



CSC  
ICT Solutions for  
Brilliant Minds

CSC – IT Center for Science Ltd.

# Report of the Board of Directors & Financial Statements

# 2023

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# Report of the Board of Directors

## **CSC – IT Center for Science Ltd’s operations in 2023**

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).

## **Aiming for a more sustainable society together with its customers**

LUMI’s third and final installation was approved for production use in November 2023. LUMI is still Europe’s top supercomputer, and the 5th fastest worldwide. (Top500 list 11/2023). LUMI’s environmental friendliness has received several international accolades. LUMI has been widely used by Finnish higher education institutions, research institutes, and companies for their research and development activities in different fields, and it has produced results for its users. The collaborative community that has formed around LUMI’s ecosystem continues to deepen and expand. In 2023, collaborative projects between research organisations in Finland, Japan and Colorado were initiated with CSC’s support. A total of seven projects will make use of LUMI’s resources in research concerning the climate, clean energy, physics, astronomy, and artificial intelligence. The LUMI ecosystem has allowed CSC to engage in national and international cooperation for the promotion of quantum computing. In 2023, an access to VTT’s quantum computer was opened through

LUMI not only to higher education institutions and research institutes but also private companies.

In the autumn, a survey was conducted for national data management and computing users, the results of which will be used in the development of services to meet the needs of CSC’s expanding and increasingly diverse user base. User needs have also been taken into account in the definition of the new national infrastructure for data management and computing. The renewal of the national data management and computing environment (DL2026) has progressed as planned, and the competitive tendering process can be initiated in early 2024.

The selection of sensitive data services was expanded with new services and significant additions to existing services, such as the processing of sensitive data in Puhti. The SD Connect and SD Desktop services, which have been in use since 2022, were improved on the basis of user reports. These services are widely used in different scientific fields and organisations, and according to a user survey conducted in autumn 2023, they provide a good user experience. CSC’s data management capabilities and international cooperation have played a key role in strengthening its collaboration with research institutes. A sustainability roadmap from now to 2026 was prepared for digital preservation services.

CSC has supported the digital transformation of higher education institutions through its digital services and the Digivisio 2030 programme. The first version of

Opin.fi, which is the Digivisio programme's first service, was piloted in 2023. The second and third versions are planned for release in 2024. The selection of services supporting the digitalisation of education and the production and utilisation of data in education has increased, and they are used even more extensively by an ever-expanding customer base. This is also evident in the praise and positive feedback that CSC continues to receive for its work.

Personnel satisfaction was at a good level in 2023, and according to the personnel survey, CSC's particular strengths included its focus on well-being, opportunities for learning and development, corporate culture, and workplace atmosphere. In early 2023, CSC established a sustainability function to implement the principles of sustainable development and responsibility throughout the organisation's activities.

### Finances

2023 was a satisfactory year for CSC's finances. The company's business developed almost as predicted, and it was able to achieve most of its financial objectives for the year. CSC responded to the changes in its operating environment by developing its internal and external functions, for example by enhancing the utilisation of its premises, investing in the task rotation of its personnel, and actively guiding its resources. New customer relationships and international projects accounted for a significant share of business growth. The cost-effectiveness of CSC's operations remained at a good level. In 2023, the company's turnover was EUR 73,563,935.81 (64,350,370.64), representing a 14.3% increase from the previous year.

The company's result was hindered by increased personnel costs and high inflation. The result after financial items was EUR -554,882.80 (EUR 1,213,235.21), resulting in a loss of EUR -560,769.78 (EUR 970,469.38) for the financial year. The company's R&D expenses for 2023 were equivalent to about 14.6 % (10.3 %) of net sales.

### Key indicators for the financial year

Key indicators	2023	2022	2021	2020	2019	2018
Operating profit %	-1.0%	1.9%	2.4%	4.6%	2.9%	3.9%
Return on equity	- 5.6%	9.8%	11.4%	26.7%	20.2%	31.3%
Return on investment	- 5.5%	12.6%	15.1%	34.3%	25.9%	39.4%
Quick ratio	2.0	1.9	2.3	2.2	2.9	2.6
Current ratio	0.9	0.9	0.8	0.9	1.1	1.1
Equity ratio	32.9%	38%	41.1%	38.9%	36.1%	33.0%
Gearing %	27.2%	26.3%	23.9%	24.1%	22.2%	23.7%

## Personnel

At the end of 2023, CSC had 660 employees, 90% of whom were in an employment relationship valid until further notice. The number of personnel increased by 93, which represents a 16% increase in relation to the number of personnel at the end of 2022. Personnel turnover was 5.9%, with an average employment duration of around 7 years. At the end of 2023, 37% of the personnel were women and 63% men.

The number of summer trainees in 2023 reached a new record of 54 people. The Summer Xperience programme for summer trainees was organised for the 6th time. Our collaboration with higher education institutions was further strengthened during the year, to ensure CSC's level of competence both now and in the future.

In 2023, investments were made in the development of managerial and leadership competence by offering three in-house coaching programmes with different focus areas. The themes of the coaching programmes focused on the development of various areas, such as strategic management, customer relationships and value management, remote work management, self-management, work ability management, and employment relationship legislation. Different themes of service management, project management and facilitation as well as online training relating to data protection and information security were emphasised in other personnel training.

A new HR information system was introduced at the beginning of the year to promote knowledge-based management and to digitalise and streamline the management of the employment relationship life cycle. Supervisors were coached in the use of the new HR information system as a tool for personnel management.

## Key personnel indicators

Key indicators	2023	2022	2021	2020	2019	2018
Number of persons	660	567	511	454	413	351
Permanent	90%	93%	94%	94%	93%	91%
Fixed-term	10%	7%	6%	6%	7%	9%
Men	63%	65%	68%	69%	70%	70%
Women	37%	35%	32%	31%	30%	30%

Age distribution	2023	2022	2021	2020	2019	2018
Under 30	15%	12%	13%	15%	13%	11%
30-39	26%	27%	27%	27%	30%	31%
40-49	33%	35%	34%	35%	35%	35%
Over 50	26%	26%	26%	24%	22%	23%
Average age (years)	42	43	43	42	41	42

Training	2023	2022	2021	2020	2019	2018
Basic and vocational	17%	15%	15%	15%	15%	15%
Polytechnic	20%	21%	19%	23%	22%	15%
University	49%	50%	51%	48%	49%	55%
Post-graduate	14%	14%	15%	14%	15%	15%

The personnel survey was carried out in September. A total of 541 people, or 87.7% of all personnel, responded to the survey. The average rating was 74.9 on a scale of 0 to 100. The results of the personnel survey were examined and development plans were prepared at the group, unit and company level.

### **The environment**

CSC has favoured renewable forms of energy in its electricity contracts since 2012, and currently all of its purchased energy is certified with a guarantee of origin. More than 99% of purchased electricity is used in CSC's data centres, whose electricity consumption has grown rapidly in recent years since the introduction of the joint-European LUMI supercomputer. CSC's datacenters in Kajaani are still second to none in terms of their energy efficiency. With the help of the cooling solution implemented in the EuroHPC LUMI supercomputer located in Kajaani, the waste heat from the supercomputer can be utilised in the local district heating network almost all year round.

The use of CSC's offices in Espoo and Kajaani also increased after the pandemic restrictions were lifted, and currently around a third of CSC personnel visit our offices daily on average. The electricity consumption of the offices grew by around 20% compared to the previous year, which was very quiet, despite the energy-saving measures at the Espoo site. For a few years now, CSC has been investigating different ways of developing the working environments of its premises, to better meet the changing needs of its growing roster of personnel. In autumn 2022, CSC conducted a market survey, and in early 2023, it began comparing and tendering different sites for its new head office. The main criteria for the new site were its sustainability considerations, sufficient facilities, completion schedule, and cost-effectiveness. In summer 2023, we signed a project and lease agreement with the mutual insurance

company Varma on the BREEAM and WELL-certified Keilaniemen Portti site, which will be completed in 2026.

Business-related travel continued to grow in 2023.

In our procurements, CSC adheres to the policies of the Hansel framework agreement, which also addresses environmental concerns. 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**

The company has identified and addressed risks to the company and its services on the basis of current threat scenarios. In 2023, key high-level risks included the availability of highly skilled personnel, cybersecurity risks, and the indebtedness of public finances due to the war in Ukraine and other global political tensions. The company's risk management measures effectively mitigated high-level risks, and said risks did not materialise to any significant degree during the year in review. The company has demonstrated to its stakeholders its ability to prepare for cyber threats through its certified information security management system.

### **Future outlook**

The company's income is expected to increase by about 8% in the 2024 financial year. This growth will be driven by new and expanding customer relationships and international development projects. Despite the company's overall growth, the 2024 financial year will prove challenging due to increasing cost levels. As in 2023, inflation and interest rates will remain at a higher-than-usual level throughout 2024. In order to maintain its cost control objectives, the company is looking for ways to enhance

its efficiency. These measures aim to anticipate future developments and rapidly respond to any changes in the company's operating environment.

The company will continue to support Finnish researchers and companies in their efforts to fully utilise LUMI. The LUMI ecosystem will be developed on the basis of user feedback, and the corporate use of LUMI will also be expanded. Decisions on the financing of LUMI's successor will be made in 2024, and the company will strive to ensure a world-class level of resources for Finnish RDI activities after 2026. The company also intends to launch a new competitive tendering process for a national data management and computing environment, the aims of which will include promoting the competitiveness of Finnish research. The company will continue its close collaboration with actors who are involved in the development of quantum computing.

The company will continue to develop its services that enable the use of sensitive data in research. The company will make use of its extensive national and international cooperation networks in its development efforts. Cyber security and crisis resilience will also be taken more into account in the development of services.

As a partner of higher education institutions, the company participates in the Digivisio2030 project to promote the digital transformation of higher education and establish a permanent service integrator function. CSC will continue to develop its data collection, data hub and analytics services for the anticipation and evaluation needs of the education and research sectors. The company will also seek synergies between the Digivisio project and the digitalisation services it has developed.

The company will ensure its ability to produce the results required by its strategy by strengthening its competence acquisition and development processes and by investing in the efficiency of its internal operating processes. The company will develop and implement a sustainability programme that promotes the company's environmental measures, social responsibility activities, and financial transparency, as well as how it communicates about these.

#### **Board of Directors' proposal for the distribution of profit**

The Board of Directors proposes that the company's loss of EUR -560,769.78 for the 2023 financial year be transferred to retained earnings and that no dividend be paid.

CSC – IT Center for Science Ltd.

*Board of Directors*

# Financial Statements

## 1 Jan–31 Dec 2023

### Income Statement

EUR	1 Jan – 31 Dec 2023	1 Jan – 31 Dec 2022
<b>Net sales</b>	73,563,935.81	64,350,370.64
Other operating income	16,081,348.92	12,765,804.05
Personnel expenses	45,768,650.97	38,814,208.71
Depreciation	4,057,943.30	4,328,288.33
Other operating expenses	40,567,388.96	32,743,249.60
<b>Operating profit/loss</b>	-748,698.50	1,230,428.05
<b>Financial income and expenses</b>	193,815.70	-17,192.84
<b>Profit before extraordinary items</b>	-554,882.80	1,213,235.21
Direct taxes	-5,886.98	-242,765.83
<b>Profit/loss for the financial year</b>	<b>-560,769.78</b>	<b>970,469.38</b>

### Balance Sheet, Assets

EUR	31.12.2023	31.12.2022
<b>Non-current assets</b>		
Intangible assets	71,888.50	39,413.44
Other long-term expenses	12,247,072.67	13,807,042.85
Tangible assets	231,243.96	130,618.22
Investments	245,500.00	264,022.82
	12,795,705.13	14,241,097.33
<b>Current assets</b>		
Current receivables	24,669,619.31	17,126,745.68
Financial securities	9,343,900.91	9,343,900.91
Cash and cash equivalents	6,359,665.01	5,869,134.09
	40,373,185.23	32,339,780.68
	<b>53,168,890.36</b>	<b>46,580,878.01</b>

### Balance Sheet, Liabilities

EUR	31.12.2023	31.12.2022
<b>Shareholders' equity</b>		
Share capital	1,000,000.00	1,000,000.00
Unrestricted invested shareholders' equity	200,000.00	200,000.00
Retained earnings	9,174,437.40	8,203,968.02
Profit/loss for the financial year	-560,769.78	970,469.38
Total shareholders' equity	9,813,667.62	10,374,437.40
<b>Liabilities</b>		
Current liabilities	43,355,222.74	36,206,440.61
	<b>53,168,890.36</b>	<b>46,580,878.01</b>



### Cash Flow Statement

EUR	2023	2022
<b>Cash flow from operating activities</b>		
Cash flow from sales	91,984,288.89	68,891,617.45
Operating expenses	-88,814,065.03	-70,346,627.53
<b>Cash flow from operating activities before financial items and taxes</b>	3,170,223.86	-1,455,010.08
Interest and other financial expenses incurred from operating activities	-10,013.51	-17,192.84
Interest received from operating activities	203,829.21	0.00
Direct taxes paid	-260,957.54	-242,765.83
<b>Cash flow from operating activities</b>	3,103,082.02	-1,714,968.75
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-2,612,551.10	-1,921,295.14
<b>Cash flow from investments</b>	-2,612,551.10	-1,921,295.14
<b>Change in liquid assets</b>	490,530.92	-3,636,263.89
Liquid assets at beginning of year	15,213,035.00	18,849,298.89
<b>Liquid assets at year-end</b>	15,703,565.92	15,213,035.00

# Notes to the Financial Statements 31 Dec 2023

## 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 2023 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.

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, which is located in the CSC data center in Kajaani.

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.

CSC – IT Center for Science Ltd. owns 50% of the joint venture company EUDAT Ltd.

Business ID: 28953559, [www.csc.fi](http://www.csc.fi) The company domicile is Espoo.

During the 2023 financial period, EUDAT Ltd's shareholders' equity was EUR 172,138.72 and the loss for the financial period was EUR 16,854.48.

### 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 Income Statement

EUR		
Net sales	2023	2022
Net sales in Finland	73,563,935.81	64,350,370.64
<b>Other operating income</b>	<b>2023</b>	<b>2022</b>
Research grants from the EU, TEKES and Academy of Finland	15,976,131.74	12,765,804.05
Other operating income	105,217.18	0.00
<b>Notes on Personnel</b>	<b>2023</b>	<b>2022</b>
Number of people employed during the financial year		
Number of employees on 31 Dec	660	567
Average number of employees	607	531
<b>Personnel expenses</b>	<b>2023</b>	<b>2022</b>
Wages and salaries	38,118,564.91	32,217,600.54
Pension expenses	6,189,148.77	5,467,668.99
Other statutory personnel expenses	1,460,937.29	1,128,939.18
Total	45,768,650.97	38,814,208.71
<b>Management salaries and remuneration</b>	<b>2023</b>	<b>2022</b>
Board of Directors and Managing Director	373,468.15	344,501.85

EUR		
Auditor's fees	2023	2022
Audits	9,375.00	8,994.80
Other statements	22,631.00	16,950.50
Tax consultancy	2,710.00	12,480.00
Other services	36,564.06	25,829.53
	71,280.06	64,254.83
<b>Other operating expenses</b>	<b>2023</b>	<b>2022</b>
IT expenses, hardware and software maintenance	11,445,308.12	10,949,891.73
Other expenses	29,122,080.84	21,793,357.87
Other operating expenses, total	40,567,388.96	32,743,249.60
<b>Financial income and expenses</b>	<b>2023</b>	<b>2022</b>
Other interest and financial income from others	203,829.21	12,000.00
Interest and financial expenses to others	-10,013.51	-29,192.84
Total interest and financial expenses	193,815.70	-17,192.84
<b>Tax itemisation</b>	<b>2023</b>	<b>2022</b>
Income tax on operations	-260,957.54	-242,765.83
Change in deferred tax assets	255,070.56	0.00
Total	-5,886.98	-242,765.83

## 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	201,547.73	29,488,074.74	1,991,017.29	31,680,639.76
Increases	53,660.50	2,405,432.48	171,980.94	2,631,073.92
Acquisition cost, 31 Dec	255,208.23	31,893,507.22	2,162,998.23	34,311,713.68
Accumulated depreciation, 1 Jan	162,134.29	15,681,031.89	1,860,399.07	17,703,565.25
Depreciation for the financial year	21,185.44	3,965,402.66	71,355.20	4,057,943.30
Accumulated depreciation, 31 Dec	183,319.73	19,646,434.55	1,931,754.27	21,761,508.55
Book value, 31 Dec	39,413.44	13,807,042.85	130,618.22	13,977,074.51
Book value, 31 Dec	71,888.50	12,247,072.67	231,243.96	12,550,205.13

Holdings in other companies	2023		2022
Shareholdings			
<b>Otaverkko Oy</b>	EUR	holding, %/no.	holding, %/no.
Acquisition cost, 1 Jan	2,522.82	5.3 / 75	5.3 / 75
Acquisition cost, 31 Dec	0.00	0 / 0	5.3 / 75
Book value, 31 Dec	0.00	0 / 0	5.3 / 75

Holdings in other companies	2023		2022
<b>Digile Oy/ ICT SHOK</b>	EUR	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
<b>NORDUnet A/S</b>	EUR	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
<b>EUDAT Ltd</b>	EUR	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
<b>Cinia Alliance</b>	EUR	holding, %/no.	holding, %/no.
Acquisition cost, 1 Jan	16,000.00	0.7 / 20,000	0.7 / 20,000
Acquisition cost, 31 Dec	0.00	0 / 0	0.7 / 20,000
Book value, 31 Dec	0.00	0 / 0	0.7 / 20,000

**Notes to the Balance Sheet**

EUR	
<b>Financial securities</b>	
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	10,060,248.58
Difference	716,347.67

EUR	2023	2022
<b>Current receivables</b>		
Accounts receivable	14,225,388.78	12,605,627.98
Prepayments and accrued income	10,189,159.97	4,521,117.70
Deferred tax assets	255,070.56	0.00
Total	24,669,619.31	17,126,745.68

**Shareholders' equity**

EUR	2023	2022
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	9,174,437.40	8,203,968.02
Retained earnings, 31 Dec	9,174,437.40	8,203,968.02
Profit/loss for the financial year	-560,769.78	970,469.38
Total shareholders' equity	9,813,667.62	10,374,437.40
<b>Distributable funds, 31 Dec</b>		
Retained earnings	9,174,437.40	8,203,968.02
Profit for the financial year	-560,769.78	970,469.38
Unrestricted invested shareholders' equity	200,000.00	200,000.00
Total	8,813,667.62	9,374,437.40

**Shareholders' equity**

Shares	2023	2022
<b>Breakdown of share capital by type of share</b>		
Shareholders have 1 vote per share	10,000	10,000
<b>EUR</b>		
<b>Current liabilities</b>		
Advance payments received	23,363,259.13	19,294,581.08
Accounts payable	6,178,303.46	4,420,126.48
Other short-term debts	3,025,920.11	2,967,595.03
Accruals and deferred income	10,787,740.04	9,524,138.02
	43,355,222.74	36,206,440.61

EUR	2023	2022
<b>Liabilities</b>		
<b>Leasing liabilities</b>		
To be paid the following financial year	2,657,599.51	2,823,643.73
To be paid the coming financial year	4,370,551.04	4,100,605.69
<b>Rent liabilities</b>		
To be paid the following financial year	3,127,100.52	3,062,287.68
To be paid the coming financial year	9,381,301.56	12,249,150.72
<b>Other liabilities</b>		
Bank account controlled by the company		
Euro-HPC/advance payments of Lumi project	18,149,142.49	14,642,341.77

## 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 2023	1 Jan – 31 Dec 2022
<b>Net sales</b>	389,783.91	374,711.90
Personnel expenses	132,405.00	169,425.64
Other operating expenses	232,896.70	147,133.83
<b>Operating profit/loss</b>	24,482.21	58,152.43
<b>Profit before appropriations and taxes</b>	24,482.21	58,152.43
Deferred taxes	4,896.44	11,630.49
Profit/loss for the financial year	19,585.77	46,521.94

### Key indicators

	2023	2022	2021	2020
- Operating profit, %	-1.0%	1.9%	2.4%	4.6%
- Return on equity	-5.6%	9.8%	11.4%	26.7%
- Return on capital invested	-5.5%	12.6%	15.1%	34.3%
- Quick ratio	2.0	1.9	2.3	2.2
- Current ratio	0.9	0.9	0.8	0.9
- Equity ratio	32.9%	38.0%	41.1%	38.9%
- Relative indebtedness, %	27.2%	26.3%	23.9%	24.1%

# Financial Statements and Report of the Board of Directors, Signatures

Helsinki, 28 February 2024

Jukka Mönkkönen

Riitta Autere

Laura Eiro

Tua Huomo

Hannu Kempainen

Petri Myllymäki

Matti Saren

Kimmo Koski

*Managing Director*

## Auditor's report

An auditor's report was issued today.

Helsinki, 21 March 2024

KPMG Oy Ab

Juha Huuskonen

*Authorised Public Accountant (KHT, JHT)*

# List of accounting books for the financial year 1 Jan 2023 – 31 Dec 2023

Cash book

Journal

General ledger

Lists of accounts receivable

Lists of accounts payable

Sales invoices

Purchase invoices

Memoranda

Payroll summaries

Payroll receipts

Payment receipts

VAT receipts

## List of receipts

Purchase invoices

PI

Purchase orders

PO

Bank statements,

payment receipts

CR

Accounting receipts

AR

Sales invoices

SI

Sales orders

SO

Memoranda

MM

Payroll receipts

PR

Travel invoices

TI

Appendices

AP

Fixed assets

FA

## Storage methods

General journal and ledger entries and receipts are electronically archived 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 2023. 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 21 March 2024

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Juha Huuskonen  
*Authorised Public Accountant (KHT, JHT)*



**ICT Solutions for  
Brilliant Minds**



**CSC – IT Center for Science Ltd.**

P.O. Box 405, Keilaranta 14,

FI-02101 Espoo, Finland

Tel. +358 9 457 2001

[www.csc.fi](http://www.csc.fi)