



ICT Solutions for
Brilliant Minds

CSC – IT Center for Science Ltd.

Report of the Board of Directors & Financial Statements and Auditor's Report

2021

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Report of the Board of Directors

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CSC – IT Center for Science Ltd's operations in 2021

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).

For the benefit of a sustainable society together with our customers

In the EuroHPC project, the procurement and installation of supercomputer LUMI made headway, and the project's goals were exceeded in terms of hardware capacity. Familiarity and easy user experience with LUMI were promoted by means of a Finnish roadshow as well as training provided together with EuroHPC Competence Center and the user support team. LUMI was tested successfully in two Finnish pilot projects. LUMI has also received international recognition. Business use was piloted using Puhti-AI hardware in cooperation with Business Finland as part of the National data management and computing development programme (DL2021). Progress was made in the construction of a datacenter ecosystem in Kajaani, and the visitor centre (in connection with LUMI datacenter) is ready to organise events and visits.

The work of the project office for the higher education institutions' joint Digivision2030 project got off to a good start. Digivision's and CSC's joint rules of procedure were approved in autumn 2021. CSC is negotiating with the higher education institutions on how the company can optimally support the Digivision project through its services. Significant progress was achieved in 2021.

In the Academy of Finland's call for proposals for national research infrastructures (FIRI), CSC received funding for several projects, in some cases together with customer organisations. The objectives of The development program for Data Management and Computing (DL2021) were achieved with a high level of success. The programme was concluded at the end of 2021, and the environment is now fully operational. DL2021 enabled CSC to support the users of its data management and computing services more extensively than before. The number of users has increased by more than 40% since 2018, reaching 5,800 in 2021. CSC received positive feedback at the concluding seminar in December 2021.

The Finnish Research Information Hub's Research 2.0 development work has progressed on schedule, taking into account the planned entry into force of the separate Act on the Finnish Research Information Hub at the beginning of 2022. The service enables cross-connections between data warehouses. The number of users increased steadily. The long-term vision of the service is being formulated in cooperation with the Ministry of Education and Culture. Services for processing sensitive materials were published as planned and they have been well received.

CSC successfully supported higher education institutions in their transition from the old support system for teaching and studying, Oodi, to the new Peppi and Sisu systems in 2017–2021. A Funet2020 network update was completed in early 2021. The functionality of the network services during the transition was good, and the improved reliability of the new network has been a positive achievement. Scalability ensures the network's capacity for efficient data transfers for Finnish higher education institutions and research well into the future. In addition, it has excellent capabilities for responding to the future data transfer needs of EuroHPC LUMI and other key research resources.

CSC collected customer and user feedback in different ways during the year. The level of customer satisfaction is good, as the expanding customer cooperation also indicates. In late 2021, extensive efforts to develop CSC's communications were launched with the aim of harnessing communications to support the implementation of the company's strategy.

Finances

CSC's tax year was financially successful. The company's turnover and R&D funding developed as predicted. While the exceptional situation continued, the financial targets set for the tax year were achieved with flying colours.

Growth was underpinned by new customer relationships and expanded project activities. The company's turnover was EUR 56,441,670.71 (EUR 54,739,078.22) in 2021, with year-on-year growth of 3.1%.

The increased turnover and R&D funding also ensured that CSC's result met the expectations. The result after financial items was EUR 1,274,979.31 (EUR 2,476,822.02), with profit for the financial year totalling EUR 1,016,908.75 (EUR 1,978,266.86). The company's R&D expenses for 2021 were equivalent to about 22.6% (13.5%) of net sales.

Key indicators for the financial year

| Key indicators | 2021 | 2020 | 2019 | 2018 | 2017 |
|----------------------|--------|--------|--------|--------|--------|
| Operating profit % | 2.40% | 4.60% | 2.90% | 3.90% | 3.90% |
| Return on equity | 11.40% | 26.70% | 20.20% | 31.30% | 39.80% |
| Return on investment | 15.10% | 34.30% | 25.90% | 39.40% | 50.20% |
| Quick ratio | 2.3 | 2.2 | 2.9 | 2.6 | 2.2 |
| Current ratio | 0.8 | 0.9 | 1.1 | 1.1 | 1 |
| Equity ratio | 41.10% | 38.90% | 36.10% | 33.00% | 27.60% |
| Gearing % | 23.90% | 24.10% | 22.20% | 23.70% | 24.80% |

Personnel

valid until further notice. Personnel turnover was 5.4%. The average duration of employment was approximately 7.4 years and the gender ratio was 32% women and 68% men. CSC continued to operate in emergency conditions in 2021 due to the Covid-19 pandemic. Remote work and distance teaching and learning were part of everyday life for both the company's customers and personnel. Based on personnel feedback, CSC succeeded well in managing and communicating about the pandemic situation. The impacts of the pandemic on business remained minor.

Key personnel indicators

| Key indicators | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------|------|------|------|------|------|
| No. of personnel | 511 | 454 | 413 | 351 | 317 |
| Permanent | 94% | 94% | 93% | 91% | 92% |
| Fixed-term | 6% | 6% | 7% | 9% | 8% |
| Men | 68% | 69% | 70% | 70% | 72% |
| Women | 32% | 31% | 30% | 30% | 28% |

| Age distribution | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------|------|------|------|------|------|
| Under 30 | 13% | 15% | 13% | 11% | 9% |
| 30–39 | 27% | 27% | 30% | 31% | 33% |
| 40–49 | 34% | 35% | 35% | 35% | 34% |
| Over 50 | 26% | 24% | 22% | 23% | 24% |
| Average age, years | 43 | 42 | 41 | 42 | 42 |

| Education | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------------|------|------|------|------|------|
| Elementary and vocational | 15% | 15% | 15% | 15% | 16% |
| University of applied science | 19% | 23% | 22% | 15% | 15% |
| University | 51% | 48% | 48% | 55% | 52% |
| Post-graduate | 15% | 14% | 15% | 15% | 17% |

The environment

In 2021, the company's greatest environmental load consisted of the datacenters' power consumption. Due to the pandemic, there has been little or no business travel since March 2020.

CSC's datacenters (the national datacenter and LUMI) in Kajaani are second to none in terms of their energy efficiency. The advanced cooling solution implemented for supercomputer Mahti and the high utilisation rate of the national datacenter further improved the PUE value and energy efficiency rate. All electricity used by our datacenters and offices in 2021 came from renewable energy sources. In the cooling solution implemented for the EuroHPC LUMI supercomputer in Kajaani, waste heat from the supercomputer is led to the city's district heating network, making it possible to produce one fifth of the city's annual district heating needs with zero carbon dioxide emissions.

CSC adheres to the Hansel framework agreement procurement policy, in which environmental factors are taken into consideration. The company's procurement policy also instructs employees to examine environmental factors at all stages, from planning to use and decommissioning.

Risks and uncertainty factors

CSC identifies the risks threatening the company and mitigates them within the framework of its certified information security management system. Key risks in 2021 included the impacts of the Covid-19 pandemic, risks related to procurement, financing and the availability of technological components, access to special expertise, and risks associated with cyber security and damage to infrastructure.

Future outlook

CSC's turnover is expected to grow by about 10 % in accounting year 2022. In addition to turnover, national and international R&D projects will increase the company's volume considerably. Growth in the company's total volume will be significant in financial year 2022. As the operating environment is in constant flux, the company must be capable of agile change management. An effort is made to respond to challenges through sound financial management and rapid changes in the company's operating practices. Foresight also helps the company prepare for changes in its internal and external operations.

The EuroHPC supercomputer LUMI, which is managed by CSC, will be commissioned in full production use in 2022. It is the first pre-exa class supercomputer in Europe and one of the top ten in the world as to its performance. CSC will continue to take steps to ensure that LUMI is easy to use and that customers have the competence required to get the full benefit from the hardware. In addition to basic research, customer paths for companies' RDI activities will also be opened. The development program for Data Management and Computing (DL2021) will provide resources for current and new fields of research. Investments will be made in competence development, and user groups are expected to diversify further.

Relying on its national and international cooperation networks, the company will continue to develop the service package for sensitive data. CSC develops national services for the data warehouse of the European Genome-phenome Archive, ensuring that Finnish data sets will stay in Finland and be visible for international research. The company participates in a number of development measures that bolster open science and good management of research data in a joint European Open Science Cloud (EOSC) project package of the European Commission and the Member States.

CSC participates in advancing the digital transformation of higher education institutions by providing project office services and service packages subject to separate agreement with higher education institutions for the Digivision2030 work. CSC will continue to develop its data collection, data warehouse and analytics services for the anticipation and evaluation needs of the education and research sectors.

The company will focus on strengthening its capabilities over the long term through good cost structure management, competence development and flexible scaling of operating processes and by ensuring the efficient use of business information in the management and steering of the company.

Board of Directors' proposal for the distribution of profit

The Board proposes that no dividend be paid and that the company's profit for 2021 (EUR 1,016,908.75) be transferred to retained earnings.

CSC – IT Center for Science Ltd.

Board of Directors

Financial Statements

1 Jan–31 Dec 2021

Income statement

| EUR | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---------------------|---------------------|
| Net sales | 56,441,670.71 | 54,739,078.22 |
| Other operating income | 10,189,577.60 | 5,889,430.84 |
| Personnel expenses | 34,998,982.48 | 30,350,498.39 |
| Depreciation | 4,053,092.76 | 2,691,560.90 |
| Other operating expenses | 26,251,364.76 | 25,062,746.98 |
| Operating profit/loss | 1,327,808.31 | 2,523,702.79 |
| Financial income and expenses | -52,829.00 | -46,880.77 |
| Profit before extraordinary items | 1,274,979.31 | 2,476,822.02 |
| Direct taxes | -258,070.56 | -498,555.16 |
| Profit/loss for the financial year | 1,016,908.75 | 1,978,266.86 |

Balance sheet, Assets

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---------------------------|----------------------|----------------------|
| Non-current assets | | |
| Intangible assets | 14,613.08 | 28,427.36 |
| Other long-term expenses | 16,235,831.60 | 12,424,035.19 |
| Tangible assets | 133,623.02 | 138,319.36 |
| Investments | 264,022.82 | 248,022.82 |
| | 16,648,090.52 | 12,838,804.73 |
| Current assets | | |
| Current receivables | 12,487,098.64 | 13,710,051.18 |
| Financial securities | 9,343,900.91 | 9,343,900.91 |
| Cash and cash equivalents | 9,505,397.98 | 5,852,261.75 |
| | 31,336,397.53 | 28,906,213.84 |
| | 47,984,488.05 | 41,745,018.57 |

Balance sheet, Liabilities

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|--|----------------------|----------------------|
| Shareholders' equity | | |
| Share capital | 1,000,000.00 | 1,000,000.00 |
| Unrestricted invested shareholders' equity | 200,000.00 | 200,000.00 |
| Retained earnings | 7,187,059.27 | 5,208,792.41 |
| Profit/loss for the financial year | 1,016,908.75 | 1,978,266.86 |
| Total shareholders' equity | 9,403,968.02 | 8,387,059.27 |
| Liabilities | | |
| Current liabilities | 38,580,520.03 | 33,357,959.30 |
| | 47,984,488.05 | 41,745,018.57 |

Cash flow statement

| EUR | 2021 | 2020 |
|--|----------------|----------------|
| Cash flow from operating activities | | |
| Cash flow from sales | 72,569,727.54 | 58,423,656.10 |
| Operating expenses | -60,743,313.20 | -54,733,752.33 |
| Cash flow from operating activities before financial items and taxes | 11,826,414.34 | 6,847,984.63 |
| Interest and other financial expenses incurred from operating activities | -52,829.00 | -46,880.77 |
| Direct taxes paid | -258,070.56 | -498,555.16 |
| Cash flow from operating activities | 11,515,514.78 | 6,302,548.70 |
| Cash flow from investments | | |
| Investments in tangible and intangible assets | -7,862,378.55 | -11,276,457.51 |
| Cash flow from investments | -7,862,378.55 | -11,276,457.51 |
| Change in liquid assets | 3,653,136.23 | -4,973,908.81 |
| Liquid assets at beginning of year | 15,196,162.66 | 20,170,071.47 |
| Liquid assets at year-end | 18,849,298.89 | 15,196,162.66 |

Notes to the Financial Statements 31 Dec 2021

Accounting policies

Non-current assets and planned depreciation

Fixed assets have been capitalised 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 2021 as follows.

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

Other long-term expenses are depreciated on a straight-line basis over their effective period, which is at maximum ten years.

CSC administrates and operates the high-performance computing environment owned by the Finnish government. The development measures initiated in 2019 included the implementation of the Ministry of Education and Culture's National Data Management and Computing Development programme. This programme included infrastructure procurements amounting to EUR 33 million (the DL2021 project). The programme was expanded to include the procurement of hardware for artificial intelligence and AI research covered from 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.

The LUMI project coordinated by CSC was launched in financial year 2020. LUMI is a joint European supercomputer project involving 10 European countries and EuroHPC Joint Undertaking. CSC is the Hosting Entity for a jointly funded pre-exascale supercomputer that will be placed in CSC's Kajaani data center in 2021–2022.

CSC will capitalise the EuroHPC project investments as long-term expenses, which are depreciated on a straight-line basis during the duration of the project by the end of 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.

Deferred tax postings

Deferred tax assets have been calculated based on temporary differences between taxes and the Final Statement using the tax rate for the following years confirmed on the balance sheet date. The balance sheet includes an estimate of the probable amount of the deferred tax assets.

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 | 2021 | 2020 |
| Net sales in Finland | 56,441,670.71 | 54,739,078.22 |
| Other operating income | 2021 | 2020 |
| Research grants from the EU, TEKES and Academy of Finland | 10,189,577.60 | 5,889,430.84 |
| Notes on Personnel | 2021 | 2020 |
| Number of people employed during the financial year | | |
| Number of employees on 31 Dec | 511 | 454 |
| Average number of employees | 483 | 443 |
| Personnel expenses | 2021 | 2020 |
| Wages and salaries | 28,795,919.22 | 25,577,214.81 |
| Pension expenses | 4,952,434.24 | 3,936,020.59 |
| Other statutory personnel expenses | 1,250,629.02 | 837,262.99 |
| Total | 34,998,982.48 | 30,350,498.39 |
| Management salaries and remuneration | 2021 | 2020 |
| Board of Directors and Managing Director | 333,830.91 | 326,887.40 |

| EUR | | |
|---|---------------|---------------|
| Auditor's fees | 2021 | 2020 |
| Audits | 11,780.80 | 15,232.21 |
| Other statements | 7,654.50 | 5,607.00 |
| Tax consultancy | 1,530.00 | 0.00 |
| Other services | 83,140.00 | 0.00 |
| | 104,105.30 | 20,839.21 |
| Other operating expenses | 2021 | 2020 |
| IT expenses, hardware and software maintenance | 10,687,860.62 | 11,375,092.55 |
| Other expenses | 15,563,504.14 | 13,687,654.43 |
| Other operating expenses, total | 26,251,364.76 | 25,062,746.98 |
| Financial income and expenses | 2021 | 2020 |
| Other interest and financial income from others | 12,000.00 | 12,000.00 |
| Interest and financial expenses to others | -64,829.00 | -58,880.77 |
| Total interest and financial expenses | -52,829.00 | -46,880.77 |
| Tax itemisation | 2021 | 2020 |
| Income tax on operations | -258,070.56 | -498,555.16 |
| Change in deferred tax assets | 0.00 | 0.00 |
| Total | -258,070.56 | -498,555.16 |

Notes to the Balance Sheet

| EUR | | | | |
|-------------------------------------|-------------------|--------------------|-------------------------|---------------|
| Non-current assets | Intangible assets | | Tangible assets | |
| | Intangible rights | Long-term expenses | Machinery and equipment | Total |
| Acquisition cost, 1 Jan | 153,280.73 | 19,850,021.18 | 1,909,664.16 | 21,912,966.07 |
| Increases | 0.00 | 7,808,045.42 | 38,333.13 | 7,846,378.55 |
| Acquisition cost, 31 Dec | 153,280.73 | 27,658,066.60 | 1,947,997.29 | 29,759,344.62 |
| Accumulated depreciation, 1 Jan | 124,853.37 | 7,425,985.99 | 1,771,344.80 | 9,322,184.16 |
| Depreciation for the financial year | 13,814.28 | 3,996,249.01 | 43,029.47 | 4,053,092.76 |
| Accumulated depreciation, 31 Dec | 138,667.65 | 11,422,235.00 | 1,814,374.27 | 13,375,276.92 |
| Book value, 31 Dec | 28,427.36 | 12,424,035.19 | 138,319.36 | 12,590,781.91 |
| Book value, 31 Dec | 14,613.08 | 16,235,831.60 | 133,623.02 | 16,384,067.70 |
| Holdings in other companies | | | | |
| | 2021 | | 2020 | |
| Shareholdings | | | | |
| Otaverkko Oy | EUR | holding, %/no. | holding, %/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 | |

| Holdings in other companies | | | | 2021 | 2020 |
|-----------------------------|------------|----------------|--|----------------|------|
| Digile Oy/ ICT SHOK | | holding, %/no. | | holding, %/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 | |
| NORDUnet A/S | | holding, %/no. | | holding, %/no. | |
| Acquisition cost, 1 Jan | 233,000.00 | 17.9 / 2,000 | | 17.9 / 2,000 | |
| Acquisition cost, 31 Dec | 233,000.00 | 17.9 / 2,000 | | 17.9 / 2,000 | |
| Book value, 31 Dec | 233,000.00 | 17.9 / 2,000 | | 17.9 / 2,000 | |
| EUDAT Ltd | | holding, %/no. | | holding, %/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 | |
| Cinia Alliance | | holding, %/no. | | holding, %/no. | |
| Acquisition cost, 1 Jan | 0.00 | 0.0 / 0 | | 0.0 / 0 | |
| Acquisition cost, 31 Dec | 16,000.00 | 0.7 / 20,000 | | 0.0 / 0 | |
| Book value, 31 Dec | 16,000.00 | 0.7 / 20,000 | | 0.0 / 0 | |

Notes to the Balance Sheet

| EUR | | |
|---|---------------|---------------|
| Financial securities | | |
| Danske Invest Neutral K, Yhteisökorke K, Euro High Yield K, DI SICAV Eu. Corp. Sust. Bond I | | |
| Book value | 9,343,900.91 | |
| Market price | 9,783,739.31 | |
| Difference | 439,838.40 | |
| EUR | | |
| | 2021 | 2020 |
| Current receivables | | |
| Accounts receivable | 9,866,014.49 | 10,004,266.50 |
| Prepayments and accrued income | 2,621,084.15 | 3,705,784.68 |
| Total | 12,487,098.64 | 13,710,051.18 |

Shareholders' equity

| EUR | | |
|--|--------------|--------------|
| | 2021 | 2020 |
| 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 | 7,187,059.27 | 5,208,792.41 |
| Retained earnings, 31 Dec | 7,187,059.27 | 5,208,792.41 |
| Profit/loss for the financial year | 1,016,908.75 | 1,978,266.86 |
| Total shareholders' equity | 9,403,968.02 | 8,387,059.27 |
| Distributable funds, 31 Dec | | |
| | 2021 | 2020 |
| Retained earnings | 7,187,059.27 | 5,208,792.41 |
| Profit for the financial year | 1,016,908.75 | 1,978,266.86 |
| Unrestricted invested shareholders' equity | 200,000.00 | 200,000.00 |
| Total | 8,403,968.02 | 7,387,059.27 |

Shareholders' equity

| Shares | 2021 | 2020 |
|--|---------------|---------------|
| Breakdown of share capital by type of share | | |
| Shareholders have 1 vote per share | 10,000 | 10,000 |
| EUR | | |
| Current liabilities | | |
| Advance payments received | 25,109,830.93 | 20,168,143.50 |
| Accounts payable | 3,259,766.22 | 4,852,460.78 |
| Other short-term debts | 2,587,577.35 | 1,656,116.52 |
| Accruals and deferred income | 7,623,345.53 | 6,681,238.50 |
| | 38,580,520.03 | 33,357,959.30 |

| EUR | 2021 | 2020 |
|---|---------------|---------------|
| Liabilities | | |
| Leasing liabilities | | |
| To be paid the following financial year | 2,453,870.31 | 2,278,746.44 |
| To be paid the coming financial year | 4,026,964.66 | 4,585,857.59 |
| Rent liabilities | | |
| To be paid the following financial year | 2,639,835.60 | 2,557,508.04 |
| To be paid the coming financial year | 12,561,719.28 | 14,131,880.04 |
| Other liabilities | | |
| Bank account controlled by the company | | |
| Euro-HPC/advance payments of Lumi project | 3,917,923.64 | 30,246,097.28 |

Competitive activity in the market

Accounting principles for keeping separate accounts

The company uses activity-based costing as an internal accounting method. Sales and costs are monitored by cost object. Direct costs and sales are allocated to cost objects following the cause-and-effect principle in the accounts. Indirect costs are allocated following the general activity-based costing principles used in the company.

Income statement

| EUR | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|-------------------|-------------------|
| Net sales | 322,217.00 | 353,799.34 |
| Personnel expenses | 116,422.00 | 222,500.82 |
| Other operating expenses | 153,104.00 | 99,430.76 |
| Operating profit/loss | 52,691.00 | 31,867.76 |
| Profit before appropriations and taxes | 52,691.00 | 31,867.76 |
| Deferred taxes | 10,538.20 | 6,373.55 |
| Profit/loss for the financial year | 42,152.80 | 25,494.21 |

Key indicators

| | 2020 | 2019 | 2018 | 2017 |
|------------------------------|-------|-------|-------|-------|
| - Operating profit, % | 2.4% | 4.6% | 2.9% | 3.9% |
| - Return on equity | 11.4% | 26.7% | 20.2% | 31.3% |
| - Return on capital invested | 15.1% | 34.3% | 25.9% | 39.4% |
| - Quick ratio | 2.3 | 2.2 | 2.9 | 2.6 |
| - Current ratio | 0.8 | 0.9 | 1.1 | 1.1 |
| - Equity ratio | 41.1% | 38.9% | 36.1% | 33.0% |
| - Relative indebtedness, % | 23.9% | 24.1% | 22.2% | 23.7% |

Signing of financial statement and report

Helsinki, 4 March 2022

Jukka Mönkkönen Riitta Autere Tua Huomo

Hannu Kemppainen Petri Myllymäki Matti Saren

Laura Vilkkonen Kimmo Koski
CEO

Auditor's note

An auditor's report was issued today.

Helsinki, 29 March 2022

KPMG Oy Ab
Authorized Public Accountants

Juha Huuskonen
Authorised Public Accountant (KHT, JHT)

List of accounting books and types of accounting records for the financial year 1 January–31 December 2021

| | | | |
|---------------------------|-----------------|--------------------------|----|
| Cash book | Computer lists | Lists of receipts | |
| Journal | Computer lists | Purchase invoices | VL |
| General ledger | Computer lists | Purchase orders | OM |
| Accounts receivable lists | Computer lists | Payment receipts | KA |
| Accounts payable Lists | Computer lists | Accounting receipts | KP |
| Sales invoices | Paper Documents | Sales invoices | ML |
| Purchase invoices | Paper Documents | Sales orders | MM |
| Memoranda | Paper Documents | Memoranda | MU |
| Payroll summaries | Computers lists | Payroll receipts | PL |
| Payroll receipt | Computer lists | Travel invoices | TR |
| Payment receipts | Paper Documents | Appendices | LT |
| VAT receipts | Computer lists | Fixed assets | KO |

Storage methods

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

Auditor's Report

To the Annual General Meeting of CSC – IT Center for Science

Opinion

We have audited the financial statements of CSC – IT Center for Science Ltd. (Business ID: 0920632-0) for the financial year 1 January – 31 December 2021. The financial statements comprise the balance sheet, income statement, cash flow statement, and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the company's financial position and performance in accordance with the laws and regulations governing the preparation of financial statements and statutory requirements in Finland.

Basis for the opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described under Auditor's responsibilities in the audit of financial statements. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and Managing Director relating to the financial statements

The Board of Directors and Managing Director are responsible for the preparation of the financial statements which give a true and fair account in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and Managing Director are also responsible for such internal control as they deem necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and Managing Director are responsible for assessing the enterprise's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the enterprise or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities in the audit of financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgement and maintain professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the enterprise's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We arrive at conclusions on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the parent enterprise or the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent enterprise or the group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in such a manner that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting obligations

Other information

The Board of Directors and Managing Director are responsible for other information. Other information comprises information included in the Board of Directors Report. Our opinion on the financial statements does not cover other information.

In connection with our audit of the financial statements, it is our responsibility to read the other information included in the Board of Directors' report and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the Board of Directors' report has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the Board of Directors' report is consistent with the information in the financial statements and the report has been prepared in accordance with the applicable laws and regulations. If, based on the work we have performed, we conclude that there is a material misstatement in the information included in the Board of Directors' report, we are required to report that fact. We have nothing to report in this regard.

Helsinki 29 March 2022

KPMG OY AB

Juha Huuskonen
Authorised Public Accountant (KHT, JHT)



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