

Metsähallitus Financial Statements for the period from 1 January to 31 December 2021

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METSÄHALLITUS GROUP AND METSÄHALLITUS ENTERPRISE

Board of Directors' report for the financial period 1 January-31 December 2021

Metsähallitus is a state-owned enterprise. The enterprise consists 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 the ownership steering related to Metsähallitus. 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 is calculated on basis of the performance target. The annual dividend payment goal is determined according to the performance target.

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

Ensuring biodiversity and the prerequisites for the recreational use of nature is an important part of Metsähallitus' operations. The business operations also ensure compliance with social obligations by creating benefits for recreational use, values related to nature, employment and local culture. General social obligations place use restrictions on approximately 599,000 hectares of Metsähallitus' multiple-use forests. Restrictions associated with the Nature Conservation Act, Forest Act and land use also limit the use of approximately 213,000 (243,000 in the previous year) hectares of land. 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 are the responsibility of the Parks & Wildlife Finland unit. 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 co-operation 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 PERIOD

The year 2021 was characterised by the uncertainty created by the coronavirus pandemic and the difficulty of anticipation, which was reflected in general market and consumption development and had a wide and different impact on Metsähallitus' various operations. However, the impacts on Metsähallitus' operations were mostly positive.

As in the previous year, Parks & Wildlife Finland had a busy year in terms of public administra-

tion services. Domestic tourism continued to be popular as a result of the general travel recommendations issued due to the pandemic, and this was visible in use of National Parks Finland and Wildlife Service Finland services. The number of visitors to National Parks Finland sites increased significantly and the number of Wildlife Service Finland permits purchased and days spent in the wilderness remained at a high level. Customer service remained at a high level. The increased number of visits had significant impacts on the local economy. During the financial period, the focus was on improving the service network and implementing nature conservation measures according to the objectives using future investment funding based on the government programme of Prime Minister Sanna Marin. The Act on Salla National Park was approved at the end of 2021, and it entered into force on 1 January 2022.

Due to the market situation, the year was variable in terms of forestry. The wood market was promising at the beginning of the year. Demand for timber was brisk and price development was positive in the early part of the year. However, demand declined in the second half of the year and the market was characterised by uncertainty, which was reflected in decreasing prices. However, the impact on profit was smaller than expected. Harvest volumes totalled 5.9 million cubic metres.

The summer storm Paula caused storm damage in roughly 1.5 million cubic metres of Metsähallitus

forests. Approximately 800,000 cubic metres of storm damage harvesting was done during the financial period. The amount of decaying wood, which increases biodiversity, will increase significantly in the affected area, because about 300,000 cubic metres of storm damaged trees will be left during harvesting in the boreal natural forests of the Kylmäluoma and Kälvésvaara Natura areas. In addition, approximately 200,000 cubic metres of storm damage wood will be left unharvested in different parts of the area. The storm damage also limited hiking and hunting opportunities and reindeer husbandry in the areas.

In terms of property development, interest in domestic tourism was visible as increased private market demand in property and plot sales, and corporate sales showed signs of recovery after a cautious previous year. The largest development projects continued and advanced according to plan. In 2021, an offshore wind power development project spanning several years was furthered in cooperation with the municipality of Korsnäs. The municipality of Korsnäs approved the planning of the offshore wind park in 2021. During the year, preparation was done for competitive tendering to find an operator for the project, which will play a major role in promoting renewable energy on the Finnish scale. Metsähallitus had an important role in creating a general auction model for offshore wind power. The model was approved by the Cabinet Committee on Economic Policy in late 2021.

Responsibility is an essential part of Metsähallitus' operations, and responsibility was more closely integrated with operations during the financial year. The coronavirus pandemic meant that the year involved a lot of remote work for the entire personnel. Special attention was paid to wellbeing at work and supervisory work, and continuous communication was emphasised.

The value of land and water areas that are part of Metsähallitus' basic equity was calculated using net yield value calculation at fair value at the end of the year. The calculation produced a fair value of EUR 3,599.65 million. In the financial statements, fair value is presented in the notes to the balance sheet for business operations.

METSÄHALLITUS GROUP'S ECONOMIC DEVELOPMENT

Metsähallitus Group's turnover was EUR 367.4 million (EUR 340.3 million in the previous financial period) and its profit EUR 119.9 (114.2) million. Other operating income totalled EUR 18.1 million (19.4 million), of which fixed asset transfer profits totalled EUR 10.6 (12.1) million. Funding received from the State budget presented for public administration services totalled EUR 75.9 (55.5) million.

Metsähallitus enterprise's turnover totalled EUR 129.9 (126.2) million and its profit EUR 115.1 (127.4) million. Other operating income totalled EUR 28.4 million (39.9 million), of which fixed asset transfer profits totalled EUR 10.5 (12.1) million. Funding received from

State budget funds for public administrative services totalled EUR 75.9 (55.5) million. The funding was spent on implementing the objectives agreed on with the steering ministries. The increase in funding is mainly due to items from future investment allocations that were granted in the government programme of Prime Minister Sanna Marin and transferred from 2020.

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. The annual dividend payment target does not apply to this balance sheet item. This balance sheet item was subject to an income of EUR 117,000 (120,000) and expenses of EUR 18,000 (45,000) during the financial period. The income primarily consisted of rental income from public water areas.

DEVELOPMENT OF BUSINESS OPERATIONS

The business operations (business operations entity) of Metsähallitus Group consist of the enterprise's business operations and its subsidiaries, which are Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy. The subsidiary Korsvind AB Oy was established in 2021. It had no operations in 2021 and has not been included in the Group's consolidated financial statements.

Turnover in the business operations entity was EUR 354.8 (328.9) million. It mainly consisted of timber sales and rental income from property. Turnover

from forestry totalled EUR 329.7 (305.9) million, and the rest comprised rental income, sales of seeds and soil and rock re-sources. Other operating income amounted to EUR 24.7 (23.3) million, of which revenue from the sale of assets accounted for EUR 10.3 (11.6) million. Asset sales revenue is mostly revenue from the sale of real property. The profit of the business operations entity totalled EUR 120.1 million (114.4).

The turnover of Metsähallitus Forestry Ltd totalled EUR 329.8 (306.1) million and its profit totalled EUR 15.7 (9.1) million. The increase in turnover and profit was influenced by positive market price development. The profit of Siemen Forelia Oy totalled EUR 1.2 (1.3) million and its turnover totalled EUR 4.1 (3.9) million. As in the previous year, good seed sales boosted the profit of Siemen Forelia Oy. For the financial period, the profit of MH-Kivi Oy, engaged in the rock material business, totalled EUR 0.1 (0.2) million and its turnover totalled EUR 1.0 (1.2) million.

During the financial period, business operations received land areas from the State through transfer of possession and inheritance, at a total value of EUR 0.2 (0.1) million while EUR 0.4 million was transferred from the possession of business operations to Senate Properties. In 2020, buildings and land areas with a total value of EUR 8.3 million were transferred out of the possession of business operations to other State units as a transfer of possession.

Metsähallitus enterprise's business operations consist of property development and Group

operations. Turnover totalled EUR 115.8 (113.7) million. The turnover mainly consisted of the Metsähallitus Forestry Ltd compensation for the right to use forests EUR 95.0 (95.0) million, and of property development sales revenue totalling EUR 20.6 (18.3) million. The profit of the business operations totalled EUR 115.1 (127.4) million. Other operating income mainly consists of sales of the Group's internal services. Other operating income amounted to EUR 34.8 (32.7) million, of which revenue from the sale of assets accounted for EUR 10.1 (11.5) million.

INVESTMENTS AND SALE OF FIXED ASSETS

Metsähallitus Group's investments for the financial period totalled EUR 20.9 (21.5) million. A total of EUR 5.0 (5.9) million in public funding was received for investments. Metsähallitus enterprise's investments amounted to EUR 10.3 (12.0) million.

The investments of the Group business operations entity, totalling EUR 19.7 (19.5) million, were covered by cashflow 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 10.5 (10.8) million.

The investments of the enterprise's business operations, totalling EUR 9.2 (7.2) million, were covered by cashflow financing. The largest investments were related to the acquisition of land for property development.

Data on the number of fixed asset transfers, transfer prices and profits and losses 1 Jan–31 Dec 2021

BUSINESS OPERATIONS	Events	Book value	Transfer price	Profits	Transfer losses
Exchanges	7	210 574,00	210 574,00	0,00	0,00
Sales - land and water areas	264	625 202,00	10 568 030,39	10 016 703,39	73 875,00
Sales to Public Administration Services	1	11 433,00	11 433,00	0,00	0,00
Change in land use - to Public Administrative Services	57	1 479 312,00	1 479 312,00	0,00	0,00
Other – land areas	9	5 045,00	5 045,00	0,00	0,00
Total	338	2 331 566,00	12 274 394,39	10 016 703,39	73 875,00

FINANCING

Metsähallitus Group's liquid funds totalled EUR 72.8 (60.7) million at the end of the financial period. At the end of the financial period, the Group's short-term interest-bearing loans totalled EUR 10.0 (4.0) million. 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 6.0 (0.0) million of the uncommitted loan agreement were in use. Some of the subsidiaries have lines of credit. Metsähallitus does not engage in investment activities.

At the end of the financial period, Metsähallitus Group had EUR 42.2 (34.0) million in long-term interest-bearing loans. The amount of debt was increased by the line of credit available to Metsähallitus Forestry Ltd.

In the Metsähallitus Group cash flow statement, the cash flow from business operations totalled EUR 122.8 (140.2) million, and the cash flow for the enterprise totalled 121.3 (153.5) million. Cash flows from investing activities was EUR -5.0 (-2.3) million. The sale of assets amount-ed to EUR 16.7 (23.5) million.

During the financial period, EUR 120.0 million relating to the profit for 2020 was paid in dividends to the state. The cash flow from financing activities showed a deficit of EUR 105.8 (123.7) million.

At the end of the financial period, leasing liabilities totalled EUR 4.6 (5.6) million, mainly related to vehicles and ICT equipment.

GOALS SET FOR THE BUSINESS

The service and other operational goals set for Metsähallitus' business and the profit and dividend payment goals for the financial period 1 January–31 December 2021 and the attainment of those goals.

THE GOALS SET BY PARLIAMENT

Parliament defined the following objectives for Metsähallitus' business for the period 1 January–31 December 2021.

1. Key goals and service targets set for the business

Metsähallitus' business operations are ecologically, economically and socially sustainable and produce a steady dividend 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 in providing guidance to its subsidiaries, Metsähallitus has taken into account its general social obligations in accordance with the Act on Metsähallitus. The impact of taking these general social obligations into account will increase. Metsähallitus will make it possible to implement raw material supply for the 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 revenue generated for the owner exceeded the target in 2021. Efforts have been made to increase the value of the properties used in business operations by developing the properties 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 profit from business by EUR 79.7 (73.3) million during the financial period. Metsähallitus releases a follow-up report, General social obligations, which includes 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 decreased by EUR 1,342 million in accordance with the authorisation provided 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 6 million was in use on 31 December 2021, and a commercial paper programme of EUR 50 million that was not used in 2021. Metsähallitus has not taken out any long-term loans for its business operations.

4. Number of investments and investment commitments

Realised investments totalled EUR 9.2 million, falling below the maximum sum of EUR 20 million defined by Parliament. Investment commitments given that may cause expenditures in later financial periods totalled EUR 3.2 million of the maximum sum of EUR 20 million defined by Parliament.

5. Amount of business guarantees

Metsähallitus provided EUR 0.9 million in guarantees for its operations to parties outside the Group. The

authorisation granted by Parliament was EUR 2.0 million.

THE 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 2021. 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 even better coordination of the different forms of land use and the objectives relating to sustainable forestry, supply of wood raw material, 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, it will be possible to implement raw material supply for the forest bioeconomy and its positive impacts on regional economies and employment in accordance 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 per cent before 2035 by means of measures taken during the planning period 2020–2024.

In accordance with the ownership policy, Metsähallitus continued implementing a programme of

active nature management measures in multiple-use forests that began in 2020. The nature management programme also implements the HELMI programme. During the financial period, Metsähallitus performed active nature management work in an area of more than 3,000 hectares. A total of 120 barriers to fish migration were removed and some 14 km of flowing waters were restored. The key nature management measure involved restoring 2,657 hectares of mires. Mire restoration is one part of consideration and nature management related to aquatic habitats. Other work included removal of alien species and tradition rural biotope management. The cost effectiveness of nature management measures implemented in multiple-use forests in 2021 was approximately EUR 1.2 million.

Metsähallitus continued to work on behalf of the landscape ecological network in 2021. Metsähallitus Forestry Ltd supplemented the state-owned landscape ecological network throughout the country. Geographical information analyses and feedback from stakeholders were used to target terrain inspections. Areas that were highlighted in the interaction process with nature organisations, such as spruce mires, landscape sites and ecological corridors, were included in the inspection sites. Geographical information was supplemented with species data based on observations supplied by nature organisations, terrain inspections completed at different sites, and inventories performed by Metsähallitus' own species experts. There are about 100,000 nature sites and about 30,000 known habitats where endangered species occur in the multiple-use forests of Metsähallitus.

At the annual level, timber harvesting measures targets 2–3 per cent of the surface area of forest land in multiple-use forests. The total area of felling measures implemented in 2021 was some 91,000 hectares, of which 74% involved intermediate felling and 26% regeneration felling. Continuation of the rotation period and continuous cover silviculture will target sites where these methods can be used to reconcile forest management with, for example, recreational use, taking the landscape into account 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 and always utilising possibilities for natural regeneration. Continuous cover silviculture methods were used on 40 per cent of the surface area where regeneration felling was carried out. Continuous cover forestry was performed on 11,800 (3,800 in 2020) hectares of land. The significant increase in continuous cover forestry was largely due to approximately 4,000 hectares of storm damage felling performed in Koillismaa.

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 and research-based information concerning the long-term development of forests managed with selection and shelterwood cutting and small clearings. Metsähallitus aims to also start biodiversity-related research in the observation

areas. In 2021, wood grouse courtship site checks began in all three observation areas, and a game triangle was established and will be used to monitor grouse. A productivity study of harvesting methods also started in the observation areas.

In 2021, carbon balance estimates were calculated for drained peatlands on forestry land in multiple-use forests. The carbon balance sheets determined with current forest reserve data were produced at Natural Resource Institute Finland using a calculation system developed for carbon balance calculation. The final results of the carbon balance calculation developed for planning use, which means the carbon balances for trees and peatland, were visualised for operative use. In particular, local carbon balance sheets can be used to survey sites showing high calculated carbon emission sources in the soil.

Forest fertilisation was significantly increased during the financial period. A total of 29,000 hectares of forests were fertilised to strengthen the carbon sequestration capacity and increase carbon storage in multiple-use forests. The increase in fertilisation that began in 2021 will have a full impact on growth and carbon sink from 2029 onwards, when an estimated additional growth of 300,000 cubic metres per year and an 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. Selectively bred seeds are used in forest regeneration whenever possible, with consideration to the availability of seed.

The carbon store in multiple-use forests was calculated at 124 million tons of carbon (NFI 12: 117 million tons of carbon) in 2021, and carbon sink growth in multiple-use forests was 0.4 million tons of carbon dioxide equivalent per year. Carbon sink growth in the forests was 4.8 per cent in comparison to the carbon sink level in the 12th National Forest Inventory (NFI 12), which was done between 2014 and 2018.

The natural resource plan for the Sámi Homeland for 2022–2027 was completed in November 2021. The new natural resource plan guides Metsähallitus operations in the Sámi Homeland. The area covered by the natural resource plan includes the Sámi Homeland as a single entity that includes the municipalities of Enontekiö, Inari and Utsjoki and the area of the Lapland reindeer herding cooperative in the municipality of Sodankylä. The natural resource plan utilised the Akwé: Kon guidelines for the first time in the cooperation between Metsähallitus and the Sámi Parliament. The Akwé: Kon working group assessed the impacts of the plan on the conditions for the Sámi people to practice their culture.

The agreement between the Reindeer Herders' Association and Metsähallitus was renewed and signed in January 2021, thus increasing collaboration between Metsähallitus and reindeer husbandry. According to the agreement, the needs of reindeer husbandry and other forms of land use will be reconciled in the reindeer herding area south of the Sámi Homeland using jointly agreed procedures. The plans and their implementation have been specified based on feedback from the reindeer herding cooperatives.

Measures included in the action plan of the valid natural resource plan for Lapland that involved mapping the reindeer herding cooperatives' key grazing areas in cooperation with the reindeer herding cooperatives began. Development of an interactive map-based participation application to streamline collaboration between the cooperatives and Metsähallitus also started.

The Ritavaara-Miekojärvi cooperation group, established by Metsähallitus and Pellon kehitys Oy, was launched in 2021 with the aim of furthering collaboration related to tourism as well as forestry, nature conservation, reindeer husbandry and land use planning in the tourism area, which is an important priority for the municipality of Pello. The national park project proposed by the municipality of the field is located in this area. This is the third cooperation group established in western Lapland. The other groups are located in Ylläs and Ylimuonio. The groups are seen as important cooperation forums that have prevented conflict situations.

Metsähallitus and the corresponding organisation in Estonia, the State Forest Management Center (Riigimetsa Majandamise Keskus, RMK), established the first network of hiking areas in Europe. The purpose of the network is to promote Finnish-Estonian hiking, outdoor activities, and tourism based on hiking areas.

The Ministry of Agriculture and Forestry appointed a working group for the development of Evo. The group began its work at the end of the year. Hiking infrastructure was renovated in many locations, including Evo, the islands in Lake Oulujärvi and the Arctic Circle. The Kylmäluoma hiking area suffered

extensive storm damage in June, and clearing and restoration work was carried out in the area.

The draft version of the local detailed plan for Ruunaa was made public. Spawning beds and nursery grounds for endangered landlocked salmon and trout were restored in Ruunaa Rapids. In addition, thinning and selective cutting and felling in preparation for nature management burning were carried out in Evo.

Metsähallitus, Greenpeace and the Finnish Association for Nature Conservation continued a mediation process that aims for a shared understanding of which areas are valuable for biodiversity and to conserve biodiversity by increasing the level of protection and developing forest management methods. A further goal is to intensify cooperation on the protection of endangered species and to build the necessary common knowledge base and operating practices. A total of over 1,000 sites were assessed during the process. A joint decision was made to perform a more detailed assessment of one third of the area within the scope of the review. During the process, for example, consensus was reached regarding how to manage forests near the Viena route in Suomussalmi.

Metsähallitus participated in the working group that developed ecological compensation as part of the reform of nature conservation legislation. This work was completed on 30 September 2021. The working group will continue as a steering group for the ecological compensation pilot projects that will be implemented.

Metsähallitus completed a project on developing long-term maritime spatial planning that was launched in 2020. The work will continue during 2022 with a natural resource planning project implemented on the basis of the proposals resulting from the development project. The project will implement Metsähallitus' ownership policy. The planning will promote versatile, sustainable use, sustainable business and the protection of biodiversity in sea areas.

In terms of onshore wind farms, demand for state-owned areas was many times greater than 2020. Metsähallitus launched new co-development projects with wind power companies. Metsähallitus' first multi-year offshore wind park project of its own in Korsnäs progressed as planned. Preliminary work for the environmental and social impact assessment began, and the first nature surveys started in spring 2021. The investor selection process for the offshore wind park began in late 2021. On 8 December 2021, the Government's Ministerial Committee on Economic Policy approved the proposal for an operating model for leasing sea areas to companies for project development and construction of offshore wind energy. The proposal aims at advancing market-contingent development of offshore wind power.

Metsähallitus spent EUR 2.1 million to acquire areas and buildings for Finnish Defence Forces needs, with the areas accounting for EUR 2.0 million of that sum. After the transactions are completed, the acquired areas will be available to the Finnish Defence Forces under a right of use agreement.

Metsähallitus has implemented measures to increase carbon sequestration, such as afforestation or bird wetlands, in decommissioned peak production areas. In 2021, peat entrepreneurs returned a total of approximately 565 hectares of mire areas that are no longer being used for peat production. Planning and implementation of further measures has been initiated in these areas.

The calculated decrease in operating profit corresponding to the benefits created based on Metsähallitus' general social obligations was an estimated EUR 79.7 (73.3) million. The change is due to a higher timber price in comparison to previous year and an increase in the amount of area in limited use.

Business use of the areas is limited so that some of the areas are completely outside the scope of commercial use and forestry activities are limited in some areas. 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, forestry was limited in 599,000 (16.6%) hectares of multiple use forests and 597,000 hectares of forested land (16.6 %). A total of 356,000 hectares (9.9 %) were fully excluded from commercial use and 243,000 hectares (6.7 %) were in limited use. These factors reduced Metsähallitus' calculated operating profit by EUR 73.3 million. In addition, an increase in planning costs and the limitations of property development decreased the operating profit by EUR 6.4 million in total.

The cost of measures under the ownership policy and the loss of revenue effect in 2021 was calculated at EUR 16.8 million. The impact of storm damage was significant and the storm damage was repaired using continuous cover forestry in the affected area. This decreased the result by EUR 10.7 million.

Metsähallitus' goal is to promote the regional economy and employment by making full use of sustainable felling opportunities while taking existing natural resource plans, general social obligations, climate policy objectives and the market situation into account. In particular, poor demand for pulpwood meant that sustainable felling opportunities of 6.57 million m³/year could not be fully utilised. Taking into consideration the cumulated backlog of felling from previous years, it would have been possible to increase fellings by nearly 1.94 million m³/year in 2021 in comparison to the regional natural resource plans. Full investments in forest management and road construction were made.

OPERATING PROFIT AND DIVIDEND PAYMENT GOAL FOR THE FINANCIAL PERIOD 1 JANUARY TO 31 DECEMBER 2021

The profit of the enterprise totalled EUR 115.1 million (127.4). The result met the target, set at EUR 99.2 million. The return on investment for the basic equity of the enterprise was 4.8 per cent, which exceeded the target figure of 3.8 per cent.

The Ministry set EUR 99.2 million as the target for dividend paid to the state on the profit and retained earnings for the period 2021, to be paid during the year 2022. When adopting the financial statements, the Finnish Government will make its final decision on the sum to be paid to the state as dividend. The

retained earnings from business operations entered in the balance sheet of the enterprise totalled EUR 135.7 million at the end of the financial period, of which profit for the period was EUR 115.1 million.

The long-term objective set by the Ministry is to maintain the profitability of the businesses 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 for 2021 decreased slightly from the previous year's level but still remained at a good level, and profitability of the business operations entity increased.

PARKS & WILDLIFE FINLAND – PUBLIC ADMINISTRATION SERVICE

Parks & Wildlife Finland is responsible for managing the public administration services of Metsähallitus. These services form part of the enterprise. 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 75.9 (55.5) million. The value of land and water areas used for public administration services was EUR 1027,900 (1,008.00) million. The value of built property was EUR 13.8 (15.7) million. This includes the buildings and service structures in national parks and protected areas, and buildings in cultural heritage sites. Other equity related to public administration services increased during the finan-

cial period. Transfers of possession added EUR 17.8 (8.1) 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 4.433 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 8.7 (35.6) million. Liquid funds at the end of the financial period totalled EUR 55.5 million.

Metsähallitus owns a subsidiary, Nuuksiokeskus Ltd, for the management of public administration services. The company's loss of EUR -188,000 (-272,000) has been taken into account in the consolidated financial statements.

METSÄHALLITUS GROUP PERSONNEL

Wages and salaries paid by the Metsähallitus Group totalled EUR 61.7 (50.5) million. The enterprise's share of this was EUR 43.2 (32.5) million. The increase in wages and salaries was mainly due to the higher number of fixed-term employees in Parks & Wildlife Finland in order to implement 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 bonus is 10 per cent of the annual payroll. Achievement of the financial result triggers payment of the bonus. The Metsähallitus Board of Directors decides on the payment of bonuses.

Implementation of Metsähallitus' personnel policy continued. The operational focus areas in line with the new strategy are competence and building a good workplace. During the financial period, descriptions of shared competences were compiled and online training sessions to develop these competences were launched for the entire personnel. Mandatory online training on remote management for supervisors was organised, and this was supplemented by group coaching events arranged by the personnel unit. These events will continue in the future.

Renewal of the personnel information systems proceeded as planned. A new payroll system was introduced during the period under review, and the system development will continue.

The annual personnel survey was administered in the autumn. Based on the results, Metsähallitus' operating culture is human-oriented, respectful of diversity and supported by colleagues. The workplace is also perceived as more equal than earlier. Metsähallitus employees feel that their work has a purpose.

The coronavirus pandemic continued to have a significant impact on working methods. The staff were actively offered information to support wellbeing, and supervisors were reminded of the importance of communication during remote work.

ADMINISTRATION AND MANAGEMENT

Timo Laitinen has served as the Chair of the Board and Sanna Paanukoski as Vice Chair. The board members were Johanna Ikäheimo, Simo Rundgren, Jussi Saukkonen, Ismo Tiainen, Liisa Tyrväinen and

Metsähallitus Group personnel	2021	2020
Total number of employees	1 218	1 154
permanent	944	950
fixed-term	274	204
Employees by business unit and subsidiary		
Metsähallitus Forestry Ltd	384	421
Public administration services	638	554
Group units	124	125
Metsähallitus Property Development	59	40
Siemen Forelia Oy	13	13
MH-Kivi Oy	0	1
Number of employees at the head office	175	158
Number of employees outside the head office	1043	996
Person-years		
Person-years by business unit and subsidiary	1 282	1 142
Metsähallitus Forestry Ltd	415	441
Parks & Wildlife Finland and the public administration services it handles	677	526
Group units	118	121
Metsähallitus Property Development	59	39
Siemen Forelia Oy	13	14
MH-Kivi Oy	0	1
Average age of employees, permanent	51	51
Gender distribution		
Women, %		
Permanent and fixed-term, total	37	36
Men, %		
Permanent and fixed-term, total	63	64

Pekka Hautala as the employee representative. The Board of Directors will serve until 31 March 2022.

Jussi Saukkonen was the Chair of the Audit Committee and the members were Sanna Paanukoski, Simo Rundgren and Ismo Tiainen.

Timo Laitinen was the Chair of the Personnel Committee and the members were Johanna Ikkäheimo and Liisa Tyrväinen. The name was changed from Nomination and Remuneration Committee to Personnel Committee in 2021.

The Board of Directors met 14 times in 2021, the Audit Committee 11 times and the Personnel Committee 7 times.

Juha S. Niemelä served as Director General of Metsähallitus. Metsähallitus' Management Group members were Jukka Bisi, Director, Wildlife Service Finland, until 24 May 2021; Thomas Hallenberg, Director, Property Development; Henrik Jansson, Director, Parks & Wildlife Finland, starting on 1 February 2021; Terhi Koipijärvi, Director, Communications, Strategy and Responsibility; Jussi Kumpula, Managing Director, Metsähallitus Forestry Ltd; Heli Lehtonen, Director of Finance; Susanna Oikarinen, General Counsel; Anna-Leena Ruuth, Chief Information Officer; Timo Tanninen, Director, Parks & Wildlife Finland, until 31 January 2021; Jyrki Tolonen, Acting Director, Wildlife Service Finland, starting on 1 July 2021; Erkki Turtinen, Acting Director, Wildlife Service Finland, 24 May– 30 June 2021; and Terhi Vires, Director of Human Resources. Director of Wildlife Service Finland Jukka Bisi is 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 wages and salaries paid to the Board and Managing Director totalled EUR 439,278 (551,216) 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

Responsibility is integrated with the Metsähallitus strategy. The responsibility programme for the strategy period supports the achievement of goals and future work to develop responsibility, for example, with regard to compliance, human rights and information management. Good governance, compliance and the right modes of action provide the ethical and responsible foundation for Metsähallitus' operations. Responsibility work is

based on understanding the impact of Metsähallitus' operations and the needs of stakeholders and on the best international responsibility practices. The responsibility programme contains four focus areas: leadership, environment, people and society.

During the review period, implementation of the strategy and the responsibility programme was carried out in working groups set up for themes that were identified as important. Five strategic themes were developed during the year: management, customer orientation, renewable energy, biodiversity and sustainable tourism. For example, the objective in the biodiversity stream is to enhance biodiversity and halt biodiversity loss through better reconciliation. In addition to Finland's National Biodiversity Strategy, the objectives support achievement of the UN Sustainable Development Goals.

During 2021, activities in accordance with the ISO14001 environmental management system were developed as part of the Metsähallitus management system. The environmental system certification was audited and renewed in the spring.

During the year, Metsähallitus Forestry Ltd began using the EES+ energy efficiency system. The introduction of this system is one of the objectives of Metsähallitus' climate programme, and it will be implemented in phases throughout Metsähallitus. A separate certificate was issued for the system at the end of the year.

Implementation of the compliance model continued in 2021. During the year, an analysis was performed to identify and prioritise the risks associated with

compliance and responsibility as well as measures for managing them. Compliance development work continued with these identified themes in autumn 2021. In addition, extensive regulatory monitoring was performed during the year.

Metsähallitus' responsible brand and brand family were put into practice by producing brand tools and materials, creating the conditions for strong brand communications with a new communications, strategy and responsibility unit organisation, and in separate projects that included renewing the Siemen Forelia website and the Metsähallitus intranet. The brand and responsibility programme are also a strong element in Metsähallitus' communications policies and guidelines, such as the social media strategy prepared in 2021.

Customer orientation work involved specifying the basis for Metsähallitus' shared customer experience and identifying the key themes of the Metsähallitus customer experience, which will provide the foundation for Metsähallitus' customer experience development programme.

ESG (Environmental, Social and Governance) criteria were defined for partner selection in Metsähallitus' Korsnäs offshore wind park project, and an ESG Due Diligence process that meets international requirements was prepared.

RISK MANAGEMENT

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

Risks are managed using a systematic risk management process. The risk management process includes regular assessment of risks and their management measures at both 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. Risks are reported regularly to the Audit Committee and the Metsähallitus Board of Directors.

The Board of Directors and the Audit Committee oversee the functioning and comprehensiveness of Metsähallitus' risk management. The Board of Directors approves the risk management policy. The risk management policy was updated in early 2021. The Director General has overall responsibility for the functioning and organisation of risk management and compliance. The Head of Risk Management owns the risk management process and is in charge of the development, guidance and reporting models of risk management for Metsähallitus Group as well as the support of the organisation's risk management. The managers of the business units and subsidiaries are responsible for contributing to risk management and its functionality in their respective areas and its implementation in accordance with Group guidelines and the risk management process. At the beginning of 2021, the risk management function was transferred from the to Finance unit to the Legal Affairs and Compliance unit in conjunction with an organisational change.

Internal auditing is an important part of risk management, for example, to ensure the functioning 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. Observations made during the internal audit are processed in the unit in question and in the Management Group. Observations related to all audits are reported to the Audit Committee. The audits performed during the financial period primarily focused on reviewing basic functionalities. The recommendations provided in the audit are taken into account in the activity and its development. The manager of the unit being audited is responsible for implementing the recommendations.

THE YEAR 2021 AND RISK MANAGEMENT

As in the previous year, risk management in 2021 focused on managing the corona situation in addition to maintaining the normal risk management process. A number of development targets were identified during the year, for which development measures were initiated.

The responsibility aspect of risks was a focus of risk management during the year. Responsibility risks and their management are a part of comprehensive risk management. In 2021, responsibility and compliance risks were assessed and analysed from the perspectives of procurement as well as contract and partner administration.

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

Only a few forest fires occurred on state-owned land in 2021, and these were detected in time and effectively handled. Metsähallitus personnel assist the fire authorities and also handle post-fire monitoring on state-owned land.

The storm Paula caused significant damage in areas managed by Metsähallitus, especially in Kainuu and Koillismaa. The storm damage redirected timber harvesting to the damaged areas and affected hiking and hunting opportunities in the areas. Not all of the wood was harvested, and a lot of decaying wood that increases biodiversity was left in the forests.

A fire at the Oulu office caused some property damage. There were no injuries and the impact on operations was minor, as the personnel was working remotely rather than at the office.

The COVID-19 pandemic had an impact on Metsähallitus' operations, but the majority of activities were carried out normally. The transfer of office employees to remote work took place smoothly and based on the personnel survey carried out in the autumn, the personnel have managed relatively well in this exceptional situation. National Parks Finland's visitor centres were closed temporarily due to

COVID-19. With regard to managing the coronavirus situation, the Management Group was supported by a preparation group operating under the Head of Risk Management. The group is responsible for monitoring the situation and for Metsähallitus' corona-related instructions and operating models.

An internal audit assessed activities in the risk management process and issued development recommendations. Risk management will be developed on the basis of those recommendations.

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 the negative development of timber and property prices and a decrease in demand. Property development risks also include permit practices and the related complaints, which can prolong sales times. Significant growth expectations for wind power, especially in offshore areas, require new competence and resources at Metsähallitus in order to achieve the targets. These factors can also have a significant impact on the financial result.

Failure to reconcile the targets and common goals related to various functions and the state-owned land and water areas managed by Metsähallitus has an effect on the attainment of objectives. A possible reduction in regional economy impacts can affect the vitality of regions.

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 deficiencies in compliance. In addition, possible deviations from the agreed and communicated operating models have been identified as both responsibility and reputation risks. Responsibility and compliance competence has been developed by increasing instructions and training. The Partner Code of Conduct was also put into practice. Competence development will continue.

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 increases the risks of insect and storm damage. 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 activities 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 related legislation. Metsähallitus mainly bears secondary responsibility. The statement on contaminated soils is updated on a regular basis.

Particular attention was paid to risks associated with customer safety because, for example, deficiencies or the poor condition of service infrastructure and signs can cause dangerous situations. Metsähallitus will continue its active cooperation with Tukes to develop customer safety. Funding allocated to National Parks Finland will, among other things, make it possible to improve the condition of structures and reduce customer safety risks. The strong increase in funding represents a challenge in terms of the organisation's ability to implement all renovation and development measures on schedule. A possible decrease in the level of funding in the future may have a negative impact on safety at the sites and subsequently also on the possibilities for providing services.

The prolonged exceptional situation caused by the COVID-19 pandemic may put a burden on the personnel and affect operational quality and achievement of goals. The aim is to manage this risk by actively monitoring and anticipating the situation, communicating, training supervisors and personnel, and renewing operating methods.

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. 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 2022, and the activities have not involved events with substantial impact on the Group's profit or balance position.

Industrial actions in the forest industry had an impact on wood deliveries in early 2022, and prevented some deliveries altogether. The Act on Salla National Park entered into force on 1 January 2022.

OUTLOOK AND GOALS SET BY THE OWNER FOR 2022

The national economic outlook influences the operations of Metsähallitus Group in various ways. Financial performance is largely dependent on the development of timber demand and prices. 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 2022 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 2022, which will emphasise the implementation of measures as planned.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF RETAINED EARNINGS

Metsähallitus enterprise's retained earnings total EUR 135,666,167.90, of which the profit for the financial period is EUR 115,074,308.65.

The enterprise's retained earnings total EUR 135,666,167.90, of which the profit for the financial period is EUR 115,074,308.65.

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 110,000,000.00 of the operating profit be paid in dividends to the state.

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

Profit and loss account

EUR	Notes	Metsähallitus Group 1.1.-31.12.2021	Metsähallitus Group 1.1.-31.12.2020	Enterprise 1.1.-31.12.2021	Enterprise 1.1.-31.12.2020
TURNOVER	1.1	367 398 202,41	340 344 778,03	129 892 967,57	126 191 542,33
Other operating income	1.2	18 134 779,53	19 402 772,19	28 365 542,28	39 858 341,19
Financing for other operations from the State budget	1.3	75 929 962,8	55 455 649,52	75 924 962,80	55 448 329,52
Raw materials and services					
Raw materials and consumables					
Purchases during the financial year		7 614 958,77	5 205 726,18	1 178 590,98	1 178 590,98
Variation in inventories		-1715434,67	-1 257 104,17	210 165,42	210 165,42
External services		173 337 075,66	160 560 318,44	9 528 006,6	7 211 883,51
Raw materials and services, total		179 236 599,76	164 508 940,45	10 998 776,26	8 600 639,91
Staff expenses					
Wages and salaries	1.4	61 715 308,94	50 551 784,83	43 127 366,69	32 537 317,94
Social security expenses					
Pension expenses		10 150 302,88	8 769 301,06	7 464 728,84	6 356 831,57
Other social security expenses		2 945 914,63	1 701 994,19	2 083 596,01	1 065 791,65
Staff expenses, total		74 811 526,45	61 023 080,08	52 675 691,54	39 959 941,16
Depreciation, amortisation and impairment					
Depreciation, amortisation and impairment in total	1.5	10 084 044,36	9 901 547,03	3 745 728,54	4 207 531,31
Other operating costs	1.6	63 204 045,78	52 180 928,81	53 944 736,89	54 424 416,93
OPERATING PROFIT		134 126 728,39	127 588 703,37	112 818 539,42	114 305 683,73
Financial income and expenses					
Income from other investments under non-current assets		3 4142,06	40 541,68	11 634 142,06	22 540 541,68
Other interest and financial income		40 303,85	25 877,85	24 801,11	21 562,06
Interest and other financial expenses		533 092,97	466 349,80	118 535,4	93 088,21
Reversal of reductions in value of investments held as		0,00	0,00	300 000,00	1 100 000,00
Financial income and expenses in total	1.7	-458 647,06	-399 930,27	11 840 407,77	23 569 015,53
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES		133 668 081,33	127 188 773,10	124 658 947,19	137 874 699,26
Income taxes		13 661 678,05	12 010 568,98	9 447 970,65	9 433 523,00
Transfer of the profits of Public Administration Service to Equity		-136 667,89	-1 060 852,53	-136 667,89	-1 060 852,53
Minority share		60 060,39	86 656,32	0,00	0,00
PROFIT FOR THE FINANCIAL YEAR		119 929 795,78	114 204 007,91	115 074 308,65	127 380 323,73

Balance sheet, assets

EUR	Notes	Metsähallitus Group 31.12.2021	Metsähallitus Group 31.12.2020	Enterprise 31.12.2021	Enterprise 31.12.2020
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	1.8				
Intangible rights		55 924,35	3 159,57	0,00	3 159,57
Other intangible assets		3 986 466,69	4 480 905,31	1 799 064,33	1 543 883,29
Advance payments and work in progress		2 179 392,14	1 237 533,49	2 179 394,14	1 237 533,49
Intangible assets in total		6 221 785,18	5 721 598,37	3 978 458,47	2 784 576,35
Tangible assets					
Land and water areas		3 922 234 447,77	3 902 364 388,53	3 920 766 125,32	3 900 832 828,60
Roads		63 094 481,44	59 142 671,80	21 828 213,81	23 228 248,85
Buildings and structures		28 792 950,56	31 180 143,02	16 309 603,57	18 462 333,88
Machinery and equipment		959 693,32	1 117 992,26	207 699,77	159 773,21
Other tangible assets		161 632,20	183 468,32	10 599,04	10 599,04
Advance payments and work in progress		4 774 226,94	2 547 976,61	4 774 226,94	2 547 976,61
Tangible assets in total		4 020 017 432,23	3 996 536 640,54	3 963 896 468,45	3 945 241 760,19
Investments					
Shares in Group's subsidiaries	1.9	0,00	0,00	49 725 635,81	49 425 635,81
Other shares and holdings	1.10	1 435 050,79	1 435 050,79	1 843 923,20	1 843 923,20
Other receivables		0,00	1 800,00	0,00	1 800,00
Investments in total		1 435 050,79	1 436 850,79	51 569 559,01	51 271 359,01
NON-CURRENT ASSETS IN TOTAL		4 027 674 268,20	4 003 695 089,70	4 019 444 485,93	3 999 297 695,55

EUR	Notes	Metsähallitus Group 31.12.2021	Metsähallitus Group 31.12.2020	Enterprise 31.12.2021	Enterprise 31.12.2020
CURRENT ASSETS					
Inventories					
Finished products		15 079 394,96	13 223 343,69	1 003 504,47	1 077 184,45
Work in progress		722 544,60	863 161,20	0,00	0,00
Inventories in total		15 801 939,56	14 086 504,89	1 003 504,47	1 077 184,45
Receivables					
Non-current receivables					
Other receivables	1.11	4 175 015,72	5 175 015,72	3 000 000,00	3 000 000,00
Non-current receivables in total		4 175 015,72	5 175 015,72	3 000 000,00	3 000 000,00
Current receivables					
Accounts receivable		39 840 275,77	31 095 374,00	2 086 915,58	1 444 462,97
Receivables from Group's subsidiaries	1.12	0,00	0,00	175 487,22	4 373 883,57
Other receivables	1.13	1 325 600,20	804 365,68	483 886,01	116 990,34
Prepayments and accrued income	1.14	5 497 556,27	7 175 556,86	4 990 140,71	6 911 245,73
Current receivables in total		46 663 432,24	39 075 296,54	7 736 429,52	12 846 582,61
Cash in hand and at banks		72 799 758,70	60 749 235,48	71 870 707,44	56 395 636,66
CURRENT ASSETS IN TOTAL		139 440 146,22	119 086 052,63	83 610 641,43	73 319 403,72
ASSETS IN TOTAL		4 167 114 414,42	4 122 781 142,33	4 103 055 127,36	4 072 617 099,27

Balance sheet, equity and liabilities

EUR	Notes	Metsähallitus Group 31.12.2021	Metsähallitus Group 31.12.2020	Enterprise 31.12.2021	Enterprise 31.12.2020
EQUITY AND LIABILITIES					
EQUITY					
Basic equity	1.15	2 591 818 700,84	2 593 160 887,84	2 591 818 700,84	2 593 160 887,84
Other equity		224 811 631,77	224 811 631,77	224 811 631,77	224 811 631,77
Other equity of Public Administration Service		1 059 017 806,23	1 039 385 483,92	1 059 017 806,23	1 039 385 483,92
Retained earnings		27 532 675,82	33 328 531,07	20 591 859,25	13 211 535,52
Profit for the financial year		119 929 795,78	114 204 007,91	115 074 308,65	127 380 323,73
EQUITY IN TOTAL		4 023 110 610,44	4 004 890 542,51	4 011 314 306,74	3 997 949 862,78
MINORITY SHARE	1.16	4 697 126,73	4 757 187,12	0,00	0,00
PROVISIONS					
Other provisions	1.17	1 135 418,16	1 039 918,00	174 310,00	174 310,00
LIABILITIES					
Non-current liabilities					
Loans from financial institutions	1.18	42 236 073,58	34 000 000,00	0,00	0,00
Other liabilities		52 000,00	52 000,00	52 000,00	52 000,00
Non-current liabilities in total		42 288 073,58	34 052 000,00	52 000,00	52 000,00
Current liabilities					
Loans from financial institutions	1.19	10 000 000,00	4 000 000,00	6 000 000,00	0,00
Advances received		44 823 158,64	41 260 702,46	44 810 985,37	40 859 702,63
Accounts payable		13 476 797,26	9 074 801,86	6 301 143,87	3 529 582,02
Debts to Group's subsidiaries	1.20	0,00	0,00	13 944 170,74	12 518 165,72
Other liabilities	1.21	7 948 444,39	7 697 430,13	7 096 837,17	8 392 527,26
Accruals and deferred income	1.22	19 604 436,23	15 975 824,66	13 361 373,47	9 140 948,86
Deferred tax liabilities		30 348,99	32 735,592	0,00	0,00
Current liabilities in total		95 883 185,51	78 041 494,70	91 514 510,62	74 440 926,49
LIABILITIES IN TOTAL		138 171 259,09	112 093 494,70	91 566 510,62	74 492 926,49
EQUITY AND LIABILITIES IN TOTAL		4 167 114 414,42	4 122 781 142,33	4 103 055 127,36	4 072 617 099,27

Cash flow statement

EUR	Metsähallitus Group 1 Jan–31 Dec 2021	Metsähallitus Group 1 Jan–31 Dec 2020	Enterprise 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2020
CASH FLOW FROM BUSINESS OPERATIONS				
Payments from sales	358 653 300,64	346 250 439,86	133 448 911,31	132 039 336,33
Payments from other operating income	9 585 756,09	6 946 992,05	19 192 124,95	23 363 606,96
Payments from operating charges	-307 028 875,92	-258 490 480,39	-109 083 968,61	-70 921 708,07
Cash flow from business operations, before financial items and taxes	61 210 180,81	94 706 951,52	43 557 067,65	84 481 235,22
Interest paid and other financial expenses	-533 092,97	-466 349,80	-118 535,40	-93 088,21
Interest income from business operations	40 303,85	25 877,85	24 801,11	21 562,06
Dividends received	34 142,06	40 541,68	11 634 142,06	22 540 541,68
Direct taxes	-13 916 127,10	-9 522 429,41	-9 718 288,37	-8 859 551,38
Cash flow before the State's budget funding	46 835 406,65	84 784 591,84	45 379 187,05	98 090 699,37
State's budget funding for other operations	75 929 962,80	55 455 649,52	75 924 962,80	55 448 329,52
Cash flows from operating activities	122 765 369,45	140 240 241,36	121 304 149,85	153 539 028,89
INVESTMENTS				
Purchase of environmental protection areas, shares	375 119,68	9 913,06	375 119,68	9 913,06
Purchase of fixed assets, funding by Ministry	-4 338 972,77	-5 250 236,98	-4 338 972,77	-5 250 236,98
Purchases of fixed assets, EU funding	-625 768,00	-673 187,45	-625 768,00	-673 187,45
Purchase of fixed assets, other funding	-334 059,17	-469 599,58	-334 059,17	-469 599,58
Investments in tangible and intangible assets	-21 338 461,19	-24 503 730,72	-10 614 031,39	-13 930 804,59
Profits for the sale of tangible and intangible assets	16 721 600,55	23 449 255,50	16 293 125,86	26 895 200,48
Shareholder investment in/return on environmental protection areas and shares	-375 119,68	-9 913,06	-375 119,68	-9 913,06
Funding received for the construction of nature centres etc.	4 964 740,77	5 161 504,38	4 964 740,77	5 161 504,38
Cash flows from investing activities	-4 950 919,81	-2 285 994,85	5 345 035,30	12 202 475,84
FINANCING				
Change in other non-current, interest-bearing loans	8 236 073,58	26 877 614,23	0,00	0,00
Change in other non-current, non-interest-bearing loans	0,00	-1 700 250,00	0,00	-1 700 000,00
Change in current loans from financial institutions	6 000 000,00	-9 995 836,24	6 000 000,00	-13 995 836,24
Change in Group loans to subsidiaries	0,00	0,00	2 825 885,63	-572 232,07
Contribution to State revenue	-120 000 000,00	-138 900 000,00	-120 000 000,00	-138 900 000,00
Cash flows from financing activities	-105 763 926,42	-123 718 472,01	-111 174 114,37	-155 168 068,31
CHANGE IN LIQUID FUNDS				
Liquid funds on 1 Jan	60 749 235,48	46 513 460,98	56 395 636,66	45 822 200,24
Liquid funds on 31 Dec	72 799 758,70	60 749 235,48	71 870 707,44	56 395 636,66
Net change in cash and cash equivalents	12 050 523,22	14 235 774,50	15 475 070,78	10 573 436,42

Notes to the financial statements 2021

The 2021 financial statements have been prepared in accordance with the Act on Metsähallitus (234/2016) and Government decree (1368/2016).

The financial statements cover the period from 1 January to 31 December 2021, and the comparative information dates from the previous financial year, 1 January to 31 December 2020.

METSÄHALLITUS GROUP AND BUSINESS OPERATIONS ENTITY

Metsähallitus Group includes the business operations of the Metsähallitus enterprise and Public Administration Services as well as their subsidiaries, Metsähallitus Forestry Ltd, MH-Kivi Oy, Siemen Forelia Oy and Nuuksiokeskus Oy and Korsvind AB Oy. Korsvind AB Oy was established on 22 June 2021, but it did not have any actual activities between 22 June and 31 December 2021.

The Business Operations Entity consists of the business operations of the Metsähallitus enterprise and its subsidiaries, Metsähallitus Forestry Ltd, MH-Kivi Oy, Siemen Forelia Oy and Korsvind AB Oy.

Nuuksiokeskus Oy is a subsidiary of the Public Administration Service.

FINANCING FOR PUBLIC ADMINISTRATIVE DUTIES FROM THE STATE BUDGET

In the enterprise's profit and loss account, financing received from the Budget is reported as income on an accrued basis, so that it corresponds to 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' business operations on 15 April 2016, as defined in the new Act. Other assets related to business operations and assets managed in relation to public administrative duties were transferred at book value. Simultaneously, the basic equity of business operations was raised, and the losses associated with public administrative duties 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 public administrative duties.

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 Business Operations on the accounts.

Following this, all assets transferred into or out of the possession of business operations 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, as necessary, on the change in basic equity.

Assets transferred into or out of 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 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. Depre-

ciations, for a decrease in substance, have been performed for the remeasured gravel resources.

In relation to basic equity, an assessment of market value has been done for multiple-use forests in the balance sheet. Rather than recording the updated market value in the balance sheet, it is presented in the notes to the balance sheet.

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.

COMPARABILITY WITH THE PREVIOUS YEAR

During the financial year, the enterprise's business recorded EUR 0.3 million in reversal of reduction in the value of shares in one subsidiary. The item is presented as financial income in the profit and loss account. The reversal of reduction in value are based on realised and forecasted positive financial development.

Notes to the consolidated financial statements 2021

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. The difference between the acquisition cost of subsidiaries and equity corresponding to the acquired holdings is presented as goodwill, which is depreciated over a period of five years.

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	Notes	Metsähallitus Group 1 Jan–31 Dec 2021	Metsähallitus Group 1 Jan–31 Dec 2020	Enterprise 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2020
Turnover by business unit	1.1				
Forestry Business		328,6	305,1	95,0	95,3
Metsähallitus Property Development		20,6	18,4	20,6	18,3
Sale of soil and rock resources		0,9	1,2	0,0	0,0
Seed and sapling production		3,5	3,4	0,0	0,0
Other		13,8	12,2	14,3	12,6
Total		367,4	340,3	129,9	126,2
Other operating income	1.2				
Gains on the sale of fixed assets		10,6	12,1	10,5	12,1
Other income		7,5	7,3	6,7	27,8
Total		18,1	19,4	17,2	39,9
Funding received from the State budget	1.3				
Financing for other operations from the Budget during the financial period as income on an accrued basis		75,9	55,5	75,9	55,4
Wages and salaries paid to the management, 1000 EUR	1.4				
Wages and salaries paid to the Board and Managing Director during the financial period		805	1050	439	551
Depreciation according to plan	1.5				
Intangible assets		1,7	1,8	0,5	0,7
Roads		6,1	5,1	1,4	1,4
Buildings and structures		1,9	2,3	1,7	2,1
Machinery and equipment, other tangible assets		0,3	0,4	0,1	0,1
Total		10,1	9,6	3,7	4,2

Depreciation according to plan, depreciation periods	before 1 January 2020	starting from 1 January 2020
Intangible rights, other long-term expenditure	4–5 years	4–5 years years
Gravel areas	Depreciation for decrease of substance	Depreciation for decrease of substance
Roads	10–25 years	1–25 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	4–10 years	8 years
Machinery and equipment	4–8 years, Nuuksiokeskus 15 years	4–5 years
Other tangible assets: asphaltting, planting beds	15–20 years	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	Notes	Metsähallitus Group 1 Jan–31 Dec 2021	Metsähallitus Group 1 Jan–31 Dec 2020	Enterprise 1 Jan–31 Dec 2021	Enterprise 1 Jan–31 Dec 2020
Other operating costs	1.6				
Facility expenses		27,1	19,5	25,4	18,1
ICT expenses		12,7	11,8	10,3	9,3
Travelling expenses		5,3	4,6	3,0	2,2
External services		2,0	2,6	1,9	2,3
Machinery and equipment expenses, vehicle expenses		4,8	3,9	4,4	3,5
Other social security expenses		3,0	2,7	2,1	1,6
Other expenses		8,2	7,0	6,5	5,6
Group internal expenses		0,0	0,0	0,4	11,8
Total		63,2	52,2	53,9	54,4
Other interest and financial income	1.7				
Dividend income from external sources		0,03	0,04	0,03	0,04
Dividend income from subsidiaries		0,00	0,00	11,6	22,5
Interest income		0,04	0,03	0,02	0,02
Total		0,1	0,1	11,7	22,6
Interest and other financial expenses					
Interest expenses		0,5	0,5	0,1	0,1
Total		0,5	0,5	0,1	0,1
Reversal of reduction in value for investments under non-current assets					
Reversal of reduction in value of subsidiaries' shares		0,0	0,0	0,3	1,1
Financial income and expenses in total		-0,5	-0,4	11,8	23,6

Notes to balance sheet

	Notes	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
Non-current assets (MEUR)	1.8								
METSÄHALLITUS GROUP									
Acquisition cost on 1 Jan		25,0	3 907,4	132,8	100,7	29,3	2,5	1,4	4 201,5
Increases		1,8	24,7	10,5	0,0	0,1	3,6	0,0	40,8
Decreases		0,0	-4,9	0,0	-1,3	0,0	-1,4	0,0	-7,5
Reduction in value		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,00
Acquisition cost on 31 Dec		26,8	3 927,3	143,3	99,4	29,4	4,8	1,4	4 234,8
Accumulated depreciation and reduction in value 1 Jan		18,9	5,0	74,1	69,5	28,0	0,0	0,0	197,8
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	-0,8	0,0	0,0	0,0	-0,8
Depreciation during the financial year		1,7	0,0	6,1	1,9	0,3	0,0	0,0	10,1
Accumulated depreciation on 31 Dec		20,6	5,0	80,2	70,6	28,3	0,0	0,0	207,1
Book value on 1 Jan		6,1	3 902,4	58,8	31,2	1,3	2,5	1,4	4 003,7
Book value on 31 Dec		6,2	3 922,2	63,1	28,8	1,1	4,8	1,4	4 027,7
Production machinery and equipment, book value on 31 Dec						1,3			
ENTERPRISE									
Acquisition cost on 1 Jan		9,4	3 902,7	97,8	80,8	16,8	2,5	51,3	4 161,3
Reduction in value on 1 Jan		1,7	24,7	0,0	0,0	0,1	3,6	0,0	30,2
Increases		0,0	-4,8	0,0	-1,3	0,0	-1,4	0,0	-7,4
Decreases		0,0	0,0	0,0	0,0	0,0	0,0	0,3	0,3
Acquisition cost on 31 Dec		11,1	3 922,6	97,8	79,5	17,0	4,8	51,6	4 184,4
Accumulated depreciation and reduction in value 1 Jan		6,6	1,8	74,6	62,3	16,6	0,0	0,0	162,0
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	-0,8	0,0	0,0	0,0	-0,8
Depreciation during the financial year		0,5	0,0	1,4	1,7	0,1	0,0	0,0	3,7
Accumulated depreciation on 31 Dec		7,1	1,8	76,0	63,2	16,7	0,0	0,0	164,9
Book value on 1 Jan		2,3	3 900,8	23,2	18,5	0,2	2,5	51,3	3 999,3
Book value on 31 Dec		4,0	3 920,8	21,8	16,3	0,2	4,8	51,6	4 019,4
Production machinery and equipment, book value on 31 Dec						0,2			

NOTES TO BALANCE SHEET

	Notes	Holdings %	Book value in the parent company, euros
Shares in subsidiaries	1.9		
ENTERPRISE			
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		68,1	12 200 000,00
Total			49 725 635,81

	Notes	Metsähallitus Group 2021	Metsähallitus Group 2020	Enterprise 2021	Enterprise 2020
Other shares and holdings	1.10				
Shares and holdings, book value (MEUR)					
Shares in subsidiaries		0,0	0,0	49,7	49,4
Other shares and receivables		1,4	1,4	1,8	1,8
Total		1,4	1,4	51,6	51,3
Non-current receivables	1.11				
Other receivables		3,0	3,0	3,0	3,0
Guaranteed deposits		1,2	2,2	0,0	0,0
Total		4,2	5,2	3,0	3,0
Receivables from Group's subsidiaries (MEUR)	1.12				
Accounts receivable				0,1	1,1
Other receivables				0,1	0,0
Prepayments and accrued income				0,0	0,7
Total				0,2	1,9

NOTES TO BALANCE SHEET

	Notes	Metsähallitus Group 2021	Metsähallitus Group 2020	Enterprise 2021	Enterprise 2020
Other receivables, current (MEUR)	1.13				
Other prepayments, prepaid expenses		0,2	0,1	0,2	0,1
Deferred VAT and tax assets		1,1	0,7	0,3	0,0
Total		1,3	0,8	0,5	0,1
Current prepayments and accrued income (MEUR)	1.14				
Life projects, accrued income		0,8	0,5	0,8	0,4
EU Structural Fund projects, accrued income		2,5	3,1	2,4	3,0
Project receivables, other accrued income		1,6	3,5	1,6	3,4
Other prepaid expenses, purchase invoices		0,6	0,2	0,2	0,0
Total		5,5	7,2	5,0	6,9
Equity (MEUR)	1.15				
Basic equity on 1 Jan		2 593,2	2 601,4	2 593,2	2 601,4
Transfers of possession, inheritance by the State		0,1	-8,2	0,1	-8,2
Changes in land use		-1,5	0,0	1,5	0,0
Other changes, including basic equity return and value adj.		0,0	0,0	0,0	0,0
Basic equity on 31 Dec		2 591,8	2 593,2	2 591,8	2 593,2
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

	Notes	Metsähallitus Group 2021	Metsähallitus Group 2020	Enterprise 2021	Enterprise 2020
Other equity from public administration services before transfer of profits on 1 Jan		1 039,4	1 030,2	1 039,4	1 030,2
Transfers of possession, inheritance by the State		17,9	8,1	17,9	8,1
Changes in land use, others		1,5	0,0	1,5	0,0
Shareholder investment in purchase of environmental conservation areas		0,4	0,0	0,4	0,0
Transfer of profits from public administration services to Equity		0,1	1,1	0,1	1,1
Other equity on 31 Dec		1 059,0	1 039,4	1 059,0	1 039,4
Retained earnings on 1 Jan		147,5	172,2	140,6	152,1
Contribution to State revenue		-120,0	-138,9	-120,0	-138,9
Retained earnings on 31 Dec		27,5	33,3	20,6	13,2
Profit for the financial year 1 Jan–31 Dec		119,9	114,2	115,1	127,4
Results for previous financial year and current financial year on 31 Dec		147,5	147,5	135,7	140,6
EQUITY IN TOTAL ON 31 DEC		4 023,1	4 004,9	4 011,3	3 998,0
Minority share	1.16				
Nuuksiokeskus Oy		4,7	4,8		
MINORITY SHARE IN TOTAL		4,7	4,8		

NOTES TO BALANCE SHEET

	Notes	Metsähallitus Group 2021	Metsähallitus Group 2020	Enterprise 2021	Enterprise 2020
Provisions (MEUR)	1.17				
Other provisions		1,1	1,0	0,2	0,2
Provisions, total		1,1	1,0	0,2	0,2
Total of long-term loans due in a period exceeding 5 years	1.18				
Total		42,2	34,0	0,0	0,0
Amount of debt not paid to the State (MEUR)	1.19				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		2,6	1,7	1,9	0,9
Debts to Group's subsidiaries (MEUR)	1.20				
Accounts payable				0,1	0,8
Accruals and deferred income				0,0	1,9
Consolidated liabilities				13,8	11,0
Total				13,9	13,7
Other liabilities, non-current and current (MEUR)	1.21				
Non-current, non-interest-bearing loans		0,0	0,1	0,0	1,7
VAT liabilities		5,1	4,5	4,5	4,3
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		1,2	1,1	0,8	0,7
Equity reviews		1,2	0,4	1,2	0,4
Other		0,5	1,7	0,5	0,0
Total		7,9	7,7	7,1	7,2
Accruals and deferred income (MEUR)	1.22				
Differentiated statutory personnel expenses		1,4	0,6	1,0	0,2
Holiday pay liabilities, including social security expenses		11,1	11,5	7,8	7,1
Other differentiated personnel expenses		6,7	0,0	4,3	0,0
Tax averaging		0,1	2,5	0,0	0,6
Other		0,3	1,4	0,2	1,3
Total		19,6	16,0	13,4	9,1

Other notes

	Notes	Metsähallitus Group 2021	Metsähallitus Group 2020	Enterprise 2021	Enterprise 2020
Contingent liabilities (MEUR)	1.23				
Leasing liabilities					
to be paid during the following year		2,2	2,4	2,0	2,3
to be paid at a later date		2,4	3,1	2,1	3,7
Bank guarantee liabilities		2,5	2,4	0,9	0,9
Other banking liabilities		1,0	1,0	0,5	0,5
Deposited securities, guarantee deposits		0,8	0,8	0,8	0,8
Investment commitments		3,2	3,2	3,2	3,2
Leasing liabilities (MEUR) (VAT 0)		4,2	4,3	4,2	4,3

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. 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. 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 present claims for receivables from Metsähallitus and its subsidiary. In the opinion of Metsähallitus, the claims are unjustified.

Liesing 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 2020.

	Notes	Metsähallitus Group 2021	Metsähallitus Group 2020	Enterprise 2021	Enterprise 2020
Internal Group transactions during the financial year*	1.24				
Sale of goods				0,5	0,5
Sale of services				119,3	116,2
Purchase of goods				0,1	0,1
Purchase of services				14,9	12,6
Total				104,8	104,0
Number of employees during the period, person-years	1.25				
Employees and supervisors		1282	1 142	854	686
Calculated deferred tax assets and liabilities	1.26				
Calculated deferred tax assets					
from subsidiary losses		1,7	2,1		
from provisions		0,2	0,2		
Total		1,9	2,3		
Auditors' fees (1000 EUR)	1.27				
KPMG Audit					
Audit, financial year and previous financial year		85,1	73,8	43,7	47,5
Other services		41,7	143,9	41,7	140,9
Total		126,7	217,7	85,3	188,4

*Internal Group transactions are market-based.

BUSINESS OPERATION

Profit and loss account

EUR	Notes	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
TURNOVER	2.1	354 842 558,68	3 289 121 84,26	115 836 654,14	113 656 385,81
Other operating income	2.2	24 686 597,51	23 355 415,97	34 799 694,45	32 693 328,2
Financing for other operations from the State budget		5 000,00	7 320,00	0,00	0,00
Raw materials and services					
Raw materials and consumables		Staff expenses			
Purchases during the financial year		6 533 037,93	4 448 647,26	99 826,01	96 216,65
Variation in inventories		-1 789 114,65	-1 467 269,59	0,00	0,00
External services		166 065 559,61	154 874 923,68	877 606,16	661 723,57
Raw materials and services, total		170 809 482,89	157 856 301,35	977 432,17	757 940,22
Henkilöstökulut					
Wages and salaries		30 730 465,17	27 304 179,56	12 146 072,92	9 293 262,67
Social security expenses					
Pension expenses		4 730 929,94	4 205 980,51	2 045 335,90	1 793 511,02
Other social security expenses		1 467 701,51	930 785,55	605 382,89	294 583,01
Staff expenses, total		36 929 096,62	32 440 945,62	14 796 811,71	11 381 356,70
Depreciation, amortisation and impairment in total	2.3	8 137 217,92	7 936 167,82	2 218 974,55	2 742 258,59
Other operating costs	2.4	29 578 074,10	27 273 677,33	20 054 364,48	18 253 639,97
OPERATING PROFIT		134 080 284,66	126 767 828,11	112 588 765,68	113 214 518,53
Financial income and expenses					
Income from other investments under non-current assets		34 105,91	40 144,04	11 634 105,91	22 540 144,04
Other interest and financial income		36 197,63	25 590,45	20 698,49	21 283,51
Interest and other financial expenses		430 838,64	433 770,15	21 290,78	62 099,35
Reversal of reductions in value of investments held as non-current assets		0,00	0,00	300 000,00	1 100 000,00
Financial income and expenses in total	2.5	-360 535,10	-368 035,66	11 933 513,62	23 599 328,20
TAXES		133 719 749,56	126 399 792,45	124 522 279,30	136 813 846,73
Income taxes		13 661 678,05	12 010 568,98	9 447 970,65	9 433 523,00
PROFIT FOR THE FINANCIAL YEAR		120 058 071,51	114 389 223,47	115 074 308,65	127 380 323,73

Balance sheet, assets

EUR	Notes	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
ASSETS					
NON-CURRENT ASSETS	2.6				
Intangible assets					
Intangible rights		55 924,35	3 159,57	0,00	3 159,57
Other intangible assets		3 622 788,88	4 439 584,86	1 458 706,97	1 533 501,73
Advance payments and work in progress		2 055 980,43	806 125,66	2 055 980,43	806 125,66
Intangible assets in total		5 734 693,66	5 248 870,09	3 514 687,40	2 342 786,96
Tangible assets					
Land and water areas		2 893 625 289,74	2 893 691 009,73	2 892 814 373,01	2 892 816 855,52
Roads		63 005 822,62	59 038 915,84	21 739 554,99	23 124 492,89
Buildings and structures		2 483 933,58	2 773 043,83	2 468 420,54	2 750 905,92
Machinery and equipment		343 700,37	290 455,84	96 689,42	0,00
Other tangible assets		10 599,04	10 599,04	10 599,04	10 599,04
Advance payments and work in progress		4 736 549,54	2 511 193,98	4 736 549,54	2 511 193,98
Tangible assets in total		2 964 205 894,89	2 958 315 218,26	2 921 866 186,54	2 921 214 047,35
Investments					
Shares in Group's subsidiaries	2.7	0,00	0,00	37 525 635,81	37 225 635,81
Other shares and holdings	2.9	697 346,11	697 346,11	1 106 218,52	1 106 218,52
Investments in total		697 346,11	697 346,11	38 631 854,33	38 331 854,33
NON-CURRENT ASSETS IN TOTAL		2 970 637 934,66	2 964 261 434,46	2 964 012 728,27	2 961 888 688,64

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EUR	Notes	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
CURRENT ASSETS					
Inventories					
Finished products		14 075 890,49	12 146 159,24	0,00	0,00
Work in progress		722 544,60	863 161,20	0,00	0,00
Inventories in total		14 798 435,09	13 009 320,44	0,00	0,00
Receivables					
Non-current receivables					
Other receivables		4 175 015,72	5 175 015,72	3 000 000,00	3 000 000,00
Non-current receivables in total		4 175 015,72	5 175 015,72	3 000 000,00	3 000 000,00
Current receivables in total					
Accounts receivable		38 480 611,19	30 029 605,93	727 251,00	378 694,90
Receivables from public administration services	2.11	1 030 282,80	2 622 467,03	981 158,35	2 248 289,34
Receivables from the enterprise's subsidiaries	2.12	2 037,09	1 286,56	147 287,80	1 464 041,48
Other receivables	2.13	1 294 716,73	694 005,72	465 185,95	6 630,38
Prepayments and accrued income	2.14	573 064,42	3 042 483,60	65 648,86	2 778 174,82
Current receivables in total		41 380 712,23	36 389 848,84	2 386 531,96	6 875 830,92
Cash in hand and at banks		16 362 494,64	13 413 063,37	16 353 310,24	9 761 977,30
CURRENT ASSETS IN TOTAL		76 716 657,68	67 987 248,37	21 739 842,20	19 637 808,22
ASSETS IN TOTAL		3 047 354 592,34	3 032 248 682,83	2 985 752 570,47	2 981 526 496,86

Balance sheet, equity and liabilities

EUR	Notes	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
EQUITY AND LIABILITIES					
EQUITY					
Basic equity		2 591 818 700,84	2 593 160 887,84	2 591 818 700,84	2 593 160 887,84
Other equity		224 811 631,77	224 811 631,77	224 811 631,77	224 811 631,77
Retained earnings		29 578 067,89	35 188 844,38	20 591 859,25	13 211 535,52
Profit for the financial year		120 058 071,51	114 389 223,47	115 074 308,65	127 380 323,73
EQUITY IN TOTAL	2.15	2 966 266 472,01	2 967 550 587,46	2 952 296 500,51	2 958 564 378,86
PROVISIONS					
Other provisions	2.16	1 135 418,16	1 039 918,00	174 310,00	174 310,00
LIABILITIES					
Non-current					
Loans from financial institutions	2.17	42 236 505,44	34 000 000,00	0,00	0,00
Other liabilities		52 000,00	52 000,00	52 000,00	52 000,00
Current					
Loans from financial institutions	2.18	10 000 000,00	4 000 000,00	6 000 000,00	0,00
Advances received		271 153,27	636 491,83	258 980,00	235 492,00
Accounts payable		10 267 604,42	6 939 426,97	3 102 575,32	1 399 239,19
Payables to Public Administration Service	2.19	50 359,25	661 552,75	22 159,83	3 102,30
Debts to the enterprise's subsidiaries	2.20	0,00	0,00	13 895 046,29	11 091 886,63
Other liabilities	2.21	6 230 419,90	6 718 303,29	5 379 750,38	6 223 153,05
Accruals and deferred income	2.22	10 814 310,90	10 617 666,94	4 571 248,14	3 782 934,83
Deferred tax liabilities		30 348,99	32 735,59	0,00	0,00
LIABILITIES IN TOTAL		79 952 702,17	63 658 177,37	33 281 759,96	22 787 808,00
EQUITY AND LIABILITIES IN TOTAL		3 047 354 592,34	3 032 248 682,83	2 985 752 570,47	2 981 526 496,86

Cash flow statement

euroa	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
CASH FLOW FROM BUSINESS OPERATIONS				
Payments from sales	347 982 987,12	333 140 520,58	118 071 605,34	120 936 009,65
Payments from other operating income	17 189 879,72	8 001 249,88	26 657 212,41	16 292 885,67
Payments from operating charges	-237 045 872,84	-230 168 979,93	-34 032 596,16	-33 588 597,87
Cash flow from business operations, before financial items and taxes	128 126 985,00	110 972 790,53	110 696 221,59	103 640 297,45
Interest paid and other financial expenses	-430 838,64	-433 770,15	-21 290,78	-62 099,35
Interest income from business operations	36 197,63	25 590,45	20 698,49	21 283,51
Dividends received	34 105,91	40 144,04	11 634 105,91	22 540 144,04
Direct taxes	-13 911 569,43	-9 522 429,41	-9 718 288,37	-8 859 551,38
Cash flows from operating activities	113 854 880,47	101 082 325,46	112 611 446,84	117 280 074,27
INVESTMENTS				
Investments, sales, subsidiaries' shares	0,00	0,00	0,00	0,00
Investments in tangible and intangible assets	-20 607 015,76	-19 953 825,02	-9 882 585,96	-8 299 700,77
Sale of tangible and intangible assets	15 465 061,12	20 816 228,63	15 036 586,43	20 765 849,60
Sale of other investments	0,00	377 641,02	0,00	377 641,02
Return of capital from subsidiary	0,00	0,00	0,00	0,00
Cash flows from investing activities	-5 141 954,64	1 240 044,63	5 154 000,47	12 843 789,85
FINANCING				
Change in other non-current, interest-bearing loans	8 236 505,44	26 877 614,23	0,00	0,00
Change in other non-current, non-interest-bearing loans	0,00	-1 700 000,00	0,00	-1 700 000,00
Change in current loans from financial institutions	6 000 000,00	-9 995 836,24	6 000 000,00	-13 995 836,24
Change in Group loans to subsidiaries	0,00	0,00	2 825 885,63	-572 232,07
Contribution to State revenue	-120 000 000,00	-138 900 000,00	-120 000 000,00	-138 900 000,00
Cash flows from financing activities	-105 763 494,56	-123 718 222,01	-111 174 114,37	-155 168 068,31
CHANGE IN LIQUID FUNDS	2 949 431,27	-21 395 851,92	6 591 332,94	-25 044 204,19
Liquid funds on 1 Jan	13 413 063,37	34 808 915,29	9 761 977,30	34 806 181,49
Liquid funds on 31 Dec	16 362 494,64	13 413 063,37	16 353 310,24	9 761 977,30
Change	2 949 431,27	-21 395 851,92	6 591 332,94	-25 044 204,19

Notes to the profit and loss account

	Notes	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
Turnover by business unit	2.1				
Forestry Business		329 730 055,81	305 861 044,22	95 000 250,04	95 262 833,91
Metsähallitus Property Development		20 561 731,54	18 332 774,14	20 561 731,54	18 332 774,14
Sale of soil and rock resources		962 174,99	1 214 648,65	0,0	0,0
Seed and sapling production		3 588 596,34	3 427 535,39	0,0	0,0
Other		0,00	76181,86	274 672,56	60 777,76
Total		354 842 558,68	328 912 184,26	115 836 654,14	113 656 385,81
of which turnover for Public Administration Service and other subsidiaries		1 283 671,53 0,00	808 430,60 0,00	6903,94 95 296 676,24	0,00 95 262 833,91
Other operating income	2.2				
Gains on the sale of fixed assets		10 305 365,79	11 593 162,65	10 126 512,08	11 542 783,62
Income from services to Public Administration Service		13 175 952,32	11 086 406,32	13 083 795,57	10 983 862,93
Income from services to subsidiaries		14 769,06	16736,20	11 169 593,42	10 128 482,55
Other income		1 190 510,34	659 110,79	419 793,38	38 199,10
Total		24 686 597,51	23 355 415,97	34 799 694,45	32 693 328,20
Depreciation according to plan	2.3				
Intangible assets		1 590 627,44	1 783 547,59	451 039,55	659 352,15
Depreciation for decrease in substance		17 753,29	33 328,49	7 788,16	3 890,6
Roads		6 093 450,31	5 053 816,74	1 384 937,90	1 384 937,92
Buildings and structures		356 389,23	700 702,79	349 764,36	694 077,92
Machinery and equipment, other tangible assets		78 997,65	42 651,60	25 444,58	0,0
Total		8 137 217,92	7 614 047,21	2 218 974,55	2 742 258,59

Depreciation according to plan, depreciation periods:	before 1 January 2020	starting from 1 January 2020
Intangible rights, other long-term expenditure	4-5 years	4-5 years
Gravel areas	Depreciation for decrease of substance	Depreciation for decrease of substance
Roads	10-25 years	10 years
Fish structures	primarily 10 years	15 years
Log floating structures	25 years	15 years
Buildings	20-40 years	20 years
Structures and facilities	4-10 years	8 years
Machinery and equipment	4-8 years	4-5 years
Other tangible assets: asphaltting, planting beds	15-20 years	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	Notes	Business operations entity 1 Jan–31 Dec 2021	Business operations entity 1 Jan–31 Dec 2020	Business operations 1 Jan–31 Dec 2021	Business operations 1 Jan–31 Dec 2020
Other operating costs	2.4				
Facility expenses		8 501 428,28	7 587 831,03	6 924 217,26	6 254 002,31
ICT expenses		9 831 088,44	9 183 642,55	7 499 586,69	6 697 229,03
Travelling expenses		2 523 329,53	2 646 446,19	264 300,94	235 296,37
External services		514 474,2	1 028 899,83	360 993,11	681 734,05
Machinery and equipment expenses, vehicle expenses		703 855,82	661 785,17	258 952,83	28 3578,9
Other social security expenses		1 776 598,05	1 808 407,49	805 129,49	699 312,49
Other expenses		5 748 610,4	4 455 607,08	3 962 494,78	3 149 894,28
Group internal expenses		-21 310,62	-98 942,01	-21 310,62	252 592,54
Total		29 578 074,10	27 273 677,33	20 054 364,48	18 253 639,97
Other interest and financial income	2.5				
Dividend income from external sources		34 105,91	40 144,04	34 105,91	40 144,04
Dividend income from subsidiaries		0,00	0,00	11 600 000,00	22 500 000,00
Interest income		36 197,63	25 590,45	20 698,49	21 283,51
Total		70 303,54	65 734,49	11 654 804,40	22 561 427,55
Interest and other financial expenses (EUR)					
Interest expenses		430 838,64	433 770,15	21 290,78	62 099,35
Total		430 838,64	433 770,15	21 290,78	62 099,35
Reversal of reduction in value for investments under non-current assets					
Reversal of reduction in value of subsidiaries' shares		0,00	0,00	300 000,00	1 100 000,00
Financial income and expenses in total		-360 535,10	-368 035,66	11 933 513,62	23 599 328,20

Notes to balance sheet

	Notes	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
Non-current assets (MEUR)	2.6								
BUSINESS OPERATIONS ENTITY									
Acquisition cost on 1 Jan		18,5	2 893,7	107,1	5,7	0,7	2,5	0,7	3 112,8
Increases		1,7	4,7	10,5	0,3	0,1	2,4	0,0	19,7
Decreases		0,0	-4,8	0,0	-0,4	0,0	-0,2	0,0	-5,3
Increase in value		0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Acquisition cost on 31 Dec		20,2	2 893,7	117,6	5,7	0,8	4,7	0,7	3 127,1
Accumulated depreciation and reduction in value 1 Jan		12,9	0,0	48,5	3,0	0,4	0,0	0,0	148,5
Accumulated depreciation relating to decreases and transfers		0,0	0,0	0,0	-0,2	0,0	0,0	0,0	-0,2
Depreciation during the financial year		1,6	0,0	6,1	0,4	0,1	0,0	0,0	8,1
Accumulated depreciation on 31 Dec		14,5	0,1	54,6	3,2	0,5	0,0	0,0	156,5
Book value on 1 Jan		5,2	2 893,7	59,0	2,8	0,3	2,5	0,7	2 964,3
Book value on 31 Dec		5,7	2 893,6	63,0	2,5	0,4	4,7	0,7	2 970,6
Production machinery and equipment, Book value on 31 Dec						1,3			
BUSINESS OPERATIONS									
Acquisition cost on 1 Jan		3,8	2 892,8	71,6	5,7	0,1	2,5	38,3	3 014,8
Increases		1,6	4,7	0,0	0,3	0,1	2,4	0,0	9,2
Decreases		0,0	-4,7	0,0	-0,4	0,0	-0,2	0,0	-5,3
Increase in value		0,0	0,0	0,0	0,0	0,0	0,0	0,3	0,3
Acquisition cost on 31 Dec		5,4	2 892,8	71,6	5,6	0,2	4,7	38,6	3 019,0
Accumulated depreciation and reduction in value 1 Jan		1,4	0,0	48,5	2,8	0,1	0,0	0,0	52,8
Depreciation during the financial year		0,5	0,0	1,4	0,3	0,0	0,0	0,0	2,2
Accumulated depreciation on 31 Dec		1,9	0,0	49,9	3,1	0,1	0,0	0,0	55,0
Book value on 1 Jan		2,3	2 892,8	23,1	2,8	0,0	2,5	38,3	2 961,9
Book value on 31 Dec		3,5	2 892,8	21,7	2,5	0,1	4,7	38,6	2 964,0
Production machinery and equipment, book value on 31 Dec						0,0			

At the end of the financial year, valuation of the land and water areas that are part of basic equity and used in business operations was prepared at market value. The valuation was prepared using the net yield valuation method, in which the income and expenditure of forest land are discounted to the present time at an interest rate of 5.7 per cent. Restrictions on the use of land and water areas were taken into account in the calculation. The calculation period was 40 years and, following that, the yield was calculated on forest land until the next regeneration felling, to a maximum of 150 years into the future. Using the above-mentioned main principles, the fair value was calculated at EUR 3,576.2 million. The change in value mainly consists of forest growth and its impact on the estimated harvesting volume. With regard to the valuation performed, a decision was made to present the change in value in the notes to the financial statements and not record the change in value in the balance sheet.

NOTES TO BALANCE SHEET

Shares in subsidiaries	Notes	Holdings %	Book value EUR
METSÄHALLITUS	2.7		
Metsähallitus Metsätalous Oy, Rovaniemi		100	25 649 635,81
MH-Kivi Oy, Oulu		100	6 400 000,00
Siemen Forelia Oy, Jyväskylä		100	5 476 000,00
Total			37 525 635,81

	Notes	Business operations entity 2021	Business operations entity 2020	Business operations 2021	Business operations 2020
Shares and holdings, book value (EUR)	2.9				
Shares in subsidiaries		0,0	0,0	37 525 635,81	37 225 635,81
Other shares and holdings		334 407,84	334 407,84	743 280,25	743 280,25
Joint forest holdings		362 938,27	362 938,27	362 938,27	362 938,27
Total		697 346,11	697 346,11	38 631 854,33	38 331 854,33
Receivables from Public Administration Service (EUR)	2.11				
Accounts receivable		503 616,68	740 113,42	454 492,23	365 995,73
Prepayments and accrued income		526 666,12	1 882 353,61	526 666,12	1 882 293,61
Total		1 030 282,80	2 622 467,03	981 158,35	2 248 289,34
Receivables from subsidiaries (EUR)	2.12				
Accounts receivable		0,00	0,00	33 381,11	109 397,04
Other receivables		0,00	0,00	25 462,34	0,0
Prepayments and accrued income		2 037,09	1 286,56	88 444,35	1 354 644,44
Total		2 037,09	1 286,56	147 287,80	1 464 041, 48
Other receivables, current (EUR)	2.13				
Other prepayments, prepaid expenses		196 566,84	6 630,00	194 868,23	6 630,38
VAT receivables		762 763,00	687 375,34	0,00	0,00
Deferred tax assets		335 386,89	0,00	270 317,72	0,00
Total		1 294 716,73	694 005,34	465 185,95	6 630,38
Current external prepayments and accrued income (EUR)	2.14				
Other prepaid expenses/purchase invoices		457 738,68	159 854,87	456,15	10 995,14
Other accrued income		115 325,74	2 882 628,73	65 192,71	2 767 179,68
Total		573 064,42	3 042 483,60	65 648,86	2 778 174,82

NOTES TO BALANCE SHEET

Equity (EUR)	Notes	Business operations entity 2021	Business operations entity 2020	Business operations 2021	Business operations 2020
Basic equity on 1 Jan	2.15	2 593 160 887,84	2 601 446 795,86	2 593 160 887,84	2 601 446 795,86
Transfers of possession		134 976,00	-8 246 193,02	134 976,00	-8 246 193,02
Changes in land use		-1 478 218,00	-49 472,00	-1 478 218,00	-49 472,00
Other		1 055,00	9 757,00	1 055,00	9 757,00
Basic equity on 31 Dec		2 591 818 700,84	2 593 160 887,84	2 591 818 700,84	2 593 160 887,84
Other equity on 1 Jan		224 811 631,77	224 811 647,00	224 811 631,77	224 811 647,00
Increase, decrease		0,00	-15,23	0,00	-15,23
Other equity on 31 Dec		224 811 631,77	224 811 631,77	224 811 631,77	224 811 631,77
Retained earnings on 1 Jan		149 578 067,89	174 088 844,38	140 591 859,25	152 111 535,52
Contribution to State revenue		-120 000 000,00	-138 900 000,00	-120 000 000,00	-138 900 000,00
Retained earnings on 31 Dec		29 578 067,89	35 188 844,38	20 591 859,25	13 211 535,52
Profit for the financial year		120 058 071,51	114 389 223,47	115 074 308,65	127 380 323,73
Equity in total on 31 Dec		2 966 266 472,01	2 967 550 587,46	2 952 296 500,51	2 958 564 378,86
Provisions (EUR)	2.16				
Other provisions (EUR)		1 135 418,16	1 039 918,00	174 310,00	174 310,00
Total of long-term loans due in a period exceeding 5 years (EUR)	2.17				
Total		42 236 505,44	34 000 000,00		
Amount of debt not paid to the State (EUR)	2.18				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		1 283 362,30	1 062 524,58	538 945,88	287 538,56
Payables to public administration services (EUR)	2.19				
Accounts payable		30 893,51	661 315,60	2 694,09	3 102,30
Accruals and deferred income		19 465,74	237,15	19 465,74	237,15
Total		50 359,25	661 552,75	22 159,83	3 339,45
Payables to subsidiaries (EUR)	2.20				
Accounts payable		0,00	0,00	52 622,85	57 364,51
Accruals and deferred income		0,00	0,00	0,00	17 747,16
Consolidated liabilities		0,00	0,00	13 842 423,44	11 016 537,81
Total		0,00	0,00	13 895 046,29	11 091 649,48

NOTES TO BALANCE SHEET

Equity (EUR)	Notes	Business operations entity 2021	Business operations entity 2020	Business operations 2021	Business operations 2020
Other external liabilities (EUR)	2.21				
VAT liabilities		4 454 778,46	3 974 294,22	3 927 129,43	3 837 171,24
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		578 821,44	593 671,07	255 800,95	235 643,81
Equity reviews		1 184 550,00	440 138,00	1 184 550,00	440 138,00
Other		12 270,00	1 710 200,00	12 270,00	1 710 200,00
Total		6 230 419,90	6 718 303,29	5 379 750,38	6 223 153,05
External accruals and deferred income (EUR)	2.22				
Differentiated statutory personnel expenses		704 540,86	468 853,51	283 144,93	51 894,75
Holiday pay liabilities, including social security expenses		5 777 995,26	6 603 981,57	2 466 334,83	2 150 494,63
Other differentiated personnel expenses		3 983 259,28	0,00	1 600 779,43	0,00
Tax averaging		85 495,51	2 489 078,01	0,00	573 971,61
Other		293 368,98	1 088 489,44	220 988,95	1 006 573,83
Total		10 844 659,89	10 650 402,53	4 571 248,14	3 782 934,83

Other Notes

MEUR	Notes	Business operations entity 2021	Business operations entity 2020	Business operations 2021	Business operations 2020
Contingent liabilities	2.23				
Leasing liabilities					
to be paid during the following year		1,6	1,9	1,4	1,7
to be paid at a later date		1,5	2,2	1,2	1,8
Bank guarantee liabilities		2,5	2,4	0,9	0,9
Other banking liabilities		1,0	1,0	0,5	0,5
Investment commitments		3,2	3,2	3,2	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	Notes	Business operations entity 2021	Business operations entity 2020	Business operations 2021	Business operations 2020
Related-party transactions	2.24				
A contribution to State revenue was paid		120,0	138,9	120,0	138,9
Internal Group transactions during the financial year				0,5	0,3
Sale of goods		2,2	0,8	0,3	0,2
Sale of services		119,3	117,4	119,4	116,2
Purchase of goods		1,0	1,0	0,1	0,0
Purchase of services		106,1	105,3	0,0	0,2
Total		14,4	11,8	119,6	116,2
Internal Group transactions are market-based					
Calculated deferred tax assets and liabilities	2.25				
Calculated deferred tax assets					
from subsidiary losses		1,1	1,5		
from provisions		0,2	1,1		
Total		1,3	1,7		
Self-financed investments	2.26				
Land, water and gravel areas		11,6	4,7	11,6	4,7
Roads, road projects, plot processing works		12,7	11,9	2,8	1,5
Machinery and equipment, wind power projects		0,9	1,1	0,9	1,1
Buildings and structures		0,2	0,3	0,2	0,3
Other, including IT systems		2,7	1,7	2,2	1,6
Total		28,1	19,7	17,7	9,2

PUBLIC ADMINISTRATION SERVICE

Profit and loss account

EUR	Public Administration Services 1 Jan–31 Dec 2021	Public Administration Services 1 Jan–31 Dec 2020
TURNOVER	14 068 176,47	12 535 156,52
Other operating income	6 650 817,9	7 165 012,99
Financing for other operations from the State budget	75 924 962,8	55 448 329,52
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	1 302 622,61	1 082 374,33
Variation in inventories	73 679,98	210 165,42
External services	8 661 248,04	6 550 159,94
Raw materials and services, total	10 037 550,63	7 842 699,69
Staff expenses		
Wages and salaries	30 981 293,77	23 244 055,27
Social security expenses		
Pension expenses	5 419 372,94	4 563 320,55
Other social security expenses	1 478 213,12	771 208,64
Staff expenses, total	37 878 879,83	28 578 584,46
Depreciation, amortisation and impairment		
Depreciation according to plan	1 526 753,99	1 465 272,72
Other operating costs	46 970 998,98	36 170 776,96
OPERATING PROFIT	229 773,74	1 091 165,20
Financial income and expenses		
Other interest and financial income	36,15	397,64
Interest and other financial expenses	4 102,62	278,55
Reductions in value of investments held as non-current assets	97 244,62	30 988,86
Financial income and expenses in total	-93 105,85	-30 312,67
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES	136 667,89	1 060 852,53
Transfer of the profits of the financial year to Equity	-136 667,89	-1 060 852,53
PROFIT/LOSS FOR FINANCIAL PERIOD	0,00	0,00

Balance sheet, assets

EUR	Public Administration Services 31.12.2021	Public Administration Services 31.12.2020
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights		
Other intangible assets	340 357,36	10 381,56
Advance payments and work in progress	123 413,71	431 407,83
Intangible assets in total	463 771,07	441 789,39
Tangible assets		
Land and water areas	1 027 951 752,31	1 008 015 973,08
Roads	88 658,82	103 755,96
Buildings and structures	13 841 183,03	15 711 427,96
Machinery and equipment	111 010,35	159 773,21
Advance payments and work in progress	37 677,40	36 782,63
Tangible assets in total	1 042 030 281,91	1 024 027 712,84
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	1 800,00
Investments in total	12 937 704,68	12 939 504,68
NON-CURRENT ASSETS IN TOTAL	1 055 431 757,66	1 037 409 006,91

EUR	Public Administration Services 31.12.2021	Public Administration Services 31.12.2020
CURRENT ASSETS		
Inventories		
Finished products	1 003 504,47	1 077 184,45
Inventories in total	1 003 504,47	1 077 184,45
Receivables		
Current receivables		
Accounts receivable	1 359 664,58	1 065 768,07
Receivables from enterprise's business operations	22 159,83	3 339,45
Receivables from the enterprise's subsidiaries	28 199,42	658 213,3
Other receivables	18 700,06	110 359,96
Prepayments and accrued income	4 924 491,85	4 133 070,91
Current receivables in total	6 353 215,74	5 970 751,69
Cash in hand and at banks	55 517 397,20	46 633 659,36
CURRENT ASSETS IN TOTAL	62 874 117,41	53 681 595,50
ASSETS IN TOTAL	1 118 305 875,07	1 091 090 602,41

Balance sheet, equity and liabilities

EUR	Public Administration Services 31.12.2021	Public Administration Services 31.12.2020
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1 059 017 806,23	1 039 385 483,92
Retained earnings	0,00	0,00
Profit/loss for financial period	0,00	0,00
EQUITY IN TOTAL	1 059 017 806,23	1 039 385 483,92
LIABILITIES		
Current		
Advances received	44 552 005,37	40 624 210,63
Accounts payable	3 198 568,55	2 130 342,83
Debts to enterprise's business operations	981 158,35	2 248 289,34
Debts to the enterprise's subsidiaries	49 124,45	374 177,69
Other liabilities	1 717 086,79	970 083,97
Accruals and deferred income	8 790 125,33	5 358 014,03
LIABILITIES IN TOTAL	59 288 068,84	51 705 118,49
EQUITY AND LIABILITIES IN TOTAL	1 118 305 875,07	1 091 090 602,41

Cash flow statement

EUR	Public Administration Services 1.1.-31.12.2021	Public Administration Services 1.1.-31.12.2020
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	14 385 473,46	12 634 200,39
Payments from other operating income	5 620 259,98	7 070 721,29
Payments from operating charges	-87 144 887,38	- 39 537 342,02
Cash flow from business operations, before financial items and taxes	-67 139 153,94	-19 832 420,34
Interest paid and other financial expenses	-97 244,62	-30 988,86
Interest income from business operations	4 102,62	278,55
Dividends received	36,15	397,64
State's budget funding for other operations	75 924 962,80	55 448 329,52
Cash flow from operations	8 692 703,01	35 585 596,51
INVESTMENTS		
Purchase of environmental protection areas, shares	375 119,68	9 913,06
Purchase of fixed assets, funding by Ministries	-4 338 972,77	-5 250 236,98
Purchase of fixed assets, other funding	-625 768,00	-673 187,45
Investments in tangible and intangible assets	-334 059,17	-469 599,58
Profits for the sale of tangible and intangible assets	525 094,00	1 263 813,73
Shareholder investment in purchase of environmental protection areas and shares	-375 119,68	-9 913,06
Funding received for the construction of nature centres etc.	4 964 740,77	5 161 504,38
Cash flows from investing activities	191 034,83	32 294,10
FINANCING		
Change in other non-current, non-interest-bearing loans	0,00	-250,00
Cash flows from financing activities	0,00	-250,00
CHANGE IN LIQUID FUNDS	8 883 737,84	35 617 640,61
Liquid funds on 1 Jan	46 633 659,36	11 016 018,75
Liquid funds on 31 Dec	55 517 397,20	46 633 659,36
Change	8 883 737,84	35 617 640,61

SIGNATURE OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT

METSÄHALLITUS **0116726-7**

Signature of the Financial Statements and Annual Report 1 January–31 December 2020

Vantaa, 24 February 2022

Timo Laitinen
Chair

Sanna Paanukoski
Vice Chair

Pekka Hautala
Board member

Johanna Ikäheimo
Board member

Simo Rundgren
Board member

Jussi Saukkonen
Board member

Ismo Tiainen
Board member

Liisa Tyrväinen
Board member

Juha S. Niemelä
Director General

Auditor's note

A report on the performed audit has been issued today.

Helsinki, on 25. February 2022

KPMG Oy AB

KPMG Oy AB

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 1 January 2021 to 31 December 2021

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1. ANNUAL REPORT

1.1 Management review

Main observations

The Parks & Wildlife Finland (National Parks Finland and Wildlife Service Finland) unit had a successful year in terms of public administration services, even though it was also an exceptional year due to the continued COVID-19 pandemic. The pandemic that entered its second year has encouraged people to spend time in nature, which has been reflected as growth in the popularity of both hiking and wilderness activities. Visitor numbers increased in different parts of Finland, and it appears that these numbers have increased permanently to a new level. With the help of the Helmi programme and so-called future investment funding, we reduced the renovation backlog in nature reserve areas and performed more habitat improvements than ever, therefore reaching our ambitious surface area targets. With regard to the Helmi programme, the area target for improving habitats was not fully met, because we also implemented significant habitat improvements in EU LIFE projects. These areas are not included in Helmi implementations. Habitat status improvement was also promoted with Metsähallitus Forestry Ltd at, for example, the catchment area level.

The strong increase in interest in nature sites that occurred during the coronavirus pandemic continued and kept our employees busy. However, the increased framework granted at the beginning of 2020 combined with funding we received for handling the renovation backlog and other development areas, has helped us deal with these chal-

lenges. Customer feedback has mainly been positive, although some sites have experienced congestion due to under-resourced or otherwise inadequate infrastructure. Separate funding made it possible to perform renovation and management measures at historical sites managed by Parks & Wildlife Finland. However, short planning and implementation periods mean that long-term work to maintain the sites cannot be carried out with separate funding.

Seed collection in Northern Finland related to the emergency storage of seeds was successful, and cooperation with all parties involved in the collection was seamless.

In terms of personnel, ambitious performance targets and higher customer numbers have increased the sense of urgency, and the personnel survey revealed that recovery from work was one of the key challenges. In order to clarify the management system in operative activities, we carried out an organisational reform during the year in Parks & Wildlife Finland management and in the steering unit. The goal of the reform was to make management of larger entities more efficient and to reduce silos. At the same time, service design expertise and customer orientation management were stabilised and strengthened, which are also key objectives of Metsähallitus' strategy. The renewal of digital systems was also prepared during the year.

The Wildlife Service Finland business unit was reorganised. This involved reducing the number of service regions from three to two, and leaving wilderness supervision as a separate national team. Wildlife Service Finland's digital services were incorporated into Parks & Wildlife Finland's Digital and Customer Services Unit with the substance content for the services remaining in Wildlife Service Finland. In addition, the game and fisheries managers were included in the preparation process for hunting and fishing quota decisions as well as decision-making on changes in the number of annual permits available for sale.

Residents of northern Finland have different types of statutory special rights related to hunting, fishing and off-road traffic. In recent years, the number of elk hunters from other municipalities has increased especially in Lapland, and this has been criticised by local hunters, municipalities and, for example, the Sámi Parliament. On the other hand, entrepreneurs and the municipality of Inari criticised the suspension of angling permit sales in Lake Inarjärvi after the permit quota was reached during the summer. This happened for the first time in history.

Conclusions

Demand for services and destinations continues to grow strongly. The significance of nature sites and their positive and diverse impacts on society are better recognised. This provides an excellent springboard for the future and, at the same time,

an opportunity to responsibly steer activities in the desired direction. The key to success is a sustainable level of permanent funding, so that we can respond to the growing number of visitors in the future and the expenditures caused by new sites, in addition to making the necessary investments. This is also in the general economic interest of the State when it is done proactively and in accordance with a multi-year plan. The provision of permanent funding for historical sites and cultural heritage will also result in cost savings for the State in the long term.

In the coming years, the focus of activities will shift to Helmi programme work as LIFE projects that started before it gradually end. Further funding of the Helmi programme is therefore essential, as is the implementation of the related SNaP LIFE project, which is currently being prepared. Work related to habitat status improvement that is done in cooperation between Metsähallitus' business units will be developed, consolidated and made permanent. We will continue to seek additional funding for wilderness supervision as the operating environment causes growing pressure to increase supervision. In particular, communication and dialogue related to the ecological, social and cultural sustainability of hunting will be increased.

During the next year, we will invest in improving the personnel's recovery and ensuring their well-being, for example, through a work capacity survey targeting the entire staff.

1.2 A Social impact

The following is an evaluation of how the performance targets set by impact objective for 2021 have been achieved. The Finnish state's performance information system (Netra) grading scale and the colour codes presented below were used in the evaluation.

- 1** = The objective has been 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 According to recent information, the conservation status for species and habitats is improving with prioritised measures

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021	Netra 1–5 2021
Restoration of mires and semi-natural habitats included in the Helmi programme, percentage of target for the government term (total 14,000 ha), %	*	*	14	45	41	3
Improving, restoring and managing the status of habitats (excluding continuous management of semi-natural habitats), surface area, ha	1 360	1 243	4 568	7 000	8 132	5

* The indicator was not in use during 2018-2019

Strengths

Habitat status improvement work was performed in the largest surface area ever and exceeded the ambitious annual target. Of these measures, 93% were carried out in state-owned and the remainder in private protected areas. Approximately one third of mire restoration work was carried out in LIFE projects and the rest as part of the Helmi habitat programme. As a result of the Helmi programme, we reduced the ecological management backlog in forest habitats and also managed small-scale sites that are extremely valuable in terms of biodiversity, such as herb-rich forests and deciduous trees. The status of marine habitats was improved in an experimental and unconventional ways. Restorations of

underwater nature were successfully piloted and we learned a lot about different methods. Restoration measures for valuable bird wetlands were intensified through closer cooperation between National Parks Finland and Wildlife Service Finland, including the hunting of harmful invasive alien predators. Initial restoration brought new traditional rural biotopes into the scope of continuous management, and many extensions of pastures already under management were implemented. The quality of site management was also improved by means of supplementary restoration. Significant measures were also implemented in LIFE projects.

Dozens of people were added to the areas of inventories, planning and management in relation to implementation of the Helmi programme. An increase in the volume of activities also made it necessary to arrange various training sessions related to inventory, information system use and planning. People from the ELY Centres also participated in the training. The SAKTI information system was developed to better serve the needs of the Helmi programme in National Parks Finland and the ELY Centres. Species mapping primarily targeted the most endangered species. More than 200,000 species observations were recorded in the LajiGIS information system, and over 30,000 of these were observations of endangered and near threatened

species. Research cooperation was expanded, for example, in mire restoration monitoring.

Weaknesses

Although the overall implementation of nature management is at a record high level, we did not fully achieve the annual objective for restoring peatlands and traditional rural biotopes in the Helmi programme. One reason for this is the fact that a significant part of the permanent work input was allocated to implementing LIFE project sites that had a specific schedule and were started before the Helmi programme. In addition, ambiguities in ownership principles related to timber sales income in private protected areas prevented the implementation of mire sites – at least for the time being. Mild and frost-free winters continue to cause uncertainty with regard to timber harvesting at mire restoration sites. The fact that not all the timber to be harvested could be delivered through Metsähallitus Forestry Ltd as agreed also caused some delays. Among other things, this is due to changes in timber harvesting caused by storm damage sites in state-owned multiple-use forests. The increase in

implementation volume brought new contractors, who naturally required some time to familiarise themselves with the working methods. This meant that it was not possible to complete all sites. As the number of farms decreases, the sufficiency of grazing animals is a concern in terms of traditional rural biotope management. The lack of a planning reserve was a bottleneck in planning the restoration of small water bodies. However, in order to correct the situation small water bodies were inventoried in

all areas and the implementation can be accelerated in the future. Implementing habitat inventories and species surveys as outsourced services remains challenging, as there are few actors in the labour market.

Conclusions

Preparation of the Helmi implementation programme until 2030 will provide a long-term outlook on the annual targets and their distribution

and promote consistent implementation of the targets. The first two years of Helmi programme implementation have focused on training the recruited fixed-term employees. Long-term training and the accumulation of experience means that we now have fixed-term experts who have competence related to our strategic activities and who will help us achieve significant results in the future. Systematic monitoring and improvement of data quality should be a focus, as the quality of data

in information systems is a key element in implementing activities and in knowledge management. In terms of improving the status of different habitats, the operating model in the drainage basin project should be established as part of normal activities throughout Metsähallitus. Cooperation between National Parks Finland, Wildlife Service Finland and Metsähallitus Forestry Ltd should be increased in order to implement the objectives of the Helmi programme and increase its impact.

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

Indicator	Outcome 2018	Outcome 2019	Objective in 2020	Outcome 2021	Outcome 2021	Netra 1–5 2021
Number of updated NATA status assessments (total 1,121) in Natura areas	*	*	111	25	56	5

* The indicator was not in use during 2018-2019

Strengths

Property formation progressed well in mire areas. A total of 267 protected properties were executed. Terrain markings at the outer boundaries of protected areas was completed or started in seven important destinations. We were closely involved in work to update the Nature Conservation Act, with the aim of streamlining administrative procedures related to managing areas and steering their use. In addition to the updated status assessments of Natura areas (NATA), we completed assessments that were not performed in the previous year. All key and clear work processes are managed with information system support (especially the SASS and SATJ information

systems), and detailed, up-to-date workflow descriptions have been prepared for them.

Weaknesses

A total of 270 new nature reserves were established in North Karelia and Uusimaa, and Salla National Park was established at the end of the year. However, preparation of new legislative preparation packages clearly progressed more slowly than expected due to the urgency related to preparing the Nature Conservation Act. Updating of the principles for the management and use of protected areas also progressed more slowly than planned, partly because the update is closely linked to the reform

of the Nature Conservation Act currently under preparation. The number of advocacy tasks and their complexity increased, for example, due to new nature reserves, mining and wind power projects and the related Environmental Impact Assessments (EIA). The increased amount of advocacy work meant that, for example, it was not possible to further all management and use plans and regulations as planned. Completion and implementation of Metsähallitus' joint LUOTO system intended for managing rental and right of use contracts and permits was delayed.

Conclusions

The impact objective is being promoted by various means, including legislative preparation, property formation, boundary marking, NATA assessments, management and use planning, regulations, permits and agreements, and advocacy. The number of personnel working in these tasks is still very limited, which leads to delays and operational risks. As legislation preparation progresses and the network of nature reserves expands, this set of tasks will become increasingly challenging.

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

Indicator	Toteuma 2017	Toteuma 2018	Toteuma 2019	Tavoite 2020	Toteuma 2020	Netra 1–5 2021
Percentage of valuable cultural historical sites in good and average condition	*	*	78	80	86	5
Percentage of up-to-date information on the condition of valuable cultural historical sites	*	*	77	90	91	4

* The indicator was not in use during 2018-2019

Strengths

Directed by separate funding, the work focused on inspections and repairs of valuable cultural historical sites. The funding made it possible to hire experts and use outsourced services. Information on the condition of valuable cultural historical sites was updated for 40% of the sites. Inventories of target sites were carried out related to nature management work performed in the Helmi programme to ensure that the archaeological values of the sites are not compromised. The funding also made it possible to complete an inventory of cultural heritage sites in the new Salla National Park and some supplementary archaeological inventories. In total, more than 700 archaeological sites were inspected in the inventories. A total of 289 new ancient monuments protected by law were recorded in the register.

Weaknesses

Most of the work was carried out with separate funding, which will end in 2022. In addition to careful planning, implementation and documentation, the renovation of cultural historical sites includes various permit processes that prolong tendering and repair processes. The sites that receive separate

funding are not known in advance and therefore there was no planning reserve for their repairs. As a result, the planning and implementation chains were very strict in terms of scheduling. The work was hampered by the fact that professionals in the field were not available in all places, and in some cases competitive tendering did not result in any tenders. The results of the archaeological inventories performed as outsourced services had to be recorded by our own personnel, as entrepreneurs could not save the data in the Metsähallitus information system.

Conclusions

The objectives set for cultural heritage will be achieved if sufficient resources are available. The management of nationally significant cultural heritage sites cannot be based on separate funding, as responsible ownership and resource-efficient management require a long-term approach. As stated in the Finance Committee's report on the 2022 budget, funding for the major renovation backlog at the sites must be resolved, for example, in the implementation of the 2030 central government real estate strategy.

Information on the condition of valuable cultural heritage sites is at a good level. However, maintaining that information requires continuous monitoring, which is not possible with the current resources allocated for managing cultural heritage. The development of Metsähallitus' information systems is also important for cultural heritage information. The information in the PAVE information system should be made more openly available to cultural heritage authorities. Cooperation with other parties controlling central government real estate will continue in order to create common operating methods and develop better site management. Joint understanding concerning the management of Sámi cultural heritage sites will be sought with Sámi stakeholders.

1.2.4 Hunting and fishing are sustainable, ethical and responsible

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021	Netra 1–5 2021
Percentage of hunting and fishing supervision events in which no offence is discovered	*	*	86	79,5	84	5
Catch feedback and bag reports as a percentage of the number of permits sold	*	*	**	19	**	**

* The indicator was not in use during 2018-2019

** Fishing catch feedback data is not available to the required accuracy.

Strengths

The impact of wilderness supervision improved as customer contacts and joint supervision done with other authorities increased. We participated actively in fisheries area activities and the preparation of management and use plans for fisheries areas. Nearly all of the planned game and fish habitat restorations were completed. The number of catch bag reports submitted for hunting continued to increase and, for example, catch bag feedback was

provided for 51.6 per cent of the short-term willow grouse permits sold.

Weaknesses

The hot summer made it necessary to discontinue permit sales for fishing destinations in rapids and stockings of those sites in order to ensure responsible operations. The social sustainability of elk hunting was tested in Lapland, where representatives of local hunters, Lapland members of parlia-

ment and some municipalities indicated that there were too many hunters from other municipalities whose hunting culture differed from local hunting practices. The social sustainability of hunting also came up in conjunction with natural resource planning in the Sámi Homeland. However, the negotiation process produced entries in the natural resources plan concerning hunting that satisfied all the negotiating parties.

Conclusions

The relative amount of wilderness supervision and the relative percentage of offences remains at the same level from year to year, which in practice is determined by the resources available for monitoring. However, in future years there must be a greater emphasis on responsible fishing and hunting and limited permit quotas in communications. In order to promote the social sustainability of elk hunting, a change that eliminated guest permits in September was already made for the following year.

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

Indicator	Outcome 2017	Outcome 2018	Outcome 2019	Objective in 2020	Outcome 2020	Netra 1–5 2021
Customer satisfaction among hunters and fishers, on a scale of 1–5	*	*	3,76	3,84	3,79	3
National fisheries management fee, number of individuals paying the annual fee	174 342	180 486	215 983	180 000	202 108	5

* The indicator was not in use during 2018-2019

Strengths

Sales of fisheries management fees have continued strongly, despite a slight decline in comparison to the peak in 2020. Interest in wilderness permits remained at the previous year's level. Finns' enthusiasm for the wilderness has continued and in some cases even increased after the exceptional year of 2020. A new phenomenon was the end of the permit

quota for fishing destinations in Lapland. Sales of fisheries management fees have been strong. The need for customer service has remained high: rather than buying permits by phone, customers ask for advice and require guidance. Customer satisfaction has also improved. Wildlife Service Finland launched the Year of the Fish 2021 campaign, and customer

participation was excellent. The aim was to improve awareness of work done to benefit fishing waters.

Weaknesses

The offering of diverse opportunities for wilderness activities has already been perceived as excessive in some areas of Northern Finland, where local people have access rights guaranteed by law. This concern

was addressed in the autumn, and communication about it was open. Customer service resources were put to the test during the high seasons.

Conclusions

The general interest in nature hobbies is still visible in hunting and fishing, which emphasises the importance of Metsähallitus' quota decisions in order to ensure social sustainability. On the other hand, Metsähallitus is expected to provide sufficient quotas to safeguard the operating conditions for nature tourism entrepreneurs. However, permit quotas are set based on ecological, social and cultural sustainability conditions.

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

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021	Netra 1–5 2021
Total number of visits: National parks and other visitor sites, million	8,04	8,18	9,18	9,00	9,46	5
Local economic impact of visitor spending, EUR million	290	305	*	324	456	5

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

Strengths

The targets set for reducing the renovation backlog were achieved. Strong demand for recreational use and especially domestic tourism continued. The greatest increase in visitor numbers took place near tourism centres, but customers also sought out destinations where demand had previously been lower. Some levelling out of peak demand was observed in comparison to the previous year. Customer satisfaction remained high, both in the terrain and at customer service points. The sustainability monitoring method was further developed, and several new sites were included in the monitoring. An extensive project package improved the attractiveness and sustainability of sites in all parts of the country. A strong contribution was made to preparation of the national strategy on recreational use of nature. National principles were drawn up for nature and environmental education. The visibility

of nature conservation topics in the media and social media increased. The media topics dealt with national parks and other hiking destinations, outdoor etiquette and responsible hiking as well as nature conservation work carried out in the Helmi programme and EU projects. Outdoor etiquette communications made a breakthrough in the media, and among tourism companies and citizens. The number of Nationalparks.fi online service users increased, and use of the Excursionmap.fi service was at a high level. Use of art and science to highlight the biodiversity of nature at Nature Concert Hall events proved to be a highly successful method.

Weaknesses

New and often inexperienced customer groups presented challenges in guidance and instructions concerning use. In some places, hiking services were under-dimensioned in relation to demand, and

congestion problems occurred. It was not possible to fully anticipate the increase in maintenance workloads and costs. Not all regions had sufficient resources to respond quickly to the demand for tourism cooperation. The fast pace of national construction activities was reflected in rising prices and the availability of services. The opening hours of customer service had to be reduced locally due to the coronavirus pandemic, and there was a decrease in the number of guided tours. A lot of quality work related to spatial data for service infrastructure was not completed, even though an application for collecting topographic data was available to support the work. The range of methods for communicating about outdoor etiquette communication remained at the normal level despite the use of an advertising agency partner, and this made it more difficult to reach new target audiences.

Conclusions

Strong growth in demand will further increase pressure to ensure the sustainability of use, quality of services, customer safety as well as partnership development. Existing hiking services and the maintenance resources for them should be strengthened to meet demand. Efforts must be made to improve the customer experience, for example, based on the results of the latest research on partner and customer experience and by means of service design. The importance of anticipation and flexible planning methods will increase when developing recreational use and tourism. An updating of the overall plans for focal reviews and service offering that is based on a uniform national analysis is required for service dimensioning and allocation of resources. Competence in the tendering process for communications and other creative industries must be developed in order to find the right partners. Project-type communications, such as the Outdoor Etiquette campaign, must be organised in a way that makes the responsibilities clear and ensures adequate time resources. Media communications should be developed so that, in addition to local and regional visibility, significant national visibility can be obtained regarding the most important themes.

1.3 B Operative efficiency

1.3.1 The services are customer-oriented and interactive

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021
Customer satisfaction among users of visitor centres and off-road services, on a scale of 1–5	4,40	4,38	4,43	4,43	4,38

Strengths

Service design competence and customer orientation were strengthened by means of a renewal of the management and steering structure as well as cooperation at the MH Group level in strategy implementation and in nature services areas. Conceptualisation related to the digital customer experience and service and its roadmaps was completed, creating a shared understanding and target state for the development of future digital solutions. Renewal of visitor monitoring methods and the customer information system continued, and renewal of the customer information system was selected as a pilot project for Metsähallitus' information system development. A trend study on

recreational use of national parks during the past twenty years was conducted in cooperation with the Natural Resources Institute Finland (Luke). Visitor surveys were performed in several areas, and these provided valuable additional information on the impacts of the coronavirus pandemic on recreational use of nature and nature tourism. Capacity was increased at congested sites by, for example, renewing and expanding parking areas, making routes more durable and building more spacious off-road services. Extensive user surveys were done concerning use of the Nationalparks.fi and Excursionmap.fi services to provide the foundation for future development needs. Implementation of a digital sales channel was launched. Monitoring

related to the sustainability of recreational nature use began at several new sites, and coverage of the national analysis reached a good level. Development work related to monitoring sustainability was also carried out, especially in connection with analysing ecological sustainability.

Weaknesses

Implementation of the new customer information system has been delayed. Further development of the data visualisation tool related to recreational use of nature did not proceed as planned, and the desired level of knowledge-based management was not achieved. Development in this area is still needed, for example, with regard to uniform reports

and analyses. Finalisation of the focal review on recreational use of nature was postponed.

Conclusions

Important links between the promotion of mobile use and implementation of an application consistent with the future digital concept were identified in conjunction with renewal of the digital sales channel. When strengthening customer orientation and interactivity, it is important to pay special attention to managing the whole entity, as there are several development ideas associated with the theme. The organisation's operating models and internal processes must also be renewed in conjunction with the development work. Further development of the data visualisation tool is important in order to provide good tools for analysing information content in the future and to strengthen knowledge-based management as an operating method.

1.3.2 Cooperation with stakeholders and partners is an important part of operations

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021
Satisfaction of national partners with cooperation with National Parks Finland and Wildlife Service Finland, percentage who are very or quite satisfied	72	69	63	70	*

Strengths

The implementation of Finnish Nature Day reinforced and maintained relations with key organisations, organisations and the media. The Nature Concert Hall events provided a way to network with new types of artistic and cultural influencers. Large carnivore and fishing communications and stakeholder work were carried out with organisations and authorities. Joint land use planning was carried out with the Sámi Parliament and Skolt Village Meeting when preparing the natural resource plan for the Sámi Homeland. The Akwé: Kon working group and a rapporteur hired for the group played a major role in the planning process. Metsähallitus' SALKKU shared project management model was prepared and introduced for project activities. Two extensive LIFE projects involving multiple partners were launched under the coordination of National Parks Finland and we participated in three LIFE project applications, two of which support closer cooperation

with county administrative boards in Sweden. The Helmi habitat programme has further strengthened cooperation with authorities and research institutes. Renewed principles and contractual practices were introduced in tourism cooperation. In cooperation with Visit Finland, information on national parks and other top destinations was produced for the Travel Data Hub and Google my Business services. In addition, electronic orientation material on responsibility was prepared to support the work of tourism partners. We were active participants in international cooperation. Special focuses were the EUROPARC Federation conference, the visitor monitoring conference, the World Congress of the International Union for Conservation of Nature (IUCN) World Conservation Congress. An active role was also taken in the international negotiations of the Convention on Biological Diversity. Wildlife Service Finland prepared an action plan for international cooperation.

Weaknesses

Due to the coronavirus pandemic, the number of face-to-face in-person meetings with national and regional NGO partners had to be reduced. This was also visible in international cooperation, which mainly took place virtually. The positive consequences of remote work proved to be expanded opportunities for participation and more efficient time use. The fact that a responsible person has not been appointed has had a negative impact on coordination of volunteering, including national cooperation with organisations. In terms of activities at the operational level, international cooperation is not sufficiently systematic and long-term. Assessment of the implementation of management and use plans compiled with the Sámi Parliament and Skolt Village Meeting according to the Akwé: Kon operating model was postponed because natural resource planning kept the parties very busy during the past year.

Conclusions

The cancellation of traditional meetings meant that stakeholder cooperation has found new channels suitable for these exceptional times. Communications cooperation with partners is now planned on digital platforms, and the aim is to enable further expand cooperation. The renewed and consistent project management model and the project system that applies to all Metsähallitus projects will make it possible to better select the right projects and ones that have an impact. Participation in implementation of the national recreational use strategy will be very important in the future. The Helmi programme has demonstrated the outstanding impact of research institute cooperation, which should be more widely utilised in the future. International activities with partners have been brisk despite the coronavirus pandemic. Implementing seminars as webinars and arranging large conferences remotely made it possible for the staff to participate more extensively in the events.

1.3.3 Quality and user-friendly digital solutions improve work productivity, knowledge-based management and customer service

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021
Quality of natural habitat and species information, up-to-date information, %	*	*	61	65	63

* The indicator was not in use during 2018-2019

Strengths

Responsibility for maintaining endangered species data throughout the environmental administration was assumed and launched in the LajiGIS geographic information system, and open sharing of data through the Finnish Biodiversity Information Centre was further developed. Demand for this information has been very strong: More than 700 requests for LajiGIS data were submitted through the Laji.fi service, most of which were related to land use planning, such as wind power, mining and fairway projects, and to zoning. A mobile application (MaastoLapa) for collecting geographic information was introduced. Among other things, this facilitates the storage and updating of PAVE and LajiGIS data. The SAKTI application was developed in many ways to meet the needs of the Helmi programme throughout the nature conservation administration. Among other things, up-to-date information on nature is a prerequisite for identifying areas for Helmi programme actions and for quality planning work. Marine data coverage has improved systematically and nearly in line with the target. In terms of timeliness, species data is at an excellent level in Lapland and the same applies to habitat data coverage. The three-year remote sensing project in Northern Lapland, the objective of which is to update habitat data, has progressed as planned in its second year. Cooperation with the Finnish

Environment Institute has been excellent, and the project has increased the expertise of National Parks Finland personnel regarding remote sensing methods and their utilisation.

The digital agenda work of National Parks Finland progressed and expanded to become Metsähallitus' joint digital agenda work, creating a common direction for the future. Implementation of joint data strategy work also began at the end of the year, and this provides a common foundation and capacity for digital and data development. The information management renewal continued at National Parks Finland. In conjunction with renewal of the management and steering system, the information management activities and digital service development of National Parks Finland and Wildlife Service Finland were merged with the Digital and Customer Service Unit. This transfer provides synergies, for example, from the perspective of service development, information systems and broad-based utilisation of expertise.

Weaknesses

Despite the additional funding that was available, the coverage and timeliness of habitat information and the timeliness of species information in Southern Finland do not meet the targets. The role of the Uljas geographic information systems,

which are based on Metsähallitus' geographic information, has grown for joint services of the nature conservation administration, for example, due to renewal of the Nature Conservation Act. However, the Uljas system entity is simultaneously reaching the end of its life cycle, the technology architecture does not meet today's requirements, and the current implementation solution does not provide the opportunity to make the necessary improvements in usability. The digitalisation backlog has accumulated over a long period of time, and reducing it will require investments, the creation of a foundation and the development of capabilities. Ensuring that information is up to date, consistent and reliable involves a lot of work. Visitor numbers have increased at nature destinations and the user base has diversified, which means there are greater expectations for real-time digital solutions and content services with the related maps to guide sustainable use. Rapid changes in the operating environment have led to increased pressure for rapid and real-time decision-making, wider utilisation of data, operational steering from the starting points of knowledge-based management, and making data openly available to meet the needs of the nature conservation administration and other actors. All of these require extensive investments to develop the digital entity so that the activities will continue to be efficient in the future. The management and steering

system change that was implemented will help build the foundation for future development, but it will also cause a delay in promoting the digital agenda.

Conclusions

Systematic and consistent actions must be taken in order to maintain an adequate level of quality with regard to information on nature. The Helmi programme will increase the number of new protected areas, which will require continuous inventory and maintenance of nature information. Sufficient and high-quality information is also a prerequisite for cost-effective implementation of the Helmi programme. The importance of digitalisation development, an understanding of its impacts and the need for a common direction has spread to the organisation by means of the digital agenda, data strategy and the digital customer experience concept. In terms of the digitalisation backlog, understanding of the need for measures has increased and become more concrete, but this work must continue. The change in the management and steering system has contributed to creating a foundation and increased the ability to respond to future developments, but there is a continuous need to promote and develop competence and the necessary resources. Expectations concerning uniform digital content and map services and digital customer service have increased, which creates pressure to develop digital solutions and smart, interactive services. Development of next generation solutions for information systems based on geographic information will be an important priority in the future years.

1.4 C Resources

1.4.1 The staff is healthy and competent

Indicator	Outcome 2018	Outcome 2019	Outcome 2020	Objective in 2021	Outcome 2021
Supervisory work (scale 1–5)	*	4,1	3,9	4,1	3,9
Metsähallitus as an employer (scale 1–5)	*	3,9	3,9	4,0	4,0
Meaningfulness of work (scale 1–5)	*	4,1	4,1	4,1	4,2

Strengths

Based on an analysis of the results of the 2020 personnel survey, local development plans and proposals for actions were drawn up. The target was to clarify roles related to leading and guiding the organisation. This need also came up in the personnel survey. The work began with a survey, and via the cooperation procedure it developed into a more concrete and concise model for leading and guiding. The new operating method was refined in a series of workshops. Using the new operating model, issues are managed as larger entities, and power and responsibility are more widely distributed inside the organisation. Another starting point was stronger reconciliation of the performance agreement and operational planning throughout the organisation. Coaching sessions were organised within the limits of the COVID-19 pandemic. These focused on, for example, promoting well-being at work and coping at the workplace, clarifying the common operating

method, demonstrating appreciation and improving community spirit. Competence development and the definition of core competences is already in progress, and this work will continue.

The unconditional strength of Wildlife Service Finland has been the good status and atmosphere of the work community, which is linked to the personnel's confidence in terms of receiving help and support from colleagues. Supervisory work has also been perceived as good and fair. Based on the 2020 personnel survey, two development targets were set for Wildlife Service Finland as a whole: improving the adequacy of working time and coping, and satisfaction with the quality of produced services and better customer knowledge.

Wildlife Service Finland's customer service has shifted even more from permit sales towards providing advice. In particular, the task of collecting

fisheries management fees has increasingly turned Wildlife Service Finland's customer service into a general advisory channel for Finnish fishers. Customer service is congested and under pressure during peak seasons. The number of customers is growing rapidly, and customer work is also becoming more demanding. The renewal of the digital sales channel and competence development will help to relieve this situation. The renewal of different service systems required training and competence development, and that work will continue.

The COVID-19 pandemic has changed working methods, and mutual interaction continued almost entirely in the electronic world. Due to the pandemic, the personnel did a lot of remote work that mainly resulted in positive experiences. Virtual coffee breaks and informal meetings were organised to support remote work, which also ensured the wellbeing of the work community.

Weaknesses

The risks associated with the personnel's wellbeing and coping of the personnel are associated with the amount of work, sense of urgency and the resulting stress. National Parks Finland had more fixed-term employees at than earlier, which caused some challenges related to work guidance and supervisory work. With regard to Wildlife Service Finland, the rapidly growing customer surface and reconciliation created pressure, which was also reflected in the results of the personnel survey. The change in the management and steering system caused feelings of uncertainty among some personnel.

Conclusions

Special attention should be paid to distribution of the workload and how work is done, and new ways of implementing the objectives should also be sought. Customer numbers and demand for services increased strongly. However, the personnel managed well this year and the impact of activities increased significantly. Based on the benefits achieved, construction of a culture of continuous improvement will continue in the future. Similarly, the personnel's job satisfaction and development of activities should be measured several times a year.

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

Strengths

Personnel plans were updated as part of operational planning. The objective of the plans is to manage the dimensioning of personnel in relation to the amount of basic funding in the short and long term. The strength of this approach is its focus on sustainable activities in relation to funding. In order to support implementation, a separate procurement unit was established in National Parks Finland. As a result, procurements as an operating method rose to a new level in terms of scale, and procurement competence also increased in the organisation. We also utilised temporary agency workers to balance the workload during times of peak traffic, but the volume of this operating method remained quite modest. The greatest benefit of this was the lessons learned from the new operating method when selecting implementation methods.

The 8-year integrated LIFE Nature IP project was launched as a large new EU-funded project related to developing the protection and sustainable use of the Baltic Sea. In addition, a three-country (Finland, Sweden and Estonia) project run by the University of Jyväskylä began with the aim of restoring freshwater pearl mussel habitats. During the 2021 LIFE funding application round, the organisation did not prepare any applications of its own, but it was a part of three applications: Raptor LIFE coordinated by Luomus Finnish Museum of Natural History, which promotes the protection of birds of prey; TRIWA LIFE for the Tornionjoki drainage basin, which is run by the Norrbotten County Administrative Board; and Life2Taiga, which is led by the Provincial Government of Västmanland County Administrative Board. It carries out burning events in forests in Sweden and

Finland and promotes learning and acceptance related to controlled burning techniques. The latter two projects will further increase project cooperation with Sweden. At the end of the year, the Ministry of the Environment also gave National Parks Finland responsibility for preparing an extensive strategic LIFE project (Helmi regional network, SNap LIFE project) for the 2022 application round.

Weaknesses

The weakness of a dimensioning personnel planning is that this method does not systematically address the competence required by the objectives. The definition and mapping of competence have started, and a platform for describing competence has been prepared as part of the personnel information system.

Conclusions

Both a dimensioning and a qualitative plan and the related tools are required for short-term and long-term personnel planning. In long-term planning, it is also necessary to ensure that the share of fixed costs does not increase if the financial situation changes in the future. During implementation, new and efficient methods will continuously be sought to supplement traditional working styles. Competence development has become a key objective in Metsähallitus as a whole, and we will proceed systematically in this area.

The new LIFE projects currently in the application process mainly support implementation of the Helmi programme and, if realised, they will strengthen cooperation with the Swedish county administrative boards, which are responsible for

the practical management of nature reserves. The new SNap LIFE project is a very important nature conservation project, and a lot of work is being done to prepare it.

DEVELOPMENT OF KEY FIGURES FOR PERSONNEL 2018-2021

Person-years*	2018	2019	2020	2021
Permanent	386	879	360	386
Fixed-term	136	127	166	291
Total	522	506	526	677

*Absences have not been deducted

Number of employees on 31 Dec

Permanent	389	388	381	391
Fixed-term	111	167	213	247
Total	500	555	594	638

Payroll without social security expenses, EUR million

	23,5	22,2	23,3	31,0
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Personnel mean age

Permanent	49,7	50,5	50,1	50,2
Fixed-term	38,9	40,0	40,9	40,5

Turnover and average of permanent employees

Employment relationships started	20	7	21	14
Employment relationships ended	20	13	23	14
Employees on average	392	391	381	398
Total turnover	0	-1,2	-0,5	0

1.4.3 The productivity and impact of activities will improve

Strengths

Strategic and competence-related development was transferred to the Digital and Customer Services Unit in conjunction with renewal of the management system. The aim of this move was to ensure that long-term anticipation and innovation activities are better taken into account in the customer interface and when developing digital services. The SALKKU project management system was launched, making it easy for every employee to record new ideas. The ideas are visible to all Metsähallitus personnel, which also promotes joint innovation among the business units. An pilot project was launched to measure the cost-effectiveness of activities. This is related to restoration and nature management, which represents a major entity in terms of volume. In this case, cost-effective activities means actions targeting the best sites in terms of safeguarding biodiversity, with consideration to costs. There is a need to influence both the targeting and costs of actions, for example, by developing operating methods especially if cost-effectiveness seems to be decreasing. Joint planning of water protection measures and habitat management was developed in the drainage basin project, which organised training for all Metsähallitus personnel in the pilot areas of the project and restored several sites in cooperation between different business units.

Weaknesses

Challenges related to interpretation were identified when measuring the cost-effectiveness of restoration and nature management, and the indicator has not been completed yet. The problem is that, unless the planned measurement method is changed, the

value of the cost-effectiveness indicator for restoration and nature management will inevitably deteriorate in future years if the most cost-effective sites have already been managed. Creating a common operating model for water protection and habitat management at the drainage basin level is challenging, because Wildlife Service Finland's resourcing is tied to individual projects, and no permanent resources have been allocated to the activities.

Conclusions

The results of the reorganisation and introduction of the new idea portfolio associated with improving anticipation and innovation will only be visible in the future. The aim is to develop the method for measuring the cost-effectiveness of restoration and nature management so it always measures the cost-effectiveness of activities in relation to the target group available for that specific year. The creation of a common operating model and a solution for resourcing in water protection and habitat management at the drainage basin level will continue.

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

Strengths

Finland's first Nature Concert Hall was held as two events: one in Kajaani and the other in Punkaharju. The Nature Concert Hall concept was brought to Finland from Latvia through cooperation between Finland and Latvia. Latvian representatives consulted on implementation of the event and attended both events in Finland.

Weaknesses

The coronavirus pandemic continued to have an impact on the implementation of international cooperation. As a result, the number of participants in the Nature Concert Hall events remained below the original target. In addition, many planned events were postponed until later. One example is the celebration of 30 years of nature conservation cooperation between Finland and Estonia.

Conclusions

International cooperation events suffered from the coronavirus pandemic: some had to be cancelled, in other cases contact with partners was maintained via online events and meetings and by e-mail, and the number of remote meetings increased. The coronavirus pandemic did not necessarily reduce the amount of international cooperation but it did change the style of cooperation. Joint webinars made it possible to offer the personnel more opportunities to participate than in the case of physically attending international events.

2. FINANCIAL STATEMENTS

2.1 Financial Statement Analysis

Separate financial statements are prepared for Parks & Wildlife Finland, as part of Metsähallitus Group's financial statements. The objective of Parks & Wildlife Finland is not to produce profits. Instead, the value of the profits is measured by the social impact of the operations.

2.1.1 Profit and Loss Account

Parks & Wildlife Finland's turnover of EUR 14.1 million (EUR 12.5 million in the previous year) consists of the income from operations related to public administration services which are subject to a charge, which are mostly hunting and fishing permit income, long-term rentals and transfer of user rights related to areas, and wood sales. Income from the sale of fibre and energy wood in the conservation area rewilding sites was mostly spent on self-financing for the EU Life projects.

Turnover in the field of the Ministry of the Environment was EUR 6.9 (5.3) million. The increase in turnover is mainly due to the sale of wood obtained from rewilding areas as well as long-term rentals, the transfer of user rights and accommodation activities in the areas. Turnover in the field of the Ministry of Agriculture and Forestry was EUR 7.2 million and remained at the previous year's level.

Paid activities are financed by the revenue obtained from them. According to a decision made by the Parliament, the revenue may also be used for other expenses related to the field of the Ministry of the Environment and the Ministry of Agriculture and Forestry within Parks & Wildlife Finland. The

Act on Metsähallitus specifies Parks & Wildlife Finland is responsible for the duties related to the procurement and emergency storage of forest tree seed. The income from the sale of seeds for seed management in northern Finland (EUR 0.5 million) will be used to cover the expenses incurred by seed management and to manage other duties agreed on with the Ministry of Agriculture and Forestry.

Other operating income of EUR 6.7 (7.1) million mainly consists of project financing (EUR 5.9 million) from sources outside the State budget, of which the largest single item was European Environmental Fund (LIFE) funding of EUR 2.9 million. The targets of the LIFE projects now in progress are to restore mires, forests and small bodies of water, restore traditional rural biotopes, manage the forest reindeer population, and actions to improve conservation of the flying squirrel and Saimaa ringed seal.

Funding received from state budgets amounted to EUR 75.9 (55.4) million. In addition to the basic appropriation of EUR 71.5 million (articles 30.64.50 MAF and 35.10.52 ME), the funding includes project financing and other complementary financing totalling EUR 4.5 million. In addition, EUR 5.3 million in investment

funding has been used. The funding was used to cover the costs of performing the duties agreed with the steering ministries in the performance agreement. Funding received from the administrative branch of the Ministry of the Environment amounted to EUR 65.3 (50.0) million. In addition to basic activities, EUR 14.2 million of the Ministry of the Environment funding was used for implementing the HELMI programme (from future investment funding) and EUR 14.3 million (including investment funding) for reducing the renovation backlog and improving sustainability. Funding received from the administrative branch of the Ministry of Agriculture and Forestry totalled EUR 11.2 (8.3) million. The funding was mainly used for wilderness supervision and hiking area maintenance and to reduce the renovation backlog.

The EUR 1.5 million of financing received from the Ministry of Justice main title was used to pay for expenses incurred by the labour input of prisoners from open penal institutions, especially in the Nuukio, Sipoonkorpi, Vallisaari and Selkämeri National Parks and in Evo Hiking Area.

The business accounting costs for the 2021 financial period were EUR 96.4 (74.0) million. The growth in costs was caused by reducing the renovation backlog in accordance with the increased financing. The most significant cost increases were related to the reducing the renovation backlog with future investment funding, which means servicing, maintaining and repairing properties, structures and routes. The increase in personnel costs is mainly due to fixed-term recruitment that supports implementation of the objectives set for Parks & Wildlife Finland.

The business accounting profit and loss account profit before transfers within the financial statements totalled EUR 0.14 (1.0) million. The surplus consisted of a surplus of EUR 1.5 million for paid activities and EUR 0.2 million in adjustments and profits from the sale of fixed assets, with depreciation of EUR 1.5 million and a change in seed management stock of EUR -0.07 million.

2.1.2 Balance sheet

The value of land and water areas was EUR 1,027.9 (1,008.00) million. The increase was mainly due to transfers of possession related to land and water areas. The value of built property was EUR 13.8 (15.7) million, which includes the buildings and service structures in national parks and protected areas and buildings at cultural heritage sites. The investments made in unfinished buildings, other buildings and structures, machinery and equipment, road project and information systems during the financial period and covered by grants and the related depreciations (EUR 9.9 million in total) have been recorded as acquisition cost deductions or adjustments.

Other equity was EUR 1,059.0 (1,039.4) million. The increase was due to transfers of possession. There is no yield target for the equity of Parks & Wildlife Finland.

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 8.7 (35.6) million. Liquid funds at the end of the financial period totalled EUR 55.5 (46.6) million. The increase in liquid funds was due to a significant increase in the three-year transfer appropriations received 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.

2.2 Financial efficiency

The three-year transfer appropriation granted to Parks & Wildlife Finland through steering ministries, article 35.10.52 of the Ministry of the Environment and article 30.64.50 of the Ministry of Agriculture and Forestry, from the State budget in order to implement the objectives of the strategic performance agreement and its annual annex, totalled EUR 79.4 million (EUR 85.6 million in 2020).

A total of EUR 76.5 million (EUR 57.7 million in 2020) of the operating expenses appropriation from the Ministry of the Environment and the Ministry of Agriculture and Forestry was used during the operating year. According to the matching principle, the appropriation covered 76 per cent of the total expenses of the operating year (74% in 2020). The cumulative unused percentage of the transfer appropriations will be recorded in the balance sheet as advances received. The achievement of objectives recorded in performance agreements requires that financing is also actively acquired from other financing channels.

The tables indicating the total costs in the separate accounting of the Metsähallitus Parks & Wildlife Finland unit are based on the use of funds, including the increases and decreases of non-current assets without depreciations and transfers of possession and without the changes in stock for current assets. Total expenditure in 2021 was EUR 100.6 million (EUR 78.3 million in 2020).

The total use of funds grew by EUR 22.2 million or by 28 per cent compared to the previous year. The

costs in total use of funds increase as the financing obtained in return for them rises. Total use of funds grew strongly by EUR 15.5 million in activities of the administrative branch of the Ministry of the Environment. This represented an increase of 31 per cent.

The largest increase by expenditure type was a total of EUR 8.7 million in external services and in maintenance costs for structures and routes (property expenses). The increase in pay expenditure is mainly due to recruitment that supports implementation of the objectives of the Ministry of the Environment's administrative branch. During the operating year, investments totalling EUR 5.1 million were made in buildings, structures, bridges, piers in nature tourism use, road projects and information systems, which was mainly covered by appropriations from the administrative branch of the Ministry of the Environment.

The percentage of expenses covered by external project financing was 10 per cent of total expenses (13% in 2020). Measured in euros, project financing expenses were EUR 10.0 million, thus remaining at the same level as in 2020. The project financing is largely based on international partnerships, county-level partnerships and local partnerships. The projects integrate in their Parks & Wildlife Finland operating environment, and they also have a significant effect on job creation and the activation of local economies.

TOTAL EXPENDITURE OF PARKS & WILDLIFE FINLAND OPERATIONS DISTRIBUTED BY FINANCIAL RESOURCE

Total expenditure by financial resource, EUR 1,000	2021 Total	2020 Total	Change, €	Change, %
Expenses for paid activities	12 389	10 011	2 377	24 %
MAF art. 30.64.50	11 218	8 003	3 214	40 %
ME art. 35.10.52	65 298	49 761	15 537	31 %
ME, protection of maritime areas art. 35.10.22	648	484	164	34 %
ME, acquisition of nature reserves art. 35.10.63	706	90	616	682 %
EU funding	5 120	5 866	-746	-13 %
MJ, day-release work	1 459	1 307	152	12 %
MEAE, employment, educational and specialised measures	180	235	-55	-23 %
Other external funding	3 584	2 616	968	37 %
Total	100 601	78 373	22 228	28 %
Expenses excl. Land acquisition investments	99 895	78 283	21 612	28 %

TOTAL EXPENDITURE OF PARKS & WILDLIFE FINLAND OPERATIONS DISTRIBUTED BY EXPENDITURE TYPE

Total expenditure by expenditure type, EUR 1,000	2021 Total	2020 Total	Change, €	Change, %
Materials and supplies	1 303	1 082	220	20 %
External services (production)	8 661	6 550	2 111	40 %
Pay expenditure	37 877	28 580	9 297	33 %
Travels and other staff expenses	4 015	2 915	1 100	38 %
ICT hardware and software expenses	2 837	2 621	215	8 %
Property expenses	18 456	11 818	6 639	56 %
Vehicle expenditure and other machinery and equipment expenditure	4 133	3 207	926	29 %
Other purchase of services	2 046	2 186	-140	-6 %
Other marketing, administration and business expenditures	15 465	13 087	2 378	18 %
Investments	5 130	6 256	-1 126	-18 %
Land acquisition investments	679	71	608	862 %
Total	100 601	78 373	22 228	28 %
Expenses excl. land acquisition investments	99 923	78 303	21 620	28 %

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

Budget account (EUR)	State budget 2021	Supplementary state budget III 2021	Supplementary state budget IV 2021	State budgets, total 2021	Use of authorisation 2021	Budget + use of authorisation 2021	Transferred from 2020	Available in 2021	Net use 2021	Transferred to 2022
30.64.50 Certain public administration services of Metsähallitus (MAF)	7 165	9	170	7 344	406	7 750	7 142	14 892	10 563	4 330 ¹
35.10.52 Public administration services of Metsähallitus (ME)	67 942		3 000	70 942	-	70 942	28 391	99 333	65 226	34 106 ²
35.10.22 Protection of maritime areas (VELMU ME)	780			780		780	437	1 217	648	569
35.10.63 Acquisition of nature reserves (ME)		-	-		-		523	523	403	120
Financing allocated in the budget, total									76 840	
Other financing from the State budget									3 800	
Financing received from the above-mentioned articles and recorded as an acquisition cost deduction is added									-4 339	
Investment funding entered in Equity is added directly									-375	
Financing from the State budget, total									75 925	

¹ The appropriation transferred to 2022 from Ministry of Agriculture and Forestry article 30.64.50 is, in accordance with decisions made in Supplementary state budget IV/2020 and Supplementary state budget VII/2020, primarily committed to reducing the renovation backlog at service structures and restoring flowing waters

² The appropriation transferred to 2022 from Ministry of the Environment article 35.10.52 is, according to decisions made in the State budget 2021 and Supplementary state budget IV/2020, primarily committed to various projects, such as implementing a habitat status improvement programme in nature reserves, reducing the renovation backlog at service structures, and digital projects

Ministry of Agriculture and Forestry art. 30.64.50	Outcome 2021	Outcome 2020
Pay expenditure	3 277	2 819
Other consumption expenditure	7 088	4 816
Investments	853	368
Income (seed sales) and invoiced funding	-655	-775
Net use	10 563	7 228

Ministry of the Environment art. 35.10.52	Outcome 2021	Outcome 2020
Pay expenditure	365	20
Other consumption expenditure	283	
Net use	648	20

Ministry of the Environment art. 35.10.52	Outcome 2021	Outcome 2020
Pay expenditure	26 576	18 365
Other consumption expenditure	35 236	26 603
Investments	3 486	4 786
Income and invoiced funding	-72	-6
Net use	65 226	49 748

Ministry of the Environment art. 35.10.63	Outcome 2021	Outcome 2020
Pay expenditure		
Other consumption expenditure	28	20
Other investments		71
Income and invoiced funding	-18	-7
Land acquisition expenses, total	10	83
Land acquisition investments and sales	393	-66
Net use	403	17

2.2.2 Financing external to the State budget

The specification includes financial items entered in Other operating income in the profit and loss statement (no internal enterprise transfers).

Income by funding source, EUR 1,000	Outcome 2021	Outcome 2020
European Structural Fund	446	502
European Environmental Fund (LIFE)	2 898	2 511
European Agricultural Fund for Rural Development	678	1 005
European Maritime and Fisheries Fund	116	160
INTERREG	327	822
ENI, EU cross-border cooperation	654	866
Other EU funding		3
Other providers of funds	1 423	1 196
Elimination of investment subsidies	-626	-673
Total	5 917	6 392

2.2.2.1 Productivity

The ownership policy guidelines for Metsähallitus approved by the Government on 28 April 2020 include an objective for Parks & Wildlife Finland to develop measurement of the productivity and impact of its activities.

The development targets for total productivity have been included in the performance agreement. On the whole, the performance agreement and the annual performance guidance indirectly set objectives promoting cost-effectiveness, which outlines impact objectives, objectives for deliverables and for quality, and specifies the resources that must be used to achieve the objectives are determined (National Audit Office of Finland 1/2018)

Productivity is assessed by means of the total productivity contribution and output method developed by Statistics Finland. In the method, the productivity is calculated with an output and cost index using the two-year calculation model. A ratio of 100 indicates that the contributions, outputs and productivity are on the same level as in the previous year.

The output index is calculated using the number of deliverables and changes in cost shares. The deliverables used in operational productivity, which means the productivity of work, are grouped by core process and the deliverables are clarified within the groups. Function-specific cost shares are calculated using internal expense calculation.

In cost index calculation, the costs are divided into pay, depreciation and other expenses. The expenses for the operating year were not deflated due to the absence of the expenditure index published by Statistics Finland on its date of publication 11 February 2022.

The value of total productivity in the two-year comparison was well close to 100, with an index figure of 103. Productivity increased in nearly all areas of the calculation model. Calculation model outputs grew by 50 per cent in comparison to the previous year. The labour input required to produce the outputs increased by 34 per cent. It was possible

to improve work productivity even though the outputs increased significantly in comparison to the previous year. The total input, which means the expenses needed to produce the outputs, correlates with the growth in outputs but the relative increase was no greater than the realised deliverables. Total productivity, which means the ratio between output and total input, thus improved by 3 per cent in comparison to 2020. The total input index in the two-year comparison is not comparable because the calculation principle is not the same.

PARKS & WILDLIFE FINLAND'S OUTPUT AND CONTRIBUTION OUTCOME INDICES, WORK PRODUCTIVITY AND UNDEFLATED TOTAL PRODUCTIVITY

Index, undeflated	2020-2021	2019-2020	2018-2019
Output, realised deliverables	150,08	117,03	78,53
Labour input, effective person-years	134,34	104,95	96,43
Total input, profit and loss account expenses	145,61	103,30	100,80
Labour productivity, output/work input	111,72	111,51	81,44
Total productivity, output/total input	103,07	113,29	77,91

DELIVERABLES DESCRIBING PRODUCTIVITY IN THE PARKS & WILDLIFE FINLAND TOTAL PRODUCTIVITY CALCULATIONS 2020-2021

Final deliverables used for the calculation of the productivity index 2021	
Final deliverables by process	Indicator
Area management	
Management and use plan in Natura areas	Number of Natura areas with a completed management and use plan (MUP)
Establishment of nature reserves	Number of completed conservation properties
Exerting an influence on land use	Number of statements (no neighbour consultations included)
Paid rights of use	Number of new/updated contracts in the VuokraGis application
Off-road traffic permits	Number of track permits and track-external permits
Number of NATA assessments	Number of Natura areas with a completed NATA assessment
Nature conservation	
Habitat inventories, hectares	Inventoried hectares in land areas
Rewilding and management, hectare	Rewilded and managed hectares
Species occurrence checks	Number of inspected occurrences
Maintenance books for strategic cultural and historic real property asset sites	Number of completed maintenance books
Recreational use of nature	
Maintenance of the Nationalparks.fi website	Page downloads
Guidance free of charge	Number of visits to visitor centres and other customer service points Number of buildings and structures administered by Parks & Wildlife Finland in the PAVE information system. The figure of the latter year will be extracted directly from the application. The number of sites constructed during the year and the number of sites transferred to Parks & Wildlife Finland for management will be deducted from the figure.
Maintenance of service structures and facilities	
Paid guidance (number of individuals using guidance services)	Number of individuals using guidance services
Paid rental of business premises	Rental income for business premises, EUR 1,000
Game and fisheries affairs	
Game and fisheries supervision	Number of customer contacts
Fisheries management fee	Fisheries management fees: number of annual fishing permit holders
Hunting and fishing (number of fishing permits)	Number of fishing permits
Other duties	
Seed management in Northern Finland (kilograms sold)	Kilograms of seeds sold

DELIVERABLES OUTCOME FOR PARKS & WILDLIFE FINLAND'S TOTAL PRODUCTIVITY CALCULATION AND THE RELATED PERCENTAGE OF COSTS AS A SHARE OF TOTAL EXPENDITURES

FINAL DELIVERABLES 2020-2021	Outcome Amount 2020	Percentage of all expenditures 2020	Outcome Amount 2021	Percentage of all expenditures 2021
Management and use plan in Natura areas	1	0,8	3	0,8
Establishment of nature reserves	130	1,2	182	1,7
Exerting an influence on land use	220	2,2	243	2,5
Number of NATA assessments	110	1,1	76	0,8
Habitat inventories in land areas, hectare	44 210	7,0	58 466	7,3
Rewilding and management, hectare	9 637	10,7	13 141	11,3
Species occurrence checks	5 942	7,0	8 468	5,7
Maintenance books for strategic cultural and historic real property asset sites	29	1,7	19	1,7
Guidance free of charge	890 000	24,7	908 300	23,7
Maintenance of service structures and facilities	35 273	28,2	35 273	28,9
Off-road traffic permits	12 836	0,4	15 312	0,5
National fisheries management fee (number of individuals paying for the annual permit)	215 983	0,5	202 108	0,3
Game and fisheries supervision	9 559	3,3	10 845	3,6
Paid activities, the indicator is sales income unless otherwise reported				
Paid rights of use	691	0,5	641	0,5
Paid guidance (number of individuals using guidance services)	7 529	0,1	11 642	0,1
Paid rental of business premises	1 602	0,0	948	0,0
Hunting and fishing (number of fishing permits)	117 687	9,2	109 870	9,8
Seed management (kilograms sold)	1 365	1,5	2 808	11842,7
OUTPUT INDEX				150,08

2.2.2.2 Profitability

Paid activities	2021 Outcome
Public law deliverables	-
Cost relatedness of the public law deliverables under the MAF fees regulation 888/2017 (%)	108 %
Cost relatedness of the public law deliverables under the ME fees regulation 1029/2017 (%)	101 %
Business operations deliverables	-
Cost relatedness of the deliverables priced based on business operations under the MAF fees regulation 888/2017 (%)	106 %
Cost relatedness of the deliverables priced based on business operations under the ME fees regulation 1029/2017 (%)	98 %
Deliverables based on individual legislation	-
Cost relatedness of the deliverables based on individual MAF legislation (%)	153 %
Cost relatedness of the deliverables based on individual ME legislation %	193 %

The total cost relatedness for all deliverables of the 2021 paid activities was 104 per cent. Total turnover for the operating year increased by EUR 1.5 million (12%). The growth in turnover was mainly due to income from wood sales of EUR 0.8 million and an increase in rental activities of EUR 0.6 million in the administrative branch of the Ministry of the Environment. The largest part of the costs involved the purchase of services totalling EUR 4.6 million, which accounted for 32 per cent of all costs.

The pricing of the paid deliverables for Parks & Wildlife Finland is provided for in the Act on Criteria for Charges Payable to the State and in acts specifically provided for Metsähallitus, the Ministry of the

Environment decree on payments for certain public administration services (1029/2017) and the Ministry of Agriculture and Forestry decree on payments for certain Metsähallitus public administration services (888/2017). According to the provisions in these decrees, the pricing of the deliverables is distributed into deliverables with a pricing according to absorption cost, with pricing lower than the absorption cost, public law deliverables free of charge, deliverables priced based on business operations and other paid deliverables.

The cost relatedness of Ministry of Agriculture and Forestry public law deliverables was EUR 0.3 million in 2021. Income from public law deliverables

remained at the 2020 level for both hunting permits and trap fishing permits. The largest part of the costs involved personnel and support function expenses, which accounted for 73 per cent of all costs. The cost relatedness of public law deliverables in the field of the Ministry of the Environment was nearly 100 per cent in 2020. Income from track permits increased by EUR 0.07 million (35%).

The cost relatedness of deliverables based on business operations in the Ministry of Agriculture and Forestry was 106 per cent, or EUR 0.16 million. The total expenses also include costs resulting from the Northern Finland cone collection that were, in accordance with authorisation granted by Parliament, covered by Ministry of Agriculture and Forestry article 30.64.50 (price subsidy utilised in accordance with the Act on the Criteria for Charges Payable to the State). Turnover for deliverables based on business operations decreased by EUR 0.2 million, or 8 per cent. The reduction in income was mainly caused by a decrease in turnover from seed sales and fishing permits. Seed sales were affected by a shift in demand towards certified seed, which was increasingly available on the market. The popularity of rod fishing and active forms of fishing continued, but the sale of permits had to be restricted in some rod fishing sites in order to ensure ecological sustainability. The largest part of the costs involved the purchase of services and personnel expenses totalling EUR 2.1 million, which

represented 71 per cent of all the costs of all Ministry of Agriculture and Forestry deliverables based on business operations.

The cost relatedness of deliverables based on business operations in the Ministry of the Environment was 98 per cent, or EUR -0.2 million. Turnover increased by EUR 1.5 million. Wood sales resulting from restoration activities produced EUR 0.8 million more than in the previous year. The ongoing large LIFE project and the Ministry of the Environment's HELMI funding enabled large-scale restoration of mires. Income from long-term and short-term rental activities was EUR 0.6 million higher than in 2020. Demand for domestic tourism caused by the coronavirus pandemic also increased the demand for rental huts and other short-term accommodation. Many contract entrepreneurs also improved their results, which was reflected in the yields from long-term rental agreements insofar as they are linked to companies' turnover. There was no need for significant reductions in rent. The number of people that were active in nature continued to increase, but customer behaviour at visitor centres was similar to the previous year, and turnover remained at the same level. The largest part of the costs consisted of depreciation and purchases of services, which accounted for 58 per cent, or EUR 3.9 million.

2.2.2.3 Cost relatedness calculations

Principles of cost relatedness calculations

The cost relatedness of the paid activities in Parks & Wildlife Finland is calculated using the State Treasury regulation issued on 17 December 2020. When assessing the correctness and adequacy of information, the principle of materiality and the economic generation of information is 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 2021 were used when targeting the costs. Due to the organisational change implemented in 2021, the calculation principles for 2020 and 2021 have changed, and the information has not been made comparable.

In cost calculations, all pay expenditure and support function expenses are targeted to duties proportionately to the use of working hours by business unit. The direct costs were obtained from the business accounting for the cost centres specific to each deliverable group. Other indirect costs and capital costs that are not targeted to deliverables in business accounting but which are part of the cost

structure of paid activities are targeted in relation to turnover. The interest rate determined by the State Treasury was used. For 2021, this was 0.0 per cent (0.0 % in 2020). Direct working hours used for paid activities were a total of 8.0 per cent (14% in 2020) of the entire labour input of Parks & Wildlife Finland. Person-years increased by 34 per cent in 2021, but the labour input focused mainly on implementing budget funding from the administrative branch of the Ministry of the Environment, which reduced the relative working hours used for paid activities.

COST RELATEDNESS CALCULATIONS FOR PAID ACTIVITIES 2021

Outcome 2021 (EUR 1,000) Public law deliverables	Field of MAF	Field of MAF	Deliverables total
INCOME			
Income from paid activities	292	4 168	4 461
Total income	292	4 168	4 461
TOTAL EXPENSES			
Separate expenses			
Raw materials and consumables		34	34
Staff expenses	140	2 071	2 211
Rents	1	36	37
Purchase of services	20	478	499
Other separate expenses	8	383	391
Separate expenses, total	170	3 002	3 172
Share of joint expenses			
Support function expenses	70	809	879
Transfers	49	60	110
Share of joint expenses, total	119	869	988
Total expenses	289	3 871	4 160
COST RELATEDNESS	3	298	301
Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State	0	0	0
COST RELATEDNESS AFTER PRICE SUBSIDY	3	298	301

Outcome 2021 (EUR 1,000) Deliverables priced based on business operations	Field of MAF	Field of MAF	Deliverables total
INCOME	-		
Sales income from paid activities	6 745	2 723	9 468
Total income	6 745	2 723	9 468
TOTAL EXPENSES			
Separate expenses			
Raw materials and consumables	632	87	719
Staff expenses	567	915	1 481
Rents	92	30	121
Purchase of services	2883	1 197	4 080
Other separate expenses	1 269	344	1 613
Separate expenses, total	5 443	2 572	8 015
Share of joint expenses			
Support function expenses	328	357	685
Transfers	1 089	36	1 125
Share of joint expenses, total	1 417	393	1 810
Total expenses	6 860	2 965	9 825
COST RELATEDNESS	-115	-242	-357
Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State		406	406
COST RELATEDNESS AFTER PRICE SUBSIDY	-115	164	49

Outcome 2021 (EUR 1,000) Deliverables based on individual legislation	Field of MAF	Field of MAF	Deliverables total
INCOME	-		
Sales income from paid activities	180	291	471
Total income	180	291	471
TOTAL EXPENSES			
Separate expenses			
Raw materials and consumables			
Staff expenses	39	80	119
Rents		2	2
Purchase of services	1	31	32
Other separate expenses	4	41	45
Separate expenses, total	44	155	198
Share of joint expenses			
Support function expenses	19	31	51
transfers	30	4	34
Share of joint expenses, total	50	35	85
Total expenses	93	190	283
COST RELATEDNESS	87	101	188
Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State	0	0	0
COST RELATEDNESS AFTER PRICE SUBSIDY	87	101	188

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 2021	1 Jan–31 Dec 2020
TURNOVER	14 068 176,47	12 535 156,52
Other operating income	6 650 817,90	7 165 012,99
Financing for other operations from the State budget	75 924 962,80	55 448 329,52
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	1 302 622,61	1 082 374,33
Variation in inventories	73 679,98	210 165,42
External services	8 661 248,04	6 550 159,94
Raw materials and services, total	10 037 550,63	7 842 699,69
Staff expenses		
Wages and salaries	30 981 293,77	23 244 055,27
Social security expenses		
Pension expenses	5 419 372,94	4 563 320,55
Other social security expenses	1 478 213,12	771 208,64
Staff expenses, total	37 878 879,83	28 578 584,46
Depreciation, amortisation and impairment		
Depreciation according to plan	1 526 753,99	1 465 272,72
Other operating costs	46 970 998,98	36 170 776,96
OPERATING PROFIT	229 773,74	1 091 165,20
Financial income and expenses		
Income from other investments under non-current assets	36,15	397,64
Other interest and financial income	4 102,62	278,55
Interest and other financial expenses	97 244,62	30 988,86
Financial income and expenses in total	-93 105,85	-30 312,67
PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES	136 667,89	1 060 852,53
Transfer of the profits of the financial year to Equity	-136 667,89	-1 060 852,53
PROFIT/LOSS FOR FINANCIAL PERIOD	0,00	0,00

BALANCE SHEET, PARKS & WILDLIFE FINLAND (EUR)

Public administration services	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Other intangible assets	340 357,36	10 381,56
Advance payments and work in progress	123 413,71	431 407,83
Intangible assets in total	463 771,07	441 789,39
Tangible assets		
Land and water areas	1 027 951 752,31	1 008 015 973,08
Roads	88 658,82	103 755,96
Buildings and structures	13 841 183,03	15 711 427,96
Machinery and equipment	111 010,35	159 773,21
Advance payments and work in progress	37 677,40-	36 782,63
Tangible assets in total	1 042 030 281,91	1 024 027 712,84
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	1 800,00
Investments in total	12 937 704,68	12 939 504,68
NON-CURRENT ASSETS IN TOTAL	1 055 431 757,66	1 037 409 006,91
CURRENT ASSETS		
Inventories		
Finished products	1 003 504,47	1 077 184,45
Inventories in total	1 003 504,47	1 077 184,45
Receivables		
Current receivables		
Accounts receivable	1 359 664,58	1 065 768,07
Receivables from enterprise's business operations	22 159,83	3 339,45
Receivables from the enterprise's subsidiaries	28 199,42	658 213,30
Other receivables	16 700,06	110 359,96
Prepayments and accrued income	4 924 491,85	4 133 070,91
Current receivables in total	6 353 215,74	5 970 751,69
Cash in hand and at banks	55 517 397,20	46 633 659,36
CURRENT ASSETS IN TOTAL	62 874 117,41	53 681 595,50
ASSETS IN TOTAL	1 118 305 875,07	1 091 090 602,41

2.3.2 Cash Flow Statement

BALANCE SHEET, PARKS & WILDLIFE FINLAND (EUR)

Public administration tasks	31 December 2021	31 December 2020
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1 059 017 806,23	1 039 385 483,92-
Retained earnings	0,00	0,00
Profit/loss for financial period	0,00	0,00
EQUITY IN TOTAL	1 059 017 806,23	1 039 385 483,92
LIABILITIES		
Other liabilities, non-interest-bearing		0,00
Current		
Advances received	44 552 005,37	40 624 210,63
Accounts payable	3 198 568,55	2 130 342,83
Debts to enterprise's business operations	981 158,35	2 248 289,34
Debts to the enterprise's subsidiaries		
Other liabilities	1 717 086,79	970 083,97
Accruals and deferred income	8 790 125,33	5 358 014,03
LIABILITIES IN TOTAL	59 288 068,84	51 705 118,49
EQUITY AND LIABILITIES IN TOTAL	1 118 305 875,07	1 091 090 602,41

CASH FLOW STATEMENT, PARKS & WILDLIFE FINLAND (EUR)

Public administration services	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	14 385 473,46	12 634 200,39
Payments from other operating income	5 620 259,98	7 070 721,29
Payments from operating charges	-87 144 887,38	-39 537 342,02
Cash flow from business operations, before financial items and taxes	-67 139 153,94	-19 832 420,34
Interest paid and other financial expenses	-97 244,62	-30 988,86
Interest income from business operations	4 102,62	278,55
Dividends received	36,15	397,64
State's budget funding for other operations	75 924 962,80	55 448 329,52
Cash flow from operations	8 692 703,01	35 585 596,51
INVESTMENTS		
Purchase of environmental protection areas, shares	375 119,68	9 913,06
Purchase of fixed assets, funding by Ministries	-4 338 972,77	-5 250 236,98
Purchase of fixed assets, other funding	-625 768,00	-673 187,45
Investments in tangible and intangible assets	-334 059,17	-469 599,58
Profits for the sale of tangible and intangible assets	525 094,00	1 263 813,73
Shareholder investment in purchase of environmental protection areas and shares	-375 119,68	-9 913,06
Investment subsidies	4 964 740,77	5 161 504,38
Cash flows from investing activities	191 034,83	32 294,10
FINANCING		
Change in other non-current, non-interest-bearing loans	0,00	-250,00
Cash flows from financing activities	0,00	-250,00
CHANGE IN LIQUID FUNDS	8 883 737,84	35 617 640,61
Liquid funds on 1 Jan	46 633 659,36	11 016 018,75
Liquid funds on 31 Dec	55 517 397,20	46 633 659,36
Change	8 883 737,84	35 617 640,61

2.3.3 Notes to the financial statements

The 2021 separate accounting and the separate financial statements for the Parks & Wildlife Finland unit were made according to the Act on Metsähallitus (234/2016) and the Government Decree (1368/2016). The financial statements cover the period from 1 January to 31 December 2021, and the comparative information dates from the previous financial year, 1 January to 31 December 2020.

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 have been made on an accrued basis according to the enterprise's financial statements model for the entire 2021 operating year. 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. Depreciations and the change in the Northern Finland seed management stock are not covered by the annual financing from the State budget. Instead, they have already been covered at the time of the acquisition by using the budget funding. 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. The objective of Parks & Wildlife Finland is not to produce profits. Instead, the value of the profits is measured by 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 the Parks & Wildlife Finland unit 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 Business Operations on the accounts.

Assets transferred into or out of 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 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.

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.

2.3.4 Complementary notes to the Profit and Loss Account

Turnover by business unit	2021	2020
Turnover related to the field of the Ministry of Agriculture and Forestry		
Public law deliverables:		
hunting permits	3 934 632,98	3 877 080,69
fishing permits	233 249,50	235 170,24
Pricing based on business operations:		
hunting area rentals	616 081,70	603 728,06
fishing area rentals	129 926,50	123 729,70
fishing permits	1 319 604,30	1 413 150,85
Sale of seeds and analyses	590 543,93	770 472,01
provision of accommodation and other rentals of business premises	10 436,09	9 292,46
other deliverables priced based on business operations	53 849,01	21 813,44
Deliverables based on individual legislation:		
compensation for (fishing-related) water areas	291 016,30	171 365,07
Total	7 179 340,31	7 225 802,52
Turnover related to the field of the Ministry of the Environment		
Public law deliverables:		
track permits	274 278,00	203 001,50
decisions and permits	18 030,00	23 554,38
Pricing based on business operations:		
long-term area rentals and transfer of user rights	1 857 968,54	1 401 998,17
provision of accommodation and other rentals of business premises	928 092,49	742 957,83
sale of wood (from rewilding areas etc.	2 022 169,27	1 199 771,99
nature guidance and counselling products	949 215,92	924 230,76
books and series of nature conservation publications	137 196,48	134 346,22
other business operations deliverables	521 696,06	492 752,67
Deliverables based on individual legislation:		
compensations for gold prospecting and claims	35 975,11	36 761,70
mining concession fees, compensations for mineral prospecting	144 214,29	149 978,78
Total	6 888 836,16	5 309 354,00
Turnover in total	14 068 176,47	12 535 156,52

Other operating income	2021	2020
Gains on the sale of fixed assets	330 796,88-	519 424,53
Insurance payments	46 971,64	69 697,00
Subsidies	10 488,74	17 406,00
Other income	6 250 646,14	6 543 971,22
Other income, internal	11 914,50-	14 514,24
Total	6 650 817,90	7 165 012,99

Staff expense breakdown	1.1.-31.12.2021	1.1.-31.12.2020
Wages and salaries	27 155 660,90	22 910 095,99
Salaries, for external parties	127 231,20	87 586,74
Change of holiday pay provision	376 367,38	278 696,54
Profit sharing, incentive remuneration, change	3 322 034,29	-32 324,00
VaEL and TyEL contributions	5 419 372,94	4 563 320,55
Social security contributions	1 478 213,12	771 208,64
Total	37 878 879,83	28 578 584,46

Depreciation according to plan	2021	2020
Depreciation of intangible rights	92 877,32	6 853,95
Depreciation of roads and other land structures	15 097,14	14 218,71
Depreciation of buildings and structures	1 357 761,67	1 375 630,61
Depreciation of machinery, devices and equipment	61 017,86	68 569,45
Total	1 526 753,99	1 465 272,72

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

Other operating costs	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Facility expenses	18 456 257,22	11 817 642,14
ICT expenses	2 836 682,20	2 621 447,79
Travelling expenses	2 753 706,77	1 978 512,31
External services	2 046 257,72	2 186 278,83
Machinery and equipment expenses, vehicle expenses	4 132 994,48	3 206 796,41
Other social security expenses	1 261 012,87	936 612,56
Other expenses	1 947 812,30	1 899 722,20
Group internal expenses	13 536 275,42	11 523 764,72
Total	46 970 998,98	36 170 776,96

Financial income and expenses	2021	2020
Interest income	-4 138,77	-676,19
Interest expenses	97 244,62	30 988,86
Total	93 105,85	30 312,67

Use of financing allocated for other operations in the State budget, EUR 1,000	2021	2020
Ministry of Agriculture and Forestry main title		
30.64.50 Certain Public Administration Duties of Metsähallitus	11 218	8 003
Ministry of the Environment main title		
35.10.52 Public Administration Services of Metsähallitus	65 298	49 761
35.10.63 Acquisition of nature reserves (share of expenses)	28	17
35.10.22 Protection of maritime areas (Velmu)	648	484
Financing for other operations from the State budget, total	77 191	58 265
Other financing from the State budget	2 021	2 020
Administrative branch of the Ministry of Justice	1 459	1 307
Administrative branch of the Ministry of Economic Affairs and Employment	180	235
Other financing from the State budget	2 161	1 417
Other financing from the State budget, total	3 800	2 959
Investment subsidies as acquisition cost deductions	-4 339	-5 206
Income and income adjustments	-727	-779
Funding received from the State budget	75 925	55 238

Transfer of profits to the change of Other equity

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 in connection with the preparation of the financial statements

	2021	2020
Profits before transfers within the financial statements	136 667,89	1 060 852,53
Transfer of the profits to Other equity	-136 667,89	-1 060 852,53
Profit/loss for financial period	-	-

2.3.5 Complementary notes to the balance sheet

Asset items 2021	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
EUR 1,000								
1 Jan Acquisition cost before entering subsidies as acquisition cost deductions	3 054	1 008 016	3 209	62 675	1 302	2 766	12 938	1 093 960
1 Jan Subsidies received	-2 195	0	-1 716	-15 249	-904	-2 730	0	-22 794
1 Jan Acquisition cost	860	1 008 016	1 492	47 426	398	37	12 938	1 071 166
Acquisition cost increases	775	20 314	253	1 574	734	2 660	0	26 309
Subsidies received during the financial period	-660	-291	-253	-1 816	-722	-1 500	0	-5 242
Decreases	0	-87	0	-925	0	-1 159	0	-2 171
31 Dec Acquisition cost	974	1 027 952	1 492	46 260	410	38	12 938	1 090 063
1 Jan Accumulated depreciation before the depreciation of subsidies	613	0	1 910	34 701	656	0	0	37 880
1 Jan Depreciation of received subsidies	-196	0	- 521	-3 640	-419	0	0	-4 776
1 Jan Accumulated depreciation	418	0	1 388	31 061	238	0	0	33 105
Accumulated depreciation relating to decreases and transfers	0	0	0	0	0	0	0	0
Financial period depreciation before the depreciation of subsidies	432	0	141	2 501	314	0	0	3 388
Financial period depreciation from the subsidies received	-339	0	-126	-1 143	-253	0	0	-1 861
Depreciations during the financial year	93	0	15	1 358	61	0	0	1 527
31 Dec Accumulated depreciation	511	0	1 404	32 418	299	0	0	34 631
1 Jan Book value	442	1 008 016	104	15 711	160	37	12 940	1 037 409
31 Dec Book value	464	1 027 952	89	13 841	111	38	12 938	1 055 432

Shares and holdings, book value (EUR)	31.12.2021	31.12.2020
Shares in subsidiaries	12 200 000,00	12 200 000,00
Other shares	737 704,68	737 704,68
Interfaces	0,00	1 800,00
Shares and holdings, total	12 937 704,68	12 939 504,68

Shares in subsidiaries (EUR)	31.12.2021	31.12.2020
Nuukiokeskus Oy holding % 68,1	12 200 000,00	12 200 000,00
Shares in subsidiaries, total	12 200 000,00	12 200 000,00

RECEIVABLES FROM ENTERPRISE'S BUSINESS OPERATIONS AND ENTERPRISE'S SUBSIDIARIES, EUR

	Subsidiaries		Business operations		Total	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Accounts receivable	28 199,42	658 213,3	2 694,09	3 102,3	30 893,51	661 315,60
Prepayments and accrued income	0,00	0,00	19 465,74	237,15	19 465,74	237,15
Group internal receivables in total	28 199,42	658 213,30	22 159,83	3 339,45	50 359,25	661 552,75

Prepayments and accrued income, EUR	31.12.2021	31.12.2020
Life projects, accrued income	816 666,31	404 772,08
EU Structural Fund projects, accrued income	2 432 254,82	3 032 532,84
Employment promotion programme projects, accrued income	2 831,45	27 646,19
Other accrued income	1 498 252,27	591 903,51
Other prepaid expenses, purchase invoices and others	174 487,00	76 216,29
External prepayments and accrued income, total	4 924 491,85	4 133 070,91

Equity for Parks & Wildlife Finland on 31 December 2021, EUR	31.12.2021	31.12.2020
1 January 2021	1 039 385 483,92	1 030 224 375,46
Transfers of possession, increases	17 839 701,79	8 077 897,87
Transfers of possession, decreases	0,00	0,00
Inheritance by the State, donation	12 000,00	3 000,00
Changes in land use, decreases	-673,52	-2 765,00
Changes in land use, increases	1 479 312,00	12 000,00
Owner's investment / return (land areas, shares)	375 119,68	9 913,06
Correction of errors, other, increases	359,89	210,00
Correction of errors, other, decreases	-210 165,42	0,00
Transfer of the profits of the financial year to Equity	136 667,89	1 060 852,53
31 December 2021	1 059 017 806,23	1 039 385 483,92
Retained earnings		
1 January 2021	0,00	0,00
Increases	0,00	0,00
Decreases	0,00	0,00
31 December 2021	0,00	0,00
Profit/loss for financial period		
1 Jan–31 Dec 2021	0,00	0,00
Equity in total on 31 Dec 2021	1 059 017 806,23	1 039 385 483,92

Advances received, EUR	31 December 2021	31 December 2020
Funded by the EU	5 160 926,50	3 492 510,17
From the Ministry of the Environment	34 869 241,00	29 724 010,20
From the Ministry of Agriculture and Forestry	4 329 631,45	6 996 696,14
Other	192 206,42	410 994,12
Total	44 552 005,37	40 624 210,63

DEBTS TO ENTERPRISE'S BUSINESS OPERATIONS AND ENTERPRISE'S SUBSIDIARIES

	Subsidiaries		Business operations		Total	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Accounts payable	49 124,45	374 117,69	454 492,23	365 995,73	503 616,68	740 113,42
Other liabilities	0,00	0,00	425 083,12	504 045,37	425 083,12	504 045,37
Accruals and deferred income	0,00	60,00	101 583,00	1 378 248,24	101 583,00	1 378 308,24
Group internal debts in total	49 124,45	374 177,69	981 158,35	2 248 289,34	1 030 282,80	2 622 467,03

Accruals and deferred income (EUR)	31.12.2021	31.12.2020
Amount of debt not paid to the State	735 883,95	124 422,12
Holiday pay liabilities, including social security expenses	5 365 111,23	4 917 536,97
Bonus liabilities, including social security expenses	2 533 113,00	0,00
Other accruals and deferred income	156 017,15	316 054,94
External accruals and deferred income, total	8 790 125,33	5 358 014,03

Other liabilities (EUR)	31.12.2021	31.12.2020
Withholding tax debt	555 868,71	446 129,73
Social security contribution debt	32 421,02	24 557,34
Value-added tax debt	621 691,47	479 884,10
Other	507 105,59	19 512,80
Other liabilities, total	1 717 086,79	970 083,97

Amount of debt not paid to the State (EUR)	31.12.2021	31.12.2020
VaEl debt	571 453,82	0,00
Unemployment insurance contributions	164 430,13	124 422,12
Amount of debt not paid to the State, total	735 883,95	124 422,12

2.3.6 Contingent liabilities, personnel and changes to fixed assets

Contingent liabilities (MEUR)	Public administration tasks 2021	Public administration tasks 2020
Leasing liabilities		
to be paid during the following year	0,6	0,8
to be paid at a later date	0,9	1,5

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	2021	2020
Supervisors	677	526

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 euroa
115 Other acquisition (acquisition explanation)	2	0,06	1,18	42,00
3010 Asset transfer tax	4	0,00	0,00	25 700,00
3026 Commercial transaction for nature conservation purposes	5	1189,62	0,00	642 501,00
3034 Exchange for nature conservation purposes	1	18,00	0,00	10 400,00
3036 Exchange of areas	1	3,26	0,00	66,00
3042 Transfer of possession for nature conservation purposes	401	8459,69	4,90	17 839 701,79
3056 Inheritance by the State	1	13,47	0,00	12 000,00
3060 Change in land use (business operations to P&WF)	57	7225,41	21,60	1 479 312,00
3090 Internal commercial transaction (Forestry to National Parks Finland)	1	20,50	0,00	10 400,00
	473	16 930,01	27,68	20 020 122,79

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
Redemption	1	-0,02	0,00	-74,00
Commercial transaction for nature conservation purposes	6	-10,08	0,00	-73 130,04
Exchange for nature conservation purposes	1	-20,50	0,00	-10 400,00
Exchange of areas	1	-0,40	0,00	-66,00
Change in land use (P&WF to business operations)	3	-9,79	0,00	-673,52
	12	-40,78	0,00	-84 343,56

SIGNATURE OF SEPARATE FINANCIAL STATEMENTS AND AUDITOR'S NOTE

METSÄHALLITUS **0116726-7**

Signature of the Financial Statements and Annual Report 1 January–31 December 2020

Vantaa, 24 February 2022

Timo Laitinen
Chair

Sanna Paanukoski
Vice Chair

Pekka Hautala
Board member

Johanna Ikäheimo
Board member

Simo Rundgren
Board member

Jussi Saukkonen
Board member

Ismo Tiainen
Board member

Liisa Tyrväinen
Board member

Henrik Jansson
Director, Parks & Wildlife Finland

Auditor's note

A report on the performed audit has been issued today.

Helsinki, on 25. February 2022

KPMG Oy AB

KPMG Oy AB

Jorma Nurkkala,
Authorised Public Accountant,
Chartered Public Finance Auditor

Outi Koskinen,
Authorised Public Accountant,
Chartered Public Finance Auditor

LIST OF ACCOUNTS AND MATERIAL

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 the MH network.