

# Metsähallitus Financial Statements for the period from 1 January to 31 December 2022

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Photo: Katri Lehtola

## METSÄHALLITUS GROUP AND METSÄHALLITUS ENTERPRISE

# Board of Directors' report for the financial period 1 January–31 December 2022

Metsähallitus is a state-owned enterprise consisting of Parks & Wildlife Finland, property development and Group management. Parks & Wildlife Finland is divided into National Parks Finland and Wildlife Service Finland. Metsähallitus Group comprises the enterprise and its subsidiaries. The Ministry of Agriculture and Forestry is responsible for Metsähallitus' ownership steering. In matters related to public administration services, Metsähallitus is also steered by the Ministry of the Environment in its respective branch.

Metsähallitus uses, manages and protects the state-owned land and water areas under its control as an entity in line with the Government's real estate strategy and ownership policy guidelines. The use of areas is planned in accordance with the natural resource plans, aiming for the highest possible social benefit and cost efficiency.

Metsähallitus' business operations involve the utilisation of the potential of the land and water areas under its control. It can also engage in similar market-based activities through its subsidiaries and

affiliated companies. The enterprise engages in forestry through its subsidiary, Metsähallitus Forestry Ltd, which pays compensation to the enterprise for the right to use state-owned forests. The Government sets an annual performance target for the business, and a yield target for basic equity used for business purposes calculated on its basis, as well as a target for contribution to state revenue.

The properties under the control of Metsähallitus are the target of active property development. Property Development is responsible for leases, development, sales and purchases of properties. The overall social benefit is taken into account in Metsähallitus' property business, creating the preconditions for the companies' business activities.

Ensuring biodiversity and the prerequisites for the recreational use of nature is an important part of Metsähallitus' operations. The business units also fulfil their social obligations by creating benefits for recreational use, ecological value, employment and local culture. General social obligations place restrictions on using approx. 603,000 hectares

(599,000 hectares in 2021) of Metsähallitus' multiple-use forests. Restrictions associated with the Nature Conservation Act, Forest Act and land use also limit the use of multiple-use forests across approx. 250,000 (213,000) hectares. Metsähallitus participated in the conservation of genetic diversity as the primary manager of gene reserve forests and genetic resources collections.

Metsähallitus provides nature and hiking services, and manages species protection duties in all state-owned land and water areas. The management of national parks, wilderness areas and other protected areas is the responsibility of Parks & Wildlife Finland. This unit is responsible for the use and management of Finland's network of protected areas on state-owned land and water areas in Metsähallitus' possession, and in private nature reserves in cooperation with the owners and Centres for Economic Development, Transport and the Environment. Wildlife Service Finland is responsible for organising hunting and fishing, wilderness supervision and collecting the fisheries management fee.

## OPERATIONS DURING THE FINANCIAL YEAR

The situation in Europe changed dramatically in 2022, and Russia's attack on Ukraine had wide-ranging impacts. Problems arising from the availability of materials and services as well as inflation increased the general cost level and also had a significant effect on Metsähallitus' operations. Metsähallitus' cooperation projects with Russian parties were suspended immediately as the war broke out. Domestic demand increased as timber imports from Russia came to an end. More attention was paid to Finland's self-sufficiency which, among other things, accelerated the green transition in the energy sector.

At the end of the year, a significant contract was concluded with Vattenfall Oy on building a wind farm off Korsnäs. Metsähallitus is involved in developing the wind farm and lends its expertise to the project. This is Metsähallitus' largest project and also significant on the national scale. An international sales process was organised for this project in 2022, which attracted widespread interest. In July 2022,

the Government granted Metsähallitus permissions for the acquisition and transfer of shares in the project company associated with Korsnäs wind farm and for leasing the right to use state-owned water assets. The Ministerial Committee on Economic Policy approved a transfer model for new wind power projects in late 2021. Metsähallitus played an important role in creating the generic model for offshore wind power.

In Property Development, market demand remained at a good level in real estate and site sales. The largest development projects continued and advanced according to plan, including through projects aiming to increase the number of available sites.

For Metsähallitus Forestry Ltd, the beginning of the year was marked by uncertainty. While industrial action involving UPM affected deliveries, its effects were smaller than anticipated. Russia's war on Ukraine impacted forestry through a high price and poor availability of fertilizers, in particular, as a result of which fertilisation targets were not achieved. Inflation increased the overall price level, and logistics costs rose significantly compared to the previous year as a result of strongly increased fuel costs. The demand for wood recovered towards the end of the year, helping to compensate for the increase in costs as market prices were good. Harvest volumes during the period under scrutiny totalled 5.8 million cubic metres.

Another busy year for domestic tourism was experienced in 2022. While visitor numbers decreased once the general travel recommendations issued due to the pandemic were dropped, they remained above the pre-pandemic level. This was reflected in the use of the services provided by National Parks Finland and Wildlife Service Finland, which are Parks & Wildlife Finland's units handling public administration services. The number of visits to Parks & Wildlife Finland's destinations declined compared to the record-breaking year of 2021. The number of permits sold by Wildlife Service Finland and the days spent fishing and hunting remained high. The number of visits indicates a significant impact on local economies. Customer satisfaction remained at a high level. During the financial period, efforts to improve the service network and to carry out nature conservation measures in line with the objectives continued with the support of Future Investment funding under Prime Minister Marin's Government Programme.

## METSÄHALLITUS GROUP'S ECONOMIC DEVELOPMENT

### Metsähallitus Group

EUR million	2022	2021	2020
Turnover	423.3	367.4	340.3
Other operating income	16.1	18.1	19.4
Fixed asset transfer profits	10.2	10.6	12.1
<b>Financial result</b>	<b>150.9</b>	<b>119.9</b>	<b>114.2</b>
Investments	26.5	20.9	21.5
of which financing from public funds	9.1	5.0	5.9

### Metsähallitus Enterprise

EUR million	2022	2021	2020
Turnover	166.5	129.9	126.2
Other operating income	25.2	28.4	39.9
Fixed asset transfer profits	10.2	10.5	12.1
Central government budget funding, public administration tasks	79.5	75.9	55.5
<b>Financial result</b>	<b>144.6</b>	<b>115.1</b>	<b>127.4</b>
Investments	14.4	10.3	12.0

State budget funding allocated to public administration services was used to attain the objectives agreed upon in the performance agreement with the steering ministries.

The enterprise's balance sheet includes one item in other equity, EUR 224.8 million in total, which is not used for public administration services and which is not expected to turn a profit. The income relating to this balance sheet item was EUR 243,000 (117,000), while the expenses were EUR 119,000 (18,000) during the financial period. The income primarily consisted of rental income from public water areas.

## DEVELOPMENT OF BUSINESS OPERATIONS

The Metsähallitus Group's business operations (business units) consist of the operations of the enterprise and its subsidiaries, which are Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy. Korsvind AB Oy, a subsidiary established in 2021, did not have operations in 2022. On 19 December 2022, shares in this company were issued to Vattenfall Oy, decreasing Metsähallitus' shareholding in Korsvind Oy to 25%.

### Metsähallitus business units

EUR million	2022	2021	2020
Turnover	410.1	354.8	328.9
Other operating income	25.7	24.7	23.3
Fixed asset transfer profits	10.1	10.3	11.6
<b>Financial result</b>	<b>151.0</b>	<b>120.1</b>	<b>114.4</b>
Investments	24.4	19.7	19.5

### Metsähallitus business units, subsidiaries

EUR million	2022	2021	2020
<b>Metsähallitus Forestry Ltd</b>			
Turnover	349.0	329.8	306.1
Financial result	17.1	15.7	9.1
<b>Siemen Forelia Oy</b>			
Turnover	4.3	4.1	3.9
Financial result	1.2	1.2	1.3
<b>MH-Kivi Oy</b>			
Turnover	1.2	1.0	1.2
Financial result	0.2	0.1	0.2

The business units' turnover mainly consisted of timber sales as well as real estate sales and rental income. Turnover from forestry totalled EUR 349.0 (329.7) million, and the rest comprised rental income and sales of seeds, soil and rock materials. Asset sales revenue is mostly revenue from the sale of real property.

The increase in Metsähallitus Forestry Ltd's turnover was influenced by positive market price trends and sales that picked up late in the year. Metsähallitus Forestry's profits were reduced by a significant increase in costs compared to last year due to inflation. Good seed sales boosted the profit of Siemen Forelia Oy.

During the financial period, the business units received land areas from the State through transfers of possession and inheritance for a total value of EUR 0.3 (0.2) million.

The business units' investments were covered by cash-flow financing. The largest investments were related to property development and the improvement of roads used for forestry purposes. During the financial period, costs incurred from the construction and renovation of forest roads totalled EUR 12.1 (10.5) million.

#### Business of Metsähallitus Enterprise

EUR million	2022	2021	2020
Turnover	151.8	115.8	113.7
Other operating income	34.6	34.8	32.7
Fixed asset transfer profits	10.1	10.1	11.5
<b>Financial result</b>	<b>144.6</b>	<b>115.1</b>	<b>127.4</b>
Investments	12.3	9.2	7.2

Metsähallitus enterprise's business operations consist of property development and Group operations. The turnover mainly consisted of the Metsähallitus Forestry Ltd's compensation for the right to use forests of EUR 95.0 (95.0) million, and of property development sales revenue totalling EUR 55.3 (20.6) million. Good sales in the wind power business contributed to the business profits in 2022. Other operating income mainly consists of sales of the Group's internal services. The largest investments in the enterprise's business were associated with the acquisition of land for property development. They were covered by cash-flow financing.

#### Information on the number of fixed asset transfers, transfer prices and profits and losses

Business operations	Number	Book value	Transfer price	Profits	Transfer losses
Exchanges	7	48,726.00	48,726.00	0.00	0.00
Sales, land and water areas	203	497,620.00	10,446,654.61	9,949,097.61	63.00
Sales to Public Administration Services	1	338.00	338.00	0.00	0.00
Change in land use - to Public Administration Services	21	144,181.00	144,181.00	0.00	0.00
Other, land areas	8	3,323.00	3,323.00	0.00	0.00
<b>Total</b>	<b>240</b>	<b>694,188.00</b>	<b>10,643,222.61</b>	<b>9,949,097.61</b>	<b>63.00</b>

#### FINANCING

Metsähallitus Group's liquid funds totalled EUR 107.1 (72.8) million, and its short-term interest-bearing loans totalled EUR 24.0 (10.0) million at the end of the financial period. The enterprise secures liquidity with an uncommitted loan agreement of EUR 20 million and a commercial paper programme of EUR 50 million. At the turn of the year, EUR 20.0 (6.0) million of the uncommitted loan agreement were in use. No commercial paper programme was in use. Some of the subsidiaries have lines of credit. Metsähallitus does not engage in investment activities.

At the end of the financial period, the Metsähallitus Group had EUR 32.2 (42.2) million in long-term interest-bearing loans. The debt amount was increased by the line of credit available to Metsähallitus Forestry Ltd and the enterprise.

The Metsähallitus Group's cash flow from business operations totalled EUR 146.1 (122.8) million, and the cash flow for the enterprise totalled 125.7 (121.3) million. The cash flow from Metsähallitus Group's investments was EUR -5.6 (-5.0) million, and the cash flow from the sale of assets was EUR 17.2 (16.7) million.

During the financial period, EUR 110.0 million relating to the profit for 2021 was entered as income for the state. The cash flow from financing activities was EUR -106.1 (-105.8) million.

At the end of the financial period, the Metsähallitus Group's leasing liabilities totalled EUR 4.8 (4.6) million and were mainly related to vehicles and ICT equipment.

## SERVICE AND OTHER OPERATIONAL TARGETS SET FOR METSÄHALLITUS' BUSINESS, PROFIT AND CONTRIBUTION TO STATE REVENUE FOR THE FINANCIAL PERIOD 1 JANUARY – 31 DECEMBER, AND TARGET ACHIEVEMENT

### TARGETS SET BY PARLIAMENT FOR THE BUSINESS OPERATIONS OF METSÄHALLITUS ENTERPRISE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2022 AND THEIR ACHIEVEMENT

#### 1. Key goals and service targets set for the business

Metsähallitus' business operations are ecologically, economically and socially sustainable and produce a steady stream of income for the owner. Metsähallitus' business operations reconcile biodiversity and climate sustainability in a better way. The profitability of Metsähallitus' business operations remains at a good level. In its business operations and when steering its subsidiaries, Metsähallitus takes into account its general social obligations in compliance with the Act on Metsähallitus. The impact of taking these general social obligations into account will increase. Metsähallitus contributes to ensuring the availability of raw materials for forest bioeconomy. Metsähallitus strives to increase the value of properties used in business operations, with consideration to the overall benefits for society.

The key goals and service targets set for Metsähallitus have been taken into account in its operations. The profitability of Metsähallitus' business operations has remained at a good level, and the result generated for the owner exceeded the target in 2022. Efforts have been made to increase the value of the properties used in business operations by

developing them appropriately with consideration to demand. In its business operations, and in providing guidance to its subsidiaries, Metsähallitus has taken into account the general social obligations laid down in the Act on Metsähallitus in a way that increases the benefits. The impact of taking these general social obligations into account reduced the business profit by EUR 80.3 (79.7) million during the financial period. Metsähallitus releases a separate report, 'General social obligations', which presents a more detailed account of the content, measurement and monitoring of these obligations, along with the benefits obtained.

#### 2. Changes to basic equity

Metsähallitus' basic equity was increased by EUR 0,242 million in accordance with an authorisation granted by Parliament.

#### 3. Maximum amount for business loans

Metsähallitus is entitled to take out a maximum of EUR 50 million of external loans for its business.

Metsähallitus secures its liquidity with an uncommitted loan agreement of EUR 20 million, of which EUR 20 million was in use on 31 December 2022, and a commercial paper programme of EUR 50 million that was not used in 2022. Metsähallitus has not taken out any long-term loans for its business operations.

#### 4. Number of investments and investment commitments

Realised investments totalled EUR 12.3 million, which was less than the maximum sum of EUR 20 million set by Parliament. Investment commitments given that may cause expenditures in later financial periods totalled EUR 3.4 million of the maximum sum of EUR 20 million defined by Parliament.

#### 5. Amount of business guarantees

Metsähallitus provided EUR 0.4 million in guarantees for its operations to parties outside the Group. The authorisation granted by Parliament was EUR 2.0 million.

### GOALS SET BY THE MINISTRY OF AGRICULTURE AND FORESTRY AND THEIR ATTAINMENT

In addition to the above-mentioned objectives, the Ministry of Agriculture and Forestry defined the following objectives for Metsähallitus' business for the period 1 January–31 December 2022. The objectives were based on the ownership policy guidelines relating to Metsähallitus, which were confirmed on 28 April 2020. The ownership policy guidelines aim for better coordination of the different forms of land use and the objectives relating to sustainable forestry, supply of timber, biodiversity, recreational use and climate policy.

In practice, the ownership policy guidelines mean that Metsähallitus' forestry operations will have a strong focus on active ecological management, climate sustainability and taking recreational use into account. Alongside these measures, raw material can be supplied for the forest bioeconomy and its positive impacts on regional economies and employment can be realised in keeping with regional natural resource plans. For example, a growth target was set for Metsähallitus concerning carbon sinks and stores, according to which the objective for multiple-use forests within the scope of business operations is to increase the net carbon sink by at least 10% before 2035 by means of measures launched in the ownership policy period 2020–2024 and continued subsequently.

#### Habitat management and HELMI programme implementation

In keeping with the ownership policy, Metsähallitus continued to implement the programme of active habitat management measures in multiple-use forests launched in 2020. The habitat management programme also implements the HELMI programme. In 2022, Metsähallitus engaged in active ecological management in multiple-use forests across more than two thousand hectares. The area of mire restoration, which is a key ecological management measure, totalled 1,578 hectares, whereas herb-rich forests and sunlit environments accounted for 128 hectares, and prescribed burning or other fire

use for 438 hectares in these measures. A total of 123 stream restoration projects and removals of barriers to fish migration were completed. The cost impact of ecological management measures completed in multiple-use forests was approx. EUR 1.3 million.

#### **Ecological network development, protection of species, cooperation with environmental organisations**

There are about 100,000 ecological sites and about 30,000 known habitats where endangered species occur in the multiple-use forests controlled by Metsähallitus. Metsähallitus Forestry Ltd supplemented the landscape ecological network on state-owned lands throughout the country. During the summer, information on the landscape ecological network was updated based on topographic surveys targeted with the help of spatial data in different parts of the country. In separate updates between 2021 and 2022, 2,100 hectares of new ecological sites were identified in Southern Finland, 3,600 hectares in the Ostrobothnia-Kainuu region and 8,100 hectares in Lapland. The habitats that complemented the landscape ecological network included, in particular, forests, mires and the surroundings of small water bodies. Together with environmental organisations, Metsähallitus made efforts to intensify cooperation on the protection of endangered species and to build the necessary shared knowledge base and operating practices. During the period under review, four meetings of the national cooperation group and nine regional meetings were held with environmental organisations. The joint review covered more than 300 sites with a total surface area of almost 2,200 hectares.

#### **Extending the forest rotation period and continuous cover forest management methods**

The total area of fellings carried out in 2022 was 87,000 hectares, of which intermediate fellings accounted for 69%, periodic cover silviculture including regeneration fellings for 16%, and regeneration fellings in continuous cover forestry for 15%. The share of crown thinning operations carried out to extend the rotation period was 49% of all thinning work. An extended rotation period and continuous cover forest management methods are used on sites where they can help reconcile forest management with such pursuits as recreational use, landscape management or reindeer husbandry. Biodiversity values may also involve preserving permanent cover and avoiding the impacts of the regeneration phase on a site. Peatland regeneration primarily aims for continuous cover silviculture, always grasping any possibilities for natural regeneration. Continuous cover silviculture methods were used on 47.8% of the surface area of regeneration fellings, while continuous cover forest management methods were used across 12,883 hectares (11,800). The increase in the use of continuous cover forest management methods in 2021 and 2022 was mainly due to fellings across approx. 4,000 hectares carried out to deal with storm damage in Koillismaa in both years.

#### **Development of continuous cover forest management**

The development of forest management methods continued in the continuous cover silviculture observation areas at Rautavaara, Suomussalmi and Savukoski. Each of the areas reserved for developing continuous cover silviculture over the next 30 years is approximately 5,000 hectares in size.

Permanent growth plot arrangements launched in observation areas with Natural Resources Institute Finland produce practical information and research evidence concerning the long-term development of forests managed with selection and shelterwood cutting and small clearings. As part of maintaining the observation areas of continuous cover and to assess the development work carried out in them, a combined quality and environmental monitoring exercise was commissioned from an external evaluator, who started the field work in late summer 2022. Forest management development included participation in several projects of Natural Resources Institute Finland with the aim of improving felling techniques and silviculture measures.

#### **Development of forest management methods for peatlands**

Metsähallitus started using carbon balance estimates for drained peatlands in multiple-use forests produced with the Natural Resources Institute Finland in 2021 and continued their use in 2022. In particular, local carbon balance sheets can be used to survey sites indicating high calculated carbon emission sources in the soil. Field training on the treatment of peatlands, impacts on climate and waters as well as the carbon balance sheet's spatial data level was provided for the personnel. Natural Resources Institute Finland's Suohitu project, which is part of the Ministry of Agriculture and Forestry's Catch the Carbon project, participated in a study of the climate impacts of peatlands.

#### **Boosting carbon sequestration, fertilisation and improved forest reproductive material**

Forest fertilisation with the aim of boosting the carbon sequestration capacity and carbon storage of multiple-use forests took place across 12,824 hectares. Ash fertilisation of peatlands accounted for 6,877 hectares of this area. The fertilisation area did not reach the target of 30,000 hectares. This was due to the poor availability of mineral soil fertilisers and price increases resulting from Russia's attack on Ukraine. The problem caused by fertilisers not being available and its impacts were discussed during the year at performance guidance meetings with the Ministry of Agriculture and Forestry, and the failure to meet the target was considered justified and acceptable in the prevailing circumstances.

The full impact of the target of increasing fertilisation areas set in 2021 will be seen in forest growth and the carbon sink from 2029 onwards, when an estimated additional growth of 300,000 cubic metres per year and impact on carbon sink of 0.435 million tons of carbon dioxide equivalent per year will have been achieved. In addition to fertilisation, growth and carbon sequestration in multiple-use forests will be promoted by using selectively bred seeds. In 2022, the share of improved seed was 95% of forest reproductive material. Improved seeds are used in forest regeneration whenever possible.

#### **Carbon sink and carbon storage**

The calculated carbon storage in multiple-use forests in 2022 was 126 million tons of carbon (NFI 12: 117 million). Compared to the levels found in the 12th National Forest Inventory (NFI12) carried out in 2014–2018, the carbon sink of trees grew by 13%.

**Natural resource planning**

Natural resources planning for Metsähallitus' marine areas and for Kainuu, Central and North Ostrobothnia regions were launched in 2022 based on the long-term natural resource plan for marine areas. The planning for marine areas will promote versatile, sustainable use, sustainable business and the protection of biodiversity in marine areas. A broad-based stakeholder network participates in natural resource planning.

**Cooperation relating to reindeer husbandry**

Cooperation between Metsähallitus and the Reindeer Herders' Association continued on the basis of an agreement updated in 2021, which intensified collaboration between Metsähallitus and reindeer husbandry stakeholders. The needs of reindeer husbandry and other forms of land use are reconciled in the reindeer herding area south of the Sámi Homeland using jointly agreed procedures. Detail has been added to Metsähallitus' plans and their implementation based on feedback from the reindeer herding cooperatives.

**Consideration of the Sámi culture**

A natural resource plan for the Sámi Homeland was introduced in 2022. Metsähallitus has built up the entire personnel's knowledge of the Sámi culture considerably by such means as Akwé: Kon training, discussing the natural resource plans with the personnel, participation in the Sámi Languages Week and supporting employees who study a Sámi language. Sámi people's equality has been promoted by involving the Sámi community in assessing Metsähallitus' human rights impacts.

The results were used to update the Equality and Non-Discrimination Plan.

**Tourism cooperation**

Collaboration between Metsähallitus and other actors in key tourism areas continued, for example in form of cooperation groups. Such groups operate in Yli-Muonio, Ylläs, Luosto, Ritavaara-Miekajärvi area, whereas groups for Levi, Saariselkä and Sallatunturi are about to be established. These groups are seen as important cooperation forums that have prevented conflicts.

**Development of hiking areas and implementation of the National Nature Recreation Strategy**

A working group appointed by the Ministry of Agriculture and Forestry to develop Evo hiking area, which was chaired by Juha Niemelä, Director General of Metsähallitus, completed its work in June 2022.

The working group found that the general plan for land use and tourism in Evo completed in 2020 is a good basis for developing services in this area. The working group proposed 11 packages of measures for developing Evo hiking area. Key proposals included versatile development of services and activities by making the most of the different possibilities offered by the area, as well as a transition to forest management that increases or maintains biodiversity as well as recreational and landscape values. Stepping up cooperation between actors and raising awareness of Evo were considered important. The working group also made more general proposals for developing the hiking area concept based on the National Nature Recreation Strategy.

**Renewable energy**

Metsähallitus promotes carbon neutrality by facilitating increased production of renewable wind power in state-owned land and water areas. Preliminary data indicates that 1,490,000 Mwh of energy (980,000 Mwh) was produced in these areas in 2022. Dozens of wind farms are currently in operation on state-owned lands, with 158 installed wind power plants and 12 ongoing development projects.

Metsähallitus signed an agreement with Vattenfall on the development and construction of Finland's first offshore wind farm off Korsnäs. The design capacity of this wind farm is 1.3 GW, and its annual production is estimated to be 5 TWh. The project will be completed in the 2030s.

In late 2021, the Government adopted an auction model for offshore wind power projects in public sea areas, and further project areas are being prepared on this basis. In the year under review, a component master plan for Tahkoluoto offshore wind farm in Pori became legally valid, and the project proceeded to the concession contract stage with Metsähallitus.

**Government real estate strategy measures**

In keeping with the central government's real estate strategy (2021), Metsähallitus launched an investigation of organisations controlling state-owned properties which do not have a holder recorded in the National Land Survey's Cadastral register. As expected, the investigation report found that some of the state-owned areas currently have no holder as they were controlled by organisations which have

ceased to exist. This report to be completed in 2023 will improve the management of state-owned lands.

Metsähallitus spent EUR 1.2 million to acquire areas and buildings for Finnish Defence Forces' needs, with the areas accounting for EUR 1.0 million of that sum.

**Inputs in general social obligations**

The calculated decrease in operating profit corresponding to the benefits created based on Metsähallitus' general social obligations was estimated at EUR 80.3 (79.7) million. The change is due to timber price, which was higher than in 2021, and an increase in the amount of areas in limited use. At the beginning of 2022, a forest resource calculation was introduced for natural resource planning in the Sámi Homeland.

The use of commercial areas has been restricted; some of the areas are completely outside the scope of commercial use, while forestry activities are limited in others. The calculated decrease in turnover is determined on the basis of these factors. In order to preserve biodiversity, promote the use of nature for recreational purposes and secure favourable conditions for the practice of reindeer husbandry and Sámi traditions, commercial forestry was limited across 603,000 (16.7%) hectares of multiple use forests (599,000 hectares and 16.6%). The change in the surface area is, in particular, due to more exact definition of reindeer grazing areas in cooperation with reindeer herding cooperatives. A total of 353,000 hectares (9.8 %) were fully excluded from commercial use and 250,000 hectares (6.9 %) were in limited use. These factors reduced Metsähallitus' calculated operating profit by EUR 74.1 million.

In addition, an increase in planning costs and the limitations of property development decreased the operating profit by EUR 6.2 million in total.

The cost of coordination measures under the ownership policy and the loss of revenue effect in 2022 were calculated at EUR 17.9 million. The impact of storm damage was significant. Continuous cover forest management methods were used in an effort to remedy the storm damage, which reduced the profits by EUR 9.7 million.

#### **Use of sustainable logging potential, regional economies and job creation**

Metsähallitus' goal is to promote regional economies and employment by making full use of sustainable felling opportunities within the framework of the natural resource plans and taking into account general social obligations, climate policy objectives and the market situation. Due to industrial action in the early part of the year and sluggish demand for pulpwood in the spring, full use could not be made of the sustainable felling opportunities of 6.519 million m<sup>3</sup>. In total, the felling volume was approx. 2.2 cubic metres less than the maximum potential felling volume in regional natural resource plans for the period under review. Full investments were made in forest management and road construction, with the exception of fertilisation and young stand management, in which entrepreneurs' lack of resources resulted in a shortfall of 10%.

#### **Operating profit and dividend payment target for the financial period 1 January to 31 December 2022.**

The profit of the enterprise totalled EUR 144.6 million (115.1). The result met the target set at EUR 119.5 million. The target for return on investment for the basic equity of the enterprise was 4.1%, while the actual figure was 6.0%.

The Ministry set EUR 119.0 million as the target for income generated for the state out of the profit and retained earnings for the period 2022, to be paid during the year 2023. When adopting the financial statements, the Finnish Government will make its final decision on the sum to be entered as income for the state. The retained earnings from business operations entered in the balance sheet of the enterprise totalled EUR 170.2 million at the end of the financial period, of which profit for the period was EUR 144.6 million.

The long-term objective set by the Ministry is to maintain business profitability at a good level. Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy made a profit during the financial period. The profitability of Metsähallitus' business and business units improved in 2022 compared to 2021.

#### **PARKS & WILDLIFE FINLAND – PUBLIC ADMINISTRATION SERVICES**

Parks & Wildlife Finland, which is part of Metsähallitus' enterprise, is responsible for managing the public administration services of Metsähallitus. Separate financial statements are prepared for Parks & Wildlife Finland, as part of Metsähallitus Group's financial statements.

Parks & Wildlife Finland's turnover consists of the income from operations related to public administration services which are subject to a charge. Fishing and hunting licences account for most of such income. Funding received from state budgets amounted to EUR 79.5 (75.9) million. The value of land and water areas used for public administration services was EUR 1,042.1 (1,027.9) million. The value of built property was EUR 7.9 (13.8) million. The decrease in the value of the built property is due to the correction of investment aid entries made in the accounts. During the financial year, the book values of fixed assets were adjusted to the actual acquisition cost for all items, taking into account the investment aid received. Consequently, fixed assets were valued consistently on 31 December 2022. The built property includes the buildings and service structures in national parks and protected areas, and buildings on cultural heritage sites. Other equity related to public administration services increased during the financial period. Transfers of possession added EUR 14.2 (17.8) million to the balance sheet. There is no yield target for the equity of Parks & Wildlife Finland. The areas used by Parks & Wildlife Finland for which no yield target has been set total 4.4 million hectares.

The funding of Parks & Wildlife Finland is managed separately from the Group's other funding. Cash flow from operations during the period showed a surplus

of EUR -15.5 (8.7) million. Liquid funds at the end of the financial period totalled EUR 38.2 million.

Public administration services are managed by Nuuksiokeskus Ltd, a subsidiary owned by Metsähallitus. The company's result of EUR -137,000 (-188,000) has been integrated into the consolidated financial statements.

#### **METSÄHALLITUS GROUP PERSONNEL**

The increase in payroll costs compared to 2020 was mainly due to the higher number of fixed-term employees in Parks & Wildlife Finland hired in order to attain the objectives of the Ministry of the Environment's administrative branch. The Group has no employees abroad.

All of Metsähallitus' employees are part of a profit-sharing system. The bonus criteria are linked to objectives set annually for the financial result and the quality and impacts of operations. The maximum personnel bonus is 10% of the annual total payroll. Achievement of the financial result triggers the payment of the bonus. Decisions on bonus payments are made by Metsähallitus' Board of Directors.

#### **Metsähallituskonsernin palkat ja palkkiot**

milj. euroa	2022	2021	2020
Palkat ja palkkiot	60,5	61,7	50,5
josta liikelaitoksen palkat ja palkkiot	43,1	43,2	32,5

Metsähallitus continued to implement its personnel policy. The operational focus areas in line with the new strategy are competence and building a good workplace. Personnel development was informed by shared competence needs identified in the strategy process, and it took the form of various trainings addressed to the entire personnel, among other things. Completing certain training courses was one of the personnel's performance bonus criteria.

The training aimed to promote digital and work community skills, for instance, as well as understanding of the significance of corporate responsibility. The entire personnel was engaged in preparing management principles in the year under review. All supervisors were offered coaching on good management practices.

A new pay regime for staff members was introduced during the year, with the aim of achieving fairer pay. No unjustified gender pay gaps were observed as the regime was introduced, and the dispersion of pay within the job requirement groups had decreased.

The annual personnel survey was conducted in the autumn. Its findings indicate that Metsähallitus' employee experience had developed positively. The atmosphere in Metsähallitus is seen as positive to development, and mutual support between colleagues is strong. Meaningfulness of work, expertise and commitment to Metsähallitus emerged strongly in the survey.

<b>Employees on 31 December 2022</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Number of employees</b>			
Total number of employees		1,218	1,154
permanent		944	950
fixed-term		274	204
<b>Employees by business unit and subsidiary</b>			
Metsähallitus Forestry Ltd	353	384	421
Public administration services	614	638	554
Group units	122	124	125
Metsähallitus Property Development	65	59	40
Siemen Forelia Oy	13	13	13
MH-Kivi Oy	0	0	1
<b>Number of employees at the head office</b>	<b>199</b>	<b>175</b>	<b>158</b>
<b>Number of employees outside the head office</b>	<b>968</b>	<b>1,043</b>	<b>996</b>
<b>Person-years</b>	1,244	1,282	1,142
Person-years by business unit and subsidiary			
Metsähallitus Forestry Ltd	379	415	441
Public administration services	666	677	526
Group units	124	118	121
Metsähallitus Property Development	62	59	39
Siemen Forelia Oy	13	13	14
MH-Kivi Oy	0	0	1
<b>Average age of employees, permanent</b>	<b>50</b>	<b>51</b>	<b>51</b>
<b>Gender distribution</b>			
Women, %			
Permanent and fixed-term, total	39	37	36
Men, %			
Permanent and fixed-term, total	61	63	64

## GOVERNANCE AND MANAGEMENT

Metsähallitus' Board of Directors is elected for a three-year period. For the period 1 April 2022 – 31 March 2025, Päivi Huotari was selected Chair and Sanna Paanukoski Vice Chair of the Board of Directors, and Tanja Joonaa, Jussi Saukkonen, Tuija Suur-Hamari, Ismo Tiainen, Roope Uusitalo and Keijo Kallunki (personnel representative) were appointed Board Members.

Until 31 March 2022, Timo Laitinen was Chair and Sanna Paanukoski Vice Chair of the Board, while Board Members were Johanna Ikäheimo, Simo Rundgren, Jussi Saukkonen, Ismo Tiainen, Liisa Tyrväinen and Pekka Hautala (personnel representative).

The Audit Committee was chaired by Jussi Saukkonen, and Sanna Paanukoski and Simo Rundgren were its members until 31 March, whereas Ismo Tiainen and Tuija Suur-Hamari took over as members on 1 April 2022.

Until 31 March 2022, Timo Laitinen chaired the Personnel Committee, and its members were Johanna Ikäheimo and Liisa Tyrväinen. Päivi Huotari has chaired this Committee since 1 April 2022, while Tanja Joonaa and Roope Uusitalo have served as its members.

The Board of Directors met 16 times in 2022, the Audit Committee 13 times and the Personnel Committee 9 times.

Juha Niemelä served as Director General of Metsähallitus. Metsähallitus' Management Group consisted of Juha Niemelä, Director General; Jukka Bisi, Director, Game and Fisheries from 1 April 2022; Tuomas Hallenberg, Director, Property Development; Henrik Jansson, Executive Director, Parks & Wildlife Finland; Terhi Koipijärvi, Director, Communications, Responsibility and Strategy until 16 August 2022; Jussi Kumpula, Managing Director, Metsähallitus Forestry Ltd; Päivi Lazarov, acting Communications Manager from 17 August 2022; Heli Lehtonen, Financial Director; Susanna Oikarinen, General Counsel; Anna-Leena Ruuth, Director of Information Management; Jyrki Tolonen, acting Director, Game and Fisheries until 31 March 2022; and Terhi Vires, Director, Human Resources. Jukka Bisi, Director, Game and Fisheries was on job alternation leave and leave of absence from 24 May 2021 until 31 March 2022.

Metsähallitus' auditor is KPMG Oy Ab, with Jorma Nurkkala, Authorised Public Accountant, Chartered Public Finance Auditor serving as principal auditor and Outi Koskinen, Authorised Public Accountant, Chartered Public Finance Auditor, as the other principal auditor.

The salaries and fees paid to the Board and Managing Director totalled EUR 543,526 (439,278) during the financial period.

## CORPORATE GOVERNANCE OF METSÄHALLITUS

Metsähallitus has posted a description of its corporate governance, approved by the Board of Directors, on its website. The description outlines matters such as Metsähallitus' legal status, the Group's basic structure, ownership steering, the steering of public administration services, the Board of Directors, the Management Group, remuneration, internal supervision, auditing and external audit functions, and communications.

## RESPONSIBILITY

Corporate social responsibility is a built-in part of all activities at Metsähallitus that guides and supports the achievement of objectives. Metsähallitus is committed to promoting the UN's Sustainable Development Goals (2030 Agenda) and the UN Guiding Principles on Business and Human Rights in our work. Metsähallitus' responsibility goals are recorded in the responsibility programme, which has four focus areas: leadership, the environment, people and society. The results of the responsibility programme are described in Metsähallitus' annual report and social responsibility report.

In the focus area of Leadership, the building of an operating model for foresight, especially from the perspective of future EU legislative requirements, continued in 2022. An extensive responsibility training course was organised for Metsähallitus personnel, which was part of the training package tied to the performance bonuses. Towards the end of the year, preparations for merging the responsibility and environmental policies started with the aim of more straightforward management.

A risk management reform was launched in Metsähallitus in late 2022 to integrate risk management more closely with the operations. This reform will respond to the growing challenges of risk management as the volume of information and amount of ESG requirements mount.

The focus area of the Environment comprises measures related to environmental management, Metsähallitus' Climate Programme and the promotion of biodiversity and mitigation of biodiversity loss. Metsähallitus has a certified environmental management system based on the international ISO 14001 standard, which guides the management of environmental issues. Metsähallitus Forestry Ltd has a certified energy efficiency management system, ETJ+. Commercially exploited multiple-use forests are PEFC certified, and the timber supplied by Metsähallitus also meets FSC Controlled Wood criteria.

External audits of the environmental system conducted in 2022 focused on not only the functioning of the management system and the environmental system but also sustainable tourism. The audits found two minor deviations in the activities of Parks & Wildlife Finland. Measures to address these deviations are in progress. In the sphere of environmental management, detail was added to policies on strategic environmental objectives, in which not only management but also responsibility and compliance were emphasised. The Climate Programme measures and restoration and ecological management work progressed in line with the objectives.

In the focus area of People, a human rights impact assessment covering all activities of Metsähallitus was conducted. The results will be used to determine the focus areas, objectives and indicators of human rights work and to increasingly integrate human rights into responsible activities. The roadmap drawn up in connection with the assessment contains measures for addressing human rights impacts. Metsähallitus' Diversity, equality and non-discrimination plan was updated for 2023–2026. Its aims include promoting a diverse and equal work community. Diversity, equality and non-discrimination are also accounted for in services for customers, partners and stakeholders.

In the focus area of Society, value generated through strategy implementation and responsible action was at the centre. An ESG assessment covering environmental and social responsibility as well as good governance that meets international criteria was introduced as part of the partner selection process.

## RISK MANAGEMENT

The goal of risk management is to ensure the achievement of the targets set for Metsähallitus and uninterrupted continuity of operations. Metsähallitus takes a moderate stance on risk-taking.

A risk management process is in place, which includes regular assessment of risks and measures taken to manage them at the group and unit level. The significance of risks is assessed as a combination of the probability and impact of the risk. Implementation of risk management measures is the responsibility of the unit in which the risks occur. Regular reports on the risks are produced for Metsähallitus'

Board of Directors and its Audit Committee, which supervise the effectiveness and coverage of Metsähallitus' risk management.

The Board of Directors approves the risk management policy. Director General is responsible for the effectiveness and organisation of risk management and compliance. The Head of Risk Management owns the risk management process and is accountable for the development, guidance and reporting models of risk management in the Metsähallitus Group as well as for supporting the organisation's risk management. The directors of the business units and subsidiaries are responsible for risk management in their respective areas in keeping with Group guidelines and the risk management process.

Internal auditing is an important part of risk management, among other things to ensure the effectiveness of internal controls. Metsähallitus has outsourced its internal audit. The annual audit plan is compiled with the outsourcing partner, then processed by the Audit Committee and confirmed by the Board of Directors. Internal audit findings are discussed with the audited unit as well as by the Group's Management Group and the Board of Directors' Audit Committee. The recommendations provided in the audit are taken into account in the operations and their development. The manager of the unit being audited is responsible for implementing the recommendations. Compliance with internal audit recommendations is monitored in an annual follow-up audit. The audits performed during the financial period primarily focused on reviewing basic functionalities.

### Year 2022 and risk management

The operating environment became significantly more challenging in 2022. As a result of the geopolitical situation, additional investments were made in securing operations. A new operating model based on multi-locational work was launched as the COVID-19 pandemic receded. The new modes of working set new requirements for risk management and necessitated active management in order to ensure the work organisation's productivity, well-being at work and compliant processing of data. Key development areas identified during the year include the processing and use of risk management data and better performance in maintaining a common situational picture. Ensuring compliance supports the achievement of objectives. Extensive regulatory development will require proactive development of activities.

Responsibility risks and their management are a part of comprehensive risk management. Efforts to map and analyse the responsibility and compliance risks continued in 2022, and an assessment of human rights impacts was conducted.

The risks associated with measures are assessed and methods for managing them specified as part of operational planning to implement the strategy. Risk management activities are monitored as part of the monitoring of measures.

Practical implementation of Metsähallitus' Climate Programme and efforts to prevent risks related to climate change were taken into account when planning the use of multiple-use forests, in the instructions for their management and treatment,

and when developing the functionalities and spatial data content of the forest resource and planning system.

Particular attention was paid to risk management in the context of offshore wind power project development. Risk management related to project development supported the reform of risk management at Metsähallitus and brought up new requirements for operations.

With regard to managing the COVID-19 situation, the Management Group was supported by a preparation group operating under the Head of Risk Management. The group was responsible for monitoring the situation and for formulating Metsähallitus' COVID-related instructions and operating models. As the coronavirus pandemic receded, the group was disbanded. An analysis of the impacts of the pandemic and leadership during it was launched towards the end of the year in order to develop the activities based on experience.

### Key risks

The effects of climate change and a decline in biodiversity have a broad impact on Metsähallitus' operations. These global risks and their impacts are taken into account in the activities.

For Metsähallitus, key risks include negative development of timber and property prices and a decrease in demand. The strong increase in wind power generation and major projects, especially in sea areas, require new expertise and resources from Metsähallitus.

Failure to reconcile various activities as well as objectives and intents related to the state-owned land and water areas managed by Metsähallitus may have an effect on attaining the targets. Any imbalance between the targets set for Metsähallitus and the available resources puts at risk, or even prevents, target achievement.

Key responsibility risks include the potential negative impact of operations on biodiversity and climate change as well as the rights of indigenous peoples; failure to reconcile the different needs of society and ensure equality; possible shortcomings in the implementation of human rights throughout the value chain; and shortcomings in compliance. In addition, possible deviations from the agreed and communicated operating models have been identified as both responsibility and reputation risks. Competence related to responsibility and compliance has been developed by providing the personnel with additional instructions and training.

The impacts of climate change on natural conditions, adapting to the changes and mitigating the negative impacts are very important factors in Metsähallitus' activities and operating environment. Climate change exacerbates the risks of damage caused by storms and forest pests. Storm damage presents challenges for timber harvesting and increases financial risk as the value of timber declines and costs rise. Changes in off-road conditions can also hamper the personnel's operative work in the terrain and increase the risk of accidents.

Metsähallitus maintains information on risks related to contaminated sites. These risks are classified as primary and secondary responsibilities in accordance with the relevant legislation. Metsähallitus mainly bears secondary responsibility. The statement on contaminated soils is updated on a regular basis.

More attention will be paid to risks associated with customer safety in Metsähallitus' services; for example, poor condition of service structures or inadequate signposting can cause hazardous situations. Funding granted to Parks & Wildlife Finland made it possible to improve the condition of structures and reduce safety risks to customers. Any future decrease in the level of funding may have a negative impact on safety at the destinations and subsequently also on the possibilities for providing services.

Many potential benefits have been identified in relation to promoting digitalisation in Metsähallitus. There is still a risk that the benefits will not be fully realised if the organisation is unable to commit to changes and acquire the necessary new competence.

The risks associated with data and cyber security continue to increase. An increase in undesirable network traffic was observed in 2022. Metsähallitus' services were targeted by a denial of service attack, but its impacts remained short-lived.

If these risks were realised, operations could be disrupted, or information could fall into the hands of unauthorised parties. The importance of information management and protecting information system operations will continue to increase. On the other hand, Metsähallitus' ability to increase the openness of its operations and to develop use of its data resources requires further measures.

### **KEY EVENTS AFTER THE FINANCIAL PERIOD**

The operations of Metsähallitus and the Group ran according to plan in the first part of 2023, and the activities have not involved events with substantial impact on the Group's profit or balance position.

### **OUTLOOK AND GOALS SET BY THE OWNER FOR 2023**

The national economic outlook influences the operations of the Metsähallitus Group in various ways. Financial performance is largely dependent on the development of demand for and prices of timber. The outlook on the demand side in Metsähallitus' other key business area, the property business, is significantly affected by land-use planning and other permit processes. The business targets and activities are based on a performance agreement for 2023 concluded with the steering ministry.

The targets set for Parks & Wildlife Finland are based on performance agreements concluded with the steering ministries. A significant increase in Metsähallitus' funding for public administration services will continue to affect activities in 2023, in which implementation of measures as planned will be emphasised.

### **BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF RETAINED EARNINGS**

Metsähallitus Enterprise's retained earnings total EUR 170,226,427.53, of which the profit for the financial period is EUR 144,560,259.63.

The Enterprise's retained earnings total EUR 170,226,427.53, of which the profit for the financial period is EUR 144,560,259.63.

The retained earnings of Parks & Wildlife Finland were EUR 0.00, and the profit for the financial period was EUR 0.00. The profit of the financial period and the profit of the previous financial period have been transferred to the Other equity of Parks & Wildlife Finland.

The Board of Directors proposes that EUR 120,000,000.00 of the operating profit be paid in dividends to the state.

The Board of Directors proposes that the dividend be paid in accordance with the plan approved by the Ministry of Agriculture and Forestry, which is based on cash flow from Metsähallitus' operations.

# Profit and loss account

EUR	Note	Metsähallitus Group 1 Jan–31 Dec 2022	Metsähallitus Group 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021
TURNOVER	1.1	423 320 253.57	367 398 202.41	166 535 682.19	129 892 967.57
Other operating income	1.2	16 092 953.20	18 134 779.53	25 209 764.96	28 365 542.28
Financing for other operations from the State budget	1.3	79 463 502.29	75 929 962.80	79 463 502.29	75 924 962.80
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		9 636 242.01	7 614 958.77	5 096 428.99	1 397 089.68
Variation in inventories		440 704.50	-1 715 434.67	0.00	73 679.98
External services		208 680 629.08	173 337 075.66	26 370 595.48	9 528 006.60
Raw materials and services, total		218 757 575.59	179 236 599.76	31 467 024.47	10 998 776.26
Staff expenses					
Wages and salaries	1.4	60 536 232.86	61 715 308.94	43 146 679.43	43 127 366.69
Social security expenses					
Pension expenses		9 662 935.43	10 150 302.88	6 971 917.25	7 464 728.84
Other social security expenses		2 094 165.97	2 945 914.63	1 417 465.85	2 083 596.01
Staff expenses, total		72 293 334.26	74 811 526.45	51 536 062.53	52 675 691.54
Depreciation, amortisation and impairment					
Depreciation, amortisation and impairment in total	1.5	11 501 217.13	10 084 044.36	4 068 404.50	3 745 728.54
Other operating costs	1.6	50 559 632.29	63 204 045.78	41 776 877.56	53 944 736.89
<b>OPERATING PROFIT</b>		<b>165 764 949.79</b>	<b>134 126 728.39</b>	<b>142 360 580.38</b>	<b>112 818 539.42</b>
Financial income and expenses					
Income from other investments under non-current assets		62 049.25	34 142.06	12 162 049.25	11 634 142.06
Other interest and financial income		60 074.23	40 303.85	33 035.40	24 801.11
Interest and other financial expenses		747 604.87	533 092.97	247 443.32	118 535.40
Reversal of reductions in value of investments held as non-current assets		0.00	0.00	0.00	300 000.00
Financial income and expenses in total	1.7	-625 481.39	-458 647.06	11 947 641.33	11 840 407.77
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>		<b>165 139 468.40</b>	<b>133 668 081.33</b>	<b>154 308 221.71</b>	<b>124 658 947.19</b>
Income taxes		14 100 973.33	13 661 678.05	9 561 992.55	9 447 970.65
Transfer of the profits of Public Administration Service to Equity		-185 969.53	-136 667.89	-185 969.53	-136 667.89
Minority share		43 666.41	60 060.39	0.00	0.00
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>150 896 191.95</b>	<b>119 929 795.78</b>	<b>144 560 259.63</b>	<b>115 074 308.65</b>

# Balance sheet, assets

EUR	Note	Metsähallitus Group 31.12.2022	Metsähallitus Group 31.12.2021	Enterprise 31.12.2022	Enterprise 31.12.2021
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Intangible rights		40 672,25	55 924,35	0,00	0,00
Other intangible assets		4 936 514,44	3 986 466,69	3 681 170,39	1 799 064,33
Advance payments and work in progress		1 293 792,00	2 179 394,14	1 293 792,00	2 179 394,14
Intangible assets in total		6 270 978,69	6 221 785,18	4 974 962,39	3 978 458,47
Tangible assets					
Land and water areas		3 938 185 522,20	3 922 234 447,77	3 936 971 768,85	3 920 766 125,32
Roads		68 411 150,05	63 094 481,44	20 887 702,17	21 828 213,81
Buildings and structures		22 417 562,42	28 792 950,56	10 148 407,31	16 309 603,57
Machinery and equipment		770 480,40	959 693,32	119 529,09	207 699,77
Other tangible assets		139 796,08	161 632,20	10 599,04	10 599,04
Advance payments and work in progress		4 165 822,37	4 774 226,94	4 144 955,24	4 774 226,94
Tangible assets in total		4 034 090 333,52	4 020 017 432,23	3 972 282 961,70	3 963 896 468,45
Investments					
Shares in Group's subsidiaries	1.9	0,00	0,00	49 725 635,81	49 725 635,81
Holdings in associated undertakings	1.9	1 470 031,48	0,00	1 470 031,48	0,00
Other shares and holdings	1.10	1 419 155,79	1 435 050,79	1 828 028,20	1 843 923,20
Investments in total		2 889 187,27	1 435 050,79	53 023 695,49	51 569 559,01
<b>NON-CURRENT ASSETS IN TOTAL</b>		<b>4 043 250 499,48</b>	<b>4 027 674 268,20</b>	<b>4 030 281 619,58</b>	<b>4 019 444 485,93</b>

EUR	Note	Metsähallitus Group 31.12.2022	Metsähallitus Group 31.12.2021	Enterprise 31.12.2022	Enterprise 31.12.2021
CURRENT ASSETS					
Inventories					
Finished products		13 672 206,60	15 079 394,96	0,00	1 003 504,47
Work in progress		685 524,00	722 544,60	0,00	0,00
Inventories in total		14 357 730,60	15 801 939,56	0,00	1 003 504,47
Receivables					
Non-current receivables					
Other receivables	1.11	4 175 015,72	4 175 015,72	3 000 000,00	3 000 000,00
Non-current receivables in total		4 175 015,72	4 175 015,72	3 000 000,00	3 000 000,00
Current receivables					
Accounts receivable		44 877 852,95	39 840 275,77	2 500 203,14	2 086 915,58
Receivables from Group's subsidiaries	1.12	0,00	0,00	215 185,77	175 487,22
Other receivables	1.13	332 771,83	1 325 600,20	228 621,94	483 886,01
Prepayments and accrued income	1.14	5 839 946,26	5 497 556,27	5 541 665,24	4 990 140,71
Current receivables in total		51 050 571,04	46 663 432,24	8 485 676,09	7 736 429,52
Cash in hand and at banks		107 126 876,94	72 799 758,70	106 003 717,41	71 870 707,44
<b>CURRENT ASSETS IN TOTAL</b>		<b>176 710 194,30</b>	<b>139 440 146,22</b>	<b>117 489 393,50</b>	<b>83 610 641,43</b>
<b>ASSETS IN TOTAL</b>		<b>4 219 960 693,78</b>	<b>4 167 114 414,42</b>	<b>4 147 771 013,08</b>	<b>4 103 055 127,36</b>

# Balance sheet, equity and liabilities

EUR	Note	Metsähallitus Group 31.12.2022	Metsähallitus Group 31.12.2021	Enterprise 31.12.2022	Enterprise 31.12.2021
EQUITY AND LIABILITIES					
EQUITY					
	1.15				
Basic equity		2 592 060 830,84	2 591 818 700,84	2 592 060 830,84	2 591 818 700,84
Other equity		224 811 631,77	224 811 631,77	224 811 631,77	224 811 631,77
Other equity of Public Administration Service		1 067 931 938,46	1 059 017 806,23	1 067 931 938,46	1 059 017 806,23
Retained earnings		37 462 334,80	27 532 675,82	25 666 167,90	20 591 859,25
Profit for the financial year		150 896 191,95	119 929 795,78	144 560 259,63	115 074 308,65
<b>EQUITY IN TOTAL</b>		<b>4 073 162 927,81</b>	<b>4 023 110 610,44</b>	<b>4 055 030 828,60</b>	<b>4 011 314 306,74</b>
MINORITY SHARE	1.16	4 653 460,33	4 697 126,73	0,00	0,00
PROVISIONS					
Other provisions	1.17	2 838 285,57	1 135 418,16	2 101 810,00	174 310,00
LIABILITIES					
Non-current liabilities					
	1.18				
Loans from financial institutions		32 187 440,37	42 236 073,58	0,00	0,00
Other liabilities		0,00	52 000,00	0,00	52 000,00
Non-current liabilities in total		32 187 440,37	42 288 073,58	0,00	52 000,00
Current liabilities					
	1.19				
Loans from financial institutions		24 000 000,00	10 000 000,00	20 000 000,00	6 000 000,00
Advances received		25 879 806,83	44 823 158,64	25 430 894,61	44 810 985,37
Accounts payable		16 434 746,40	13 476 797,26	6 999 384,16	6 301 143,87
Debts to Group's subsidiaries	1.20	0,00	0,00	14 536 880,04	13 944 170,74
Other liabilities	1.21	16 627 333,46	7 948 444,39	7 239 302,08	7 096 837,17
Accruals and deferred income	1.22	24 147 159,30	19 604 436,23	16 431 913,59	13 361 373,47
Deferred tax liabilities		29 533,71	30 348,99	0,00	0,00
Current liabilities in total		107 118 579,70	95 883 185,51	90 638 374,48	91 514 510,62
<b>LIABILITIES IN TOTAL</b>		<b>139 306 020,07</b>	<b>138 171 259,09</b>	<b>90 638 374,48</b>	<b>91 566 510,62</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>		<b>4 219 960 693,78</b>	<b>4 167 114 414,42</b>	<b>4 147 771 013,08</b>	<b>4 103 055 127,36</b>

# Cash flow statement

EUR	Metsähallitus Group 1 Jan–31 Dec 2022	Metsähallitus Group 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021
<b>CASH FLOW FROM BUSINESS OPERATIONS</b>				
Payments from sales	418 291 486,55	358 653 300,64	166 998 243,02	133 448 911,31
Payments from other operating income	5 344 998,93	9 585 756,09	14 473 980,27	19 192 124,95
Payments from operating charges	-343 509 354,57	-307 028 875,92	-138 839 630,45	-109 083 968,61
Cash flow from business operations, before financial items and taxes	80 127 130,91	61 210 180,81	42 632 592,84	43 557 067,65
Interest paid and other financial expenses	-747 604,87	-533 092,97	-247 443,32	-118 535,40
Interest income from business operations	59 959,34	40 303,85	33 035,40	24 801,11
Dividends received	62 164,14	34 142,06	12 162 049,25	11 634 142,06
Direct taxes	-12 892 853,87	-13 916 127,10	-8 338 004,42	-9 718 288,37
Cash flow before the State's budget funding	66 608 795,65	46 835 406,65	46 242 229,75	45 379 187,05
State's budget funding for other operations	79 463 502,29	75 929 962,80	79 463 502,29	75 924 962,80
<b>Cash flows from operating activities</b>	<b>146 072 297,94</b>	<b>122 765 369,45</b>	<b>125 705 732,04</b>	<b>121 304 149,85</b>
<b>INVESTMENTS</b>				
Purchase of environmental protection areas, shares	26 157,94	375 119,68	26 157,94	375 119,68
Purchase of fixed assets, funding by Ministry	-8 543 411,23	-4 338 972,77	-8 543 411,23	-4 338 972,77
Purchase of fixed assets, other funding	-574 286,44	-959 827,17	-574 286,44	-959 827,17
Investments in tangible and intangible assets	-21 427 880,09	-21 338 461,19	-10 859 997,60	-10 614 031,39
Profits for the sale of tangible and intangible assets	17 253 365,08	16 721 600,55	17 188 840,48	16 293 125,86
Purchase of other investments held as non-current assets	-1 470 031,48	0,00	-1 470 031,48	0,00
Shareholder investment in/return on environmental protection areas and shares	-26 157,94	-375 119,68	-26 157,94	-375 119,68
Investment aid received	9 117 697,67	4 964 740,77	9 117 697,67	4 964 740,77
<b>Cash flows from investing activities</b>	<b>-5 644 546,49</b>	<b>-4 950 919,81</b>	<b>4 858 811,40</b>	<b>5 345 035,30</b>
<b>FINANCING</b>				
Change in other non-current, interest-bearing loans	-10 048 633,21	8 236 073,58	0,00	0,00
Change in other non-current, non-interest-bearing loans	-52 000,00	0,00	-52 000,00	0,00
Change in current loans from financial institutions	14 000 000,00	6 000 000,00	14 000 000,00	6 000 000,00
Change in Group loans to subsidiaries	0,00	0,00	-379 533,47	2 825 885,63
Contribution to State revenue	-110 000 000,00	-120 000 000,00	-110 000 000,00	-120 000 000,00
<b>Cash flows from financing activities</b>	<b>-106 100 633,21</b>	<b>-105 763 926,42</b>	<b>-96 431 533,47</b>	<b>-111 174 114,37</b>
<b>CHANGE IN LIQUID FUNDS</b>	<b>34 327 118,24</b>	<b>12 050 523,22</b>	<b>34 133 009,97</b>	<b>15 475 070,78</b>
Liquid funds on 1 Jan	72 799 758,70	60 749 235,48	71 870 707,44	56 395 636,66
Liquid funds on 31 Dec	107 126 876,94	72 799 758,70	106 003 717,41	71 870 707,44
<b>Net change in cash and cash equivalents</b>	<b>34 327 118,24</b>	<b>12 050 523,22</b>	<b>34 133 009,97</b>	<b>15 475 070,78</b>

# Notes to the financial statements 2022

The financial statements for 2022 were prepared in compliance with the Act on Metsähallitus (234/2016) and Government Decree (1368/2016).

The financial statements cover the period from 1 January to 31 December 2022, and the comparative information dates from the previous financial year, 1 January to 31 December 2021.

## METSÄHALLITUS GROUP AND ENTERPRISE

Metsähallitus Group includes the business operations of Metsähallitus enterprise and the Public Administration Services (Parks & Wildlife Finland) as well as the subsidiaries Metsähallitus Forestry Ltd, MH-Kivi Oy, Siemen Forelia Oy and Nuuksiokeskus Oy. Korsvind AB Oy, a subsidiary established in 2021, did not have operations in 2022. On 19 December 2022, the company issued shares to Vattenfall Oy, after which Metsähallitus' shareholding in Korsvind Oy is 25%.

The business units are Metsähallitus enterprise and its subsidiaries, Metsähallitus Forestry Ltd, MH-Kivi Oy and Siemen Forelia Oy.

Nuuksiokeskus Oy is a subsidiary of the Public Administration Services.

## STATE BUDGET FINANCING FOR THE PUBLIC ADMINISTRATIVE SERVICES

In the enterprise's profit and loss account, financing received from the State budget is reported as income on an accrued basis, matching it with the expenses (excluding depreciations), expense

adjustments and the acquisition costs of fixed assets subject to wear and tear for the accounting period. Financing received during the financial period for incomplete buildings and other fixed assets is entered as acquisition cost deductions. The notes on Parks & Wildlife Finland present the financing received from the State budget.

## VALUATION AND ALLOCATION PRINCIPLES

### Non-current assets

By a Government decision (27 October 2016), state-owned land and water assets were transferred into the possession of Metsähallitus' enterprise on 15 April 2016, as defined in the new Act. Other assets of the enterprise and public administration services were transferred at book value. Simultaneously, the basic equity of the enterprise was increased, and the losses associated with the public administration services from the previous financial year, and the loss for the first part of the year 2016, were transferred as a reduction in other equity related to the public administration services.

In addition, the so-called other land and water assets, areas dedicated to traditional sources of livelihood and most public water areas were transferred from the public administration services to the enterprise in the accounts.

Following this, all assets transferred into or from the possession of the enterprise without a consideration were measured at fair value upon the transfer. Once the enterprise has received a decision on the transfer of assets and an auditor's report, the

assets will be recorded as having been added to or deducted from the asset account of the balance sheet. The counter item is "Equity adjustment" under "Other liabilities" on the balance sheet, from which the transfer to or from basic equity is performed after the ministry has issued its decision on the change in basic equity.

Assets transferred to or from the public administration services without consideration were measured at the book value of the transferor. The transfer of assets is recorded on the basis of the received decision on transfer into or out of the asset account of the balance sheets. The counter item is Other equity of Parks & Wildlife Finland.

Other non-current assets that can be depreciated are recorded in the acquisition cost, from which depreciations are deducted according to plan. Asset items are depreciated using the straight-line method, over their estimated useful life. Depreciations, for a decrease in substance, have been performed for the remeasured gravel resources.

Parks & Wildlife Finland's procurements of fixed assets are mainly covered by budget financing from public funds. Since 2012, corresponding investment aid has been entered in the accounts. Before 2012, investment aid was not recorded, and the costs were recognised in gross amounts in the balance sheet and the investment aid received was entered as income in the profit and loss account for that year. In 2022, the book values of fixed assets were adjusted in accordance with investment aids received by recording EUR 4.3 million from buildings in basic

equity. Consequently, fixed assets were valued consistently on 31 December 2022.

## VALUATION OF CURRENT ASSETS

### Inventories

The immediate acquisition cost of inventories remaining at the end of the accounting period has been activated. If the probable acquisition cost or net realisable value of the inventories is less than the acquisition cost during the accounting period, the difference is recorded as an expense.

The valuation principle for seed stock that is part of the public administration services was changed in financial year 2022, and the funding received for the acquisition of seed stock is now allocated to the acquisition cost. The value of the seed stock, EUR 1 million, was recorded in the basic equity on 31 December 2022, and in the future only the actual acquisition cost incurred from it will be presented as stock value.

## COMPARABILITY WITH THE PREVIOUS YEAR

The entry practice was altered in part at the beginning of 2022 regarding premises costs. From the beginning of 2022, the costs of real estate in operational use previously recorded in other business expenses have been entered in the material and services group. The figures for the reference year 2021 have not been made comparable, as the changes are not essential in terms of the whole.

# Notes to the consolidated financial statements

All companies owned at the end of the year are included in the consolidated financial statements.

The consolidated financial statements have been prepared using the purchase method.

Internal Group transactions, as well as internal Group receivables and liabilities, have been eliminated.

The Group's calculated deferred tax assets are presented in the notes.

Minority shares have been separated from equity and profit for the financial year and presented as separate items in the consolidated profit and loss account and balance sheet.

# Notes to profit and loss account

MEUR	Note	Metsähallitus Group 1 Jan–31 Dec 2022	Metsähallitus Group 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021
<b>Turnover by business unit</b>	1.1				
Forestry Business		347,6	328,6	95,0	95,0
Metsähallitus Property Development		56,2	20,6	56,2	20,6
Sale of soil and rock resources		1,1	0,9	0,0	0,0
Seed and sapling production		3,6	3,5	0,0	0,0
Others		14,9	13,8	15,3	14,3
<b>Total</b>		<b>423,3</b>	<b>367,4</b>	<b>166,5</b>	<b>129,9</b>
<b>Other operating income</b>	1.2				
Gains on the sale of fixed assets		10,2	10,6	10,2	10,5
Other income		5,9	7,5	15,0	17,9
<b>Total</b>		<b>16,1</b>	<b>18,1</b>	<b>25,2</b>	<b>28,4</b>
<b>Funding received from the State budget</b>	1.3				
Financing for other operations from the Budget during the financial period as income on an accrued basis		79,5	75,9	79,5	75,9
<b>Wages and salaries paid to the management, 1000 EUR</b>	1.4				
Wages and salaries paid to the Board and Managing Director during the financial period		989	805	544	439
<b>Depreciation according to plan</b>	1.5				
Intangible assets		7,7	1,7	1,0	0,5
Roads		1,4	6,1	1,4	1,4
Buildings and structures		1,9	1,9	1,6	1,7
Machinery and equipment, other tangible assets		0,2	0,3	0,1	0,1
<b>Total</b>		<b>11,3</b>	<b>10,1</b>	<b>4,1</b>	<b>3,7</b>

Depreciation according to plan, depreciation periods	Before 1 January 2020	Starting from 1 January 2020
Intangible rights, other long-term expenditure	Between 4 and 5	Between 4 and 5
Gravel areas	Depreciation for decrease of substance	Depreciation for decrease of substance
Roads	Between 10 and 25	10 years
Fish structures	primarily 10 years	15 years
Log floating structures	25 years	15 years
Buildings	20-40 years, Nuuksiokeskus 90 years	20 years
Structures and facilities	Between 4 and 10	8 years
Machinery and equipment	4-8 years, Nuuksiokeskus 15 years	Between 4 and 5
Other tangible assets: asphaltting, planting beds	Between 15 and 20	15 years

Depreciation according to plan has been calculated by fixed asset as straight-line depreciations for each depreciation period from the original purchase price.

## NOTES TO PROFIT AND LOSS ACCOUNT

MEUR	Note	Metsähallitus Group 1 Jan–31 Dec 2022	Metsähallitus Group 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021
<b>Other operating costs</b>	1.6				
Facility expenses		13,7	27,1	12,6	25,4
ICT expenses		14,1	12,7	11,3	10,3
Travel expenses		5,9	5,3	3,6	3,0
External services		2,4	2,0	2,1	1,9
Machinery and equipment expenses, vehicle expenses		4,1	4,8	3,5	4,4
Other social security expenses		3,4	3,0	2,5	2,1
Other expenses		7,1	8,2	6,1	6,5
Group internal expenses		0,0	0,0	0,0	0,4
<b>Total</b>		<b>50,6</b>	<b>63,2</b>	<b>41,8</b>	<b>53,9</b>
<b>Other interest and financial income</b>	1.7				
Dividend income from external sources		0,06	0,03	0,06	0,03
Dividend income from subsidiaries		0,00	0,00	12,1	11,6
Interest income		0,06	0,04	0,03	0,02
<b>Total</b>		<b>0,1</b>	<b>0,1</b>	<b>12,2</b>	<b>11,7</b>
<b>Interest and other financial expenses</b>					
Interest expenses		0,7	0,5	0,2	0,1
<b>Total</b>		<b>0,7</b>	<b>0,5</b>	<b>0,2</b>	<b>0,1</b>
<b>Reversal of reduction in value for investments under non-current assets</b>					
Reversal of reduction in value of subsidiaries' shares		0,0	0,0	0,0	0,3
<b>Financial income and expenses in total</b>		<b>-0,6</b>	<b>-0,5</b>	<b>11,9</b>	<b>11,8</b>

# Notes to balance sheet

MEUR	Note	Intangible assets	Land and water areas	Roads, land and water constr.	Buildings and structures	Machinery and equipment, other tangible assets	In progress projects	Other shares and holdings, other receivables	Total
<b>Non-current assets</b>	1.8								
<b>Metsähallitus Group</b>									
Acquisition cost on 1 Jan		26,8	3 927,3	143,3	99,4	29,4	4,8	1,4	4 234,8
Increases		3,1	19,6	12,5	0,4	0,1	3,5	1,5	40,8
Decreases		-1,2	-3,4	0,0	-2,1	-0,1	-4,2	0,0	-10,9
Reduction in value		0,0	-0,3	0,0	0,0	0,0	0,0	0,0	-0,3
<b>Acquisition cost on 31 Dec</b>		<b>28,7</b>	<b>3 943,2</b>	<b>155,8</b>	<b>97,7</b>	<b>29,4</b>	<b>4,2</b>	<b>2,9</b>	<b>4 264,4</b>
Accumulated depreciation and reduction in value 1 Jan		20,6	5,0	80,2	70,6	28,3	0,0	0,0	207,1
Depreciation during the financial year		1,9	0,0	7,2	4,7	0,2	0,0	0,0	14,0
<b>Accumulated depreciation on 31 Dec</b>		<b>22,5</b>	<b>5,1</b>	<b>87,4</b>	<b>75,3</b>	<b>28,5</b>	<b>0,0</b>	<b>0,0</b>	<b>221,2</b>
Book value on 1 Jan		6,2	3 922,2	63,1	28,8	1,1	4,8	1,4	4 027,7
<b>Book value on 31 Dec</b>		<b>6,3</b>	<b>3 938,2</b>	<b>68,4</b>	<b>22,4</b>	<b>0,9</b>	<b>4,2</b>	<b>2,9</b>	<b>4 043,2</b>
Production machinery and equipment, book value on 31 Dec						0,9			
<b>Enterprise</b>									
Acquisition cost on 1 Jan		11,1	3 922,6	97,8	79,5	17,0	4,8	51,6	4 184,4
Increases		3,1	19,6	0,5	0,3	0,0	3,5	1,5	28,6
Decreases		-1,2	-3,4	0,0	-2,1	-0,1	-4,2	0,0	-10,9
<b>Acquisition cost on 31 Dec</b>		<b>13,1</b>	<b>3 938,8</b>	<b>98,3</b>	<b>77,8</b>	<b>16,9</b>	<b>4,1</b>	<b>53,0</b>	<b>4 202,0</b>
Accumulated depreciation and reduction in value 1 Jan		7,1	1,8	76,0	63,2	16,7	0,0	0,0	164,9
Depreciation during the financial year		1,0	0,0	1,4	4,4	0,1	0,0	0,0	6,9
<b>Accumulated depreciation on 31 Dec</b>		<b>8,1</b>	<b>1,8</b>	<b>77,4</b>	<b>67,7</b>	<b>16,8</b>	<b>0,0</b>	<b>0,0</b>	<b>171,8</b>
Book value on 1 Jan		4,0	3 920,8	21,8	16,3	0,2	4,8	51,6	4 019,4
<b>Book value on 31 Dec</b>		<b>5,0</b>	<b>3 937,0</b>	<b>20,9</b>	<b>10,1</b>	<b>0,1</b>	<b>4,1</b>	<b>53,0</b>	<b>4 030,3</b>
Production machinery and equipment, book value on 31 Dec						0,1			

## NOTES TO BALANCE SHEET

	Note	Holdings %	Book value in the parent company, euros
<b>Shares in subsidiaries</b>	1.9		
<b>Enterprise</b>			
Metsähallitus Forestry Ltd, Rovaniemi		100	25 649 635,81
MH-Kivi Oy, Oulu		100	6 400 000,00
Siemen Forelia Oy, Jyväskylä		100	5 476 000,00
Nuuksiokeskus Oy, Espoo		68,11	12 200 000,00
<b>Total</b>			<b>49 725 635,81</b>

	Note	Metsähallitus Group 2022	Metsähallitus Group 2021	Enterprise 2022	Enterprise 2021
<b>Other shares and holdings</b>	1.10				
Shares and holdings, book value (MEUR)					
Shares in subsidiaries		0,0	0,0	49,7	49,7
Holdings in associated undertakings					
Korsvind Oy, Korsnäs, 25%		1,5	0,0	1,5	0,0
Other shares and receivables		1,4	1,4	1,8	1,8
<b>Total</b>		<b>1,4</b>	<b>1,4</b>	<b>53,0</b>	<b>51,6</b>
<b>Non-current receivables</b>	1.11				
Other receivables		3,0	3,0	3,0	3,0
Guaranteed deposits		1,2	1,2	0,0	0,0
<b>Total</b>		<b>4,2</b>	<b>4,2</b>	<b>3,0</b>	<b>3,0</b>
<b>Receivables from Group's subsidiaries (MEUR)</b>	1.12				
Accounts receivable				0,2	0,1
Other receivables				0,1	0,1
<b>Total</b>				<b>0,2</b>	<b>0,2</b>

## NOTES TO BALANCE SHEET

	Note	Metsähallitus Group 2022	Metsähallitus Group 2021	Enterprise 2022	Enterprise 2021
<b>Other receivables, current (MEUR)</b>	1.13				
Other prepayments, prepaid expenses		0,2	0,2	0,2	0,2
Deferred VAT and tax assets		0,1	1,1	0,0	0,3
<b>Total</b>		<b>0,3</b>	<b>1,3</b>	<b>0,2</b>	<b>0,5</b>
<b>Current prepayments and accrued income (MEUR)</b>	1.14				
Life projects, accrued income		1,8	0,8	1,7	0,8
EU Structural Fund projects, accrued income		2,6	2,5	2,6	2,4
Project receivables, other accrued income		1,1	1,6	1,1	1,6
Other prepaid expenses, purchase invoices		0,5	0,6	0,2	0,2
<b>Total</b>		<b>5,8</b>	<b>5,5</b>	<b>5,5</b>	<b>5,0</b>
<b>Equity (MEUR)</b>	1.15				
Basic equity on 1 Jan		2 591,8	2 593,2	2 591,8	2 593,2
Transfers of possession, inheritance by the State		0,3	0,1	0,3	0,1
Changes in land use		-0,1	-1,5	-0,1	-1,5
Other changes, including basic equity return and value adj.		0,1	0,0	0,1	0,0
Basic equity on 31 Dec		2 592,1	2 591,8	2 592,1	2 591,8
Other equity on 1 Jan		224,8	224,8	224,8	224,8
Other equity on 31 Dec		224,8	224,8	224,8	224,8

	Note	Metsähallitus Group 2022	Metsähallitus Group 2021	Enterprise 2022	Enterprise 2021
"Other equity from public administration services on 1 Jan"		1 059,0	1 039,4	1 059,0	1 039,4
Transfers of possession, inheritance by the State		13,9	17,9	13,9	17,9
Changes in land use		0,1	1,5	0,1	1,5
Other changes, including basic equity return and value adj.		-5,3	-0,2	-5,3	-0,2
Shareholder investment in purchase of environmental conservation areas		0,0	0,4	0,0	0,4
Transfer of profits for the financial year from public administration services to Equity		0,2	0,1	0,2	0,1
Other equity on 31 Dec		1 067,9	1 059,0	1 067,9	1 059,0
Retained earnings on 1 Jan		147,5	147,5	135,7	140,6
Contribution to State revenue		-110,0	-120,0	-110,0	-120,0
Retained earnings on 31 Dec		37,5	27,5	25,7	20,6
Profit for the financial year 1 Jan–31 Dec		150,9	119,9	144,6	115,1
Results for previous financial year and current financial year on 31 Dec		188,4	147,5	170,2	135,7
<b>Equity in total on 31 Dec</b>		<b>4 073,2</b>	<b>4 023,1</b>	<b>4 055,0</b>	<b>4 011,3</b>
<b>Minority share</b>	1.16				
Nuuksiokeskus Oy		4,7	4,7		
<b>Minority share in total</b>		<b>4,7</b>	<b>4,7</b>		

## NOTES TO BALANCE SHEET

	Note	Metsähallitus Group 2022	Metsähallitus Group 2021	Enterprise 2022	Enterprise 2021
<b>Provisions (MEUR)</b>	1.17				
Other provisions		2,8	1,1	2,1	0,2
<b>Provisions, total</b>		<b>2,8</b>	<b>1,1</b>	<b>2,1</b>	<b>0,2</b>
<b>Total of long-term loans due in a period exceeding 5 years</b>	1.18				
<b>Total</b>		<b>32,2</b>	<b>42,2</b>	<b>0,0</b>	<b>0,0</b>
<b>Amount of debt not paid to the State (MEUR)</b>	1.19				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		2,4	2,6	1,7	1,9
<b>Debts to Group's subsidiaries (MEUR)</b>	1.20				
Accounts payable				0,2	0,1
Accruals and deferred income				0,9	0,0
Consolidated liabilities				13,5	13,8
<b>Total</b>				<b>14,5</b>	<b>13,9</b>
<b>Other liabilities, non-current and current (MEUR)</b>	1.21				
VAT liabilities		13,8	5,1	4,8	4,5
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		1,3	1,2	1,0	0,8
Equity reviews		1,0	1,2	1,0	1,2
Others		0,5	0,5	0,5	0,5
<b>Total</b>		<b>16,6</b>	<b>7,9</b>	<b>7,2</b>	<b>7,1</b>
<b>Accruals and deferred income (MEUR)</b>	1.22				
Differentiated statutory personnel expenses		1,4	1,4	1,0	1,0
Holiday pay liabilities, including social security expenses		11,4	11,1	8,1	7,8
Other differentiated personnel expenses		6,9	6,7	4,4	4,3
Tax averaging		2,4	0,1	1,0	0,0
Others		2,0	0,3	1,9	0,2
<b>Total</b>		<b>24,2</b>	<b>19,6</b>	<b>16,4</b>	<b>13,4</b>

# Other notes

	Note	Metsähallitus Group 2022	Metsähallitus Group 2021	Enterprise 2022	Enterprise 2021
<b>Contingent liabilities (MEUR)</b>	1.23				
Leasing liabilities					
paid during the financial year		2,4	1,9	2,1	1,8
to be paid during the following year		2,2	2,2	2,0	2,0
to be paid at a later date		2,6	2,4	2,4	2,1
Bank guarantee liabilities		2,0	2,5	0,4	0,9
Other banking liabilities		1,0	1,0	0,5	0,5
Deposited securities, guarantee deposits		0,8	0,8	0,0	0,0
Financial liabilities relating to wind power		1,7	0,0	1,7	0,0
Investment commitments		3,4	3,2	3,4	3,2
<b>Leasing liabilities (MEUR) (VAT 0)</b>		<b>3,8</b>	<b>4,2</b>	<b>3,8</b>	<b>4,2</b>

The leasing contracts include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with a 3-month notice period. The Group also has contracts without a redemption clause, mainly for five-year periods.

A duty to review value-added tax is related to property renovations and new construction investments over 10 years, starting from the beginning of the year in which the construction service is completed.

The opposing party has filed appeals to overturn the rulings concerning the sale of a subsidiary's business and reserved the right to make claims for receivables from Metsähallitus and its subsidiary. In the opinion of Metsähallitus, the claims are unjustified. An action against Metsähallitus has been

brought to the Market Court in a copyright dispute. In Metsähallitus' opinion, the action and its claims are unjustified.

#### Leasing liabilities

Metsähallitus has leasing agreements for facilities that are valid for a fixed-term and until further notice. The facilities are managed centrally inside the Group.

#### Responsibility for remediation of contaminated sites

In areas administered by Metsähallitus, the responsibility involved in contaminated soil areas lies primarily with the party who was responsible for the contaminating activity. As the holder of the area, Metsähallitus may be held responsible for the remediation costs of the contaminated soil if the primary responsible party is unable to do so.

#### Related-party transactions

Public Administration Service receives Budget funding for its operations. The item is reported in the enterprise's and group's

profit and loss as income on an accrued basis, described in more detail in the separate financial statements. A contribution to State revenue was paid for the period 1 January to 31 December 2021.

	Note	Metsähallitus Group 2022	Metsähallitus Group 2021	Enterprise 2022	Enterprise 2021
<b>Related-party transactions</b>	1.24				
<b>Internal Group transactions during the financial year*</b>					
Sale of goods				0,5	0,5
Sale of services				119,4	119,3
Purchase of goods				0,2	0,1
Purchase of services				14,4	14,9
<b>Total</b>				<b>105,2</b>	<b>104,8</b>
<b>Number of employees during the period, person-years</b>	1.25				
Employees and supervisors		1 244	1 282	852	854
<b>Calculated deferred tax assets and liabilities</b>	1.26				
Calculated deferred tax assets					
from subsidiary losses		1,7	1,7		
from provisions		0,3	0,2		
<b>Total</b>		<b>2,0</b>	<b>1,9</b>		
<b>Auditors' fees (1000 EUR)</b>	1.27				
KPMG Audit					
Audit, financial year and previous financial year		141,8	85,1	77,9	43,7
Other services		58,7	41,7	58,7	41,7
<b>Total</b>		<b>200,5</b>	<b>126,7</b>	<b>136,6</b>	<b>85,3</b>

\* Internal Group transactions are market-based.

## BUSINESS OPERATIONS

# Profit and loss account

eur	Note	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2022	Business operations 1 Jan–31 Dec 2021
TURNOVER	2.1	410 145 739,26	354 842 558,68	151 761 563,77	115 836 654,14
Other operating income	2.2	25 657 671,24	24 686 597,51	34 604 759,75	34 799 694,45
Financing for other operations from the State budget		0,00	5 000,00	0,00	0,00
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		5 084 377,94	6 533 037,93	289 607,17	99 826,01
Variation in inventories		440 704,50	-1 789 114,65	0,00	0,00
External services		188 333 796,85	166 065 559,61	4 524 349,91	877 606,16
Raw materials and services, total		193 858 879,29	170 809 482,89	4 813 957,08	977 432,17
Staff expenses					
Salaries and fees		29 747 999,13	30 730 465,17	12 362 195,70	12 146 072,92
Social security expenses					
Pension expenses		4 665 333,45	4 730 929,94	1 974 315,27	2 045 355,90
Other social security expenses		1 087 595,77	1 467 701,51	410 895,65	605 382,89
Staff expenses, total		35 500 928,35	36 929 096,62	14 747 406,62	14 796 811,71
Depreciation, amortisation and impairment in total	2.3	9 711 187,22	8 137 217,92	2 629 114,57	2 218 974,55
Other operating costs	2.4	31 141 894,68	29 578 074,10	22 100 672,42	20 054 364,48
<b>OPERATING PROFIT</b>		<b>165 590 520,96</b>	<b>134 080 284,66</b>	<b>142 075 172,83</b>	<b>112 588 765,68</b>
Financial income and expenses					
Income from other investments under non-current assets		56 184,22	34 105,91	12 156 184,22	11 634 105,91
Other interest and financial income		58 044,04	36 197,63	31 008,10	20 698,49
Interest and other financial expenses		636 704,53	430 838,64	140 112,97	21 290,78
"Reversal of reductions in value of investments held as non-current assets"		0,00	0,00	0,00	300 000,00
Financial income and expenses in total	2.5	-522 476,27	-360 535,10	12 047 079,35	11 933 513,62
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>		<b>165 068 044,69</b>	<b>133 719 749,56</b>	<b>154 122 252,18</b>	<b>124 522 279,30</b>
Change in depreciation difference		22 382,39	0,00	0,00	0,00
Income taxes		14 100 973,33	13 661 678,05	9 561 992,55	9 447 970,65
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>150 989 453,75</b>	<b>120 058 071,51</b>	<b>144 560 259,63</b>	<b>115 074 308,65</b>

# Balance sheet, assets

eur	Note	Enterprise 31 December 2022	Enterprise 31 December 2021	Business operations 31 December 2022	Business operations 31 December 2021
ASSETS					
NON-CURRENT ASSETS	2.6				
Intangible assets					
Intangible rights		40 672,25	55 924,35	0,00	0,00
Other intangible assets		4 584 762,80	3 622 788,88	3 345 120,75	1 458 706,97
Advance payments and work in progress		84 274,04	2 055 980,43	84 274,04	2 055 980,43
Intangible assets in total		4 709 709,09	5 734 693,66	3 429 394,79	3 514 687,40
Tangible assets					
Land and water areas		2 895 392 394,84	2 893 625 289,74	2 894 836 047,21	2 892 814 373,01
Roads		68 127 559,38	63 005 822,62	20 604 111,50	21 739 554,99
Buildings and structures		2 282 066,28	2 483 933,58	2 273 178,10	2 468 420,54
Machinery and equipment		276 152,34	343 700,37	66 155,92	96 689,42
Other tangible assets		10 599,04	10 599,04	10 599,04	10 599,04
Advance payments and work in progress		3 881 171,36	4 736 549,54	3 860 304,23	4 736 549,54
Tangible assets in total		2 969 969 943,24	2 964 205 894,89	2 921 650 396,00	2 921 866 186,54
Investments					
Shares in Group's subsidiaries	2.7	0,00	0,00	37 525 635,81	37 525 635,81
Holdings in associated undertakings	2.8	1 470 031,48	0,00	1 470 031,48	0,00
Other shares and holdings	2.9	681 451,11	697 346,11	1 090 323,52	1 106 218,52
Investments in total		2 151 482,59	697 346,11	40 085 990,81	38 631 854,33
<b>NON-CURRENT ASSETS IN TOTAL</b>		<b>2 976 831 134,92</b>	<b>2 970 637 934,66</b>	<b>2 965 165 781,60</b>	<b>2 964 012 728,27</b>

**BALANCE SHEET, ASSETS**

eur	Note	Enterprise 31 December 2022	Enterprise 31 December 2021	Business operations 31 December 2022	Business operations 31 December 2021
CURRENT ASSETS					
Inventories					
Finished products		13 672 206,60	14 075 890,49	0,00	0,00
Work in progress		685 524,00	722 544,60	0,00	0,00
Inventories in total		14 357 730,60	14 798 435,09	0,00	0,00
Receivables					
Non-current receivables					
Other receivables		4 175 015,72	4 175 015,72	3 000 000,00	3 000 000,00
Non-current receivables in total		4 175 015,72	4 175 015,72	3 000 000,00	3 000 000,00
Current receivables in total					
Accounts receivable		43 436 463,55	38 480 611,19	1 058 813,74	727 251,00
Receivables from public administration services	2.11	2 395 527,99	1 030 282,80	2 316 626,26	981 158,35
Receivables from the enterprise's subsidiaries	2.12	1 666,84	2 037,09	2 885,22	147 287,80
Receivables from associated undertakings					
Other receivables	2.13	293 108,48	1 294 716,73	194 122,92	465 185,95
Prepayments and accrued income	2.14	480 843,93	573 064,42	182 562,91	65 648,86
Current receivables in total		46 607 610,79	41 380 712,23	3 755 011,05	2 386 531,96
Cash in hand and at banks		67 751 716,06	16 362 494,64	67 750 355,48	16 353 310,24
<b>CURRENT ASSETS IN TOTAL</b>		<b>132 892 073,17</b>	<b>76 716 657,68</b>	<b>74 505 366,53</b>	<b>21 739 842,20</b>
<b>ASSETS IN TOTAL</b>		<b>3 109 723 208,09</b>	<b>3 047 354 592,34</b>	<b>3 039 671 148,13</b>	<b>2 985 752 570,47</b>

# Balance sheet, equity and liabilities

eur	Note	Enterprise 31 December 2022	Enterprise 31 December 2021	Business operations 31 December 2022	Business operations 31 December 2021
EQUITY AND LIABILITIES					
EQUITY					
Basic equity		2 592 060 830,84	2 591 818 700,84	2 592 060 830,84	2 591 818 700,84
Other equity		224 811 631,77	224 811 631,77	224 811 631,77	224 811 631,77
Retained earnings		39 636 139,40	29 578 067,89	25 666 167,90	20 591 859,25
Profit for the financial year		150 989 453,75	120 058 071,51	144 560 259,63	115 074 308,65
<b>EQUITY IN TOTAL</b>	2.15	<b>3 007 498 055,76</b>	<b>2 966 266 472,01</b>	<b>2 987 098 890,14</b>	<b>2 952 296 500,51</b>
ACCUMULATION OF TRANSFERS WITHIN FINANCIAL STATEMENTS					
Depreciation difference		-22 382,39	0,00	0,00	0,00
PROVISIONS					
Other provisions	2.16	2 838 285,57	1 135 418,16	2 101 810,00	174 310,00
LIABILITIES					
Non-current					
Loans from financial institutions	2.17	32 187 440,37	42 236 505,44	0,00	0,00
Other liabilities		0,00	52 000,00	0,00	52 000,00
Non-current liabilities in total		32 187 440,37	42 288 505,44	0,00	52 000,00
Current					
Loans from financial institutions	2.18	24 000 000,00	10 000 000,00	20 000 000,00	6 000 000,00
Advances received		807 532,22	271 153,27	358 620,00	258 980,00
Accounts payable		12 206 905,41	10 267 604,42	2 787 467,63	3 102 575,32
Payables to Public Administration Service	2.19	270 017,18	50 359,25	109 397,04	22 159,83
Debts to the enterprise's subsidiaries	2.20 2.21	0,00 14 773 909,50	0,00 6 230 419,90	14 406 297,90 5 386 907,37	13 895 046,29 5 379 750,38
Other liabilities	2.22	15 133 910,76	10 814 310,90	7 421 758,05	4 571 248,14
Accruals and deferred income		29 533,71	30 348,99	0,00	0,00
Current liabilities in total		<b>67 221 808,78</b>	<b>37 664 196,73</b>	<b>50 470 447,99</b>	<b>33 229 759,96</b>
<b>LIABILITIES IN TOTAL</b>		<b>99 409 249,15</b>	<b>79 952 702,17</b>	<b>50 470 447,99</b>	<b>33 281 759,96</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>		<b>3 109 723 208,09</b>	<b>3 047 354 592,34</b>	<b>3 039 671 148,13</b>	<b>2 985 752 570,47</b>

# Cash flow statement

eur	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2022	Business operations 1 Jan–31 Dec 2021
<b>CASH FLOW FROM BUSINESS OPERATIONS</b>				
Payments from sales	405 004 625,51	347 982 987,12	151 102 802,23	118 071 605,34
Payments from other operating income	14 262 138,65	17 189 870,72	24 394 211,47	26 657 212,41
Payments from operating charges	-242 747 737,20	-237 045 872,84	-37 948 597,39	-34 032 596,16
Cash flow from business operations, before financial items and taxes	176 519 026,96	128 126 985,00	137 548 416,31	110 696 221,59
Interest paid and other financial expenses	-636 704,53	-430 838,64	-140 112,97	-21 290,78
Interest income from business operations	57 929,15	36 197,63	31 008,10	20 698,49
Dividends received	56 299,11	34 105,91	12 156 184,22	11 634 105,91
Direct taxes	-12 897 411,54	-13 911 569,43	-8 338 004,42	-9 718 288,37
<b>Cash flows from operating activities</b>	<b>163 099 139,15</b>	<b>113 854 880,47</b>	<b>141 257 491,24</b>	<b>112 611 446,84</b>
<b>INVESTMENTS</b>				
Investments in tangible and intangible assets	-23 324 362,89	-20 607 015,76	-9 066 399,38	-9 882 585,96
Sale of tangible and intangible assets	19 185 541,71	15 465 061,12	17 107 518,33	15 036 586,43
Purchase of other investments held as non-current assets	-1 470 031,48	0,00	-1 470 031,48	0,00
<b>Cash flows from investing activities</b>	<b>-5 608 852,66</b>	<b>-5 141 954,64</b>	<b>6 571 087,47</b>	<b>5 154 000,47</b>
<b>FINANCING</b>				
Change in non-current loans from financial institutions				
Change in other non-current, interest-bearing loans	-10 049 065,07	8 236 505,44	0,00	0,00
Change in other non-current, non-interest-bearing loans	-52 000,00	0,00	-52 000,00	0,00
Change in current loans from financial institutions	14 000 000,00	6 000 000,00	14 000 000,00	6 000 000,00
Change in Group loans to subsidiaries	0,00	0,00	-379 533,47	2 825 885,63
Contribution to State revenue	-110 000 000,00	-120 000 000,00	-110 000 000,00	-120 000 000,00
<b>Cash flows from financing activities</b>	<b>-106 101 065,07</b>	<b>-105 763 494,56</b>	<b>-96 431 533,47</b>	<b>-111 174 114,37</b>
<b>CHANGE IN LIQUID FUNDS</b>				
Liquid funds on 1 Jan	51 389 221,42	2 949 431,27	51 397 045,24	6 591 332,94
Liquid funds on 31 Dec	16 362 494,64	13 413 063,37	16 353 310,24	9 761 977,30
Liquid funds on 31 Dec	67 751 716,06	16 362 494,64	67 750 355,48	16 353 310,24
<b>Change</b>	<b>51 389 221,42</b>	<b>2 949 431,27</b>	<b>51 397 045,24</b>	<b>6 591 332,94</b>

# Notes to the profit and loss account

eur	Note	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2022	Business operations 1 Jan–31 Dec 2021
<b>Turnover by business unit</b>	2.1				
Forestry Business		348 953 756,13	329 730 055,81	95 000 000,04	95 000 250,04
Metsähallitus Property Development		56 211 658,10	20 561 731,54	56 211 658,10	20 561 731,54
Sale of soil and rock resources		1 084 789,29	962 174,99	0,00	0,00
Seed and sapling production		3 599 477,88	3 588 596,34	0,00	0,00
Others		296 057,86	0,00	549 905,63	274 672,56
<b>Total</b>		<b>410 145 739,26</b>	<b>354 842 558,68</b>	<b>151 761 563,77</b>	<b>115 836 654,14</b>
of which turnover for Public Administration Services and its subsidiaries		1 402 324,33	1 283 671,53	1 545,00	6 903,94
and other subsidiaries		0,00	0,00		0,00
		0,00	0,00	95 253 847,81	95 296 676,24
<b>Other operating income</b>	2.2				
Gains on the sale of fixed assets		10 106 185,99	10 305 365,79	10 094 379,54	10 126 512,08
Income from services to Public Administration Services		14 402 430,63	13 175 952,32	14 316 982,70	13 083 795,57
Income from services to subsidiaries		13 000,45	14 769,06	9 952 901,06	11 169 593,42
Other income		1 136 054,17	1 190 510,34	240 496,45	419 793,38
<b>Total</b>		<b>25 657 671,24</b>	<b>24 686 597,51</b>	<b>34 604 759,75</b>	<b>34 799 694,45</b>
<b>Depreciation according to plan</b>	2.3				
Intangible assets		7 608 360,88	1 590 627,44	842 531,54	451 039,55
Depreciation for decrease in substance		5 365,77	17 753,29	1 414,39	7 788,16
Roads		1 387 559,26	6 093 450,31	1 387 034,44	1 384 937,90
Buildings and structures		374 225,56	356 389,23	367 600,70	349 764,36
Machinery and equipment, other tangible assets		85 058,03	78 997,65	30 533,50	25 444,58
<b>Total</b>		<b>9 460 569,50</b>	<b>8 137 217,92</b>	<b>2 629 114,57</b>	<b>2 218 974,55</b>

Depreciation according to plan, depreciation periods	Before 1 January 2020	Starting from 1 January 2020
Intangible rights, other long-term expenditure	Between 4 and 5	Between 4 and 5
Gravel areas	Depreciation for decrease of substance	Depreciation for decrease of substance
Roads	Between 10 and 25	10 years
Fish structures	primarily 10 years	15 years
Log floating structures	25 years	15 years
Buildings	Between 20 and 40	20 years
Structures and facilities	Between 4 and 10	8 years
Machinery and equipment	Between 4 and 8	Between 4 and 5
Other tangible assets: asphalting, planting beds	Between 15 and 20	15 years

Depreciation according to plan has been calculated by fixed asset. Entry of depreciation begins from the introduction of the asset.

## NOTES TO THE PROFIT AND LOSS ACCOUNT

EUR	Note	Enterprise 1 Jan–31 Dec 2022	Enterprise 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2022	Business operations 1 Jan–31 Dec 2021
<b>Other operating costs</b>	2.4				
Facility expenses		9 160 541,00	8 501 428,28	7 821 246,88	6 924 217,26
ICT expenses		10 558 381,22	9 831 088,44	7 802 488,64	7 499 586,69
Travelling expenses		2 726 846,62	2 523 329,53	424 359,15	264 300,94
External services		1 203 049,06	514 474,20	976 042,41	360 993,11
Machinery and equipment expenses, vehicle expenses		701 221,68	703 855,82	148 194,69	258 952,83
Other social security expenses		2 147 794,93	1 776 598,05	1 213 043,94	805 129,49
Other expenses		4 664 571,41	5 748 610,40	3 737 363,77	3 962 494,78
Group internal expenses		-20 511,24	-21 310,62	-22 067,06	-21 310,62
<b>Total</b>		<b>31 141 894,68</b>	<b>29 578 074,10</b>	<b>22 100 672,42</b>	<b>20 054 364,48</b>
<b>Other interest and financial income</b>	2.5				
Dividend income from external sources		56 184,22	34 105,91	56 184,22	34 105,91
Dividend income from subsidiaries			0,00	12 100 000,00	11 600 000,00
Interest income		58 044,04	36 197,63	31 008,10	20 698,49
<b>Total</b>		<b>114 228,26</b>	<b>70 303,54</b>	<b>12 187 192,32</b>	<b>11 654 804,40</b>
<b>Interest and other financial expenses (EUR)</b>					
Interest expenses		636 704,53	430 838,64	140 112,97	21 290,78
<b>Total</b>		<b>636 704,53</b>	<b>430 838,64</b>	<b>140 112,97</b>	<b>21 290,78</b>
<b>Reversal of reduction in value for investments under non-current assets</b>					
Reversal of reduction in value of subsidiaries' shares		0,00	0,00	0,00	300 000,00
<b>Financial income and expenses in total</b>		<b>-522 476,27</b>	<b>-360 535,10</b>	<b>12 047 079,35</b>	<b>11 933 513,62</b>

# Notes to balance sheet

MEUR	Note	Intangible assets	Land and water areas	Roads, land and water constr.	Buildings and structures	Machinery and equipment, other tangible assets	In progress projects	Other shares and holdings, other receivables	Total
<b>Non-current assets</b>	2.6								
<b>Enterprise</b>									
Acquisition cost on 1 Jan		20,2	2 893,7	117,6	89,4	0,8	4,7	0,7	3 127,1
Increases		1,9	5,3	12,3	0,3	0,0	3,3	1,5	24,6
Decreases		-1,2	-3,3	0,0	-0,2	0,0	-4,2	0,0	-8,8
Reduction in value		0,0	-0,3	0,0	0,0	0,0	0,0	0,0	-0,3
<b>Acquisition cost on 31 Dec</b>		<b>21,0</b>	<b>2 895,4</b>	<b>129,9</b>	<b>89,5</b>	<b>0,9</b>	<b>3,9</b>	<b>2,2</b>	<b>3 142,7</b>
Accumulated depreciation and reduction in value 1 Jan		14,5	0,1	54,6	86,9	0,5	0,0	0,0	156,5
Depreciation during the financial year		1,8	0,0	7,2	0,3	0,1	0,0	0,0	9,4
<b>Accumulated depreciation on 31 Dec</b>		<b>16,2</b>	<b>0,1</b>	<b>61,8</b>	<b>87,2</b>	<b>0,6</b>	<b>0,0</b>	<b>0,0</b>	<b>165,9</b>
Book value on 1 Jan		5,7	2 893,6	63,0	2,5	0,4	4,7	0,7	2 970,6
<b>Book value on 31 Dec</b>		<b>4,7</b>	<b>2 895,4</b>	<b>68,1</b>	<b>2,3</b>	<b>0,3</b>	<b>3,9</b>	<b>2,2</b>	<b>2 976,8</b>
Production machinery and equipment, Book value on 31 Dec						0,3			
<b>Business operations</b>									
Acquisition cost on 1 Jan		5,4	2 892,8	71,6	5,6	0,2	4,7	38,6	3 019,0
Increases		1,9	5,3	0,3	0,3	0,0	3,3	1,5	12,5
Decreases		-1,2	-3,3	0,0	-0,2	0,0	-4,2	0,0	-8,8
<b>Acquisition cost on 31 Dec</b>		<b>6,2</b>	<b>2 894,8</b>	<b>71,9</b>	<b>5,7</b>	<b>0,2</b>	<b>3,9</b>	<b>40,1</b>	<b>3 022,7</b>
Accumulated depreciation and reduction in value 1 Jan		1,9	0,0	49,9	3,1	0,1	0,0	0,0	55,0
Depreciation during the financial year		0,8	0,0	1,4	0,3	0,0	0,0	0,0	2,6
<b>Accumulated depreciation on 31 Dec</b>		<b>2,7</b>	<b>0,0</b>	<b>51,3</b>	<b>3,4</b>	<b>0,1</b>	<b>0,0</b>	<b>0,0</b>	<b>57,5</b>
Book value on 1 Jan		3,5	2 892,8	21,7	2,5	0,1	4,7	38,6	2 964,0
<b>Book value on 31 Dec</b>		<b>3,4</b>	<b>2 894,8</b>	<b>20,6</b>	<b>2,3</b>	<b>0,1</b>	<b>3,9</b>	<b>40,1</b>	<b>2 965,2</b>
Production machinery and equipment, book value on 31 Dec						0,0			

## NOTES TO BALANCE SHEET

Shares in subsidiaries	Note	Holdings %	Book value (EUR)
<b>Metsähallitus</b>	2.7		
Metsähallitus Forestry Ltd, Rovaniemi		100	25 649 635,81
MH-Kivi Oy, Oulu		100	6 400 000,00
Siemen Forelia Oy, Jyväskylä		100	5 476 000,00
<b>Total</b>			<b>37 525 635,81</b>

EUR	Note	Enterprise 2022	Enterprise 2021	Business operations 2022	Business operations 2021
<b>Shares and holdings, book value (EUR)</b>	2.9				
Shares in subsidiaries		0,00	0,00	37 525 635,81	37 525 635,81
Holdings in associated undertakings					
Korsvind Oy, Korsnäs, 25%		1 470 031,48	0,00	1 470 031,48	0,00
Other shares and holdings		334 407,84	334 407,84	743 280,25	743 280,25
Joint forest holdings		347 043,27	362 938,27	347 043,27	362 938,27
<b>Total</b>		<b>2 151 482,59</b>	<b>697 346,11</b>	<b>40 085 990,81</b>	<b>38 631 854,33</b>
<b>Receivables from Public Administration Service (EUR)</b>	2.11				
Accounts receivable		697 414,17	503 616,68	618 522,44	454 492,23
Prepayments and accrued income		1 698 113,82	526 666,12	1 698 103,82	526 666,12
<b>Total</b>		<b>2 395 527,99</b>	<b>1 030 282,80</b>	<b>2 316 626,26</b>	<b>981 158,35</b>
<b>Receivables from subsidiaries (EUR)</b>	2.12				
Accounts receivable		0,00	0,00	137,60	33 381,11
Other receivables		0,00	0,00	2 747,62	25 462,34
Prepayments and accrued income		1 666,84	2 037,09	0,00	88 444,35
<b>Total</b>		<b>1 666,84</b>	<b>2 037,09</b>	<b>2 885,22</b>	<b>147 287,80</b>
<b>Other receivables, current (EUR)</b>	2.13				
Other prepayments, prepaid expenses		202 058,28	196 566,84	194 122,92	194 868,23
VAT receivables		91 050,20	762 763,00	0,00	0,00
Deferred tax assets		0,00	335 386,89	0,00	270 317,72
<b>Total</b>		<b>293 108,48</b>	<b>1 294 716,73</b>	<b>194 122,92</b>	<b>465 185,95</b>
<b>Current external prepayments and accrued income (EUR)</b>	2.14				
Accrued interest		0,00	0,00	0,00	0,00
Deferred tax assets		0,00	0,00	0,00	0,00
Other prepaid expenses/purchase invoices		267 843,75	457 738,68	57 497,78	456,15
Other accrued income		213 000,18	115 325,74	125 065,13	65 192,71
<b>Total</b>		<b>480 843,93</b>	<b>573 064,42</b>	<b>182 562,91</b>	<b>65 648,86</b>

## NOTES TO BALANCE SHEET

EUR	Note	Enterprise 2022	Enterprise 2021	Business operations 2022	Business operations 2021
<b>Equity (EUR)</b>	2.15				
Basic equity on 1 Jan		2 591 818 700,84	2 593 160 887,84	2 591 818 700,84	2 593 160 887,84
Transfers of possession		292 680,00	134 976,00	292 680,00	134 976,00
Changes in land use		-132 359,00	-1 478 218,00	-132 359,00	-1 478 218,00
Other		81 809,00	1 055,00	81 809,00	1 055,00
Basic equity on 31 Dec		<b>2 592 060 830,84</b>	<b>2 591 818 700,84</b>	<b>2 592 060 830,84</b>	<b>2 591 818 700,84</b>
Other equity on 1 Jan		<b>224 811 631,77</b>	<b>224 811 631,77</b>	<b>224 811 631,77</b>	<b>224 811 631,77</b>
Other equity on 31 Dec		<b>224 811 631,77</b>	<b>224 811 631,77</b>	<b>224 811 631,77</b>	<b>224 811 631,77</b>
Retained earnings on 1 Jan		<b>149 636 139,40</b>	<b>149 578 067,89</b>	<b>135 666 167,90</b>	<b>140 591 859,25</b>
Contribution to State revenue		-110 000 000,00	-120 000 000,00	-110 000 000,00	-120 000 000,00
Retained earnings on 31 Dec		39 636 139,40	29 578 067,89	25 666 167,90	20 591 859,25
Profit for the financial year		150 989 453,75	120 058 071,51	144 560 259,63	115 074 308,65
<b>Equity in total on 31 Dec</b>		<b>3 007 498 055,76</b>	<b>2 966 266 472,01</b>	<b>2 987 098 890,14</b>	<b>2 952 296 500,51</b>
<b>Provisions (EUR)</b>	2.16				
Other provisions (EUR)		2 838 285,57	1 135 418,16	2 101 810,00	174 310,00
<b>Total of long-term loans due in a period exceeding 5 years (EUR)</b>	2.17				
<b>Total</b>		<b>32 187 440,37</b>	<b>42 236 505,44</b>		
<b>Amount of debt not paid to the State (EUR)</b>	2.18				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		1 202 154,61	1 283 362,30	529 967,17	538 945,88
<b>Payables to public administration services (EUR)</b>	2.19				
Accounts payable		231 085,70	30 893,51	70 465,56	2 694,09
Accruals and deferred income		38 931,48	19 465,74	38 931,48	19 465,74
<b>Total</b>		<b>270 017,18</b>	<b>50 359,25</b>	<b>109 397,04</b>	<b>22 159,83</b>
<b>Payables to subsidiaries (EUR)</b>	2.20				
Accounts payable		0,00	0,00	943 407,93	52 622,85
Consolidated liabilities		0,00	0,00	13 462 889,97	13 842 423,44
<b>Total</b>		<b>0,00</b>	<b>0,00</b>	<b>14 406 297,90</b>	<b>13 895 046,29</b>

## NOTES TO BALANCE SHEET

EUR	Note	Enterprise 2022	Enterprise 2021	Business operations 2022	Business operations 2021
<b>Other external liabilities (EUR)</b>	2.21				
VAT liabilities		12 986 815,29	4 454 778,46	3 963 718,87	3 927 129,43
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		668 734,07	578 821,44	304 828,36	255 800,95
Equity reviews		965 379,00	1 184 550,00	965 379,00	1 184 550,00
Others		152 981,14	12 270,00	152 981,14	12 270,00
<b>Total</b>		<b>14 773 909,50</b>	<b>6 230 419,90</b>	<b>5 386 907,37</b>	<b>5 379 750,38</b>
<b>External accruals and deferred income (EUR)</b>	2.22				
Differentiated statutory personnel expenses		739 194,64	704 540,86	301 561,33	283 144,93
Holiday pay liabilities, including social security expenses		5 747 048,75	5 777 995,26	2 514 038,18	2 466 334,83
Other differentiated personnel expenses		4 227 502,69	3 983 259,28	1 726 427,20	1 600 779,43
Tax averaging		2 438 285,37	85 495,51	953 670,41	0,00
Others		1 981 879,31	263 019,99	1 926 060,93	220 988,95
<b>Total</b>		<b>15 133 910,76</b>	<b>10 814 310,90</b>	<b>7 421 758,05</b>	<b>4 571 248,14</b>

# Other notes

MEUR	Note	Enterprise 2022	Enterprise 2021	Business operations 2022	Business operations 2021
<b>Contingent liabilities</b>	2.23				
Leasing liabilities					
paid during the financial year		1,1	1,1	0,8	1,0
to be paid during the following year		1,7	1,6	1,5	1,4
to be paid at a later date		1,8	1,5	1,5	1,2
Bank guarantee liabilities		2,0	2,5	0,4	0,9
Other banking liabilities		1,0	1,0	0,5	0,5
Financial liabilities relating to wind power		1,7	0,0	1,7	0,0
Investment commitments		3,4	3,2	3,4	3,2

The leasing contracts for business operations include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with a 3 month notice period.

The Group also has contracts without a redemption clause, mainly for five-year periods.

An inspection responsibility of value-added tax is related to property renovations and new construction investments for 10 years, starting from the beginning of the year in which the construction service is completed.

## Responsibility for remediation of contaminated sites

In areas administered by Metsähallitus, the responsibility involved in contaminated soil areas lies primarily with the party who was responsible for the contaminating activity.

As the holder of the area, Metsähallitus may be held responsible for the remediation costs of the contaminated soil, if the primary responsible party is unable to do so.

MEUR	Note	Enterprise 2022	Enterprise 2021	Business operations 2022	Business operations 2021
<b>Related-party transactions</b>	2.24				
A contribution to State revenue was paid.		110,0	120,0	110,0	120,0
Internal Group transactions during the financial year					
Sale of goods		1,7	2,2	0,3	0,3
Sale of services		119,4	119,3	119,4	119,4
Purchase of goods		1,3	1,0	0,2	0,1
Purchase of services		104,9	106,1	0,0	0,0
<b>Total</b>		<b>14,8</b>	<b>14,4</b>	<b>119,5</b>	<b>119,6</b>
Internal Group transactions are market-based.					
<b>Calculated deferred tax assets and liabilities</b>	2.25				
Calculated deferred tax assets					
from subsidiary losses		1,1	1,1		
from provisions		0,3	0,2		
<b>Total</b>		<b>1,4</b>	<b>1,3</b>		
<b>Self-financed investments</b>	2.26				
Land, water and gravel areas		5,6	8,3	5,6	8,3
Roads, road projects, plot processing works		14,7	12,3	4,8	0,3
Machinery and equipment, wind power projects		0,0	0,0	0,0	0,0
Buildings and structures		0,2	0,3	0,2	0,3
Other, including IT systems		4,3	1,9	3,8	1,9
Shares and holdings		1,5	1,5	1,5	1,5
<b>Total</b>		<b>26,3</b>	<b>24,4</b>	<b>15,9</b>	<b>12,3</b>

## PUBLIC ADMINISTRATION SERVICES

# Profit and loss account

EUR	Public administration services 1 Jan–31 Dec 2022	Public administration services 1 Jan–31 Dec 2022
TURNOVER	14 778 599,16	14 068 176,47
Other operating income	4 987 452,88	6 650 817,90
Financing for other operations from the State budget	79 463 502,29	75 924 962,80
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	4 866 090,07	1 302 622,61
Variation in inventories	0,00	73 679,98
External services	21 857 798,65	8 661 248,04
Raw materials and services, total	26 723 888,72	10 037 550,63
Staff expenses		
Wages and salaries	30 784 483,73	30 981 293,77
Social security expenses		
Pension expenses	4 997 601,98	5 419 372,94
Other social security expenses	1 006 570,20	1 478 213,12
Staff expenses, total	36 788 655,91	37 878 879,83
Depreciation, amortisation and impairment		
Depreciation according to plan	1 439 289,93	1 526 753,99
Other operating costs	33 992 312,22	46 970 998,98
<b>OPERATING PROFIT</b>	<b>285 407,55</b>	<b>229 773,74</b>
Financial income and expenses		
Income from other investments under non-current assets	5 865,03	36,15
Other interest and financial income	2 027,30	4 102,62
Interest and other financial expenses	107 330,35	97 244,62
Financial income and expenses in total	-99 438,02	-93 105,85
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>	<b>185 969,53</b>	<b>136 667,89</b>
Transfer of the profits of the financial year to Equity	-185 969,53	-136 667,89
<b>PROFIT/LOSS FOR FINANCIAL PERIOD</b>	<b>0,00</b>	<b>0,00</b>

# Balance sheet, assets

EUR	Public administration services 31.12.2022	Public administration services 31.12.2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Other intangible assets	336 049,64	340 357,36
Advance payments and work in progress	1 209 517,96	123 413,71
Intangible assets in total	1 545 567,60	463 771,07
Tangible assets		
Land and water areas	1 042 135 721,64	1 027 951 752,31
Roads	283 590,67	88 658,82
Buildings and structures	7 875 229,21	13 841 183,03
Machinery and equipment	53 373,17	111 010,35
Advance payments and work in progress	284 651,01	37 677,40
Tangible assets in total	1 050 632 565,70	1 042 030 281,91
Investments		
Shares in Group's subsidiaries	12 200 000,00	12 200 000,00
Other shares and holdings	737 704,68	737 704,68
Other receivables	0,00	0,00
Investments in total	12 937 704,68	12 937 704,68
<b>NON-CURRENT ASSETS IN TOTAL</b>	<b>1 065 115 837,98</b>	<b>1 055 431 757,66</b>

EUR	Public administration services 31.12.2022	Public administration services 31.12.2021
CURRENT ASSETS		
Inventories		
Finished products	0,00	1 003 504,47
Inventories in total	0,00	1 003 504,47
Receivables		
Current receivables		
Accounts receivable	1 441 389,40	1 359 664,58
Receivables from enterprise's business operations	109 397,04	22 159,83
Receivables from the enterprise's subsidiaries	160 620,14	28 199,42
Other receivables	34 499,02	18 700,06
Prepayments and accrued income	5 359 102,33	4 924 491,85
Current receivables in total	7 105 007,93	6 353 215,74
Cash in hand and at banks	38 253 361,93	55 517 397,20
<b>CURRENT ASSETS IN TOTAL</b>	<b>45 358 369,86</b>	<b>62 874 117,41</b>
<b>ASSETS IN TOTAL</b>	<b>1 110 474 207,84</b>	<b>1 118 305 875,07</b>

# Balance sheet, equity and liabilities

EUR	Public administration services 31.12.2022	Public administration services 31.12.2021
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1 067 931 938,46	1 059 017 806,23
<b>EQUITY IN TOTAL</b>	<b>1 067 931 938,46</b>	<b>1 059 017 806,23</b>
LIABILITIES		
Current		
Advances received	25 072 274,61	44 552 005,37
Accounts payable	4 211 916,53	3 198 568,55
Debts to enterprise's business operations	2 316 626,26	981 158,35
Debts to Group's subsidiaries	78 901,73	49 124,45
Other liabilities	1 852 394,71	1 717 086,79
Accruals and deferred income	9 010 155,54	8 790 125,33
<b>LIABILITIES IN TOTAL</b>	<b>42 542 269,38</b>	<b>59 288 068,84</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>	<b>1 110 474 207,84</b>	<b>1 118 305 875,07</b>

# Cash flow statement

EUR	Public administration services 31.12.2022	Public administration services 31.12.2021
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	14 477 216,41	14 385 473,46
Payments from other operating income	4 462 216,47	5 620 259,98
Payments from operating charges	-113 855 256,35	-87 144 887,38
Cash flow from business operations, before financial items and taxes	-94 915 823,47	-67 139 153,94
Interest paid and other financial expenses	-107 330,35	-97 244,62
Interest income from business operations	2 027,30	4 102,62
Dividends received	5 865,03	36,15
State's budget funding for other operations	79 463 502,29	75 924 962,80
<b>Cash flow from operations</b>	<b>-15 551 759,20</b>	<b>8 692 703,01</b>
INVESTMENTS		
Purchase of environmental protection areas, shares	26 157,94	375 119,68
Purchase of fixed assets, funding by Ministries	-8 543 411,23	-4 338 972,77
Purchase of fixed assets, other funding	-574 286,44	-625 768,00
Investments in tangible and intangible assets	-1 793 598,22	-334 059,17
Profits for the sale of tangible and intangible assets	81 322,15	525 094,00
Shareholder investment in purchase of environmental protection areas and shares	-26 157,94	-375 119,68
Investment subsidies	9 117 697,67	4 964 740,77
<b>Cash flows from investing activities</b>	<b>-1 712 276,07</b>	<b>191 034,83</b>
CHANGE IN LIQUID FUNDS	-17 264 035,27	8 883 737,84
Liquid funds on 1 Jan	55 517 397,20	46 633 659,36
Liquid funds on 31 Dec	38 253 361,93	55 517 397,20
<b>Change</b>	<b>-17 264 035,27</b>	<b>8 883 737,84</b>

## SIGNATURE OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT

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**METSÄHALLITUS**      **0116726-7**

**Signature of the financial statements and annual report 1 January–31 December 2022.**

Vantaa, 22 February 2023

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Päivi Huotari  
Chair

---

Sanna Paanukoski  
Vice Chair

---

Keijo Kallunki  
Board Member

---

Tanja Joonas  
Board Member

---

Tuija Suur-Hamari  
Board Member

---

Jussi Saukkonen  
Board Member

---

Ismo Tiainen  
Board Member

---

Roope Uusitalo  
Board Member

---

Juha S. Niemelä  
Director General

### Auditor's note

A report on the performed audit has been issued today.

Helsinki, on the date of the electronic signature

KPMG OY AB

KPMG OY AB

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Jorma Nurkkala  
Authorised Public Accountant,  
Chartered Public Finance Auditor

---

Outi Koskinen  
Authorised Public Accountant,  
Chartered Public Finance Auditor

# Public Administration Services of Metsähallitus – Separate annual report and financial statements from 1 January to 31 December 2022

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## 1. ANNUAL REPORT

# 1.1 Management review

### Main observations

National Parks Finland and Wildlife Service Finland, which are Metsähallitus' units handling public administration services, had an operationally successful year. With the help of the Helmi programme and so-called Future Investment funding, we reduced the repair backlog in protected areas and carried out habitat improvement work across a larger surface area than ever, clearly exceeding our ambitious target. The target for improving habitats set for the Helmi programme was not fully met, however, as significant work not included in this programme's outcomes was also performed as part of EU LIFE projects. The pandemic was over, the borders opened up and foreign travel was again possible, which is reflected in Metsähallitus' visitor numbers and impacts on local economies. However, the levels of 2019 were still clearly exceeded. We also improved the status of habitats in collaboration with Metsähallitus Forestry Ltd, for example at catchment level.

The increased financial framework granted to us at the beginning of 2020 combined with the funding we received for tackling the repair backlog and other development areas has helped us deal with these challenges. We expect that in 2023, the calculated repair backlog will mainly have been eliminated. Despite a slight drop in visitor numbers, the level of customer satisfaction was higher than ever last year. Separate funding enabled us to engage in repairs and management measures at valuable

historical sites controlled by Parks & Wildlife Finland. However, the short planning and implementation periods associated with separate funding mean that long-term work to maintain these sites is not possible.

Price increases and Russia's attack on Ukraine also affected the operations of public administration services during the year. Uncertainty relating to access to supplies and contractors increased, while higher prices made it necessary to interrupt some of the procurement processes for new contracts and created challenges for the completion of ongoing ones. Due to the rising prices, we also had to drop some procurements altogether and re-prioritise our work in order to stay within the financial framework for the year.

The seed stock could not be replenished as there was no crop of seeds to harvest in Northern Finland. The demand for forest tree seeds also declined compared to previous years due to on-going changes in the forest industry in this region and new forest management methods.

In terms of personnel, ambitious performance targets and higher customer numbers have increased feelings of being rushed, and the personnel survey revealed that recovery from work was one of the key challenges. During the year, all staff members were offered an opportunity to participate in First Beat wellness measurements on a voluntary basis. If potential problems were

identified, the person was referred to further examinations, which also helped staff members suffering from exceptional levels of stress to access occupational health care services.

A review of operating practices was launched at National Parks Finland and carried out in close cooperation with the staff. Around 300 people have participated in the workshops so far, information sessions have been organised weekly, and staff members have had an opportunity to comment on all documents on dedicated channels. The operating practices review will be concluded in February 2023, after which the need for further measures will be assessed, and a possible reform of operating practices will be initiated. The principle of this review has been streamlining work processes and enabling value flows with a customer-oriented approach.

Wildlife Service Finland achieved its key objectives and had an operationally successful year. The number of registered customers exceeded 0.5 million towards the end of the year. The demand for permits for state-owned lands was again strong, and demographic trends and the population's age structure both indicate that it will continue and even increase in the future.

Hunting and fishing arrangements on state-owned land always involve tensions and conflicting expectations, and this was reflected in various

complaints received especially from Lapland in 2022. The operating environment has become more challenging. Hunting subject to a permit and its arrangements, the use of dogs especially in elk hunting, as well as the rights of the Sámi and the negotiations on them increased the staff's workload and also stress levels. Sharing game resources fairly between those hunting by local residents' rights and those who require a permit sparked debate repeatedly during the year.

Wildlife Service Finland completed a major stream restoration project and also managed to increase the restoration plan pool. Hunting and fishing arrangements should as a basic premise be linked to game and fisheries management and restoration. Wildlife Service Finland does not have a permanent funding base for such work, however, and it is forced to apply for either separate project funding or budget funding. The permit revenue is not sufficient for effective habitat improvement work.

In game and fisheries supervision, the management of supervision information was developed, and knowledge-based cooperation between supervisory authorities was intensified. Needs to develop the Game and Fisheries Wardens' powers in order to improve the efficiency of their work also emerged strongly.

## Conclusions

The demand for services and interest in our destinations continue to grow. The significance of nature destinations and their positive and diverse impacts on society are recognised better. This provides an excellent springboard for the future and also an opportunity to steer activities responsibly in the desired direction. The key to success is a sustainable level of permanent funding, allowing us to respond to the growing number of visitors in the future and meet the expenses incurred from new sites, in addition to making the necessary investments. When done proactively and following a multi-year plan, this is also in the general economic interest of the State. The provision of permanent funding for valuable historical and cultural heritage sites will also bring cost savings for the State in the long term.

Inadequate funding is already affecting the work. Achieving the objectives of the Helmi programme without additional funding will be challenging and, for example, make it necessary to discontinue certain services. Consequently, further funding for the Helmi programme is the key. Work related to improving the status of habitats carried out in cooperation between Metsähallitus' business units will be developed, stepped up and put on a permanent footing. We will continue to seek additional funding for fishing and hunting supervision as the operating environment creates increasing pressure to expand these activities. In particular, communication and dialogue related to the ecological, social and cultural sustainability of hunting will be intensified.

# 1.2 A Social impact

The following is an evaluation of how the performance targets set for each impact objective for 2022 were achieved. The State's performance information system grading scale and the colour codes presented below were used in the evaluation.

- 1** = The objective was abandoned
- 2** = The objective was not achieved
- 3** = The objective was achieved in part
- 4** = The objective was achieved
- 5** = The objective was exceeded

The indicator descriptions are available on request from the internal information systems of Parks & Wildlife Finland.

## 1.2.1 Recent information indicates that prioritised measures improve the conservation status of species and habitats

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Target for 2022	Outcome in 2022	Grade in 2022
Restoration of mires and traditional rural biotopes included in the Helmi programme, percentage of target for the government term achieved (total 14,000 ha), %	*	14	41	85	84	<b>4</b>
Improving the status of habitats as well as habitat restoration and management (excluding continuous management of traditional rural biotopes), surface area, ha	1 243	4 568	8 132	7 000	10 008	<b>5</b>

\* The indicator was not in use in 2019.

### Strengths

Thanks to the Helmi habitat programme and LIFE projects, a new record of 10,000 hectares was made in habitat improvement. While most of this area (7,800 ha) comprised mires, work was carried out in all habitats covered by the Helmi programme across a broad front. This record-breaking result was achieved thanks to a good financial situation over several years and the fact that skilled personnel has helped build up the planning reserve. Procurement centralisation and other similar practices have got the big wheels in motion in project implementation. In addition to the Helmi programme, several LIFE projects were completed, including Biodiversesea LIFE

IP, which was a large-scale marine nature conservation project. Preparations also started for a project titled Priodiversity LIFE IP, which aims to restore habitats in cooperation between several actors.

Situational picture reports were developed to support the monitoring of the work for the benefit of both Parks & Wildlife Finland and the ELY Centres. Methodical cooperation with other actors, including the ELY Centres and the Finnish Forest Centre, has been stepped up under the auspices of the Helmi programme, which improves cost-effectiveness and enhances the impact of the work.

Targeted species surveys conducted as part of the LIFE projects and the Helmi programme produced new information on the occurrence of threatened species, which supports the planning and impact monitoring of habitat restoration and management. The long-term monitoring data relating to mire restoration are used extensively in cooperation with different research institutes, which produces information on the impacts and effectiveness of restoration as well as the needs to develop its practical implementation and monitoring methods.

## Weaknesses

It has not always been possible to provide new contractors with sufficient work orientation, and this has had a negative impact on the quality of their work. The targets for basic restoration of traditional rural biotopes were not attained, and there is room for improvement in the quality of the management on many continuously managed sites. Monitoring of the outcomes and financial situation were hampered by delays in the timely recording of outcome data as well as a lack of continuously updated outcomes and snapshot financial reports. Trained employees of the Helmi programme with fixed-term contracts tended to find more attractive jobs in other organisations.

## Conclusions

The previous two years showed that the target level of the activities, which has been raised rapidly and extensively, will only be achieved a couple of years after the scaling and allocation of resources have met the needs. A better balance should be found between the performance targets and the available resources, and more human resources will be needed to ensure high-quality continuous management of traditional rural biotopes, for example. Development of a situational picture tool for reporting and monitoring informed by user experience will be important. In particular, continued attention should be paid to quality control of the work, supervising the implementers, and the storage and quality assurance of data. The value chain of monitoring and research cooperation works well in the area of habitat status improvement, and by continued long-term monitoring, high-quality, analysed information can be produced to support decision-making in Parks & Wildlife Finland and society at large.

## 1.2.2 Improvement in the status and nature values in the network of Natura 2000 and nature reserves

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Target for 2022	Outcome in 2022	Grade in 2022
Status assessment updates of Natura sites (NATA, 1,121 in total), number updated	*	111	56	25	36	5
Quality of natural habitat and species information, up-to-date information, %	*	61	63	80	65	3
Share of those with favourable ecological status, %	*	*	*	67,7	67,0	**

\*The indicator was not in use in 2019–2021.

\*\*No grade was given as the source data remained incomplete when the target was set. Consequently, the target value was set too high, and achieving it was not possible.

## Strengths

Real estate formation progressed well in protected areas. A total of 88 protected areas were formed in cadastral procedures and 54 in register procedures. The external borders of protected areas were marked in the terrain in six national parks and one nature reserve. The preparation of management plans went ahead as planned. The target for the indicator describing the number of NATA updates was exceeded.

The Northern Lapland remote sensing project has improved expertise in and increased the use of new remote sensing techniques for the needs of Parks & Wildlife Finland. To enable a careful quality check, the environmental data updated in this project will only be imported into the SAKTI information system in early 2023. This explains the low outcome figure of the indicator compared to the target. There is a growing demand for the species information contained in the LajiGIS information system, for example for wind power construction and other land use planning, and approx. 1,500 information requests were submitted over a period of two years through the Laji.fi service.

## Weaknesses

The drafting of new legislative packages clearly progressed more slowly than expected due to the workload created by the drafting of the new Nature Conservation Act. While the update of the principles for managing and using protected areas was delayed further, an outline for the principles was completed. The development of regulations was suspended in many areas and will only be continued once the legislation on these areas has been updated. A new case management system (TAMMI) and a new lease and concession contract management system (LUOTO) were commissioned in the spring. This took up a great deal of working time, which hampered the protection of interests and performance of other basic tasks. Such reasons as the numerous wind power projects increased further the number of tasks related to protection of interests.

## Conclusions

Achievement of the objective related to impact is promoted by such means as legislative drafting, real estate formation, boundary markings, NATA assessments, management planning, regulations and protection of interests. The targets associated

with these tasks were achieved reasonably well as a whole, even if progress was slower than planned in some areas (statute drafting, regulations). As the drafting of legislation makes headway and the network of protected areas expands with more than a thousand new sites, this set of tasks will become increasingly challenging. The new Nature Conservation Act, updates of the regulations for established conservation areas and the updated Principles for the management and use of protected areas, which have been under way for a lengthy period, will be completed in 2023. This will facilitate and improve the performance of tasks that are important for the impact objective as well as the management of protected areas and their use also in a wider sense. In addition to being needed in Parks & Wildlife Finland's own work, there is a growing demand for high-quality data concerning the environment in land use projects that serve society and are associated with the green transition, including wind power projects. This is why the maintenance of environmental data should be systematically integrated into the annual planning of our regions.

### 1.2.3 The value of cultural and historic real property assets is preserved

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Target for 2022	Outcome in 2022	Grade in 2022
Percentage of valuable cultural history sites in good condition	*	*	*	45	41	2
Percentage of valuable cultural history sites with up-to-date condition information	*	77	91	95	92	3

\*The indicator was not in use in 2019–2021.

#### Strengths

Many types of work were carried out around the country to preserve the value of real estate assets with cultural history value. Allocation of adequate resources to expert work, which was a prerequisite for successful provision of outsourced services, played a key role in achieving the performance targets. The quality of information on cultural heritage sites improved significantly, thanks to site monitoring and inventories carried out as expert work. Historical sites were restored as planned with the support of separate funding. Metsähallitus' expert work was a precondition for the smooth planning and monitoring of contractors' work and helped to solve problems at sites without delay. In addition to work carried out on separate funding, repairs and restoration measures that ensure the preservation and enable the use of cultural heritage sites were carried out in all Parks & Wildlife Finland regions. The repairs of service structures

in protected areas carried out as so-called Future Investments as well as habitat management work under the Helmi programme were completed as planned, as the archaeological inventories of the sites and inspections of building heritage that had to be carried out before undertaking the actual work could be completed in a timely manner.

#### Weaknesses

Condition monitoring could not be carried out as planned due to the decision to prioritise work for which separate funding was available. Field inspections revealed that the condition of cultural heritage sites was poorer than expected. The target set for the condition of these sites was consequently not achieved. Three cases of unauthorised tampering with archaeological sites were also discovered in the inspections and reported to the Finnish Heritage Agency. Many factors hampered the planning and anticipation of this work. Archaeological inventory

services were not readily available. Due to the uniqueness of the sites, the tenders received differed greatly from the estimated amounts, which partly made it necessary to re-plan the work or reallocate the funds to more feasible sites. No tenders were received for some of the more remote sites, or timber suitable for the restoration work was not available on the given schedule.

#### Conclusions

Up-to-date site information is the key to monitoring the preservation of cultural assets and the allocation of resources to them. To improve condition monitoring, a decision was made to develop more specific performance indicators for 2023. When cultural history sites are maintained properly, their conservation values are preserved, and using them is possible. Recent years' investments have significantly reduced the repair backlog of service structures, and the remaining backlog is consequently associated

with valuable cultural history sites. The Ministry of Finance's working group on Underused strategic State property (STRAVA) is expected to provide solutions for funding the maintenance of cultural history sites and repair backlog. The preconditions for conducting the requisite inventories must be secured in time to guarantee that work under the Helmi programme can progress smoothly. The work inputs of the archaeologists employed by Metsähallitus are not sufficient for this task, and the availability of outsourced archaeological inventory services is also limited. Developing information systems is important in terms of improving the operation and profitability of cultural heritage sites, and timely resources must be found for this work. The goal is to make Metsähallitus' cultural heritage data more accessible by opening up some of the spatial data to the museum authorities.

## 1.2.4 Hunting and fishing are sustainable, ethical and responsible

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Target for 2022	Outcome in 2022	Grade in 2022
Percentage of hunting and fishing inspections in which no offence was discovered	*	86	84	80,5	**	**
Bag reports as a percentage of the number of permits sold	*	48	54,5	52	52,9	4

\*The indicator was not in use in 2019.

\*\*Comparable data not available due to the introduction of a new statistical application.

### Strengths

Cooperation between the authorities has been successfully stepped up after the COVID-19 pandemic. Joint supervision brought good results, especially in congested hiking destinations and national parks in the south. A statistical application for hunting and fishing supervision was commissioned. This increased the impact of supervision by making it possible to target the work at areas which have been supervised less frequently. Strong bird populations made for good hunting opportunities and long hunting seasons. Hunting quota decisions were renewed for the period running from 1 June 2022 to 31 July 2025. The drafting of the quota decisions was preceded by negotiations with the Sámi Parliament and consultations with the Northern Lapland consultative committees, the Reindeer Herders' Association, the Skolt village meeting and local game management associations in the area covered by section 8 of the Hunting Act. Warming of the waters made it necessary to limit the sales of permits for fishing destinations in

rapids. However, preparedness for such restrictions was better, and customers were offered a possibility of changing their permits smoothly. Fishing quota decisions were renewed for 2023. The decisions that concern Northern Lapland were prepared in six small working groups for individual municipalities. This practice proved useful, and local stakeholders' feedback on it was positive. The official Northern Lapland consultative committees, the Sámi Parliament and the Skolt village meeting were also consulted when drafting the quota decision. The targets set for habitat restoration were achieved.

### Weaknesses

In its decision on an administrative complaint, the Office of the Chancellor of Justice found that the practices relating to stakeholder permits issued by Metsähallitus did not comply with section 47 of the Hunting Act. The Chancellor of Justice also obliged Metsähallitus together with the Ministry of Agriculture and Forestry to contact the tax authorities to establish the tax status of free permits issued

in return for game management and supervision. Legal rulings on fishing in Northern Lapland have complicated the preparation of quota decisions. For the municipality of Utsjoki, the fishing quota decision was only renewed regarding fishing permits for the residents of the municipality, and in other respects the quota decision will be adopted in early 2023.

### Conclusions

The practices of and criteria for granting stakeholder permits were updated. An examination of the tax status of free hunting and fishing permits was initiated together with the Tax Administration and the Ministry of Agriculture and Forestry. In Northern Lapland, negotiations with local stakeholders continue. Such methods as work in small groups and active communication are used in this process. Hunting and fishing arrangements should always be associated with habitat restoration work. Finding such permanent funding sources for Wildlife Service Finland's work appears to be challenging.

## 1.2.5 Versatile and customer-oriented wilderness services increase wellbeing and create the prerequisites for wilderness business

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Target for 2022	Outcome in 2022	Grade in 2022
Customer satisfaction among hunters and fishers, on a scale of 1 to 5	3.69	3.76	3.84	3.87	3.77	3
Number of state fisheries management fees paid	254,060	290,647	270,159	280,000	266,703	2

### Strengths

The customer service worked well, and the feedback on it has been positive. Hunters' and fishers' customer satisfaction reached the second highest figure ever measured. While the telephone service remains an important channel for customers, most fishing and hunting permits are sold through electronic channels. In the weeks in which hunting permits go on sale, the number of calls received multiplies compared to other times. Open communication has provided good support for the customer service, especially as situations change. Customers can be reached effectively through direct customer communications. The Communications launched an Encounters programme, which aims to have direct discussions with stakeholders and customers.

### Weaknesses

The overall update of the Eraluvat.fi web service was delayed; the launch of the updated service was postponed until next year, and the original cost estimate will be exceeded by a long shot. Continuous monitoring of customer satisfaction will be developed further once the overhaul of the Eraluvat.fi service has been completed. The total amount of fisheries management fees paid was slightly below the target.

### Conclusions

The options for financing cost overruns caused by delays in commissioning the Eraluvat.fi service are being investigated. In cooperation with the supplier, efforts will be made to determine the amount of work that remains to be completed and

its schedule. Developing continuous monitoring of customer satisfaction in the current Eraluvat system is not feasible. Annual surveys will remain in use for measuring customer satisfaction. In the future, smooth and professional customer service will be ensured through adequate resources and training as well as well-functioning systems. Communication will be targeted better at fisheries management fee customers, focusing on customers who should pay the fisheries management fee but fail to do so.

## 1.2.6 Recreation in nature promotes wellbeing and the appreciation of nature, which is supported by means of active communication

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Estimate 2022	Outcome in 2022	Grade in 2022
Total number of visits: National parks and other visitor sites, million	8.18	9.20	9.46	9.35	8.49	2
Local economic impact of visitor spending, EUR €	305	*	456	379	392	5
Customer satisfaction among users of visitor centres and off-road services, on a scale of 1 to 5	4.4	4.4	4.4	4.4	4.4	4

\*Due to the COVID-19 pandemic, accurate region-specific estimates could not be made in 2020.

### Strengths

The targets set for reducing the repair backlog were achieved. Energy efficiency, customer safety and sustainability were prioritised in the targeting of repairs. National orientation material for responsible tourism was produced and made available to partners. Metsähallitus continued to develop methodically the monitoring of sustainability in recreational use, and the number of sites monitored went up. The quality of spatial data on hiking structures was improved significantly. The accessibility of several national parks was improved by means of public transport solutions, of which the novel To nature by train campaign launched in cooperation with VR was the most significant new initiative. Investments in recreational infrastructure, successful customer communication and cooperation with entrepreneurs were again reflected as high customer satisfaction. Impacts on local economies were

strengthened despite reduced visitor numbers. Parks & Wildlife Finland participated actively in preparing an implementation plan for the National Nature Recreation Strategy.

The unit continued to communicate actively about the importance of biodiversity and sustainable use on the conventional and social media, in the customer service and outdoors at the destinations. A total of 2.8 million visitors searched for information on the Nationalparks.fi website, the social media channels continued to attract more followers, and the level of media publicity remained high. Responsible hiking and the Outdoor etiquette were emphasised in information signs at destinations, Retkiratsia supervision campaigns and the scout jamboree Kajo. These actions were also part of the nature and environmental education programme. The impact of investments in recreational use and

well-being impacts of nature were emphasised in our active communication through influencers.

### Weaknesses

The total number of visits to destinations decreased by 10%. The global political situation, consumer uncertainty about the future and a general increase in cost levels affected the demand for nature tourism. In service maintenance, the rising cost level resulted in quality deviations and new needs for prioritisation.

### Conclusions

After peak demand experienced in national parks during the COVID-19 pandemic, the visitor numbers have returned to a longer-term, more moderate growth trajectory. Fuel prices, inflation and the attraction of foreign travel additionally influenced the reduced domestic demand and its targeting.

An exceptional period creates pressure to reduce consumption, which emphasises the importance of local nature services as travel costs increase. The rising costs of maintenance and procurements stress the importance of prioritisation in service provision. The update of the Nationalparks.fi service supports customer communications, and new digital methods will be commissioned once they have been completed. As resources for communications dwindle, prioritisation is necessary, and impact is emphasised in the content. The communications of LIFE projects will be more closely integrated into Parks & Wildlife Finland's other communications. Finnish Nature Centre Haltia's updated strategy will also open up opportunities for new types of cooperation with Parks & Wildlife Finland's communications.

# 1.3 B Operative efficiency

## 1.3.1 The activities are productive, customer-oriented and knowledge-based

### Strengths

The efforts to upgrade digital services made headway in the form of conceptual work aiming to integrate the Nationalparks.fi service with a national outdoor information service, which also motivated the launching of efforts to develop new services for the Nationalparks.fi website. Work on updating the digital sales channel continued throughout the year. A dedicated system was introduced for recording and compiling statistics on hunting and fishing inspections. Work aiming to improve customer insight and visitor monitoring was also launched as a pilot area of agile development in the entire Metsähallitus Group. The preconditions for launching agile development were put in place, including framework agreements with ICT experts, cloud environments, tools as well as principles and resources. To develop customer research, improve customer insight and advance dialogue with citizens, capabilities for launching a fishing, hunting and nature forum were created. Studies and conceptual work relating to digital customer service were completed, and efforts to describe a common operating model and service development network were launched. Work aiming to develop the customer feedback process was also initiated, and the use of the feedback ticketing system was

expanded. Metsähallitus' common data strategy was completed, and the data platform was tested from the perspective of improved reporting in the Helmi programme. Situational awareness and reporting were improved, and further development of knowledge-based management and situational awareness was launched in keeping with the data strategy. Indicators were developed to improve data quality, and information system administrator networks were strengthened to put the activities on a permanent footing.

Management principles were prepared for Metsähallitus. Training sessions and online coaching for all supervisors were organised on good management practices. The themes of a management development seminar included feedback culture, emotions and encounters. The 'Pathway to renewal' training package targeted at the management groups of Metsähallitus and public administration services introduced participants to the principles of agility and Lean thinking. In connection with the organisational reform, a large number of tasks was identified whose performance had to be reorganised in the new structure and, as a consequence, a network-based operating method was launched following the principle of continuous

improvement. Based on personnel survey results, collected feedback and the needs to develop information systems, an extensive review of operating practices was launched in National Parks Finland to create guidelines for the future. The review aims for putting in place clear-cut activities based on value flows and also for improving work productivity. It will pave the way for an upgrade of the spatial data system configuration, which is approaching the end of its life cycle. The personnel have been actively involved in conducting the review throughout the process. Preparations for the opinion procedure referred to in the Act on Information Management in Public Administration as well as the Ministry of Finance's productivity funding were also launched. These processes were successfully completed during the year and will enable the upgrade of the spatial information system to meet future needs. The preparation of an architectural and technological report in support of the operating practice review was initiated to promote the launch of the spatial information system upgrade in a process known as JHT Arvo.

### Weaknesses

The complexities of implementing the digital sales channel have created challenges in terms of the project's schedule and costs. The tendering

processes for enablers of agility and ICT expert framework agreements were delayed, and these services only became available towards the end of the year. Consequently, several development projects were started late in the year, and the challenges posed by these parallel projects included managing dependencies and a fragmented customer experience. The launch of Parks & Wildlife Finland's operating practice review was slowed down by a need for a broader shared understanding, engagement, discussions and a current state description, which also resulted in project fatigue among the staff. To achieve the objectives, addressing the shortcomings in information processing and knowledge-based management identified in the data strategy will require a great deal of effort and improvements in the basic work. Expanding the agile development and Lean operating models and practices from the team level up will require significantly stronger commitment and willingness to change from all levels and parts of the organisation, making it possible to develop larger operative entities. Strategic planning and guidelines would be needed to develop and use the Group's shared information management (platforms, interfaces, cloud services, etc.) to avoid several separate solutions. The culture of networking will need to be developed and clarified further.

## Conclusions

The preparation of National Parks Finland's operating practices review has created a clearer understanding of the challenges embedded in the current practices, helping staff members to comprehend why a change is necessary. The objectives for 2023 are completing and implementing the review and preparing for the upgrade of the spatial data system configuration. The operating practices review, architectural and technological report and development of knowledge-based management are all large projects in themselves, and together they make up an extremely multidimensional and significant whole which should be examined systemically and in which any dependencies should be identified. In order to avoid customer experience fragmentation, the preconditions for developing a uniform customer experience should be created and developed further, for example through service development based on customer insight, launching of a customer forum, introducing shared service design tools and building up competence. Multiple development needs are associated with competence that is vital in terms of development, including in agile development and the Lean operating method, their enablers throughout the organisation as well as analytics and knowledge-based management. These competences should be developed systematically and proactively. The culture and practices of networking as well as self-directedness and co-directedness need to be developed further.

## 1.3.2 The activities are climate-wise and responsible

### Strengths

A building stock development project was launched to obtain cost savings and to achieve better real estate management and improved energy efficiency at the national level. Investments in improving the energy efficiency of the most important properties in our possession were made with the help of separate funding. In total, improvements and reviews have been carried out at 16 sites where electrical or oil heating has been replaced by geothermal heating or other energy efficiency measures have been taken. Balance between travel and remote connections use has been actively sought while ensuring the functional capacity of the work community. Principles for multi-locational work were created for the Metsähallitus Group at large. Travel expenses have not returned to their pre-pandemic levels. Online training on corporate responsibility was completed by 496 people.

### Weaknesses

The responsibility for real estate management is today divided between four Parks & Wildlife Finland regions, and overall management remains inadequate.

### Conclusions

Once National Parks Finland's building stock development project has been completed, efforts to improve real estate management and energy efficiency will begin, whereas Wildlife Service Finland is still seeking for a solution for the future of Palosaari property. In efforts to reduce the carbon footprint, the focus should systematically be on matters in which maximum impact can be achieved. Efforts to reduce the carbon footprint and working ethically should be part of all everyday activities. Responsibilities for property management should be reviewed as part of a real estate report.



Photo: Jonna Kalliomäki

# 1.4 C Resources

## 1.4.1 The staff is healthy and competent

Indicator	Outcome in 2019	Outcome in 2020	Outcome in 2021	Target for 2022	Outcome in 2022
Supervisory work (scale 1 to 5)	4.1	3.9	3.9	4.2	4.0
Metsähallitus as an employer (scale 1 to 5)	3.9	3.9	4.0	4.1	3.9
Meaningfulness of work (scale 1 to 5)	4.1	4.1	4.2	4.2	4.1

### Strengths

The results of the personnel survey were analysed, and development plans were drawn up on their basis. The feedback indicates that the most important development measure in National Parks Finland was launching a broad-based review of operating practices in collaboration with the entire organisation. The purpose of the review is to clarify staff members' tasks and to reduce feelings of stress in the future. In addition to the personnel survey, supplementary surveys were addressed to the personnel of individual Parks & Wildlife Finland units. The management of public administration services determined the core competences together with elected officials as part of futures work. In the context of core competences, a personnel competence survey was conducted in National Parks Finland.

In Wildlife Service Finland, staff satisfaction improved from the previous year, and staff members have a strong trust especially in supervisory work and support provided by colleagues. There was also a positive change regarding workloads and

experiences of rush compared to the previous year. Wildlife Service Finland also conducted a quarterly personnel survey, and this practice will be continued. Overall, the personnel of Wildlife Service Finland experience a very high level of satisfaction.

A new pay regime, Palkkavaaka, was introduced throughout Metsähallitus' organisation. The key objective of this reform was fair pay, and a pay survey indicated that this has been achieved. The survey found no unjustified pay gaps between the genders, and pay dispersion within job requirement groups had decreased since the reform was implemented.

A reform of job titles was carried out, which involved a review of all titles and changes to several of them. This reform aimed for titles that would be in keeping with Metsähallitus' brand while being consistent and fair. For example, they no longer reflect the educational background of the personnel, and titles ending with 'man' have been dropped.

The workload was particularly high, which is why efforts were made to invest in the personnel's coping in many ways:

1. Inputs in occupational safety and health were increased, and the drawing up of risk assessments was accelerated through broad-based preparation.
2. Principles were drawn up for work clothing procurements, and a wide range of products suitable for different uses can now be ordered.
3. Interaction and communication with the personnel have been increased, including regular personnel briefings and weekly reviews. Feedback received on these efforts has been good.
4. All personnel members with a valid employment relationship in 2022 were offered an opportunity to participate in First Beat wellness measurements. Based on their results, they could also access the occupational health care services for further interventions.

### Weaknesses

Supplementary personnel surveys conducted quarterly did not go ahead as planned in National Parks Finland, as the review period turned out to be too short in comparison to other surveys. Only 55% of the personnel participated in the wellness analysis. Further work on developing core competences was postponed to 2023. Progress in this issue can be made once the review of operating practices in National Parks Finland has reached a point where a clear structure can be identified for assigning responsibilities for training and competence. In addition to core competences, efforts must also be made to increase preparedness for change.

### Conclusions

Continuous and systematic investments must be made in personnel well-being and measures that support their work. In the context of well-being, internal communications and openness play a large role. As employees have large workloads, more inputs from supervisors are needed to prioritise their tasks. Core competence development has got off to a good start and is on the right path.

## 1.4.2. Financial outlook and performance targets guide the dimensioning of operations in a proactive manner

### Strengths

In financial management and planning, the monitoring of financial and operational dependencies was strengthened. Resources were reallocated several times a year on the basis of progress made with the work, actual costs and procurement outcomes. In National Parks Finland, the idea that the entire organisation shares a single funding reserve and a common budget was reinforced, improving the organisation’s understanding of the overall situation. Quarterly updates of the forecast and the quality of the forecast for the public administration services as a whole have played a key role in this.

Interaction with the ministries in charge of steering Metsähallitus was intensified. For the part of the Ministry of the Environment, five expert groups established to support performance guidance worked actively. The expert group on economy plays an important role in coordinating the performance guidance as a whole. We also intensified our interaction with the Ministry of Finance.

### Weaknesses

No new solutions for developing the funding base were found, as the focus of the activities was on maximising the efficiency of implementation and on drafting the cost structure of basic funding and

different scenarios. The challenge in financial and operational monitoring was that the Metsähallitus Group only made a start with implementing the PowerBi reporting system late in the year. Reporting on the operational result also met with challenges, which will be resolved through information system development. The division of responsibilities between too many persons in the units also emerged as a challenge. Large-scale project activities take up a great deal of the organisation’s resources, and the link to the direct objectives of the performance agreement is not always realised optimally.

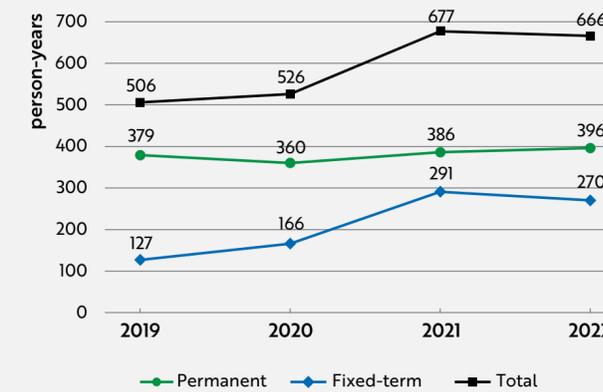
### Conclusions

In the future, bringing the basic funding up to a sustainable level while seeking more productivity and enhanced impact within the organisation will be the key. We will also continue to investigate potential new funding channels. Interaction should be stepped up in the future, and both ministries in charge of Metsähallitus’ performance guidance should sit around the same table when such issues as the preparation of the General Government Fiscal Plan and the budget proposal are discussed. Interaction with the ministries and policy-makers will also be extremely important in the future. Special consideration should be exercised when preparing new projects.

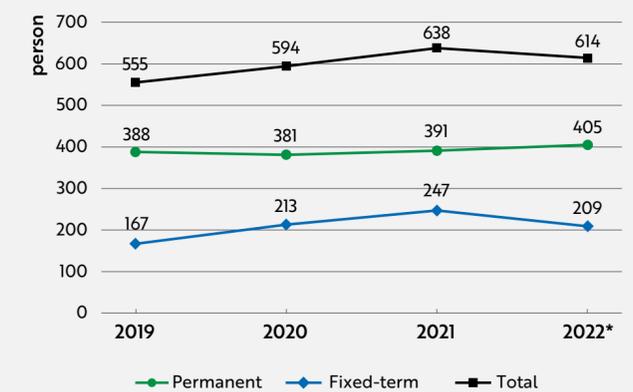
### Development of key figures for personnel 2019–2022

\*In 2022, 435 permanent and 410 fixed-term employees had an employment relationship with Metsähallitus. In addition, 35 people were employed through StaffPoint, a job-seeking and HR services company.

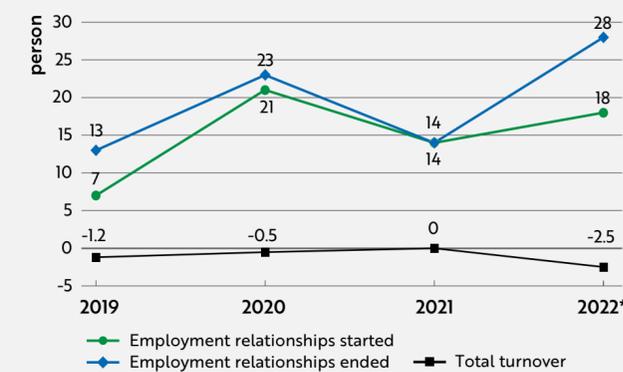
#### Person-years (absences not excluded)



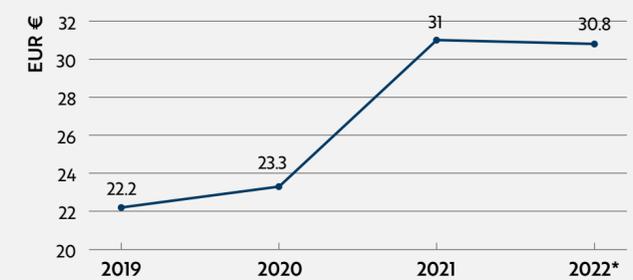
#### Number of employees on 31 Dec



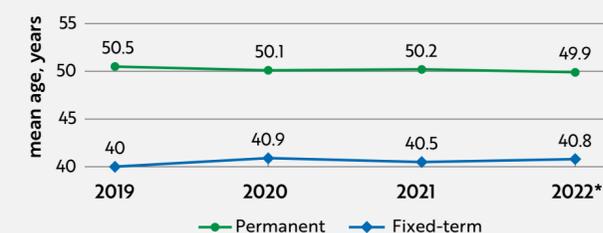
#### Turnover and average of permanent employees



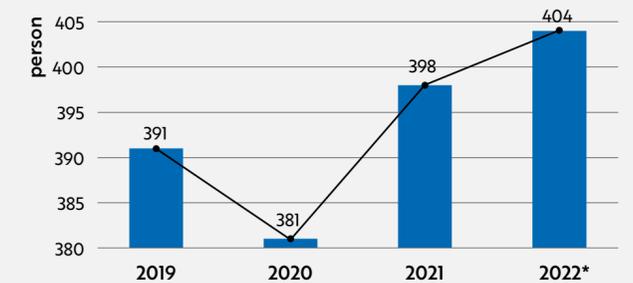
#### Payroll without social security expenses, EUR €



#### Personnel mean age



#### Employees on average



# 1.5 Objectives set for international operations in relation to discretionary funding from the Ministry of the Environment

## Strengths

Finnish-Estonian cooperation on nature conservation celebrated its 30th anniversary. Expert meetings on the prevention of invasive alien plant species, butterfly protection and the restoration of habitats and ecological networks could again be organised after a long interval. Cooperation between Finland and Latvia focused on visitor monitoring. With regard to the Ramsar Convention, Metsähallitus participated in the evaluation of Finland's Ramsar Wetlands Action Plan 2016–2020, the 14th Meeting of the Conference of the Contracting parties to the Ramsar Convention, and the preparative meetings for it.

## Weaknesses

In boreal region cooperation under the Natura 2000 Biogeographical Process, Metsähallitus was waiting for the completion of the EU Biodiversity Strategy and the Nature Restoration Regulation by the consultant leading the work and the EU Commission, which is why there was no progress. Additionally, the COVID-19 pandemic delayed the resumption of cooperation, including the Biogeographical Process for the habitat groups in the Boreal region.

## Conclusions

Despite the difficulties and delays caused by the pandemic, contacts with international partners were maintained, and events postponed because of the pandemic could now be organised. It is likely that international cooperation and face-to-face meetings will be resumed. There is a clear willingness to attend these physical events, without forgetting the good remote work practices shaped during the pandemic.



## 2. FINANCIAL STATEMENTS

# 2.1 Financial statement analysis

Separate financial statements are prepared for the public administration services as part of Metsähallitus Group's financial statements. Rather than turning a profit, the public administration services (Parks & Wildlife Finland) strive for value that can be measured as the social impact of its operations.

### 2.1.1 Profit and loss account

Parks & Wildlife Finland's turnover of EUR 14.8 million (EUR 14.1 million in the previous year) consists of income from operations related to public administration services which are subject to a charge, mostly consisting of hunting and fishing permit income, long-term leases and transfer of user rights related to areas, and wood sales. Income from the sale of fibre and energy wood from restoration sites in protected areas was mostly spent on self-financing for the EU Life projects.

Turnover in the Ministry of the Environment's administrative branch was EUR 7.8 (6.9) million. The increase in turnover is mainly due to the sale of wood obtained from restored areas as well as long-term leases, the transfer of user rights and accommodation activities. Turnover in the Ministry of Agriculture and Forestry's administrative branch, EUR 7.0 (7.2) million, was similar to the previous year's level.

Paid activities are financed by the revenue obtained from them. According to a Parliament decision, the revenue may also be used for other expenses of Parks & Wildlife Finland in the Ministry of the Environment's and the Ministry of Agriculture and Forestry's branches of administration. Under the Act on Metsähallitus, Parks & Wildlife Finland is responsible for duties related to the procurement and emergency storage of forest tree seed. EUR 0.5 million of the income from seed sales in Northern Finland was used to cover the expenses incurred from seed management, and EUR 0.1 were additionally spent on managing other duties agreed upon with the Ministry of Agriculture and Forestry. EUR 0.4 million of the income from paid activities in the Ministry of the Environment's administrative branch was spent on expenditure in this branch.

Other operating income of EUR 6.7 million mainly consists of project financing (EUR 4.4 million) from sources outside the State budget, in which the largest single item was European Environmental Fund LIFE project funding of EUR 2.5 million. The targets of the LIFE projects now in progress are to restore mires, forests, small bodies of water and traditional rural biotopes, to manage the forest reindeer population, to improve the habitats of certain beetle species in protected areas, and to promote the conservation of the flying squirrel and Saimaa ringed seal.

Funding received from State budgets amounted to EUR 79.5 (75.9) million. In addition to the basic appropriation of EUR 74.7 million (items 30.64.50 MAF and 35.10.52 ME), the funding includes project financing and other complementary financing totalling EUR 4.7 million. In addition, EUR 8.5 million in investment

funding was used to cover the costs of performing duties agreed with the ministries in the performance agreement.

The EUR 1.4 million of financing received from the Ministry of Justice's main title was used to pay for expenses incurred from the labour input of prisoners in open penal institutions, especially in the Nuuksio, Sipoonkorpi and Selkämeri National Parks, Vallisaari and Evo Hiking Area.

The business accounting costs for the 2022 financial period were EUR 98.9 (96.4) million. The profit and loss account profit in the business accounting before transfers within the financial statements totalled EUR 0.2 (0.1) million. The surplus comprised EUR 1.6 million of surplus from paid activities and EUR 0.4 million of fixed asset adjustments and capital gains, with depreciation of EUR 1.4 million.

## 2.1.2 Balance sheet

The value of land and water areas was EUR 1,041.7 (1,027.9) million. The increase was mainly due to transfers of possession related to land and water areas. The value of built property was EUR 7.9 (13.8) million, which includes the buildings and service structures in national parks and protected areas and buildings at cultural heritage sites. The decrease in the value of built property is due to correcting investment aid entries made in the accounts. During the financial year, the book values of fixed assets were adjusted to the actual acquisition cost for all items, taking into account the investment aid received. Consequently, fixed assets were valued consistently on 31 December 2022. The investments of EUR 9.1 million made in unfinished buildings and structures, machinery and equipment, road projects and information systems during the financial period that were covered by grants have been recorded as acquisition cost deductions or adjustments.

Other equity was EUR 1,067.9 (1,059.0) million. The increase in equity was mainly due to the difference between transfers of possession and adjustments to items financed by investment aid. There is no yield target for the equity of Parks & Wildlife Finland.

The valuation principle for seed stock that is part of the public administration services was changed in financial year 2022, and the funding received for the acquisition of seed stock is now allocated to the acquisition cost. The previously unrecognised portion of acquisition cost was adjusted for financial year 2022.

The funding of public administration services is managed separately from the Group's other funding. Cash flow from operations during the financial period showed a deficit of EUR 17.3 million (surplus of EUR 8.7 million in 2021). Liquid funds at the end of the financial period totalled EUR 38.3 (55.5) million. The decrease in liquid funds was due to using three-year transfer appropriations received earlier from the State budget, especially with regard to appropriations of the Ministry of the Environment, which also affects growth in advances received in current liabilities.

## 2.1.3 Expenditure

The three-year transfer appropriation granted to Metsähallitus Parks & Wildlife Finland from the State budget through the ministries in charge of performance guidance (from item 35.10.52 of the Ministry of the Environment and from item 30.64.50 of the Ministry of Agriculture and Forestry) totalled EUR 66.7 million (EUR 79.3 million in 2021).

The tables indicating the total costs in the separate accounting of Metsähallitus Parks & Wildlife Finland are based on expenditure, including increases and decreases of non-current assets without depreciations and transfers of possession. Total expenditure in 2022 was EUR 108.1 million (EUR 100.6 million in 2021).

The total expenditure grew by EUR 7.5 million (7%) compared to the previous year. A total of EUR 84.1 million (EUR 76.5 million in 2021) of the operating

expenses appropriation from the Ministry of the Environment and the Ministry of Agriculture and Forestry was spent during the operating year. According to the matching principle, the appropriation covered 78% of the total expenditure in the operating year (76% in 2021). The cumulative unused percentage of the transfer appropriations was recorded in the balance sheet as advances received.

The funding received from the Ministry of the Environment's item 35.10.52 was EUR 58 million, and a transfer appropriation totalling EUR 34.0 million from previous financial years was available. Total expenditure was EUR 73 million, and net expenditure of funding was EUR 72.4 million. Of the total expenditure, EUR 21.6 million was allocated to improving habitats (including under the Helmi programme), with Future Investment funding accounting for EUR 9.8 million of this amount. EUR 34.5 million was spent on recreational use of nature, reducing the repair backlog and improving sustainability. The share of separate appropriation decisions (incl. Future Investment funding, Supplementary Budget 4 2020, and funding based on allocation margin decisions) in the funding was EUR 14.5 million. Transferred funding of EUR 19.7 million was committed to implementation planned for 2023–2024.

The funding received from the Ministry of the Environment's item 30.64.50 was EUR 7.6 million, and a transfer appropriation totalling EUR 4.3 million from previous financial years was available. The total expenditure was EUR 11 million, and the net expenditure of funding was EUR 10.8 million. The total

expenditure was divided into EUR 2.9 million for the management of hunting and fishing issues and EUR 6.5 million for the maintenance of hiking areas and reduction of repair backlog. Of this expenditure, EUR 3.5 million was financed from transfer appropriations from previous financial years (Supplementary Budget 4 2020, Supplementary Budget 7 2020 and Future Investment funding). Transferred funding of EUR 1 million was committed to implementation planned for 2023–2024.

The entry practice was altered in part at the beginning of 2022 regarding property costs. From the beginning of 2022, the costs of real estate in operational use previously recorded in other business expenses have been entered in the material and services group. The figures for the reference year 2021 have not been made comparable, as the changes are not essential in terms of the whole.

Investments of EUR 10.8 million (EUR 5.1 million in 2021) in buildings, structures, bridges, docks and road projects used for nature tourism as well as information systems represented the most significant increase in expenditure. Of these investments, 67% were covered by budget funding for the Ministry of the Environment's administrative branch.

The share of expenses covered by external project financing was 8% of total expenses (10% in 2021). In euro amounts, project financing expenditure decreased by EUR 1.8 million. Project financing is largely based on international partnerships, county-level partnerships and local partnerships.

**Distribution of Parks & Wildlife Finland's total expenditure by financial resource**

Total expenditure by financial resource, EUR 1,000	2022 Total	2021 Total	Change, eur	Change, %
Expenses for paid activities	14,310	12,389	1,921	13%
MAF item 30.64.50	11,059	11,218	-159	-1%
ME item 35.10.52	72,997	65,298	7,699	11%
ME, protection of marine environments, item 35.10.22	1,194	648	546	46%
ME, acquisition of nature reserves, item 35.10.63	90	706	-616	-685%
EU funding	4,005	5,120	-1,115	-28%
MJ, day-release work	1,371	1,459	-88	-6%
MEAE, employment, educational and special-ised measures	133	180	-47	-36%
Other external funding	2,986	3,584	-598	-20%
<b>Total</b>	108,146	100,601	7,545	7%
Expenses excl. land acquisition investments	107,969	99,895	8,074	7%

**Distribution of Parks & Wildlife Finland's operative expenses by expenditure type**

Total expenditure by expenditure type, EUR 1,000	2022 Total	2021 Total	Change, eur	Change, %
Materials and supplies	4,866	1,303	3,563	73%
External services (production)	21,858	8,661	13,197	60%
Pay expenditure	36,789	37,877	-1,088	-3%
Travels and other staff expenses	4,386	4,015	371	8%
ICT hardware and software expenses	3,352	2,837	515	15%
Property expenses	4,795	18,456	-13,661	-285%
Vehicle expenditure and other machinery and equipment expenditure	3,383	4,133	-750	-22%
Other purchase of services	641	2,046	-1 405	-219%
Other marketing, administration and business expenditures	17,089	15,465	1,624	10%
Investments	10,810	5,130	5,680	53%
Land acquisition investments	177	679	-502	-283%
<b>Total</b>	108,145	100,601	7,544	7%
Expenses excl. land acquisition investments	107,969	99,923	8,046	7%

## 2.2 Financing and cost relatedness

### 2.2.1 Financing allocated from the State budget to Parks & Wildlife Finland

#### Financing allocated from the State budget to Parks & Wildlife Finland

Budget account, EUR 1,000	State budget 2022	Supplementary state budget III 2022	Supplementary state budget IV 2022	State budgets, total 2022	Use of authorisation 2022	Budget + use of authorisation 2022	Transferred from 2021	Available in 2022	Net use 2022	Transferred to 2023
30.64.50 Certain public administration services of Metsähallitus (MAF)	7,247	309		7,556		7,556	4,330	11,886	10,838	1,048 <sup>1</sup>
35.10.52 Public administration services of Metsähallitus (ME)	56,754	1,314		58,068		58,068	34,068	92,136	72,440	19,696 <sup>2</sup>
35.10.22 Protection of maritime areas (VELMU ME)	780			780		780	569	1,349	1,194	155
35.10.63 Acquisition of nature reserves (ME)	300						120	420	41	380
<b>Financing allocated in the budget, total</b>									<b>84,513</b>	
<b>Other financing from the State budget</b>									3,520	
<b>Financing received from the above-mentioned articles and recorded as an acquisition cost deduction is added</b>									-8,543	
<b>Investment funding entered in Equity is added directly</b>									-26	
<b>Financing from the State budget, total</b>									<b>79,464</b>	

<sup>1</sup>In keeping with budget decisions in 2021 and 2022, the appropriation transferred to 2022 from the Ministry of Agriculture and Forestry's item 30.64.50 is primarily committed to repairs and stabilisation of service structures.

<sup>2</sup>In keeping with budget decisions made in 2021 and 2022, the appropriation transferred to 2022 from the Ministry of the Environment's item 35.10.52 is mainly committed to implementing the habitat improvement programme in protected areas and to digital projects.

Ministry of Agriculture and Forestry, item 30.64.50, EUR 1,000	Outcome in 2022	Outcome in 2021	Ministry of the Environment, item 35.10.52, EUR 1,000	Outcome in 2022	Outcome in 2021	Ministry of the Environment, item 35.10.63, EUR 1,000	Outcome in 2022	Outcome in 2021	Ministry of the Environment, item 35.10.22, EUR 1,000	Outcome in 2022	Outcome in 2021
Pay expenditure	3,301	3,277	Pay expenditure	25,995	26,576	Pay expenditure			Pay expenditure	683	365
Other consumption expenditure	6,400	7,088	Other consumption expenditure	39,817	35,236	Other consumption expenditure	15	28	Other consumption expenditure	511	283
Investments	1 358	853	Investments	7,186	3,486	Other investments	76		<b>Net use</b>	<b>1,194</b>	<b>648</b>
Income (seed sales) and invoiced funding	-221	-655	Income and invoiced funding	-557	-72	Income and invoiced funding	-1	-18			
<b>Net use</b>	<b>10,838</b>	<b>10,563</b>	<b>Net use</b>	<b>72,440</b>	<b>65,226</b>	Land acquisition expenses, total	89	10			
						Land acquisition investments and sales	48	393			
						<b>Net use</b>	<b>41</b>	<b>403</b>			

## 2.2.2 Financing external to the State budget

The itemisation includes financial items entered in Other operating income in the profit and loss statement (excluding internal transfers within the enterprise).

<b>Total income by financial resource, EUR 1,000</b>	<b>Outcome in 2022</b>	<b>Outcome in 2021</b>
European Regional Development Fund ERDF	158	446
European Environmental Fund LIFE	2,479	2,898
European Agricultural Fund for Rural De-velopment EAFRD	818	678
European Maritime and Fisheries Fund EMFF	34	116
ETC goal programmes, INTERREG	186	327
European Neighbourhood Instrument ENI Cross Border Cooperation	329	654
Other EU funding		
Other providers of funds	971	1,423
Elimination of investment subsidies	-574	-626
<b>Total</b>	<b>4,401</b>	<b>5,917</b>

## 2.2.3 Financial resources and tasks

The itemisation includes Parks & Wildlife Finland's total expenditure by task.

Financial resources and tasks EUR 1,000	2022 MAF item 30.64.50	2021 MAF item 30.64.50	2022 ME item 35.10.52	2021 ME item 35.10.52	Other financial resources, 2022	Other financial resources, 2021	Expenses in total, 2022	Expenses in total, 2021	Change, EUR	Change, %
Joint expenses	-	61	-	1,192	-	656	-	1,909	-1,909	-
P&W Resources	449	460	5,669	4,787	841	1,058	6,960	6,305	655	37%
P&W Communications	86	90	1 275	958	-	217	1,361	1,265	96	37%
P&W Digital Team	1,095	252	5,229	3,239	123	-	6,447	3,491	2,956	37%
Natural and cultural heritage conservation	-	-	21,551	19,197	5,657	5,405	27,208	24,602	2,605	37%
Nature tourism and recreational use	6,551	6,621	34,518	31,491	7,467	7,816	48,536	45,928	2,607	14%
Area management	-9	89	4,755	4,434	357	294	5,103	4,817	286	15%
Game and fisheries affairs	2,887	3,054	-	-	9,404	8 639	12,290	11,693	598	-6%
Seed management	-	591	-	-	240	-	240	591	-351	259%
<b>Total expenses</b>	<b>11,059</b>	<b>11,218</b>	<b>72,997</b>	<b>65,298</b>	<b>24,090</b>	<b>24,086</b>	<b>108,146</b>	<b>100,601</b>	<b>7,544</b>	<b>20%</b>
Expenses in total, 2021	11,218	-	65,298	-	24,086	-	100 601	-	-	-
Change, EUR	-159	-	7,699	-	4	-	7 544	-	-	-
Change, %	-1 %	-	11 %	-	0 %	-	7 %	-	-	-

\*Due to an organisational change made on 1 September 2021, the expenses in categories Common expenditure and P&W Resources are not comparable between 2022 and 2021.

## 2.2.4 Cost relatedness

### Principles of cost relatedness calculations

Provisions on the pricing of fee-paying deliverables in public administration services are laid down in the Act and Decree on Criteria for Charges Payable to the State and the specific decrees applicable to Metsähallitus: Ministry of the Environment Decree on Payments for Certain Public Administration Tasks of Metsähallitus (1156/2021) as well as Ministry of the Environment Decree on Payments for Certain Public Administration Tasks of Metsähallitus (1140/2021). According to the provisions in these decrees, the pricing categories are deliverables with a pricing according to absorption cost, with pricing lower than the absorption cost, public law deliverables free of charge, deliverables priced on commercial terms and other paid deliverables.

The cost relatedness of the fee-paying activities of Parks & Wildlife Finland based on internal financing is calculated in keeping with the State Treasury's regulation issued on 16 December 2022. When assessing if the information is true and fair, the principles of materiality and economic generation of information are followed.

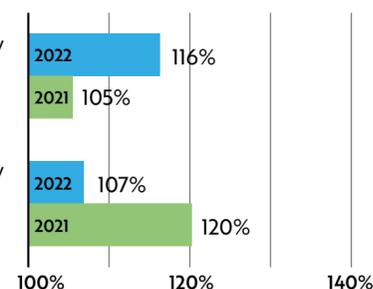
The revenue and cost information is based on business accounting, in which the profits and costs of paid activities are monitored separately from other funding. The cost relatedness calculations were compiled in accordance with the matching principle. The actual working hours and distribution of turnover by deliverable group in 2022 were used in cost allocation.

In cost calculations, all pay expenditure and support function expenses are allocated by business unit in proportion to the working hours used on the duties in question. The direct costs were obtained from the cost centres specific to each deliverable group in the business accounting. Other indirect costs and capital costs that are not allocated to deliverables in business accounting but which are part of the cost structure of paid activities are allocated in proportion to turnover. The depreciation for 2021 was revised to be comparable with the depreciation for fee-paying activities in 2022. The interest rate determined by the State Treasury was used which, for 2022, was 0.0 per cent (0.0% in 2021).

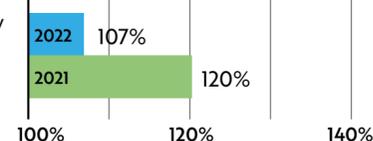
### Profitability of Parks & Wildlife Finland's paid activities and the outcome of cost relatedness

#### Public law deliverables

Cost relatedness of the public law deliverables under the MAF fees decree 1140/2021 (%)

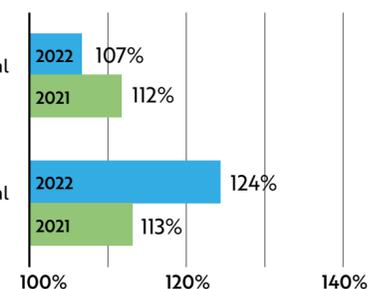


Cost relatedness of the public law deliverables under the ME fees decree 1156/2021 (%)

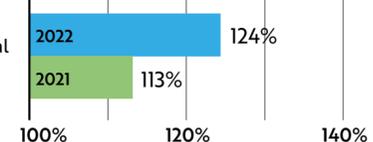


#### Business deliverables

Cost relatedness of the deliverables priced on commercial terms under the MAF fees decree 1140/2021 (%)



Cost relatedness of the deliverables priced on commercial terms under the ME fees decree 1156/2021 (%)



The total cost relatedness for all deliverables for paid activities in 2022 was 118% (108% in 2021). Income for the year under review increased by EUR 0.6 million (4%). The most important factors influencing the increase in turnover were revenue from timber sales of EUR 0.9 million in the Ministry of the Environment's administrative branch. The largest item in the cost structure was purchases of services, EUR 4.3 million and 35% (EUR 4.9 million and 38% in 2021).

The cost relatedness of Ministry of Agriculture and Forestry's public law deliverables was 116% in 2022 (105% in 2021). Income from public law deliverables remained at more or less the same level as in 2021 for both hunting permits and trap fishing permits. The largest part of the costs involved personnel and support function expenses, which accounted for 69% of all costs. Personnel and support function expenses decreased by EUR 0.5 million (17%) compared to the previous year. The change in the cost relatedness of public law deliverables in the Ministry of the Environment's branch of administration is due to a decrease in sales revenue from track permits following peak demand during the COVID-19 pandemic.

The cost relatedness of Ministry of Agriculture and Forestry's public law deliverables was 107% in 2022 (112% in 2021). Cone collection in Northern Finland did not go ahead in 2022, which is why the amount granted for this purpose by the Ministry of Agriculture and Forestry with a special authorisation from item 30.64.50 (price subsidy referred to in section 7.1 of the Act on Criteria for Charges Payable to the State) was used to cover EUR 406 million

of costs incurred from service procurements in 2021. The total income from business deliverables remained at a similar level as in 2021, and there was no significant change in the cost structure compared to the previous year. Of the costs, 83% concerned purchases of services and personnel costs in both 2022 and 2021 (including the costs of support functions). The surplus of business deliverables was mainly generated from seed management activities in Northern Finland.

The cost relatedness of the Ministry of the Environment's business deliverables was 124% (113% in 2021). The income generated from wood sales from restoration sites was EUR 0.9 million higher than in the previous year. Large-scale mire restoration projects were continued with funding from the ongoing LIFE projects and the Ministry of the Environment's Helmi programme. The level of income from leases and concessions was similar to 2021. The increase in income from rental huts and other short-term rentals that was first seen during the pandemic continued (+ EUR 0.1 million), whereas income from long-term leases and concessions decreased (- EUR 0.1 million). The number of visitors to outdoor destinations dropped compared to 2021, which also reduced the sales income of Visitor Centres (- EUR 0.1 million). The most significant change in the cost structure relates to a revision of the property register for fee-paying activities in 2022, which had a significant impact on the share of depreciation allocated to deliverables and, consequently, on cost relatedness (the figures for 2021 were adjusted to be comparable).

## Cost relatedness calculations for paid activities 2022

Outcome 2022 (EUR 1,000) Public law deliverables	Field of ME 2022	Field of ME 2021	Field of MAF 2022	Field of MAF 2021	Field of ME change	Field of MAF change
<b>INCOME</b>						
Sales income from paid activities	270	292	4,017	4,064	-23	-47
Other income from paid activities	-	-	1	1	-	-
<b>Total income</b>	<b>270</b>	<b>292</b>	<b>4,018</b>	<b>4,065</b>	<b>-23</b>	<b>-47</b>
<b>TOTAL EXPENSES</b>						
Separate expenses						
Raw materials and consumables	-	-	30	34	-	-4
Staff expenses	180	140	1 611	2,063	40	-452
Rents	-	1	35	36	-1	-1
Purchase of services	3	20	387	489	-17	-102
Other separate expenses	34	7	585	372	27	214
<b>Separate expenses, total</b>	<b>217</b>	<b>168</b>	<b>2,648</b>	<b>2,995</b>	<b>49</b>	<b>-347</b>
Share of joint expenses						
Support function expenses	31	70	784	807	-39	-23
Transfers	4	5	22	52	-1	-30
<b>Share of joint expenses, total</b>	<b>35</b>	<b>75</b>	<b>806</b>	<b>860</b>	<b>-40</b>	<b>-53</b>
<b>Total expenses</b>	<b>252</b>	<b>243</b>	<b>3,454</b>	<b>3,854</b>	<b>9</b>	<b>-400</b>
<b>COST RELATEDNESS</b>	<b>17</b>	<b>49</b>	<b>564</b>	<b>211</b>	<b>-32</b>	<b>353</b>
<b>Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State</b>						<b>0</b>
<b>COST RELATEDNESS AFTER PRICE SUBSIDY</b>	<b>17</b>	<b>49</b>	<b>564</b>	<b>211</b>	<b>-32</b>	<b>353</b>

Outcome 2022 (EUR 1,000) Commercially priced deliverables	Field of ME 2022	Field of ME 2021	Field of MAF 2022	Field of MAF 2021	Field of ME change	Field of MAF change
<b>INCOME</b>						
Sales income from paid activities	4,516	3,564	1,792	1,962	951	-169
Other income from paid activities	2,929	3,146	1,033	936	-217	97
<b>Total income</b>	<b>7,445</b>	<b>6,710</b>	<b>2,826</b>	<b>2,898</b>	<b>734</b>	<b>-72</b>
<b>TOTAL EXPENSES</b>						
Separate expenses						
Raw materials and consumables	591	632	25	87	-41	-62
Staff expenses	565	567	989	911	-2	78
Rents	134	92	24	30	42	-5
Purchase of services	3,140	3,196	740	1 193	-56	-453
Other separate expenses	940	958	378	348	-18	30
<b>Separate expenses, total</b>	<b>5,369</b>	<b>5,445</b>	<b>2 156</b>	<b>2 569</b>	<b>-76</b>	<b>-413</b>
Share of joint expenses						
Support function expenses	451	328	482	357	123	125
Transfers	169	159	10	31	9	-20
<b>Share of joint expenses, total</b>	<b>619</b>	<b>487</b>	<b>492</b>	<b>387</b>	<b>132</b>	<b>105</b>
<b>Total expenses</b>	<b>5,989</b>	<b>5,933</b>	<b>2,648</b>	<b>2,956</b>	<b>56</b>	<b>-308</b>
<b>COST RELATEDNESS</b>	<b>1,456</b>	<b>778</b>	<b>177</b>	<b>-58</b>	<b>678</b>	<b>236</b>
<b>Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State</b>				<b>406</b>		<b>-406</b>
<b>COST RELATEDNESS AFTER PRICE SUBSIDY</b>	<b>1,456</b>	<b>778</b>	<b>177</b>	<b>348</b>	<b>601</b>	<b>-170</b>

## 2.3 Financial statement calculations and notes

### 2.3.1 Profit and loss account

#### PROFIT AND LOSS ACCOUNT, PUBLIC ADMINISTRATION SERVICES (EUR)

Public administration services	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
TURNOVER	14,778,599.16	14,068,176.47
Other operating income	4,987,452.88	6,650,817.90
State budget funding	79,463,502.29	75,924,962.80
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	4,866,090.07	1,302,622.61
Variation in inventories	0.00	73,679.98
External services	21,857,798.65	8,661,248.04
Raw materials and services, total	26,723,888.72	10,037,550.63
Staff expenses		
Salaries and fees	30,784,483.73	30,981,293.77
Social security expenses		
Pension expenses	4,997,601.98	5,419,372.94
Other social security expenses	1,006,570.20	1,478,213.12
Staff expenses, total	36,788,655.91	37,878,879.83
Depreciation, amortisation and impairment		
Depreciation according to plan	1,439,289.93	1,526,753.99
Other operating costs	33,992,312.22	46,970,998.98
<b>OPERATING PROFIT</b>	<b>285,407.55</b>	<b>229,773.74</b>
Financial income and expenses		
Income from other investments under non-current assets	5,865.03	36.15
Other interest and financial income	2,027.30	4,102.62
Interest and other financial expenses	107,330.35	97,244.62
Financial income and expenses in total	99,438.02	93,105.85
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>	<b>185,969.53</b>	<b>136,667.89</b>
Transfer of the profits of the financial year to Equity	-185,969.53	-136,667.89
<b>PROFIT/LOSS FOR FINANCIAL PERIOD</b>	<b>0.00</b>	<b>0.00</b>

### 2.3.2 Balance sheet

#### BALANCE SHEET, PARKS & WILDLIFE FINLAND (EUR)

Public administration services	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Other intangible assets	336,049.64	340,357.36
Advance payments and work in progress	1,209,517.96	123,413.71
Intangible assets in total	1,545,567.60	463,771.07
Tangible assets		
Land and water areas	1,042,135,721.64	1,027,951,752.31
Roads	283,590.67	88,658.82
Buildings and structures	7,875,229.21	13,841,183.03
Machinery and equipment	53,373.17	111,010.35
Advance payments and work in progress	284,651.01	37,677.40
Tangible assets in total	1,050,632,565.70	1,042,030,281.91
Investments		
Shares in Group's subsidiaries	12,200,000.00	12,200,000.00
Other shares and holdings	737,704.68	737,704.68
Other receivables	0.00	0.00
Investments in total	12,937,704.68	12,937,704.68
<b>NON-CURRENT ASSETS IN TOTAL</b>	<b>1,065,115,837.98</b>	<b>1,055,431,757.66</b>
CURRENT ASSETS		
Inventories		
Finished products	0.00	1,003,504.47
Inventories in total	0.00	1,003,504.47
Receivables		
Current receivables		
Accounts receivable	1,441,389.40	1,359,664.58
Receivables from enterprise's business operations	109,397.04	22,159.83
Receivables from the enterprise's subsidiaries	160,620.14	28,199.42
Other receivables	34,499.02	18,700.06
Prepayments and accrued income	5,359,102.33	4,924,491.85
Current receivables in total	7,105,007.93	6,353,215.74
Cash in hand and at banks	38,253,361.93	55,517,397.20
<b>CURRENT ASSETS IN TOTAL</b>	<b>45,358,369.86</b>	<b>62,874,117.41</b>
<b>ASSETS IN TOTAL</b>	<b>1,110,474,207.84</b>	<b>1,118,305,875.07</b>

**BALANCE SHEET, PARKS & WILDLIFE FINLAND (EUR)**

Public administration services	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Other equity	1,067,931,938.46	1,059,017,806.23
Retained earnings	0.00	0.00
Profit/loss for financial period	0.00	0.00
<b>EQUITY IN TOTAL</b>	<b>1,067,931,938.46</b>	<b>1,059,017,806.23</b>
<b>LIABILITIES</b>		
Other liabilities, non-interest-bearing		
Current		
Advances received	25,072,274.61	44,552,005.37
Accounts payable	4,211,916.53	3,198,568.55
Debts to enterprise's business operations	2,316,626.26	981,158.35
Debts to the enterprise's subsidiaries	78,901.73	49,124.45
Other liabilities	1,852,394.71	1,717,086.79
Accruals and deferred income	9,010,155.54	8,790,125.33
<b>LIABILITIES IN TOTAL</b>	<b>42,542,269.38</b>	<b>59,288,068.84</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>	<b>1,110,474,207.84</b>	<b>1,118,305,875.07</b>

**2.3.2 Cash flow statement****CASH FLOW STATEMENT, PARKS & WILDLIFE FINLAND (EUR)**

Public administration services	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
<b>CASH FLOW FROM BUSINESS OPERATIONS</b>		
Payments from sales	14,477,216.41	14,385,473.46
Payments from other operating income	4,462,216.47	5,620,259.98
Payments from operating charges	-113,855,256.35	-87,144,887.38
Cash flow from business operations, before financial items and taxes	-94,915,823.47	-67,139,153.94
Interest paid and other financial expenses	-107,330.35	-97,244.62
Interest income from business operations	2,027.30	4,102.62
Dividends received	5,865.03	36.15
State's budget funding for other operations	79,463,502.29	75,924,962.80
<b>Cash flow from operations</b>	<b>-15,551,759.20</b>	<b>8,692,703.01</b>
<b>INVESTMENTS</b>		
Purchase of environmental protection areas, shares	-8,543,411.23	-4,338,972.77
Purchase of fixed assets, funding by Ministries	-574,286.44	-625,768.00
Purchase of fixed assets, other funding	-1,793,598.22	-334,059.17
Investments in tangible and intangible assets	81,322.15	525,094.00
Profits for the sale of tangible and intangible assets	-26,157.94	-375,119.68
Shareholder investment in purchase of environmental protection areas and shares	9,117,697.67	4,964,740.77
Investment subsidies	-1,712,276.07	191,034.83
<b>Cash flows from investing activities</b>	<b>285,407.55</b>	<b>229,773.74</b>
<b>FINANCING</b>		
Change in other non-current, non-interest-bearing loans	0.00	0.00
<b>Cash flows from financing activities</b>	<b>0.00</b>	<b>0.00</b>
<b>CHANGE IN LIQUID FUNDS</b>		
Liquid funds on 1 Jan	55,517,397.20	46,633,659.36
Liquid funds on 31 Dec	38,253,361.93	55,517,397.20
<b>Change</b>	<b>-17,264,035.27</b>	<b>8,883,737.84</b>

## 2.3.4 Notes to the financial statements

The separate bookkeeping and separate financial statements of Parks & Wildlife Finland for 2022 were prepared in compliance with the Act on Metsähallitus (234/2016) and the Government Decree (1368/2016). The financial statements cover the period from 1 January to 31 December 2022, and the comparative information dates from the previous financial year, 1 January to 31 December 2021.

The business accounting profit and loss account for Parks & Wildlife Finland, the balance sheets and the notes as well as the financial statement analysis describing them were prepared on an accrued basis according to the enterprise's financial statements model for the entire operating year 2022. The profit and loss account profit or loss before transfers within the financial statements will show a surplus resulting from a surplus in paid activities and sales of fixed assets. Rather than being covered by annual budget funding, depreciation has already been covered by the use of budget funding at the time of procurement. Financing received during the financial period for incomplete buildings and other fixed assets is entered as acquisition cost deductions.

The profit and loss account presents the transfer of the financial period profits to Other equity as a separate item. The transfer is based on the provision

in Section 5 of Government Decree 1368/2016. The notes on Parks & Wildlife Finland present the financing received from the State budget. Rather than aiming to turn a profit, the value produced by Parks & Wildlife Finland is measured as the social impact of the operations.

### Valuation and allocation principles

#### Non-current assets

By a Government decision (27 October 2016), the assets related to Metsähallitus public administration services were transferred to Parks & Wildlife Finland at book value on 15 April 2016, as defined in the new Act. Simultaneously, the losses associated with public administration services from the previous financial year, and the loss for the first part of the year 2016, were transferred as a reduction in other equity related to Parks & Wildlife Finland. In addition, the so-called other land and water assets, areas dedicated to traditional sources of livelihood and most public water areas were transferred from public administration services to the business units in the accounts.

Assets transferred to or from the public administration services without consideration were measured at the book value of the releasing party. The transfer of assets is recorded on the basis of the

decision on transfer into or out of the asset account of the balance sheets. The counter item is Other equity of Parks & Wildlife Finland.

Parks & Wildlife Finland's procurements of fixed assets are mainly covered by budget financing from public funds. Since 2012, corresponding investment aid has been entered in the accounts. Before 2012, investment aid was not recorded. Instead, the costs were recognised in gross amounts in the balance sheet and the investment aid received was entered as income in the profit and loss account for that year. In 2022, the book values of fixed assets were adjusted in accordance with investment aids received by recording EUR 4.3 million in basic equity for buildings. Consequently, fixed assets were valued consistently on 31 December 2022.

Other non-current assets that can be depreciated are recorded in the acquisition cost, from which depreciations are deducted according to plan. Asset items are depreciated using the straight-line method, over their estimated useful life.

### Valuation of current assets

#### Inventories

The valuation principle for Parks & Wildlife Finland's seed stock was changed in financial year 2022. The

costs of the seed stock are funded by the ministry, which means that no acquisition costs are incurred. The financing was previously not allocated to the acquisition cost of the stock, which is why the acquisition cost was presented in the balance sheet as the stock value of the seed stock, and the funding received was presented in the profit and loss account as return for the financial year. From financial year 2022 onwards, the funding received will be allocated to the acquisition cost, and consequently no stock value will be generated during the financial year as a rule. The value of the seed stock, EUR 1 million, was recorded in the basic equity on 31 December 2022, and in the future only the actual acquisition cost incurred from it will be presented as stock value.

### Comparability with the previous year

The entry practice was altered in part at the beginning of 2022 regarding premises costs. From the beginning of 2022, the costs of real estate in operational use previously recorded in other business expenses have been entered in the material and services group. The figures for the reference year 2021 have not been made comparable, as the changes are not essential in terms of the whole.

## 2.3.5 Complementary notes to the profit and loss account

Turnover by business unit	2022	2021
<b>Turnover related to the field of the Ministry of Agriculture and Forestry</b>		
<b>Public law deliverables:</b>		
hunting permits	3,800,063.71	3,934,632.98
fishing permits	298,269.20	233,249.50
<b>Pricing on commercial terms:</b>		
hunting area rentals	623,489.32	616,081.70
fishing area rentals	121,559.93	129,926.50
fishing permits	1,190,591.97	1,319,604.30
sale of seeds and analyses	555,395.14	590,543.93
provision of accommodation and other		
rentals of business premises	12,665.67	10,436.09
other deliverables priced based on business operations	43,645.88	53,849.01
<b>Deliverables based on individual legislation:</b>		
compensation for (fishing-related) water areas	357,246.78	291,016.30
<b>Total turnover related to the field of the Ministry of Agriculture and Forestry</b>	<b>7,002,927.60</b>	<b>7,179,340.31</b>
<b>Turnover related to the field of the Ministry of the Environment</b>		
<b>Public law deliverables:</b>		
track permits	192,834.00	198,438.00
decisions and permits	1,550.00	18,030.00
<b>Pricing on commercial terms:</b>		
long-term area rentals and transfer of user rights	1,758,990.73	1,857,968.54
provision of accommodation and other		
rentals of business premises	1,052,605.87	928,092.49
sale of wood (from restored areas etc.)	2,926,972.25	2,022,169.27
nature guidance and counselling products	678,013.68	949,215.92
entrance fees and Museum Cards	313,615.39	111,346.09
books and series of nature conservation publications	84,357.90	137,196.48
expert and planning services	320,665.47	183,855.44
other business operations deliverables	305,129.29	302,334.53
<b>Deliverables based on individual legislation:</b>		
compensations for gold prospecting and claims	39,918.50	35,975.11
mining concession fees, compensations for mineral prospecting	101,018.48	144,214.29
<b>Total turnover related to the field of the Ministry of the Environment</b>	<b>7,775,671.56</b>	<b>6,888,836.16</b>
<b>Turnover in total</b>	<b>14,778,599.16</b>	<b>14,068,176.47</b>

Other operating income	2022	2021
Gains on the sale of fixed assets	74,826.97	330,796.88
Insurance payments	2,700.36	46,971.64
Subsidies	21,361.85	10,488.74
Other income	4,751,823.86	6,250,646.14
Other income, internal	136,739.84	11,914.50
<b>Total</b>	<b>4,987,452.88</b>	<b>6,650,817.90</b>

Staff expense breakdown	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Salaries and fees	28,254,926.99	27,155,660.90
Fees, for external parties	259,776.14	127,231.20
Change of holiday pay provision	288,148.27	376,367.38
Profit sharing, incentive remuneration, change in reserve	1,981,632.33	3,322,034.29
VaEL and TyEL contributions	4,997,601.98	5,419,372.94
Social security contributions	1,006,570.20	1,478,213.12
<b>Total</b>	<b>36,788,655.91</b>	<b>37,878,879.83</b>

Depreciation according to plan	2022	2021
Depreciation of intangible rights	118,789.72	92,877.32
Depreciation of roads and other land structures	14,966.51	15,097.14
Depreciation of buildings and structures	1,258,786.21	1,357,761.67
Depreciation of machinery, devices and equipment	46,747.49	61,017.86
<b>Total</b>	<b>1,439,289.93</b>	<b>1,526,753.99</b>

Depreciation according to plan, depreciation periods	Starting from 1 January 2020	Before 1 January 2020
Intangible rights, other long-term expenditure	Between 4 and 5 Depreciation for decrease of substance	Between 4 and 5 Depreciation for decrease of substance
Gravel areas	10 years	Primarily 25 years
Roads	15 years	Primarily 10 years
Fish structures	15 years	25 years
Log floating structures	20 years	Between 20 and 40
Buildings	8 years	Between 4 and 10
Structures and facilities	Between 4 and 5	Between 4 and 8
Machinery and equipment		

Other operating costs	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Facility expenses	4,794,650.64	18,456,257.22
ICT expenses	3,524,230.86	2,991,793.69
Travelling expenses	3,141,456.57	2,753,706.77
External services	1,161,608.85	2,046,257.72
Machinery and equipment expenses, vehicle expenses	3,383,238.96	4,132,994.48
Other social security expenses	1,244,893.27	1,261,012.87
Other expenses	2,403,658.93	1,792,700.81
Group internal expenses	14,338,574.14	13,536,275.42
<b>Total</b>	<b>33,992,312.22</b>	<b>46,970,998.98</b>

Financial income and expenses	2022	2021
Interest income	7,892.33	4,138.77
Interest expenses	107,330.35	97,244.62
<b>Total</b>	<b>99,438.02</b>	<b>93,105.85</b>

Use of financing allocated to other operations in the State budget, EUR 1,000	2022	2021
Ministry of Agriculture and Forestry main title 30.64.50 Certain Public Administration Duties of Metsähallitus	11,059	11,218
Ministry of the Environment main title 35.10.52 Public Administration Services of Metsähallitus	72,997	65,298
35.10.63 Acquisition of nature reserves (share of expenses)	15	28
35.10.22 Protection of maritime areas (Velmu programme)	1 194	648
<b>Financing for other operations from the State budget, total</b>	<b>85,265</b>	<b>77,191</b>
Other financing from the State budget		
Administrative branch of the Ministry of Justice	1,371	1,459
Administrative branch of the Ministry of Economic Affairs and Em-ployment	133	180
Other financing from the State budget	2,015	2,161
Other financing from the State budget, total	3,520	3,800
Investment subsidies as acquisition cost deductions	-8,543	-4,339
Income and income adjustments	-778	-727
<b>Funding received from the State budget</b>	<b>79,464</b>	<b>75,925</b>
<b>Transfer of profits to the change of Other equity</b>	<b>2022</b>	<b>2021</b>
Government Decree 1368/2016, Section 5 The profit of the financial period for public administration services will be recorded as a change in Other equity of Metsähallitus Parks & Wildlife Finland		
Profits before transfers within the financial statements	185,969.53	136,667.89
Transfer of the profits to Other equity	-185,969.53	-136,667.89
<b>Profit/loss for financial period</b>	<b>-</b>	<b>-</b>

## 2.3.6 Complementary notes to the balance sheet

Asset items 2022, EUR 1,000	Intangible assets	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery, equipment and other tangible assets	Unfinished tangible projects	Shares and holdings	Total
1 Jan Acquisition cost before entering subsidies as acquisition cost deductions	3,829	1,028,243	3,462	63,324	2,036	4,267	12,938	1,118,099
1 Jan Subsidies received	-2,855	-291	-1,969	-17,065	-1,626	-4,229	0	-28,036
<b>1 Jan Acquisition cost</b>	<b>974</b>	<b>1,027,952</b>	<b>1,492</b>	<b>46,260</b>	<b>410</b>	<b>38</b>	<b>12,938</b>	<b>1,090,063</b>
Acquisition cost increases	2,902	14,359	880	975	164	5,889	0	25,170
Subsidies received during the financial period	-1,702	0	-670	-927	-132	-5,642	0	-9,073
Decreases	0	-176	0	-1,880	-66	0	0	-2,122
<b>31 Dec Acquisition cost</b>	<b>2,175</b>	<b>1,042,136</b>	<b>1,702</b>	<b>44,427</b>	<b>376</b>	<b>285</b>	<b>12,938</b>	<b>1,104,039</b>
1 Jan Accumulated depreciation before the depreciation of subsidies	1,045	0	2,050	37,202	971	0	0	41,268
1 Jan Depreciation of received subsidies	-534	0	-647	-4,783	-672	0	0	-6,637
<b>1 Jan Accumulated depreciation</b>	<b>511</b>	<b>0</b>	<b>1,404</b>	<b>32,418</b>	<b>299</b>	<b>0</b>	<b>0</b>	<b>34,631</b>
Financial period depreciation before the depreciation of subsidies	650	0	183	5,462	314	0	0	6,609
Financial period depreciation from the subsidies received	-531	0	-168	-1,328	-290	0	0	-2,317
<b>Depreciations during the financial year</b>	<b>119</b>	<b>0</b>	<b>15</b>	<b>4,134</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>4,291</b>
<b>31 Dec Accumulated depreciation</b>	<b>629</b>	<b>0</b>	<b>1,418</b>	<b>36,552</b>	<b>323</b>	<b>0</b>	<b>0</b>	<b>38,923</b>
1 Jan Book value	464	1,027,952	89	13,841	111	38	12,938	1,055,432
31 Dec Book value	1 546	1 042 136	284	7 875	53	285	12 938	1 065 116

Shares and holdings, book value (EUR)	31 December 2022	31 December 2021
Shares in subsidiaries	12,200,000.00	12,200,000.00
Other shares	737,704.68	737,704.68
Interfaces	0.00	0.00
<b>Shares and holdings, total</b>	<b>12,937,704.68</b>	<b>12,937,704.68</b>

Shares in subsidiaries (EUR)	31 December 2022	31 December 2021
Nuukiokeskus Oy holding %	68.1	12,200,000.00
<b>Shares in subsidiaries, total</b>	<b>12,200,000.00</b>	<b>12,200,000.00</b>

## COMPLEMENTARY NOTES TO THE BALANCE SHEET

Receivables from enterprise's business operations and enterprise's subsidiaries, EUR	Subsidiaries		Business operations		Total	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Accounts receivable	160,620.14	28,199.42	70,465.56	2,694.09	231,085.70	30,893.51
Prepayments and accrued income	0.00	0.00	38,931.48	19,465.74	38,931.48	19,465.74
<b>Group internal receivables in total</b>	<b>160,620.14</b>	<b>28,199.42</b>	<b>109,397.04</b>	<b>22,159.83</b>	<b>270,017.18</b>	<b>50,359.25</b>

Prepayments and accrued income, EUR	31 December 2022	31 December 2021
Life projects, accrued income	1,679,376.08	816,666.31
EU Structural Fund projects, accrued income	2,434,251.83	2,432,254.82
Employment promotion programme projects, accrued income	18,819.81	2,831.45
Other accrued income	1,043,523.28	1,498,252.27
Other prepaid expenses, purchase invoices and others	183,131.33	174,487.00
<b>External prepayments and accrued income, total</b>	<b>5,359,102.33</b>	<b>4,924,491.85</b>

Advances received, EUR	31 December 2022	31 December 2021
Funded by the EU	3,367,970.36	5,160,926.50
From the Ministry of the Environment	20,298,607.55	34,869,241.00
From the Ministry of Agriculture and Forestry	1,047,488.98	4,329,631.45
Others	358,207.72	192,206.42
<b>Total</b>	<b>25,072,274.61</b>	<b>44,552,005.37</b>

Equity for Parks & Wildlife Finland on 31 December 2022, EUR	31 December 2022	31 December 2021
01 January 2022	1,039,385,483.92	1,039,385,483.92
Transfers of possession, increases	14,246,153.35	17,839,701.79
Transfers of possession, decreases	-377,492.50	0.00
Inheritance by the State, donation	0.00	12,000.00
Changes in land use, decreases	-4,956.00	-673.52
Changes in land use, increases	144,181.00	1,479,312.00
Owner's investment / return (land areas, shares)	26,157.94	375,119.68
Correction of errors, other, increases	0.00	359.89
Correction of errors, other, decreases	-5,305,881.09	-210,165.42
Transfer of the profits of the financial year to Equity	185,969.53	136,667.89
<b>31 December 2022</b>	<b>1 067,931,938.46</b>	<b>1,059,017,806.23</b>
Retained earnings		
01 January 2022	0.00	0.00
Increases	0.00	0.00
Decreases	0.00	0.00
<b>31 December 2022</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit for the financial period 1 Jan-31 Dec 2022</b>	<b>0.00</b>	<b>0.00</b>
<b>Equity in total on 31 Dec 2022</b>	<b>1,067,931,938.46</b>	<b>1,059,017,806.23</b>

<b>Debts to enterprise's business operations and enterprise's subsidiaries (EUR)</b>	<b>Subsidiaries 31 December 2022</b>	<b>Subsidiaries 31 December 2021</b>	<b>Business operations 31 December 2022</b>	<b>Business operations 31 December 2021</b>	<b>Total 31 December 2022</b>	<b>Total 31 December 2021</b>
Accounts payable	78,891.73	49,124.45	618,522.44	454,492.23	697,414.17	503,616.68
Other liabilities	0.00	0.00	1,596,520.82	425,083.12	1,596,520.82	425,083.12
Accruals and deferred income	10.00	0.00	101,583.00	101,583.00	101,593.00	101,583.00
<b>Group internal debts in total</b>	<b>78,901.73</b>	<b>49,124.45</b>	<b>2,316,626.26</b>	<b>981,158.35</b>	<b>2,395,527.99</b>	<b>1,030,282.80</b>

<b>Other liabilities (EUR)</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Withholding tax debt	623,652.15	555,868.71
Social security contribution debt	29,229.95	32,421.02
Value-added tax debt	806,312.87	621,691.47
Others	393,199.74	507,105.59
<b>Other liabilities, total</b>	<b>1,852,394.71</b>	<b>1,717,086.79</b>

<b>Accruals and deferred income (EUR)</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Amount of debt not paid to the State	704,484.99	735,883.95
Holiday pay liabilities, including social security expenses	5,606,432.55	5,365,111.23
Bonus liabilities, including social security expenses	2,541,632.17	2,533,113.00
Other accruals and deferred income	157,605.83	156,017.15
<b>External accruals and deferred income, total</b>	<b>9,010,155.54</b>	<b>8,790,125.33</b>

<b>Amount of debt not paid to the State (EUR)</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
VaEl debt	526,822.42	571,453.82
Unemployment insurance contributions	177,662.57	164,430.13
<b>Amount of debt not paid to the State, total</b>	<b>704,484.99</b>	<b>735,883.95</b>

## 2.3.7 Contingent liabilities, personnel and changes to fixed assets

Contingent liabilities (MEUR)	Public administration services 2022	Public administration services 2021
Leasing liabilities to be paid during the following year	0.5	0.6
to be paid at a later date	0.9	0.9

The leasing contracts include a redemption clause after the residual value reaches the agreed level. The contracts can be terminated with 3 months' notice.

Number of employees, person-years	2022	2021
Supervisors	666	677

Changes to fixed assets Increases in balance sheet value	NUMBER	P&WF LAND AREA ha	P&WF WATER AREA ha	P&WF BALANCE SHEET VALUE euros
3010 Asset transfer tax	6	0.00	0.00	8,740.00
3026 Commercial transaction for nature conservation purposes	6	59.55	0.00	168,500.00
3035 Land exchange for nature conservation purposes	1	9.80	0.00	4,300.00
3042 Transfer of possession for nature conservation purposes	318	5,428.75	26.60	13,868,660.85
3060 Change in land use (business operations to P&WF)	21	1,944.51	90.72	144,181.00
3090 Internal commercial transaction (Forestry to National Parks Finland)	1	2.20		4,300.00
	<b>353</b>	<b>7,444.81</b>	<b>117.32</b>	<b>14,198,681.85</b>

Changes to fixed assets Decreases in balance sheet value	NUMBER	P&WF LAND AREA ha	P&WF WATER AREA ha	P&WF BALANCE SHEET VALUE euros
3021 Commercial transaction	1	0.16	0.00	-3,200.00
3022 Redemption	2	0.23	0.00	-515.00
3026 Commercial transaction for nature conservation purposes	1	-0.07	0.00	-1,741.52
3035 Land exchange for nature conservation purposes	1	-2.20	0.00	-4,300.00
3070 Change in land use (P&WF to business operations)	5	-31.50	-1.30	-4,956.00
	<b>10</b>	<b>-33.38</b>	<b>-1.30</b>	<b>-14,712.52</b>

## SIGNATURE OF THE SEPARATE FINANCIAL STATEMENTS AND AUDITOR'S NOTATION

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**METSÄHALLITUS**      **0116726-7**

**Public administration services**

**Signatures of separate financial statements and annual report 1 January–31 December 2022.**

Vantaa, 22 February 2023

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Päivi Huotari  
Chair

---

Sanna Paanukoski  
Vice Chair

---

Keijo Kallunki  
Board Member

---

Tanja Joonas  
Board Member

---

Tuija Suur-Hamari  
Board Member

---

Jussi Saukkonen  
Board Member

---

Ismo Tiainen  
Board Member

---

Roope Uusitalo  
Board Member

---

Henrik Jansson  
Executive Director,  
Parks & Wildlife Finland

### Auditor's note

A report on the performed audit has been issued today.

Helsinki, on the date of the electronic signature

KPMG OY AB

KPMG OY AB

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Jorma Nurkkala  
Authorised Public Accountant,  
Chartered Public Finance Auditor

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Outi Koskinen  
Authorised Public Accountant,  
Chartered Public Finance Auditor

## LIST OF ACCOUNTS AND MATERIAL

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**METSÄHALLITUS**

**0116726-7**

### LIST OF ACCOUNTS AND MATERIAL

#### Financial Statements

Financial Statements

Balance sheet breakdowns

#### List of accounts and account-specific reports

Account-specific profit and loss account

Account-specific balance sheet

List of accounts

#### Accounts

General ledgers

Lists of fixed assets

Invoicing system printouts

Sales ledger

Purchase ledger

Stock accounts

#### Source documents

Bank account statements      Electronic

Sales invoices                      Electronic

Purchase invoices                  Electronic

Pay slips                              Electronic, paper statements

VAT statements                      Electronic

Memo statements                  Electronic

Note statements                    Electronic

SAP system reports have been extracted separately from the material:

Balance sheet and profit and loss account, main ledgers (accounting and internal calculations), journals (accounting and internal calculations) as well as event lists and open listings from the sales and purchase ledger, saved in a long-time archive in Metsähallitus network.