



**ICT Solutions for
Brilliant Minds**

**REPORT OF THE BOARD OF DIRECTORS &
FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

2020

CSC – IT Center for Science Ltd in 2020

CSC – IT Center for Science Ltd (CSC) develops and provides ICT expert services of an international standard for research, education, culture, public administration and enterprises. The company plays a key role as an instrument of the Ministry of Education and Culture's education, science and cultural policy steering and development, and its international activities serve the vitality of the Finnish research community and education system. CSC is owned by the Finnish government (70% shareholding) and Finnish higher education institutions (30% shareholding).

Supporting customers in exceptional circumstances

Due to the COVID-19 pandemic, the need for digital services in our customers' operations grew exponentially. CSC responded to the need together with its partners. The Funet Miitti (Zoom) service was expanded rapidly to support remote teaching and other activities in higher education institutions. The use of the service increased more than 200-fold. CSC supported the planning and organization of the student admission processes of higher education institutions during the exceptional conditions. The use of telework, teaching and learning services multiplied, and they were developed together with customers. Fast track arrangements for accessing research resources promoted efforts towards pandemic solutions.

The acquisition project of the EuroHPC LUMI consortium, led by CSC, succeeded beyond all expectations. The solution developed for top research will be 2.5 times more efficient than anticipated. In the national DL2021 project, the supercomputer Mahti was brought into use. As a result of investments, research institutes have discovered CSC's services extensively both as users and customers of new initiatives.

New models for research and RDI cooperation were developed with the support of the Rectors' Conference of Finnish Universities of Applied Sciences ARENE and

Universities Finland UNIFI. In evaluating the Academy of Finland's national research infrastructures (FIRI), CSC's research infrastructure for data management, computing and telecommunications was assessed to be of a very high standard. Also included in the FIRI roadmap were the EuroHPC/PRACE infrastructure and Finnish Quantum Computing Infrastructure (FiQCI), both of which received full marks, as well as the bioinformatics infrastructure of the ELIXIR Finland Node, in which CSC was heavily involved. CSC continued the development of the European Open Science Cloud (EOSC) with several international and national partners. CSC strengthened customers' data management capabilities, developed long-term availability services for research and cultural heritage materials and launched the Science and Research portal.

CSC supported the digitalization development of higher education institutions by developing a cross-study service and the introduction of modern study administration systems. CSC was also selected as the Digivisio 2030 project office for higher education institutions, and the measures for establishing this were initiated. The Funet lifecycle update for higher education and research progressed to Northern Finland.

CSC provided constantly-developing data resource and data analytics services for all levels of education under the Ministry of Education and Culture and for the fields of research, culture, youth and sports policy. CSC's services also expanded in other central government sectors. Agreement was made at the end of 2020 on Findata service production, and EU-led projects in the field of sensitive health and life science also made progress. The prerequisites for new types of partnerships between state actors, research organizations and companies were developed to utilize AI platforms. A project to develop the Kajaani data center ecosystem was launched together with the City of Kajaani and the Regional Council of Kainuu.

CSC updated its vision and strategy, emphasizing cooperation and interoperable environments. Our vision is to build together world-class research, learning and innovation environments. Our strategy is based on listening well and constructively interacting with customers, partners and other stakeholders.

Finances

The company's financial position remained balanced in 2020, despite the pandemic situation around the world. Net sales developed almost according to forecasts. The exceptional conditions during the year brought significant cost savings, which also helps towards achieving a good profit level. The relative cost level was lower than in previous years.

Growth was achieved through the expansion of existing customer activities, and new projects were developed in various customer areas during the financial year. In 2020, the company's net sales totaled EUR 54,739,078.22 (51,038,706.11), which represents a year-on-year increase of 7.3%.

Thanks to the increase in net sales and good financial balance, the profit level was also good. The result after financial items was EUR 2,476,822.02 (1,473,871.32), with profit for the financial year totaling EUR 1,978,266.86 (1,176,057.58). The company's R&D expenses for 2020 were equivalent to approx. 13.5% (10.8%) of net sales.

Key indicators for the financial year

Key indicators	2020	2019	2018	2017	2016
Profit for the financial year	4,6	2,9	3,9	3,9	0,7
Return on equity %	26,7	20,2	31,3	39,8	8,0
Return on investment %	34,3	25,9	39,4	50,2	10,7
Quick ratio	2,2	2,9	2,6	2,2	2,0
Current ratio	0,9	1,1	1,1	1,0	0,9
Equity ratio %	38,9	36,1	33,0	27,6	27,9
Gearing %	24,1	22,2	23,7	24,8	17,9

Personnel

At the end of 2020, CSC employed 454 persons, 94% of whom were employed under a permanent employment contract. Employee turnover was 6.1%, which is a good rate for the industry. The average duration of employment was approx. 7.6 years, and the gender ratio was 31% women and 69% men.

As it was everywhere else, 2020 at CSC was particularly exceptional, and in practice the entire staff transitioned to remote working arrangements in March. CSC achieved excellent results in the personnel survey carried out in the autumn, also being listed among 'Finland's Most Inspiring Jobs', which tells of the personnel's high dedication to their work. CSC is perceived as a work place in which company activities are developed in cooperation with personnel and with a long-term perspective.

Key personnel indicators

Key indicators	2020	2019	2018	2017	2016
Number of personnel	454	413	351	317	289
Permanent, %	94	93	91	92	92
Fixed-term, %	6	7	9	8	8
Men, %	69	70	70	72	73
Women, %	31	30	30	28	27

Age distribution	2020	2019	2018	2017	2016
Under 30 years, %	15	13	11	9	6
30–39 years, %	27	30	31	33	36
40–49 years, %	35	35	35	34	36
Over 50 years, %	24	22	23	24	22
Average age, years	42	41	42	42	42

Education	2020	2019	2018	2017	2016
Basic and vocational, %	15	15	15	16	17
University of applied sciences, %	23	22	15	15	13
University, %	48	48	55	52	51
Post-graduate, %	14	15	15	17	19

The environment

In 2020, the company's greatest environmental load consisted of the data centers' power consumption. Due to the pandemic, business travel stopped almost completely from March onwards.

CSC's Kajaani data center is one of the most energy efficient in the world. The advanced cooling solution implemented for the Mahti supercomputer and the growth in the data center utilization rate further improved the data center's PUE value and energy efficiency. All electricity used by our data centers in 2020 came from renewable energy sources. A cooling solution was prepared for the LUMI supercomputer, which will be located in Kajaani. This solution directs the waste heat of the supercomputer to the Kajaani district heating network and is able to produce one fifth of Kajaani's district heat with zero carbon dioxide emissions.

In its procurements, CSC complies with Hansel framework agreements, in which environmental aspects have been taken into account. The company's procurement guidelines provide instructions for examining environmental factors when planning procurements, during use and at the end of the life cycle.

Risks and uncertainty factors

CSC uses risk assessments to identify risks that threaten the company and then applies risk management to deal with these risks. Key risks in 2020 included the effects of the COVID-19 pandemic, risks related to the funding of research and digital infrastructures, availability of special expertise and risks related to cyber security and disruptions in service production.

CSC renewed the ISO/IEC 27001 certification issued for the company's security management and the related risk management.

Future outlook

CSC's turnover is expected to grow by about 4% in 2021. In addition to net sales, national and international research and development projects are an important source of growth. The company's total volume growth is expected to be over 10%. The rapid changes taking place in the operating environment require of the company good change management skills. New opportunities and emerging challenges are tackled well through good anticipation and dynamic action.

The European EuroHPC supercomputer LUMI, which is located in CSC's data center in Kajaani, will be opened for use in 2021. The company will strengthen customers' expertise as users of high-performance computing and artificial intelligence through the ten-country EuroHPC competence network and competence center. The LUMI-Q project also supports customers in strengthening quantum computing capabilities. The national data management and computing environment (DL2021) provides resources for current and new research groups. In 2021, the environment will also be opened up to teaching and companies' RDI activities.

The Funet 2020 online update project, which started in 2016, is reaching completion. CSC also promotes the use of fiber pairs for research, education and RDI activities from the Arctic Northeast Passage data cable that is under planning.

In cooperation with customer organizations, the company is continuing to develop the service package for sensitive data and to root in operating methods that support good data management. Identity management and 'my data' models are being developed for the needs of the service ecosystems of research and education. The company supports the digitalization development of Finnish society by participating in the agreed manner in the digital visioning work of higher education institutions. The development of data collection, evaluation and analysis services continues to meet the expanding needs of society.

The company draws attention to strengthening long-term capabilities through good cost structure management, strengthening an productive, customer-centered and encouraging operating culture, and ensuring efficient use of business data by developing data systems and operating processes.

The Board of Director's proposal for the distribution of profit

The Board proposes that no dividend be paid and that the company's profit for 2020 (EUR 1,978,266.86) be transferred to retained earnings.

*CSC – IT Center for Science Ltd
Board of Directors*

Financial Statements 1.1.2020–31.12.2020

Income statement

	1.1. - 31.12.2020	1.1. - 31.12.2019
EUR		
Net sales	54 739 078,22	51 038 706,11
Other operating income	5 889 430,84	4 425 238,05
Personnel expenses	30 350 498,39	27 808 173,96
Depreciation	2 691 560,90	953 244,41
Other operating expenses	25 062 746,98	25 207 805,70
Profit/loss for the financial year	2 523 702,79	1 494 720,09
Financial income and expenses	-46 880,77	-20 848,77
Profit before extraordinary items	2 476 822,02	1 473 871,32
Direct taxes	-498 555,16	-297 813,74
Profit/loss for the financial year	1 978 266,86	1 176 057,58

Balance sheet

Assets	31.12.2020	31.12.2019
EUR		
Non-current assets		
Intangible assets	28 427,36	42 241,64
Other pre-paid expenses	12 424 035,19	3 792 053,05
Tangible assets	138 319,36	171 590,61
Investments	248 022,82	248 022,82
	12 838 804,73	4 253 908,12
Current assets		
Current receivables	13 710 051,18	12 763 202,17
Financial securities	9 343 900,91	11 792 164,08
Cash and cash equivalents	5 852 261,75	8 377 907,39
	28 906 213,84	32 933 273,64
	41 745 018,57	37 187 181,76
Liabilities	31.12.2020	31.12.2019
EUR		
Shareholders' equity		
Share capital	1 000 000,00	1 000 000,00
Unrestricted invested shareholders' equity	200 000,00	200 000,00
Retained earnings	5 208 792,41	4 032 734,83
Profit/loss for the financial year	1 978 266,86	1 176 057,58
Total shareholders' equity	8 387 059,27	6 408 792,41
Liabilities		
Current liabilities	33 357 959,30	30 778 389,35
	41 745 018,57	37 187 181,76

Cash flow statement	2020	2019
EUR		
Cash flow from operating activities		
Cash flow from sales	57 822 518,10	56 959 463,31
Operating expenses	-50 974 533,47	-53 269 559,54
Cash flow from operating activities before financial items and taxes	6 847 984,63	3 689 903,77
Interest and other financial expenses incurred from operating activities	-46 880,77	-20 848,77
Interest received from operating activities	0,00	0,00
Direct taxes paid	-498 555,16	-297 813,74
Cash flow from operating activities	6 302 548,70	3 371 241,26
Cash flow from investments		
Investments in tangible and intangible assets	-11 276 457,51	-1 473 492,62
Cash flow from investments	-11 276 457,51	-1 473 492,62
Change in liquid assets	-4 973 908,81	1 897 748,64
Liquid assets at the beginning of year	20 170 071,47	18 272 322,83
Liquid assets at year-end	15 196 162,66	20 170 071,47

Notes to the Financial Statements

31 December 2020

Accounting policies

Justification for the change in presentation and the effects of the change

During the financial period, a change was made to the manner in which the financial statement is presented as regards the cash flow from business operations. The comparison data for 2019 has been amended accordingly.

Non-current assets and planned depreciation

Fixed assets have been capitalized at the direct acquisition cost. Planned depreciation has been calculated on the basis of the economic life of the fixed asset items. Planned depreciation has been presented in the Financial Statements of 31 December 2020 as follows:

Machinery and equipment: 25% of the expenditure residue from the date of acquisition (inclusive).

Other long-term expenses are depreciated on a straight-line basis over a maximum period of ten years.

CSC administrates and operates the high-performance computing environment owned by the Finnish government. Key development measures initiated in 2019 included the deployment of the Ministry of Education and Culture's National data management and computing development program. This program includes

infrastructure procurements amounting to EUR 33 million (the DL2021 project). The program was expanded to include the procurement of artificial intelligence and AI research equipment, with a supplementary budget of EUR 4 million granted by the central government. The procurements will be transferred to CSC's ownership stepwise between 2019 and 2021.

During the financial year 2020, the CSC-coordinated LUMI project was launched. LUMI is a European supercomputer project involving ten European countries and the EuroHPC Joint Undertaking. CSC will operate as Hosting Entity for the co-financed pre-exascale supercomputer that will be installed in CSC's Kajaani data center in 2021.

The long-term costs of the project will be appreciated using straight-line depreciation over the duration of the project, which extends to 30 June 2026.

Pensions

Pension cover is provided by an insurance company. The Managing Director's pension benefits are no different to those enjoyed by other personnel.

Financial assets

Financial assets are valued at their acquisition cost or market value, whichever is lower.

Notes to the Cash Flow Statement

EUR		
Net sales	2020	2019
Net sales in Finland	54 739 078,22	51 038 706,11
Other operating income	2020	2019
Research grants received from the EU, Tekes and the Academy of Finland	5 889 430,84	4 425 238,05
Notes on personnel	2020	2019
Number of people employed during the financial year		
Number of employees	454	413
Average number of employees	443	395
Personnel expenses	2020	2019
Wages and salaries	25 577 214,81	22 916 953,00
Pension expenses	3 936 020,59	4 131 620,93
Other statutory personnel expenses	837 262,99	759 600,03
Total	30 350 498,39	27 808 173,96
Management salaries and remuneration	2020	2019
Board of Directors and Managing Director	312 627,40	305 625,31
Auditors' fees	2020	2019
Audits	15 232,21	18 591,07
Other statements	5 607,00	24 877,50
	20 839,21	43 468,57

Notes to the Cash Flow Statement

	2020	2019
Other operating expenses		
IT expenses, hardware and software maintenance	11 375 092,55	11 028 075,45
Other expenses	13 687 654,43	14 179 730,25
Other operating expenses, total	25 062 746,98	25 207 805,70
Financial income and expenses	2020	2019
Other interest and financial income from others	12 000,00	12 439,08
Interest and financial expenses to others	-58 880,77	-33 287,85
Total interest and financial expenses	-46 880,77	-20 848,77
Tax itemization	2020	2019
Income taxes on operations	-498 555,16	-297 813,74
Change in deferred tax assets	0,00	0,00
Total	-498 555,16	-297 813,74

Notes to the Balance Sheet				
Non-current assets	Intangible assets	Intangible assets	Tangible assets	
	Intangible rights	Long-term expenditures	Machinery and Rolling stock	Total
Acquisition cost, 1 Jan	153 280,73	8 581 381,57	1 901 846,26	10 636 508,56
Increase	0,00	11 268 639,61	7 817,90	11 276 457,51
Acquisition cost, 31 Dec	153 280,73	19 850 021,18	1 909 664,16	21 912 966,07
Accumulated depreciation, 1 Jan	111 039,09	4 789 328,52	1 730 255,65	6 630 623,26
Depreciation for the financial year	13 814,28	2 636 657,47	41 089,15	2 691 560,90
Accumulated depreciation, 31 Dec	124 853,37	7 425 985,99	1 771 344,80	9 322 184,16
Book value, 1 Jan	42 241,64	3 792 053,05	171 590,61	4 005 885,30
Book value, 31 Dec	28 427,36	12 424 035,19	138 319,36	12 590 781,91
Shareholdings			2020	2019
Company shareholdings				
Otaverkko Oy	euros	ownership % / no.	ownership % / no.	
Acquisition cost, 1 Jan	2 522,82	5.3 / 75	5.3 / 75	
Acquisition cost, 31 Dec	2 522,82	5.3 / 75	5.3 / 75	
Book value, 31 Dec	2 522,82	5.3 / 75	5.3 / 75	

Shareholdings		2020	2019
Digile Oy/ ICT SHOK		ownership % / no.	ownership % / no.
Acquisition cost, 1 Jan	10 000,00	0,9 / 100	0,9 / 100
Acquisition cost, 31 Dec	10 000,00	0,9 / 100	0,9 / 100
Book value, 31 Dec	10 000,00	0,9 / 100	0,9 / 100
SalWe Oy/ T&H SHOK		ownership % / no.	ownership % / no.
Acquisition cost, 1 Jan	0,00	0,0 / 0	0,9 / 100
Acquisition cost, 31 Dec	0,00	0,0 / 0	0,0 / 0
Book value, 31 Dec	0,00	0,0 / 0	0,0 / 0
NORDUnet A/S		ownership % / no.	ownership % / no.
Acquisition cost, 1 Jan	233 000,00	17,9 / 2000	17,9 / 2000
Acquisition cost, 31 Dec	233 000,00	17,9 / 2000	17,9 / 2000
Book value, 31 Dec	233 000,00	17,9 / 2000	17,9 / 2000
EUDAT Ltd		ownership % / no.	ownership % / no.
Acquisition cost, 1 Jan	2 500,00	50 / 1	50 / 1
Acquisition cost, 31 Dec	2 500,00	50 / 1	50 / 1
Book value, 31 Dec	2 500,00	50 / 1	50 / 1

Financial securities

Danske Invest Neutral K, Yhteisökorko K,
Euro High Yield K, DI SICAV Eu. Corp. Sust. Bond I

Book value	9 343 900,91
Market price	9 730 854,15
Difference	386 953,24

Current receivables	2020	2019
Accounts receivable	10 004 266,50	7 668 854,55
Prepayments and accrued income	3 705 784,68	5 094 347,62
Total	13 710 051,18	12 763 202,17

Shareholders' equity	2020	2019
Share capital, 1 Jan	1 000 000,00	1 000 000,00
Share capital, 31 Dec	1 000 000,00	1 000 000,00
Unrestricted invested shareholders' equity, 1 Jan	200 000,00	200 000,00
Unrestricted invested shareholders' equity, 31 Dec	200 000,00	200 000,00
Retained earnings, 1 Jan	5 208 792,41	4 032 734,83
Transfer to share capital		
Retained earnings, 31 Dec	5 208 792,41	4 032 734,83
Profit/loss for the financial year	1 978 266,86	1 176 057,58
Total shareholders' equity	8 387 059,27	6 408 792,41
Distributable items, 31 Dec	2020	2019
Retained earnings	5 208 792,41	4 032 734,83
Profit for the financial year	1 978 266,86	1 176 057,58
Unrestricted invested shareholders' equity	200 000,00	200 000,00
Total	7 387 059,27	5 408 792,41
Distribution of share capital by share class	2020	2019
	shares	shares
Shareholders have 1 vote/share	10 000	10 000

Shareholders' equity	2020	2019
Current liabilities	2020	2019
Advance payments received	20 168 143,50	19 451 823,84
Accounts payable	4 852 460,78	2 864 170,69
Other short-term debts	1 656 116,52	2 790 992,08
Accruals and deferred income	6 681 238,50	5 671 402,74
	33 357 959,30	30 778 389,35
Liabilities	2020	2019
Leasing liabilities		
To be paid the following financial year	2 278 746,44	2 077 061,87
To be paid in the coming financial years	4 585 857,59	4 950 484,73
Rent liabilities		
To be paid the following financial year	2 557 508,04	2 441 115,09
To be paid in the coming financial years	14 131 880,04	16 070 084,01
Other liabilities	2020	2019
Bank account controlled by the company, EU project		
EUDAT-2020 consortium funds	0,00	88 613,18
Bank account controlled by the company		
Euro-HPC/Lumi project advance payments	30 246 097,28	2 469 989,24

Market operations in a competitive environment

Principles for accounting separation

The company uses activity-based cost accounting as its internal accounting method. Sales and costs are monitored by cost object. Direct costs and sales are allocated to the cost objects in accordance with the matching principle. Indirect costs are allocated according to the company's general activity-based cost accounting principles.

Income statement	1 Jan – 31 Dec 2020
€	
Net sales	353 799,34
Personnel expenses	222 500,82
Other operating expenses	99 430,76
Profit/loss for the financial year	31 867,76
Profit before transfers and taxes	31 867,76
Calculated taxes	6 373,55
Profit/loss for the financial year	25 494,21

Key indicators	2020	2019	2018	2017
- operating profit %	4,6 %	2,9 %	3,9 %	3,9 %
- return on equity	26,7 %	20,2 %	31,3 %	39,8 %
- return on capital invested	34,3 %	25,9 %	39,4 %	50,2 %
- quick ratio	2,2	2,9	2,6	2,2
- current ratio	0,9	1,1	1,1	1,0
- equity ratio	38,9 %	36,1 %	33,0 %	27,6 %
- gearing %	24,1 %	22,2 %	23,7 %	24,8 %

Signing of financial statement and report

Helsinki, 4 March 2021

Mirjami Laitinen	Tua Huomo	Heikki Mannila	Jukka Mönkkönen
Jouko Paaso	Veera Sylvius	Leena Viljo	
Kimmo Koski, <i>CEO</i>			

Auditor's report

An auditor's report was issued today.
Helsinki, 10 March 2021

KPMG Oy Ab
Authorized Public Accountants

Juha Huuskonen
KHT, JHT

List of accounting books and types of accounting records for the financial year 1 January–31 December 2020

Cash book
Journal
General ledger
Accounts receivable lists
Accounts payable Lists
Sales invoices
Purchase invoices
Memoranda
Payroll summaries
Payroll receipt
Payment receipts
VAT receipts

Lists of receipts

Purchase invoices	VL
Purchase orders	OM
Payment receipts	KA
Accounting receipts	KP
Sales invoices	ML
Sales orders	MM
Memoranda	MU
Payroll receipts	PL
Travel invoices	TR
Appendices	LT
Fixed assets	KO

Storage methods

The accounts, materials and supporting documents are stored on CSC's own servers.

Auditors' report

For the shareholder meeting of CSC – IT Center for Science Ltd Audit of the financial statements

Statement

We have audited the financial statements of CSC – IT Center for Science Ltd (Business ID 0920632-0) for the financial year 1 January to 31 December 2020. The financial statement includes the balance sheet, the income statement, the flow of funds statement, and the notes to the accounts.

As part of our statement, we affirm that the financial statements give a true and sufficient picture of the company's profit level and financial position, in accordance with the provisions on preparing financial statements currently in force in Finland, and that they meet the statutory requirements.

Grounds for the statement

We have carried out our audit in accordance with good auditing practice in Finland. Our responsibilities as specified by good auditing practice are described in more detail in the section headed 'Responsibilities of the auditor in the auditing of financial statements'. We are independent of the company, in accordance with the Finnish ethical requirements for audits such as the one we have carried out, and we have also fulfilled our other ethical obligations in accordance with these same requirements. In our opinion, we have collected a sufficient amount of appropriate audit evidence in order to support our statement.

Responsibilities of the Board of Directors and the Managing Director concerning the financial statements

The Board of Directors and the Managing Director are responsible for preparing the financial statements so that they give a true and sufficient picture, in accordance with the provisions on preparing financial statements currently in force in Finland, and that they meet the statutory requirements. The Board of Directors and the Managing Director are also responsible for the internal control they deem necessary in order to be able to draw up the financial statements without material error due to misconduct or error.

When preparing the financial statements, the Board of Directors and the Managing Director are obliged to assess the company's ability to continue its operations and, where applicable, to present matters related to the continuity of operations and the way in which the financial statements have been prepared on the basis of continued operations. The financial statements are prepared on the basis of continued operations unless the intention is to dissolve the company or discontinue operations or if there is no realistic alternative other than to do one of the above.

Responsibilities of the auditor in the auditing of financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole contain material errors resulting from malpractice or error and to submit an audit report containing our statement on this question. Reasonable assurance is a high level of assurance, but it does not provide a guarantee that material errors are always detected in an audit carried out in accordance with good auditing practice. Errors may be caused by malpractice or error and are considered

to be material if, whether alone or in combination, they could reasonably be expected to affect the financial decisions made by users on the basis of the financial statements.

Good auditing practice involves using professional judgment and maintaining professional skepticism throughout the audit. In addition:

- We identify and assess the risks of material error in financial statements due to malpractice or error, plan and carry out audit activities corresponding to these risks, and obtain the necessary amount of audit evidence as the basis for our statement. The risk that material error resulting from the malpractice will not be detected is greater than the risk that material error resulting from error will not be detected, as malpractice may involve collaboration, counterfeiting, deliberate failure to provide information or provision of false information, or overlooking internal control.
- We form an understanding of the accounting-related internal controls in place in order that we can plan auditing measures that take into account the prevailing conditions, but not in order to make any statement about the effectiveness of the company's internal controls.
- We assess the appropriateness of the accounting principles applied and the reasonableness of both the accounting estimates made by the management and the information presented for them.
- We make a decision on whether it has been appropriate for the Board of Directors and the Managing Director to draw up the financial statements on the assumption of continued operations, and we also decide, based on the evidence we have obtained through the audit, whether there is any material uncertainty, relating to either events or circumstances, that may give rise to significant doubts about the company's ability to continue its operations. If our conclusion is that there is material uncertainty, we are obliged in our audit report to draw the reader's attention to the information presented in the financial statements that gives rise to such uncertainty or, if the information regarding uncertainty is not sufficient, to adjust our statement. Our conclusions are based on the audit evidence obtained by the date of the audit report. Future events or circumstances may nevertheless result in the company not being able to continue its operations.
- We assess the general presentation, structure and content of the financial statements, including all information presented in the financial statements, and whether the financial statements reflect the underlying transactions and events in such a way as to give a true and sufficient picture.
- We communicate with the administrative bodies on matters such as the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Other reporting obligations

Other information

The Board of Directors and the Managing Director are responsible for other information. Such other information covers the annual report. Our statement on the financial statements does not cover other information.

It is our responsibility to read such other information when carrying out the audit of the financial statements and to assess if the other information is either materially in conflict with the financial statements or knowledge we have acquired when conducting the financial audit or otherwise seems to be materially incorrect. It is also our responsibility to assess whether the annual report has been drawn up in accordance with the provisions applicable to its preparation.

As part of our statement, we affirm that the information contained in the annual report and the financial statements are consistent with one another and that the annual report has been prepared in accordance with the provisions applicable to the preparation of annual reports.

If, on the basis of our work, we conclude that there is material error in the annual report, we must report this. We have nothing to report in this regard.

Helsinki, 10/03/2021

KPMG OY AB

Juha Huuskonen
KHT, JHT



**ICT Solutions for
Brilliant Minds**