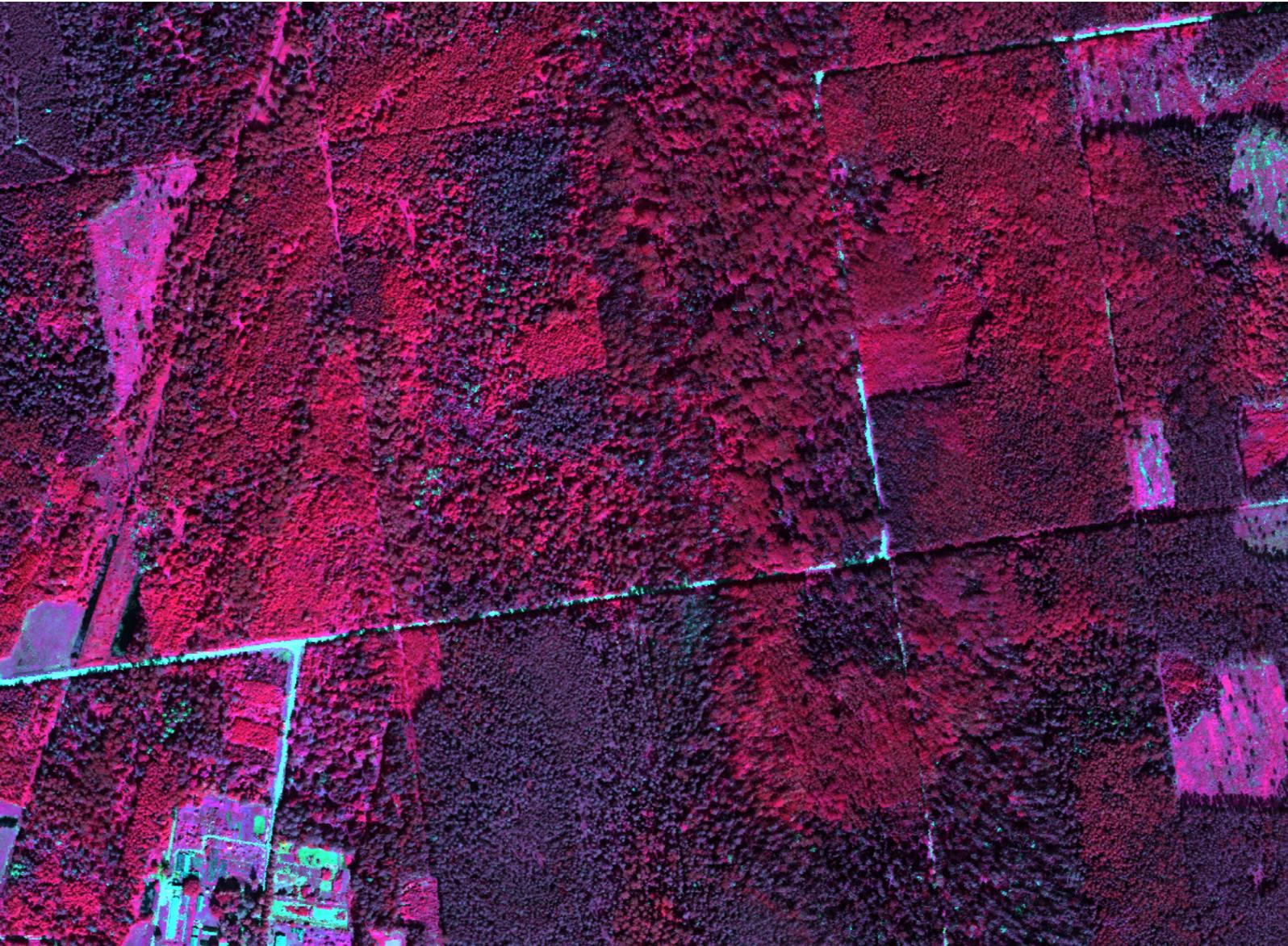


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Aalto University

2023 annual board report and financial statements



Annual board report 2023

- 4 **Aalto University**
Activities during 2023
The role of Aalto University

- 10 **Shaping a sustainable future**
Driving excellence
Future-led learning
Inspiring ecosystem

- 28 **Enabling our success**
Community & people
Infrastructures & campus
Services & financial resources

Financial statements 2023

- 42 **Aalto University**



Annual board report 2023

ACTIVITIES DURING 2023

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

With its strategy, which entered into force at the start of 2021, Aalto University has set its sights firmly towards a sustainable future. The high-quality research, artistic activities and education at Aalto University and their impact, as well as the shared values of responsibility, courage and collaboration, provide a solid basis for this. Radical creativity and an entrepreneurial mindset will encourage the entire community to produce impactful solutions for sustainable development.

Impactful research and pioneering education to shape a sustainable future

Aalto University continued to stand out in both national and international university evaluations and comparisons in 2023. In spring 2023, Aalto University passed the quality system audit conducted by the Finnish Education Evaluation Centre (FINEEC). According to the international audit team Aalto University is able to provide strong evidence of the impact of its quality system on enhancing the core activities. Aalto University is the first higher education institution in Finland that received the level excellent from all evaluation areas in the FINEEC audit.

In the QS World University Rankings in 2023, Aalto University ranked first among Finnish universities and 109th worldwide. According to the State of scientific research in

Finland assessment published by the Research Council of Finland in 2023, the impact of Aalto University's publication activities is the highest of all Finnish universities that had produced more than 500 publications during the period in review. The high quality of research is also evidenced by the funding of 18.9 million euros granted by the Research Council of Finland in 2023 in a call for strengthening the Finnish universities' research profiles where 100 million euros were awarded to the universities based on an international evaluation. Aalto University was also successful in the competitive call for applications for national flagships in 2023. Of the four new flagships, the University coordinates one, the Finnish Quantum Flagship (FQF), and is a partner in the three other flagships.

The high standard of education is reflected in the employability of the university's graduates and the growing application pressure on the degree programmes offered at Aalto University. In 2023, the University received a record high number of applications for both bachelor's programmes and especially two-year master's programmes. Compared to the previous year, the number of applications received for master's programmes increased by 44%. Aalto University was one of the first higher education institutions to provide possibilities for upskilling and reskilling with micro-credentials as part of its lifelong learning offering.

Aalto University's innovation and entrepreneurship ecosystem has proven an excellent growth platform for deep tech innovations and related startups. In 2023 Aalto University was the third most active organisation in applying for patents in Finland. In the autumn 2023 Aalto University established the H2 Innovation Center. In collaboration with companies, policymakers and external research organisations, the University aims for world-leading hydrogen research and innovations. For boosting the impact of artificial intelligence across all fields of Aalto University the multidisciplinary House of AI was established in 2023 generously supported by a EUR 3.2 million donation from the Technology Industries of Finland Centennial Foundation.

Together we are stronger.

Solving global challenges requires collaborative effort from all actors in society, as well as international forums and networks. At the end of 2023, Aalto University invited all its alumni to the Aalto Alumni Weekend event to discuss ways of shaping a sustainable future. Aalto University and the University of Helsinki jointly organised the international Sustainability Science Days conference, which attracted over 600 participants from more than 50 countries. For the first time, Finland participated in the COP28 climate meeting with its own pavilion, and Aalto University contributed to the

programme with presentations on the potential of green hydrogen, the impacts of climate change on sea ice and the challenges and solutions related to global food security.

Aalto university's tenure track career system continued to attract top international talent, in particular younger researchers, to the positions that became available. The sustained international attractiveness has strengthened the quality and impact of research and education at Aalto University and made the university the most international in Finland and the 53rd most international in the world (Times Higher Education). Aalto University's results improved in all areas in the Wellbeing at Work survey carried out for Finnish universities in 2023. Aalto University's results were also the best among all Finnish universities. For the entire university, the survey provides an opportunity to receive feedback on the factors that affect the wellbeing of personnel, and thus enables targeting development activities according to needs.

Aalto University's long term campus development programme continued to progress during 2023. Aalto Works phase K3, Kide building, and a multi-storey car park were completed. Campus outdoor areas were improved and several outdoor art pieces installed. Light Rail line 15 started operating connecting the campus, for example, to nearby railway stations.

Aalto University's language guidelines were renewed through a comprehensive community effort during 2023. The guidelines that came into effect at the start of 2024 support multilingualism and multiculturalism in the community, promote the inclusion and equality of its members and safeguard the status of national languages in research and higher education in the fields represented by the University.

The university launched a strategy evaluation process in connection with the annual University Preview in autumn 2023. The purpose of the evaluation was to analyse emerging trends, anticipate developments and ensure the relevance of the university's strategic choices and its purpose and values in a changing operating environment. Updating the living strategy adopted at the start of 2021 is an important step as the university is preparing for the negotiations with the Ministry of Education and Culture in autumn 2024 about objectives and resources for the agreement period 2025–2028.

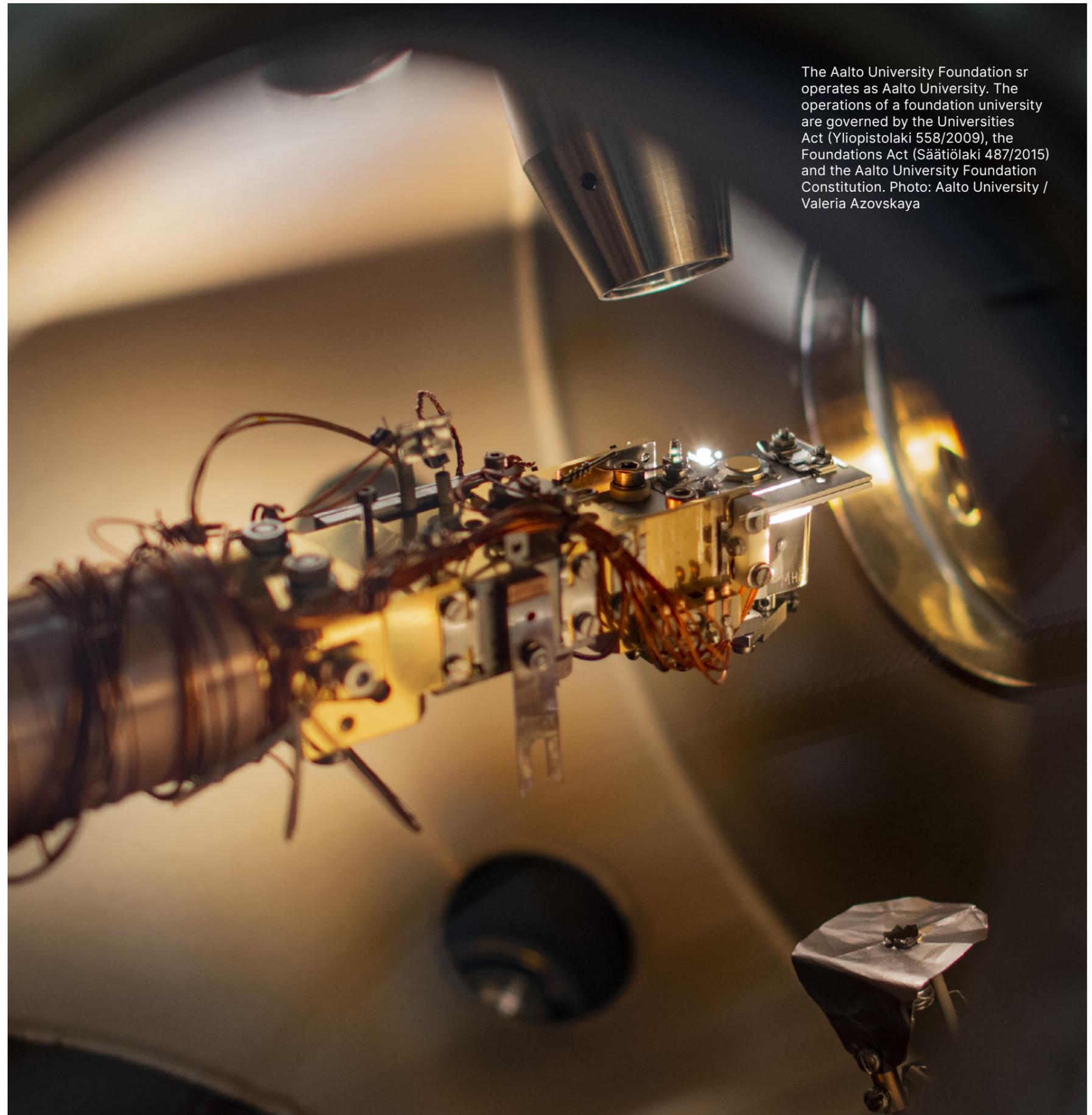
THE ROLE OF AALTO UNIVERSITY

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

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

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

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



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



Photo: Aalto University / Mikko Raskinen

Shaping a sustainable future

DRIVING EXCELLENCE

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

RESEARCH AND ARTISTIC ACTIVITIES

The high international quality of the research conducted at Aalto University is recognised in the most important international comparisons between universities. In 2023, QS World University Rankings, one of the most widely-read rankings, placed Aalto University 109th in the world and first among Finnish universities in its overall comparison. According to QS there are more than 26 000 universities in the world.

Aalto University is among the top 100 universities in the world in its key research areas, placing 6th globally in art and design (QS World University Rankings). According to Times Higher Education, another prestigious ranking service, Aalto University is currently the world's 53rd most international university and ranks 40th among the young universities of the world (universities aged under 50). Leiden Ranking, a pioneer in publication analysis, ranked Aalto University as the 21st university in the world in research cooperation with companies in 2023.

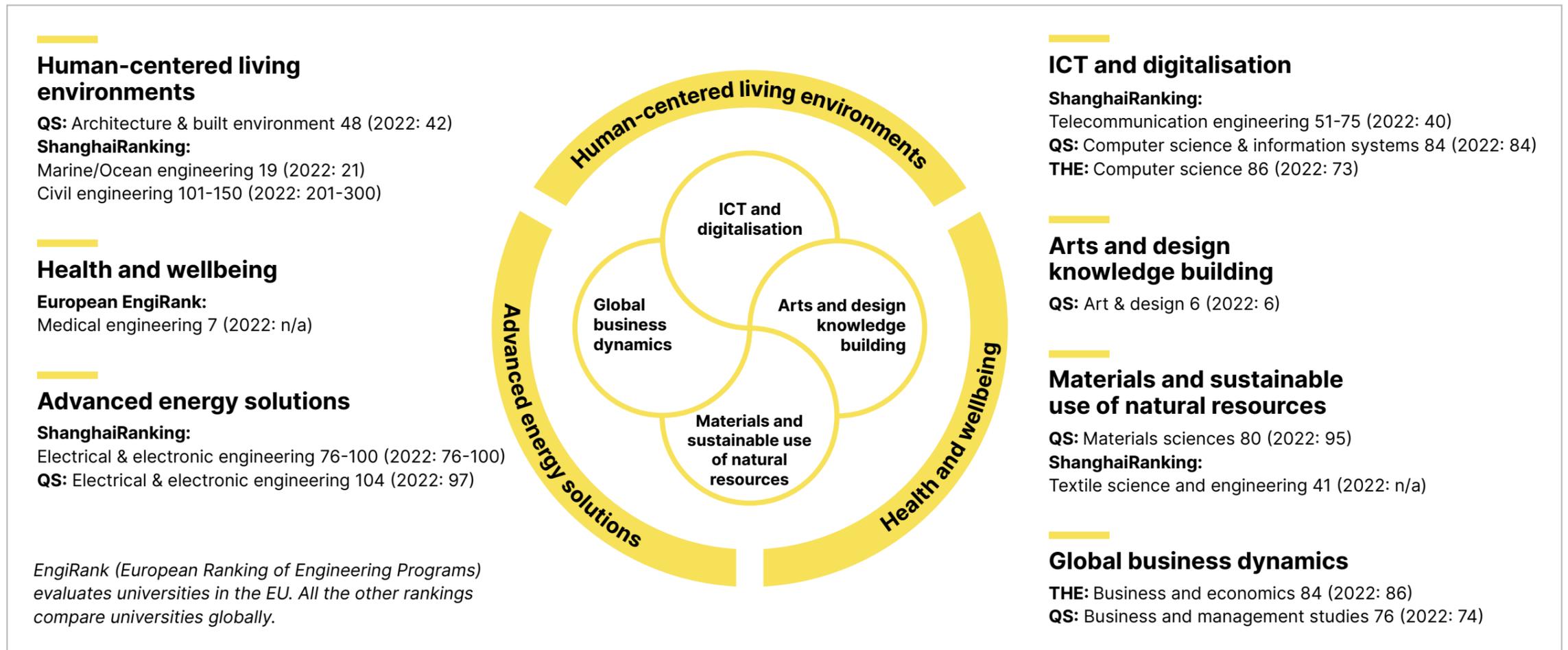
The high quality of its research and artistic activities has made Aalto University an internationally recognised actor.

Aalto University is characterised by high scientific research standards. The Research Council of Finland published its annual evaluation, the State of scientific research in Finland in summer 2023. According to its findings, Aalto University exceeded the average for Finnish universities in all its

key research areas in terms of the impact of publications when measured with the Top 10 index, and in many fields, Aalto University was the best in Finland. The Top 10 index describes the proportion of a university's publications in the most cited 10%.

When the Scopus database is used as the source, Aalto University's Top 10 index for all publications is 1.49, whereas the average for Finnish universities is 1.25 and the global average at 1.00. When using the Web of Science database, Aalto University's

index is 1.30, and the average is 1.18 for Finland and 1.00 for the world. Based on both databases, the impact of Aalto University's publication activities is the highest of all Finnish universities that had produced more than 500 publications during the period in review. Aalto University had more than 5 500 publications in both databases, which is the second highest total among Finnish universities.



The strengthening of academic quality and impact in Aalto University's key research areas is reflected in the results of international higher education rankings. The figure shows some of the ranking results for 2023.

An improvement in the quality of research was also visible according to the key performance indicators. In 2023, the most cited top 10% publications totalled 1 692 (1 625). Top 10% publications accounted for 15.8% (15.4%) of all publications of Aalto University. In total, the university published 2 176 (2 455) international refereed articles in scientific journals. About 30% of these addressed the 17 sustainable development goals defined by the UN. In 2023, a total of 372 (348) results of artistic activities were recorded and 136 (132) of those were international. Aalto University received EUR 104 million (EUR 100 million) in competitive research funding, of which EUR 24 million (EUR 22 million) was international funding.

The Research Council of Finland granted Aalto University EUR 18.9 million in profiling funding for the period 2023–2028. A total of EUR 100 million in funding was granted to nine universities to strengthen their research base. The aim of the funding is to speed up the profiling of the universities in accordance with their own strategies. At Aalto University, most of the funding will be used to promote research on quantum technology, the transition to wind power and the hydrogen economy, and on new materials.

Successful recruitments play a key role in the profiling of the university and the strengthening of its research

environments. The tenure track attracts international talent and facilitates focusing research. At the end of 2023, Aalto University had 413 (404) tenure track professors. Over the next ten years, about 27% of current professors will reach the age of 65, which means that the recruitment of new professors is continuing at a vigorous pace.

The Research Council of Finland selects innovative research communities with top scientific quality and societal impact as centres of excellence in research. The centres of excellence renew research, develop creative research environments and innovations, and educate research talent for Finnish companies and research institutes. In 2023, Aalto University had seven (7) centres of excellence in research funded by the Research Council of Finland, and three (3) of them have been selected for the funding period 2018–2025 and four (4) for the funding period 2022–2029. Aalto University leads three of them: Quantum technology (QTF), high-speed electromechanical energy conversion systems (HIECSs) and life-inspired hybrid materials (LIBER). Aalto University's research groups also participate as partners in the work of the following centres of excellence: randomness and structures (FiRST), virtual laboratory for molecular level atmospheric transformations (VILMA), inverse modelling and imaging, and research of sustainable space.



Aalto University's H2 Innovation Center brings together multidisciplinary, high-quality hydrogen research and makes Finland attractive to international talent and investments. Photo: Aalto University / Adolfo Vera

Four new flagships were added to the Research Council of Finland's flagship programme in late 2023. One of them, the Finnish Quantum Flagship (FQF), is coordinated by Aalto University, which also participates as a partner in three other flagships. FQF is managed by InstituteQ, the Finnish Quantum Institute, a collaboration organisation in quantum science and technology launched by Aalto University, VTT Technical Research Centre of Finland and the University of Helsinki in 2021. The Research Council of Finland granted EUR 13 million in funding for FQF in January 2024.

Aalto University has also been successful in previous application calls for flagships. The university is a participant in eight flagships, and in addition to the Finnish Quantum Flagship, it also coordinates FinnCERES, which is developing new biomaterials, and FCAI, the Finnish Center for Artificial Intelligence. The Research Council of Finland's flagship programme supports high-quality research and develops expertise and sustainable solutions for the challenges facing society. The programme also promotes economic growth by developing new business opportunities. In addition to

nine universities, six research institutes, HUS, Finnish Red Cross Blood Service and CSC (IT Center for Science Ltd) are also participating in the programme.

The H2 Innovation Center established by Aalto University in 2023 aims to have a pioneering role in hydrogen research globally. The centre brings together and strengthens high-quality research conducted at Aalto University's schools in fields such as green hydrogen, the hydrogen economy and hydrogen technologies. In addition to multidisciplinary research, Aalto University

also invests in educating hydrogen experts. Master's degree programmes such as the multidisciplinary Advanced Energy Solutions and Hydrogen and Electrical Systems respond to the needs of a sustainable hydrogen economy. The latter programme will start in autumn 2024. The H2 Innovation Center will also offer multidisciplinary doctoral education beginning in autumn 2024.

The multidisciplinary House of AI centre, established in 2023, brings together research on artificial intelligence at Aalto University, providing a new platform for the development of research and practical applications in close collaboration between researchers and companies. The Technology Industries of Finland Centennial Foundation granted a donation of EUR 3.2 million to the House of AI.

Three of the significant research and teaching infrastructures at Aalto University are part of the national roadmap for research infrastructures for the period 2021–2024. These are the bioeconomy research infrastructure Bioeconomy RI, the micro- and nanotechnology research infrastructure OtaNano and the raw materials research infrastructure RAMI. Aalto University is also a partner in seven other research infrastructures of the national roadmap, which support the university in its key research areas. The national roadmap comprises 29 research infrastructures that

are of major national interest and strategically important for Finland's research and education and innovation activities and generate international impact. The Research Council of Finland granted Aalto University EUR 6.3 million in research infrastructure funding in FIRI 2023 call.

The competitive research funding totalling EUR 8 million granted by the Research Council of Finland for the tasks of academy research fellows and postdoctoral researchers enabled Aalto University to appoint 15 new academy research fellows in autumn 2023. Aalto University also received EUR 12 million in Academy project funding for 30 projects. One (1) academy professor and 57 (48) academy research fellows worked at the university in 2023.

A total of 22 (27) recipients of research grants awarded by the European Research Council (ERC) worked at Aalto University in 2023. For example, the ERC awarded Professor Maarit Karppinen an advanced grant for research and development of thin film technology. The five-year grant amounts to EUR 2.5 million. Professor Eveliina Peltola received EUR 1.4 million as an ERC starting grant intended for young talented researchers.

The high quality and impact of the research is also reflected in the numerous prestigious national and international awards received by academic personnel and appointments

to posts in renowned scientific organisations. For example, Distinguished Professor Olli Ikkala received the prestigious Finnish Science Award 2023 for a cross-disciplinary career in the development of materials. VTT Research Professor Merja Penttilä, who works as part-time professor of synthetic biology at Aalto University, received the honorary title of Academician of Science. The honorary title of Academician of Science can be held by a maximum of 16 highly distinguished Finnish scientists at a time. Of the current Academicians of Science, Professor Emerit (neuroscience) Riitta Hari and Distinguished Professor Emerit (physics) Risto Nieminen have also worked at Aalto University.

The internationally recognised high quality of Aalto University's artistic activities is reflected in the many awards and prizes received by personnel, students and alumni each year. Henna Lampinen, who recently graduated from the Aalto University Master's Programme in Fashion, won the Young Designer of the Year 2023 competition. The outfits in size 54 produced for the competition challenge the fashion sector conventions and call for more accessible fashion. Butter Churner, the master's thesis of design student Anurag Sarada, won the prestigious Red Dot Concept Award in 2023. The architectural competition for the design of the Museum and Science Centre Luuppi in Oulu was won by OPUS Architecture Ltd and Simon

Mahringer with their proposal Loggia. Simon Mahringer works as a university lecturer at the Aalto University School of Arts, Design and Architecture.

The success of Finnish films continued in 2023. For the second successive year, the Jussi Award for the best short film went to a film directed by an Aalto University graduate. In 2023, the award went to liti Yli-Harja's film *Kaikki äitini puhelut* (All My Mom's Phone Calls). Niko Väistö's *Kaamoksen valossa* (Polar Night Light) received the best student film award at the international short film festival in Palm Springs. *Murtuma* (Prelude) by Arman Zafari won the best student film award at the Love & Anarchy festival.

The personnel, students and alumni of Aalto University play a visible role in global art events each year. Examples in 2023 include the international visual arts event Helsinki Biennial; Dutch Design Week, the largest design event in northern Europe; and the Prague Quadrennial of Performance Design & Space, the world's largest performing arts design event. Aalto University's Bioinnovation Center presented biomaterials and their sustainable use, and the Aalto ChemArts programme showed experimental projects based on renewable raw materials in the Dutch Design Week. Finland's student exhibition *Suo, Silent, Disco* (Aalto University and University of the Arts Helsinki) received an award in the Prague Quadrennial 2023 world exhibition.

Aalto University also organised several exhibitions on the campus and with partners. *Invisible* was the theme of the *Designs for a Cooler Planet* festival in 2023. The festival was part of the Helsinki Design Week and the New European Bauhaus project of the European Commission. The annual exhibition and events, which are open to everyone, present projects carried out at Aalto University combining research and design to promote a sustainable future. The exhibition *DIALOGUES – An Ode to Textile Stories* was on display in the Oodi Central Library in autumn 2023. It presented artistic research at Aalto University and new material solutions, technologies and design pedagogics in the field of textiles. The exhibition at Oodi was a continuation of the *DIALOGUES* series which displayed textile solutions of the future created at the Aalto University's six schools, and it presented the latest works of students and research groups combining creativity, design and innovations.

Näytös23, the student fashion show of Aalto University, was held on the Otaniemi campus in May 2023 as an invitee event. The annual *Näytös* is one of Finland's most important fashion events and part of the more extensive Fashion in Helsinki week. Societal and social responsibility are increasingly demanded from the fashion industry. Sustainability and a non-discriminatory approach to fashion were highlighted as themes at *Näytös23*, and many of the collections were based on recycled and reused materials.



The Näytös2023 prize went to bachelor student Ruusa Vuori for her collection, which the jury described as perfect, with each element being top class. Photo: Aalto University / Mikko Raskinen

FUTURE-LED LEARNING

WE SPARK THE GAME CHANGERS OF TOMORROW.

The university has increased student intake in degree education since 2020. In 2023, 600 more bachelor's degree students accepted a study place than 2019, an increase of 32%. Towards the end of the agreement period, the significant increase in the number of new students began to be reflected in an increase in the number of degrees awarded. During 2023, a total of 1 614 (1 491) students completed a bachelor's degree, 2 136 (1 925) a master's degree and 230 (193) a doctoral degree. A total of 51% (50%) of the students completed their bachelor's degree within the target time. A total of 25% (23%) of the master's degrees were completed within target time (two or five years).

In 2023, there were 20 563 (19 661) degree students at Aalto University. The number of full-time equivalent bachelor's and master's degree students was 13 941 (13 065). The number of international students was 5 144 (4 172), of whom 81% (78%) were degree students and 19% (22%) exchange students. Degree students earned a total of 636 300 (575 455) ECTS study credits, equivalent to an average of 36 (34) study credits per active degree student.

There is growing application pressure on the bachelor's degree programmes offered at Aalto University. A total of 28 552 (25 953) applications for bachelor's degree programmes were received in 2023. The number of applications and applicants increased by more

than 10% compared with the previous year. Priority applicants accounted for about 68% (68%) of all applicants. Aalto University's Bachelor's Programme in Business again attracted the largest number of priority applicants nationally.

Aalto University's English-language bachelor's degree programmes have proven highly popular. The number of applications to Aalto University's English-language bachelor's degree programmes increased by 20% from 2022. A total of 66% of the applications came from international applicants in 134 different countries. The English-language programmes are popular not only among foreign students but also with Finnish students, who accounted for 39% of the applicants accepting a study place. The number of applicants to the two-year master's degree programmes at Aalto University was also at a record high. A total of 12 968 (9 015) applications were received. The number of applications increased by 44% from the previous year. Most of the applications came from Finland, followed by Pakistan and China.

The Summer Job Day event held at the start of the year was an opportunity for Aalto University students to meet with employers, market their talent and find a summer job or agree on a thesis assignment. The Aalto Talent Expo held in November 2023 attracted thousands of students and more than 100 employers.



The average score in the Finnish bachelor's graduate survey stood at 3.85 (3.78). Aalto University has set a target of a minimum average score of 4.1 in 2024. Photo: Aalto University / Kristian Presnal

The Aalto Thesis Fair, held for the first time in autumn 2023, attracted 13 companies and more than 200 international students. At the event, international master's degree students at Aalto University could meet with Finnish employers and agree on a thesis assignment. A thesis written for a company makes it easier for international students to enter the Finnish labour market and thus also makes staying in Finland after graduation a more attractive option.

Analytical and creative thinking are the most important working life skills of the future.

Aalto University is working to meet future skills needs by providing pioneering

high-quality education, which also opens up a broad range of flexible opportunities for lifewide learning. The university promotes the integration of a multidisciplinary approach, sustainable development, an entrepreneurial mindset and competence, and radical creativity into its teaching content. Education based on world-class research and multidisciplinary cooperation provides the students with excellent competence to meet the key working life skills of the future. According to the Future Jobs 2023 report produced by the World Economic Forum, analytical and creative mindsets will be the most sought-after skills by 2027. Especially the importance of, and demand for, creative thinking are growing more rapidly than other working life skills.

An entrepreneurial mindset has been integrated into the bachelor's and master's degree programmes at the six Aalto University schools. The Aalto Ventures Program (AVP) also supports the learning of key entrepreneurial skills, helping students develop new businesses and an entrepreneurial mindset. AVP courses are available to all university students. Four new courses covering entrepreneurship and sustainability from different perspectives started in autumn 2023. For art and design students in particular, the Art, Life & Entrepreneurship course offers a non-linear, creative and thought-provoking approach to an entrepreneurial mindset and entrepreneurship as a way of achieving one's own goals. Together with the entrepreneurship

courses under the schools' responsibility, AVP courses provide an opportunity to take a minor subject with a AVP Startup theme. The online Starting Up course covers the fundamentals of startup entrepreneurship, offering tools and basic information on startup entrepreneurship to a growing audience. More than 2 000 students take courses covering entrepreneurial skills and mindset each year.

Aalto University offers a wide range of master's degree programmes, minor subject programmes and freely available online courses focusing on sustainable development or containing themes relevant to the topic. In addition, actors such as the Climate University network of Finnish higher education institutions have produced freely available online courses on the circular economy, sustainability and climate change in English and in Finnish. UN Sustainability Development Goals focusing on issues such as environmental and climate protection, the elimination of poverty, equality, peace and sustainable economy were addressed by 34% (25%) of the bachelor's and master's theses and 23% (29%) of the doctoral dissertations produced at Aalto University in 2023.

Co-educator activities aimed at promoting learning and developing the role of teachers bring together teachers from different parts of the university to develop teaching and curriculum work. In 2023,

Aalto University began the preparation of a new minor module on sustainability. The aim is to launch the module during the 2024–2026 curriculum period. In addition to pedagogical courses (sustainability in teaching) intended for teaching personnel, tips, tools and good practices for integrating sustainability themes into teaching are also shared on websites. In 2023, more than 100 teachers attended the course.

Better opportunities for lifewide learning

The extensive lifewide learning offerings of Aalto University, comprising more than 400 courses, are intended for everyone interested in learning. The courses are based on the university's high-quality research and the contents of its degree programmes. To ensure the best possible learning experience, the university is constantly developing new learning methods, with a focus on digital pedagogy and informal learning. Micro-credentials are one of the key development priorities in lifewide learning. Aalto University is also developing continuous learning credentials which learners can use to demonstrate their skills in the labour market. Study offerings available to everybody are under development in the Digivisio 2030 project.

At Aalto University, lifewide learning is developed systematically as a whole. It is offered by Aalto University

Junior, Aalto University Summer School, Open University, the Finnish Institute of Technology (FITech) and Aalto University Executive Education (Aalto EE). The plans and objectives concerning the study offerings are in line with the national continuous learning strategy for higher education.

In the Aalto University Junior workshops, research carried out at the university is combined with methods to inspire children and young people. More than 31 000 children, young people, teachers and parents took part in Aalto University Junior activities across Finland in 2023. In addition to the study visits, Junior also organises events, camps, clubs and lectures, as well as introducing children and young people to the university world.

The Aalto University Summer School also attracted a record number of participants in 2023. More than 530 applications were submitted for the courses of the Summer School. Self-Leadership and Radical Creativity were the most popular of the courses. The Aalto University Summer School works to meet the educational needs of Finnish and international students as well as lifewide learning by offering cross-disciplinary two-week courses in a global learning environment and opportunities for international exchange.

At the Aalto University Open University, anybody can study technology, arts and business, as well as languages and communication, irrespective of age or educational background. The Open University pathway studies offer a way to get

accepted as a degree student in the fields of business or technology.

FITech offers free university courses for adult students and degree students. The offerings cover selected courses from all Finnish universities of technology. The FITech Hydrogen project was launched at the start of 2023, and it will continue until 30 June 2025. The project is coordinated by Aalto University and funded by the Service Centre for Continuous Learning and Employment (SECLE).

Aalto EE offers a broad range of high-quality management education. For many years, the Financial Times newspaper has placed Aalto EE among the top 1% of the world's business management education providers.



Circled numbers indicate the number of courses relevant to each of the United Nations Sustainable Development Goals in the 2023–2024 curriculum. In the last picture, the number 316 refers to courses with a comprehensive approach to sustainability.

Figures in parenthesis refer to 2022 unless otherwise mentioned.

INSPIRING ECOSYSTEM

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

A world-class innovation and entrepreneurship ecosystem has grown around Aalto University, and this ecosystem is characterised by a multidisciplinary approach, close collaboration between the parties involved, openness, strong startup entrepreneurship, and a wide range of student activities to promote entrepreneurship. One of Europe's largest centres for growth companies, A Grid, brings together growth companies, enterprises in creative fields and accelerators operated by Finnish and international actors under the same roof. More than 150 companies already operate in A Grid.

According to a recent comparison by UBI Global, Aalto University's business accelerator Aalto Startup Center (ASUC) is among the world's top three business accelerators operating in connection with universities. A customer-oriented approach, local ecosystem and general attractiveness were listed as its strengths. The ESA BIC business accelerator of the European Space Agency ESA operates as part of the Aalto Startup Center. The services of the Aalto Startup Center were used by about 40 companies in 2023. ASUC also acts as the coordinator of the Urban Tech Helsinki and Aalto Digital Creatives business incubators. Dozens of companies have joined these programmes to develop their business activities.

Aalto University's student-driven entrepreneurship activities, which are also globally unique, are an important part of the entrepreneurship ecosystem. They provide the basis for numerous startups and a wide range of cross-disciplinary innovations and new openings each year. Examples of student-driven entrepreneurship activities at Aalto University include the Aalto Entrepreneur Society (AaltoEs), the largest student-driven entrepreneurship community in Europe; Kiuas, Finland's leading business accelerator; and Slush, which has grown into one of the world's leading startup events. At Slush 2023, Aalto University presented ambitious solutions to challenges in health and wellbeing, imaging, energy storage, sustainable design and the recycling of nutrients.

The university is developing entrepreneurship education for both students and personnel, and nearly one hundred new enterprises are set up on campus each year. Promoting new business ideas and the launch of new companies are supported by the incubator and accelerator activities organised by the degree programmes, student entrepreneurship (AaltoES) and university services.

Tackling global challenges require in-depth expertise in new technological solutions (deep tech). New processes, operating approaches, business models and services are also needed, and the Aalto



Slush 2023: In addition to the world changing innovations, at the Aalto University's stand, it was also possible to learn about the history of Slush with the guidance of the University's students. Photo: Aalto University / Kristian Presnal

University ecosystem has the expertise and the resources to produce them. Each year, more than 2 000 people graduate from Aalto University with master's degree and more than 200 with a doctoral degree with international experience. More than 100 000 Aalto University alumni make an impact throughout society and hold key positions in Finnish and international companies and organisations in more than 80 countries. They are particularly well represented among company founders, owners and board members. In comparisons between European universities, the technology companies

originating at Aalto University are on the Top10 list of deep tech companies attracting funding.

More than 1 000 participants registered for the Alumni Weekend, the first event bringing together all Aalto University alumni. In addition to the activities in Finland, alumni meetings were also held during the year in New York, Boston, Silicon Valley, London, Brussels, Barcelona and Seoul. The meeting held in Seoul was attended by 300 members of Aalto University's South Korean alumni associations.

The concentration of Knowledge and Innovation Communities (KIC) in Otaniemi is unique in Europe. Extensive KIC cooperation provides the innovation and entrepreneurship ecosystem around Aalto University a significant international dimension. IQM, ICEYE and loncell are examples of success stories originating from Aalto University.

Aiming at responsible research and societal impact.

Aalto University has signed the Declaration for Open Science and Research and has committed to developing an open operating culture. Open science means the openness of scientific publications, research data, methods, codes, learning material and infrastructures. The aim of open science is to make the results of the work carried out with public funding as widely accessible and available as possible.

Openness enhances the impact of research by encouraging research between fields of science, by ensuring global and equal access to research data, by speeding up the creation of new inventions and by boosting the quality of science by enabling the verification of research findings. At Aalto University, all refereed scientific articles and conference publications are entered in the ACRIS research information system, which serves as the platform for open publications. In 2023, open publications accounted for 86% (85%) of all refereed scientific publications from Aalto University. The ACRIS system contains more than 1 000 open-access measurement results (datasets) generated by research.

The innovation process is also an essential part of the mechanisms of research having a societal impact. Patenting enhances the usability of an invention, and ultimately the technology can be transferred to an existing company or a new company built around the innovation. On the Finnish Patent and Registration Office's list of Finnish companies with the highest number of patent applications, Aalto University was on the third place in 2023, with 71 applications.

During the year, Aalto University processed 137 (116) invention disclosures, filed 77 (53) patent applications (priority patent applications) and carried out 18 (23) transfers of technology or competence to companies. The IPR portfolio return was EUR -0.1 million (EUR 1.7 million). This figure includes income relating to intellectual property rights and technology transfers and changes in fair value. The IPR portfolio's costs are deducted from the income. The IPR portfolio return was negative due to a substantial one-off depreciation made from the fixed assets required for commercialisation.

In 2023, Business Finland granted research-to-business funding to seven new Aalto University innovation projects. The purpose of the funding is to support the university's research teams as they work to commercialise their inventions. The funding granted by Business Finland and Aalto University totalled more than

four million euros. With the early-stage funding, innovation projects are able to strengthen their research base and develop their business model.

Aalto University is the first university in Finland to commit to the principle of the 'art percent'. The art percent is a funding model for art purchases whereby about one percent of a building project's funds are allocated to art purchases. The book *Unfolding Public Art*, published in May 2023, examines the role of public art at Aalto University.

Strategic cooperation enhances the quality and impact of Aalto University's academic activities.

An active role in international networks and university partnerships strengthen the global position of Aalto University. Close European cooperation was strengthened in 2023 within the framework of the Unite! University Alliance. Broad-based networking and closer cooperation with institutions in the target areas also continued in the global networks of the Ministry of Education and Culture coordinated by Aalto University: EDUCase Platform (Global South), FARIA (USA) and FICORE (India). In its role as coordinator, Aalto University acted as a hub, bringing together its Finnish partners, ecosystem actors and international actors.

A strategic business partnership means a long-term commitment to cooperation between Aalto University and a company, with the aim of working together to find solutions for a more sustainable future. Long-term cooperation provides a basis for scientific breakthroughs and new innovations. ABB, Neste, Nokia and Saab are the current strategic business partners of Aalto University. The XG doctoral programme launched in cooperation with Nokia in 2023 will focus on developing equipment for the mobile communications systems of the future, with an emphasis on the design and construction of energy-efficient integrated microcircuits and antenna systems.

Business partnerships provide Aalto University with useful information on needs of businesses in terms of competence and innovations, and they thus also enhance the societal impact of Aalto's research and education. In 2023, the focus in corporate relations was on expanding international partnerships. Aalto University has also worked to strengthen cooperation between Finnish-based companies and foreign professors employed by the university. Aalto University engages in cooperation with 2 500 companies each year. In 2023, the volume of its corporate cooperation, or income from companies, totalled EUR 19.3 million (EUR 17.4 million). Due

to the challenging global geopolitical situation, knowing the backgrounds of potential new partners is of growing importance to Aalto University. Due diligence processes have been developed in cooperation with services and by comparing the practices of other Nordic countries at the Nordic 5 Tech forum.

Aalto University is also engaged in effective cooperation with higher education institutions, research institutes and municipalities in the Helsinki Metropolitan Area. In addition to research and teaching cooperation, cooperation is also carried out in the maintenance of research infrastructures and the services provided to university communities. In 2023, Aalto University was engaged in close cooperation with other Finnish higher education institutions in the Digivisio 2030 and Kielibuusti projects.



Photo: Mikko Raskinen

**Enabling
our success**

COMMUNITY & PEOPLE

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

COMMUNITY

The culture of the Aalto community is founded on shared values: responsibility, courage and collaboration. Our Code of Conduct, the 'rules of fair play' describe what the values mean in practice. Values and Code of Conduct together guide our way of working. All university personnel are required to complete an online course on ethical principles.

Personnel and students at Aalto University, as well as the members of its stakeholders, can report cases of misconduct in the ethical channel introduced in 2023. The ethical channel is a confidential internal reporting channel based on the Whistleblower Act. A secure WhistleB tool has been used to set up the channel.

Equality, diversity and inclusion (EDI) support the wellbeing and creativity of the community and its ability to promote world-class research, education and impact. Aalto University selected the implementation of equality, diversity and inclusion in the university community as the evaluation area for the quality system audit conducted by the Finnish Education Evaluation Centre (FINEEC) in 2023. Integrating EDI initiatives into all of the university's processes was highlighted as a key strength in the audit report.

The Aalto community has pledged to build its EDI capabilities, foster inclusive learning experiences, develop equal people processes and practices, strengthen a data-driven operating model and promote accessibility and barrier-free environments in its EDI plan. The schools' EDI groups promote equality and non-discrimination as part of the daily work of the community. Inclusive pedagogic practices were developed during 2023 on the basis of student feedback. The monthly EDI discussion sessions also continued. Chaired by experts, they brought together Aalto University personnel to exchange views on selected topics.

The objective of Aalto University's language guidelines is to support the university's mission as an actor in the global scientific and artistic community and to promote Finland's success. The guidelines support multilingualism and multiculturalism in the community, promote the inclusion and equality of its members and safeguard the status of national languages in research and higher education in the fields represented by the university. A revision of the language guidelines was prepared in several committees and steering groups during 2023. Members of the Aalto community were able to participate in the process through discussions

and a feedback channel. The complaint resolution issued by the Deputy Chancellor of Justice was also taken into account in the revision. The new language guidelines came into effect at the start of 2024. Aalto University guidelines on the languages of degrees and instruction will be implemented in stages over the next two curriculum periods. In accordance the guidelines, Finnish, Swedish and English will be used in parallel as best suited for each purpose.

The services of the multiprofessional Starting Point of Wellbeing network, including study counsellors, study and career guidance psychologists and Aalto chaplains, are available to the students. Aalto University is strengthening its sustainability culture by funding ideas, experiments and solutions proposed by students to ensure sustainable future through the Sustainability Action Booster programme launched in 2023.

The AllWell? student survey conducted at Aalto University each year provides the students with an opportunity to share their experiences related to teaching, academic advising and the learning environment at the university. The students can also assess their own resources and study skills. The findings obtained in the spring of 2023 were utilised in developing degree programmes, teaching and student support services.

The Wellbeing at Work survey for all Finnish universities is conducted every two years. In the autumn 2023 survey, Aalto University's results improved in all areas compared to the previous survey. Aalto University's results were also the best among all Finnish universities. On a scale of 1 to 5, the overall index for wellbeing at work at Aalto University was 4.04, while the average for all Finnish universities was 3.87. A total of 62% of all Aalto University personnel took part in the survey.

Aalto University's travel instructions were updated in spring 2023 to better reflect the university's values of sustainable development. Travel needs, feasibility of alternative meeting methods, and the climate impact of different means of travel are assessed using a decision tree before making a travel decision. The emissions generated by air travel are presented in the travel booking channel, and available tools can be used to assess the total emissions resulting from the use of other means of travel. Carbon dioxide emissions arising from work-related flight travel in 2023 totalled 2 252 (1 817) tCO₂eq. The increase in carbon dioxide emissions compared with 2022 was due to the recovery of travel to levels before the COVID-19 pandemic.

Aalto University is an active member of sustainable development university networks at the national and international level. Aalto University is committed to the joint theses of sustainable development and responsibility adopted by Universities Finland UNIFI. Aalto University has signed the international SDG Accord of universities to promote the UN Sustainable Goals.

PERSONNEL

The university had 4 884 (4 751) personnel at the end of 2023. A total of 59% (59%) of the personnel were employed in teaching and research positions, 11% (11%) were degree students working as teaching and research assistants and 30% (29%) belonged to other personnel groups. In total, 26% (25%) of the personnel were doctoral students.

A total of 38% (38%) of the personnel held a permanent employment contract, and 84% (84%) worked full-time. Women accounted for 42% (41%) of the personnel. A total of 12% (13%) of the personnel will reach the age of at least 65 within the next ten years. The share of non-Finnish personnel was 35% (34%), reflecting the strong international focus of the university.

Figures in parenthesis refer to 2022 unless otherwise mentioned.

Significant investments in the tenure track for professors continued in 2023. At the end of 2023, the university had 413 (404) professors, of whom 334 (320) had been appointed since the establishment of Aalto University. A total of 79 (84) of the professors had been appointed before the year 2010. Women accounted for 24% (24%) of the professors. Non-Finnish professors accounted for 28% (27%) of the total. A total of 27% (28%) of the professors will reach the age of at least 65 within the next ten years.

Aalto University invites people who have made distinguished contributions to business, industry or society and who have a strong academic or artistic background to serve as professors of practice. Professors of practice, who mostly work part time, make their expertise available to the university and diversify its teaching offerings. At the end of 2023, Aalto University had 53 (48) professors of practice.

The principles and evaluation criteria of the lecturer career system support individual development and career advancement with teaching-focused merits. At the end of 2023, Aalto University had a total of 254 (237) lecturers appointed through the lecturer career system.

In 2023, the average number of personnel employed by the Aalto University Group was 4 986 (4 873). The University Group's personnel expenses totalled EUR 289 million (EUR 273 million), of which the university accounted for EUR 276 million (EUR 261 million). Salaries and other compensations paid to the members of the board, the president, and the members of the boards of Aalto University Group companies and their CEOs totalled EUR 0.7 million (EUR 0.7 million).

GOVERNANCE

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

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

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

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

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

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

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

In 2023, the Aalto University board comprised the following members: Mariana Amatullo, Sari Baldauf, Ilkka Kivimäki, Mikko Kosonen (chairman), Karel Luyben, Andreas Mortensen and Marita Niemelä. Sari Baldauf stepped down in the end of 2023 after serving as a board member for two terms. Hanna Sievinen was elected as a new board member as of 1 January 2024. Ilkka Niemelä, Aalto University's President, served as the rapporteur for the board.

Aalto University would like to thank Sari Baldauf for her valuable work for the university, especially in developing collaboration between business life and the academic community.

INFRASTRUCTURES & CAMPUS

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

INFRASTRUCTURES

Infrastructures provide the framework for high-quality research, artistic activities, education and innovation. Aalto University maintains several high-quality infrastructures for research and education and develops them in cooperation with its partners on a continuous basis. All of Aalto University's significant research and teaching infrastructures are open. Significant infrastructures at Aalto include: Aalto University Data Hub, Aalto Ice and Wave Tank, Aalto i3 supporting industries and innovation activities, Aalto Neuroimaging (ANI) brain imaging and behavioural research laboratories, Aalto Studios media centre, Bioeconomy infrastructure, Metsähovi radio observatory, OtaNano microtechnologies and nanotechnologies infrastructure, RAMI (RawMatTERS) raw materials research infrastructure and Science-IT computational science infrastructure.

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

research. The SECDATA operating environment of Aalto University, registered in 2022, meets the information security requirements of the Secondary Use Act and Findata.

CAMPUS

Aalto University's long-term campus development programme continued to progress during 2023. Construction of Aalto University Works continued in the K-block of the Otaniemi campus. The renovation and extension of the K3 building, alterations to the laboratory in the K4 building and the new parking building Otaparkki were completed during the year. The Aalto University Works block provides a wide range of facilities for university actors and partners. The K3 building houses such actors as the Aalto University Design Factory, the Aalto Ventures Program (AVP), the student-driven entrepreneurship community Startup Sauna and their cooperation facilities.

The construction of Kide and Marsio, the new buildings intended for the university's own use, continued in 2023. The Kide building will house technological research facilities, and the special requirements for them have been taken into account in the building's design. Kide was opened for university operations in January 2024. Marsio will house a state-of-the-art multifunctional space especially for art and media teaching, various events and a new studio centre. The facilities will provide a new

easily accessible meeting place for the campus. Marsio is expected to be completed by the start of the autumn 2024 term.

The sustainable mobility action plan prepared in 2022–2023 outlines the development of mobility on the Otaniemi campus. The plan emphasises the development of a comfortable and accessible walking campus and the use of sustainable means of transportation to enter the campus area. The campus wellbeing route was opened in spring 2023 as part of students' mental health day. The five outdoor points of the wellbeing route are located in different parts of the campus. The route is open to everyone. Completion of the landscaping work in front of the Dipoli building in autumn 2023 also enhanced the natural capital and diversity

of the campus. The new light rail line started operating in October 2023. The light rail line enhances cross-traffic in the Helsinki Metropolitan Area and complements the public transport connections to the campus, connecting the Aalto University metro station with nearby railway stations.

Aalto University aims towards carbon neutrality. The energy saving campaign launched in 2022 as part of the carbon neutrality target reduced energy consumption on the campus by 14% during the 12-month review period ending in September 2023. The most significant savings were achieved by standardising indoor temperatures, adjusting ventilation system operating hours and improving the efficiency of heat recovery. The purpose of the measures is to achieve permanent reductions in energy

consumption. Carbon dioxide emissions from energy generation in university premises decreased by 23% compared to the previous year. In 2023, carbon dioxide emissions totalled 3 299 (4 311) tCO₂-eq.

At the end of December, a total of 54 000 m² (53 000 m²) of Aalto University's facilities were rented to the university's partners. The largest tenants were VTT Technical Research Centre of Finland Ltd, Aalto University Executive Education, Kanresta Oy and Senate Properties. The university had use of a total of 210 000 m² (210 000 m²) of workspace, of which the Otaniemi campus accounted for 207 000 m² (207 000 m²) and other sites for 3 000 m² (3 000 m²). In 2023, the university's facility expenses totalled EUR 51 million (EUR 46 million).



The focus of Aalto University's carbon neutrality action plan is the active reduction of carbon dioxide emissions instead of compensation. The university is participating in discussions between the Finnish higher education networks UNIFI and Finn-ARMA on the harmonisation of carbon footprint calculation methods and reporting. Total carbon dioxide emissions in 2023 have been calculated in accordance with the international GHG Protocol.

Figures in parenthesis refer to 2022 unless otherwise mentioned.

SERVICES & FINANCIAL RESOURCES

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

SERVICE SOLUTIONS

Aalto University's service functions support the university in carrying out its tasks and achieving its objectives. Service levels and resourcing are based on the university's strategic choices and the needs of the schools. A service mindset, the digitalisation of services and efficient data management play a key role in the development of the university's services. The university made significant investments in service development through numerous strategic development projects in 2023.

The development of the Aalto Service Platform continued in 2023. The service platform is used to implement digital services and processes across service units. The implementation of the new financial system started in autumn 2023. As AI-based tools are becoming increasingly common, Aalto University introduced guidance for the use of artificial intelligence in research, teaching and learning. Aalto GPT, Aalto University's own AI tool, was launched for pilot use by university personnel in 2023.

Aalto University is leading Digivisio 2030, a joint project of Finnish higher education institutions to build a digital service environment for flexible learning. During 2023, Aalto University took part in pilot projects developing national continuous learning offerings, contents for

non-formal learning and digitally produced open higher education. In 2023, a decision was made to establish the limited liability company HigherEd Hub Finland Oy, which will operate alongside the project consortium as a service company for the higher education institutions.

DEVELOPMENT OF OPERATIONS AND RISK MANAGEMENT

Aalto University's quality system is based on the principle of continuous improvement. The planning and monitoring of the university's operations are built around the annual processes of the quality system. The purpose of the University Review is to assess the implementation of the university's strategy, and the review is based on the feedback and results of the previous year. Long-term goals for the next four years and plans to implement them (Our Plan) are set in the University Dialogue. Assumptions made in the strategy concerning the operating environment are assessed in relation to identified changes in the University Preview.

Risk management is an essential part of the quality and management system of Aalto University, supporting the realisation of the university's strategic and operational goals. To achieve its goals, the university is prepared to take risks in which the expected benefits are in reasonable proportion to the extent and

likelihood of the potential losses. Aalto University aims to avoid risks that are unlikely to bring corresponding benefits and, when appropriate, to cost-effectively mitigate risks to an acceptable level. The purpose of risk management is to cover all the risks that may threaten the achievement of the university's short-term or long-term objectives. Particular consideration is given to the management of strategic risks and financially significant risks.

The key risks in Aalto University's operating environment are related to the safeguarding of funding for the university's operations in the long term. The unpredictability and potential redirection of public funding for the university sector may weaken Aalto University's ability to achieve its long-term strategic goals. The financial resilience of the university will also be affected by inflation if the impact of inflation is not adequately accounted for in the funding framework for universities. Uncertainty in financial markets may adversely affect Aalto University's endowment portfolio and thus the funding available for the university's core activities in the long term. The Russian invasion of Ukraine in February 2022 and the ongoing war have also increased risks arising from the operating environment. Geopolitical uncertainty may have a wide range of long-term impacts on the university's operating environment and internationalisation.

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

FINANCIAL POSITION

Aalto University's operating income totalled EUR 384 million (EUR 362 million), an increase of 6% compared to the previous year. Government funding of EUR 239 million (EUR 224 million) was the main source of income. The increase of government funding is explained by the increase in indicator-based funding and one-time additional funding to support the university's strategy. Income from grants totalled EUR 117 million (EUR 112 million), of which EUR 52 million (EUR 53 million) from the Research Council of Finland, EUR 27 million (EUR 25 million) from the European Union, EUR 16 million (EUR 14 million) from Business Finland and EUR 22 million (EUR 20 million) from other funders. Income from business activities was EUR 22 million (EUR 21 million). Other income was EUR 5 million (EUR 6 million). Operating expenses

totalled EUR 427 million (EUR 397 million), an increase of 8% compared to the previous year. Personnel and facility expenses were the two largest expense items. Personnel expenses accounted for 64% (65%) and facility expenses for 12% (11%) of operative expenses. Personnel expenses increased by 5% compared to the previous year. The increase in personnel expenses is explained by an increase in the number of personnel and the salary increases based on the collective agreement. Facility expenses increased by 12% from the previous year because the real estate companies owned by Aalto University increased their charges as a result of rising loan interest rates. Other expenses increased by 12% from the previous year. The increase in service purchases is mainly explained by inputs in the digitalisation of the university. The increase in other expenses is also explained by travel costs returning to pre-COVID-19 level.

Aalto University's operating loss was EUR 44 million (EUR 35 million).

Fundraising profit was EUR 4 million (EUR 10 million). The fundraising income of EUR 5 million (EUR 11 million) consisted of donations received. The transfer of donations received to restricted funds in the balance sheet is shown in the change in restricted funds in the profit & loss statement.

Figures in parenthesis refer to 2022 unless otherwise mentioned.

Profit from endowment activities amounted to EUR 102 million (loss EUR 42 million). The profit from endowment activities mainly consists of the increase in the value of investment funds. The stock market recovered from the fall experienced in 2022, and the rise was strongest in the developed stock markets.

Loss from financing activities amounted to EUR 7 million (profit EUR 11 million). The rise in interest rates in 2023 is reflected in substantial increases in the interest expenses of loans raised for campus investments. The fall in long-term interest rates towards the end of 2023 led to a decrease in the market value of the interest rate derivatives taken to hedge interest rate risk. The profit/loss from endowment activities and financing activities includes both realised profits and losses as well as changes in the fair value of assets.

The university's net profit for the financial year was EUR 54 million (loss EUR 65 million), which was 14% (-18%) of turnover.

The university's balance sheet totalled EUR 2 061 million (EUR 2 032 million).

In assets, EUR 170 million of long-term loan receivables from the real estate companies owned by the university were converted into equity investments. The change reduced the university's

loan receivables from Group companies and increased shares in Group companies. The increase in endowment assets to EUR 1 344 million (EUR 1 266 million) was due to an increase in the market value of investment funds. Cash and bank decreased to EUR 42 million (EUR 59 million), and securities decreased to EUR 0 million (EUR 35 million).

In equity and liabilities, the increase in equity to EUR 1 598 million (EUR 1 542 million) is primarily explained by the profit for the financial year. Unrestricted funds decreased to EUR 466 million (EUR 544 million) when the loss from endowment activities for 2022 was transferred to the accumulated endowment returns fund and the fund was used to finance the university's operation. Liabilities decreased to EUR 464 million (EUR 490 million), primarily due to changes in liabilities to group companies and repayments of long-term loans.

In the cash flow statement, cash flow from ordinary operations came to EUR 6 million (EUR 15 million). The higher operative loss was mainly covered using accumulated profits from endowment activities. Cash flow from investments was EUR -31 million (EUR -25 million). Of the cash flow from investments, EUR -20 million (EUR -15 million) was related to investments in tangible and intangible assets and EUR -11 million (EUR -10 million)

to endowment activities. The cash flow from financing activities was EUR 8 million (EUR -15 million). Sales of securities and interest income increased the cash flow in financing activities, while changes in liabilities to group companies and repayments of long-term loans decreased the cash flow. The change in university's cash and bank was EUR -17 million (EUR -24 million). Of this change, EUR -6 million (EUR -14 million) was related to the university's ordinary activities and EUR -11 million (EUR -10 million) to endowment activities.

Endowment

Aalto University engages in long-term and responsible endowment activities to support the implementation of university's strategy. The endowment activities aim to preserve and accumulate the real value of the endowment capital in the long term, as well as to provide a steady and predictable income to fund

university operations in the medium term. Preserving the real value of the endowment capital secures equality across generations by maintaining the purchasing power of the endowment capital and the funding it provides to the university's operations over time.

At the end of the year, the market value of the endowment portfolio was EUR 1 364 million (EUR 1 293 million). The average annual return on the endowment portfolio has been 5.4% after expenses since the inception of operation. In 2023, the return on the endowment portfolio was 8.1% (-3.5%) after expenses. At the end of the year, 22% (20%) of the portfolio was held in fixed income instruments, 60% (60%) in equities and 18% (20%) in alternative risk.

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

A carbon-neutral endowment portfolio is the long-term goal for responsible endowment activities. Reducing the carbon intensity of the investment funds and increasing investments in green transition companies are used as medium-term measures in the selection and supervision of investment funds. In addition, companies engaged in controversial activities are excluded from investments.

The university has signed the Principles for Responsible Investments (PRI), and it is also a member of Finland's Sustainable Investment Forum (FINSIF) and the Standards Board for Alternative Investments (SBAI). Aalto University publishes an endowment sustainability report each year, and in 2023 it took part in the global PRI responsibility reporting for the first time.

KEY FIGURES, EUR 1M	2023	2022	2021	2020	2019
Operating income	384	362	366	339	335
Operating profit/loss	-44	-35	-12	-19	-37
Fundraising profit/loss	4	10	12	1	3
Endowment profit/loss	102	-42	215	41	153
Profit/loss for the period	54	-65	203	20	130
Total cash flow	-17	-24	-22	48	-43
Total assets	2 061	2 032	2 044	1 869	1 847
Total equity	1 598	1 542	1 591	1 377	1 353
Total liabilities	464	490	452	491	493

Figures in parenthesis refer to 2022 unless otherwise mentioned.

Aalto University Group

Aalto University Group's total income was EUR 527 million (EUR 612 million) and total expenses EUR 478 million (EUR 579 million). The Group recorded a net profit of EUR 50 million (loss EUR 67 million) for the financial year.

The Group's balance sheet totalled EUR 2 079 million (EUR 2 036 million) at the end of the financial year. The increase in the balance sheet total is primarily explained by the increase in the value of the university's endowment assets.

Cash flow from Aalto University Group's ordinary operations was EUR 29 million (EUR 44 million), and the cash flow from investments was EUR -62 million (EUR -60 million). Cash flow from financing was EUR 15 million (EUR -9 million). The change in group's cash and bank was EUR -18 million (EUR -25 million).

The sub-group Aalto University Executive Education recorded a turnover of EUR 19 million (EUR 20 million) and a net loss of EUR 2 million (EUR 0 million).

All Aalto University Group companies have prepared their own financial statements for the financial year 2023.

Major events after the financial year

No events of a material nature affecting the financial status of the Aalto University Group and its financial statements for 2023 took place between the end of the financial year and the preparation of the financial statements.

Estimate of future development

Most of Aalto University's operations are financed from public funds. The university's main source of income is government funding, which accounted for 56% of the university's operative funding sources in 2023. Public funding from the Research Council of Finland, the European Union and Business Finland accounted for 22% of the funding sources. Spending from endowment and cumulative profits, which accounted for 10%, is also considered as funding source.

The annual government funding received by Aalto University in 2023 has declined by 34% from the level of funding in the university's first year of operation in 2010, adjusted for inflation. The decline of government funding by more than a third in real terms poses significant challenges to the university's operations. If the impact of inflation is not accounted for in the funding of universities in the coming years, the funding base for Aalto University's research and education activities will continue to deteriorate.

A possible redirection of the educational responsibilities in the university sector and a reduction in the funding framework for higher education institutions as part of the balancing of public finances would also weaken Aalto University's financial operating basis in the coming years.

The focus in the budget for 2024 and the long-term financial plan for the period 2025–2027 is to ensure sufficient, stable and predictable resourcing of the core activities. Efforts will be made to widen and diversify the funding base by increasing non-public financing, donation income and the use of funds.

Broadening the funding base and adapting to a higher number of students will require further increases

in the number of academic personnel. The higher number of students results from the increase in intake in the period 2020–2022, in line with the goal of raising the level of education set out in the Finnish Government Programme.

Activities with related parties

Aalto University maintains a register of its related parties, which covers all necessary and practically available information. This related parties register is updated on an annual 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.

The Aalto University Foundation has granted a total of 307 million euros in intragroup loans to its 100% owned real estate companies. With loans, real estate companies have financed real estate investments supporting the university's operations, mainly in the Otaniemi campus area. The loans are unsecured and priced according to market conditions.

Auditor

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

FINANCIAL RATIOS	FOUNDATION					GROUP				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Change in revenue										
Change in turnover %	6%	-1%	8%	1%	-2%	5%	-1%	8%	0%	-2%
Profitability										
Operating profit, % of turnover	-11%	-10%	-3%	-6%	-11%	-9%	-9%	-3%	-5%	-10%
Change in equity %	4%	-3%	16%	2%	11%	3%	-3%	1%	2%	10%
Endowment return %	8.1%	-3.5%	18.4%	3.7%	15.6%					
Liquidity (without endowment cash and bank)										
Quick ratio	0.7	1.0	2.9	0.7	1.0	0.9	1.4	1.4	1.0	1.8
Days cash on hand	23	24	43	64	41	24	25	45	70	44
Solvency										
Equity ratio	79%	78%	80%	76%	75%	80%	79%	81%	77%	77%
Gearing	16%	14%	13%	16%	19%	16%	14%	12%	15%	18%

Figures in parenthesis refer to 2022 unless otherwise mentioned.



Financial statements 2023

Based on the audited Finnish version

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

(not audited)

	2023	2022	2021	2020	2019	2018	2017
OPERATIVE INCOME							
Government funding	239	224	227	212	212	219	229
Research council of Finland	52	53	50	47	48	51	45
European Union	27	25	24	24	24	21	19
Business Finland	16	14	15	12	11	15	18
Corporate	14	14	13	14	14	12	12
Other	35	33	37	30	26	24	21
TOTAL	384	362	366	339	335	342	344
OPERATIVE EXPENSES							
Academic personnel	192	183	185	173	167	160	153
Service personnel	81	76	74	70	69	67	64
Facilities	51	46	44	43	46	52	48
Service purchases	49	43	38	35	41	39	29
Depreciations	14	15	12	12	12	10	9
Other	40	34	24	24	37	36	38
TOTAL	427	397	377	358	371	365	341
OPERATIVE PROFIT/LOSS	-44	-35	-12	-19	-37	-23	3
Spending from endowment and cumulative profits	44	35	12	19	37	23	-3
OPERATIVE PROFIT/LOSS 2	0						

FOUNDATION PROFIT & LOSS STATEMENT, €1 000

	Note	1.1.-31.12.2023	1.1.-31.12.2022
ORDINARY OPERATIONS			
Turnover			
Universities Act based government grant		239 220	224 306
Income from grants	2	116 798	111 637
Income from business activities	7	22 452	20 742
Other income		5 145	5 782
		383 615	362 467
Expenses			
Personnel expenses	5	273 232	260 536
Facility expenses		51 088	45 590
Depreciation and amortization	8	13 755	14 284
Other expenses	6	89 187	76 809
		427 262	397 219
OPERATING PROFIT/LOSS		-43 647	-34 752
FUNDRAISING			
Fundraising income and expenses	9	3 864	10 389
ENDOWMENT ACTIVITIES	10		
Income and expenses		6 479	55 503
Changes in the fair value of investments		95 927	-97 968
Endowment activities total		102 405	-42 465
FINANCING ACTIVITIES	11		
Investment property, income and expenses		-8 670	-7 448
Other financial income and expenses		7 594	1 585
Changes in the fair value of derivatives		-5 617	16 711
Financing activities total		-6 693	10 848
PROFIT/LOSS BEFORE TRANSFERS IN FINANCIAL STATEMENTS AND TAX		55 929	-55 981
APPROPRIATIONS AND TAXES			
Change in restricted funds		-1 418	-8 241
Tax	12	394	414
NET PROFIT/LOSS OF THE FINANCIAL YEAR		54 117	-64 635

Intellectual property rights commercialisation activities are reported as part of Investment activities, as of January 1, 2023. The comparative data for 2022 have been corrected.

FOUNDATION BALANCE SHEET, €1 000

	Note	31.12.2023	31.12.2022
ASSETS			
FIXED ASSETS			
Intangible assets	13	1 173	858
Tangible assets			
	14		
Buildings and constructions		24	34
Machinery and equipment		36 635	39 866
Other tangible assets		1 517	1 010
Advance payments and work in progress		2 820	2 544
		40 996	43 454
Investments	16		
Shares in Aalto group companies		237 116	66 866
Shares in jointly owned companies		4 441	4 441
Other shareholdings		6 679	6 621
Endowment assets	17	1 344 016	1 265 807
Convertible bond		8 995	0
		1 601 247	1 343 735
TOTAL FIXED ASSETS		1 643 416	1 388 046
CURRENT ASSETS			
Inventories		258	194
Receivables			
Long-term receivables			
	18		
Receivables, associated companies		2 000	2 000
Loans to group companies		307 105	473 595
Other receivables		6 432	13 816
		315 537	489 411
Short-term receivables			
	19		
Accounts receivable		37 653	35 613
Receivable, group companies		501	503
Other receivables		5 366	10 389
Prepaid expenses and accrued income		16 421	14 224
		59 942	60 729
Securities	21	0	34 972
Cash and bank			
Ordinary activities		28 743	34 282
Endowment		13 459	24 789
		42 202	59 072
TOTAL CURRENT ASSETS		417 939	644 378
TOTAL ASSETS		2 061 355	2 032 424

FOUNDATION BALANCE SHEET, €1 000

	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
EQUITY			
	22		
Foundation capital		280 000	280 000
Capital reserve		452 768	452 683
Restricted funds			
	23		
Restricted funds expendable		19 442	20 039
Restricted funds capitalizing		61 623	59 693
Unrestricted funds			
	24		
Entrepreneurship fund		37	161
Tenure track fund		24 256	24 655
Accumulated endowment returns fund		441 829	519 211
Operating equity		154 644	154 644
Profit/Loss from previous years		108 811	95 541
Profit/Loss of the financial year		54 117	-64 635
TOTAL EQUITY		1 597 528	1 541 992
LIABILITIES			
	25		
Long-term liabilities			
Loans from financial institutions		286 117	300 076
Advance payments		696	190
Other long-term liabilities		8 932	8 147
		295 746	308 413
Short-term liabilities			
Loans from financial institutions		13 958	13 958
Advance payments		47 394	49 733
Accounts payable		15 107	10 676
Liabilities to group companies		19 106	38 285
Other liabilities		45 810	41 863
Accrued expenses		26 707	27 504
		168 082	182 019
TOTAL LIABILITIES		463 827	490 432
TOTAL EQUITY AND LIABILITIES		2 061 355	2 032 424

FOUNDATION CASH FLOW STATEMENT, €1 000

	1.1.-31.12.2023	1.1.-31.12.2022
CASH FLOW FROM ORDINARY OPERATIONS		
Operating profit/loss	-43 647	-34 752
Depreciation included in the above	14 933	14 715
Changes in working capital*	-1 486	-2 803
Cashflow in fundraising	3 864	10 389
Paid direct taxes	-394	-414
Transfer from endowment cash and bank	34 839	32 385
Transfer to endowment cash and bank	-1 961	-4 100
TOTAL CASH FLOW FROM OPERATIONS (A)	6 148	15 419
CASH FLOW FROM INVESTMENTS		
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS		
Investments in tangible and intangible assets	-12 791	-10 353
Received investment grants	1 586	2 856
Net proceeds from real estate	-8 670	-7 448
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS (B1)	-19 875	-14 945
CASH FLOW FROM ENDOWMENT ACTIVITIES		
Investments in endowment	-311 301	-504 412
Proceeds from sales of financial assets	331 804	506 684
Other net proceeds from investments activities	1 045	8 845
Transfer to other activities cash and bank (net)	-32 878	-21 220
CASH FLOW FROM ENDOWMENT ACTIVITIES (B2)	-11 330	-10 103
TOTAL CASH FLOW FROM INVESTMENTS (B)	-31 205	-25 048
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in equity	0	7 065
Changes in the loan portfolio		
Group net lending	-23 008	-21 548
Withdrawn long-term loans	0	130 000
Paid long-term loans	-13 958	-103 589
Other income and expenses	7 810	1 973
Other changes in cash flow*	37 343	-21 601
Transfer to endowment cash and bank	0	-7 065
TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)	8 187	-14 765
CHANGE IN CASH AND BANK		
Ordinary activities	-5 539	-14 290
Endowment activities	-11 330	-10 103
CHANGE IN CASH AND BANK (A+B+C)	-16 870	-24 393
Ordinary activities cash and bank beginning of year	34 282	48 573
Ordinary activities cash and bank end of year	28 743	34 282
Change in cash and bank Ordinary activities	-5 539	-14 290
Endowment cash and bank beginning of year	24 789	34 892
Endowment cash and bank end of year	13 459	24 789
Change in cash and bank Endowment activities	-11 330	-10 103
CHANGE IN CASH AND BANK	-16 870	-24 393

* Coordinated Assets are included in the cash flow of Financing Activities. The comparative data have been corrected.

GROUP PROFIT & LOSS STATEMENT, €1 000

	Note	1.1.-31.12.2023	1.1.-31.12.2022
ORDINARY OPERATIONS			
Turnover			
Universities Act based government grant		239 220	224 306
Income from grants	2	116 837	111 641
Income from business activities	7	41 829	40 862
Other income		5 339	6 057
		403 225	382 865
Expenses			
Personnel expenses	5	286 324	272 678
Facility expenses		11 279	10 826
Depreciation and amortization	8	29 057	29 798
Other expenses	6	113 785	104 713
		440 446	418 015
Profit/loss attributable to minority interests in associated companies		49	11
PROFIT/LOSS FROM ORDINARY OPERATIONS		-37 172	-35 139
FUNDRAISING			
Income and expenses	9	3 864	10 389
ENDOWMENT ACTIVITIES	10		
Income and expenses		6 479	55 503
Changes in the fair value of investments		95 927	-97 968
Endowment activities total		102 405	-42 465
FINANCING ACTIVITIES	11		
Investment property, income and expenses		-3 675	-5 026
Other financial income and expenses		-7 931	-3 246
Changes in the fair value of derivatives		-5 824	16 812
Financing activities total		-17 430	8 540
PROFIT/LOSS BEFORE TRANSFERS IN FINANCIAL STATEMENTS AND TAX		51 668	-58 675
APPROPRIATIONS AND TAXES			
Change in restricted funds		-1 418	-8 241
Tax	12	906	-99
NET PROFIT/LOSS OF THE FINANCIAL YEAR		49 344	-66 817

Intellectual property rights commercialisation activities are reported as part of Investment activities as of January 1, 2023. The comparative data for 2022 have been corrected.

GROUP BALANCE SHEET, €1 000

	Note	31.12.2023	31.12.2022
ASSETS			
FIXED ASSETS			
Intangible assets	13	2 030	1 917
Tangible assets	14		
Land and water areas		42 690	42 689
Buildings and constructions		435 291	409 505
Machinery and equipment		60 696	60 907
Other tangible assets		6 343	4 955
Advance payments and work in progress		49 480	56 923
		594 500	574 979
Investments	16		
Shares in associated companies		532	483
Other shareholdings		8 849	8 790
Endowment assets	17	1 344 016	1 265 807
Convertible bond		8 995	0
		1 362 391	1 275 081
TOTAL FIXED ASSETS		1 958 922	1 851 977
CURRENT ASSETS			
Inventories		258	195
Receivables			
Long-term receivables	18	7 432	14 816
Short-term receivables	19		
Accounts receivable		39 347	36 995
Other receivables		6 503	11 299
Prepaid expenses and accrued income		16 689	14 428
		62 539	62 722
Securities	21	7 049	44 080
Cash and bank		43 877	61 858
TOTAL CURRENT ASSETS		121 156	183 671
TOTAL ASSETS		2 080 078	2 035 648
EQUITY AND LIABILITIES			
EQUITY			
Foundation capital	22	280 000	280 000
Capital reserve		452 768	452 683
Restricted funds	23	81 065	79 733
Unrestricted funds	24	466 123	544 027
Operating equity		154 644	154 644
Profit/Loss from previous years		124 762	113 618
Profit/Loss of the financial year		49 344	-66 817
TOTAL EQUITY		1 608 706	1 557 887
LIABILITIES			
Long-term	25		
Loans from financial institutions		292 222	306 192
Advance payments		4 558	5 140
Other long-term liabilities		5 070	3 197
Total long-term liabilities		301 850	314 529
Short-term			
Loans from financial institutions		14 316	14 662
Advance payments		54 778	58 857
Accounts payable		19 876	15 064
Accrued tax		3 886	4 393
Other short-term liabilities		47 551	43 446
Accrued expenses		29 115	26 810
Total short-term liabilities		169 522	163 232
TOTAL LIABILITIES		471 372	477 760
TOTAL EQUITY AND LIABILITIES		2 080 078	2 035 648

GROUP CASH FLOW STATEMENT, €1 000

	1.1.-31.12.2023	1.1.-31.12.2022
CASH FLOW FROM ORDINARY OPERATIONS		
Operating profit/loss	-37 172	-35 139
Depreciation included in the above	29 057	30 228
Changes in working capital*	1 818	10 211
Cashflow in fundraising	3 864	10 389
Paid direct taxes	-1 413	-457
Transfer from endowment cash and bank	34 839	32 385
Transfer to endowment cash and bank	-1 961	-4 100
TOTAL CASH FLOW FROM OPERATIONS (A)	29 032	43 518
CASH FLOW FROM INVESTMENTS		
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS		
Investments in tangible and intangible assets	-54 709	-53 718
Received investment grants	1 586	2 856
Net proceeds from real estate	2 343	965
CASH FLOW FROM INVESTMENTS IN TANGIBLE ASSETS AND INTANGIBLE ASSETS (B1)	-50 779	-49 897
CASH FLOW FROM ENDOWMENT ACTIVITIES		
Investments in endowment	-311 301	-504 412
Proceeds from sales of financial assets	331 804	506 684
Other net proceeds from investments activities	1 045	8 845
Transfer to other activities cash and bank (net)	-32 878	-21 220
CASH FLOW FROM ENDOWMENT ACTIVITIES (B2)	-11 330	-10 103
TOTAL CASH FLOW FROM INVESTMENTS (B)	-62 110	-60 000
CASH FLOW FROM FINANCING ACTIVITIES		
Changes in equity	0	7 065
Changes in the loan portfolio		
Withdrawn long-term loans	0	130 000
Paid long-term loans	-14 316	-104 463
Other income and expenses	-7 931	-3 246
Other changes in cash flow*	37 343	-30 828
Transfer to endowment cash and bank	0	-7 065
TOTAL CASH FLOW FROM FINANCING ACTIVITIES (C)	15 097	-8 537
CHANGE IN CASH AND BANK		
Ordinary activities	-6 651	-14 916
Endowment activities	-11 330	-10 103
CHANGE IN CASH AND BANK (A+B+C)	-17 981	-25 019
Ordinary activities cash and bank beginning of year	37 068	51 984
Ordinary activities cash and bank end of year	30 418	37 068
Change in cash and bank Ordinary activities	-6 651	-14 916
Endowment cash and bank beginning of year	24 789	34 892
Endowment cash and bank end of year	13 459	24 789
Change in cash and bank Endowment activities	-11 330	-10 103
CHANGE IN CASH AND BANK	-17 981	-25 019

* Coordinated Assets are included in the cash flow of Financing Activities. The comparative data have been corrected.

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 11/11/2022) issued by the Ministry of Education and Culture. 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. Intellectual property rights commercialisation activities will be reported as of January 1, 2023 as part of Investment activities which impact the endowment result by -2.7 million euros.

Securities

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

Financial receivables and liabilities

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

Unrestricted funds

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

The fair value hierarchy

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

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

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

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

Valuation techniques and significant non-observable inputs

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

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

Financial assets and liabilities

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

Financial assets are valued according to following valuation principles:

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

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

Financial liabilities are valued according to following valuation principles:

Group of financial liabilities	Instruments	Valuation principle
1. Financial liabilities at fair value through profit or loss.	Interest and Currency Derivatives.	Fair value, changes in value are recognized in profit or loss.
2. 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.

NOTES TO PROFIT & LOSS STATEMENT, €1 000

Derivative contracts

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

Value added tax compensation receivables and liabilities

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

Revenue recognition

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

Business activities

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

Statutory pension

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

Items in foreign currencies

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

Management compensation

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

Pro forma profit & loss statement

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

Accounting principles and extent of the consolidated accounts

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

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.

1. TOTAL INCOME AND EXPENSES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Total income	530 623	504 057	527 700	512 122
Total expenses	476 506	568 692	477 539	578 939
Difference	54 117	-64 635	50 160	-66 817
2. GRANT INCOME	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Business Finland grants	15 554	13 568	15 554	13 572
Research council of Finland grants	52 242	52 613	52 242	52 613
European Union grants	27 226	25 172	27 276	25 172
Other grants	21 765	20 284	21 765	20 284
Total	116 787	111 637	116 837	111 641
3. PROFIT & LOSS STATEMENT BY FIELD OF OPERATION	Foundation 2023	Foundation 2022		
Education				
Income				
Government funding	110 680	102 687		
Income from grants	6 783	6 311		
Income from business activities	1 304	1 265		
Other income	299	327		
	119 066	110 589		
Expenses				
Total expenses	175 355	161 465		
Education total	-56 290	-50 875		
Research/R&D				
Income				
Government funding	126 719	118 843		
Income from grants	108 096	102 666		
Income from business activities	20 779	20 581		
Other income	4 762	5 317		
	260 356	247 406		
Expenses				
Total expenses	247 480	231 887		
Research/R&D total	12 876	15 520		
Societal impact				
Income				
Government funding	1 822	1 140		
Income from grants	1 919	2 661		
Income from business activities	369	533		
Other income	85	138		
	4 194	4 472		
Expenses				
Total expenses	4 427	3 868		
Societal impact total	-233	604		
OPERATING PROFIT	-43 647	-34 752		
Fundraising, investment and financial activities	99 576	-21 228		
Appropriations	-1 418	-8 241		
Tax	394	414		
PROFIT (LOSS) OF THE FINANCIAL YEAR	54 117	-64 635		

NOTES TO PROFIT & LOSS STATEMENT, €1 000

4. PROFIT & LOSS STATEMENT IN ACCORDANCE FINNISH ACCOUNTING ORDINANCE 3 §	Foundation 2023	Foundation 2022	Group 2023	Group 2022
ORDINARY OPERATIONS				
Income	144 395	139 798	164 054	160 208
Expenses	427 262	397 158	440 446	417 954
Personnel expenses	273 232	259 471	286 324	271 613
Depreciation and amortization	13 755	14 715	29 057	30 228
Other expenses	140 275	122 972	125 065	116 113
SURPLUS/DEFICIT FROM ORDINARY OPERATIONS	-282 867	-257 360	-276 392	-257 746
FUNDRAISING				
Income	4 630	11 129	4 630	11 129
Expenses	766	740	766	740
INVESTMENT AND FINANCING ACTIVITIES				
Income	46 451	105 529	9 720	99 667
Expenses	41 049	57 588	21 325	54 135
Changes in the fair value of investments	90 310	-81 257	96 581	-81 156
GENERAL GRANTS	239 220	224 306	239 220	224 306
SURPLUS BEFORE CHANGE IN RESTRICTED FUNDS AND TAX	55 929	-55 981	51 668	-58 675
APPROPRIATIONS AND TAXES				
Change in restricted funds	-1 418	-8 241	-1 418	-8 241
Tax	394	414	906	-99
SURPLUS/DEFICIT OF THE FINANCIAL YEAR	54 117	-64 635	49 344	-66 817
5. PERSONNEL EXPENSES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Salaries and other compensations	230 667	217 417	241 499	227 370
Pension expenses	38 711	37 388	40 697	39 217
Other social expenses	6 540	5 830	6 815	6 189
Total	275 919	260 634	289 010	272 776
6. OTHER EXPENSES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Materials and supplies	14 412	13 474	14 647	13 751
Travel expenses	9 990	7 116	10 122	7 201
Services	50 126	44 143	56 355	55 383
Other expenses	15 691	13 455	28 463	29 758
Total	90 218	78 189	109 587	106 093
7. PROFIT & LOSS STATEMENT FOR BUSINESS ACTIVITIES	Total business activities including to corporate income tax		Subject to corporate Income tax	
	Foundation 2023	Foundation 2022	Foundation 2023	Foundation 2022
Turnover	22 368	20 742	15 844	14 529
Personnel expenses				
Salaries and other compensations	4 498	4 407	3 715	3 606
Pension expenses	987	830	631	635
Other social expenses	1 042	1 028	1 079	940
	6 527	6 265	5 425	5 181
Depreciation	13	18	9	9
Other expenses	10 523	10 669	8 454	7 271
OPERATING PROFIT	5 305	3 789	1 956	2 068
Endowment income and expenses				
Other income	182	2 747	0	0
Other expenses	2 485	135	0	0
Changes in the fair value of investments	2 655	0	0	0
	352	2 612	0	0
Financing income and expenses				
Investment property, income	6 681	6 111	0	0
Investment property, expenses	15 351	13 558	0	0
	-8 670	-7 448	0	0
Tax	394	417	394	417
PROFIT/LOSS OF THE FINANCIAL YEAR	-3 407	-1 463	1 562	1 651

Intellectual property rights commercialisation activities are reported as part of Investment activities as of January 1, 2023. The comparative data for 2022 have been corrected.

NOTES TO PROFIT & LOSS STATEMENT, €1 000

8. DEPRECIATION AND AMORTIZATION	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Depreciation according to plan				
Intangible assets	206	201	206	201
Goodwill	0	0	199	208
Buildings	10	6	17 287	16 594
Machinery and equipment	13 698	14 152	16 842	18 319
Other tangible assets	10	11	555	453
Additional depreciation	1 010	346	1 161	363
Total	14 934	14 715	36 254	36 138
9. FUNDRAISING	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Donations	4 630	11 129	4 630	11 129
Fundraising expenses	766	740	766	740
	3 864	10 389	3 864	10 389
10. ENDOWMENT	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Income				
Exchange rate gains	10 712	53 614	10 712	53 614
Profit on sale of investments	2 434	15 737	2 434	15 737
Other income	6 011	26 555	6 011	26 555
	19 157	95 907	19 157	95 907
Expenses				
Interest expenses	0	10	0	10
Loss on sale of investments	5 451	7 582	5 451	7 582
Exchange rate losses	3 177	30 766	3 177	30 766
Other expenses	4 050	2 046	4 050	2 046
	12 679	40 404	12 679	40 404
Changes in the fair value of investments	95 927	-97 968	95 927	-97 968
	102 405	-42 465	102 405	-42 465
11. FINANCING ACTIVITIES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Income				
Investment property, income	6 681	6 111	5 425	4 940
Interest income, group companies	16 524	4 869	0	0
Other income	4 089	280	4 295	458
	27 294	11 260	9 720	5 397
Expenses				
Investment property, expenses	15 351	13 558	9 100	9 966
Interest and other expenses	13 019	3 565	12 226	3 704
	28 370	17 123	21 325	13 670
Changes in the fair value of investments	-5 617	16 711	-5 824	16 812
	-6 693	10 848	-17 430	8 540
12. TAX	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Tax	394	414	1 413	457
Change in deferred tax	0	0	-507	-556
Total	394	414	906	-99

NOTES TO BALANCE SHEET, €1 000

13. INTANGIBLE ASSETS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Intellectual property rights				
Acquisition value 1 Jan.	3 697	3 427	3 698	3 428
Increases	650	277	650	277
Decreases	-45	-7	-46	-7
Acquisition value before depreciation 31 Dec.	4 302	3 697	4 302	3 698
Total depreciation 1 Jan.	-2 860	-2 394	-2 861	-2 395
Depreciation for the financial year	-268	-466	-268	-466
Total depreciation 31 Dec.	-3 128	-2 860	-3 129	-2 861
Book value 31 Dec.	1 173	837	1 174	838
Development expenses				
Acquisition value 1 Jan.	0	0	2 483	2 483
Acquisition value before depreciation 31 Dec.	0	0	2 483	2 483
Total depreciation 1 Jan.	0	0	-1 438	-1 234
Depreciation for the financial year	0	0	-199	-203
Total depreciation 31 Dec.	0	0	-1 637	-1 438
Book value 31 Dec.	0	0	846	1 046
Other long-term expenditure				
Acquisition value 1 Jan.	223	210	236	210
Increases	10	17	10	30
Decreases	-31	-4	-31	-4
Acquisition value before depreciation 31 Dec.	202	223	215	236
Total depreciation 1 Jan.	-202	-202	-202	-202
Depreciation for the financial year	0	0	-3	0
Total depreciation 31 Dec.	-202	-202	-202	-202
Book value 31 Dec.	0	21	10	34
TOTAL INTANGIBLE ASSETS	1 173	858	2 030	1 917

NOTES TO BALANCE SHEET, €1 000

14. TANGIBLE ASSETS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Land and water areas				
Acquisition value 1 Jan.	0	0	42 689	37 963
Increases	0	0	10	4 727
Acquisition value before depreciation 31 Dec.	0	0	42 690	42 689
Book value 31 Dec.	0	0	42 690	42 689
Buildings and constructions				
Acquisition value 1 Jan.	213	191	571 870	571 727
Increases	0	22	42 408	143
Decreases	0	0	-4	0
Acquisition value before depreciation 31.12.	213	213	614 274	571 870
Total depreciation 1 Jan.	-179	-173	-162 365	-145 748
Depreciation for the financial year	-10	-6	-16 618	-16 618
Total depreciation 31 Dec.	-189	-179	-178 983	-162 365
Book value 31 Dec.	24	34	435 291	409 505
Machinery and equipment				
Acquisition value 1 Jan.	156 350	142 391	197 572	183 591
Increases	11 713	14 003	17 877	14 022
Decreases	-297	-44	-303	-40
Acquisition value before depreciation 31 Dec.	167 766	156 350	215 146	197 572
Total depreciation 1 Jan.	-116 484	-102 251	-136 666	-118 261
Depreciation for the financial year	-14 647	-14 232	-17 791	-18 400
Foreign exchange difference	0	0	6	-4
Total depreciation 31 Dec.	-131 131	-116 484	-154 451	-136 666
Book value 31 Dec.	36 635	39 866	60 696	60 907
Other tangible assets				
Acquisition value 1 Jan.	1 044	821	7 013	6 073
Increases	517	222	1 942	949
Decreases	0	0	0	-10
Acquisition value before depreciation 31 Dec.	1 561	1 044	8 955	7 013
Total depreciation 1 Jan.	-34	-23	-2 057	-1 605
Depreciation for the financial year	-10	-11	-555	-453
Total depreciation 31 Dec.	-43	-34	-2 612	-2 057
Book value 31 Dec.	1 517	1 010	6 343	4 955
Advance payments and work in progress				
Acquisition value 1 Jan.	2 544	6 676	56 923	23 367
Increases	6 343	5 198	49 829	44 029
Decreases	-6 068	-9 330	-57 271	-10 474
Acquisition value before depreciation 31 Dec.	2 820	2 544	49 480	56 923
Book value 31 Dec.	2 820	2 544	49 480	56 923
TOTAL TANGIBLE ASSETS	40 996	43 454	594 500	574 979

Aalto University group owns a significant amount of campus facilities located in Otaniemi, Töölö, and Kirkkonummi. The bookkeeping value of campus assets owned by mutual real estate companies was € 543 million (€ 521 million). An external service provider estimates the market value of campus assets yearly. The market value at the year-end was € 720 million (€ 715 million). The market value estimate is not reflected in the financial statements.

Aalto University uses its campus assets mainly in university's core activities and partly for rent. University rents campus space to collaboration partners, start-up companies, campus restaurants and other service providers. The turnover from renting was € 9.8 million (€ 9 million), and a total of 54 000 m² (53 000 m²) was rented at the year end.

NOTES TO BALANCE SHEET, €1 000

15. INVESTMENT GRANTS	Foundation 2023	Foundation 2022
Research council of Finland	1 411	2 856
Other	176	0
Total	1 586	2 856

Investment grant related refund liability on 31.12.2023 is €6 595 366 (in 2022 €7 076 139).

16. CHANGES IN INVESTMENTS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Shares in Aalto Group companies				
Book value 1 Jan.	66 866	67 566	0	0
Decreases	170 250	0	0	0
Increases	0	-700	0	0
Book value 31 Dec.	237 116	66 866	0	0
Shares in associated companies				
Book value 1 Jan.	0	0	483	472
Increases	0	0	49	11
Book value 31 Dec.	0	0	532	483
Shares in jointly owned companies				
Book value 1 Jan.	4 441	4 441	0	0
Book value 31 Dec.	4 441	4 441	0	0
Other shareholdings				
Book value 1 Jan.	6 621	9 507	8 790	11 677
Increases	284	709	284	709
Decreases	-226	-3 595	-226	-3 595
Book value 31 Dec.	6 679	6 621	8 849	8 790

NOTES TO BALANCE SHEET, €1 000

17. ENDOWMENT PORTFOLIO	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Endowment in fair value				
Investments in equity funds	621 759	618 282	621 759	618 282
Investments in fixed income funds	122 959	88 851	122 959	88 851
Investments in alternative investments	599 298	558 674	599 298	558 674
Investments total	1 344 016	1 265 807	1 344 016	1 265 807

	Domicile	Aquisition value 31.12.	Market value 31.12.	Book value 31.12.
Funds *				
AQR Managed Futures UCITS Fund	Luxembourg	14 637	16 185	16 185
AQR Style Premia All Country Equity Fund	Luxembourg	114 566	160 575	160 575
AQR Style Premia Offshore Fund	Cayman Islands	24 648	27 419	27 419
Black Diamond Credit Strategies Offshore Ltd	Cayman Islands	21 993	25 758	25 758
Brevan Howard Fund Limited	Cayman Islands	18 889	21 300	21 300
Capital Four Invest European Loan & Bond Fund	Luxembourg	5 068	6 451	6 451
CET Energy Dynamics Fund Limited	Cayman Islands	12 000	12 031	12 031
Concordia G-10 Fixed Income Relative Value	Cayman Islands	14 266	20 646	20 646
iShares MSCI EM IMI ESG Screened UCITS ETF	Ireland	41 690	38 311	38 311
iShares MSCI Europe ESG Screened UCITS ETF	Ireland	85 085	97 988	97 988
iShares MSCI Japan ESG Screened UCITS ETF	Ireland	39 056	41 841	41 841
iShares MSCI USA ESG Screened UCITS ETF	Ireland	49 942	60 897	60 897
Xtrackers MSCI AC World ESG Screened UCITS ETF	Ireland	7 816	8 304	8 304
Evli Euro Liquidity B	Finland	18 844	19 215	19 215
Evli Finnish Small Cap B	Finland	10 936	32 812	32 812
GMO Climate Change Investment Fund A-EUR	Ireland	25 000	23 627	23 627
Hamilton Lane Aalto Fund	Luxembourg	183 972	260 010	260 010
Hite Hedge Offshore Fund	Cayman Islands	12 642	13 469	13 469
Keynes Leveraged Quantitative Strategies Fund	Cayman Islands	19 993	17 607	17 607
Janus Henderson Horizon Japanese Smaller Companies Fund	Luxembourg	15 002	16 149	16 149
Kirkoswald Global Macro Fund Ltd	Cayman Islands	14 629	19 282	19 282
LGT EM Frontier LC Bond Fund	Ireland	16 936	17 675	17 675
Lodbrok European Credit Opportunities Fund	Cayman Islands	20 765	23 665	23 665
Lumyna-MW TOPS China A UCITS Fund	Ireland	25 000	16 087	16 087
Marshall Wace Alpha Plus Fund A-EUR	Ireland	11 651	16 135	16 135
Millstreet Credit Offshore Fund	Cayman Islands	12 915	19 303	19 303
Mirae Asset Asia Great Consumer Equity Fund	Luxembourg	11 617	13 670	13 670
MS Emerging Markets Local Income Fund	Luxembourg	17 649	18 639	18 639
OP-Bond Prima A	Finland	29 036	28 178	28 178
OP-Euro A	Finland	113	116	116
P/E FX Strategy Fund	Ireland	10 000	11 679	11 679
Robeco QI Global Dynamic Duration	Luxembourg	36 000	32 686	32 686
Robeco QI IGD Conservative Equities	The Netherlands	32 788	35 555	35 555
Robeco QI IGD Momentum Equities	The Netherlands	6 645	8 975	8 975
Robeco QI IGD Quality Equities	The Netherlands	6 198	9 377	9 377
Robeco QI IGD Sustainable Multi-Factor Equities	The Netherlands	30 122	33 356	33 356
Robeco QI IGD Value Equities	The Netherlands	6 258	9 277	9 277
Schroder ISF Nordic Micro Cap	Luxembourg	17 066	14 957	14 957
Systematica Alternative Markets Fund	Cayman Islands	8 855	15 695	15 695
The Tudor BVI Global Fund	Cayman Islands	14 539	20 146	20 146
Two Sigma Absolute Return Enhanced Cayman Fund	Cayman Islands	15 781	17 007	17 007
Two Sigma Risk Premia Enhanced Cayman Fund	Cayman Islands	13 952	16 271	16 271
Whitebox Relative Value Fund	Cayman Islands	23 815	25 691	25 691
		1 118 372	1 344 016	1 344 016

Short-term receivables			
Other receivables and accrued income		5 437	5 437
Fixed-term deposit and cash		14 181	14 181

Endowment total	1 137 990	1 363 635	1 363 635
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*) Aalto University Foundation only invests in funds registered in domiciles which participate in automatic exchange of tax information under the Common Reporting Standards (CRS) or US Foreign Account Tax Compliance Act (FATCA).

Other shareholdings			
IPR shareholdings		1 429	6 102
Other shareholdings		577	577
Other shareholdings total (foundation)	2 006	6 679	6 679

NOTES TO BALANCE SHEET, €1 000

18. LONG-TERM RECEIVABLES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Long-term loan receivables				
Loans to group companies	307 105	473 595	0	0
Loans to associated companies	2 000	2 000	1 000	1 000
Total	309 105	475 595	1 000	1 000

The loans granted to the subsidiaries are bullet loans and they mature between 2024-2027. The subordinated loan will be paid back between 2031-2035.

Other long-term receivables				
VAT compensation	0	1 760	0	1 760
Derivate receivables	6 432	12 057	6 432	12 057
Total	6 432	13 816	6 432	13 816

19. SHORT-TERM RECEIVABLES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Accounts receivables				
Less than 30 days	32 991	30 700	34 685	31 957
30-180 days	2 914	3 850	2 914	3 974
181-364 days	918	377	918	377
Over 364 days	830	686	830	686
Total	37 653	35 613	39 347	36 995

Other short-term receivables				
Receivable, group companies	501	503	0	0
Advance payments	57	33	57	33
VAT receivables	0	0	0	827
VAT compensation	0	1 970	0	1 970
Derivate receivables	5 116	1 894	5 116	1 894
Other short-term receivables	193	6 491	1 330	6 574
Total	5 867	10 892	6 503	11 299

Prepaid expenses and accrued income				
Accrued income endowment	1 399	304	1 399	304
Accrued income	14 662	11 732	14 662	11 732
Other prepaid expenses and accrued income	361	2 188	628	2 392
Total	16 421	14 224	16 689	14 428

Short-term receivables	59 942	60 729	62 539	62 722
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20. VAT COMPENSATION	Foundation 2023	Foundation 2022
Gross expenses entitled to VAT compensation		
Expenses in profit & loss statement	125 541	108 953
Expenses activated into fixed assets	14 675	9 954
Total	140 216	118 907

VAT compensation		
On expenses	23 356	22 242
On fixed asset activations	2 817	1 920
Total VAT compensation	26 173	24 162

Received compensation from MEC	-26 869	-20 494
VAT compensation for the year	-696	3 668

21. SECURITIES IN CURRENT ASSETS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Market value 31 Dec.	0	34 972	7 049	44 080
Book value 31 Dec.	0	34 972	7 049	44 080

NOTES TO BALANCE SHEET, €1 000

22. EQUITY	Foundation 2023	Foundation 2022	Group 2023	Group 2022
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.	452 683	445 618	452 683	445 618
Increases	86	7 065	86	7 065
Capital reserve 31 Dec.	452 768	452 683	452 768	452 683

Operating equity 1 Jan.	154 644	154 644	154 644	154 644
Operating equity 31 Dec.	154 644	154 644	154 644	154 644

Restricted funds Expendable 1 Jan.	20 039	15 522	20 039	15 522
Received donations	2 998	8 145	2 998	8 145
Use of funds	-3 596	-3 529	-3 596	-3 529
Transfer between funds	0	-99	0	-99
Restricted funds Expendable 31 Dec.	19 442	20 039	19 442	20 039

Restricted funds Capitalizing 1 Jan.	59 693	55 970	59 693	55 970
Received donations and return on capital	4 531	5 819	4 531	5 819
Use of funds	-2 601	-2 195	-2 601	-2 195
Transfer between funds	0	99	0	99
Restricted funds Capitalizing 31 Dec.	61 623	59 693	61 623	59 693

Entrepreneurship fund 1 Jan.	161	170	161	170
Capital transfer from Accumulated endowment returns fund	2 000	2 000	2 000	2 000
Use of fund	-2 124	-2 009	-2 124	-2 009
Entrepreneurship fund 31 Dec.	37	161	37	161

Tenure Track fund 1 Jan.	24 655	25 397	24 655	25 397
Capital transfer from net profit	600	100	600	100
Return on capital	1 233	1 270	1 233	1 270
Use of fund	-2 232	-2 112	-2 232	-2 112
Tenure Track fund 31 Dec.	24 256	24 655	24 256	24 655

Accumulated endowment returns fund 1 Jan.	519 211	335 043	519 211	335 043
Capital transfer from endowment return	0	215 272	0	215 272
Capital transfer to Tenure track fund	-1 833	-1 270	-1 833	-1 270
Capital transfer to Entrepreneurship fund	-2 000	-2 000	-2 000	-2 000
Capital transfer to net profit	-73 549	-27 835	-73 549	-27 835
Accumulated endowment returns fund 31 Dec.	441 829	519 211	441 829	519 211

Net profit/loss from previous years 1 Jan.	30 906	278 957	46 801	297 154
Changes in income and expenses in previous accounting periods	0	0	56	-120
Capital transfer to Tenure track fund	0	-100	0	-100
Capital transfer from Tenure Track fund	2 232	2 112	2 232	2 112
Capital transfer to Entrepreneurship fund	0	0	0	0
Capital transfer from Entrepreneurship fund	2 124	2 009	2 124	2 009
Capital transfer to Accumulated endowment returns fund	0	-215 272	0	-215 272
Capital transfer from Accumulated endowment returns fund	73 549	27 835	73 549	27 835
Net profit/loss from previous years 31 Dec.	108 811	95 541	124 762	113 618

Net profit/loss of the financial year	54 117	-64 635	49 344	-66 817
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Total equity	1 597 528	1 541 992	1 608 706	1 557 887
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NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
23. RESTRICTED FUNDS					
Aalto wide donation funds, capitalizing					
Aalto University general fund	208	10	9	0	227
Aalto wide donation funds, expendable					
Aalto helps fund	5	0	0	0	5
Aalto University general fund	98	0	0	0	98
Campus Development fund	25	0	0	-14	11
Game Changers fund	185	0	25	-71	139
Materials and Sustainability fund	244	0	0	0	244
MIDE fund	1	0	0	-1	0
Scholars at Risk fund	35	0	0	11	46
Ukraine student support fund	91	0	35	-103	23
Donation funds in field of Business and economics, capitalizing					
Cooperative business EiR fund*	108	5	37	-37	114
Economics and data sciences professorship fund*	2 111	106	250	-186	2 281
Field of Business and economics fund	7 007	350	0	0	7 357
G. W. Sohlberg fund	141	7	0	0	148
Gustav Paulig fund	337	17	0	0	354
K. H. Lehtinen fund	76	4	0	0	79
Lindfors fund	360	18	0	0	378
Matti Lehti fund	143	7	0	-2	148
Nordea fund	1 829	91	0	0	1 920
Ownership professorship fund*	2 232	112	204	-186	2 362
Oy Stockmann AB 100th Anniversary fund	213	11	0	0	224
Pohjola scholarship fund	61	3	0	0	64
Research scholarship fund	651	33	0	0	683
School of Business fund	49	2	11	0	62
School of Business service fund	6 213	311	0	-372	6 151
School of Business support fund	4 838	242	0	-160	4 920
Students' scholarship fund	7 943	397	2	-307	8 035
Urban economics professorship fund*	1 459	73	455	-186	1 801
Vakuutusosakeyhtiö Fennia fund	1 054	53	0	0	1 107
Weilin & Göös scholarship fund	3 509	175	0	-36	3 648
Women's committee fund	477	24	0	-10	491
Donation funds in field of Business and economics, expendable					
Field of Business and economics fund	156	0	0	0	156
Ownership fund	21	0	123	0	144
Students' scholarship fund	13	0	0	0	13

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

NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
23. RESTRICTED FUNDS					
Donation funds in field of Science and technology, capitalizing					
Aleksander and Lucie Lampén fund	2 644	132	0	-77	2 700
Alumni fund	25	1	0	0	26
Architect Annikki Paasikivi scholarship fund	2 026	101	0	-98	2 029
Architect Väinö Vähäkallio scholarship fund	1 213	61	0	-5	1 269
Architects' travel scholarship fund	53	3	0	-2	53
Bioinnovation Centre professorship fund*	2 625	131	0	-171	2 586
Combined student fund	95	5	0	-2	98
Cyber security PoP fund*	0	0	190	-103	87
Engineers' travel scholarship fund	116	6	0	-3	119
Entrepreneurship support fund	1 784	89	0	0	1 874
Ernst Wirtzen fund	195	10	0	-8	196
Fabian and Jaakko Ahvenainen fund	1 859	93	0	-27	1 925
Field of Science and technology fund	419	21	0	0	440
Humanitarian architecture PoP fund*	325	16	0	-154	187
Industrial Engineering and Management fund	158	8	0	0	165
Information networks PoP fund*	31	2	0	-33	0
Julius Tallberg fund	197	10	0	-5	202
Kansallis-Osake-Pankki fund	122	6	0	-4	125
Matti Sundberg quality fund	128	6	0	0	135
Municipal wastewater treatment PoP fund*	175	9	0	-35	149
Oiva Allan Pölkkyinen fund	123	6	0	-3	126
Oy Strömberg Ab fund	54	3	0	-2	54
Product-service systems sales PoP fund*	113	6	20	-84	55
Professor E. J. Nyström fund	2 238	112	0	-79	2 271
Professor Hannelius fund	34	2	0	-1	35
Professor Nils Erik Wickberg fund	884	44	0	-19	910
School of Chemical engineering fund	1	0	6	0	7
School of Electrical engineering fund	3	0	1	0	4
School of Engineering fund	1	0	47	0	48
School of Science fund	4	0	53	0	58
Smart buildings PoP fund*	47	2	200	-123	126
Technology education PoP fund*	58	3	0	-34	27
Teknos Winter Oy fund	107	5	0	-7	106
Teräsbetoni Oy fund	91	5	0	-2	93
Water engineering PoP fund*	60	3	60	-39	84

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

NOTES TO BALANCE SHEET, €1 000

	Fund equity 1 Jan.	Annual return	Received donations	Fund usage during financial year	Fund equity 31 Dec.
23. RESTRICTED FUNDS					
Donation funds in field of Science and technology, expendable					
Aalto University Junior fund	2	0	21	-1	22
Bioinnovation Centre fund	6 786	0	0	-877	5 909
Building technology fund	74	0	0	-1	73
Concrete technology research fund	199	0	160	-88	271
DI Marja-Terttu Tanttinen fund	9	0	0	-2	7
Engineerin design doctoral program fund	126	0	70	0	196
Field of Science and technology fund	7 817	0	40	-1 458	6 399
Fire safety engineering professorship fund	301	0	0	-50	251
House of AI fund	0	0	1 000	0	1 000
Industrial Engineering and Management fund	25	0	198	-36	188
KAUTE fund	43	0	0	0	43
Maa- ja vesitekniikan tuki ry fund	192	0	0	-77	115
Macadamia Master's program suppoort fund	26	0	0	-3	23
Methanol research fund	26	0	0	-19	7
Metsähovi space research fund	267	0	0	0	267
Norman Ernest Loveless fund	257	0	0	-138	118
Oy Atlas Diesel Ab fund	78	0	0	-3	75
Quantum technology doctoral program fund	105	0	300	-105	300
Semisummer fund	0	0	145	-108	37
SuperC fund	0	0	518	-64	454
Water management's water and depevelopment fund	311	0	0	-58	253
Wood material science teaching fund	132	0	212	-79	265
Donation funds in field of Art and design, capitalizing					
Field of Art and design fund	63	3	0	0	66
Helmi Grönlund-Herlin fund	598	30	0	0	628
School of Arts, Design and Architecture fund	4	0	1	0	5
Donation funds in field of Art and design, expendable					
Design doctoral dissertation fund	29	0	41	-45	25
Field of Art and design fund	2 351	0	0	-88	2 263
Restricted funds total	79 733	2 985	4 544	-6 197	81 065

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

*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	519 211	0	-77 381	441 829
Tenure Track fund	24 655	1 833	-2 232	24 256
Entrepreneurship fund	161	2 000	-2 124	37
Total	544 027	3 833	-81 737	466 123

NOTES TO BALANCE SHEET, €1 000

25. LIABILITIES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Long-term liabilities				
Loans from financial institutions	286 117	300 076	292 222	306 192
Advance payments	245	190	245	190
VAT compensation	696	0	696	0
Investment grants	4 558	5 140	4 558	5 140
Derivate liabilities	0	8	0	8
Other long-term liabilities	4 129	2 999	4 129	2 999
Total	295 746	308 413	301 850	314 529
Short-term liabilities				
Loans from financial institutions	13 958	13 958	14 316	14 662
Advance payments	46 580	49 733	54 778	58 857
Accounts payable	15 107	10 676	19 876	15 064
Accrued tax	0	0	3 886	4 393
VAT liabilities	1 156	1 263	1 156	1 263
VAT compensation	814	0	814	0
Investment grants	2 038	1 936	2 038	1 936
Liabilities to group companies	19 106	38 285	0	0
Coordinated assets	21 219	18 825	21 219	18 825
Other short-term liabilities	19 839	19 839	20 409	20 339
Accrued salaries and wages	21 701	20 132	23 003	20 581
Other accrued expenses	6 564	7 372	7 671	6 229
Total	168 082	182 019	169 522	163 232

OTHER NOTES, €1 000

26. LEASE CONTRACTS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Lease payments due within one year	7	9	420	468
Lease payments due later	2	7	738	1 148
Total	9	16	1 158	1 616

27. RENTAL AGREEMENTS (incl. VAT)	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Rental agreement liabilities due within one year	3 638	4 314	5 039	5 739
Rental agreement liabilities due later	8 872	11 082	16 193	19 761
Total	12 510	15 395	21 232	25 501

28. INVESTMENT COMMITMENTS	Foundation 2023	Foundation 2022
Commitment left €1 000		
Hamilton Lane Aalto Fund SICAV S.à.r.l, Luxembourg	244 093	234 672

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

29. 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 current and expected loan portfolio against increase in market interest rates by converting floating interest rates into fixed rates. University's current interest rate swap agreements will mature from 2025 to 2040. Two of the agreements are forward starting. Interest rate swaps have been used only for hedging purposes. The terms and conditions of interest rate swap portfolio and the loan portfolio are not identical and therefore derivative contracts are included in the income statement at fair value.

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 2023 the forward exchange agreements have been used to hedge against the foreign exchange risk of the investment portfolio.

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

	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Interest rate swaps				
Nominal value of contracts, €1000	155 000	201 875	155 000	201 875
Fair value of the contracts, €1000	6 371	12 054	6 371	12 054

	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Forward exchange agreements				
Nominal value of contracts, €1000	194 265	188 299	194 265	188 299
Fair value of the contracts, €1000	5 116	1 894	5 116	1 894

30. LIABILITIES WITH PROPERTY COLLATERALS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Bank loans	300 076	314 034	306 538	320 853
Liabilities	0	0	10 525	10 525
Other loans	0	0	1 000	1 000
Liabilities	0	0	1 000	1 000
Total liabilities	0	0	11 525	11 525

31. LOANS WITH MATURING PERIOD OVER FIVE YEARS	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Bank loans	100 284	114 242	105 089	119 557

32. VAT REFUND LIABILITIES

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

	Foundation 2023	Foundation 2022	Group 2023	Group 2022
VAT Refund liability 31 Dec.				
Completed projects (10 year revision period)	0	0	41 031	37 330
Work in progress	0	0	10 076	12 654
Total	0	0	51 107	49 984

Total VAT relating to the investments under revision liability	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Completed projects (10 year revision period)	0	0	85 200	74 822
Work in progress	0	0	10 076	12 654
Total	0	0	95 276	87 476

OTHER NOTES, €1 000

33. VALUES OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Investment assets				
Valued at fair value				
Investment funds				
Level 1	1 084 006	1 039 468	1 084 006	1 039 468
Level 2	0	0	0	0
Level 3	260 010	226 339	260 010	226 339
Total	1 344 016	1 265 807	1 344 016	1 265 807
Derivates				
Level 1	0	0	0	0
Level 2	5 116	1 894	5 116	1 894
Level 3	0	0	0	0
Total	5 116	1 894	5 116	1 894

Reconciliation for Level 3 items

	Foundation 2023	Foundation 2022
Balance 1.1.	226 339	124 570
Unrealized changes in fair value	33 671	88 094
Gains and losses on category 3	0	0
New category 3 investments, acquisition value	0	13 675
Transfers from category 3	0	0
Balance 31.12.	260 010	226 339

Sensitivity analysis on category 3 31.12.2023

	Changes in fair value	
	Profit	Loss
Change in market values (20%)	52 002	-52 002

	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Financial Assets				
Valued at fair value				
Securities in current assets				
Level 1	0	34 972	7 049	44 080
Level 2	0	10 033	0	10 033
Level 3	0	0	0	0
Total	0	45 005	7 049	54 113
Interest rate swaps				
Level 1	0	0	0	0
Level 2	6 443	12 062	6 443	12 062
Level 3	0	0	0	0
Total	6 443	12 062	6 443	12 062
Financial Liabilities				
Valued at fair value				
Interest rate swaps				
Level 1	0	0	0	0
Level 2	0	8	0	8
Total	0	8	0	8
At amortized cost				
Bank loans				
Level 1	0	0	0	0
Level 2	300 076	314 034	306 538	320 853
Total	300 076	314 034	306 538	320 853

Values correspond to the balance sheet values. During the financial year 2023 there were no transfers between categories.

OTHER NOTES, €1 000

34. 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	-162 204
Impact on the equity	0
Total impact	-162 204

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	-96 777
Impact on the equity	0
Total impact	-96 777

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	-8 178	8 178
Impact on equity	0	0
Floating rate loans		
Impact on interest costs (annual)	2 213	-2 213
Interest rate swaps		
Impact on interest costs (annual)	-577	577
Impact on change in market value	-8 559	8 559
Total	-15 101	15 101

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	244 093	97 600	121 100	9 300	16 093
Loans (capital and interests)	366 448	27 589	215 562	84 183	39 113
Leasing	1 158	420	738	0	0
Accounts payable	19 876	19 876	0	0	0
Total	631 575	145 486	337 400	93 483	55 206

Commitments related to derivatives (net)

Interest rate swaps	-23 249	-2 184	-7 131	-6 676	-7 258
Currency derivatives	5 116	5 116	0	0	0
Total	-18 133	2 932	-7 131	-6 676	-7 258

Commitments of group companies included in contractual and derivative related commitments

OTHER NOTES, €1 000

34. FINANCIAL RISK MANAGEMENT

Credit risk

The university receivables credit risks are limited, as its main funders are public institutions, like Research council 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	-19 810	19 810
Impact on equity	0	0
Total	-19 810	19 810

35. LEGAL PROCEEDINGS AND OTHER COMPENSATION CLAIMS

The foundation had two dispute matters in process on 31.12.2023. Total estimated risk relating to these disputes is €213 000.

36. OTHER CONTINGENT

LIABILITIES

Covenants

Aalto University campus development investments are financed by loans taken by Aalto University Foundation. The loan agreements are unsecured and contain different types of restrictive terms. These terms restrict, inter alia, organizational changes and property investment arrangements as well as the level of group indebtedness and provided security. No material changes has been made to the terms during 2023.

37. AUDITOR FEES	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Audit fees	53	54	164	158
Tax advisory fees	0	0	0	4
Other fees	130	101	132	103
Total	182	154	296	266

38. AVERAGE PERSONNEL	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Teaching and research	3 402	3 345	3 402	3 345
Other personnel	1 416	1 357	1 584	1 528
Total	4 818	4 702	4 986	4 873

39. MANAGEMENT COMPENSATION	Foundation 2023	Foundation 2022	Group 2023	Group 2022
Members of boards, the president and CEOs of group companies	422	403	735	724

OTHER NOTES, €1 000

40. KEY FIGURES OF PERSONNEL ACCORDING TO MEC ACCOUNTING CODE (FOUNDATION)

Personnel structure	Foundation 2023	Women	Men	Foundation 2022	Women	Men
FTE by personnel group						
Academic career level 4	272	20%	80%	257	16%	84%
Academic career level 3	510	30%	70%	508	30%	70%
Academic career level 2	538	37%	63%	556	34%	66%
Academic career level 1	1 083	34%	66%	1 061	32%	68%
Other personnel	2 074	53%	47%	1 978	53%	47%
Total	4 478	42%	58%	4 360	40%	60%
Number of academic leaders						
	71	23%	77%	87	22%	78%
Number of full-time and part-time personnel						
Full-time personnel	3 681	43%	57%	3 526	40%	60%
Part-time personnel	1 203	44%	56%	1 225	45%	55%
Number of international personnel						
Teaching and research personnel	1 410	32%	68%	1 359	28%	72%
Other personnel	276	42%	58%	255	50%	50%
Share of fixed-term personnel						
Teaching and research personnel	79%	35%	65%	80%	32%	68%
Other personnel	40%	48%	52%	39%	51%	49%
Personnel age structure						
Under 20 years	0%	30%	70%	0 %	43%	57%
20-29 years	30%	35%	65%	28 %	34%	66%
30-39 years	28%	40%	60%	29 %	40%	60%
40-49 years	21%	47%	53%	20 %	47%	53%
50-59 years	14%	45%	55%	15 %	44%	56%
60-79 years	7%	44%	56%	7 %	41%	59%
Average age of personnel	38	39	38	39	39	39
Average retirement age	65	66	65	66	64	65
Number of retirements	39	51%	49%	55	41%	59%

Salaries	Foundation 2023	Foundation 2022
Salaries and other compensations	230 667	217 417
Performance bonuses	not included	not included
Women's median salary compared with men's		
Teaching and research personnel	91%	95%
Other personnel groups	114%	115%
Total	96%	97%

Competence	Foundation 2023	Foundation 2022
Personnel training (days)		
Teaching and research personnel	38 596	38 526
Other personnel	6 703	8 375
Total	45 299	46 901

Wellbeing at work	Foundation 2023	Foundation 2022
Personnel wellbeing survey result, scale 1-5		
Job satisfaction	4.07	-
Direct supervisor work	4.27	-
Competence, learning and development	4.27	-
Workplace culture	4.13	-
Absences due to sick leaves (days)	16 233	19 406

41. RELATED PARTY FINANCIAL TRANSACTIONS	Grants and similar payments with no respective input received	Financial activities with respective income	Expenses	Receivables	Liabilities
Founders and their subsidiaries, Aalto University's subsidiaries	0	18 859	56 601	309 738	19 106
Above parties' board members, CEOs and their substitutes, auditors, Aalto University's directors and any companies owned by aforementioned	0	52	4 096	105	43
Family members of the above	0	10	1	0	0
Total	0	18 921	60 698	309 842	19 148

The Aalto University Foundation has granted a total of 307 million euros in intragroup loans to its 100% owned real estate companies. With loans, real estate companies have financed real estate investments supporting the university's operations, mainly in the Otaniemi campus area. The loans are unsecured and mature in 2027-2030. Loan interest rates are market-based and linked to Euribor. Rents for related parties are priced according to market conditions.

OTHER NOTES, €1 000

42. SHARES IN OTHER COMPANIES

	Domicile	Shares owned by Group
Aalto-yliopistokiinteistöt Oy	Espoo	100%
Kiinteistö Oy Hgin Pohj. Hesperiankatu 23A	Helsinki	50%
Otahalli Oy	Espoo	50%
Aalto Holding Oy	Helsinki	100%
Owned by Aalto Holding Oy		
Aalto University Executive Education Oy	Helsinki	100%
Unigrafia Oy	Helsinki	31%
Funidata Oy	Helsinki	19%
Unihome Oy	Helsinki	19%
Owned by Aalto University Executive Education Oy		
Aalto Executive Academy Pte Ltd	Singapore	100%
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 Sähkömiehentie 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%
Koy Otanimen Opiskelijakeskus	Espoo	100%
Otaniemen Liikekeskus Oy	Espoo	100%
Other holdings		
DIMECC Oy	Tampere	4%
CLIC Innovation Oy	Helsinki	1%
HigherEd Hub Finland Oy		5%
Muovipoli Oy	Lahti	9%
Vierumäen Loma-aika Oy	Heinola	7%
Vierumäki Golf Oy	Helsinki	0,2%
CSC-Tieteen tietotekniikan keskus Oy	Espoo	0,2%
Spin out holdings		
Agilefant Oy	Helsinki	5%
Fepod Oy	Helsinki	7%
Iceye Oy	Espoo	1%
Ioncell Oy	Espoo	21%
Koite Health Oy	Helsinki	1%
Surgify Medical Oy	Helsinki	4%
Vacuum Insulation Solutions Oy	Helsinki	7%
Xfold Imaging Oy	Helsinki	13%

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