28	0	-138	448
Industrial Engineering and Management fund	0	0	150	0	150
Information networks PoP fund*	131	7	65	-115	88
Julius Tallberg fund	186	9	0	-3	192
Kansallis-Osake-Pankki fund	117	6	0	-3	119
Municipal wastewater treatment PoP fund*	299	15	25	-138	201
Oiva Allan Pölkkyinen fund	116	6	0	-2	120
Oy Strömberg Ab fund	51	3	0	-1	52
Product-service systems sales PoP fund*	241	12	20	-92	181
Professor E. J. Nyström fund	2 145	107	0	-64	2 188
Professor Hannelius fund	33	2	0	-1	33
Professor Nils Erik Wickberg fund	869	43	0	-38	874
School of Chemical engineering fund	0	0	1	0	1
School of Electrical engineering fund	0	0	2	0	2
Smart buildings PoP fund*	0	0	0	-37	-37
Technology education PoP fund*	170	9	0	-69	110
Teknos Winter Oy fund	107	5	0	-2	110
Teräsbetoni Oy fund	85	4	0	0	89
<b>Field of Art and design</b>					
Field of Art and design fund	0	0	60	0	60
Helmi Grönlund-Herlin fund	542	27	0	0	569
School of Arts, Design and Architecture fund	0	0	1	0	1

\*Hybrid fund: the return of the capital and the capital itself will be used.

## NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
<b>23. RESTRICTED FUNDS</b>					
<b>Study Diel and School Donation Funds, expendable</b>					
<b>Field of Business and economics</b>					
Field of Business and economics fund	19	0	137	0	156
Students' scholarship fund	2	0	11	0	13
<b>Field of Science and technology</b>					
Bioinnovation Centre fund	0	0	5 000	-445	4 555
Building technology fund	89	0	0	-15	74
Concrete technology research fund	0	0	160	-9	151
DI Marja-Terttu Tanttinen fund	10	0	0	0	10
Engineerin design doctoral program fund	0	0	70	0	70
Field of Science and technology fund	7 948	0	700	-1 825	6 823
Fire safety engineering professorship fund	392	0	0	-47	345
KAUTE fund	43	0	0	0	43
Maa- ja vesitekniikan tuki ry fund	200	0	0	0	200
Macadamia Master's program suppoort fund	0	0	30	0	30
Matti Sundberg quality fund	104	0	0	-5	99
Methanol research fund	0	0	50	-11	39
Metsähovi space research fund	1	0	266	0	267
Norman Ernest Loveless fund	504	0	0	-52	452
Oy Atlas Diesel Ab fund	83	0	0	-3	80
Quantum technology doctoral program fund	0	0	0	-1	-1
Smart buildings doctoral school fund	0	0	110	0	110
Tapani Järvinen Environmental engineering fund	9	0	0	-9	0
Water management's water and depeolpment fund	871	0	0	-444	427
Wood processing technology Prof. Maloney fund	66	0	0	-65	0
<b>Field of Art and design</b>					
Design doctoral dissertation fund	0	0	41	-12	28
Field of Art and design fund	716	0	250	0	966
<b>Restricted funds total</b>	<b>60 478</b>	<b>2 439</b>	<b>13 049</b>	<b>-4 475</b>	<b>71 492</b>

Restricted funds are used for university's operations as required by donors. Capitalizing funds receive return according to university's endowment spending policy. The funds are grouped by type and study field.

	Fund equity 1 Jan.	Capital transfers	Fund usage during the financial year	Fund equity 31 Dec.
<b>24. UNRESTRICTED FUNDS</b>				
Accumulated endowment returns fund	324 204	41 179	-30 340	335 043
Tenure Track -fund	26 015	1 301	-1 918	25 397
Entrepreneurship -fund	459	1 600	-1 889	170
<b>Total</b>	<b>350 678</b>	<b>44 080</b>	<b>-34 147</b>	<b>360 611</b>

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>25. LIABILITIES</b>				
<b>Long-term liabilities</b>				
Loans from financial institutions	274 034	257 623	280 003	262 257
Advance payments	172	4 492	172	4 492
Investment Grants	4 550	2 832	4 550	2 832
Derivate Liabilities	4 691	7 960	4 691	7 960
Other long-term liabilities	4 709	245	4 709	245
<b>Total</b>	<b>288 156</b>	<b>273 152</b>	<b>294 125</b>	<b>277 786</b>
<b>Short-term liabilities</b>				
Loans from financial institutions	13 589	62 989	14 876	65 686
Advance payments	55 191	54 828	58 847	59 104
Accounts payable	9 683	7 945	16 723	13 548
Accrued tax	0	0	4 949	5 383
VAT liabilities	1 330	994	1 352	994
Investment grants	1 778	1 245	1 778	1 245
Liabilities to group companies	40 369	45 613	0	0
Coordinated assets	9 598	10 616	9 598	10 616
Other short-term liabilities	10 966	11 640	12 802	14 820
Accrued salaries and wages	19 557	18 986	21 618	20 372
Other accrued expenses	2 273	3 334	2 998	3 732
<b>Total</b>	<b>164 333</b>	<b>218 189</b>	<b>145 542</b>	<b>195 501</b>

## OTHER NOTES, €1 000

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>26. LEASE CONTRACTS</b>				
Lease payments due within one year	20	23	473	428
Lease payments due later	2	9	1 418	1 620
<b>Total</b>	<b>22</b>	<b>32</b>	<b>1 891</b>	<b>2 049</b>

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>27. RENTAL AGREEMENTS (incl. VAT)</b>				
Rental agreement liabilities due within one year	3 608	5 479	4 965	6 761
Rental agreement liabilities due later	4 489	3 658	13 842	13 475
<b>Total</b>	<b>8 098</b>	<b>9 137</b>	<b>18 806</b>	<b>20 236</b>

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>28. MANDATORY PROVISIONS</b>				
Provision for an unused facility rental agreement	0	466	54	521

	Foundation 2021	Foundation 2020
<b>29. INVESTMENT COMMITMENTS</b>		
Commitment left €1 000		
Hamilton Lane Aalto Fund SICAV S.à.r.l, Luxemburg	275 486	232 352

Investment commitments are unfunded commitments which are binding under existing agreements.

### 30. DERIVATIVE CONTRACTS

In the end of the fiscal year group derivatives include interest rate swaps and FX forward exchange agreements. Derivatives are not subject to hedge accounting. The university aims to keep the contracts to maturity. If a derivative contract would be terminated prior to maturity, the university is committed to cover the pre-termination indemnity to the counter party.

The interest rate swaps hedge the loan portfolio against increase in market interest rates by converting floating interest rates into fixed rates. University's current agreements will mature from 2023 to 2027. Interest rate swaps have been used only for hedging purposes. The terms and conditions of interest rate swap portfolio and the loan portfolio are not identical and therefore derivative contracts are included in the income statement at fair value. In some of the interest rate swaps the nominal amount decreases during the contract period. Also the associated company Helsingin Pohjoinen Hesperiankatu 23A has hedged its loans. The company has reported the derivatives in the notes of its financial statements.

According to the endowment strategy the university may employ derivatives in investment activities for three purposes: to hedge investment risks, to allocation adjustments or to gain exposure to certain risk premia more efficiently. During 2021 the forward exchange agreements have been used to hedge against the foreign exchange risk of the investment portfolio.

The nominal and the fair value of the derivative instruments are shown below.

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Interest rate swaps</b>				
Nominal value of contracts	123 750	125 625	125 750	128 750
Fair value of the contracts, €1 000	-4 691	-7 960	-4 735	-10 976

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Forward exchange agreements</b>				
Nominal value of contracts	166 522	132 524	166 522	132 524
Fair value of the contracts, €1000	532	2 151	532	2 151

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>31. LIABILITIES WITH PROPERTY COLLATERALS</b>				
Bank loans	287 623	320 613	295 879	324 938
Liabilities	0	0	12 800	12 800
Other loans	0	0	1 000	1 000
Liabilities	0	0	1 000	1 000
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>13 800</b>	<b>13 800</b>

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>32. LOANS WITH MATURING PERIOD OVER FIVE YEARS</b>				
Bank loans	128 201	142 159	130 024	146 793

### 33. VAT REFUND LIABILITIES

Companies owned by the Foundation have deducted VAT from their property investments and this involves liability to revise the deduction in the case of alteration of use in the of property.

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>VAT Refund liability 31 Dec.</b>				
Completed projects (10 year revision period)	0	0	45 342	44 856
Work in progress	0	0	3 938	8 887
<b>Total</b>	<b>0</b>	<b>0</b>	<b>49 280</b>	<b>53 744</b>

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Total VAT relating to the investments under revision liability</b>				
Completed projects (10 year revision period)	0	0	80 314	72 740
Work in progress	0	0	3 938	8 887
<b>Total</b>	<b>0</b>	<b>0</b>	<b>84 252</b>	<b>81 627</b>

## OTHER NOTES, €1 000

### 34. VALUES OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Investment assets</b>				
<b>Valued at fair value</b>				
Investment funds				
Level 1	1 159 315	1 035 573	1 159 315	1 035 573
Level 2	0	0	0	0
Level 3	161 360	90 078	161 360	90 078
<b>Total</b>	<b>1 320 676</b>	<b>1 125 650</b>	<b>1 320 676</b>	<b>1 125 650</b>
Derivates				
Level 1	0	0	0	0
Level 2	532	2 151	532	2 151
Level 3	0	0	0	0
<b>Total</b>	<b>532</b>	<b>2 151</b>	<b>532</b>	<b>2 151</b>

#### Reconciliation for Level 3 items

	Foundation 2021	Foundation 2020
<b>Balance 1.1.</b>	<b>124 570</b>	<b>46 860</b>
Unrealized changes in fair value	36 791	2 430
Gains and losses on category 3	0	0
New category 3 investments, acquisition value	0	40 788
Transfers from category 3	0	0
<b>Balance 31.12.</b>	<b>161 360</b>	<b>90 078</b>

#### Sensitivity analysis on category 3 31.12.2020

	Changes in fair value	
	Profit	Loss
Change in market values (20%)	32 272	-32 272

	Foundation 2021	Foundation 2020	Group 2021	Group 2020
<b>Financial Assets</b>				
<b>Valued at fair value</b>				
Securities in current assets				
Level 1	0	0	9 503	6 830
Level 2	0	0	0	0
Level 3	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>9 503</b>	<b>6 830</b>
Interest rate swaps				
Level 1	0	0	0	0
Level 2	0	0	0	0
Level 3	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>				
<b>Valued at fair value</b>				
Interest rate swaps				
Level 1	0	0	0	0
Level 2	4 691	7 960	4 691	7 960
<b>Total</b>	<b>4 691</b>	<b>7 960</b>	<b>4 691</b>	<b>7 960</b>
<b>At amortized cost</b>				
Bank loans				
Level 1	0	0	0	0
Level 2	287 623	320 613	294 879	328 125
<b>Total</b>	<b>287 623</b>	<b>320 613</b>	<b>294 879</b>	<b>328 125</b>

During the financial year 2021 there were no transfers between categories.

## OTHER NOTES, €1 000

### 35. FINANCIAL RISK MANAGEMENT

At Aalto University risk management forms an essential part of Aalto University's governance system and supports the university in achieving its strategic and operational objectives. Aalto University risk management principles, including risk management process and responsibilities, are defined in Aalto University Risk Management Policy approved by the Board. In addition, financial risk management principles and limits are guided by Endowment Authorizations and Risk Limits Policy and Treasury Policy approved by the Board.

#### Price risk

The main price risk of the university consists of market price volatility related to equity fund investments. The financial impact to the endowment portfolio of a possible decline of 20% in global equity market prices is described below (all other factors remaining unchanged). The effect of market sensitivity of the equity investments is also taken into account. The calculated effect of 20% corresponds to the risk level of the asset class.

	2021
<b>Equity markets</b>	
	<b>-20%</b>
Impact on the net profit	-165 463
Impact on the equity	0
<b>Total impact</b>	<b>-165 463</b>

#### Currency risk

The main currency risk of the university relates to investments in equity funds investing in non-euro assets. The financial impact to the endowment portfolio of a possible 10% appreciation of euro against all other currencies is described below. In the calculation the currency positions of the underlying investments as well as possible currency hedges have been taken into account. The calculated effect of 10% corresponds to the risk level of the asset class.

	2021
<b>EUR appreciation versus all other currencies</b>	
	<b>10%</b>
Impact on the net profit	-88 156
Impact on the equity	0
<b>Total impact</b>	<b>-88 156</b>

#### Interest rate risk

The university carries interest rate risk as part of its investment and debt activities. In investment activities interest rate risk is defined as market value change due to changes in the level of interest rates. Such changes affect fixed income securities inversely and are managed by changing investment portfolio durations. In debt activities the interest rate risk is due to changes in interest rates of floating rate loans raised to finance campus investments. The risks related to floating rate loans are managed by interest rate swaps. The financial impact of possible changes in interest rates is described below. The change of one percent indicates well the significance of the impact.

	Interest -1%	Interest +1%
<b>Investment activities</b>		
Impact on net profit	9 494	0
Impact on equity	0	0
<b>Floating rate loans</b>		
Impact on interest costs (annual)	460	-1 203
<b>Interest rate swaps</b>		
Impact on interest costs (annual)	-921	921
Impact on change in market value	-2 667	2 667
<b>Total</b>	<b>6 366</b>	<b>2 385</b>

#### Liquidity risk

The university's liquidity risks are limited, as the investments are mainly implemented through mutual funds and ETFs. Future contractual commitments relating to financial instruments are described below.

Contractual commitments	Total	1 year	2-5 years	6-10 years	Over 10 years
Investment commitments	275 486	41 785	190 600	26 600	16 501
Loans (capital and interests)	301 092	16 543	148 501	72 844	63 205
Leasing	1 891	473	1 418	0	0
Accounts payable	16 723	16 723	0	0	0
<b>Total</b>	<b>595 193</b>	<b>75 524</b>	<b>340 519</b>	<b>99 444</b>	<b>79 706</b>
<b>Commitments related to derivatives (net)</b>					
Interest rate swaps	6 389	1 891	4 364	133	0
Currency derivatives	1 061	1 061	0	0	0
<b>Total</b>	<b>7 450</b>	<b>2 952</b>	<b>4 364</b>	<b>133</b>	<b>0</b>

Commitments of group companies included in Contractual and derivative related commitments

## OTHER NOTES, €1 000

### 35. FINANCIAL RISK MANAGEMENT

#### Credit risk

The university receivables credit risks are limited, as its main funders are public institutions, like Academy of Finland, Business Finland and EU. The impact of possible credits risks related to investment activities are to large extent included in the previous risk categories, mainly in interest rate and price risks. Counter party risks related to investment activities are monitored constantly, based on the counter party limits defined the board. In derivative contracts the counter party risk is managed by cash collateral based on fair value.

#### Political risk

Political decisions and events may have a significant impact on the university's financial standing. The university's main political risk relates to university sector's public funding development in the long term. There are also risks relating to the fund allocation between universities. Below table shows the financial impact, if Aalto University's share of Ministry of education and culture's university funding would change one percentage point, all other factors being equal. The one percentage point reflects the biggest historical change.

	-1%	+1%
Impact on the net profit	-17 296	17 296
Impact on equity	0	0
<b>Total</b>	<b>-17 296</b>	<b>17 296</b>

### 36. LEGAL PROCEEDINGS AND OTHER COMPENSATION CLAIMS

The foundation had no pending lawsuits or related financial risks on 31.12.2021.

### 37. OTHER CONTINGENT LIABILITIES

#### Covenants

Aalto University campus development investments are financed by loans taken by Aalto University Foundation. The loan agreements are unsecured and contain different types of restrictive terms. These terms restrict, inter alia, organizational changes and property investment arrangements as well as the level of group indebtedness and provided security. No material changes has been made to the terms during 2021.

#### Share of mortgage

The Foundation owns a 10,4% share of Asunto Oy Helsingin Eteläinen Hesperiankatu 4 housing company, which entitles to the use of 5 apartments. The housing company's mortgage relating to these 2 apartments is €0,5 million (€1,4 million).

#### Liabilities for mutual real estate transactions

During 2019 Aalto University Foundation sold four mutual real estate companies: Koy Espoon Lämpömiehenkuja 2, Koy Espoon Maarintie 6, Koy Espoon Tekniikantie 3 and Koy Espoon Lämpömiehenkuja 3. Based on the contract of shares, seller has specific liability commitments, which may cause liability for damage when defused. Most essential commitments are the ones concerning establishment of the companies, renovation work done for tenants, period of guarantee for the construction work and redemption of the property (fully or partly).

#### Guarantees for building permit

University has given the city of Espoo two building permit guarantees of 301 385€.

38. AUDITOR FEES	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Audit fees	51	36	147	135
Tax advisory fees	0	0	0	6
Other fees	50	180	54	183
<b>Total</b>	<b>101</b>	<b>216</b>	<b>201</b>	<b>324</b>

39. AVERAGE PERSONNEL	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Teaching and research	3 281	3 170	3 281	3 170
Other personnel	1 350	1 335	1 515	1 511
<b>Total</b>	<b>4 631</b>	<b>4 505</b>	<b>4 796</b>	<b>4 681</b>

40. MANAGEMENT COMPENSATION	Foundation 2021	Foundation 2020	Group 2021	Group 2020
Members of Boards, the President and CEOs of Group companies	388	384	1 174	980

41. RELATED PARTY FINANCIAL TRANSACTIONS	Grants and similar payments with no respective input received	Financial activities with respective input received	Income	Expenses	Receivables	Liabilities
Founders and their subsidiaries, Aalto University's subsidiaries	0	7 145	44 617	452 793	40 369	
Above parties' board members, CEOs and their substitutes, auditors, Aalto University's directors and any companies owned by aforementioned	0	25	3 630	0	29	
Family members of the above	2	0	149	0	0	
<b>Total</b>	<b>2</b>	<b>7 170</b>	<b>48 396</b>	<b>452 793</b>	<b>40 398</b>	

## OTHER NOTES, €1 000

### 42. SHARES IN OTHER COMPANIES

	Domicile	Shares owned by Group
Aalto-yliopistokiinteistöt Oy	Espoo	100%
Asunto Oy Hgin Eteläinen Hesperiankatu 4	Helsinki	10%
Kiinteistö Oy Hgin Pohj. Hesperiankatu 23A	Helsinki	50%
Otahalli Oy	Espoo	50%
Aalto Holding Oy	Helsinki	100%
Owned by Aalto Holding Oy		
Aalto University Executive Education Oy	Helsinki	100%
Unigrafia Oy	Helsinki	31%
Funidata Oy	Helsinki	19%
Unihome Oy	Helsinki	19%
Owned by Aalto University Executive Education Oy		
Aalto Executive Academy Pte Ltd	Singapore	100%
FINVA Finanssikoulutus Oy	Helsinki	100%
Mutual real estate companies		
Koy Bionova	Espoo	100%
Koy Espoon Amfi	Espoo	100%
Koy Espoon Betonimiehenkuja 5	Espoo	100%
Koy Espoon Kemistintie 1	Espoo	100%
Koy Espoon Konemiehentie 2	Espoo	100%
Koy Espoon Metallimiehenkuja 10	Espoo	100%
Koy Espoon Vuorimiehenkuja 4	Espoo	100%
Koy Espoon Otakaari 1	Espoo	100%
Koy Espoon Otakaari 24	Espoo	100%
Koy Espoon Otakaari 3	Espoo	100%
Koy Espoon Otakaari 5	Espoo	100%
Koy Espoon Otakaari 7	Espoo	100%
Koy Espoon Puumiehenkuja 2	Espoo	100%
Koy Espoon Sähkömiehentie 4	Espoo	100%
Koy Espoon Tietotie 1	Espoo	100%
Koy Espoon Vuorimiehenkuja 1	Espoo	100%
Koy Espoon Vuorimiehenkuja 2	Espoo	100%
Koy Espoon Väre	Espoo	100%
Koy Helsingin Runeberginkatu 14-16	Helsinki	100%
Koy Kirkkonummen Metsähovintie 114	Kirkkonummi	100%
Koy Otanimen Opiskelijakeskus	Espoo	100%
Otaniemen Liikekeskus Oy	Espoo	100%
Other holdings		
Asunto Oy Kartanontanhua	Espoo	31%
DIMECC Oy	Tampere	4%
CLIC Innovation Oy	Helsinki	1%
Muovipoli Oy	Lahti	9%
Vierumäen Loma-aika Oy	Heinola	7%
Vierumäki Golf Oy	Helsinki	0,2%
CSC-Tieteen tietotekniikan keskus Oy	Espoo	0,2%
Spin out holdings		
Agilefant Oy	Helsinki	5%
Iceye Oy	Espoo	1%
Minima Prossessor Oy	Oulu	2%
LaDiMo Oy	Espoo	4%
Surgify Medical Oy	Helsinki	4%
Xfold Imaging Oy	Helsinki	13%