

2020

annual board report and financial statements

The logo consists of a large, bold, white letter 'A' followed by an exclamation point '!', both set against a dark background.

Aalto University

Annual Board Report 2020

Based on the audited Finnish version

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 closely related fields.

The university's mission and its activities seek to promote free research in addition to scientific and artistic education, provide research-based higher education, and educate students to serve society and humanity while respecting ethical principles and preserving the environment. In carrying out its mission, the university promotes lifelong learning, interacts with 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 make a positive impact on Finnish society, its economy, technology, art, design, internationalisation and competitiveness, as well as promoting 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 while following the principles of good administration, safeguarding academic autonomy and the independence of the academic community; all of which are prerequisites for the freedom of education, research and art.

Activities during 2020

The coronavirus pandemic affected all activities at Aalto University during 2020. The university was able to quickly adjust to the exceptional situation caused by the coronavirus crisis and continue its key activities under the new conditions. The flexibility, engagement and responsibility shown by the personnel and the student body, development work already carried out as part of the digitalisation programme (Digital Aalto) and tools produced in the programme were the key factors that made this possible. Ensuring the wellbeing of both students and personnel was one of the key priorities of 2020. During the year, the university prepared for the new strategy period starting in 2021 by drafting the plans supporting the implementation of the university's new living strategy. The university also concluded negotiations on the agreement with the Ministry of Education and Culture for the period of 2021–2024.

There were again steady improvements in the university's academic results, which is also reflected in field-specific international rankings. In its key areas, Aalto University is already ranked among the world's best. The university has directed its research towards seven key areas in which it is already particularly strong, and which are of prime importance for resolving the major challenges facing society. These areas are ICT and digitalisation, materials and sustainable use of resources, art and design, business, energy solutions, living environments, and health and wellbeing.

ICT and digitalisation

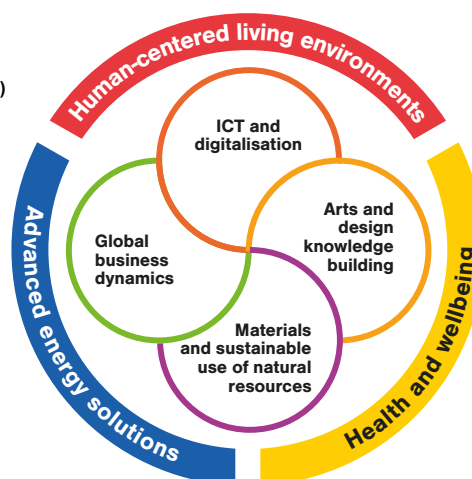
ShanghaiRanking:
Telecommunication Engineering 34 (2019: 22)
Computer Science & Engineering 51–75 (2019: 47)
US News: Computer Science 56 (2019: 33)

Global business dynamics

ShanghaiRanking:
Management 27 (2019: 32)
Business Administration 24 (2019: 29)

Advanced energy solutions

ShanghaiRanking: Electrical & Electronic
Engineering 76–100 (2019: 76–100)



Human-centered living environments

QS: Architecture/Built Environment 42 (2020: 41)
Marine/Ocean Engineering 35 (2019: –)

Arts and design knowledge building

QS: Art & Design 6 (2020: 7)

Health and wellbeing

ShanghaiRanking: Medical Technology
101–150 (2019: 101–150)

Materials and sustainable use of natural resources

ShanghaiRanking: Mining and
Mineral Engineering 76–100 (2019: 76–100)
QS: Materials Sciences 98 (2020: 101–150)

Rankings in key research areas

Figures in parenthesis refer to 2019 unless otherwise mentioned.

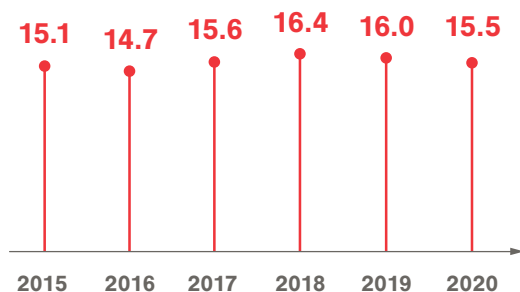
At the beginning of 2021, Aalto University was ranked the 35th most international university in the world (up from 37th in 2020) in the Times Higher Education's 'World University Rankings', which included a total of 1 500 universities. At the same time, Aalto University came 20th (18th) worldwide and 10th (10th) in Europe in the Times Higher Education's 'THE Young University Rankings' for universities less than 50 years old. A total of 414 universities were evaluated in this comparison. The QS World University Rankings 'Top 50 Under 50', which lists the world's 150 best universities that are under 50 years old, placed Aalto 9th (9th) worldwide and 3rd (3rd) in Europe. Depending on the definition used, there are a total of between 17 000 and 22 000 universities in the world.

The World University Research Ranking (WURR), a new ranking introduced in 2020, evaluates the ability of universities to promote the societal impact of their research through multi-disciplinary collaboration. Aalto University came 23rd in both the overall rankings as well as in research collaboration; in multi-disciplinarity the university ranked 29th.

Significant investments in tenure track professorships continued in 2020. At the end of 2020, there were 286 professors (278) who had been appointed in the tenure track career system since the university's founding. Of these, 34% (32%) were international recruits and 27% (26%) were women. The number of professors appointed before 2010 totalled 107 (112) in 2020.

Research

Year 2020 saw further advances in the quality of research done at Aalto University. The impacts of 2020's exceptional circumstances will probably only be seen in the university's results in coming years. The most cited top 10% publications totalled 1 512, which was at the previous year's levels (1 512). In total, the university published 2 464 (2 355) international peer-reviewed articles in scientific journals. Competitive research funding totalled €91 million (€91 million).



Quality of publications

Share of Aalto University publications that belong to the top 10% most highly cited publications in the world in the same subject area. This indicator has been used since 2015.

Aalto University participated in three (6) national Centres of Excellence during 2020, and two (2) Academicians of Science worked at the university. The high quality of research is also reflected in the fact that the university has 27 (24) recipients of research grants from the European Research Council (ERC), four (5) Academy professors and 44 (44) Academy researchers.

In 2020, the Academy of Finland granted Aalto University €3.5 million to develop research infrastructures and collaborate with the business community. The funding is directed at six different infrastructures, with four coordinated by Aalto University: micro- and nanotechnologies and quantum technologies (OtaNano), digital spaces and remote presence (MAGICS), natural and synthetic inorganic materials (RAMI RawMatTERS), and bioeconomy and circular economy (Bioeconomy). Aalto University is responsible for coordinating three important research infrastructures on the national roadmap: Bioeconomy, OtaNano and RAMI RawMatTERS. The university is also a partner in seven other research infrastructures on the national roadmap.

In the June 2020 funding application round, Aalto University received €15.4 million of the €100 million made available by the Academy of Finland to strengthen universities' research profiles. This was the second largest sum granted to any Finnish university. Concrete plans to enhance the quality and impact of research are the key criteria for the profiling funding.

Aalto University has also done well in the funding application rounds for the flagship programme launched by the Academy of Finland in 2018. With four new flagships selected in the third application round at the end of 2020, the programme now comprises a total of ten flagships. Aalto University coordinates the flagships of the Finnish Center for Artificial Intelligence (FCAI) and materials bioeconomy (FinnCERES), and is a partner in PREIN (Photonics Research and Innovation) and GeneCellNano (Gene, Cell and Nano Therapy Competence Cluster for the Treatment of Chronic Diseases). The flagship programme supports high-quality research, and develops future expertise and sustainable solutions to societal challenges. The programme also promotes economic growth by developing new business opportunities.

The Jane and Aatos Erkko Foundation also granted Aalto University €10.5 million to establish a bioinnovation centre. This was one of the largest donations granted in the history of the foundation and a substantial investment in multi-disciplinary collaboration and the promotion of sustainable development.

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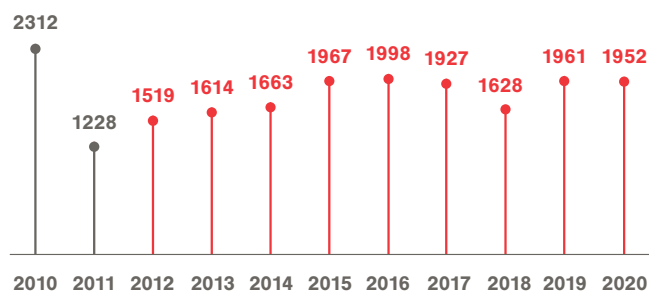
Aalto University supports the culture of open science in the research community and, in this way, works to strengthen a responsible approach to research and its societal impact. Quick and comprehensive access to research data also boosts interdisciplinary research, speeds up the creation of new inventions, and enhances the quality of science by enabling the verification of research results. Open access publications are a key form of open science at Aalto University. In 2020, open access publications continued to increase and accounted for 75% (71%) of all publications of the university.

Education

The pandemic situation had a major impact on teaching and learning arrangements during 2020. Thanks to the systematic development of online teaching and related services, Aalto University was able to promptly shift to remote teaching in most areas. As travel restrictions prevented international student mobility, mobility periods have also been carried out via remote learning. Developing virtual mobility and providing internationalisation experiences will also be key development priorities in the future. Carrying out student admissions in an exceptional situation also required novel procedures in collaboration with other Finnish partners.

In 2020, a total of 1 340 (1 340) students completed a bachelor's degree, 1 952 (1 961) a master's degree, and 214 (235) a doctorate. The number of full-time equivalent bachelor's and master's degree students was 11 910 (11 205) in 2020. The total number of degree students was 18 285 (17 626). Degree students earned a total of 555 902 (510 598) ECTS study credits, equivalent to an average of 36 (34) study credits per active degree student. The number of international students totalled 3 667 (3 738), of whom 83% (75%) were studying for a full degree.

The number of bachelor's degrees remained 14% (14%) and doctoral degrees 7% (exceeded by 2%) below the targets agreed with the Ministry of Education and Culture, while the total number of master's degrees exceeded the target by 4% (4%). Field-specific target for master's degrees was exceeded in the field of art by 95% (70%) but remained below the target in the field of business by 17% (24%) and in the field of technology by 2% (exceeded by 4%). There was a further increase in the proportion of students completing at least 55 credits during the year, which accounted for 39% (36%) of all students. The systematic work done to improve teaching quality was reflected in the improved results obtained in the national bachelor feedback. Aalto University has set the minimum average result target at 4.1 for 2024. In 2020, the result was 3.99 (3.92).



Master's degrees

Degree reforms and their transition periods have affected the number of master's degrees in 2010, 2011 and 2018.

The number of applications to bachelor's degree programmes offered by Aalto University has grown. Compared to 2019, the number of applications increased by 18% and the number of applicants rose by 13%. Primary applications accounted for 47% of all applications (art 81%, business 60% and technology 32%). The new bachelor's degree programmes in English have proved to be 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.

To meet the national need for experts, Aalto University has pledged to significantly increase degree education in its fields. With this in mind, the university increased student intake in autumn 2020 and has agreed with the Ministry of Education and Culture on additional intake and the related funding for the period 2021–2024. Reasons to increase student intake are accessibility of higher education, regional equality, regional demand for labour, and the structural balance of the higher education sector.

The strategic development of Aalto University teaching and learning continued, focusing on four main themes: qualitatively developing degree programmes, student wellbeing and study skills, developing of working life skills and challenge-based teaching, and promoting online teaching and learning. The teaching and learning evaluation exercise (TEE 2020) carried out in 2020 aimed to identify educational development needs, assess educational achievements during the first ten years of Aalto University and to disseminate information on them. The evaluation focused on the management and competence accumulation of degree programmes, ways of implementing multi-disciplinarity in education, and fluency of studies. The final report on the TEE 2020 evaluation with summaries and development proposals will be made available in early 2021.

In 2020, all Finnish higher education institutions committed to implement a joint digital vision. Digivision 2030 aims to make national learning data reserves available to individuals and society at large, support Finland's competitiveness and make Finland a model country for flexible learning. Aalto University and the Metropolia University of Applied Sciences are jointly in charge of the project.

Developing life-wide learning was also a key theme in 2020. Aalto University Open University and especially route studies towards degree studies remained highly popular. Aalto University provides executive education and continuing education through Aalto University Executive Education Oy (Aalto EE). In 2020, Aalto EE ranked 42nd (38th) in the Financial Times Executive Education Ranking, putting it in the top 1% of executive educators worldwide.

Artistic activities

QS World University Rankings placed Aalto University sixth (7th) in art and design, and 42nd (41st) in architecture. At the same time, Ceoworld Magazine ranked Aalto University as the world's third best provider of fashion education in 2020.

Artistic activities were significantly affected by the coronavirus pandemic during 2020. Most of the planned artistic events were cancelled or postponed to a later date. The pandemic had a particularly strong effect on the international results of artistic activities: in 2020, they totalled 67 as compared to 168 in 2019. A total of 217 results of artistic activities were recorded in 2020, compared with 431 in the year before.

Despite a decline in quantitative results, the artistic activities of Aalto University were prominently visible in international arenas. Julia Lohmann, an internationally recognised designer and Professor of Practice in Contemporary Design was one of the 40 cultural influencers invited to the World Economic Forum in Davos; The *Hidaka Ohmu* seaweed pavilion is a call for quick action to solve the climate crisis. The pavilion also won a prize in the Sustainable Design 2020 category of the Dezeen Awards 2021 competition. Aalto University actors also received awards in national art competitions. Teachers at Aalto University received major recognition in 2020 when the Finlandia Prize for Architecture was awarded to Kimmo Lintula, Niko Sirola and Mikko Summanen for the renovation of Helsinki's Olympic Stadium.

In 2020, students could select from 33 (29) different University Wide Art Studies (UWAS) courses on experimental art and design, open to all Aalto University students, offering a range of subjects and encouraging contacts between students from different backgrounds. The courses attracted more than 400 students from all schools of the university. The Design Inside course that provides design teaching for Aalto University degree programmes reached more than 1 100 students. A total of 170 students from different schools of Aalto University completed Design Bits, the pilot of a new, open online course.

Impact

Educating new professionals and collaborating with companies and other stakeholders are central elements of Aalto University's societal impact. There is strong demand for experts in the sectors represented by the university and the employment rate of Aalto University graduates is extremely high.

The Aalto University campus has become a world-class innovation and entrepreneurship ecosystem. Otaniemi is one of Europe's most important high-tech hubs, with a leading European school of business and one of the world's best schools of art and design at its core. The university aims to increase its societal impact by bringing together international and national actors. A Grid, one of Europe's largest startup centres, operates in Aalto University's premises in Otaniemi and is home to about 150 (120) startup companies and communities.

Examples of Aalto University's student-driven entrepreneurship activities include Kiuas, Finland's leading business accelerator, and Slush, which has become one of the world's leading startup events. In 2020, Slush was held as a series of virtual meetings on the online Node by Slush platform. Aalto University is one of the main partners of the event, and using its new strategy as a basis, the aim was to highlight a research and study environment that encourages an entrepreneurial mindset.

The university has intensified collaboration with its strategic partners in Finland and internationally and has sought new forms of collaboration after cuts in Business Finland funding. Collaboration with companies and innovation activities brought €17 million (€14 million) of funding to the university. The €10.5 million granted to Aalto University by the Jane and Aatos Erkko Foundation in 2020 for the establishment of a bioinnovation centre, is a major investment in the Finnish bioeconomy and circular economy expertise. The centre is expected to speed up the creation of breakthrough solutions and extensive utilisation of research results, and, in this way, create opportunities for sustainable economic growth. The bioinnovation centre will complement the research units already operating at Aalto University in this area, including four European Research Council (ERC) projects, the FinnCERES flagship project, a collaboration with VTT and funded by the Academy of Finland, and the Aalto bioeconomy infrastructure on the national roadmap.

The innovation process is an integral part of achieving societal impact from research. Patenting strengthens the path to using the invention, and eventually the technology can be transferred to a new company formed around the innovation. Examples of companies formed through Aalto University's innovation process are Iceye, which builds the world's smallest radar satellites, and IQM, which builds quantum computers. During the year, Aalto University processed 118 (151) innovation proposals, filed 56 (47) patent applications (priority patent applications), and realised 24 (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 fourth place in 2020.

Figures in parenthesis refer to 2019 unless otherwise mentioned.

Prompted by the coronavirus pandemic, Aalto University launched a series of research and development projects in spring 2020. A video on 3D modelling developed in one of the projects showing how coronavirus spreads by air was published in April and it quickly attracted nearly two million viewers. It is expected that this and many other research projects already under way or that will soon start will also result in the publication of scientific research articles. The Helsinki Graduate School of Economics (Helsinki GSE) – established by Aalto University, Hanken School of Economics and the University of Helsinki – set up an economic situation room to produce near real-time information to support economic decision-making during the coronavirus crisis. The ability of Aalto University to quickly direct its research to produce information and solutions to tackle the pandemic was also reflected in research funding. For example, four coronavirus-related research projects of the university were granted funding in the special COVID-19 funding application round of the Academy of Finland.

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. DigiEduHack was one of the most important events of the year. It comprises a series of hackathons that provide solutions for current and future challenges in digital education in Europe and elsewhere. DigiEduHack is an EIT initiative based on the 2018 digital education action plan of the European Commission. Led by EIT Climate-KIC and coordinated by Aalto University, in 2020, the event attracted 2 600 participants and was simultaneously held in 33 countries.

Governance

The main governing bodies of the university are the board, president, provost, vice presidents, Academic Affairs Committee, and deans of the university's schools.

The board consists of seven external members, including the chair and vice chair, and is responsible for decisions concerning the university's strategy, the annual operating plan and budget, and approving financial statements as well as university's regulations. The board appoints the president, provost, vice presidents, deans and other personnel reporting directly to the president and the provost. It also ensures that the university's operations are organised appropriately and that its assets are invested in a systematic and productive manner. The university board met five times during the year.

The Aalto University Academic Affairs Committee appointed Sari Baldauf, MSc (Econ.), and Professor Karel Luyben to continue as board members for a second three-year term, starting on 1 January 2021.

The president leads the operations of the university in accordance with the Universities Act, values of the university community, strategy approved by the board as well as orders and instructions provided by the board. The president also leads the long-term strategic development and partnerships of the university.

The provost substitutes for the president, supports the president in strategy and resource planning, appointments of professors, and leads all processes related to teaching, research and societal impact. The academic vice presidents report to the provost.

The Academic Affairs Committee is a joint multi-member executive body referred to in the Universities Act. The committee is responsible for matters such as curricula, degree requirements, the principles used for admitting students, and for establishing the bodies necessary to govern the university's research and teaching. It also appoints the board's nomination committee and the members of the board based on proposals made by the nomination committee.

The board's nomination committee has five members, of whom two represent founders of the University Foundation aside from the State of Finland.

Aalto University is organised into six schools and joint services. 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 and research and are academically independent within the framework established by the university's strategy, guidelines, and annual operating plan and budget.

The university and its subsidiaries form the Aalto University Group, with the board and 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.

Personnel

University's personnel was made up of 4 218 (4 125) full-time equivalents. A total of 59% (59%) were employed in teaching and research positions, 9% (10%) were degree students working as teaching and research assistants, and 32% (31%) belonged to other personnel groups. In total, 22% (21%) of the personnel were doctoral students.

A total of 36% (36%) of personnel held a permanent employment contract and 85% (85%) worked full-time. Women accounted for 40% (39%) of the personnel. A total of 14% (14%) of the personnel will reach the age of 65 within the next 10 years. The share of non-Finnish personnel was 32% (28%), which indicates the strong international focus of the university.

At the end of 2020, the university had 393 (390) professors, of whom 131 (141) had fixed-term tenure-track contracts. In total, 20% (21%) of the professors were women. Approximately 34% (34%) of the professors will reach the age of 65 within the next 10 years.

Figures in parenthesis refer to 2019 unless otherwise mentioned.

The average number of personnel employed by the Aalto University Group was 4 681 (4 522). The University Group's personnel costs totalled €256 million (€250 million), of which the university accounted for €244 million (€237 million). Salaries and other compensations paid to the members of the board, president, and members of the boards of Aalto University Group companies and their CEOs totalled €1.0 million (€1.1 million).

Campus

Aalto University's long-term campus development programme proceeded as planned in 2020. During the year, the focus was on three renovation projects. The renovation of Aalto University Töölö, the former main building of the School of Business, was completed at the end of 2020. Aalto University Executive Education Oy (Aalto EE) and the restaurant operator Kanresta Oy are two of the companies that started in the building in early 2021. The renovation of the Metsähovi radio observatory in Kirkkonummi was also completed at the end of 2020. The renovation of the old Otaniemi shopping centre began in 2020. The property will be in commercial use and the project is expected to be completed in May 2021. The work to extend the A Grid startup centre, opened in 2018, at Otakaari 5 continued and the fourth stage of the project in I-wing was completed in early 2020.

In March 2020, Aalto University board made an investment decision on the K3 project, part of the Aalto Works block. Aalto Works comprises a number of sites in the K-block of the Otaniemi campus and the work will be completed in stages. The campus landscaping planning was launched in 2020 and is scheduled for completion in 2021.

The energy solution of Aalto Works will be based on heat pumps, and Aalto University and Fortum signed a collaboration agreement on the technology in summer 2020. This will reduce the heating and cooling emissions of campus by 25 per cent. Progress was made in planning the changes to the zoning for the Kivimies block and, in November 2020, the Espoo city planning board approved the changes to the zoning relating to the new apartment buildings in the eastern part of Otakaari.

At the end of December, a total of 46 000 m² (37 500 m²) of the university's facilities were rented out to university partners. Compass Group FS Finland Oy, Esport Aalto Oy, Senate Properties and VTT Technical Research Centre of Finland Ltd were the largest tenants.

The university was able to reduce its facility usage by 3% (5%) in 2020. The university uses a total of 210 000 m² (217 000 m²) of workspace, of which the Otaniemi campus accounted for 206 000 m² (213 000 m²) and other sites for 4 000 m² (4 000 m²). In 2020, the university's facility costs totalled €43 million (€46 million).

Endowment

Aalto University engages in a long-term and responsible endowment strategy designed 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 €1 167 million (€1 142 million). The average annual return on the endowment portfolio has been 4.9% after expenses since the inception of operations. In 2020, the return on the endowment portfolio was 3.7% (15.6%), after expenses. At the end of 2020, 26% (30%) of the portfolio was held in fixed income instruments, 60% (57%) in equities, and 14% (14%) in alternative risk.

Aalto University is committed to responsible endowment and manages the university's endowment assets in a sustainable manner in accordance with the university's values. The university is a member of Finland's Sustainable Investment Forum (FINSIF) and the Standards Board for Alternative Investments (SBAI).

Sustainable development

The strategic purpose of Aalto University is shaping a sustainable future. Addressing the major challenges facing society, such as climate change and growing social inequalities, is a key goal of the university. In its agreement with the Ministry of Education and Culture for the period 2021–2024, the university confirmed its aim to make the campus carbon neutral by the year 2030.

Aalto University is an active member of sustainable development networks of universities, both at national and international level. Aalto University is the first university in Finland that 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). Aalto University is also committed to the joint theses of sustainable development and responsibility adopted by Universities Finland UNIFI in November 2020.

Times Higher Education has assessed the success of universities in the promotion of the UN Sustainable Development Goals in its THE Impact Rankings. In 2020, the performance of 768 universities was evaluated and Aalto University tied at 47th place (in 2019, Aalto University was ranked 19th among 467 universities). In individual Sustainable Development Goals, Aalto University came second (6th in 2019) in the promotion of responsible consumption and production, and fifth (10th in 2019) in the promotion of sustainable industry, innovations and infrastructures.

Figures in parenthesis refer to 2019 unless otherwise mentioned.

The research projects supporting sustainable development funded by the Strategic Research Council and coordinated by Aalto University continued and a number of new projects were also launched. These include FINIX (promoting textile industry), SmartLand (promoting sustainable urbanisation) and ValueBioMat (promoting the use of renewable raw materials).

Aalto University offers a wide range of master's degree programmes, minor subject programmes and freely available online courses on sustainable development and related topics. In the academic year 2020–2021, nine of the university's master's degree programmes focus on sustainable development. The Climate University collaboration project resulted in nine online courses on circular economy, sustainability and climate change. AaltoSDG, launched at the start of 2020, is a mobile application aimed at encouraging the students, personnel and partners of Aalto University to make more sustainable decisions every day. Sustainable development was also a key theme in the exhibitions and other events at the university, such as the Designs for a Cooler Planet held at the Otaniemi campus and as a virtual exhibition in autumn.

Risk management

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. For unrewarded risks, the strategy is to avoid risks or, when appropriate, 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 and 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 of public funding for the university sector and potential redirecting of funding can endanger the university's long-term academic activities. The uncertainty of financial markets can have a negative impact on the university's endowment portfolio and its spending policy for endowment returns, thus also impacting funding over the long term. Growing threats have also been identified in information security and information management and, if realised, may negatively affect the university's operations. The exceptional conditions resulting from the coronavirus pandemic and the measures it prompted have given rise to risk factors related to such matters as the wellbeing of the university community. The most important stage of the university's campus development programme is nearing completion. Even though the risks

related to the construction stage have decreased, the needs arising from the community and the changes in working methods arising from the pandemic may increase the need to make the physical premises more flexible.

The principle underlying the 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 by its operations to third parties, as well as management liability insurance cover with respect to financial damage that might result from the actions of the university's management and members of the board, as well as boards of its subsidiaries.

Financial position

The university's pro forma operative income totalled €343 million, up 1% from the €339 million recorded in the previous financial year. The main sources of income were government funding totalling €212 million (€212 million) and grant income: €47 million (€48 million) from the Academy of Finland, €24 million (€24 million) from the European Union, and €12 million (€11 million) from Business Finland.

The university's pro forma operative expenses were €358 million, down 4% from the €371 million recorded in the previous year. Personnel and facility expenses accounted for most of the expenses. Personnel expenses accounted for 68% (64%) and facility expenses 12% (12%) of operative expenses. Personnel expenses rose by 3% from the previous year as a result of an increase in the number of personnel and salary increases implemented in accordance with the collective agreement. Facility expenses decreased by 7% from the previous year. The decrease in facility expenses was mainly due to the concentration of activities in the Otaniemi campus. Expenses not related to personnel and facilities decreased by 19% from the previous year. The exceptional situation caused by the coronavirus pandemic was a key factor behind the decrease in expenditure.

The university's pro forma operative loss was €15 million (€32 million).

The fundraising profit totalled €1 million (€3 million). The fundraising income of €2 million (€4 million) consisted of donations received, and most of the expenses were personnel and service expenses. In the profit & loss statement, the capitalisation of donations raised for special purpose funds is deducted in Change in special purpose funds.

Endowment profit totalled €41 million (€153 million). The endowment profit in 2020 mainly consisted of changes in portfolio allocation and individual investment funds. There was also a positive change in the fair value of the endowment portfolio due to the strong recovery of the financial markets after the pandemic shock in spring. Loss for financing activities amounted to €3 million (profit €12 million) and was due to the inputs made as part of the campus development programme. The profit/loss for endowment and financing activities includes both realised gains and losses as well as change in the fair value of assets.

Figures in parenthesis refer to 2019 unless otherwise mentioned.

The net profit for the university's financial year was €20 million (€130 million), which was 6% (38%) of the operative income.

The university's balance sheet totalled €1 869 million (€1 847 million).

In assets, the value of investments was €1 206 million (€1 207 million). Market value of endowment decreased, while the value of other shares increased as a result of the valuations of shareholdings arising from the transfer of intellectual property rights. The value of investments also includes shares in the group, associated and jointly owned companies. Long-term receivables declined to €461 million (€466 million) due to loan repayment by group companies.

In equity and liabilities, the capital reserve increased to €446 million (€441 million) as a result of matching funding in connection with the fundraising campaign by the Ministry of Education and Culture. The value of special purpose funds totalled €60 million (€61 million). Unrestricted funds increased to €351 million (€231 million), which was mainly due to the transfer of endowment profit of the previous year to the unrestricted fund, the use of the endowment accumulated returns, and transfers to tenure track fund. Liabilities decreased to €491 million (€493 million). Long-term liabilities decreased to €273 million (€331 million) and short-term liabilities increased to €218 million (€162 million). The increase was mainly due to a bullet loan falling due in 2021, transferring from long-term to short-term liabilities.

In the cash flow statement, cash flow from ordinary operations increased to €41 million (–€25 million). This was mainly due to the use of endowment accumulated returns to finance ordinary operations in accordance with endowment spending policy, an increase in working capital and lower expenditure. Cash flow from investments was €7 million (–€41 million). Of the cash flow from investments, –€18 million (€8 million) related to investments in tangible and intangible assets and €26 million (–€49 million) to endowment activities. Cash flow from financing activities decreased to –€1 million (€23 million), which was mainly because no new loans were raised. The university's change in cash and bank was €48 million (–€43 million). Of this change, €22 million (€5 million) related to the university's ordinary activities and €26 million (–€49 million) to endowment activities.

KEY FIGURES, €1M	2020	2019	2018	2017	2016
Operative income	343	339	347	345	353
Operative profit/loss	-15	-32	-18	4	-5
Endowment profit/loss	41	153	-64	90	22
Fundraising profit/loss	1	3	2	11	10
Profit/loss for the period	20	130	-85	92	16
Total cash flow	48	-43	38	-3	28
Total assets	1 869	1 847	1 669	1 657	1 545
Total equity	1 377	1 353	1 221	1 302	1 213
Total liabilities	491	493	446	355	332

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.

Aalto University Group

Aalto University Group's total income was €415 million (€544 million) and its total expenses €397 million (€418 million). The Group recorded a net profit of €18 million (€126 million).

The Group's balance sheet totalled €1 871 million (€1 829 million) at the end of the year. An increase in the balance sheet total was mainly due to changes in Group's cash and bank. Cash flow from Aalto University Group's ordinary operations was €50 million (–€2 million) and the cash flow from investments was –€13 million (–€39 million). The cash flow from financing activities was €13 million (–€6 million) while the group's total cash flow was €50 million (–€46 million).

The sub-group Aalto University Executive Education recorded a turnover of €18 million (€24 million) and its net profit was €0.2 million (€1.0 million).

All Aalto University Group companies have prepared their own financial statements for the financial year 2020.

Figures in parenthesis refer to 2019 unless otherwise mentioned.

FINANCIAL RATIOS	FOUNDATION					GROUP				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
CHANGE IN REVENUE										
Change in turnover %	1%	-2%	-1%	-2%	-5%	0%	-2%	-1%	-1%	-4%
PROFITABILITY										
Change in operating profit %	-6%	-11%	-7%	1%	-2%	-5%	-10%	-5%	1%	3%
Change in equity %	2%	11%	-6%	7%	5%	2%	10%	-6%	7%	6%
Endowment return %	3.7%	15.6%	-6.0%	6.5%	6.1%					
LIQUIDITY (without endowment cash and bank)										
Quick ratio	0.7	1.0	0.8	2.1	3.3	1.0	1.8	1.5	2.0	2.7
Days cash on hand	64	41	30	29	57	70	44	34	47	77
SOLVENCY										
Equity ratio	76%	75%	75%	80%	80%	77%	77%	76%	79%	79%
Gearing	16%	19%	17%	16%	17%	15%	18%	16%	14%	14%

Auditor

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

Estimate of future events and major events after the financial year

The new strategy guiding the long-term objectives of Aalto University became effective on 1 January 2021. The new living strategy takes into account changes in the world around the university and aims to provide answers to global challenges. The selection of development areas is guided by the purpose to excel in research and achieve breakthroughs in and across science, art, technology and business.

The Aalto University board approved the budget for 2021 and the long-term plan for the period 2022–2024 at its meeting on 25 November 2020. In the planning period, priority will be given to the safeguarding of academic activities, operating efficiency, long-term financial sustainability and wellbeing of the Aalto community.

The agreement period 2017–2020 of the Ministry of Education and Culture has come to an end and the universities' funding model was revised for the agreement period 2021–2024. The computational basic funding of Aalto University for 2021 will be €222 million which is five per cent more than the €212 million for the year 2020.

In accordance with the goal of raising the educational level in Finland, as set out in the Government Programme, Aalto University will also substantially increase its student intake in 2021 and 2022. Under the performance agreement with the Ministry of Education and Culture, there will be 272 additional study places in 2021 and 396 additional study places in 2022. The number of study places will increase by 20% as compared to 2017–2019. As the number of students increases, new professorships will be established, investments will be made in teaching and research resources, and additional learning and IT services will be provided. The Ministry of Education and Culture will provide additional funding for the new study places on a five-year basis.

Basic funding provided by the Ministry of Education and Culture accounted for 62% (62%) and funding provided by the Academy of Finland and Business Finland for 17% (17%), of Aalto University's operative income in 2020. Aalto University receives a large proportion of its funding from the public sector, which means that the measures to balance public finances in the post-coronavirus period may pose challenges to the university's funding.

No other events of a material nature affecting the financial status of the Aalto University Group and its financial statements for 2020 took place between the end of the financial year and the preparation of the financial statements.

Figures in parenthesis refer to 2019 unless otherwise mentioned.

Key figures of personnel

FTE AND PERSONNEL STRUCTURE	2020			2019			2018			2017		
	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men
FTE by personnel group												
Teaching and research personnel	2 986	31%	69%	2 892	30%	70%	2 834	29%	71%	2 769	30%	70%
Other personnel	1 232	61%	39%	1 233	62%	38%	1 218	62%	38%	1 178	61%	39%
Total	4 218	40%	60%	4 125	39%	61%	4 052	39%	61%	3 947	39%	61%
Number of full-time and part-time personnel												
Full-time personnel	3 579	40%	60%	3 501	39%	61%	3 469	39%	61%	3 341	39%	61%
Part-time personnel	635	41%	59%	624	39%	61%	583	38%	62%	606	40%	60%
Number of international personnel												
Teaching and research personnel	1 266	29%	71%	1 306	28%	72%	1 107	29%	71%	973	28%	72%
Other personnel	61	51%	49%	71	56%	44%	52	60%	40%	42	62%	38%
Share of fixed-term personnel												
Teaching and research personnel	83%	32%	68%	84%	31%	69%	83%	31%	69%	82%	31%	69%
Other personnel	18%	70%	30%	18%	69%	31%	15%	69%	31%	13%	62%	38%

AGE STRUCTURE	2020				2019				2018				2017			
	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%	Women	%	Men	%
Average age of personnel	38		36		39		36		39		37		39		38	
Personnel age structure																
Under 20 years	0	0%	1	0%	2	0%	2	0%	1	0%	1	0%	1	0%	1	0%
20-29 years	347	8%	706	17%	306	7%	684	17%	300	7%	655	16%	288	7%	638	16%
30-39 years	529	13%	827	20%	517	13%	832	20%	497	12%	827	21%	460	12%	790	20%
40-49 years	371	9%	475	11%	364	9%	454	11%	357	9%	450	11%	362	9%	434	11%
50-59 years	293	7%	349	8%	299	7%	361	9%	303	8%	366	9%	291	7%	355	9%
60-79 years	136	3%	181	4%	128	3%	175	4%	123	3%	170	4%	142	4%	184	5%

RETIREMENT	2020	2019	2018	2017
Number of retirements	42	49	67	93
Average retirement age	65	65	66	65

SALARIES	2020	2019	2018	2017
Salaries and other compensations (€1M)	208	200	193	183
Performance bonuses included in salaries and other compensations	-	-	-	-
Women's median salary compared with men's				
Teaching and research personnel	96%	97%		
Other personnel groups	113%	119%		
Total	96%	96%		

WELLBEING AT WORK	2020	2019	2018	2017
Wellbeing at work (personnel wellbeing survey result, scale 1-5)	-	3.76	-	3.70
Absences due to sick leaves (share of total working days)	0.8%	1.2%	1.2%	1.3%

Financial Statements 2020

Based on the audited Finnish version

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

(not audited)

OPERATIVE INCOME	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%	2014	%
Government funding	212	62%	212	62%	219	63%	229	66%	237	67%	254	68%	266	69%
Academy of Finland	47	14%	48	14%	51	15%	45	13%	40	11%	35	10%	31	8%
European Union	24	7%	24	7%	21	6%	19	5%	21	6%	19	5%	21	5%
Business Finland	12	4%	11	3%	15	4%	18	5%	23	6%	26	7%	31	8%
Corporate	17	5%	14	4%	12	4%	12	4%	13	4%	13	3%	14	4%
Other	27	8%	26	8%	24	7%	21	6%	19	5%	24	6%	23	6%
Transfer from special purpose funds	4	1%	5	1%	4	1%	1	0%	1	0%	1	0%	1	0%
TOTAL	343	100%	339	100%	347	100%	345	100%	353	100%	372	100%	389	100%
OPERATIVE EXPENSES														
Academic personnel	173	48%	167	45%	160	44%	153	45%	162	45%	172	45%	174	43%
Service personnel	70	20%	69	19%	67	18%	64	19%	65	18%	73	19%	83	21%
Facilities	43	12%	46	12%	52	14%	48	14%	65	18%	67	17%	68	17%
Service purchases	35	10%	41	11%	39	11%	29	8%	26	7%	28	7%	28	7%
Depreciations	12	3%	12	3%	10	3%	9	3%	8	2%	8	2%	7	2%
Other	24	7%	37	10%	36	10%	38	11%	32	9%	37	10%	40	10%
TOTAL	358	100%	371	100%	365	100%	341	100%	358	100%	385	100%	400	100%
OPERATIVE PROFIT/LOSS														
	-15		-32		-18		4		-5		-12		-11	
Endowment profit/loss	41		153		-64		90		22		30		39	
Fundraising profit/loss	1		3		2		11		10		1		5	
Financing activities profit/loss	-3		12		0		0		0		0		0	
Tax	0		0		0		0		0		0		0	
Transfer to special purpose funds	-4		-6		-5		-13		-12		0		0	
PROFIT/LOSS FOR THE PERIOD	20		130		-85		92		16		18		33	

FOUNDATION PROFIT & LOSS STATEMENT, €1 000

	Note	1.1.–31.12.2020	1.1.–31.12.2019
ORDINARY OPERATIONS			
Turnover			
Universities Act based government grant		212 388	211 635
Income from grants	2	95 602	95 976
Income from business activities	7	23 598	20 135
Other income		7 594	6 784
		339 182	334 529
Expenses			
Personnel expenses	5	243 119	235 845
Facility expenses		43 032	46 205
Depreciation and amortization	8	12 424	11 507
Other expenses	6	59 268	77 541
		357 843	371 099
OPERATING PROFIT/LOSS		-18 661	-36 570
FUNDRAISING			
Fundraising income and expenses	9	717	2 984
ENDOWMENT ACTIVITIES			
	10		
Income and expenses		38 501	17 283
Changes in the fair value of investments		2 678	136 063
Endowment activities total		41 179	153 346
FINANCING ACTIVITIES			
	11		
Investment property, income and expenses		-5 568	11 115
Other financial income and expenses		2 719	2 404
Changes in the fair value of derivatives		-203	-1 610
Financing activities total		-3 051	11 909
PROFIT/LOSS BEFORE TRANSFERS IN FINANCIAL STATEMENTS AND TAX		20 185	131 669
APPROPRIATIONS AND TAXES			
Change in special purpose funds		34	-1 022
Tax	12	277	270
NET PROFIT/LOSS OF THE FINANCIAL YEAR		19 942	130 377

FOUNDATION BALANCE SHEET, €1 000

	Note	31.12.2020	31.12.2019
ASSETS			
FIXED ASSETS			
Intangible assets	13	981	1 148
Tangible assets	14		
Buildings and constructions		25	22
Machinery and equipment		34 792	35 691
Other tangible assets		782	740
Advance payments and work in progress		6 212	3 416
		41 811	39 869
Investments	16		
Shares in Aalto group companies		68 814	68 814
Shares in associated companies		3 580	3 431
Shares in jointly owned companies		4 441	4 441
Other shareholdings		5 022	4 424
Endowment assets	17	1 124 400	1 126 295
		1 206 258	1 207 405
TOTAL FIXED ASSETS		1 249 050	1 248 422
CURRENT ASSETS			
Inventories		142	124
Receivables			
Long-term receivables	18		
Receivables, associated companies		2 000	2 000
Loans to group companies		458 615	462 090
Other receivables		0	1 645
		460 615	465 735
Short-term receivables	19		
Accounts receivable		31 104	25 078
Receivable, group companies		902	6 799
Other receivables		10 098	6 879
Prepaid expenses and accrued income		11 873	16 549
		53 977	55 305
Securities	21	0	19 992
Cash and bank			
Ordinary activities		66 628	44 456
Endowment		38 776	13 174
		105 403	57 630
TOTAL CURRENT ASSETS		620 137	598 785
TOTAL ASSETS		1 869 186	1 847 208

FOUNDATION BALANCE SHEET, €1 000

	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
EQUITY	22		
Foundation capital		280 000	280 000
Capital reserve		445 618	440 885
Special purpose funds	23		
Special purpose funds expendable		11 690	13 454
Special purpose funds capitalizing		48 788	47 058
Unrestricted funds	24		
Student entrepreneurship fund		459	160
Tenure track fund		26 015	23 444
Accumulated endowment returns fund		324 204	207 198
Operating equity		154 644	154 644
Profit/Loss from previous years		66 019	55 517
Profit/Loss of the financial year		19 942	130 377
TOTAL EQUITY		1 377 379	1 352 738
PROVISIONS		466	1 265
LIABILITIES	25		
Long-term liabilities			
Loans from financial institutions		257 623	320 613
Advance payments		4 492	0
Other long-term liabilities		11 037	10 363
		273 152	330 976
Short-term liabilities			
Loans from financial institutions		62 989	8 959
Advance payments		54 828	40 390
Accounts payable		7 945	7 668
Liabilities to group companies		45 613	68 130
Other liabilities		24 496	17 618
Accrued expenses		22 319	19 464
		218 189	162 229
TOTAL LIABILITIES		491 342	493 204
TOTAL EQUITY AND LIABILITIES		1 869 186	1 847 208

FOUNDATION CASH FLOW STATEMENT, €1 000

	1.1.-31.12.2020	1.1.-31.12.2019
CASH FLOW FROM ORDINARY OPERATIONS		
Operating profit/loss	-18 661	-36 570
Depreciation included in the above	12 424	11 507
Changes in working capital	29 971	-4 091
Cashflow in fundraising	717	2 984
Paid direct taxes	-277	-270
Transfer from endowment cash and bank	35 809	3 856
Transfer to endowment cash and bank	-18 525	-8 252
TOTAL CASH FLOW FROM OPERATIONS (A)	41 458	-30 836
CASH FLOW FROM INVESTMENTS		
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS		
Investments in tangible and intangible assets	-14 198	-16 244
Received investment grants	1 434	1 696
Net proceeds from real estate	-5 568	22 156
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS (B1)	-18 332	7 609
CASH FLOW FROM ENDOWMENT ACTIVITIES		
Investments in endowment	-316 105	-305 806
Proceeds from sales of financial assets	355 088	252 202
Other net proceeds from investments activities	3 902	502
Transfer to other activities cash and bank (net)	-17 284	4 397
CASH FLOW FROM ENDOWMENT ACTIVITIES (B2)	25 601	-48 706
TOTAL CASH FLOW FROM INVESTMENTS (B)	7 269	-41 097
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in equity	4 733	0
Changes in the loan portfolio		
Group net lending	-19 770	20 930
Withdrawn long-term loans	0	60 000
Paid long-term loans	-8 959	-34 929
Other income and expenses *	2 719	2 404
Other changes in cash flow	20 322	-19 971
TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)	-954	28 434
CHANGE IN CASH AND BANK		
Ordinary activities	22 172	5 207
Endowment activities	25 601	-48 706
CHANGE IN CASH AND BANK (A+B+C)	47 773	-43 499
Ordinary activities cash and bank beginning of year	44 456	39 249
Ordinary activities cash and bank end of year	66 628	44 456
Change in cash and bank Ordinary activities	22 172	5 207
Endowment cash and bank beginning of year	13 174	61 880
Endowment cash and bank end of year	38 776	13 174
Change in cash and bank Endowment activities	25 601	-48 706
CHANGE IN CASH AND BANK	47 773	-43 499

*) Interest income, group have been adjusted year 2019

GROUP PROFIT & LOSS STATEMENT, €1 000

	Note	1.1.–31.12.2020	1.1.–31.12.2019
ORDINARY OPERATIONS			
Turnover			
Universities Act based government grant		212 388	211 635
Income from grants	2	95 625	96 048
Income from business activities	7	41 742	44 657
Other income		7 782	6 916
		357 537	359 256
Expenses			
Personnel expenses	5	254 323	248 286
Facility expenses		13 828	13 604
Depreciation and amortization	8	28 392	27 526
Other expenses	6	78 979	104 914
		375 523	394 329
Profit/loss attributable to minority interests in associated companies		-31	11
PROFIT/LOSS FROM ORDINARY OPERATIONS		-18 017	-35 061
FUNDRAISING			
Income and expenses	9	717	2 984
ENDOWMENT ACTIVITIES			
Income and expenses	10	38 501	17 283
Changes in the fair value of investments		2 678	136 063
Endowment activities total		41 179	153 346
FINANCING ACTIVITIES			
Investment property, income and expenses	11	-2 489	11 378
Other financial income and expenses		-3 192	-3 518
Changes in the fair value of derivatives		230	-1 610
Financing activities total		-5 451	6 250
PROFIT/LOSS BEFORE TRANSFERS IN FINANCIAL STATEMENTS AND TAX		18 428	127 518
APPROPRIATIONS AND TAXES			
Change in special purpose funds		34	-1 022
Tax	12	128	366
NET PROFIT/LOSS OF THE FINANCIAL YEAR		18 334	126 130

GROUP BALANCE SHEET, €1 000

	Note	31.12.2020	31.12.2019
ASSETS			
FIXED ASSETS			
Intangible assets	13	2 434	2 806
Tangible assets	14		
Land and water areas		37 145	37 118
Buildings and constructions		411 861	413 750
Machinery and equipment		57 149	60 841
Other tangible assets		4 608	4 980
Advance payments and work in progress		44 310	26 948
		555 073	543 637
Investments	16		
Shares in associated companies		3 945	3 821
Other shareholdings		7 192	6 318
Endowment assets	17	1 125 650	1 127 545
		1 136 787	1 137 684
TOTAL FIXED ASSETS		1 694 294	1 684 127
CURRENT ASSETS			
Inventories		143	125
Receivables			
Long-term receivables	18	1 043	2 746
Short-term receivables	19		
Accounts receivable		32 617	27 050
Other receivables		11 070	9 124
Prepaid expenses and accrued income		12 160	16 978
		55 847	53 152
Securities	21	6 830	26 814
Cash and bank		112 419	62 341
TOTAL CURRENT ASSETS		176 281	145 177
TOTAL ASSETS		1 870 575	1 829 304
EQUITY AND LIABILITIES			
EQUITY			
	22		
Foundation capital		280 000	280 000
Capital reserve		445 618	440 885
Special purpose funds with separate assets	23	60 478	60 513
Unrestricted funds	24	350 678	230 802
Operating equity		154 644	154 644
Profit/Loss from previous years		87 015	80 995
Profit/Loss of the financial year		18 334	126 130
TOTAL EQUITY		1 396 767	1 373 968
PROVISIONS		521	1 320
LIABILITIES			
	25		
Long-term			
Loans from financial institutions		262 257	327 953
Advance payments		2 832	2 731
Other long-term liabilities		12 697	7 632
Total long-term liabilities		277 786	338 316
Short-term			
Loans from financial institutions		65 868	9 332
Advance payments		59 104	44 557
Accounts payable		13 556	12 887
Accrued tax		5 383	5 779
Other short-term liabilities		27 529	19 383
Accrued expenses		24 060	23 763
Total short-term liabilities		195 501	115 700
TOTAL LIABILITIES		473 287	454 016
TOTAL EQUITY AND LIABILITIES		1 870 575	1 829 304

GROUP CASH FLOW STATEMENT, €1 000

	1.1.-31.12.2020	1.1.-31.12.2019
CASH FLOW FROM ORDINARY OPERATIONS		
Operating profit/loss	-18 017	-35 061
Depreciation included in the above	28 392	27 526
Changes in working capital	22 133	7 949
Cashflow in fundraising	717	2 984
Paid direct taxes	-512	-622
Transfer from endowment cash and bank	35 809	3 856
Transfer to endowment cash and bank	-18 525	-8 252
TOTAL CASH FLOW FROM OPERATIONS (A)	49 997	-1 621
CASH FLOW FROM INVESTMENTS		
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS		
Investments in tangible and intangible assets	-43 918	-66 357
Received investment grants	1 434	1 696
Net proceeds from real estate	4 060	74 632
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS (B1)	-38 424	9 972
CASH FLOW FROM ENDOWMENT ACTIVITIES		
Investments in endowment	-316 105	-305 806
Proceeds from sales of financial assets	355 088	252 202
Other net proceeds from investments activities	3 902	502
Transfer to other activities cash and bank (net)	-17 284	4 397
CASH FLOW FROM ENDOWMENT ACTIVITIES (B2)	25 601	-48 706
TOTAL CASH FLOW FROM INVESTMENTS (B)	-12 822	-38 734
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in equity	4 733	0
Changes in the loan portfolio		
Withdrawn long-term loans	0	60 000
Paid long-term loans	-8 959	-35 191
Other income and expenses	-3 192	-3 518
Other changes in cash flow	20 322	-26 814
TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)	12 904	-5 523
CHANGE IN CASH AND BANK		
Ordinary activities	24 477	2 827
Endowment activities	25 601	-48 706
CHANGE IN CASH AND BANK (A+B+C)	50 078	-45 878
Ordinary activities cash and bank beginning of year	49 166	46 339
Ordinary activities cash and bank end of year	73 643	49 166
Change in cash and bank Ordinary activities	24 477	2 827
Endowment cash and bank beginning of year	13 174	61 880
Endowment cash and bank end of year	38 776	13 174
Change in cash and bank Endowment activities	25 601	-48 706
CHANGE IN CASH AND BANK	50 078	-45 878

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, electricity 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, Electricity 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, electricity derivatives 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 in the provision of educational services and in procurement and facility rents relating to research other than commercial research. 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. The Hamilton Lane Aalto Fund SICAV S.à.r.l acts as a fund of investment funds, hence it is included in investments in balance sheet, like other mutual funds. The company's financials are not consolidated into financial statements line by line. Consolidation would not substantially improve the accuracy and adequacy of information.

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 2020	Foundation 2019	Group 2020	Group 2019
Total income	407 846	536 934	414 967	544 270
Total expenses	387 904	406 556	396 633	418 140
Difference	19 942	130 377	18 334	126 130
2. GRANT INCOME	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Business Finland grants	12 125	11 338	12 147	11 410
Academy of Finland grants	46 755	47 675	46 755	47 675
European Union grants	24 228	23 700	24 228	23 700
Other grants	12 494	13 263	12 494	13 263
Total	95 602	95 976	95 625	96 048
3. PROFIT & LOSS STATEMENT BY FIELD OF OPERATION	Foundation 2020	Foundation 2019		
Education				
Income				
Government funding	15 346	14 036		
Income from grants	6 907	6 365		
Income from business activities	1 682	1 335		
Other income	572	450		
	24 507	22 186		
Expenses				
Total expenses	54 972	61 051		
Education total	-30 465	-38 865		
Research/R&D				
Income				
Government funding	193 207	194 618		
Income from grants	86 958	88 259		
Income from business activities	21 176	18 515		
Other income	7 201	6 238		
	308 542	307 630		
Expenses				
Total expenses	299 062	306 388		
Research/R&D total	9 480	1 242		
Societal impact				
Income				
Government funding	3 841	2 982		
Income from grants	1 729	1 352		
Income from business activities	421	284		
Other income	143	96		
	6 134	4 713		
Expenses				
Total expenses	3 809	3 660		
Societal impact total	2 325	1 053		
OPERATING PROFIT	-18 661	-36 570		
Fundraising, investment and financial activities	38 846	168 239		
Appropriations	34	-1 022		
Tax	277	270		
PROFIT (LOSS) OF THE FINANCIAL YEAR	19 942	130 377		

NOTES TO PROFIT & LOSS STATEMENT, €1 000

4. PROFIT & LOSS STATEMENT IN ACCORDANCE FINNISH ACCOUNTING ORDINANCE 3 §

	Foundation 2020	Foundation 2019	Group 2020	Group 2019
ORDINARY OPERATIONS				
Income	126 794	122 894	145 118	147 633
Expenses	357 843	371 099	375 523	394 329
Personnel expenses	243 119	235 845	254 323	248 286
Depreciation and amortization	12 424	11 507	28 392	27 526
Other expenses	102 300	123 746	92 807	118 517
SURPLUS/DEFICIT FROM ORDINARY OPERATIONS	-231 049	-248 205	-230 405	-246 696
FUNDRAISING				
Income	1 745	3 944	1 745	3 944
Expenses	1 027	960	1 027	960
INVESTMENT AND FINANCING ACTIVITIES				
Income	58 674	55 865	53 003	46 017
Expenses	23 022	25 062	20 184	20 875
Changes in the fair value of investments	2 476	134 453	2 908	134 453
GENERAL GRANTS	212 388	211 635	212 388	211 635
SURPLUS BEFORE CHANGE IN SPECIAL PURPOSE FUNDS AND TAX	20 185	131 669	18 428	127 518
APPROPRIATIONS AND TAXES				
Change in special purpose funds	34	-1 022	34	-1 022
Tax	277	270	128	366
SURPLUS/DEFICIT OF THE FINANCIAL YEAR	19 942	130 377	18 334	126 130

5. PERSONNEL EXPENSES	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Salaries and other compensations	207 906	200 254	217 297	210 590
Pension expenses	31 604	33 227	33 114	35 048
Other social expenses	4 835	3 606	5 139	3 889
Total	244 345	237 087	255 550	249 527

6. OTHER EXPENSES	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Materials and supplies	10 938	14 704	11 233	23 354
Travel expenses	2 247	10 577	2 302	10 852
Services	36 258	41 349	46 848	53 154
Other expenses	10 615	11 556	21 964	20 669
Total	60 057	78 185	82 346	108 029

7. PROFIT & LOSS STATEMENT FOR BUSINESS ACTIVITIES	Total business activities including to corporate income tax		Subject to corporate income tax	
	Foundation 2020	Foundation 2019	Foundation 2020	Foundation 2019
Turnover	23 598	20 135	13 478	12 858
Personnel expenses				
Salaries and other compensations	6 674	4 326	3 607	3 190
Pension expenses	876	762	618	562
Other social expenses	1 122	1 022	1 010	891
	8 672	6 110	5 235	4 642
Depreciation	21	18	6	4
Other expenses	11 179	10 974	6 867	6 879
OPERATING PROFIT	3 726	3 032	1 370	1 334
Financing income and expenses				
Investment property, income	4 223	5 162	0	0
Investment property, expenses	9 795	11 362	0	0
	-5 573	-6 200	0	0
Tax	277	270	277	270
PROFIT (LOSS) OF THE FINANCIAL YEAR	-2 124	-3 438	1 093	1 064

NOTES TO PROFIT & LOSS STATEMENT, €1 000

8. DEPRECIATION AND AMORTIZATION	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Depreciation according to plan				
Intangible assets	219	265	219	265
Goodwill	0	0	210	204
Buildings	25	21	16 264	15 843
Machinery and equipment	11 673	11 145	15 216	14 928
Other tangible assets	8	3	904	443
Additional depreciation	499	73	42	73
Total	12 424	11 507	32 854	31 756
9. FUNDRAISING	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Donations	1 745	3 944	1 745	3 944
Fundraising expenses	1 027	960	1 027	960
	717	2 984	717	2 984
10. ENDOWMENT	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Income				
Dividend income	1 220	2 081	1 220	2 081
Profit on sale of investments	41 156	21 697	41 156	21 697
Other income	6 393	1 532	6 393	1 532
	48 770	25 310	48 770	25 310
Expenses				
Interest expenses	277	149	277	149
Loss on sale of investments	5 569	3 992	5 569	3 992
Other expenses	4 423	3 887	4 423	3 887
	10 269	8 027	10 269	8 027
Changes in the fair value of investments	2 678	136 063	2 678	136 063
	41 179	153 346	41 179	153 346
11. FINANCING ACTIVITIES	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Income				
Dividend income	300	280	0	0
Investment property, income	4 230	24 499	4 230	20 368
Other income	5 375	5 776	4	340
	9 905	30 555	4 234	20 707
Expenses				
Investment property, expenses	9 797	13 383	6 719	8 989
Other expenses	2 956	3 652	3 196	3 858
	12 753	17 035	9 915	12 848
Changes in the fair value of investments	-203	-1 610	230	-1 610
	-3 051	11 909	-5 451	6 250
12. TAX	Foundation 2020	Foundation 2019	Foundation 2020	Group 2019
Tax	277	270	512	622
Change in deferred tax	0	0	-384	-256
Total	277	270	128	366

NOTES TO BALANCE SHEET, €1 000

13. INTANGIBLE ASSETS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Intellectual property rights				
Acquisition value 1 Jan.	2 724	2 476	2 725	2 475
Increases	375	248	375	249
Decreases	-21	0	-21	0
Acquisition value before depreciation 31 Dec.	3 079	2 724	3 079	2 725
Total depreciation 1 Jan.	-1 594	-1 329	-1 594	-1 329
Depreciation for the financial year	-532	-265	-532	-265
Total depreciation 31 Dec.	-2 126	-1 594	-2 126	-1 594
Book value 31 Dec.	953	1 131	953	1 131
Development expenses				
Acquisition value 1 Jan.	0	0	2 483	2 462
Increases	0	0	0	21
Acquisition value before depreciation 31 Dec.	0	0	2 483	2 483
Total depreciation 1 Jan.	0	0	-827	-623
Depreciation for the financial year	0	0	-204	-204
Total depreciation 31 Dec.	0	0	-1 031	-827
Book value 31 Dec.	0	0	1 453	1 657
Other long-term expenditure				
Acquisition value 1 Jan.	220	202	220	202
Increases	15	18	15	18
Decreases	-5	0	-5	0
Acquisition value before depreciation 31 Dec.	230	220	230	220
Total depreciation 1 Jan.	-202	-202	-202	-202
Depreciation for the financial year	0	0	0	0
Total depreciation 31 Dec.	-202	-202	-202	-202
Book value 31 Dec.	28	18	28	18
TOTAL INTANGIBLE ASSETS	981	1 148	2 434	2 806

NOTES TO BALANCE SHEET, €1 000

14. TANGIBLE ASSETS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Land and water areas				
Acquisition value 1 Jan.	0	0	37 118	40 033
Increases	0	0	26	0
Decreases	0	0	0	-2 914
Acquisition value before depreciation 31 Dec.	0	0	37 145	37 118
Book value 31 Dec.	0	0	37 145	37 118
Buildings and constructions				
Acquisition value 1 Jan.	164	164	525 443	510 293
Increases	28	0	14 382	59 741
Decreases	0	0	-1	-44 591
Acquisition value before depreciation 31.12.	191	164	539 823	525 443
Total depreciation 1 Jan.	-141	-121	-111 693	-95 850
Depreciation for the financial year	-25	-21	-16 269	-15 843
Total depreciation 31 Dec.	-166	-141	-127 962	-111 693
Book value 31 Dec.	25	22	411 861	413 750
Machinery and equipment				
Acquisition value 1 Jan.	114 125	98 691	148 478	141 722
Increases	11 448	15 491	12 234	20 532
Decreases	-488	-58	-498	-13 775
Acquisition value before depreciation 31 Dec.	125 084	114 125	160 214	148 478
Total depreciation 1 Jan.	-78 434	-67 289	-87 637	-72 699
Depreciation for the financial year	-11 859	-11 145	-15 435	-14 907
Foreign exchange difference	0	0	7	-2
Total depreciation 31 Dec.	-90 292	-78 434	-103 065	-87 637
Book value 31 Dec.	34 792	35 691	57 149	60 841
Other tangible assets				
Acquisition value 1 Jan.	747	232	5 722	5 476
Increases	50	515	42	839
Decreases	0	0	0	-593
Acquisition value before depreciation 31 Dec.	797	747	5 763	5 722
Total depreciation 1 Jan.	-7	-3	-742	-299
Depreciation for the financial year	-8	-3	-413	-443
Total depreciation 31 Dec.	-15	-7	-1 155	-742
Book value 31 Dec.	782	740	4 608	4 980
Advance payments and work in progress				
Acquisition value 1 Jan.	3 416	3 476	26 948	48 324
Increases	9 353	0	39 869	50 558
Decreases	-6 557	-60	-22 507	-71 934
Acquisition value before depreciation 31 Dec.	6 212	3 416	44 310	26 948
Book value 31 Dec.	6 212	3 416	44 310	26 948
TOTAL TANGIBLE ASSETS	41 811	39 869	555 073	543 637

NOTES TO BALANCE SHEET, €1 000

15. INVESTMENT GRANTS	Foundation 2020	Foundation 2019
Academy of Finland	1 434	1 696

Investment grant related refund liability on 31.12.2020 is €4 077 162 (in 2019 €2 941 434).

16. CHANGES IN INVESTMENTS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Shares in Aalto Group companies				
Book value 1 Jan.	68 814	75 295	0	0
Decreases *	0	-6 482	0	0
Book value 31 Dec.	68 814	68 814	0	0
Shares in associated companies				
Book value 1 Jan.	3 431	3 308	3 821	3 734
Increases	149	1 318	149	1 326
Decreases	0	-1 195	-30	-1 238
Book value 31 Dec.	3 580	3 431	3 944	3 821
Shares in jointly owned companies				
Book value 1 Jan.	4 441	3 215	0	0
Increases	0	1 226	0	0
Book value 31 Dec.	4 441	4 441	0	0
Other shareholdings				
Book value 1 Jan.	4 424	5 084	6 318	6 940
Increases	799	0	1 075	38
Decreases	-202	-660	-202	-660
Book value 31 Dec.	5 022	4 424	7 192	6 318

*) Foundation sold year 2019 four of its fully owned mutual real estate companies, reducing the book value of the holdings by €6,5 million and generating a net gain of €17,3 million.

NOTES TO BALANCE SHEET, €1 000

17. ENDOWMENT PORTFOLIO	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Endowment in fair value				
Investments in equity funds	684 809	607 754	684 809	607 754
Investments in fixed income funds	159 037	314 356	159 037	314 356
Investments in alternative investments	280 554	204 184	280 554	204 184
Investments total	1 124 400	1 126 295	1 124 400	1 126 295
	Domicile	Aquisition value 31.12.	Market value 31.12.	Book value 31.12.
Funds *				
Aktia Emerging Market Local Currency Bond	Finland	16 994	19 501	19 501
Aktia Emerging Market Local Currency Frontier Bond+	Finland	23 094	24 851	24 851
Aktia Nordic Micro Cap D	Finland	12 280	30 169	30 169
AQR Style Premia Offshore Fund (Class B)	Cayman Islands	24 091	13 794	13 794
AQR Managed Futures Offshore Fund (Class B)	Cayman Islands	25 053	21 680	21 680
AQR Style Premia All Country Equity Fund	Luxembourg	121 378	132 174	132 174
Black Diamond Credit Strategies Offshore Ltd	Cayman Islands	13 055	13 322	13 322
Brevan Howard Fund Limited	Cayman Islands	14 935	18 421	18 421
Capital Four Invest European Loan & Bond Fund	Luxembourg	18 538	21 506	21 506
Capstone Global (Offshore) Limited Fund	Cayman Islands	8 975	9 869	9 869
Concordia G-10 Fixed Income Relative Value Class B	Cayman Islands	15 573	18 375	18 375
Eaton Vance International Emerging Markets Local Income Fund	Ireland	8 000	8 617	8 617
eQ Europe Stock Index	Finland	46 481	68 322	68 322
Xtrackers Stoxx Europe 600 UCITS ETF	Luxembourg	43 015	47 677	47 677
iShares Core MSCI EM IMI UCITS ETF	Ireland	65 168	76 774	76 774
iShares Core MSCI Japan IMI UCITS ETF	Ireland	51 788	63 461	63 461
iShares \$ Treasury Bond 7-10yr UCITS ETF	Ireland	22 435	22 299	22 299
Vanguard S&P 500 UCITS ETF	Ireland	26 951	36 916	36 916
Xtrackers S&P 500 Equal Weight UCITS ETF	Ireland	24 947	24 949	24 949
Evli Finnish Small Cap	Finland	11 015	36 193	36 193
Hamilton Lane Aalto Fund	Luxembourg	86 398	88 828	88 828
Kirkoswald Global Macro Fund Ltd	Cayman Islands	10 000	10 059	10 059
Lodbrok European Credit Opportunities Fund	Cayman Islands	8 000	6 858	6 858
Millstreet Credit Offshore Fund	Cayman Islands	8 975	10 552	10 552
Mirae Asset Asia Great Consumer Equity Fund	Luxembourg	16 256	29 876	29 876
MW Systematic Alpha Plus Fund	Ireland	15 040	17 039	17 039
Ninety One GSF Emerging Markets Local Currency Debt Fund	Luxembourg	10 860	11 834	11 834
OP-Euro A	Finland	26 818	26 722	26 722
OP-Obligaatio Prima A	Finland	14 937	16 577	16 577
BNP Paribas Funds Emerging Bond IH EUR Capitalisation	Luxembourg	6 419	7 131	7 131
Robeco QI Global Dynamic Duration	Luxembourg	36 000	37 198	37 198
Robeco QI IGD Conservative Equities	The Netherlands	25 600	25 296	25 296
Robeco QI IGD Momentum Equities	The Netherlands	24 600	26 665	26 665
Robeco QI IGD Quality Equities	The Netherlands	18 979	21 377	21 377
Robeco QI IGD Value Equities	The Netherlands	25 300	27 761	27 761
Systematica Alternative Markets Fund	Cayman Islands	9 921	12 254	12 254
The Tudor BVI Global Fund	Cayman Islands	13 137	15 177	15 177
Two Sigma Absolute Return Enhanced Cayman Fund	Cayman Islands	12 239	11 922	11 922
Two Sigma Risk Premia Enhanced Cayman Fund	Cayman Islands	14 197	12 405	12 405
		977 441	1 124 400	1 124 400
Short-term receivables				
Other receivables and accrued income		2 583	2 583	2 583
Fixed-term deposit and cash		38 776	38 776	38 776
Shares in Aalto group companies		1 250	1 250	1 250
Endowment total		1 020 050	1 167 009	1 167 009
*) 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).				
Other shareholdings				
Housing companies		2 100	2 100	2 100
IPR and other shareholdings		1 469	2 922	2 922
Other shareholdings total (Foundation)		3 569	5 022	5 022

NOTES TO BALANCE SHEET, €1 000

18. LONG-TERM RECEIVABLES	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Long-term loan receivables				
Loans to group companies	458 615	462 090	0	0
Loans to associated companies	2 000	2 000	1 000	1 000
Total	460 615	464 090	1 000	1 000

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				
VAT compensation	0	1 645	0	1 645
Other long-term receivables	0	0	43	1 101
Total	0	1 645	43	2 746

19. SHORT-TERM RECEIVABLES	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Accounts receivables				
Less than 30 days	29 140	23 084	30 452	25 056
30-180 days	1 282	1 159	1 468	1 159
181-364 days	562	744	578	744
Over 364 days	120	91	120	91
Total	31 104	25 078	32 617	27 050

Other short-term receivables				
Collateral receivables	3 280	3 750	3 280	3 750
Advance payments	382	61	382	61
VAT receivables	0	0	935	1 425
VAT compensation	1 876	1 780	1 876	1 780
Derivate receivables	2 151	1 017	2 151	1 017
Other short-term receivables	2 409	272	2 447	1 091
Total	10 098	6 879	11 070	9 124

Prepaid expenses and accrued income				
Accrued income Endowment	432	347	432	0
Accrued income	10 865	15 706	10 910	15 706
Other prepaid expenses and accrued income	576	495	818	924
Total	11 873	16 549	12 160	16 631

20. VAT COMPENSATION	Foundation 2020	Foundation 2019
Gross expenses entitled to VAT compensation		
Expenses in profit & loss statement	104 322	109 909
Expenses activated into fixed assets	15 152	19 176
Total	119 474	129 086

VAT compensation		
On expenses	17 539	18 991
On fixed asset activations	2 955	3 334
Total VAT compensation	20 493	22 325

Received compensation from MoE	24 953	22 358
VAT compensation for the year	-4 460	-33

VAT compensation receivable/liability 1 Jan.	1 748	-266
Received compensation clearance from MoE	-1 780	2 047
VAT compensation for the year	-4 460	-33
VAT compensation receivable/liability (net) 31 Dec.	-4 492	1 748

21. SECURITIES IN CURRENT ASSETS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Market value 31 Dec.	0	19 973	6 830	26 814
Book value 31 Dec.	0	19 973	6 830	26 814

Securities in current assets include investments from ordinary operations' cash reserve into short term fixed income funds.

NOTES TO BALANCE SHEET, €1 000

22. EQUITY	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Endowment capital 1 Jan.	280 000	280 000	280 000	280 000
Endowment capital 31 Dec.	280 000	280 000	280 000	280 000
Capital reserve 1 Jan.	440 885	440 885	440 885	440 885
Increases, Governmental capitalization	4 733	0	4 733	0
Capital reserve 31 Dec.	445 618	440 885	445 618	440 885
Operating equity 1 Jan.	154 644	154 644	154 644	154 644
Operating equity 31 Dec.	154 644	154 644	154 644	154 644
Special purpose funds Expendable 1 Jan.	18 249	20 485	18 249	20 485
Received donations	532	1 313	532	1 313
Use of funds	-2 297	-3 548	-2 297	-3 548
Transfer between funds	-4 795	0	-4 795	0
Special purpose funds Expendable 31 Dec.	11 690	18 249	11 690	18 249
Special purpose funds Capitalizing 1 Jan.	42 263	39 006	42 263	39 006
Received donations and return on capital	3 564	4 545	3 564	4 545
Use of funds	-1 835	-1 288	-1 835	-1 288
Transfer between funds	4 795	0	4 795	0
Special purpose funds Capitalizing 31 Dec.	48 788	42 263	48 788	42 263
Student entrepreneurship fund 1 Jan.	160	0	160	0
Capital transfer from Accumulated endowment returns fund	900	800	900	800
Use of fund	-601	-640	-601	-640
Student entrepreneurship fund 31 Dec.	459	160	459	160
Tenure Track -fund 1 Jan.	23 444	23 880	23 444	23 880
Capital transfer from net profit	3 100	0	3 100	0
Return on capital	1 172	1 194	1 172	1 194
Use of fund	-1 701	-1 630	-1 701	-1 630
Tenure Track -fund 31 Dec.	26 015	23 444	26 015	23 444
Accumulated endowment returns fund 1 Jan.	207 198	236 293	207 198	236 293
Capital transfer from endowment return	153 346	0	153 346	0
Capital transfer to Tenure Track fund	-1 172	-1 194	-1 172	-1 194
Capital transfer to Student entrepreneurship fund	-900	-800	-900	-800
Capital transfer to net profit	-34 267	-27 101	-34 267	-27 101
Accumulated endowment returns fund 31 Dec.	324 204	207 198	324 204	207 198
Net profit/loss from previous years 1 Jan.	185 894	26 146	207 125	51 075
Changes in income and expenses in previous accounting periods	0	0	-233	548
Capital transfer to Tenure Track fund	-3 100	0	-3 100	0
Capital transfer from Tenure Track fund	1 701	1 630	1 701	1 630
Capital transfer from Student entrepreneurship fund	601	640	601	640
Capital transfer from Accumulated endowment returns fund	-153 346	0	-153 346	0
Capital transfer from Accumulated endowment returns fund	34 267	27 101	34 267	27 101
Net profit/loss from previous years 31 Dec.	66 019	55 517	87 016	80 995
Net profit/loss of the financial year	19 942	130 377	18 334	126 130
Total equity	1 377 378	1 352 738	1 396 767	1 373 968

NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
23. SPECIAL PURPOSE FUNDS					
Aalto Wide Donation Funds, expendable					
Aalto helps	0	0	12	-8	4
Aalto University generic fund	1	0	11	0	13
Campus Development	67	0	0	-22	45
Game Changers	314	0	50	-37	327
Materials and Sustainability	243	0	1	0	244
MIDE fund	72	0	0	-71	1
Study Field and School Donation Funds, capitalizing					
Field of Business and economics					
Field of Business and economics	4 795	240	11	0	5 046
G. W. Sohlberg fund	121	6	0	0	128
Gustav Paulig fund	291	15	0	0	306
K. H. Lehtinen fund	65	3	0	0	69
Lindfors fund	311	16	0	0	327
Matti Lehti fund	131	7	0	-3	135
Nordea fund	1 602	80	0	-10	1 672
Oy Stockmann AB 100th Anniversary fund	184	9	0	0	193
Pohjola scholarship fund	53	3	0	0	55
Professorship in Economics and data sciences*	1 500	75	250	-55	1 770
Professorship in Ownership*	0	0	50	0	50
Professorship in Urban economics*	324	16	500	-166	674
Research scholarship fund	575	29	0	0	604
School of Business service fund	6 217	311	0	-600	5 928
School of Business support fund	1 709	85	0	-114	1 680
Students' scholarship fund	7 316	366	1	-200	7 483
Vakuutusosakeyhtiö Fennia fund	911	46	0	0	956
W. Bonsdorff fund	2 853	143	0	0	2 996
Weilin & Göös scholarship fund	3 059	153	0	-20	3 192
Women's committee fund	442	22	0	-11	453
Field of Science and technology					
Aleksander and Lucie Lampén fund	2 408	120	0	-27	2 502
Alumni fund	22	1	0	0	23
Architect Annikki Paasikivi scholarship fund	1 962	98	0	-46	2 014
Architect Väinö Vähäkallio scholarship fund	1 048	52	0	0	1 100
Architects' travel scholarship fund	50	2	0	0	52
Combined student fund	86	4	0	-1	89
Engineers' travel scholarship fund	104	5	0	1	110
Entrepreneurship support fund	1 542	77	0	0	1 619
Ernst Wirtzen fund	175	9	0	0	184
Fabian and Jaakko Ahvenainen fund	1 662	83	0	-16	1 730
Julius Tallberg fund	177	9	0	0	186
Kansallis-Osake-Pankki fund	113	6	0	-2	117
Oiva Allan Pölkkyen fund	112	6	0	-2	116
Oy Strömberg Ab fund	48	2	0	0	51
Professor E. J. Nyström fund	2 112	106	0	-73	2 145
Professor Hannelius fund	32	2	0	-1	33
Professor Nils Erik Wickberg fund	846	42	0	-20	869
Professor of Practice in Humanitarian architecture*	300	15	300	-57	558
Professor of Practice in Information networks*	181	9	55	-114	131
Professor of Practice in Municipal wastewater treatment*	392	20	25	-137	299
Professor of Practice in Product-service systems sales*	298	15	20	-91	241
Professor of Practice in Technology education*	228	11	0	-68	170
Teknos Winter Oy fund	103	5	0	-2	107
Teräsbetoni Oy fund	81	4	0	0	85
Field of Art and design					
Helmi Grönlund-Herlin fund	516	26	0	0	542

NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
23. SPECIAL PURPOSE FUNDS					
Study field and school specific funds, expendable					
Field of Business and economics					
Field of Business and economics	0	0	19	0	19
Students' scholarship fund	0	0	2	0	2
Field of Science and technology					
Building technology fund	89	0	0	0	89
DI Marja-Terttu Tanttinen fund	12	0	0	-2	10
Field of Science and technology	9 412	0	22	-1 486	7 948
KAUTE fund	43	0	0	0	43
Maa- ja vesitekniikan tuki ry fund	201	0	0	0	200
Matti Sundberg quality fund	104	0	0	0	104
Norman Ernest Loveless fund	527	0	0	-22	504
Oy Atlas Diesel Ab fund	86	0	0	-3	83
Professorship in fire safety engineering	442	0	0	-49	392
RAPAL scholarships	2	0	0	-2	0
Space research - New receiver for Metsähovi radio-observatory	0	0	1	0	1
Tapani Järvinen Environmental engineering fund	19	0	0	-11	9
Water management's water and development fund	835	0	400	-364	871
Wood processing technology Prof. Maloney	66	0	0	0	66
Field of Art and design					
Field of Art and design	921	0	15	-220	716
Special purpose funds total	60 513	2 353	1 745	-4 132	60 478

Special purpose funds are used for scholarships to students and employees and for financing the university's operations as required by donors. The funds are grouped by type and field of fund. Special purpose funds received return according to the university's endowment spending policy. **Hybrid fund: the return of the capital and the capital itself will be used.*

	Fund equity 1 Jan.	Capital transfers	Fund usage during the financial year	Fund equity 31 Dec.
24. UNRESTRICTED FUNDS				
Accumulated endowment returns fund	207 198	153 346	-36 340	324 204
Tenure Track -fund	23 444	4 272	-1 701	26 015
Student Entrepreneurship -fund	160	900	-601	459
Total	230 802	158 518	-38 642	350 678

	Foundation 2020	Foundation 2019	Group 2020	Group 2019
25. LIABILITIES				
Long-term liabilities				
Loans from financial institutions	257 623	320 613	262 257	327 953
Investment Grants	2 832	2 731	2 832	2 731
Derivate Liabilities	7 960	7 462	7 960	7 462
Other long-term liabilities	245	170	245	170
Total	273 152	330 976	277 786	338 316
Short-term liabilities				
Loans from financial institutions	62 989	8 959	65 686	9 332
Advance payments	54 828	40 390	59 104	44 557
Accounts payable	7 945	7 668	13 548	12 887
Accrued tax	0	0	5 383	5 779
VAT liabilities	994	1 298	994	1 298
Investment Grants	1 245	1 253	1 245	1 253
Liabilities to group companies*	45 613	68 130	0	0
Coordinated assets	10 616	5 002	10 616	5 002
Other short-term liabilities	11 640	10 065	14 820	11 830
Accrued salaries and wages	18 986	17 818	20 372	19 074
Other accrued expenses	3 334	1 646	3 732	4 689
Total	218 189	162 229	195 501	115 700

*) Group internal net lending

OTHER NOTES, €1 000

26. LEASE CONTRACTS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Lease payments due within one year	23	35	428	209
Lease payments due later	9	10	1 620	217
Total	32	45	2 049	426

27. RENTAL AGREEMENTS (incl. VAT)	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Rental agreement liabilities due within one year	5 479	5 538	6 761	5 709
Rental agreement liabilities due later	3 658	7 620	13 475	7 806
Total	9 137	13 158	20 236	13 515

28. MANDATORY PROVISIONS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Provision for an unused facility rental agreement	466	1 265	521	1 320

29. INVESTMENT COMMITMENTS	Foundation 2020	Foundation 2019
Commitment left €1 000		
Hamilton Lane Aalto Fund SICAV S.à.r.l, Luxemburg	232 352	163 140

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 2021 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 profit & loss 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 2019 the forward exchange agreements have been used to hedge against the foreign exchange risk of the investment portfolio.

The university's subsidiary, Aalto University Properties Ltd. has previously hedged electricity purchases against the increase in electricity prices. All existing electricity derivatives matured in 2020. The nominal and the fair value of the derivative instruments are shown below.

	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Interest rate swaps				
Nominal value of contracts, €1 000	125 625	161 344	128 750	161 719
Fair value of the contracts, €1 000	-7 960	-7 748	-10 976	-7 373
Forward exchange agreements				
Nominal value of contracts, €1 000	132 524	62 241	132 524	62 241
Fair value of the contracts, €1000	2 151	1 017	2 151	1 017
Electricity derivatives				
Electricity derivatives (MWh)	0	0	0	8 784
Fair value of the contracts, €1 000	0	0	0	82

31. LIABILITIES WITH PROPERTY COLLATERALS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Bank loans	320 613	329 571	324 938	325 246
Liabilities	0	0	12 800	10 800
Other loans	0	0	1 000	1 000
Liabilities	0	0	1 000	1 000
Total liabilities	0	0	13 800	11 800

32. LOANS WITH MATURING PERIOD OVER FIVE YEARS	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Bank loans	142 159	156 117	146 793	161 921

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.

OTHER NOTES, €1 000

	Foundation 2020	Foundation 2019	Group 2020	Group 2019
VAT Refund liability 31 Dec.				
Completed projects (10 year revision period)	0	0	44 856	49 223
Work in progress	0	0	8 887	5 515
Total	0	0	53 744	54 738

Total VAT relating to the investments under revision liability

Completed projects (10 year revision period)	0	0	72 740	70 158
Work in progress	0	0	8 887	5 515
Total	0	0	81 627	75 673

34. VALUES OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Investment assets				
Valued at fair value				
Investment funds				
Level 1	1 035 573	1 077 335	1 035 573	1 077 335
Level 2	0	0	0	0
Level 3	88 828	48 960	88 828	48 960
Total	1 124 400	1 126 295	1 124 400	1 126 295
Derivates				
Level 1	0	0	0	0
Level 2	2 151	1 017	2 151	1 017
Level 3	0	0	0	0
Total	2 151	1 017	2 151	1 017

Reconciliation for Level 3 items

	Foundation 2020	Foundation 2019
Balance 1.1.	46 860	23 529
Unrealized changes in fair value	2 430	3 350
Gains and losses on category 3	0	0
New category 3 investments, acquisition value	40 788	23 331
Transfers from category 3	0	0
Balance 31.12.	90 078	50 210

Sensitivity analysis on category 3 31.12.2020

	Changes in fair value	
	Profit	Loss
Change in market values (20%)	18 016	-18 016

	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Financial Assets				
Valued at fair value				
Securities in current assets				
Level 1	0	19 992	6 830	26 814
Level 2	0	0	0	0
Level 3	0	0	0	0
Total	0	19 992	6 830	26 814
Interest rate swaps and electricity derivatives				
Level 1	0	0	0	0
Level 2	0	0	0	82
Level 3	0	0	0	0
Total	0	0	0	82
Financial Liabilities				
Valued at fair value				
Interest rate swaps and electricity derivatives				
Level 1	0	0	0	0
Level 2	7 960	7 748	7 960	7 748
Total	7 960	7 748	7 960	7 748
At amortized cost				
Bank loans				
Level 1	0	0	0	0
Level 2	320 613	329 571	328 125	337 285
Total	320 613	329 571	328 125	337 285

During the financial year 2020 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.

	Equity markets
	-20%
Impact on the net profit	-141 156
Impact on the equity	0
Total impact	-141 156

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.

	EUR appreciation versus all other currencies
	10%
Impact on the net profit	-65 328
Impact on the equity	0
Total impact	-65 328

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%
Investment activities		
Impact on net profit	10 499	-10 499
Impact on equity	0	0
Floating rate loans		
Impact on interest costs (annual)	509	-1 346
Interest rate swaps		
Impact on interest costs (annual)	-897	897
Impact on change in market value	-4 261	4 261
Total	5 850	-6 687

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	232 352	44 000	143 400	32 100	12 852
Loans (capital and interests)	322 552	63 626	116 439	70 076	72 411
Leasing	2 049	428	1 620	0	0
Accounts payable	13 556	13 556	0	0	0
Total	570 509	121 611	261 459	102 176	85 263
Commitments related to derivatives (net)					
Interest rate swaps	8 173	1 888	5 563	722	0
Currency derivatives	2 135	2 135	0	0	0
Total	10 308	4 023	5 563	722	0

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	-17 138	17 138
Impact on equity	0	0
Total	-17 138	17 138

36. LEGAL PROCEEDINGS AND OTHER COMPENSATION CLAIMS

The foundation had no pending lawsuits or related financial risks on 31.12.2020.

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.

Share of mortgage

The Foundation owns a 27% share of Asunto Oy Helsingin Eteläinen Hesperiankatu 4 housing company, which entitles to the use of 7 apartments. The housing company's mortgage relating to these 7 apartments is €1,4 million (€1,6 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).

Mortgages for plot rent

The associated company Helsingin Pohjoinen Hesperiankatu 23A has given a mortgage for plot rent 247 000€.

38. AUDITOR FEES	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Audit fees	36	38	135	137
Tax advisory fees	0	0	6	0
Other fees	180	186	183	186
Total	216	223	324	323

39. AVERAGE PERSONNEL	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Teaching and research	3 170	3 055	3 170	3 055
Other personnel	1 335	1 288	1 511	1 467
Total	4 505	4 343	4 681	4 522

40. MANAGEMENT COMPENSATION	Foundation 2020	Foundation 2019	Group 2020	Group 2019
Members of Boards, the President and CEOs of Group companies	384	381	980	1 080

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	6 181	41 891	461 517	45 613
Above parties' board members, CEOs and their substitutes, auditors, Aalto University's directors and any companies owned by aforementioned	0	41	3 751	0	25
Family members of the above	2	0	139	0	0
Total	2	6 222	45 781	461 517	45 638

OTHER NOTES, €1 000

42. SHARES IN OTHER COMPANIES

	Domicile	Shares owned by Group
Aalto-yliopistokiinteistöt Oy	Espoo	100%
Hamilton Lane Aalto Fund SICAV S.à.r.l	Luxemburg	99%
Asunto Oy Hgin Eteläinen Hesperiankatu 4	Helsinki	27%
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%
Sannäsin Kartano Oy	Porvoo	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 Metallimiehenkuja 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 Sähkämiehentie 4	Espoo	100%
Koy Espoon Tietotie 1	Espoo	100%
Koy Espoon Vuorimiehentie 1	Espoo	100%
Koy Espoon Vuorimiehentie 2	Espoo	100%
Koy Espoon Väre	Espoo	100%
Koy Helsingin Runeberginkatu 14-16	Helsinki	100%
Koy Kirkkonummen Metsähovintie 114	Kirkkonummi	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%
CSC-Tieteen tietotekniikan keskus Oy	Espoo	0%
Spin out holdings		
Agilefant Oy	Helsinki	5%
Iceye Oy	Espoo	1%
Minima Prosessor Oy	Oulu	2%
LaDiMo Oy	Espoo	4%
Surgify Medical Oy	Helsinki	4%

The mutual real estate companies' market value is €710 million.



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