

# Metsähallitus Financial Statements for year 2023





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# Board of Directors' report for the financial year 2023

**M**etsähallitus is a state-owned enterprise consisting of Parks & Wildlife Finland, Property development and Group management. Parks & Wildlife Finland is divided into National Parks Finland and Wildlife Service Finland. Metsähallitus Group comprises the enterprise and its subsidiaries. The Ministry of Agriculture and Forestry is responsible for the ownership steering of 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 collaboration with stakeholders in accordance with regional natural resource plans, aiming for the highest possible social benefits 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, a target for contributions to state revenue calculated based on the performance target, and a yield target for basic equity used for business purposes.

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

Ensuring biodiversity and the prerequisites for the recreational use of nature is an important part of Metsähallitus' operations. The business units also fulfil their social obligations by creating benefits for recreational use, ecological value, employment, and local culture. General social obligations place restrictions on using approx. 617,000 hectares (603,000 hectares in the previous year) of Metsähallitus' multiple-use forests. Restrictions associated with the

Nature Conservation Act, Forest Act and land use also limit the use of multiple-use forests across approx. 273,000 (250,000) hectares. Metsähallitus participated in the conservation of genetic diversity as the primary manager of gene reserve forests and genetic resources collections.

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

## Operations during the financial year

The year 2023 was characterised by general economic uncertainty, which was reflected on the market in many ways.

Metsähallitus completed the very first natural resource plan for marine areas, aimed at promoting the versatile and sustainable use of marine areas. Moreover, Metsähallitus participated in the joint My Nature Gift campaign of the Ministry of the Environment and the Ministry of Agriculture and Forestry by protecting 3,374 hectares of areas with the most ecological value.

Responsibility is a significant element of Metsähallitus' operations, and responsibility work was continued in all areas. During the year, preparations were made to meet the future sustainability reporting requirements that will apply to Metsähallitus from 2025 onwards.

With regard to Metsähallitus Property Development, market demand slowed down in real estate and plot sales. However, the largest development projects continued and progressed according to plan, including through projects aiming to increase the number of available sites. During the year, two competitive tendering processes were prepared for offshore wind power projects, in which the implementers will be selected for the offshore wind power farms located in Närpiö and off the coast of Pyhäjoki and Raahe municipalities. Towards the end of the year, the wind power market grew increasingly unstable due to, for example, the general economic development. However, project development continued in both land-based and offshore wind power projects.

The year was an inconsistent one in terms of forestry. The economic recession differed from many previous ones in that demand remained at a good level in timber trade and price levels showed distinct growth. This was due to the halt in wood import from Russia and the increased use of wood for energy. The prices of energy wood increased steadily throughout the year. The political strikes in the autumn caused production restrictions as well as plant shutdowns for the customers buying timber. However, the impacts on forestry remained moderate. The harvest volumes during the period under scrutiny totalled 6.3 million cubic metres.

During the year, National Parks Finland prepared for a major modernisation of its operating approach, which will streamline the organisation and increase preparedness for decreased funding in the future. As a result of the co-determination procedure conducted in the autumn, 39 positions were discontinued in National Parks Finland. The new operating practice was introduced at the start of 2024.

Domestic tourism remained busy throughout the year. The number of visitors to National Parks Finland sites fell slightly from the previous year. The number of permits sold by Wildlife Service Finland and days spent in the wilderness remained high. Based on the number of visits, impacts on the local economy were significant and customer satisfaction remained at a good level. During the financial period, efforts to improve the service network and to carry out nature conservation measures in line with the objectives continued with the support of Future Investment funding based on Prime Minister Sanna Marin's Government Programme.

## Metsähallitus Group's economic development

### Metsähallitus Group

EUR million	2023	2022	2021
Turnover	435.3	423.3	367.4
Other operating income	11.3	16.1	18.1
Fixed asset transfer profits	5.4	10.2	10.6
<b>Financial result</b>	<b>142.3</b>	<b>150.9</b>	<b>119.9</b>
Investments	32.8	26.5	20.9
of which financing from public funds	2.7	9.1	5.0

### Metsähallitus Enterprise

EUR million	2023	2022	2021
Turnover	134.9	166.5	129.9
Other operating income	20.1	25.2	28.4
Fixed asset transfer profits	5.3	10.2	10.5
Funding received from the State budget for the public administration services	69.2	79.5	75.9
<b>Financial result</b>	<b>113.4</b>	<b>144.6</b>	<b>115.1</b>
Investments	18.8	14.4	10.3

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

The enterprise's balance sheet includes one item in other equity, EUR 224.8 million in total, which is not used for public administration services and which is not expected to turn a profit. The income relating to this balance sheet item was EUR 179,000 (243,000), while the expenses were EUR 57,000 (119,000) during the financial period. The income primarily consisted of rental income from public water areas.

## Development of business operations

The Metsähallitus Group's business operations (business units) consist of the operations of the enterprise and its subsidiaries, which are Metsähallitus Forestry Ltd, Siemen Forelia Oy, and MH-Kivi Oy.

### Metsähallitus business units

EUR million	2023	2022	2021
Turnover	421.8	410.1	354.8
Other operating income	21.1	25.7	24.7
Fixed asset transfer profits	5.3	10.1	10.3
<b>Financial result</b>	<b>142.4</b>	<b>151</b>	<b>120.1</b>
Investments	23.7	24.4	19.7

### Metsähallitus business units, subsidiaries

EUR million	2023	2022	2021
<b>Metsähallitus Forestry Ltd</b>			
Turnover	393.0	349.0	329.8
Financial result	38.9	17.1	15.7
<b>Siemen Forelia Oy</b>			
Turnover	3.9	4.3	4.1
Financial result	1.0	1.2	1.2
<b>MH-Kivi Oy</b>			
Turnover	0.9	1.2	1.0
Financial result	0.3	0.2	0.1

The business units' turnover mainly consisted of timber sales as well as real estate sales and rental income. Turnover from forestry totalled EUR 393.0 (349.0) million, and the rest comprised rental income and sales of seeds, soil and rock materials. Asset sales revenue is mostly revenue from the sale of real property.

The increase in Metsähallitus Forestry Ltd's turnover was influenced by positive market price trends late in the year. Siemen Forelia Oy's performance dropped as a result of declining demand.

During the financial period, the business units received land areas from the State through transfers of possession and inheritance for a total value of EUR 3.1 (0.3) million.

The business units' investments were covered by cash-flow financing. The largest investments were related to property development and the improvement of forest roads used for forestry purposes. During the financial period, costs incurred from the construction and renovation of forest roads totalled EUR 13.8 (12.1) million.

### Business of Metsähallitus Enterprise

EUR million	2023	2022	2021
Turnover	119.8	151.8	115.8
Other operating income	29.8	34.6	34.8
Fixed asset transfer profits	5.2	10.1	10.1
<b>Financial result</b>	<b>113.4</b>	<b>144.6</b>	<b>115.1</b>
Investments	9.7	12.3	9.2

Metsähallitus Enterprise's business operations consist of property development and Group operations. The turnover mainly consisted of the Metsähallitus Forestry Ltd's compensation for the right to use forests of EUR 95.0 (95.0) million, and of property development sales revenue totalling EUR 24.5 (56.2) million. Other operating income mainly consists of sales of the Group's internal services. The largest investments in the enterprise's business were associated with the acquisition of land for property development. They were covered by cash-flow financing.

## Financing

### Information on the number of fixed asset transfers, transfer prices and profits and losses 1 January – 31 December 2023

Business operations	Number	Book value	Transfer price	Profits	Transfer losses
Exchanges	6	52,424.00	52,424.00	0.00	0.00
Sales, land and water areas	126	313,726.00	5,438,507.12	5,159,159.07	34,377.95
Change in land use - to Public Administration Services	89	6,713,254.00	6,713,254.00	0.00	0.00
Other, land areas	2	54.00	54.00	0.00	0.00
<b>Total</b>	<b>223</b>	<b>7,079,458.00</b>	<b>12,204,239.12</b>	<b>5,159,159.07</b>	<b>34,377.95</b>

Metsähallitus Group's liquid funds totalled EUR 79.1 (107.1) million, and its short-term interest-bearing loans totalled EUR 4.0 (24.0) million at the end of the financial period. The enterprise secures liquidity with an uncommitted loan agreement of EUR 20 million and a commercial paper programme of EUR 50 million. The uncommitted loan agreement was not in use at the turn of the year (EUR 20.0 million in the previous year). No commercial paper programme was in use. Some of the subsidiaries have lines of credit. Metsähallitus does not engage in investment activities.

At the end of the financial period, the Metsähallitus Group had EUR 22.0 (32.2) million in long-term interest-bearing loans. The amount of debt decreased in 2023 because, unlike in the previous year, no lines of credit were in use.

The Metsähallitus Group's cash flow from business operations totalled EUR 141.9 (146.1) million, and the cash flow for the enterprise totalled 116.6 (125.7) million. The cash flow from Metsähallitus Group's investments was EUR -20.3 (-5.6) million, and the cash flow from the sale of assets was EUR 5.3 (17.2) million.

During the financial period, EUR 120.0 million relating to the profit for 2022 was entered as income for the state. The cash flow from financing activities was EUR -149.7 (-106.1) million.

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



Photo: Katri Lehtola

## SERVICE AND OTHER OPERATIONAL TARGETS SET FOR METSÄHALLITUS' BUSINESS, PROFIT AND CONTRIBUTION TO STATE REVENUE FOR THE FINANCIAL YEAR 2023, AND TARGET ACHIEVEMENT

### Targets set by Parliament for the business operations of Metsähallitus enterprise for the year 2023 and their achievement

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

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

The key goals and service targets set for Metsähallitus have been taken into account in its operations. The profitability of Metsähallitus' business operations has remained at a good level, and the result exceeded the target in 2023. Efforts have been made to increase the value of the properties used in business operations by developing them appropriately with consideration for demand. In its business operations, and in providing guidance to its subsidiaries, Metsähallitus has taken into account the general social obligations laid down in the Act on Metsähallitus in a way that increases the benefits. The impact of taking these general social obligations into account reduced the business profit by

EUR 110.3 (80.3) million during the financial period. Metsähallitus releases a separate report, 'General social obligations'.

#### 2. Changes to basic equity

Metsähallitus' basic equity was increased by EUR 0,507 million in accordance with an authorisation granted by Parliament. Metsähallitus' basic equity was reduced by EUR 6.480 million in accordance with an authorisation granted by Parliament in the supplementary budget.

#### 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 and a commercial paper programme of EUR 50 million, but these were not used in 2023. Metsähallitus has not taken out any long-term loans for its business operations.

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

Realised investments totalled EUR 9.7 million, which was less than the maximum sum of EUR 20 million set by Parliament. Investment commitments given that may cause expenditures in later financial periods totalled EUR 5.5 million of the maximum sum of EUR 20 million defined by Parliament.

#### 5. Amount of business guarantees

Metsähallitus provided EUR 1.3 million in guarantees for its operations to parties outside the Group. The authorisation granted by Parliament was EUR 2.0 million.

### Goals set by the Ministry of Agriculture and Forestry and their attainment

In addition to the above-mentioned objectives, the Ministry of Agriculture and Forestry defined objectives for Metsähallitus' business in 2023. The objectives were based on the ownership policy guidelines relating to Metsähallitus, which were confirmed on 28 April 2020. The ownership policy guidelines aim for better coordination of the different forms of land use and the objectives relating to sustainable forestry, supply of timber, biodiversity, recreational use, and climate policy.

In accordance with the ownership policy guidelines, Metsähallitus' forestry operations have a strong focus on active ecological management, climate sustainability, and taking recreational use into account. Furthermore, raw material can be supplied for the forest bioeconomy and its positive impacts on regional economies and employment can be realised in keeping with regional natural resource plans. For example, a growth target was set for Metsähallitus concerning carbon sinks and stores, according to which the objective for multiple-use forests within the scope of business operations is to increase the net carbon sink by at least ten per cent before 2035 by means of measures launched in the ownership policy period 2020–2024 and continued subsequently. The cost of coordination measures under the ownership policy and the loss of revenue effect in 2023 were calculated at EUR 23.5 million.

**Habitat management and HELMI programme implementation**

In keeping with the ownership policy, Metsähallitus continued to implement the programme of active habitat management measures in multiple-use forests launched in 2020. The habitat management programme also implements the HELMI programme. In 2023, Metsähallitus engaged in active ecological management in multiple-use forests across more than 2,500 hectares, generating a cost impact of approximately EUR 1.1 million.

**Key objectives for securing and promoting biodiversity through habitat management and restoration measures in multiple-use forests, and the realisation of the objectives.**

Habitat management and restoration measures	Target for 2023	Implementation 2023
Mire restoration, ha	1,100	1,915
Controlled burning and other use of fire, ha	456	506
Management of herb-rich forests, ha	100	153
Management of sun-lit environments, ha	40	17
Removing obstacles to migration, pcs	165	169

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

There are about 100,000 ecological sites and about 30,000 known habitats where endangered species occur in the multiple-use forests controlled by Metsähallitus. Metsähallitus Forestry Ltd has continued to develop the ecological network of state-owned lands and conduct related species inventories. The ecological network was developed on the basis of data provided by stakeholders and field inspections carried out on different sites. The resources for nature management and species expertise in planning the use of multiple-use forests have been increased.

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

The total surface area covered by felling operations in 2023 was 92,000 hectares, which corresponds to 2.4% of the forest land area in multiple-use forests. Of the total felling area, intermediate felling accounted for 72% and regeneration felling for 28%. Continuous cover silviculture methods were used on 37.0% (9,557 hectares) of the surface area of regeneration fellings. An extended rotation period and continuous cover forest management methods are used on sites where they can help reconcile forest management with such pursuits as recreational use, landscape management, or reindeer husbandry. Peatland regeneration primarily aims for continuous cover silviculture, always grasping any possibilities for natural regeneration.

**Development of continuous cover forest management**

The development of forest management methods continued in the continuous cover silviculture observation areas at Suomussalmi and Savukoski. The observation area in Rautavaara was discontinued after Parliament made a decision to extend the Tiilikajärvi National Park to the observation area. It has been agreed with the Natural Resources Institute Finland that experiments will continue in areas outside the national park. In addition, several other projects involving continuous cover forest management have been carried out with the Natural Resources Institute Finland and educational institutions. The projects involved themes such as managing mire forests and mixed forests, modelling and remote mapping continuous cover forest management methods, and reconciling forestry and reindeer husbandry in continuous cover silviculture.

**Development of forest management methods for peatlands**

The carbon balance models developed for peatlands in collaboration with the Natural Resources Institute Finland are used comprehensively in the planning of operations. Most of Metsähallitus employees and contractors have received training

on water protection and the treatment of peatlands, and the trainings will continue in 2024. In terms of research on the climate impacts of peatlands, Metsähallitus has participated in the Natural Resources Institute Finland’s project ‘Sustainable forest management in peatlands’.

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

Forest fertilisation with the aim of boosting the carbon sequestration capacity and carbon storage of multiple-use forests took place across 31,600 hectares (target 30,000). Ash fertilisation of peatlands accounted for 9,600 hectares of this area. The share of ash fertilisation was increased from 2022, when the equivalent area was 6,877 hectares.

The full impact of the target of increasing fertilisation areas set in 2021 will be seen in forest growth and the carbon sink from 2029 onwards, when an estimated additional growth of 300,000 cubic metres per year and impact on carbon sink of 0.435 million tons of carbon dioxide equivalent per year will have been achieved. In addition to fertilisation, growth and carbon sequestration in multiple-use forests will be promoted by using selectively bred seeds. Improved seeds are used in forest regeneration whenever possible. In 2023, the share of improved seed was 96% of forest reproductive material.

**Carbon sink and carbon storage**

The calculated carbon storage in multiple-use forests in 2023 was 128 million tons of carbon (NFI 12: 118 million). Compared to the levels found in the 12th National Forest Inventory (NFI12) carried out in 2014–2018, the carbon sink of trees grew by 2.7%.

Carbon sink and carbon storage	NFI12	2023	Growth compared to NFI12
Carbon sink, MtCO <sub>2</sub> e	8.2	8.4	2.7%
Carbon storage in trees, million t C	118	128	8.7%



### Natural resource planning

Natural resource planning in Southern Finland was launched in 2023. Natural resources plans for Kainuu, Central and North Ostrobothnia and Metsähallitus' marine areas were completed. The planning for marine areas will promote versatile, sustainable use, sustainable business, and the protection of biodiversity in marine areas. A broad-based stakeholder network participated in the natural resource planning.

### Cooperation relating to reindeer husbandry

Cooperation between Metsähallitus and the Reindeer Herders' Association continued based on the agreement updated in 2021, which intensified collaboration between Metsähallitus and reindeer husbandry stakeholders. The needs of reindeer husbandry and other forms of land use are reconciled in the reindeer herding area south of the Sámi Homeland using jointly agreed procedures. Metsähallitus' Poropaikka application was introduced in most of the reindeer herding cooperatives. Poropaikka offers a channel for distributing map materials and information related to forestry action planning in a way that promotes the implementation of a participatory planning process. Poropaikka enables both Metsähallitus and the reindeer herding cooperatives to examine and comment on the plans.

### Consideration of the Sámi culture

Implementation of the natural resource plan for the Sámi Homeland completed in 2022 is progressing as planned. Communication was active in 2023. The management of Metsähallitus met with representatives of the Sámi reindeer herding cooperatives. In addition, a consultation seminar between Metsähallitus and reindeer herding cooperatives in the Sámi Homeland was organised in the summer. During the seminar, the parties agreed to update the cooperation agreement between the reindeer herding cooperatives in Sámi Homeland, the Sámi Parliament, the Skolt Village Assembly, and Metsähallitus, and

the reform process will be launched in spring 2024. Fellings were conducted in the Hammastunturi reindeer herding cooperative's area after a five-year break on sites jointly agreed with the cooperative. Metsähallitus' Diversity, equality and non-discrimination plan was updated for 2023–2026. The plan sets out our objectives to promote the equality of the Sámi in the employer activities of Metsähallitus and in terms of linguistic rights. Metsähallitus employees took part in several events during the Sámi Languages Week virtually, including a tour of the Sámi Museum, an exhibition at the Nature Centre Siida, an exhibition at the Fell Lapland Visitor Centre, and an information session on the Sámi languages.

### Tourism cooperation

Collaboration between Metsähallitus and other operators in key tourism areas continued in the form of, for example, cooperation groups. Such groups operate in Yli-Muonio, Ylläs, Luosto, and Ritavaara-Miekojärvi area. The group for Sallatunturi began its activities in 2023. These groups are seen as important cooperation forums that have prevented conflicts.

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

Metsähallitus submitted a proposal to the Ministry of Agriculture and Forestry on establishing the Arctic Circle Hiking Area as a state-owned hiking area in accordance with the Outdoor Recreation Act. In accordance with the National Nature Recreation Strategy, hiking areas offer a more versatile and wider range of activities than protected areas, as well as various possibilities for outdoor activities, hobbies, and events for different user groups. Moreover, hiking areas serve as versatile, top-quality well-being, service and event centres for nature tourism, thanks to the diverse services offered by different companies. The establishment of the Arctic Circle Hiking Area also promotes the development of tourism in Rovaniemi, especially during the summer season.

Metsähallitus has initiated the implementation of the proposals prepared by the Evo working group in 2022. The measures are applied in Evo and in other hiking areas on issues such as zoning, stakeholder cooperation, and the development of forest management procedures. In addition, as part of implementing the National Nature Recreation Strategy, Metsähallitus has prepared a plan for developing the hiking area network and utilising the local recreational potential of multiple-use forests.

### Renewable energy

Metsähallitus promotes the attainment of carbon neutrality objectives by facilitating increased production of renewable wind power in state-owned land and water areas. Preliminary data indicates that 1,700,000 Mwh (1,490,000 Mwh) of energy was produced in these areas in 2023.

On 23 November 2023, the Government adopted a government resolution to launch a tender procedure on five new offshore wind farm areas located in Finnish public waters. With the government resolution, Metsähallitus launched a competitive tendering process to select the implementers for the offshore wind power projects off the coast of Närpiö and of Pyhäjoki and Raahe.

Vattenfall became a Metsähallitus project partner for the Korsnäs Offshore Wind Farm project in 2022 when it won the extensive international tendering process. During the year under review, Metsähallitus and Vattenfall agreed to expand the area of the Korsnäs Offshore Wind Farm so that the project capacity can be increased to 2,000 MW instead of the originally planned 1,300 MW. In the future, Metsähallitus and Vattenfall will develop both the original and the additional area as a comprehensive entity. The project will be completed in the 2030s.

### Inputs in general social obligations

The calculated decrease in operating profit corresponding to the benefits created based on Metsähallitus' general social obligations was estimated at EUR 110.3 (80.3) million.

The change is due to higher timber prices and an increased impact of the valid restrictions.

The use of commercial areas has been restricted; some of the areas are completely outside the scope of commercial use, while forestry activities are limited in others. The calculated decrease in turnover is determined on the basis of these factors. In order to preserve biodiversity, promote the use of nature for recreational purposes, and secure favourable conditions for the practice of reindeer

husbandry and Sámi traditions, commercial forestry was limited across 617,000 (17.2%) hectares of multiple use forests (603,000 hectares and 16.7%). The change in the surface area is, in particular, due to more exact definition of reindeer grazing areas in cooperation with reindeer herding cooperatives. These factors reduced Metsähallitus' calculated operating profit by EUR 103.5 million. In addition, an increase in planning costs and the limitations of property development decreased the operating profit by EUR 6.8 million in total. During 2023, a forest resource calculation was introduced for natural resource planning in Kainuu, Central and North Ostrobothnia, which contributes to the limitations of land use and the reduction of areas in commercial use, as well as to the reduced profits.

### Forest land areas covered by land use restrictions due to general social obligations in 2022 and 2023

Obligation	Not in commercial use 2022	Not in commercial use 2023	Restricted use 2022	Restricted use 2023	Total 2022	Total 2023
Biodiversity, ha	185,673	188,569	18,703	19,188	204,376	207,757
Recreational sites, ha	14,517	5,435	179,534	179,007	194,051	184,442
Reindeer husbandry sites, ha	49,608	44,980	32,946	62,833	82,554	107,813
Sámi culture, ha	103,175	104,137	19,115	12,439	122,290	116,576
<b>Total, ha</b>	<b>352,973</b>	<b>343,121</b>	<b>250,298</b>	<b>273,467</b>	<b>603,271</b>	<b>616,588</b>
<b>Total, %</b>	<b>9.8</b>	<b>9.6</b>	<b>6.9</b>	<b>7.6</b>	<b>16.7</b>	<b>17.2</b>

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

Metsähallitus' goal is to promote regional economies and employment by making full use of sustainable felling opportunities within the framework of the natural resource plans and taking into account general social obligations, climate policy objectives and the market situation. In 2023, the sustainable felling

plan for multiple-use forests in accordance with natural resources plans was 6.8 million m<sup>3</sup>, and the harvested timber volume was 6.3 million m<sup>3</sup>. In total, the felling volume was approximately 2.1 million cubic metres less than the maximum potential felling volume set out in the regional natural resource plans for the period under review. Forest management and road construction work were carried out as planned.

### Procurement of areas

Land acquisitions for the needs of the Finnish Defence Forces were carried out as planned in 2023, and they were commissioned by the Defence Forces and the Ministry of Defence. No land acquisitions were made for research needs in 2023.

### EU Biodiversity Strategy

Metsähallitus prepared for inventories required by the European Union's Biodiversity Strategy in view of protecting old-growth and natural forests. However, the completion of the national criteria for old-growth and natural forests and the launch of the inventories were postponed to 2024.

### Operating profit and dividend payment target for the financial period from 1 January to 31 December 2023

The profit of the enterprise totalled EUR 113.4 million (144.6). The result met the target set at EUR 112.4 million. The target for return on investment for the basic equity of the enterprise was 4.7%, while the actual figure was 4.6%.

The Ministry set EUR 110.0 million as the target for income generated for the state out of the profit and retained earnings for the period 2023, to be paid during the year 2024. When adopting the financial statements, the Finnish Government will make its final decision on the sum to be entered as income for the state. The retained earnings from business operations entered in the balance sheet of the enterprise totalled EUR 163.7 million at the end of the financial period, of which profit for the period was EUR 113.4 million.

The long-term objective set by the Ministry is to maintain business profitability at a good level. Metsähallitus Forestry Ltd, Siemen Forelia Oy and MH-Kivi Oy made a profit during the financial period. The profitability of Metsähallitus' business remained at a good level, while the profitability of the business units improved in 2023 compared to 2022.

## Parks & Wildlife Finland – Public Administration Services

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

Parks & Wildlife Finland's turnover consists of the income from operations related to public administration services which are subject to a charge. Fishing and hunting licences account for most of such income. Funding received from state budgets amounted to EUR 69.2 (79.5) million. The value of land and water areas used for public administration services was EUR 1,071.4 (1,042.1) million. The value of built property was EUR 7.2 (7.9) million. The built property includes the buildings and service structures in national parks and protected areas, and buildings on cultural heritage sites. Other equity related to public administration services increased during the financial period. Transfers of possession added EUR 22.2 (13.9) million to the balance sheet. There is no yield target for the equity of Parks & Wildlife Finland. The areas used by Parks & Wildlife Finland for which no yield target has been set total 4.4 million hectares.

The funding of Parks & Wildlife Finland is managed separately from the Group's other funding. Cash flow from operations during the period showed a surplus of EUR 5.3 (-15.5) million. Liquid funds at the end of the financial period totalled EUR 41.8 million.

Public administration services are managed by Nuuksiokeskus Ltd, a subsidiary owned by Metsähallitus. The company's result of EUR -160,000 (-137,000) has been integrated into the consolidated financial statements

## Metsähallitus Group personnel

The Group has no employees abroad.

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

During the review period, the focus was on supervisory work and on supporting and developing the supervisors' efforts. In order to support supervisory work, extensive investments were made in training and development days. Moreover, Metsähallitus' supervisory work has been systematically developed during the current strategy period. According to the results of the personnel survey, the employees' view of their immediate supervisors' work has clearly improved, and in some areas the results were excellent. In addition, common development efforts targeted at all personnel continued in view of, for example, work community skills and the utilisation of artificial intelligence.

Increasing the diversity of personnel through anonymous recruitment is one of the objectives of the Diversity, equality and non-discrimination plan. The target for the first year was reached, and anonymous recruitments accounted for 10% of all recruitments. The goal is to bring the share of anonymous recruitments up to 25% of all recruitments by the end of 2026.

In the autumn, Metsähallitus implemented change negotiations on National Parks Finland and Group operations in accordance with the Co-operation Act. As a result of the change negotiations, 43 positions were discontinued at Metsähallitus. Furthermore, the structure of National Parks Finland's operations was reformed, and a decision was made to examine the structural reform of Group units.

Employees on 31 December 2023	2023	2022	2021
<b>Number of employees</b>			
Total number of employees	1,094	1,167	1,218
permanent	931	928	944
fixed-term	163	239	274
<b>Employees by business unit and subsidiary</b>			
Metsähallitus Forestry Ltd	369	353	384
Public administration services	522	614	638
Group units	112	122	124
Metsähallitus Property Development	78	65	59
Siemen Forelia Oy	13	13	13
MH-Kivi Oy	0	0	0
<b>Number of employees at the head office</b>	<b>188</b>	<b>199</b>	<b>175</b>
<b>Number of employees outside the head office</b>	<b>906</b>	<b>968</b>	<b>1,043</b>
<b>Person-years by business unit and subsidiary</b>			
Metsähallitus Forestry Ltd	1,125	1,244	1,282
Public administration services	384	379	415
Group units	545	666	677
Metsähallitus Property Development	110	124	118
Metsähallitus Property Development	72	62	59
Siemen Forelia Oy	14	13	13
MH-Kivi Oy	0	0	0
<b>Average age of employees, permanent</b>	<b>50</b>	<b>50</b>	<b>51</b>
<b>Gender distribution</b>			
Women, %			
Permanent and fixed-term, total	39	39	37
Men, %			
Permanent and fixed-term, total	61	61	63

## Metsähallitus Group salaries and fees

EUR million	2023	2022	2021
Salaries and fees	60.5	60.5	61.7
of which Enterprise salaries and fees	41.8	43.1	43.2

## Governance and Management

In 2023, the Chair of Metsähallitus' Board of Directors was Päivi Huotari, Vice Chair was Sanna Paanukoski, and the members were Tanja Joonas, Jussi Saukkonen, Tuija Suur-Hamari, Ismo Tiainen, Roope Uusitalo and Keijo Kallunki (personnel representative).

The Audit Committee was chaired by Jussi Saukkonen, and Sanna Paanukoski, Ismo Tiainen and Tuija Suur-Hamari served as members.

The Personnel Committee was chaired by Päivi Huotari, with Tanja Joonas and Roope Uusitalo as members.

The Board of Directors met 12 times in 2023, the Audit Committee 11 times, and the Personnel Committee nine times.

Juha Niemelä served as Director General of Metsähallitus. Metsähallitus' Management Group consisted of Juha Niemelä, Director General; Jukka Bisi, Director, Game and Fisheries; Tuomas Hallenberg, Director, Property Development; Henrik Jansson, Executive Director, Parks & Wildlife Finland; Jussi Kumpula, Managing Director, Metsähallitus Forestry Ltd; Päivi Lazarov, acting Communications Manager until 28 February 2023; Liina Aulin, Communications Manager from 1 March 2023; Heli Lehtonen, Financial Director; Susanna Oikarinen, General Counsel; Anna-Leena Ruuth, Director of Information Management, and Terhi Vires, Director, Human Resources.

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 552,458 (543,526) 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 managing director, the Management Group, remuneration, internal supervision, auditing, and communications.

## Responsibility

Corporate social responsibility is a built-in part of all activities at Metsähallitus that guides and supports the achievement of objectives. Metsähallitus is committed to promoting the UN's Sustainable Development Goals (2030 Agenda) and the UN Guiding Principles on Business and Human Rights in its work.

Metsähallitus' responsibility goals are recorded in the responsibility programme, and the results are published in the annual report and social responsibility reports.

In 2023, the focus of responsibility work was on the upcoming EU sustainability regulations and preparing for the related requirements. During the year, a responsibility roadmap was prepared to meet the requirements of the sustainability regulation, and the materiality analysis was updated in accordance with the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). The purpose of the analysis was to assess the essential impacts, risks and opportunities of Metsähallitus operations following the principles of double materiality.

Comprehensive regulatory developments, especially in the natural resources sectors, require proactive operational development. A Group-level network was established for regulatory monitoring, with the task of assessing the impacts of the new regulation on Metsähallitus' operations.

In addition to the procurement process, the focus in contract management was on developing tourism cooperation agreements with regard to sustainability requirements. In 2024, the responsibility targets will be increasingly integrated into each procurement.

The management of environmental issues in Metsähallitus is guided by a certified environmental management system based on the international ISO 14001 standard. In addition, Metsähallitus Forestry Ltd has in place a certified energy efficiency management system, ETJ+. Commercially exploited multiple-use forests are PEFC certified, and the timber supplied by Metsähallitus also meets FSC Controlled Wood criteria. In 2023, environmental management was developed by harmonising strategic environmental objectives in order to enhance the impact of our operations and measures.

Metsähallitus Forestry Ltd conducted a pilot audit focusing on human rights based on the findings of the human rights impact assessment. The supplier audit on a forest service entrepreneur carried out by a third-party focused especially on foreign labour and securing their rights. Supplier audits will be continued in 2024 and extended to machine contractors.

At the end of the review period, it became clear that one of Metsähallitus' subsidiary Siemen Forelia Oy's contractors was suspected of human trafficking in its berry picking business. The company has served as a contractor of Siemen Forelia Oy in seed collection from forest trees. The company was asked to provide a report on the matter, in addition to which the authorities were contacted. The situation is still ongoing, and the investigation work will continue. At the beginning of 2024, Siemen Forelia launched a process examination and development project on supply chain management with the aim of guaranteeing the implementation of human rights also in the value chain. In connection with the case, one of Metsähallitus' customers carried out a private audit at Siemen Forelia. The surveys identified areas for development, which sparked a development process on supply chain conformity that will continue in 2024.

Indicators concerning the economic impacts of the value creation model and biodiversity were developed by assessing the regional economic impacts of Property Development and adding the share of mixed forests to the indicators for biodiversity.

### **Risk management**

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

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

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

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

### **Risk management in 2023**

The operating environment became even more challenging in 2023. As a result of the geopolitical situation, additional investments were made in securing operations. During the year, the development of risk management continued based on the new development needs identified in previous observations. Ensuring compliance supports the achievement of objectives.

Responsibility risks and their management are a part of comprehensive risk management. Practical implementation of Metsähallitus' Climate Programme and efforts to prevent risks related to climate change were taken into account when planning the use of multiple-use forests, in the instructions for their management and treatment, and when developing the functionalities and spatial data content of the forest resource and planning system. Special attention was paid to risk management in project development efforts on offshore wind farms. Risk management related to project development supported the reform of risk management at Metsähallitus and brought up new requirements for operations.

### **Key risks**

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

For Metsähallitus, key risks include negative development of timber and property prices and significant fluctuations in demand. The importance of offshore wind power has increased in Metsähallitus' operations. Offshore wind power involves societally significant perspectives, such as the improvement of energy self-sufficiency and a strong emphasis on renewable energy. Offshore wind projects involve risks that are not within Metsähallitus' sphere of influence, such as legislation related to potential projects in the exclusive economic zone and the making of investment decisions related to wind power in a highly volatile market situation. The progress of offshore wind power projects will have a significant economic impact on Metsähallitus. Failure to reconcile various activities as well as objectives and intents related to the state-owned land and water areas managed by Metsähallitus may have an effect on attaining the targets. Any imbalance between the targets set for Metsähallitus and the available resources puts at risk, or even prevents, target achievement.

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

The impacts of climate change on natural conditions, adapting to the changes, and mitigating the negative impacts are very important factors in Metsähallitus' activities and operating environment. Climate change exacerbates the risks of damage caused by storms and forest pests. Storm damage presents challenges for timber harvesting and increases financial risk as the value of timber declines and costs rise.

Changes in off-road conditions can also hamper the personnel's operative work in the terrain and increase the risk of accidents.

Metsähallitus maintains information on risks related to contaminated sites. These risks are classified as primary and secondary responsibilities in accordance with the relevant legislation.

Metsähallitus mainly bears secondary responsibility. The statement on contaminated soils is updated on a regular basis, and measures are taken to prepare for potential costs by including mandatory provisions in the financial statements.

Particular attention will be paid to the risks associated with customer safety, so that the services are safe to use. For example, poor condition of service structures or inadequate signposting can cause hazardous situations. A continuous decline in the level of funding may require further adjustment measures in the future, which may have negative impacts on sustainability, customer safety and the regional economy.

Many potential benefits have been identified in relation to promoting digitalisation in Metsähallitus. Overall, 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 the information system operations 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. New solutions were introduced in 2023 to protect Metsähallitus' data processing environment.

### Key events after the financial period

The operations of Metsähallitus and the Group ran according to plan in the first part of 2024, and the activities have not involved events with substantial impact on the Group's profit or balance position.

### Outlook and goals set by the owner for 2024

The national economic outlook influences the operations of Metsähallitus Group in various ways. Financial performance is largely dependent on the timber market situation. The outlook on the demand side in Metsähallitus' other key business area, the property business, is significantly affected by land-use planning, other permit processes, and energy market development. New ownership policy objectives were set for Metsähallitus for the period 2024–2027.

The business targets and activities are based on a performance agreement for 2024 concluded with the steering ministry.

The targets set for Parks & Wildlife Finland are based on performance agreements concluded with the steering ministries. A significant decrease in the funding of Parks & Wildlife Finland after the end of the additional funding period will affect the activities in 2024, but preparations have been made by reforming the operating methods and organisation.

### Board of directors' proposal for the distribution of retained earnings

Metsähallitus Enterprise's retained earnings total EUR 163,671,172.20, of which the profit for the financial period is EUR 113,444,744.67.

The Enterprise's retained earnings total EUR 163,671,172.20, of which the profit for the financial period is EUR 113,444,744.67.

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

# Profit and loss statement

EUR	Note	Metsähallitus Group 1 Jan – 31 Dec 2023	Metsähallitus Group 1 Jan – 31 Dec 2022	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022
TURNOVER	1.1	435,259,778.19	423,320,253.57	134,866,164.04	166,535,682.19
Other operating income	1.2	11,270,491.28	16,092,953.20	20,115,804.66	25,209,764.96
Financing for other operations from the State budget	1.3	69,220,289.48	79,463,502.29	69,219,061.81	79,463,502.29
Materials and services					
Raw materials and consumables					
Purchases during the financial year		11,065,868.44	9,636,242.01	3,625,335.98	5,096,428.99
Variation in inventories		-3,595,289.22	440,704.50	0.00	0.00
External services		213,005,197.51	208,680,629.08	18,130,570.36	26,370,595.48
Raw materials and services, total		220,475,776.73	218,757,575.59	21,755,906.34	31,467,024.47
Personnel expenses					
Salaries and fees	1.4	60,527,726.56	60,536,232.86	41,842,052.61	43,146,679.43
Social security expenses					
Pension expenses		10,196,426.88	9,662,935.43	6,832,414.36	6,971,917.25
Other social security expenses		2,226,009.57	2,094,165.97	1,521,936.38	1,417,465.85
Personnel expenses, total		72,950,163.01	72,293,334.26	50,196,403.35	51,536,062.53
Depreciation, amortisation and impairment					
Depreciation, amortisation and impairment in total	1.5	12,612,419.16	11,501,217.13	4,106,137.72	4,068,404.50
Other operating costs	1.6	50,766,383.07	50,559,632.29	40,046,850.46	41,776,877.56
<b>OPERATING PROFIT</b>		<b>158,945,816.98</b>	<b>165,764,949.79</b>	<b>108,095,732.64</b>	<b>142,360,580.38</b>
Financial income and expenses					
Income from other investments under non-current assets		95,303.24	62,049.25	11,332,924.46	12,162,049.25
Share of associated undertakings' profit/loss		12,658.00	0.00	0.00	0.00
Other interest and financial income		679,294.41	60,074.23	488,433.48	33,035.40
Interest and other financial expenses		1,284,131.84	747,604.87	194,780.07	247,443.32
Financial income and expenses in total	1.7	-496,876.19	-625,481.39	11,626,577.87	11,947,641.33
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>		<b>158,448,940.79</b>	<b>165,139,468.40</b>	<b>119,722,310.51</b>	<b>154,308,221.71</b>
Income taxes		15,124,881.77	14,100,973.33	5,185,883.97	9,561,992.55
Transfer of the profits of Public Administration Service to Equity		-1,091,681.87	-185,969.53	-1,091,681.87	-185,969.53
Minority share		50,910.73	43,666.41	0.00	0.00
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>142,283,287.88</b>	<b>150,896,191.95</b>	<b>113,444,744.67</b>	<b>144,560,259.63</b>

# Balance sheet, assets

EUR	Note	Metsähallitus Group 31 Dec 2023	Metsähallitus Group 31 Dec 2022	Enterprise 31 Dec 2023	Enterprise 31 Dec 2022
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Intangible rights		25,420.16	40,672.25	0.00	0.00
Other intangible assets		3,021,173.51	4,936,514.44	2,697,887.76	3,681,170.39
Advance payments and work in progress		3,197,412.96	1,293,792.00	2,894,451.00	1,293,792.00
Intangible assets in total		6,244,006.63	6,270,978.69	5,592,338.76	4,974,962.39
Tangible assets					
Land and water areas		3,967,522,235.75	3,938,185,522.20	3,966,442,584.50	3,936,971,768.85
Roads		73,560,620.90	68,411,150.05	19,624,627.88	20,887,702.17
Buildings and structures		21,111,617.47	22,417,562.42	9,075,735.01	10,148,407.31
Machinery and equipment		666,330.95	770,480.40	82,784.18	119,529.09
Other tangible assets		117,959.96	139,796.08	10,599.04	10,599.04
Advance payments and work in progress		7,079,893.21	4,165,822.37	6,955,350.26	4,144,955.24
Tangible assets in total		4,070,058,658.24	4,034,090,333.52	4,002,191,680.87	3,972,282,961.70
Investments					
Shares in Group's subsidiaries	1.9	0.00	0.00	49,725,635.81	49,725,635.81
Holdings in associated undertakings	1.9	1,482,689.48	1,470,031.48	1,470,031.48	1,470,031.48
Other shares and holdings	1.10	1,419,155.79	1,419,155.79	1,828,028.20	1,828,028.20
Investments in total		2,901,845.27	2,889,187.27	53,023,695.49	53,023,695.49
<b>NON-CURRENT ASSETS IN TOTAL</b>		<b>4,079,204,510.14</b>	<b>4,043,250,499.48</b>	<b>4,060,807,715.12</b>	<b>4,030,281,619.58</b>

EUR	Note	Metsähallitus Group 31 Dec 2023	Metsähallitus Group 31 Dec 2022	Enterprise 31 Dec 2023	Enterprise 31 Dec 2022
CURRENT ASSETS					
Inventories					
Finished products		17,483,653.85	13,672,206.60	0.00	0.00
Work in progress		469,366.00	685,524.00	0.00	0.00
Inventories in total		17,953,019.85	14,357,730.60	0.00	0.00
Receivables					
Non-current receivables					
Other receivables	1.11	4,175,015.72	4,175,015.72	3,000,000.00	3,000,000.00
Non-current receivables in total		4,175,015.72	4,175,015.72	3,000,000.00	3,000,000.00
Current receivables					
Accounts receivable		55,525,765.60	44,877,852.95	2,386,920.78	2,500,203.14
Receivables from Group's subsidiaries	1.12	0.00	0.00	608,486.66	215,185.77
Receivables from associated undertakings	1.12	232,395.24	0.00	232,395.24	0.00
Other receivables	1.13	1,146,600.94	332,771.83	823,490.56	228,621.94
Prepayments and accrued income	1.14	4,964,455.66	5,839,946.26	4,552,121.84	5,541,665.24
Current receivables in total		61,869,217.44	51,050,571.04	8,603,415.08	8,485,676.09
Cash in hand and at banks		79,068,695.54	107,126,876.94	70,625,684.42	106,003,717.41
<b>CURRENT ASSETS IN TOTAL</b>		<b>163,065,948.55</b>	<b>176,710,194.30</b>	<b>82,229,099.50</b>	<b>117,489,393.50</b>
<b>ASSETS IN TOTAL</b>		<b>4,242,270,458.69</b>	<b>4,219,960,693.78</b>	<b>4,143,036,814.62</b>	<b>4,147,771,013.08</b>



# Balance sheet, equity and liabilities

EUR	Note	Metsähallitus Group 31 December 2023	Metsähallitus Group 31 December 2022	Enterprise 31 December 2023	Enterprise 31 December 2022
EQUITY AND LIABILITIES					
EQUITY					
Basic equity	1.15	2,586,087,873.64	2,592,060,830.84	2,586,087,873.64	2,592,060,830.84
Other equity		224,811,631.77	224,811,631.77	224,811,631.77	224,811,631.77
Other equity of Public Administration Service		1,098,351,160.12	1,067,931,938.46	1,098,351,160.12	1,067,931,938.46
Retained earnings		68,358,526.74	37,462,334.80	50,226,427.53	25,666,167.90
Profit for the financial year		142,283,287.88	150,896,191.95	113,444,744.67	144,560,259.63
<b>EQUITY IN TOTAL</b>		<b>4,119,892,480.15</b>	<b>4,073,162,927.81</b>	<b>4,072,921,837.73</b>	<b>4,055,030,828.60</b>
<b>MINORITY SHARE</b>	<b>1.16</b>	<b>4,602,549.60</b>	<b>4,653,460.33</b>	<b>0.00</b>	<b>0.00</b>
<b>PROVISIONS</b>					
Other provisions	1.17	2,623,185.57	2,838,285.57	2,051,810.00	2,101,810.00
<b>LIABILITIES</b>					
Non-current liabilities					
Loans from financial institutions	1.18	22,000,000.00	32,187,440.37	0.00	0.00
Other liabilities		537,000.00	0.00	537,000.00	0.00
Non-current liabilities in total		22,537,000.00	32,187,440.37	537,000.00	0.00
Current liabilities					
Loans from financial institutions	1.19	4,000,000.00	24,000,000.00	0.00	20,000,000.00
Advances received		28,111,078.58	25,879,806.83	27,719,392.18	25,430,894.61
Accounts payable		16,486,831.60	16,434,746.40	7,369,411.87	6,999,384.16
Debts to Group's subsidiaries	1.20	0.00	0.00	7,468,547.37	14,536,880.04
Other liabilities	1.21	21,831,482.82	16,627,333.46	9,518,237.59	7,239,302.08
Accruals and deferred income	1.22	22,160,920.34	24,147,159.30	15,450,577.88	16,431,913.59
Deferred tax liabilities		24,930.03	29,533.71	0.00	0.00
Current liabilities in total		92,615,243.37	107,118,579.70	67,526,166.89	90,638,374.48
<b>LIABILITIES IN TOTAL</b>		<b>115,152,243.37</b>	<b>139,306,020.07</b>	<b>68,063,166.89</b>	<b>90,638,374.48</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>		<b>4,242,270,458.69</b>	<b>4,219,960,693.78</b>	<b>4,143,036,814.62</b>	<b>4,147,771,013.08</b>

# Cash flow statement

EUR	Metsähallitus Group 1 Jan – 31 Dec 2023	Metsähallitus Group 1 Jan – 31 Dec 2022	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022
<b>CASH FLOW FROM BUSINESS OPERATIONS</b>				
Payments from sales	424,644,519.44	418,291,486.55	135,010,364.98	166,998,243.02
Payments from other operating income	6,764,349.72	5,344,998.93	14,545,337.82	14,473,980.27
Payments from operating charges	-341,508,311.21	-343,509,354.57	-107,007,240.37	-138,839,630.45
Cash flow from business operations, before financial items and taxes	89,900,557.95	80,127,130.91	42,548,462.43	42,632,592.84
Interest paid and other financial expenses	-1,284,131.84	-747,604.87	-194,780.07	-247,443.32
Interest income from business operations	41,281.30	59,959.34	31,437.55	33,035.40
Dividends received	733,316.35	62,164.14	11,789,920.39	12,162,049.25
Direct taxes	-16,681,778.34	-12,892,853.87	-6,773,778.16	-8,338,004.42
Cash flow before the State's budget funding	72,709,245.42	66,608,795.65	47,401,262.14	46,242,229.75
State's budget funding for other operations	69,220,289.48	79,463,502.29	69,219,061.81	79,463,502.29
<b>Cash flows from operating activities</b>	<b>141,929,534.90</b>	<b>146,072,297.94</b>	<b>116,620,323.95</b>	<b>125,705,732.04</b>
<b>INVESTMENTS</b>				
Purchase of environmental protection areas, shares	-353,537.05	-26,157.94	-353,537.05	-26,157.94
Purchase of fixed assets, funding by Ministry	-57,183.68	-8,543,411.23	-57,183.68	-8,543,411.23
Purchase of fixed assets, EU funding	-181,621.10	-574,286.44	-181,621.10	-574,286.44
Purchase of fixed assets, other funding	-28,354,429.65	-21,427,880.09	-14,199,465.78	-10,859,997.60
Investments in tangible and intangible assets	5,315,584.65	17,253,365.08	5,206,926.21	17,188,840.48
Purchase of other investments held as non-current assets	0.00	-1,470,031.48	0.00	-1,470,031.48
Shareholder investment in/return on environmental protection areas and shares	353,537.05	26,157.94	353,537.05	26,157.94
Investment aid received	2,940,373.85	9,117,697.67	2,940,373.85	9,117,697.67
<b>Cash flows from investing activities</b>	<b>-20,337,275.93</b>	<b>-5,644,546.49</b>	<b>-6,290,970.50</b>	<b>4,858,811.40</b>
<b>FINANCING</b>				
Change in other non-current, interest-bearing loans	-10,187,440.37	-10,048,633.21	0.00	0.00
Change in other non-current, non-interest-bearing loans	537,000.00	-52,000.00	537,000.00	-52,000.00
Change in current loans from financial institutions	-20,000,000.00	14,000,000.00	-20,000,000.00	14,000,000.00
Change in Group loans to subsidiaries	0.00	0.00	-6,244,386.44	-379,533.47
Contribution to State revenue	-120,000,000.00	-110,000,000.00	-120,000,000.00	-110,000,000.00
<b>Cash flows from financing activities</b>	<b>-149,650,440.37</b>	<b>-106,100,633.21</b>	<b>-145,707,386.44</b>	<b>-96,431,533.47</b>
<b>CHANGE IN LIQUID FUNDS</b>	<b>-28,058,181.40</b>	<b>34,327,118.24</b>	<b>-35,378,032.99</b>	<b>34,133,009.97</b>
Liquid funds on 1 Jan	107,126,876.94	72,799,758.70	106,003,717.41	71,870,707.44
Liquid funds on 31 Dec	79,068,695.54	107,126,876.94	70,625,684.42	106,003,717.41
<b>Net change in cash and cash equivalents</b>	<b>-28,058,181.40</b>	<b>34,327,118.24</b>	<b>-35,378,032.99</b>	<b>34,133,009.97</b>

# Notes to the financial statements 2023

The financial statements for 2023 were prepared in compliance with the Act on Metsähallitus (234/2016) and Government Decree (1368/2016).

The financial statements cover the period from 1 January to 31 December 2023, and the comparative information dates from the previous financial year, 1 January to 31 December 2022.

## Metsähallitus Group and Enterprise

Metsähallitus Group includes the business operations of the Metsähallitus Enterprise and Public Administration Services (Parks & Wildlife Finland) as well as their subsidiaries, namely Metsähallitus Forestry Ltd, MH-Kivi Oy, Siemen Forelia Oy, and Nuuksiokeskus Oy, as well as a 25-per cent share of the company Korsvind Oy established in 2021.

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

Nuuksiokeskus Oy is a subsidiary of the Public Administration Services.

## State budget financing for the Public Administrative Services

In the enterprise's profit and loss account, financing received from the State budget is reported as income on an accrued basis, matching it with the expenses (excluding depreciations), expense adjustments and the acquisition costs of fixed assets subject to wear and tear for the accounting period. Financing received during the financial period for incomplete buildings and other fixed assets is entered as acquisition cost deductions. The notes on Parks & Wildlife Finland present the financing received from the State budget.

## Valuation and allocation principles

### Non-current assets

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

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

Following this, all assets transferred into or from the possession of the enterprise without a consideration were measured at fair value upon the transfer. Once the enterprise has received a decision on the transfer of assets and an auditor's report, the assets will be recorded as having been added to or deducted from the asset account of the balance sheet. The counter item is "Equity adjustment" under "Other liabilities" on the balance sheet, from which the transfer to or from basic equity is performed after the ministry has issued its decision on the change in basic equity.

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

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

## 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.

## Notes to the consolidated financial statements

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

The consolidated financial statements have been prepared using the purchase method. Internal Group transactions, as well as internal Group receivables and liabilities, have been eliminated. The Group's calculated deferred tax assets are presented in the notes.

The associated company has been integrated into the consolidated financial statements using the equity method. The Group's share of the associated undertakings' profit and loss, in proportion to the Group's shareholding in the undertakings, is presented in the financial items.

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 statement

MEUR	Note	Metsähallitus Group 1 Jan – 31 Dec 2023	Metsähallitus Group 1 Jan – 31 Dec 2022	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022
<b>Turnover by business unit</b>	1.1				
Forestry Business		391.5	347.6	95.0	95.0
Metsähallitus Property Development		24.5	56.2	24.5	56.2
Sale of soil and rock resources		0.9	1.1	0.0	0.0
Seed and sapling production		3.4	3.6	0.0	0.0
Others		14.9	14.9	15.3	15.3
<b>Total</b>		<b>435.3</b>	<b>423.3</b>	<b>134.9</b>	<b>166.5</b>
<b>Other operating income</b>	1.2				
Gains on the sale of fixed assets		5.4	10.2	5.3	10.2
Other income		5.9	5.9	14.9	15.0
<b>Total</b>		<b>11.3</b>	<b>16.1</b>	<b>20.1</b>	<b>25.2</b>
<b>Funding received from the State budget</b>	1.3				
Financing for other operations from the Budget during the financial period as income on an accrued basis		69.2	79.5	69.2	79.5
<b>Wages and salaries paid to the management, 1000 EUR</b>	1.4				
Wages and salaries paid to the Board and Managing Director during the financial period		1,037	989	552	544
<b>Depreciation according to plan</b>	1.5				
Intangible assets		9,4	7,7	1,4	1,0
Roads		1,4	1,4	1,4	1,4
Buildings and structures		1,5	1,9	1,2	1,6
Machinery and equipment, other tangible assets		0,3	0,2	0,1	0,1
<b>Total</b>		<b>12,6</b>	<b>11,3</b>	<b>4,1</b>	<b>4,1</b>

Depreciation according to plan, depreciation periods	Before 1 Jan 2020	Starting from 1 Jan 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	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 statement

MEUR	Note	Metsähallitus Group 1 Jan – 31 Dec 2023	Metsähallitus Group 1 Jan – 31 Dec 2022	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022
<b>Other operating costs</b>	1.6				
Facility expenses		11.9	13.7	10.4	12.6
ICT expenses		16.4	14.1	13.6	11.3
Travelling expenses		5.8	5.9	3.1	3.6
External services		3.2	2.4	2.5	2.1
Machinery and equipment expenses, vehicle expenses		3.9	4.1	3.3	3.5
Other social security expenses		3.1	3.4	1.9	2.5
Other expenses		6.5	7.1	5.2	6.1
Group internal expenses		0.0	0.0	0.0	0.0
<b>Total</b>		<b>50.8</b>	<b>50.6</b>	<b>40.0</b>	<b>41.8</b>
<b>Other interest and financial income</b>	1.7				
Dividend income from external sources		0.1	0.1	0.1	0.1
Dividend income from subsidiaries		0.0	0.0	11.2	12.1
Share of associated undertakings' profit/loss		0.0	0.0	0.0	0.0
Interest income		0.7	0.1	0.5	0.0
<b>Total</b>		<b>0.8</b>	<b>0.1</b>	<b>11.8</b>	<b>12.2</b>
<b>Interest and other financial expenses</b>					
Interest expenses		1.3	0.7	0.2	0.2
<b>Total</b>		<b>1.3</b>	<b>0.7</b>	<b>0.2</b>	<b>0.2</b>
<b>Financial income and expenses in total</b>		<b>-0.5</b>	<b>-0.6</b>	<b>11.6</b>	<b>11.9</b>

# Notes to balance sheet

MEUR	Note	Intangible assets	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery and equipment, other tangible assets	Incomplete projects	Shares and holdings, other receivables	Total
<b>Non-current assets</b>	1.8								
<b>Metsähallitus Group</b>									
Acquisition cost on 1 Jan		28.7	3,943.2	155.8	97.7	29.4	4.2	2.9	4,262.0
Increases		2.4	37.5	13.7	0.6	0.1	3.8	0.0	58.1
Decreases		-0.1	-8.1	0.0	-0.5	0.0	-0.9	0.0	-9.5
Reduction in value		0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1
<b>Acquisition cost on 31 Dec</b>		<b>31.1</b>	<b>3,972.6</b>	<b>169.5</b>	<b>97.9</b>	<b>29.6</b>	<b>7.1</b>	<b>2.9</b>	<b>4,310.5</b>
Accumulated depreciation and reduction in value 1 Jan		22.5	5.1	87.4	75.3	28.5	0.0	0.0	218.7
Depreciation during the financial year		2.3	0.0	8.5	1.5	0.3	0.0	0.0	12.6
<b>Accumulated depreciation on 31 Dec</b>		<b>24.8</b>	<b>5.1</b>	<b>95.9</b>	<b>76.8</b>	<b>28.8</b>	<b>0.0</b>	<b>0.0</b>	<b>231.3</b>
Book value on 1 Jan		6.3	3,938.2	68.4	22.4	0.9	4.2	2.9	4,043.2
<b>Book value on 31 Dec</b>		<b>6.2</b>	<b>3,967.5</b>	<b>73.6</b>	<b>21.1</b>	<b>0.8</b>	<b>7.1</b>	<b>2.9</b>	<b>4,079.2</b>
Production machinery and equipment, book value on 31 Dec						0.8			
<b>Enterprise</b>									
Acquisition cost on 1 Jan		13.1	3,938.8	98.3	77.8	16.9	4.1	53.0	4,202.0
Increases		1.9	37.5	-2.7	-3.2	-0.2	3.7	0.0	36.9
Decreases		-0.1	-8.0	0.0	-0.5	0.0	-0.9	0.0	-9.5
<b>Acquisition cost on 31 Dec</b>		<b>14.9</b>	<b>3,968.3</b>	<b>95.5</b>	<b>74.1</b>	<b>16.7</b>	<b>7.0</b>	<b>53.0</b>	<b>4,229.5</b>
Accumulated depreciation and reduction in value 1 Jan		7.9	1.8	74.4	63.8	16.6	0.0	0.0	171.8
Depreciation during the financial year		1.4	0.0	1.4	1.2	0.1	0.0	0.0	4.1
<b>Accumulated depreciation on 31 Dec</b>		<b>9.3</b>	<b>1.8</b>	<b>75.9</b>	<b>65.0</b>	<b>16.6</b>	<b>0.0</b>	<b>0.0</b>	<b>168.7</b>
Book value on 1 Jan		5.0	3,937.0	20.9	10.1	0.1	4.1	53.0	4,030.29
<b>Book value on 31 Dec</b>		<b>5.6</b>	<b>3,966.4</b>	<b>19.6</b>	<b>9.1</b>	<b>0.1</b>	<b>7.0</b>	<b>53.0</b>	<b>4,060.81</b>
Production machinery and equipment, book value on 31 Dec						0.1			

## Notes to balance sheet

	Note	Holdings, %	Book value in the parent company, EUR
<b>Shares in subsidiaries</b>	1.9		
<b>Enterprise</b>			
Metsähallitus Forestry Ltd, Rovaniemi		100	25,649,635.81
MH-Kivi Oy, Oulu		100	6,400,000.00
Siemen Forelia Oy, Jyväskylä		100	5,476,000.00
Nuuksiokeskus Oy, Espoo		68.11	12,200,000.00
<b>Total</b>			<b>49,725,635.81</b>

MEUR	Note	Metsähallitus Group 2023	Metsähallitus Group 2022	Enterprise 2023	Enterprise 2022
<b>Other shares and holdings</b>	1.10				
Shares and holdings, book value					
Shares in subsidiaries		0.0	0.0	49.7	49.7
Holdings in associated undertakings					
Korsvind Oy, Korsnäs, 25%		1.5	1.5	1.5	1.5
Other shares and receivables		1.4	1.4	1.8	1.8
<b>Total</b>		<b>2.9</b>	<b>2.9</b>	<b>53.0</b>	<b>53.0</b>
<b>Non-current receivables</b>	1.11				
Other receivables		3.0	3.0	3.0	3.0
Guaranteed deposits		1.2	1.2	0.0	0.0
<b>Total</b>		<b>4.2</b>	<b>4.2</b>	<b>3.0</b>	<b>3.0</b>
<b>Receivables from Group's subsidiaries</b>	1.12				
Accounts receivable				0.2	0.2
Other receivables				0.4	0.1
<b>Total</b>				<b>0.6</b>	<b>0.2</b>
<b>Receivables from associated undertakings</b>					
Accounts receivable		0.2	0.0	0.2	0.0
<b>Total</b>		<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>

## Notes to balance sheet

MEUR	Note	Metsähallitus Group 2023	Metsähallitus Group 2022	Enterprise 2023	Enterprise 2022
<b>Other receivables, current</b>	1.13				
Other prepayments, prepaid expenses		0.3	0.2	0.2	0.2
Deferred VAT and tax assets		0.8	0.1	0.6	0.0
<b>Total</b>		<b>1.1</b>	<b>0.3</b>	<b>0.8</b>	<b>0.2</b>
<b>Current prepayments and accrued income</b>	1.14				
Life projects, accrued income		2.6	1.8	2.5	1.7
EU Structural Fund projects, accrued income		1.0	2.6	1.0	2.6
Project receivables, other accrued income		0.6	1.1	0.5	1.1
Other prepaid expenses, purchase invoices		0.7	0.5	0.5	0.2
<b>Total</b>		<b>5.0</b>	<b>5.8</b>	<b>4.6</b>	<b>5.5</b>
<b>Equity</b>	1.15				
Basic equity on 1 Jan		2,592.1	2,591.8	2,592.1	2,591.8
Transfers of possession, inheritance by the State		0.8	0.3	0.8	0.3
Changes in land use		-6.7	-0.1	-6.7	-0.1
Other changes, including basic equity return and value adj.		-0.1	0.1	-0.1	0.1
Basic equity on 31 Dec		2,586.1	2,592.1	2,586.1	2,592.1
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
Other equity from public administration services on 1 Jan		1,067.9	1,059.0	1,067.9	1,059.0

MEUR	Note	Metsähallitus Group 2023	Metsähallitus Group 2022	Enterprise 2023	Enterprise 2022
Transfers of possession, inheritance by the State		22.3	13.9	22.3	13.9
Changes in land use		6.7	0.1	6.7	0.1
Other changes, including basic equity return and value adj.		0.0	-5.3	0.0	-5.3
Shareholder investment in purchase of environmental conservation areas		0.4	0.0	0.4	0.0
Transfer of profits for the financial year from public administration services to Equity		1.1	0.2	1.1	0.2
Other equity on 31 Dec		1,098.4	1,067.9	1,098.4	1,067.9
Retained earnings on 1 Jan		188.4	147.5	170.2	135.7
Contribution to State revenue		-120.0	-110.0	-120.0	-110.0
Retained earnings on 31 Dec		68.4	37.5	50.2	25.7
Profit for the financial year 1 Jan–31 Dec		142.3	150.9	113.4	144.6
Results for previous financial year and current financial year on 31 Dec		210.6	188.4	163.7	170.2
<b>Equity in total on 31 Dec</b>		<b>4,119.9</b>	<b>4,073.2</b>	<b>4,072.9</b>	<b>4,055.0</b>
<b>Minority share</b>	1.16				
Nuukiokeskus Oy		4.6	4.7		
<b>Minority share in total</b>		<b>4.6</b>	<b>4.7</b>		



## Notes to balance sheet

MEUR	Note	Metsähallitus Group 2023	Metsähallitus Group 2022	Enterprise 2023	Enterprise 2022
<b>Provisions</b>	1.17				
Other provisions		2.6	2.8	2.1	2.1
<b>Provisions, total</b>		<b>2.6</b>	<b>2.8</b>	<b>2.1</b>	<b>2.1</b>
<b>Total of long-term loans due in a period exceeding 5 years</b>	1.18				
<b>Total</b>		<b>22.0</b>	<b>32.2</b>	<b>0.0</b>	<b>0.0</b>
<b>Amount of debt not paid to the State</b>	1.19				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		2.7	2.4	1.9	1.7
<b>Debts to Group's subsidiaries</b>	1.20				
Accounts payable				0.3	0.2
Accruals and deferred income				0.0	0.9
Consolidated liabilities				7.2	13.5
<b>Total</b>				<b>7.5</b>	<b>14.5</b>
<b>Other liabilities, non-current and current</b>	1.21				
VAT liabilities		16.2	13.8	4.3	4.8
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		1.5	1.3	1.1	1.0
Equity reviews		3.4	1.0	3.4	1.0
Others		0.7	0.5	0.7	0.5
<b>Total</b>		<b>21.8</b>	<b>16.6</b>	<b>9.5</b>	<b>7.2</b>
<b>Accruals and deferred income</b>	1.22				
Differentiated statutory personnel expenses		1.6	1.4	1.1	1.0
Holiday pay liabilities, including social security expenses		11.1	11.4	7.5	8.1
Other differentiated personnel expenses		8.1	6.9	5.8	4.4
Tax averaging		0.3	2.4	0.0	1.0
Others		1.2	2.0	1.0	1.9
<b>Total</b>		<b>22.2</b>	<b>24.2</b>	<b>15.5</b>	<b>16.4</b>

# Other notes

	Note	Metsähallitus Group 2023	Metsähallitus Group 2022	Enterprise 2023	Enterprise 2022
<b>Contingent liabilities (MEUR)</b>	1.23				
Leasing liabilities					
paid during the financial year		2.2	2.4	2.0	2.1
to be paid during the following year		2.2	2.2	2.0	2.0
to be paid at a later date		2.6	2.6	2.3	2.4
Bank guarantee liabilities		2.9	2.0	1.3	0.4
Other banking liabilities		0.5	1.0	0.0	0.5
Deposited securities, guarantee deposits		0.8	0.8	0.0	0.0
Financial liabilities relating to wind power		1.7	1.7	1.7	1.7
Investment commitments		5.5	3.4	5.5	3.4
<b>Leasing liabilities, MEUR (VAT 0)</b>		2.9	3.8	2.9	3.8
<b>Related-party transactions</b>	1.24				
<b>Internal Group transactions during the financial year*</b>					
Sale of goods				0.4	0.5
Sale of services				119.6	119.4
Purchase of goods				0.1	0.2
Purchase of services				16.6	14.4
<b>Total</b>				<b>103.2</b>	<b>105.2</b>
<b>Number of employees during the period, person-years</b>	1.25				
Employees and supervisors		1,125	1,244	727	852
<b>Calculated deferred tax assets and liabilities</b>	1.26				
Calculated deferred tax assets					
from subsidiary losses		1.5	1.7		
from provisions		0.3	0.3		
<b>Total</b>		<b>1.7</b>	<b>2.0</b>		
<b>Auditors' fees (1000 EUR)</b>	1.27				
KPMG Audit					
Audit, financial year and previous financial year		102.6	101.0	53.3	63.4
Other services		47.9	58.7	47.9	58.7
<b>Total</b>		<b>150.5</b>	<b>159.7</b>	<b>101.2</b>	<b>122.1</b>

\*Internal Group transactions are market-based.

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.

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

## Leasing liabilities

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

## Responsibility for remediation of contaminated sites

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

## Related-party transactions

Public Administration Service receives Budget funding for its operations. The item is reported in the Enterprise's and Group's profit and loss account 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 2022.

## BUSINESS OPERATIONS

# Profit and loss statement

eur	Note	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022	Business operations 1 Jan – 31 Dec 2023	Business operations 1 Jan – 31 Dec 2022
TURNOVER	2.1	421,800,561.55	410,145,739.26	119,784,678.01	151,761,563.77
Other operating income	2.2	21,086,922.10	25,657,671.24	29,799,511.79	34,604,759.75
Materials and services					
Raw materials and consumables					
Purchases during the financial year		7,826,842.94	5,084,377.94	209,715.18	289,607.17
Variation in inventories		-3,595,289.22	440,704.50	0.00	0.00
External services		197,684,247.20	188,333,796.85	1,285,488.35	4,524,349.91
Raw materials and services, total		201,915,800.92	193,858,879.29	1,495,203.53	4,813,957.08
Staff expenses					
Salaries and fees		31,417,916.24	29,747,999.13	12,737,192.29	12,362,195.70
Social security expenses					
Pension expenses		1,161,859.88	1,087,595.77	457,786.69	410,895.65
Other social security expenses		38,100,099.31	35,500,928.35	15,351,289.65	14,747,406.62
Staff expenses, total		38,100,099.31	35,500,928.35	15,351,289.65	14,747,406.62
Depreciation, amortisation and impairment in total	2.3	11,247,958.28	9,711,187.22	3,094,872.64	2,629,114.57
Other operating costs	2.4	33,587,319.81	31,141,894.68	22,647,611.81	22,100,672.42
<b>OPERATING PROFIT</b>		<b>158,036,305.33</b>	<b>165,590,520.96</b>	<b>106,995,212.17</b>	<b>142,075,172.83</b>
Financial income and expenses					
Income from other investments under non-current assets		87,865.96	56,184.22	11,325,487.18	12,156,184.22
Other interest and financial income		674,576.65	58,044.04	483,715.72	31,008.10
Interest and other financial expenses		1,262,084.73	636,704.53	173,786.43	140,112.97
Financial income and expenses in total	2.5	-499,642.12	-522,476.27	11,635,416.47	12,047,079.35
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>		<b>157,536,663.21</b>	<b>165,068,044.69</b>	<b>118,630,628.64</b>	<b>154,122,252.18</b>
Change in depreciation difference		10,377.76	22382.39	0.00	0.00
Income taxes		15,124,881.77	14,100,973.33	5,185,883.97	9,561,992.55
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>142,422,159.20</b>	<b>150,989,453.75</b>	<b>113,444,744.67</b>	<b>144,560,259.63</b>

# Balance sheet, assets

eur	Note	Enterprise 31 December 2023	Enterprise 31 December 2022	Business operations 31 december 2023	Business operations 31 december 2022
ASSETS					
NON-CURRENT ASSETS	2.6				
Intangible assets					
Intangible rights		25,420.16	40,672.25	0.00	0.00
Other intangible assets		2,742,101.85	4,584,762.80	2,426,899.68	3,345,120.75
Advance payments and work in progress		398,512.80	84,274.04	95,550.84	84,274.04
Intangible assets in total		3,166,034.81	4,709,709.09	2,522,450.52	3,429,394.79
Tangible assets					
Land and water areas		2,895,490,173.85	2,895,392,394.84	2,895,067,928.32	2,894,836,047.21
Roads		73,130,191.98	68,127,559.38	19,194,198.96	20,604,111.50
Buildings and structures		1,884,412.36	2,282,066.28	1,878,399.11	2,273,178.10
Machinery and equipment		271,557.84	276,152.34	35,622.42	66,155.92
Other tangible assets		10,599.04	10,599.04	10,599.04	10,599.04
Advance payments and work in progress		7,003,067.62	3,881,171.36	6,955,350.26	3,860,304.23
Tangible assets in total		2,977,790,002.69	2,969,969,943.24	2,923,142,098.11	2,921,650,396.00
Investments					
Shares in Group's subsidiaries	2.7	0.00	0.00	37,525,635.81	37,525,635.81
Holdings in associated undertakings	2.8	1,470,031.48	1,470,031.48	1,470,031.48	1,470,031.48
Other shares and holdings	2.8	681,451.11	681,451.11	1,090,323.52	1,090,323.52
Investments in total		2,151,482.59	2,151,482.59	40,085,990.81	40,085,990.81
<b>NON-CURRENT ASSETS IN TOTAL</b>		<b>2,983,107,520.09</b>	<b>2,976,831,134.92</b>	<b>2,965,750,539.44</b>	<b>2,965,165,781.60</b>

**Balance sheet, assets**

eur	Note	Enterprise 31 December 2023	Enterprise 31 December 2022	Business operations 31 december 2023	Business operations 31 december 2022
CURRENT ASSETS					
Inventories					
Finished products		17,483,653.85	13,672,206.60	0.00	0.00
Work in progress		469,366.00	685,524.00	0.00	0.00
Inventories in total		17,953,019.85	14,357,730.60	0.00	0.00
Receivables					
Non-current receivables					
Other receivables		4,175,015.72	4,175,015.72	3,000,000.00	3,000,000.00
Non-current receivables in total		4,175,015.72	4,175,015.72	3,000,000.00	3,000,000.00
Current receivables					
Accounts receivable		54,144,484.20	43,436,463.55	1,005,639.38	1,058,813.74
Receivables from public administration services	2.9	1,412,034.44	2,395,527.99	1,249,309.00	2,316,626.26
Receivables from the enterprise's subsidiaries	2.10	1,955.70	1,666.84	455,726.36	2,885.22
Receivables from associated undertakings	2.11	232,395.24	0.00	232,395.24	0.00
Other receivables	2.12	1,116,585.82	293,108.48	802,701.00	194,122.92
Prepayments and accrued income	2.13	769,785.19	480,843.93	357,451.37	182,562.91
Current receivables in total		57,677,240.59	46,607,610.79	4,103,222.35	3,755,011.05
Cash in hand and at banks		36,017,985.71	67,751,716.06	28,829,824.79	67,750,355.48
<b>CURRENT ASSETS IN TOTAL</b>		<b>115,823,261.87</b>	<b>132,892,073.17</b>	<b>35,933,047.14</b>	<b>74,505,366.53</b>
<b>ASSETS IN TOTAL</b>		<b>3,098,930,781.96</b>	<b>3,109,723,208.09</b>	<b>3,001,683,586.58</b>	<b>3,039,671,148.13</b>

# Balance sheet, equity and liabilities

eur	Note	Enterprise 31 December 2023	Enterprise 31 December 2022	Business operations 31 December 2023	Business operations 31 December 2022
EQUITY AND LIABILITIES					
EQUITY					
Basic equity		2,586,087,873.64	2,592,060,830.84	2,586,087,873.64	2,592,060,830.84
Other equity		224,811,631.77	224,811,631.77	224,811,631.77	224,811,631.77
Retained earnings		70,625,593.15	39,636,139.40	50,226,427.53	25,666,167.90
Profit for the financial year		142,379,363.96	150,989,453.75	113,444,744.67	144,560,259.63
<b>EQUITY IN TOTAL</b>	2.14	<b>3,023,904,462.52</b>	<b>3,007,498,055.76</b>	<b>2,974,570,677.61</b>	<b>2,987,098,890.14</b>
ACCUMULATION OF TRANSFERS WITHIN FINANCIAL STATEMENTS					
Depreciation difference		-32,760.15	-22,382.39	0.00	0.00
PROVISIONS					
Other provisions	2.15	2,623,185.57	2,838,285.57	2,051,810.00	2,101,810.00
LIABILITIES					
Non-current					
Loans from financial institutions	2.16	22,000,000.00	32,187,440.37	0.00	0.00
Other liabilities		537,000.00	0.00	537,000.00	0.00
Non-current liabilities in total		22,537,000.00	32,187,440.37	537,000.00	0.00
Current					
Loans from financial institutions	2.17	4,000,000.00	24,000,000.00	0.00	20,000,000.00
Advances received		671,363.40	807,532.22	279,677.00	358,620.00
Accounts payable		12,302,057.49	12,206,905.41	3,212,923.11	2,787,467.63
Payables to Public Administration Service	2.18	249,838.99	270,017.18	97,078.69	109,397.04
Debts to Group's subsidiaries	2.19	0.00	0.00	7,305,822.00	14,406,297.90
Other liabilities	2.20	20,363,909.74	14,773,909.50	8,052,146.26	5,386,907.37
Accruals and deferred income	2.21	12,286,794.37	15,133,910.76	5,576,451.91	7,421,758.05
Deferred tax liabilities		24,930.03	29,533.71	0.00	0.00
Current liabilities in total		<b>49,898,894.02</b>	<b>67,221,808.78</b>	<b>24,524,098.97</b>	<b>50,470,447.99</b>
<b>LIABILITIES IN TOTAL</b>		<b>72,435,894.02</b>	<b>99,409,249.15</b>	<b>25,061,098.97</b>	<b>50,470,447.99</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>		<b>3,098,930,781.96</b>	<b>3,109,723,208.09</b>	<b>3,001,683,586.58</b>	<b>3,039,671,148.13</b>

# Cash flow statement

eur	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022	Business operations 1 Jan – 31 Dec 2023	Business operations 1 Jan – 31 Dec 2022
<b>CASH FLOW FROM BUSINESS OPERATIONS</b>				
Payments from sales	411,604,101.14	405,004,625.51	119,590,042.41	151,102,802.23
Payments from other operating income	15,955,603.32	14,262,138.65	24,433,694.11	24,394,211.47
Payments from operating charges	-274,054,017.20	-242,747,737.20	-37,533,947.36	-37,948,597.39
Cash flow from business operations, before financial items and taxes	153,505,687.26	176,519,026.96	106,489,789.16	137,548,416.31
Interest paid and other financial expenses	-1,262,084.73	-636,704.53	-173,786.43	-140,112.97
Interest income from business operations	36,563.54	57,929.15	483,715.72	31,008.10
Dividends received	725,879.07	56,299.11	11,325,487.18	12,156,184.22
Direct taxes	-16,466,678.34	-12,897,411.54	-6,773,778.16	-8,338,004.42
<b>Cash flows from operating activities</b>	<b>136,539,366.80</b>	<b>163,099,139.15</b>	<b>111,351,427.47</b>	<b>141,257,491.24</b>
<b>INVESTMENTS</b>				
Investments in tangible and intangible assets	-23,881,857.28	-23,324,362.89	-9,726,893.41	-9,066,399.38
Sale of tangible and intangible assets	5,259,200.50	19,185,541.71	5,162,321.69	17,107,518.33
Purchase of other investments held as non-current assets	0.00	-1,470,031.48	0.00	-1,470,031.48
<b>Cash flows from investing activities</b>	<b>-18,622,656.78</b>	<b>-5,608,852.66</b>	<b>-4,564,571.72</b>	<b>6,571,087.47</b>
<b>FINANCING</b>				
Change in non-current loans from financial institutions				
Change in other non-current, interest-bearing loans	-10,187,440.37	-10,049,065.07	0.00	0.00
Change in other non-current, non-interest-bearing loans	537,000.00	-52,000.00	537,000.00	-52,000.00
Change in current loans from financial institutions	-20,000,000.00	14,000,000.00	-20,000,000.00	14,000,000.00
Change in Group loans to subsidiaries	0.00	0.00	-6,244,386.44	-379,533.47
Contribution to State revenue	-120,000,000.00	-110,000,000.00	-120,000,000.00	-110,000,000.00
<b>Cash flows from financing activities</b>	<b>-149,650,440.37</b>	<b>-106,101,065.07</b>	<b>-145,707,386.44</b>	<b>-96,431,533.47</b>
<b>CHANGE IN LIQUID FUNDS</b>	<b>-31,733,730.35</b>	<b>51,389,221.42</b>	<b>-38,920,530.69</b>	<b>51,397,045.24</b>
Liquid funds on 1 Jan	67,751,716.06	16,362,494.64	67,750,355.48	16,353,310.24
Liquid funds on 31 Dec	36,017,985.71	67,751,716.06	28,829,824.79	67,750,355.48
<b>Change</b>	<b>-31,733,730.35</b>	<b>51,389,221.42</b>	<b>-38,920,530.69</b>	<b>51,397,045.24</b>

# Notes to the profit and loss statement

eur	Note	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022	Business operations 1 Jan – 31 Dec 2023	Business operations 1 Jan – 31 Dec 2022
<b>Turnover by business unit</b>	2.1				
Forestry Business		392,957,680.53	348,953,756.13	95,000,000.04	95,000,000.04
Metsähallitus Property Development		24,518,945.95	56,211,658.10	24,518,945.95	56,211,658.10
Sale of soil and rock resources		879,062.88	1,084,789.29	0.00	0.00
Seed and sapling production		3,406,838.33	3,599,477.88	0.00	0.00
Others		38,033.86	296,057.86	265,732.02	549,905.63
<b>Total</b>		<b>421,800,561.55</b>	<b>410,145,739.26</b>	<b>119,784,678.01</b>	<b>151,761,563.77</b>
of which turnover for Public Administration Services and other subsidiaries		1,430,876.19 0.00	1,402,324.33 0.00	1,545.00 95,227,698.20	1,545.00 95,253,847.81
<b>Other operating income</b>	2.2				
Gains on the sale of fixed assets		5,311,873.28	10,106,185.99	5,214,994.47	10,094,379.54
Income from services to Public Administration Services		14,630,531.55	14,402,430.63	14,545,729.32	14,316,982.70
Income from services to subsidiaries		10,243.17	13,000.45	9,797,965.16	9,952,901.06
Other income		1,134,274.10	1,136,054.17	240,822.84	240,496.45
<b>Total</b>		<b>21,086,922.10</b>	<b>25,657,671.24</b>	<b>29,799,511.79</b>	<b>34,604,759.75</b>
<b>Depreciation according to plan</b>	2.3				
Intangible assets		9,275,987.29	7,608,360.88	1,263,328.18	842,531.54
Depreciation for decrease in substance		5,506.48	5,365.77	1,324.57	1,414.39
Roads		1,410,437.36	1,387,559.26	1,409,912.54	1,387,034.44
Buildings and structures		392,648.78	374,225.56	389,773.85	367,600.70
Machinery and equipment, other tangible assets		113,378.37	85,058.03	30,533.50	30,533.50
<b>Total</b>		<b>11,197,958.28</b>	<b>9,460,569.50</b>	<b>3,094,872.64</b>	<b>2,629,114.57</b>



## Notes to the profit and loss statement

eur	Note	Enterprise 1 Jan – 31 Dec 2023	Enterprise 1 Jan – 31 Dec 2022	Business operations 1 Jan – 31 Dec 2023	Business operations 1 Jan – 31 Dec 2022
<b>Other operating costs</b>	2.4				
Facility expenses		7,969,887.04	9,160,541.00	6,312,822.65	7,821,246.88
ICT expenses		12,671,053.60	10,558,381.22	9,892,346.00	7,802,488.64
Travelling expenses		3,149,241.55	2,726,846.62	477,640.57	424,359.15
External services		1,756,432.98	1,203,049.06	1,053,875.20	976,042.41
Machinery and equipment expenses, vehicle expenses		765,456.18	701,221.68	169,596.27	148,194.69
Other social security expenses		2,232,822.96	2,147,794.93	1,021,051.94	1,213,043.94
Other expenses		4,840,842.50	4,664,571.41	3,518,696.18	3,737,363.77
Group internal expenses		201,583.00	-20,511.24	201,583.00	-22,067.06
<b>Total</b>		<b>33,587,319.81</b>	<b>31,141,894.68</b>	<b>22,647,611.81</b>	<b>22,100,672.42</b>
<b>Other interest and financial income</b>	2.5				
Dividend income from external sources		87,865.96	56,184.22	87,865.96	56,184.22
Dividend income from subsidiaries				11,237,621.22	12,100,000.00
Interest income		674,576.65	58,044.04	483,715.72	31,008.10
<b>Total</b>		<b>762,442.61</b>	<b>114,228.26</b>	<b>11,809,202.90</b>	<b>12,187,192.32</b>
<b>Interest and other financial expenses</b>					
Interest expenses		1,262,084.73	636,704.53	173,786.43	140,112.97
<b>Total</b>		<b>1,262,084.73</b>	<b>636,704.53</b>	<b>173,786.43</b>	<b>140,112.97</b>
<b>Financial income and expenses in total</b>		<b>-499,642.12</b>	<b>-522,476.27</b>	<b>11,635,416.47</b>	<b>12,047,079.35</b>

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

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

# Notes to balance sheet

MEUR	Note	Intangible assets	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery and equipment, other tangible assets	Incomplete projects	Shares and holdings, other receivables	Total
<b>Non-current assets</b>	2.6								
<b>Enterprise</b>									
Acquisition cost on 1 Jan		21.0	2,895.4	129.9	89.5	0.9	3.9	2.2	3,142.7
Increases		0.4	8.2	13.5	0.1	0.1	4.3	0.0	26.7
Decreases		-0.1	-8.1	0.0	-0.1	0.0	-0.9	0.0	-9.2
Reduction in value		0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1
<b>Acquisition cost on 31 Dec</b>		<b>21.3</b>	<b>2,895.5</b>	<b>143.4</b>	<b>89.5</b>	<b>1.0</b>	<b>7.3</b>	<b>2.2</b>	<b>3,160.2</b>
Accumulated depreciation and reduction in value 1 Jan		16.2	0.1	61.8	87.2	0.6	0.0	0.0	165.9
Depreciation during the financial year		2.2	0.0	8.5	0.4	0.1	0.0	0.0	11.2
<b>Accumulated depreciation on 31 Dec</b>		<b>18.4</b>	<b>0.1</b>	<b>70.3</b>	<b>87.6</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>177.1</b>
Book value on 1 Jan		4.7	2,895.4	68.1	2.3	0.3	3.9	2.2	2,976.8
<b>Book value on 31 Dec</b>		<b>2.9</b>	<b>2,895.5</b>	<b>73.1</b>	<b>1.9</b>	<b>0.3</b>	<b>7.3</b>	<b>2.2</b>	<b>2,983.1</b>
Production machinery and equipment, Book value on 31 Dec						0.3			
<b>Business operations</b>									
Acquisition cost on 1 Jan		6.2	2,894.8	71.9	5.7	0.2	3.9	40.1	3,022.7
Increases		0.4	8.2	0.0	0.1	0.0	4.0	0.0	12.8
Decreases		-0.1	-8.0	0.0	-0.1	0.0	-0.9	0.0	-9.1
<b>Acquisition cost on 31 Dec</b>		<b>6.5</b>	<b>2,895.1</b>	<b>71.9</b>	<b>5.7</b>	<b>0.2</b>	<b>7.0</b>	<b>40.1</b>	<b>3,026.4</b>
Accumulated depreciation and reduction in value 1 Jan		2.7	0.0	51.3	3.4	0.1	0.0	0.0	57.5
Depreciation during the financial year		1.3	0.0	1.4	0.4	0.0	0.0	0.0	3.1
<b>Accumulated depreciation on 31 Dec</b>		<b>4.0</b>	<b>0.0</b>	<b>52.7</b>	<b>3.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>60.6</b>
Book value on 1 Jan		3.4	2,894.8	20.6	2.3	0.1	3.9	40.1	2,965.2
<b>Book value on 31 Dec</b>		<b>2.5</b>	<b>2,895.1</b>	<b>19.2</b>	<b>1.9</b>	<b>0.0</b>	<b>7.0</b>	<b>40.1</b>	<b>2,965.8</b>
Production machinery and equipment, book value on 31 Dec						0.0			-

## Notes to balance sheet

Shares and holdings	Note	Holdings, %	Book value (EUR)
<b>Shares in subsidiaries</b>	2.7		
<b>Metsähallitus</b>			
Metsähallitus Forestry Ltd, Rovaniemi		100	25,649,635.81
MH-Kivi Oy, Oulu		100	6,400,000.00
Siemen Forelia Oy, Jyväskylä		100	5,476,000.00
<b>Total</b>			<b>37,525,635.81</b>

eur	Note	Enterprise 2023	Enterprise 2022	Business operations 2023	Business operations 2022
<b>Shares and holdings, book value</b>	2.8				
Shares in subsidiaries		0.00	0.00	37,525,635.81	37,525,635.81
Holdings in associated undertakings					
Korsvind Oy, Korsnäs, 25%		1,470,031.48	1,470,031.48	1,470,031.48	1,470,031.48
Other shares and holdings		334,407.84	334,407.84	743,280.25	743,280.25
Joint forest holdings		347,043.27	347,043.27	347,043.27	347,043.27
<b>Total</b>		<b>2,151,482.59</b>	<b>2,151,482.59</b>	<b>40,085,990.81</b>	<b>40,085,990.81</b>
<b>Receivables from Public Administration Service</b>	2.9				
Accounts receivable		218,700.62	697,414.17	55,975.25	618,522.44
Prepayments and accrued income		1,193,333.75	1,698,113.82	1,193,333.75	1,698,103.82
<b>Total</b>		<b>1,412,034.37</b>	<b>2,395,527.99</b>	<b>1,249,309.00</b>	<b>2,316,626.26</b>
<b>Receivables from subsidiaries</b>	2.10				
Accounts receivable		0.00	0.00	9,732.76	137.60
Other receivables		0.00	0.00	0.00	2,747.62
Prepayments and accrued income		1,955.77	1,666.84	445,993.60	0.00
<b>Total</b>		<b>1,955.77</b>	<b>1,666.84</b>	<b>455,726.36</b>	<b>2,885.22</b>
<b>Receivables from associated undertakings</b>	2.11				
Accounts receivable		232,395.2	0.0	232,395.2	0.0
<b>Total</b>		<b>232,395.2</b>	<b>0.0</b>	<b>232,395.2</b>	<b>0.0</b>
<b>Other receivables, current</b>	2.12				
Other prepayments, prepaid expenses		327,442.10	202,058.28	168,477.22	194,122.92
VAT receivables		119,976.46	91,050.20	0.00	0.00
Deferred tax assets		669,167.26	0.00	634,223.78	0.00
<b>Total</b>		<b>1,116,585.82</b>	<b>293,108.48</b>	<b>802,701.00</b>	<b>194,122.92</b>
<b>Current external prepayments and accrued income</b>	2.13				
Other prepaid expenses		480,958.54	267,843.75	295,742.04	57,497.78
Other accrued income		288,826.65	213,000.18	61,709.33	125,065.13
<b>Total</b>		<b>769,785.19</b>	<b>480,843.93</b>	<b>357,451.37</b>	<b>182,562.91</b>

## Notes to balance sheet

eur	Note	Enterprise 2023	Enterprise 2022	Business operations 2023	Business operations 2022
<b>Equity</b>	2.14				
Basic equity on 1 Jan		2,592,060,830.84	2,591,818,700.84	2,592,060,830.84	2,591,818,700.84
Transfers of possession		825,828.00	292,680.00	825,828.00	292,680.00
Changes in land use		-6,692,358.00	-132,359.00	-6,692,358.00	-132,359.00
Other		-106,427.20	81,809.00	-106,427.20	81,809.00
<b>Basic equity on 31 Dec</b>		<b>2,586,087,873.64</b>	<b>2,592,060,830.84</b>	<b>2,586,087,873.64</b>	<b>2,592,060,830.84</b>
<b>Other equity on 1 Jan</b>		<b>224,811,631.77</b>	<b>224,811,631.77</b>	<b>224,811,631.77</b>	<b>224,811,631.77</b>
<b>Other equity on 31 Dec</b>		<b>224,811,631.77</b>	<b>224,811,631.77</b>	<b>224,811,631.77</b>	<b>224,811,631.77</b>
<b>Retained earnings on 1 Jan</b>		<b>190,625,593.15</b>	<b>149,636,139.40</b>	<b>170,226,427.53</b>	<b>135,666,167.90</b>
Contribution to State revenue		-120,000,000.00	-110,000,000.00	-120,000,000.00	-110,000,000.00
Retained earnings on 31 Dec		70,625,593.15	39,636,139.40	50,226,427.53	25,666,167.90
Profit for the financial year		142,379,363.96	150,989,453.75	113,444,744.67	144,560,259.63
<b>Equity in total on 31 Dec</b>		<b>3,023,904,462.52</b>	<b>3,007,498,055.76</b>	<b>2,974,570,677.61</b>	<b>2,987,098,890.14</b>
<b>Provisions</b>	2.15				
Other provisions		2,623,185.57	2,838,285.57	2,051,810.00	2,101,810.00
<b>Total of long-term loans due in a period exceeding 5 years</b>	2.16				
<b>Total</b>		<b>22,000,000.00</b>	<b>32,187,440.37</b>		
<b>Amount of debt not paid to the State</b>	2.17				
Debt to the State, withholding tax liabilities, social security contribution liabilities, VaEL, TyEL		1,353,216.36	1,202,154.61	589,719.05	529,967.17
<b>Payables to Public Administration Service</b>	2.18				
Accounts payable		241,283.16	231,085.70	88,522.86	70,465.56
Accruals and deferred income		8,555.83	38,931.48	8,555.83	38,931.48
<b>Total</b>		<b>249,838.99</b>	<b>270,017.18</b>	<b>97,078.69</b>	<b>109,397.04</b>
<b>Payables to subsidiaries</b>	2.19				
Accounts payable		0.00	0.00	87,318.47	943,407.93
Consolidated liabilities		0.00	0.00	7,218,503.53	13,462,889.97
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>7,305,822.00</b>	<b>14,406,297.90</b>

## Notes to balance sheet

eur	Note	Enterprise 2023	Enterprise 2022	Business operations 2023	Business operations 2022
<b>Other external liabilities</b>	2.20				
VAT liabilities		15,872,907.24	12,986,815.29	3,982,060.95	3,963,718.87
Withholding taxes and social security contributions and other debts related to statutory personnel expenses (payment of salaries)		764,836.79	668,734.07	345,137.42	304,828.36
Equity reviews		3,384,640.00	965,379.00	3,384,640.00	965,379.00
Others		341,525.71	152,981.14	340,307.89	152,981.14
<b>Total</b>		<b>20,363,909.74</b>	<b>14,773,909.50</b>	<b>8,052,146.26</b>	<b>5,386,907.37</b>
<b>External accruals and deferred income</b>	2.21				
Differentiated statutory personnel expenses		811,245.96	739,194.64	326,696.88	301,561.33
Holiday pay liabilities, including social security expenses		6,076,302.67	5,747,048.75	2,554,741.74	2,514,038.18
Other differentiated personnel expenses		3,991,254.70	4,227,502.69	1,673,645.35	1,726,427.20
Tax averaging		281,041.10	2,438,285.37	0.00	953,670.41
Others		1,151,879.97	1,981,879.31	1,021,367.94	1,926,060.93
<b>Total</b>		<b>12,311,724.40</b>	<b>15,133,910.76</b>	<b>5,576,451.91</b>	<b>7,421,758.05</b>

# Other notes

MEUR	Note	Enterprise 2023	Enterprise 2022	Business operations 2023	Business operations 2022
<b>Contingent liabilities</b>	2.22				
Leasing liabilities					
paid during the financial year		1.1	1.1	0.8	0.8
to be paid during the following year		1.5	1.7	1.3	1.5
to be paid at a later date		1.6	1.8	1.4	1.5
Bank guarantee liabilities		2.9	2.0	1.3	0.4
Other banking liabilities		0.5	1.0	0.0	0.5
Financial liabilities relating to wind power		1.7	1.7	1.7	1.7
Investment commitments		5.5	3.4	5.5	3.4
<b>Related-party transactions</b>	2.23				
A contribution to State revenue was paid.		120.0	110.0	120.0	110.0
<b>Internal Group transactions during the financial year*</b>					
Sale of goods		0.8	1.7	0.2	0.3
Sale of services		120.8	119.4	119.3	119.4
Purchase of goods		0.9	1.3	0.1	0.2
Purchase of services		105.0	104.9	0.1	0.0
<b>Total</b>		<b>15.7</b>	<b>14.8</b>	<b>119.4</b>	<b>119.5</b>
<b>Calculated deferred tax assets and liabilities</b>	2.24				
Calculated deferred tax assets					
from subsidiary losses		0.9	1.1		
from provisions		0.3	0.3		
<b>Total</b>		<b>1.2</b>	<b>1.4</b>		
<b>Self-financed investments</b>	2.25	Investment plan	Actual	Investment plan	Realised
Land, water and gravel areas		5.6	5.2	5.6	5.2
Roads, road projects, plot processing works		15.9	13.5	3.0	0.0
Machinery and equipment, wind power projects		5.7	0.1	5.7	0.0
Buildings and structures		0.3	0.1	0.3	0.1
Other, including IT systems		2.9	4.7	2.1	4.4
Shares and holdings		0.0	0.0	0.0	0.0
<b>Total</b>		<b>30.3</b>	<b>23.7</b>	<b>16.6</b>	<b>9.7</b>

\*Internal Group transactions are market-based.

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.

## PUBLIC ADMINISTRATION SERVICES

# Profit and loss statement

eur	Public administration services 1 Jan – 31 Dec 2023	Public administration services 1 Jan – 31 Dec 2022
TURNOVER	15,083,031.03	14,778,599.16
Other operating income	5,036,213.36	4,987,452.88
Financing for other operations from the State budget	69,219,061.81	79,463,502.29
Materials and services		
Raw materials and consumables		
Purchases during the financial year	3,446,530.92	4,866,090.07
External services	16,889,908.06	21,857,798.65
Raw materials and services, total	20,336,438.98	26,723,888.72
Personnel expenses		
Wages and salaries	29,104,860.32	30,784,483.73
Social security expenses		
Pension expenses	4,676,103.69	4,997,601.98
Other social security expenses	1,064,149.69	1,006,570.20
Personnel expenses, total	34,845,113.70	36,788,655.91
Depreciation, amortisation and impairment		
Depreciation according to plan	1,011,265.08	1,439,289.93
Other operating costs	32,044,967.97	33,992,312.22
<b>OPERATING PROFIT</b>	<b>1,100,520.47</b>	<b>285,407.55</b>
Financial income and expenses		
Income from other investments under non-current assets	7,437.28	5,865.03
Other interest and financial income	4,717.76	2,027.30
Interest and other financial expenses	20,993.64	107,330.35
Financial income and expenses in total	-8,838.60	-99,438.02
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>	<b>1,091,681.87</b>	<b>185,969.53</b>
Transfer of the profits of the financial year to Equity	-1,091,681.87	-185,969.53
<b>PROFIT/LOSS FOR FINANCIAL PERIOD</b>	<b>0.00</b>	<b>0.00</b>

# Balance sheet, assets

eur	Public administration services 31 Dec 2023	Public administration services 31 Dec 2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Other intangible assets	270,988.08	336,049.64
Advance payments and work in progress	2,798,900.16	1,209,517.96
Intangible assets in total	3,069,888.24	1,545,567.60
Tangible assets		
Land and water areas	1,071,374,656.18	1,042,135,721.64
Roads	430,428.92	283,590.67
Buildings and structures	7,197,335.90	7,875,229.21
Machinery and equipment	47,161.76	53,373.17
Advance payments and work in progress	0.00	284,651.01
Tangible assets in total	1,079,049,582.76	1,050,632,565.70
Investments		
Shares in Group's subsidiaries	12,200,000.00	12,200,000.00
Other shares and holdings	737,704.68	737,704.68
Other receivables	0.00	0.00
Investments in total	12,937,704.68	12,937,704.68
<b>NON-CURRENT ASSETS IN TOTAL</b>	<b>1,095,057,175.68</b>	<b>1,065,115,837.98</b>

eur	Public administration services 31 Dec 2023	Public administration services 31 Dec 2022
CURRENT ASSETS		
Receivables		
Current receivables		
Accounts receivable	1,381,281.40	1,441,389.40
Receivables from enterprise's business operations	97,078.69	109,397.04
Receivables from the enterprise's subsidiaries	152,760.30	160,620.14
Other receivables	20,789.56	34,499.02
Prepayments and accrued income	4,194,670.47	5,359,102.33
Current receivables in total	5,846,580.42	7,105,007.93
Cash in hand and at banks	41,795,859.63	38,253,361.93
<b>CURRENT ASSETS IN TOTAL</b>	<b>47,642,440.05</b>	<b>45,358,369.86</b>
<b>ASSETS IN TOTAL</b>	<b>1,142,699,615.73</b>	<b>1,110,474,207.84</b>



# Balance sheet, equity and liabilities

eur	Public administration services 31 Dec 2023	Public administration services 31 Dec 2022
LIABILITIES		
EQUITY		
Other equity	1,098,351,160.12	1,067,931,938.46
<b>EQUITY IN TOTAL</b>	<b>1,098,351,160.12</b>	<b>1,067,931,938.46</b>
LIABILITIES		
Current		
Advances received	27,439,715.18	25,072,274.61
Accounts payable	4,156,488.76	4,211,916.53
Debts to enterprise's business operations	1,249,309.00	2,316,626.26
Debts to Group's subsidiaries	162,725.37	78,901.73
Other liabilities	1,466,091.33	1,852,394.71
Accruals and deferred income	9,874,125.97	9,010,155.54
<b>LIABILITIES IN TOTAL</b>	<b>44,348,455.61</b>	<b>42,542,269.38</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>	<b>1,142,699,615.73</b>	<b>1,110,474,207.84</b>

# Cash flow statement

eur	Public administration services 1 Jan – 31 Dec 2023	Public administration services 1 Jan – 31 Dec 2022
CASH FLOW FROM BUSINESS OPERATIONS		
Payments from sales	15,163,660.69	14,477,216.41
Payments from other operating income	6,169,406.69	4,462,216.47
Payments from operating charges	-85,274,394.11	-113,855,256.35
Cash flow from business operations, before financial items and taxes	-63,941,326.73	-94,915,823.47
Interest paid and other financial expenses	-20,993.64	-107,330.35
Interest income from business operations	4,717.76	2,027.30
Dividends received	7,437.28	5,865.03
State's budget funding for other operations	69,219,061.81	79,463,502.29
<b>Cash flow from operations</b>	<b>5,268,896.48</b>	<b>-15,551,759.20</b>
INVESTMENTS		
Purchase of environmental protection areas	-353,537.05	-26,157.94
Purchase of fixed assets, funding by Ministries	-57,183.68	-8,543,411.23
Purchase of fixed assets, other funding	-181,621.10	-574,286.44
Investments in tangible and intangible assets	-4,472,572.37	-1,793,598.22
Profits for the sale of tangible and intangible assets	44,604.52	81,322.15
Shareholder investment in purchase of environmental protection areas	353,537.05	26,157.94
Investment subsidies	2,940,373.85	9,117,697.67
<b>Cash flows from investing activities</b>	<b>-1,726,398.78</b>	<b>-1,712,276.07</b>
CHANGE IN LIQUID FUNDS	3,542,497.70	-17,264,035.27
Liquid funds on 1 Jan	38,253,361.93	55,517,397.20
Liquid funds on 31 Dec	41,795,859.63	38,253,361.93
<b>Change</b>	<b>3,542,497.70</b>	<b>-17,264,035.27</b>

## SIGNATURE OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT

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**METSÄHALLITUS**      **0116726-7**

**Signature of the financial statements and annual report 1 January–31 December 2023.**

Vantaa, 27 February 2024

---

Päivi Huotari  
Chair

---

Sanna Paanukoski  
Vice Chair

---

Keijo Kallunki  
Board Member

---

Tanja Joonas  
Board Member

---

Tuija Suur-Hamari  
Board Member

---

Jussi Saukkonen  
Board Member

---

Ismo Tiainen  
Board Member

---

Roope Uusitalo  
Board Member

---

Juha S. Niemelä  
Director General

### Auditor's note

A report on the performed audit has been issued today.  
Helsinki, on the date of the electronic signature.

KPMG OY AB

KPMG OY AB

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Jorma Nurkkala  
Authorised Public Accountant,  
Chartered Public Finance Auditor

---

Outi Koskinen  
Authorised Public Accountant,  
Chartered Public Finance Auditor



# Public Administration Services of Metsähallitus – Separate annual report and financial statements from 1 January to 31 December 2023



Photo: Katri Lehtola

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## 1. ANNUAL REPORT

# 1.1 Management review

### Main observations

National Parks Finland and Wildlife Service Finland, which are Metsähallitus' units handling public administration services (Parks & Wildlife Finland), had an operationally successful year for the most part. The target set for mire and semi-natural grasslands restoration in the Helmi programme for the government term was clearly exceeded. Activities also progressed as planned in other Helmi habitat themes, with the exception of the restoration and continuous management of semi-natural grasslands. Underwater restoration continued in sea areas. Growth of tourism caused strong demand for recreational services. The number of visits to destinations increased moderately and customer satisfaction remained high compared to the previous year. It was not possible to invest enough in maintaining cultural historical sites in good condition.

Woodfowl populations have mainly been very strong, which has provided good hunting opportunities and long hunting seasons. The amount of fisheries management fees paid increased over the previous year. The Outdoor etiquette for fishers and hunters in state-owned areas was launched to increase responsible hunting and improve social sustainability. The increased costs of special equipment related to supervising hunting and fishing and a decrease in funding have had a negative impact on the effectiveness of wilderness supervision. The provision of wilderness supervision services that corresponds to increased demand and needs has deteriorated.

The seed stock could not be replenished as there was no crop of seeds to harvest in Northern Finland. The demand for forest tree seeds also increased slightly compared to the previous year. This is mainly a result of regeneration measures required in Kainuu due to extensive storm damage that occurred there in summer 2020.

Strong investment continued with regard to developing digital services and utilising information in service development. The renewal of our on-line customer services and development of a national outdoor information service progressed in cooperation with partners, internal stakeholders and customers. Development work continued with an upgrade of the digital sales channel, and making utilisation of the customer community more established. We also developed of customer understanding and visitor monitoring. At the same time, an agile development process was used to create an operating model and the related tools and practices to support the development of information systems.

A review of operating practices in National Parks Finland was implemented in close cooperation with personnel, and more than 400 National Parks Finland employees took part in the process. The goal of the review was improved productivity, better value creation and the ability to respond to the challenges of the future operating environment. The foundation for upgrading the spatial information system was created at the same time. Another objective was to create clearer job descriptions and solutions to deal with the stress levels widely experienced by the staff.

A reform of operating practices was launched with the help of the rapporteurs and, following confirmation of the 2024 budget and the financial outlook for the coming years, change negotiations affecting National Parks Finland and Metsähallitus Group functions began. In addition to renewal of operating practices and the organisation, it was necessary to negotiate on reducing the scale of operations, balancing finances, and adjusting to the changed financial situation. Following the change negotiation phase, 38 permanent and more than 100 fixed-term employment relationships had to be terminated.

During the year under review, Wildlife Service Finland implemented significant savings measures that had a decreasing impact on services, such as discontinuation of printed customer magazines and a reduction in seasonal supervision. However, this was necessary in order to manage the actual ICT costs. Wildlife Service Finland was able to avoid change negotiations, but some key recruitments had to be postponed due to the financial situation and the work was redistributed. The economic adjustment was successful and the financial base appears stable, but continued pursuit of cost-effectiveness is necessary.

### Conclusions

The financial outlook for the coming years presents a challenge in terms of organisational development and scaling operations to correspond to a smaller financial framework. Improving productivity and cost-effectiveness will play a key role. The reform of operating practices at National Parks Finland and the resulting organisation will enable the development of a new operating culture. This will ensure that National Parks Finland is better able to respond and adapt to the evolving challenges of the future operating environment. A simpler organisation, a team-based operating method and national units will allow for a more customer-oriented and nationally prioritised operating model and continuous development of operations as well as improved well-being for the personnel.

The development of service functions at Wildlife Service Finland has been slowed by the costs of renewing the sales system and by delays in that process. However, the system should be ready in autumn 2024 after completion of the planned changes that are linked to it.

## 1.2 A Social impact

The following is an evaluation of how the performance targets set for each impact objective for 2023 were achieved. The State's performance information system grading scale and the colour codes presented below were used in the evaluation.

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

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

### 1.2.1 Measures prioritised according to recent data improve the conservation status of species and habitats

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023	Grade in 2023
Restoration of mires and semi-natural grasslands included in the Helmi programme, percentage of target for the government term achieved (total 14,000 ha), %	14	41	84	100	112	<b>5</b>
Improving the status of habitats as well as habitat restoration and management (excluding continuous management of semi-natural grasslands), surface area, ha	4,568	8,132	10,008	3,150	5,579	<b>5</b>
Continuous management of semi-natural grasslands, ha	5,407	5,641	5,838	6,300	5,733	<b>3</b>

#### Strengths

The overall targets for improving habitat status were clearly exceeded, as was the target set for restoration of mires and semi-natural grasslands in the Helmi programme. Mire restoration exceeded the targets for each year of the government term. Mire restoration covered approximately 70% of the total area. Activities also progressed as planned in other Helmi habitat themes, with the exception of the restoration and continuous management of semi-natural grasslands. Underwater restoration continued in sea areas. The activities of themes related to small bodies of water were expanded as a result of national coordination, and National

Parks Finland has also carried out restoration of flowing waters on Metsähallitus Forestry Ltd lands in the LIFE Revives project. The work to update the Handbook for the restoration of drained peatlands has started. [The results of a project to develop remote sensing monitoring methods that was jointly implemented with Natural Resources Institute Finland were published \(In Finnish\)](#). A project funded by the Kone Foundation developed the broader utilisation of results obtained from impact monitoring of mire restoration and other open mire data.

A Helmi 2030 plan was drawn up, specifying the annual targets for the restoration and management of different habitats and the resources required for this until 2030. Development of the website showing the situational picture of nature conservation continued, which will better support reporting and monitoring of activities at National Parks Finland and in the ELY Centres. There has been high demand for Parks & Wildlife Finland expertise from various actors, for example, The Finnish Forest Centre's LUOTU (Future habitat management professionals) project. EU-funded projects have continued to play an important role in improving the conservation status of habitats and species. As a result of long-term conservation work and consistent project activities, the Arctic fox nested in Finland for the first time in more than 25 years, a record number of Saimaa ringed seal pups were born, the forest reindeer has two new growing sub-populations, and more observations were made of invertebrates of the Habitats Directive that are dependent on prescribed burning. In addition to staff expertise, the impact of projects is based on productive and wide-ranging cooperation with different actors. The extensive 8-year Priodiversity Life IP project received EU funding to improve the status of biodiversity by implementing a diverse range of measures in cooperation with a large group of actors.

As part of a survey of the building stock in protected areas, comprehensive instructions were prepared concerning bat inspections in buildings, and personnel received training related to performing inspections. Hundreds of occurrences of species protected under EU directives and vascular plants, mosses and insects requiring urgent protection were inspected, and the management measures agreed in the prioritisation negotiations were carried out in protected areas from the southern coast to Northern Lapland. Participation was active in terms of implementing national commitments related to the EU Biodiversity Strategy, preparation of the nature restoration regulation, and HELCOM work.

## Weaknesses

Changes in subsidy schemes for management of semi-natural grasslands and the Deforestation Regulation undermine the continuity of grazing and the availability of grazing animals. A decision by the Supreme Administrative Court is expected in the permit process for bird wetland restoration in Siikalahti. The timeliness of species and habitat data in Southern Finland continues to deteriorate.

## Conclusions

The amount of mires restored was considerably lower in comparison with the record-breaking levels in the two previous years, but still remained higher than the first year of Helmi programme implementation in 2020. In terms of hectares, the target for mire restoration in 2024 is similar to what it was before the Helmi period. In the future, more measures should target the small-scale sites that are most valuable in terms of biodiversity. As the subsidy system changes, high-quality continuous management of semi-natural grasslands must be ensured, both for sites under long-term management and for new sites undergoing basic restoration. Implementation of large bird wetland restorations must be ensured once the necessary permits are obtained. A decrease in the surface area of semi-natural grasslands under continuous management is becoming visible as more areas are being excluded from grazing due to the stricter terms of environmental agreements in agriculture and a low level of compensation for grazing.

High-quality nature data, especially species information, is extremely important for many actors when planning land use outside protected areas. Open access to habitat information should be promoted. The timeliness of species data and nature information should be systematically improved in the future. As budget funding decreases, new funding methods should be investigated in an open-minded manner to ensure that the volume of habitat status improvement remains at least at the Helmi 2030 target level. Several EU-funded LIFE projects have ended or are coming to an end. New applications must be prepared well in advance in order to ensure the continuity of effective project activities and the level of EU funding.

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

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023	Grade in 2023
Status assessment updates of Natura sites (NATA, 1,121 in total), number updated	111	56	36	50	54	5
Quality of natural habitat and species information, up-to-date information, %	61	63	65	78	65.3	2
Share of those with favourable ecological status, %	68.0*	67.4*	67.0	67.7	66.7	2

\*The indicator was not in use in the performance agreement.

## Strengths

The new Nature Conservation Act, updates of the regulations for established conservation areas and the updated Principles for the management and use of protected areas will facilitate and improve the performance of tasks that are important for the impact objective as well as the management of protected areas and their use also in a wider sense. Real estate formation has progressed systematically in protected areas. A total of 41 new protected areas were formed. The development of regulations continued after the new Nature Conservation Act took effect. The impact of protected area management was assessed by an international panel of experts, and this provides tools for developing the activities. Metsähallitus has developed joint objectives and operating methods for wind power and extraction activities, which will streamline protection of interests in the future. Many different actors use National Parks Finland's species data available via the Laji.fi database in various land use projects, especially related to the green transition. Marine inventories were carried out as planned, mainly in the Gulf of Finland and the Bothnian Sea National Park, and these results will be used when drafting legislation, planning management and use, in VELMU, during implementation of various Biodiversea LIFE IP project work packages. The first natural resource plan for marine areas coordinated the needs of different types of use in state-owned sea areas.

The Ministry of the Environment and the ELY Centres have been supported in the Natura IX project, for example, by preparing guidelines for exporting data to the SAKTI and SASS systems and by producing data that supports decision-making. A project was launched to examine the operating processes, responsibilities and systems related to the updating of Natura 2000 standard data forms (SDFs) in different environmental administration organisations. Analysis and spatial identification of the threat of climate change have been developed in the Finnish Environment Institute's Protected area network in a changing climate (SUMI) project, and National Parks Finland has combined this data with the Zonation analysis, which examines the protected area network in terms of its irreplaceability. In the future, the analysed data will be used to support strategic decision-making in identifying where the impacts of climate change can be prevented, where it can be guided, and where change has to be accepted.



## Weaknesses

There is a lot of planning backlog related to management and use plans, and mid-term reviews have not been performed. The drafting of new legislative packages progressed more slowly than expected, and not a single legislative package was completed. In terms of preparing regulations, legislative amendments have resulted in questions related to guidelines and the need to harmonise their content. Legislative amendments have also increased the need to update existing regulations. The tasks of the nature reserve management authorities are constantly increasing (e.g. advocacy related to wind power, new nature reserves), which makes resourcing of NATA, management planning and the preparation of regulations challenging. Terrain markings at the outer boundaries of protected areas is progressing slowly. The process of saving remote sensing data from Northern Lapland in systems will be delayed until the beginning of 2024. This was the main reason why the objective of the Quality of natural habitat and species information indicator was not achieved.

## Conclusions

Achievement of the objective related to impact is promoted by such means as legislative drafting, real estate formation, boundary markings, NATA assessments, management planning, regulations and advocacy. The targets associated with these tasks were achieved reasonably well as a whole, even if progress was slower than planned in some areas (management plans, statute drafting, regulations). The trend in the share of nature values in a favourable state has decreased in a concerning manner throughout the measurement history. The reasons for this trend should be investigated. NATA information should be utilised more consistently to monitor the status of conservation values and the impact of measures. In the future, measures should be systematically targeted and prioritised to manage threats and factors that weaken the status of conservation values by means of methods such as protection of interests, land use planning, visitor guidance, and habitat status improvement.

Communication about recommendations for international assessment of the impact of managing the network of protected areas must be transparent and the topic discussed with stakeholders within Metsähallitus and the environmental administration. It must also be implemented as part of operational planning and practical implementation in conjunction with the organisation's operating practice reform. The updated principles for management planning must also be implemented in a systematic and organisation-wide manner for the personnel. This will simultaneously ensure familiarisation with the new Nature Conservation Act and Decree. The number of advocacy tasks continued to increase,

especially in connection with wind power and ore prospecting. A record number of different requests for statements were received. The growing trend is likely to continue, which should be taken into account when launching the new operating practices. In the future, it should be ensured that the objectives for coordinating different types of use set out in the natural resource plan are achieved in state-owned sea areas. Up-to-date and high-quality nature data in National Parks Finland systems, especially species information, is extremely important for many actors when planning land use outside protected areas. It is necessary to develop the open sharing of habitat information.

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

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023	Grade in 2023
Percentage of valuable cultural history sites in good condition	*	41	41	45	44	3
Percentage of valuable cultural history sites with up-to-date condition information, %	**	**	**	50	41	2

\*The indicator was not in use.

\*\*The calculation method was updated for 2023, so previous years are not comparable.

## Strengths

The 2023 Public administration services report on cultural heritage highlighted the importance of public administration services in managing national cultural heritage and implementing goal-oriented management. Repairs and restoration measures to ensure the preservation and enable the use of cultural heritage sites were mainly carried out with separate funding. Renovations completed with funding based on allocation margin decisions at Vallisaari in Helsinki and Svartholma in Loviisa proceeded as planned. The renovation of stone structures at Hytermä in Kerimäki was completed. Roofs at the Korteniemi and Telkkämäki heritage farms were repaired, as were the main building and meadow barns at

Kovero. The wooden parts of the Imperial Lodge in Aavasaksa, Ylitornio, were repaired and painted. The protected old pilot's cabin in Isokari was repaired in Bothnian Sea National Park and the fragile Latokartanonkoski mill ruins were supported in Salo. Work aiming to prevent erosion of the ancient monument continued on the site of Finland's first bishop's see in Koroinen, Turku, and information signs and accessibility of the site were improved. A number of events were organised to maintain traditional building skills and techniques. These included a primitive board workshop at the crown tenant farm of Tiainen in Puolanka, a volunteer camp at the gold panners' huts in Pahaoja and Moberginoja, Inari held

in cooperation with the Gold Museum, and a shingle roof camp at the Saarivaara reindeer separation site in Savukoski. Helmi funding made it possible to conduct inventories that ensure the cultural heritage sustainability of restoration work under the Helmi programme. The first natural resource plan for marine areas produced by Metsähallitus highlighted the important cultural heritage of the area.

### Weaknesses

Unexpected transfers of possession at Aavasaksa and Latokartanonkoski as well as the collapse of walls at the Svartholma and Kärnäkoski fortresses meant that condition inspections could not be performed at the sites.

### Conclusions

Variations in the operating environment require great flexibility and the ability to adapt to changing situations. Up-to-date site information is the key to allocating resources. The 2023 Public administration services report on cultural heritage highlighted the importance of public administration services in managing national cultural heritage. The resources required for managing the cultural heritage sites being transferred were not taken into account in transfers of possession. The Finance Committee report has once again drawn attention to the need to reduce the repair backlog related to buildings of cultural historical importance.

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

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023	Grade in 2023
Percentage of hunting and fishing inspections in which no offence was discovered*	86	84	80	83	*	*
Bag reports as a percentage of the number of permits sold	48	54.5	52.9	54	53.5	4

\*The number of inspections has increased dramatically because a new electronic system has improved the accuracy of statistics. As a result the figures from different years are not comparable.

### Strengths

A total of 12,323 inspections related to hunting and fishing were carried out in wilderness supervision, and 97% of these involved no offence. All in all, 92% of fishing inspections and 99% of hunting inspections revealed no offence. Wilderness supervision reporting has been developed utilising a new electronic system. The preconditions for wilderness supervision have been developed by actively participating in the reform of the Act on Wilderness Supervision. A report on the coordination of the national access rights management related to wilderness supervision has been prepared. Based on this report, the National Police Board has decided to reassess access rights management and security clearances. Participation in PTR (Police, Customs and Finnish Border Guard) sub-groups has been active.

Woodfowl populations have mainly been very strong, which has provided good hunting opportunities and long hunting seasons. Special attention has been paid to measures that strengthen the social sustainability of hunting and fishing in state-owned

areas in Northern Finland. The social sustainability of hunting in Northern Finland has been promoted through training for hunting leaders, by preparing an Outdoor etiquette, and organising hunting development days with key game management associations. Municipality-specific work in small groups has been utilised during preparation of quota decisions in the Northern Lapland area. Preparation of fishing quota decisions for 2024–2025 was completed in Northern Lapland and other parts of Finland. The guidelines on free hunting and fishing permits have been revised and their tax status determined by the Tax Administration.

Operating environment and stakeholder survey work related to the Metsähallitus fishing development programme has been carried out. Several projects related to the restoration of fish habitats are in progress (for example, TriwaLIFE, Pro Saimaannieriä). The LIFE project related to forest reindeer has been successfully completed and it achieved the key objectives. The HELMI non-native predator hunting project has continued with good results, and the project received additional funding for 2024.

## Weaknesses

Wilderness supervision has been subject to significant savings measures. The increased costs of special equipment related to supervising hunting and fishing and a decrease in funding have had a negative impact on the effectiveness of wilderness supervision. The provision of wilderness supervision services that corresponds to increased demand and needs has deteriorated. The poor financial situation has made it necessary to reduce seasonal supervision of fishing and hunting. In particular, the supervision of protected areas has decreased significantly, which has also been influenced by a decrease in the number of National Parks Finland field staff. Legal rulings on fishing in the Sámi Homeland, and especially the interpretation of those decisions, have presented challenges for the activities of authorities and caused additional work when, for example, preparing quote decisions. Efforts have been made to enhance funding and resources for habitat restoration through active measures implemented in cooperation between the business units, but no decisions on resourcing have been made so far.

## Conclusions

Maintaining and participating in the wilderness supervision cooperation network is essential with regard to exchange of information and the effectiveness of wilderness supervision. Self-financing for wilderness supervision and its operating result have decreased, which is why it is important to maintain the current supervision structure and cooperation network. The social sustainability of hunting in Northern Finland has clearly improved, and the negative publicity related to elk hunting has decreased. Measures to promote social sustainability should be continued. Special questions related to Sámi fishing rights must be resolved at the Ministry of Agriculture and Forestry level. A solution must also be found for resourcing restorations of fish and game habitats.

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

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023	Grade in 2023
Customer satisfaction among hunters and fishers, on a scale of 1 to 5	3.76	3.79	3.77	3.87	3.72	3
Number of state fisheries management fees paid	290,647	270,159	266,703	280,000	286,770	4

## Strengths

Fishers have been profiled with help from the customer community and interviews. Profiling will be utilised for targeting communications and when planning fishing services. The Outdoor etiquette for fishers and hunters in state-owned areas was launched to increase responsible hunting and improve social sustainability. As part of the fishing tourism development project, a survey was conducted for all known companies providing fishing tourism services. Efforts have been made to develop entrepreneur permit products in Northern Lapland. Customer service has functioned well and customers have mainly been satisfied with the service they receive. The solutions received in response to customer feedback were perceived as positive in 96% of the cases. The processing of customer feedback in the fishing and hunting teams has been developed in a more systematic direction. Development of multi-channel customer service will be implemented as cooperation between Wildlife Service Finland and National Parks Finland. Content production for the new Eräluvut service has been active.

Demand for hunting and fishing permits has remained high. The amount of fisheries management fees paid increased by 7% over the previous year. The target set for the sale of fisheries management fees was achieved with a total revenue of almost EUR 10 million. Direct and targeted automation has been implemented in fishing communications to different customer groups. New automation accounted for 6% of digital sales. Communication about permits sold on the Eräluvut website has been enhanced. Hunting and fishing tourism (permit customers) has had a significant impact on the regional economy and employment, especially in state-owned areas in the northern and eastern part of the country. Demand for promotion of wilderness tourism entrepreneurship has remained strong (for example, fishing and hunting tourism entrepreneurs, municipalities).

## Weaknesses

Delays related to renewal of the Eräluvat service and significant cost overruns have been a challenge for Wildlife Service Finland operations. Several savings measures had to be implemented during the year. The process of renewing the Eräluvat service has also significantly slowed development and monitoring of operations. Special questions in Northern Lapland made it more difficult to prepare new fishing tourism entrepreneur permits designed to develop fishing tourism. The budget allocated for collecting the fisheries management fee was exceeded. This was due to the fact that system costs and communication campaigns were over budget. Demand for hunting permits for grouse species is unevenly distributed between different regions. Permits have run out in the most popular areas, but remain unsold in other areas. The current hunting legislation does not allow the sale of entrepreneur permits.

## Conclusions

Completion of the Eräluvat service is expected during 2024. A new schedule and changes to the original content have been agreed upon with the supplier (see more in section 1.3.1.). In the future, more attention should be paid to monitoring the budget allocated for collecting the fisheries management fee. Efforts will be made to promote the equal distribution of hunting permits in the most popular permit areas by means of the new Eräluvat service. Amending hunting legislation is the only way to improve the possibilities for customers of wilderness service entrepreneurs to obtain permits in the most popular areas.

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

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Estimate 2023	Outcome in 2023	Grade in 2023
Total number of visits: National parks and other visitor sites, million	9.20	9.46	8.49	9.5	8.7	4
Local economic impact of visitor spending, EUR million	*	456	392	450	413	4
Customer satisfaction among users of visitor centres and off-road services, on a scale of 1 to 5	4.4	4.4	4.4	4.4	4.5	5

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

## Strengths

The total number of visits to public sites increased moderately (+2.5%) compared to the previous year. The number of off-road visits to national parks remained at the previous year's level (+1%). Demand at visitor centres and other customer service points grew relatively more strongly than at off-road sites (+16%). Customer satisfaction remained high. The local economic impacts of visitor spending increased relatively more strongly than demand (+5%).

Parks & Wildlife Finland participated actively in preparing an action plan for the national nature recreation strategy. Implementation of the plan began with development of the outdoor information service and preparation of a development plan for recreational sites in the state-owned hiking area network and multiple-use forests. All business units participated in this process, which was coordinated by Parks & Wildlife Finland. In connection with these efforts, a new kind of spatial data tool was developed to support land use decisions. The coordination and implementation of the national nature recreation strategy significantly intensified our network-based cooperation with both central government actors and other stakeholders and partners.

The reform of tourism payment practices was prepared for implementation with the aim of allowing smoother cooperation and

strengthening funding for services used by companies. The process of contacting entrepreneurs about the reform began, and the staff received orientation regarding the change. Utilisation of a customer community provided a new tool for service development, serving as the basis for obtaining more in-depth customer information and achieving genuine dialogue with customers. Nearly 1,500 members joined the community. A report produced in cooperation with UKK Institute concerning the savings that nature visits bring about in the area of national diseases and loss of labour productivity among the working-age population also highlighted the important social significance of services from this perspective.

The visibility of Parks & Wildlife Finland in key national journalistic media as well as local and regional media increased compared to the previous year. Interaction on National Parks Finland's social media channels grew significantly from the previous year: a total of 35 million visits, and 1.2 million reactions, likes, shares and comments were recorded. Communication about the Outdoor etiquette and other content that encourages safe hiking were strengthened. One important method involved the production of light-hearted videos about different themes, which were viewed hundreds of thousands of times on social media.

## Weaknesses

The decline in demand for state-owned hiking areas continued (-9%). The unclear future of infrastructure at destinations and visitor centres caused confusion in the operating environment. There was uncertainty regarding interpretation of the Government Programme policies in connection with administration of hiking areas. Construction costs increased; tender prices often exceeded the appropriations, which affected the possibilities for implementing all planned measures. This contributed to an increase in the risk of repair backlog.

## Conclusions

Dimensioning and proactive planning of the services to be maintained is particularly important. Sustainable, longer-term action plans must be ensured in infrastructure maintenance. The repair backlog is currently in a transition phase where major one-off investments have been made at top sites. The process of moving from eliminating the backlog to a systematic infrastructure maintenance programme is in progress. As resources grow scarcer, we must be prepared to prevent the service infrastructure repair backlog from increasing again. The importance of open and proactive communications is emphasised when adjusting services to resources. It is possible to reach target audiences well through skilfully implemented social media content – however, this requires interesting design and knowledge of audience expectations.

The estimate of demand and local economic impact recorded in the performance agreement and the differences between this and the outcome is explained by the fact that performance agreement estimates were made before the outcome for 2022 was known. As a result, the growth trend was actually forecast based on the 2021 outcome. This procedure must be corrected and an estimate that takes the outcome of the previous year into account used in the performance agreement for each year. This should be taken into consideration in the schedule for approving the performance agreement, as the results are only available after mid-January.



Photo: Jaakko Posti

# 1.3 B Operative efficiency

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

### Strengths

Strong investment continued with regard to developing digital services and utilising information in service development. The renewal of our on-line customer services and development of a national outdoor information service progressed in cooperation with partners (Suomen Latu and other outdoor associations, Lipas national database of sport facilities), internal stakeholders and customers as planned until the pilot phase. Development work to update the digital sales channel continued. Development work related to customer insight and visitor monitoring took place throughout the year, and the new Nasta service will be introduced in early 2024. At the same time, an agile development process was used to create an operating model and the related tools and practices to support the development of information systems. A customer community model for hikers, fishers and hunters was created to develop customer research and improve dialogue with citizens, and its utilisation in service development became established practice. Customer paths and process work were carried out to develop multi-channel customer service, the skills needed to digitalise customer service processes were created by means of different studies, and the use of a chat service was tested. Customer research examined topics such as customer safety from the perspective of digital services. ABC training related to customer orientation was held for the personnel, the first steps were taken for the our design system, and hiker profiles were supplemented by fisher profiles. Production use of the data platform was launched in accordance with the Metsähallitus' common data strategy. Further development of knowledge-based management and situational awareness was initiated with indicator work and

concept modelling, and indicators were further developed and expanded to improve data quality. The usability of spatial data was promoted by means of an interface, and spatial data experts contributed extensively to implementation of the hiking area survey.

An extensive review of National Parks Finland's operating practices was carried out with the personnel. The preparation of the operating practice reform was launched on the basis of the analysis. The objective of the reform is creating an operating model based on value streams to improve the productivity of our work. Description of customer paths and processes was carried out throughout the year in a manner that involved personnel and environmental administration actors and ensured a user-oriented approach. The architecture and technology work supporting the reform of operating practices was completed. This laid the foundation for reforming the geographic information system and moving on to the analysis phase to examine alternative solutions. Coordination of the operating practices reform and the JHT Arvo (P&WF Value) project was initiated, and planning and development of a portfolio operating model began in order to ensure understanding and prioritisation of the entity.

### Weaknesses

The challenges related to implementing the digital sales channel continued, and the situation was clarified in cooperation with the supplier. The preconditions for an agile operating model were piloted in the Nasta project. This project faced many challenges, for example, related to using cloud environments and new technology solutions, tools and operating models. Delays in starting production use of the data platform also affected the progress of the projects.

The reform of operating practices has promoted but also slowed the implementation phase of the JHT Arvo project due to a lack of owners for the processes on a nationwide scale. In conjunction with process description, it became clear that there are no uniform operating processes and the various geographic sub units of National Parks Finland have been operating in different ways. This increased the workload related to describing the processes in the current state and target state and required a lot of new competence and learning. This work identified shortcomings in Metsähallitus' spatial data principles and practices that are intended to ensure the creation of shared information capital. The extensive scope of the reform and the interdependencies between the sectors mean that investing in a single sector may cause disruption or slow progress in other sectors.

### Conclusions

Many of the digital services being renewed will move into production use, and these deployments will require a lot of cooperation and development of operating models. Content production for digital services targeting the general public will be a resource-intensive effort for the entire public administration services organisation and its stakeholders. Continuation of the digital sales channel was clarified by means of a separate agreement with the supplier, which included a new schedule and changes to the original content. Background work related to customer-oriented development has been done, and this work will also continue during 2024. The new operating methods, systems and environments for development require continuous cooperation as well as the creation and development of operating models. Ownership, roles and responsibilities for processes, data and information systems on a national level must be agreed upon, and the new portfolio operating model introduced to ensure

management and prioritisation of the entity. The competences required to renew operations must be identified and measures planned to increase competence. Process development and description leading to target state processes should continue, and the work coordinated with information system development. Data strategy work should be clarified and continued, especially with regard to spatial data, and understanding of the importance of data and spatial data as part of shared knowledge capital increased.

Practical implementation of the operating practice and organisational reform and adjusting the scale of operations will require a lot of input at different organisational levels in early 2024. At the same time, the organisation has to ensure the continuity of daily work in new teams and new roles. This may be visible as delays and deviations in the development work already under way, as the studies and process descriptions related to the reform have increased understanding of the scope, complexity and multidimensional nature of the reform. The operating environment in which the information system reform is being implemented is still changing and developing strongly. Increasing requirements regarding utilisation of open and shared data, ensuring the change capacity and user orientation of processes, and various needs related to automation of operations and the use of artificial intelligence will be emphasised. A successful reform will require continuous examination of the entity from different perspectives and the creation of a shared understanding. The reform of operating practices and the resulting organisation will enable the development of a new operating culture. This will ensure that National Parks Finland is better able to respond and adapt to the evolving challenges of the future operating environment. A simpler organisation, a team-based operating method and nationwide units will allow for a more customer-oriented and nationally prioritised operating model and continuous development of operations as well as improved well-being for the personnel.

### 1.3.2 The activities are climate-wise and responsible

#### Strengths

The first classification round (approx. 2,400 structures) related to the environmental target of building stock development has been completed. The activities focused on implementing the divestment of buildings (approximately 400) and progressing towards the first results. The emphasis in energy matters was on identifying electricity contracts and centralising them to the Hansel agreement, which contributes to developing management. When preparing the reform of operating practices at National Parks Finland, development of environmental management was taken into account by placing environmental issues, responsibility and risk management in the Strategic Support Team. Smooth commercial fishing permit arrangements have maintained the production opportunities for domestic local fish. Commercial fishing has also been promoted in fisheries regions and water area partnerships. Microsoft Teams and remote meeting practices are here to stay, and they have reduced travelling on a permanent basis.

#### Weaknesses

Most of the buildings being sold will generate very little revenues and they will not cover the investment needs required to develop the building stock. The divestment of buildings requires a lot of work and resources, as most of the structures have been designated to be demolished or sold for demolition. As the building stock work progresses, we estimate that divestment will be carried out for an increasing number of buildings. Delays in renewing the Eräluvat service mean that commercial fishing permit areas are not yet included in quota decisions. The situation will be reassessed at a later time. In terms of carbon handprint calculations, preliminary discussions regarding the climate impacts of restoration have concluded that this is a very challenging topic.

#### Conclusions

Development of the building stock requires funding for sales, demolition and the most urgent repairs. Nearly 500 unnecessary but costly buildings can be sold. Approximately 300 unnecessary buildings will be demolished. These cannot be used or sold, but they take up resources. Investing in giving up the buildings will reduce the direct maintenance costs, energy consumption, work inputs and costs of necessary repairs over their life cycle. Commercial utilisation of domestic local fish will be ensured through a new permit application procedure for 2025–2029. The next step in terms of carbon handprint for restoration is its consideration as part of Metsähallitus' shared environmental target related to developing the cost-effectiveness of restoration and management.

# 1.4 C Resources

## 1.4.1 The staff is healthy and competent

Indicator	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023
Supervisory work (scale 1 to 5)	3.9	3.9	4.0	4.2	National Parks Finland: 3.8 Wildlife Service Finland: 3.9
Metsähallitus as an employer (scale 1 to 5)	3.9	4.0	3.9	4.1	National Parks Finland: 3.2 Wildlife Service Finland: 3.8
Meaningfulness of work (scale 1 to 5)	4.1	4.2	4.1	4.3	National Parks Finland: 4.1 Wildlife Service Finland: 3.6

Preparation of the National Parks Finland operating practices review launched in 2022 continued actively during the early part of the year. In addition to improved productivity and better ability to respond to the challenges of the future operating environment, the objective of the review was clearer job descriptions and solutions to deal with the stress levels widely experienced by the staff. The review phase was implemented in close cooperation with personnel, and more than 400 National Parks Finland employees took part in the process.

A planning phase for the operating practices reform was launched based on the results of the review. This involved a so-called Dialogue process with the personnel. Regular info sessions and various survey and communication methods were used to provide the personnel with as much information as possible on the progress of the planning. Regular monthly pulse surveys were launched at the same time to monitor employee emotions and job satisfaction.

Following confirmation of the 2024 budget and the financial outlook for the coming years in October 2023, Metsähallitus began change negotiations. In addition to the renewal of operating practices and the organisation, it was necessary to negotiate on reducing the scale of operations, balancing finances, and adjusting to the changed financial situation. A total of 38 employment relationships had to be terminated at the end of the stressful negotiation phase. Particular attention must be paid to the investing in the well-being and coping of personnel during the coming year.

In Wildlife Service Finland, staff satisfaction improved from the previous year, and staff members have a strong trust especially in supervisory work and support provided by colleagues. There was also a positive change regarding workloads and experiences of rush compared to the previous year. Wildlife Service Finland also conducted a quarterly personnel survey, and this practice will be continued. Overall, the personnel of Wildlife Service Finland experience a very high level of satisfaction.





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

### Development of person-years, person-years\*

National Parks Finland	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023
Permanent	311	337	350	349	350
Fixed-term	139	258	241	100	124
<b>Total</b>	<b>450</b>	<b>595</b>	<b>591</b>	<b>449</b>	<b>474</b>

Wildlife Service Finland	Outcome in 2020	Outcome in 2021	Outcome in 2022	Target for 2023	Outcome in 2023
Permanent	49	49	46	49	45
Fixed-term	26	33	29	26	25
<b>Total</b>	<b>75</b>	<b>82</b>	<b>75</b>	<b>75</b>	<b>70</b>

\*Absences not excluded.

### Strengths

In financial management, the emphasis on transparent description of dependencies between euros and operations and more long-term planning continued. Preparations were made for different scenarios related to the targets of the new government term and the budget outlook for the coming year. This ensured a solid understanding of the financial boundary conditions.

Resources were reallocated several times during the year. This has increased the organisation's understanding of the overall financial situation and also the need for national prioritisation. Regular updating of the forecast and improvements in quality have played a key role, and we have been successful in that area.

Interaction with the ministries has been actively maintained. In 2023, the interaction increased further due to the change situation at National Parks Finland. A common situational picture and understanding was a central factor in terms of implementing the change.

### Weaknesses

The division of responsibilities between too many persons in the units continues to be a challenge. Large-scale project activities took up a great deal of the organisation's resources, and the link to the objectives in the performance agreement was not always realised optimally.

### Conclusions

In terms of the future, it is very important to maintain the ability to make operational changes. This means a balanced cost structure in an organisation where there is also room to manoeuvre operationally. This room to manoeuvre was sought by further reducing fixed costs and increasing productivity and impact. Special consideration should be exercised when preparing new projects.

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

## Strengths

The Natura 2000 biogeographical process is a form of cooperation between the Member States facilitated by the European Commission, in other words, a method for regional exchange of information and joint planning. In 2023, we were involved in planning and implementing the Boreal Seminar of the Natura 2000 Biogeographical Process at Nuukio in October 2023. Outdoor excursions to support the seminar themes and the section on adaptation to climate change were organised. The challenges highlighted by National Parks Finland during the excursions were praised by the European Commission, which requested that they also be submitted in writing. Information was obtained about the situations in other Member States concerning the objectives and commitments of the EU Biodiversity Strategy. Valuable information and good contacts were also obtained on issues such as adaptation to climate change and the definition and conservation of old-growth forests.

In March, the Finnish-Estonian Working Group on Nature Conservation held a MS Teams meeting to agree on activities and actions to be funded during the year. In the autumn, the working group met in person for a three-day meeting, mini-seminar and study visit in Inari, Utsjoki and Kevo. The presentation topics included

the special features of nature in Lapland, the Sámi culture, current nature conservation issues, the remote sensing method for National Parks Finland habitats, and designated species projects. The anniversary publication based on the seminar held to honour 30 years of cooperation was completed at the end of the year.

## Weaknesses

More time would have been needed to address many of the themes at the Natura 2000 Biogeographical Process meeting, and the final concrete benefits will depend in part on maintaining the contacts that were made. However, this is a normal situation in this type of cooperation. In addition, more concrete habitat group cooperation related to the Natura 2000 Biogeographical Process continues to suffer from delays in resuming activities after COVID-19.

Several expert meetings of the Finnish-Estonian Working Group on Nature Conservation had to be postponed to later years, primarily due to a lack of time on the part of the working group coordinators and experts organising the meetings. However, Estonian partners and working group members also participated in the Protection of the Arctic Marine Environment (PAME) meeting and the Boreal Seminar of the Natura 2000 Biogeographical Process.

## Conclusions

The Boreal Seminar of the Natura 2000 Biogeographical Process provided a good forum for presenting the activities and competence of Parks & Wildlife Finland as well as examples of how nature conservation themes have been dealt with and developed in other places. Valuable new (and old) contacts were made with other Member States in the boreal region and European Commission representatives. These contacts and opportunities for cooperation should be maintained in the future, as they concern shared habitats and operating models that are closely related to our own activities.

The activities of the Finnish-Estonian Working Group on Nature Conservation were successful in view of the resources. In 2024, the activities of the actual working group will continue with a new operating method and some new members. Another aim is to implement prioritised expert meetings that were not held earlier in both Finland and Estonia.

## 2. FINANCIAL STATEMENTS

# 2.1 Financial Statement Analysis

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

### 2.1.1 Profit and Loss Account

Parks & Wildlife Finland's turnover of EUR 15.1 million (EUR 14.8 million in the previous year) consists of income from operations related to public administration services which are subject to a charge, mostly consisting of hunting and fishing permit income, long-term leases and transfer of user rights related to areas, and wood sales.

Turnover in the Ministry of the Environment's administrative branch was EUR 7.9 (7.8) million. Turnover in the Ministry of Agriculture and Forestry's administrative branch was EUR 7.2 (7.0) million. Turnover for both administrative branches remained at the previous year's level.

Paid activities are financed by the revenue obtained from them. According to a Parliament decision, the revenue may also be used for other expenses of Parks & Wildlife Finland in the Ministry of the Environment's and the Ministry of Agriculture and Forestry's branches of administration. Under the Act on Metsähallitus, Parks & Wildlife Finland is responsible for duties related to the procurement and emergency storage of forest tree seed. EUR 0.7 million of the income from seed sales in Northern Finland was used to cover the expenses incurred from seed management, and EUR 0.03 were additionally spent on managing other duties agreed upon with the Ministry of Agriculture and Forestry.

Other operating income of EUR 5.0 (5.0) million mainly consists of project financing (EUR 4.7 million) from sources outside the State budget, in which the largest single item was European Environmental Fund (LIFE) funding of EUR 2.9 million. The target of the LIFE projects now in progress is to promote biodiversity. The projects focus on restoring mires, forests, small bodies of water and traditional rural biotopes, managing the forest reindeer population, and improving conservation of the flying squirrel and Saimaa ringed seal.

Funding received from State budgets amounted to EUR 69.2 (79.5) million. In addition to the basic appropriation of EUR 64.5 million (from item 30.64.50 of the Ministry of Agriculture and Forestry and item 35.10.52 of the Ministry of the Environment), the funding includes project financing and other complementary financing totalling EUR 4.8 million. In addition, EUR 2.9 (8.5) million in investment funding was used to cover the costs of performing duties agreed with the ministries in the performance agreement.

The EUR 1.6 million of financing received from the Ministry of Justice's main title was used to pay for expenses incurred from the labour input of prisoners in open penal institutions, especially in the Nuuksio, Sipoonkorpi and Selkämeri National Parks, Vallisaari and Evo Hiking Area.

The business accounting costs for the 2023 financial period were EUR 88.2 (98.9) million. The profit and loss account profit in the business accounting before transfers within the financial statements totalled EUR 1.1 (0.2) million. The surplus comprised EUR 1.6 (1.6) million of surplus from paid activities, with the costs and depreciation of transfers of possession unrelated to paid activities totalling EUR 0.5 million.

### 2.1.2 Balance sheet

The value of land and water areas was EUR 1,071.4 (1,042.1) million. The increase is mainly due to transfers of possession related to land and water areas. The value of built property was EUR 7.2 (7.9) million, which includes the buildings and service structures in national parks and protected areas and buildings at cultural heritage sites. The investments of EUR 2.9 million made in unfinished buildings and structures, machinery and equipment, road projects and information systems during the financial period that were covered by grants have been recorded as acquisition cost deductions or adjustments.

Other equity was EUR 1,098.4 (1,067.9) million. The increase in equity was mainly due to entries related 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 financial period showed a surplus of EUR 3.5 million (deficit of EUR 17.3 million in 2022). Liquid funds at the end of the financial period totalled EUR 41.8 (38.3) million. The increase in liquid funds was mainly due to the advance payment from the Biodiversity LIFE project at the end of the year, which also affects growth in advances received in current liabilities.

### 2.1.3 Expenditure

The tables indicating the total costs in the separate accounting of Metsähallitus Parks & Wildlife Finland are based on expenditure, including increases and decreases of non-current assets without depreciations and transfers of possession. The cumulative unused percentage of the transfer appropriations was recorded in the balance sheet as advances received.

The three-year transfer appropriation granted to Metsähallitus Parks & Wildlife Finland from the State budget through the ministries in charge of performance guidance (from item 35.10.52 of the Ministry of the Environment and from item 30.64.50 of the Ministry of Agriculture and Forestry) totalled EUR 62.2 million (EUR 66.7 million in 2022).

The total expenditure decreased by EUR 15.8 million (15%) compared to the previous year. A total of EUR 67 million (EUR 84.1 million in 2022) of the operating expenses appropriation from the Ministry of the Environment and the Ministry of Agriculture and Forestry was spent during the operating year. Separate appropriations accounted for EUR 18.7 million (EUR 32.6 million in 2022) of this amount. According to the matching principle, the appropriation covered 73% of the total expenditure in the operating year (78% in 2022).

The funding received from Ministry of the Environment item 35.10.52 was EUR 53.5 million, and a transfer appropriation totalling EUR 19.7 million from previous financial years was available. Total expenditure was EUR 59.8 million, and net expenditure of funding was EUR 59.7 million. Of the total expenditure, EUR 17.2 million was allocated to improving habitats (including under the Helmi programme), with discretionary funding accounting for EUR 7.7 million (EUR 9.8 million in 2022) of this amount. EUR 24.8 million was spent on recreational use of nature, reducing the repair backlog and improving sustainability. The share of separate appropriation decisions (incl. Future Investment funding, Supplementary Budget 4 2021, and funding based on allocation margin decisions) in the funding was EUR 7.9 million (EUR 14.5 million in 2022). Transferred funding of EUR 13.5 million was committed to implementation planned for 2024–2026.

The funding received from the Ministry of the Environment's item 30.64.50 was EUR 7.6 million, and a transfer appropriation totalling EUR 1 million (EUR 4.3 million in 2022) from previous financial years was available. The total expenditure was EUR 7.2 million, and the net expenditure of funding was EUR 7.1 million. The total expenditure was divided into EUR 2 million for the management of hunting and fishing issues and EUR 4.4 million for the maintenance of hiking areas and reduction of repair backlog. Of this expenditure, EUR 1 million was financed from transfer appropriations from previous financial years (Future Investment funding). Transferred funding of EUR 1 million was committed to implementation planned for 2023–2024.

The share of expenditure covered by other financing outside operating expense items in the budget was 10.6% (8% in 2021). In euro amounts, project financing expenditure decreased by EUR 0.5 million. Project financing is largely based on international, county level and local partnerships, but ministry financing from outside operating expense items also has a significant impact, especially in the restoration of game and fish habitats.

The decrease in separate appropriations available in the operating expense items of both the Ministry of the Environment and the Ministry of Agriculture and Forestry led to decreased expenditure in procuring productive services and supplies and in investments. The decrease in person-years compared to the previous year reduced both salary and travel expenses. Growth in other service purchases was related to launching the JHT ARVO project and the implementing the reform of operating practices.

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

<b>Total expenditure by financial resource, EUR 1,000</b>	<b>2023 Total</b>	<b>2022 Total</b>	<b>Change, EUR</b>	<b>Change, %</b>
Expenses for paid activities	14,989	14,310	679	5%
MAF item 30.64.50	7,214	11,059	-3,845	-35%
ME item 35.10.52	59,780	72,997	-13,217	-18%
ME, protection of maritime areas item 35.10.22	995	1,194	-199	-17%
ME, acquisition of nature reserves, item 35.10.63	379	90	289	320%
EU funding	3,496	4,005	-509	-13%
MJ, day-release work	1,555	1,371	183	13%
MEAE, employment, educational and specialised measures	143	133	9	7%
Other external funding	3,813	2,986	828	28%
<b>Total</b>	<b>92,364</b>	<b>108,146</b>	<b>-15,781</b>	<b>-15%</b>
Expenses excl. land acquisition investments	91,991	107,969	-15,978	-15%

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

<b>Total expenditure by expenditure type, EUR 1,000</b>	<b>2023 Total</b>	<b>2022 Total</b>	<b>Change, EUR</b>	<b>Change, %</b>
Materials and supplies	2,626	4,866	-2,240	-46%
External services (production)	17,724	21,858	-4,134	-19%
Pay expenditure	34,936	36,789	-1,853	-5%
Travel and other staff expenses	3,499	4,386	-887	-20%
ICT hardware and software expenses	3,521	3,352	169	5%
Property expenses	4,133	4,795	-662	-14%
Vehicle expenditure and other machinery and equipment expenditure	3,109	3,383	-274	-8%
Other purchase of services	1,029	641	388	60%
Other marketing, administration and business expenditures	16,703	17,089	-386	-2%
Investments	4,711	10,810	-6,099	-56%
Land acquisition investments	373	177	196	111%
<b>Total</b>	<b>92,364</b>	<b>108,145</b>	<b>-15,781</b>	<b>-15%</b>
Expenses excl. land acquisition investments	91,991	107,969	-15,978	-15%

## 2.2 Financing and cost relatedness

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

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

Budget account, EUR 1,000	State budget 2023	Supplementary state budget I 2023	Supplementary state budget II 2023	State budgets, total 2023	Use of authorisation 2023	Budget + use of authorisation 2023	Transferred from 2022	Available in 2023	Net use 2023	Transferred to 2024
30.64.50 Certain public administration tasks of Metsähallitus (MAF)	7,510		86	7 596		7,596	1,048	8,644	7,141	1,503 <sup>1</sup>
35.10.52 Metsähallitus public administration tasks (ME)	50,737	2,200	585	53,522		53,522	19,696	73,218	59,680	13,538 <sup>2</sup>
35.10.22 Protection of maritime areas (VELMU ME)	850			850		850	155	1,005	995	10
35.10.63 Acquisition of nature reserves (ME)							380	380	359	21
<b>Financing allocated in the budget, total</b>									<b>68,176</b>	
<b>Other financing from the state budget</b>									4,336	
<b>Financing received from the above-mentioned articles and recorded as an acquisition cost deduction is added</b>									-2,933	
<b>Investment funding entered in Equity is added directly</b>									-359	
<b>Financing from the state budget, total</b>									<b>69,219</b>	

<sup>1</sup> In keeping with the budget decision in 2023, the appropriation transferred to 2024 from the Ministry of Agriculture and Forestry's item 30.64.50 is primarily committed to developing tourism services at hiking areas (Eastern Finland funding).

<sup>2</sup> In keeping with budget decisions made in 2022 and 2023, the appropriation transferred to 2024 from Ministry of the Environment article 35.10.52 is primarily committed to developing and restoring nature reserves and national parks, implementing the Helmi programme, and digital projects.

Ministry of Agriculture and Forestry, item 30.64.50, EUR 1,000	Outcome in 2023	Outcome in 2022
Pay expenditure	2,707	3,301
Other consumption expenditure	4,507	6,400
Investments	0	1,358
Income (seed sales) and invoiced funding	-74	-221
<b>Net use</b>	<b>7,141</b>	<b>10,838</b>

Ministry of the Environment, item 35.10.52, EUR 1,000	Outcome in 2023	Outcome in 2022
Pay expenditure	23,811	25,995
Other consumption expenditure	35,441	39,817
Investments	527	7,186
Income and invoiced funding	-99	-557
<b>Net use</b>	<b>59,681</b>	<b>72,440</b>

Ministry of the Environment, item 35.10.22, EUR 1,000	Outcome in 2023	Outcome in 2022
Pay expenditure	530	683
Other consumption expenditure	465	511
<b>Net use</b>	<b>995</b>	<b>1,194</b>

Ministry of the Environment, item 35.10.63, EUR 1,000	Outcome in 2023	Outcome in 2022
Pay expenditure		
Other consumption expenditure	5	15
Other investments		76
Income and invoiced funding	-3	-1
Land acquisition expenses, total	2	89
Land acquisition investments and sales	-357	48
<b>Net use</b>	<b>359</b>	<b>41</b>

## 2.2.2 Financing external to the State budget

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

Total income by financial resource, EUR 1,000	Outcome in 2023	Outcome in 2022
European Regional Development Fund ERDF	129	158
European Environmental Fund LIFE	2,946	2,479
European Agricultural Fund for Rural Development EAFRD	255	818
European Maritime and Fisheries Fund EMFF	80	34
ETC goal programmes, INTERREG		186
European Neighbourhood Instrument ENI Cross Border Cooperation	77	329
Other EU funding	9	
Other providers of funds	1,173	971
Elimination of investment subsidies	-2	-574
<b>Total</b>	<b>4,667</b>	<b>4,401</b>

## 2.2.3 Financial resources and tasks

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

Financial resources and tasks, EUR 1,000	2023 MAF item 30.64.50	2022 MAF item 30.64.50	2023 ME item 35.10.52	2022 ME item 35.10.52	2023 Other financial resources	2022 Other financial resources	Expenses in total 2023	Expenses in total 2022	Change, EUR	Change, %
Joint expenses										
P&WF Resources	374	449	5,642	5,669	1,140	841	7,156	6,960	197	3%
P&WF Communications	118	86	1,976	1,275			2,094	1,361	732	35%
P&WF Digital Team	241	1,095	6,513	5,229	579	123	7,333	6,447	886	12%
Natural and cultural heritage conservation			17,249	21,551	5,500	5,657	22,749	27,208	-4,459	-20%
Nature tourism and recreational use	4,399	6,551	24,831	34,518	7,089	7,467	36,319	48,536	-12,217	-34%
Area management		-9	3,569	4,755	385	357	3,953	5,103	-1,150	-29%
Game and fisheries affairs	2,083	2,887			10,451	9,404	12,534	12,290	243	2%
Seed management					225	240	225	240	-15	-7%
<b>Total expenses</b>	<b>7,214</b>	<b>11,059</b>	<b>59,780</b>	<b>72,997</b>	<b>25,370</b>	<b>24,090</b>	<b>92,364</b>	<b>108,146</b>	<b>-15,781</b>	<b>-17%</b>
Expenses in total, 2022		11,059		72,997		24,090		108,146		
Change, EUR		-3,845		-13,217		1,280		-15,781		
Change, %		-53%		-22%		5%		-17%		

## 2.2.4 Cost relatedness

### Principles of cost relatedness calculations

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

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

The revenue and cost information is based on business accounting, in which the profits and costs of paid activities are monitored separately from other funding. The cost relatedness calculations were compiled in accordance with the matching principle. The actual working hours and distribution of turnover by deliverable group in 2023 were used in cost allocation.

In cost calculations, all pay expenditure and support function expenses are allocated by business unit in proportion to the working hours used on the duties in question. The direct costs were obtained from the cost centres specific to each deliverable group in the business accounting. Other indirect costs and capital costs that are not targeted to deliverables in business accounting but which are part of the cost structure of paid activities are targeted in relation to turnover. Due to the nature of the public administration activities, it has not been considered essential to include interest costs in the calculations.

The total cost relatedness for all deliverables for paid activities in 2023 was 111% (118% in 2022). Income for the year under review remained at the previous year's level. Turnover from wood sales related to hunting permits and restoration activities remained at a high level. The largest item in the cost structure was purchases of services, EUR 4.8 million and 36% (EUR 4.3 million and 35% in 2022). Personnel costs increased as a result of general wage settlements. Personnel costs in the Ministry of Agriculture and Forestry administrative branch increased compared to the previous year, as the work input was no longer allocated to a stream project implemented with supplementary budget funding, which was completed at the end of 2022.

The cost relatedness of Ministry of Agriculture and Forestry's public law deliverables was 108% in 2023 (116% in 2022). Income from public law deliverables remained at the 2022 level for both hunting permits and trap fishing permits. The largest part of the costs involved personnel and support function expenses, which accounted for 70.1% of all costs. The cost relatedness of public law deliverables in the Ministry of the Environment branch was affected by greater allocation of the personnel's work input to

preparing free statements and the transfer of service purchases related to track maintenance to 2024.

The cost relatedness of Ministry of Agriculture and Forestry's business deliverables was 104% in 2023 (107% in 2022). The total income from business deliverables remained at the same level as in 2022. Of the costs, 85% concerned purchases of services and personnel costs (including the costs of support functions). The surplus of business deliverables was mainly generated from seed management activities in Northern Finland.

The cost relatedness of the Ministry of the Environment's business deliverables was 115% in 2023 (124% in 2022). Large-scale mire restoration projects were continued with funding from the ongoing LIFE projects and the Ministry of the Environment's Helmi programme. The turnover from wood sales from restoration sites produced approximately EUR 3 million, but the costs of service purchases associated with harvesting and transport were higher compared to the previous year. The level of income from leases and concessions remained at a level similar to 2022. The sales income of visitor centres decreased, but revenue from entrance fees and Museum Cards increased.

### Cost relatedness calculations for paid activities 2023

Paid activities	2023 Outcome	2022 Outcome
<b>Public law deliverables</b>		
Cost relatedness of the public law deliverables under the MAF fees decree 1140/2021 (%)	108%	116%
Cost relatedness of the public law deliverables under the ME fees decree 1156/2021 (%)	142%	107%
<b>Business deliverables</b>		
Cost relatedness of the deliverables priced on commercial terms under the MAF fees decree 1140/2021 (%)	104%	107%
Cost relatedness of the deliverables priced on commercial terms under the ME fees decree 1156/2021 (%)	115%	124%



## Cost relatedness calculations for paid activities 2023

Outcome 2023, EUR 1,000 Public law deliverables	Field of ME 2023	Field of ME 2022	Field of MAF 2023	Field of MAF 2022	Field of ME change	Field of MAF change
<b>INCOME</b>						
Sales income from paid activities	308	270	4,016	4,017	39	-1
Other income from paid activities	-	-	5	1	-	-
<b>Total income</b>	<b>308</b>	<b>270</b>	<b>4,021</b>	<b>4,018</b>	<b>39</b>	<b>4</b>
<b>TOTAL EXPENSES</b>						
Separate expenses						
Raw materials and consumables	-	-	31	30	-	1
Staff expenses	152	180	1,849	1,611	-28	238
Rents	1		43	35	1	8
Purchase of services	1	3	426	387	-2	39
Other separate expenses	15	34	505	585	-18	-80
<b>Separate expenses, total</b>	<b>169</b>	<b>217</b>	<b>2,854</b>	<b>2,648</b>	<b>-48</b>	<b>207</b>
Share of joint expenses						
Support function expenses	44	31	770	784	13	-14
Transfers	4	4	83	22		61
<b>Share of joint expenses, total</b>	<b>48</b>	<b>35</b>	<b>853</b>	<b>806</b>	<b>13</b>	<b>47</b>
<b>Total expenses</b>	<b>217</b>	<b>252</b>	<b>3,707</b>	<b>3,454</b>	<b>-35</b>	<b>254</b>
<b>COST RELATEDNESS</b>	<b>91</b>	<b>17</b>	<b>314</b>	<b>564</b>	<b>74</b>	<b>-250</b>
<b>Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State</b>						<b>0</b>
<b>COST RELATEDNESS AFTER PRICE SUBSIDY</b>	<b>91</b>	<b>17</b>	<b>314</b>	<b>564</b>	<b>74</b>	<b>-250</b>

Outcome 2023, EUR 1,000 Deliverables priced on commercial terms	Field of ME 2023	Field of ME 2022	Field of MAF 2023	Field of MAF 2022	Field of ME change	Field of MAF change
<b>INCOME</b>						
Sales income from paid activities	4,521	4,516	2,004	1,792	5	212
Other income from paid activities	2,964	2,929	918	1,033	35	-115
<b>Total income</b>	<b>7,485</b>	<b>7,445</b>	<b>2,922</b>	<b>2,826</b>	<b>40</b>	<b>97</b>
<b>TOTAL EXPENSES</b>						
Separate expenses						
Raw materials and consumables	529	591	13	25	-62	-12
Staff expenses	591	565	1,171	989	26	182
Rents	311	134	27	24	178	3
Purchase of services	3,621	3,140	731	740	481	-9
Other separate expenses	895	940	340	378	-45	-38
<b>Separate expenses, total</b>	<b>5,948</b>	<b>5,369</b>	<b>2,282</b>	<b>2,156</b>	<b>578</b>	<b>126</b>
Share of joint expenses						
Support function expenses	260	451	488	482	-191	6
Transfers	295	169	44	10	126	34
<b>Share of joint expenses, total</b>	<b>555</b>	<b>619</b>	<b>532</b>	<b>492</b>	<b>-64</b>	<b>40</b>
<b>Total expenses</b>	<b>6,503</b>	<b>5,989</b>	<b>2,814</b>	<b>2,648</b>	<b>514</b>	<b>165</b>
<b>COST RELATEDNESS</b>	<b>982</b>	<b>1,456</b>	<b>109</b>	<b>177</b>	<b>-474</b>	<b>-68</b>
<b>Price subsidy utilised in accordance with section 7.1 of the Act on Criteria for Charges Payable to the State</b>						
<b>COST RELATEDNESS AFTER PRICE SUBSIDY</b>	<b>982</b>	<b>1,456</b>	<b>109</b>	<b>177</b>	<b>1,347</b>	<b>-68</b>

## 2.3 Financial statement calculations and notes

### 2.3.1 Profit and Loss Account

EUR	Public administration services 1 Jan–31 Dec 2023	Public administration services 1 Jan–31 Dec 2022
TURNOVER	15,083,031.03	14,778,599.16
Other operating income	5,036,213.36	4,987,452.88
State budget funding	69,219,061.81	79,463,502.29
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	3,446,530.92	4,866,090.07
External services	16,889,908.06	21,857,798.65
Raw materials and services, total	20,336,438.98	26,723,888.72
Staff expenses		
Salaries and fees	29,104,860.32	30,784,483.73
Social security expenses		
Pension expenses	4,676,103.69	4,997,601.98
Other social security expenses	1,064,149.69	1,006,570.20
Staff expenses, total	34,845,113.70	36,788,655.91
Depreciation, amortisation and impairment		
Depreciation according to plan	1,011,265.08	1,439,289.93
Other operating costs	32,044,967.97	33,992,312.22
<b>OPERATING PROFIT</b>	<b>1,100,520.47</b>	<b>285,407.55</b>
Financial income and expenses		
Income from other investments under non-current assets	7,437.28	5,865.03
Other interest and financial income	4,717.76	2,027.30
Interest and other financial expenses	20,993.64	107,330.35
Financial income and expenses in total	8,838.60	99,438.02
<b>PROFIT BEFORE FINANCIAL STATEMENT TRANSFERS AND TAXES</b>	<b>1,091,681.87</b>	<b>185,969.53</b>
Transfer of the profits of the financial year to Equity	-1,091,681.87	-185,969.53
<b>PROFIT/LOSS FOR FINANCIAL PERIOD</b>	<b>0.00</b>	<b>0.00</b>

## 2.3.2 Balance sheet

EUR	Public administration services 31 Dec 2023	Public administration services 31 Dec 2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Other intangible assets	270,988.08	336,049.64
Advance payments and work in progress	2,798,900.16	1,209,517.96
Intangible assets in total	3,069,888.24	1,545,567.60
Tangible assets		
Land and water areas	1,071,374,656.18	1,042,135,721.64
Roads	430,428.92	283,590.67
Buildings and structures	7,197,335.90	7,875,229.21
Machinery and equipment	47,161.76	53,373.17
Advance payments and work in progress	0.00	284,651.01
Tangible assets in total	1,079,049,582.76	1,050,632,565.70
Investments		
Shares in Group's subsidiaries	12,200,000.00	12,200,000.00
Other shares and holdings	737,704.68	737,704.68
Investments in total	12,937,704.68	12,937,704.68
<b>NON-CURRENT ASSETS IN TOTAL</b>	<b>1,095,057,175.68</b>	<b>1,065,115,837.98</b>
CURRENT ASSETS		
Receivables		
Current receivables		
Accounts receivable	1,381,281.40	1,441,389.40
Receivables from enterprise's business operations	97,078.69	109,397.04
Receivables from the enterprise's subsidiaries	152,760.30	160,620.14
Other receivables	20,789.56	34,499.02
Prepayments and accrued income	4,194,670.47	5,359,102.33
Current receivables in total	5,846,580.42	7,105,007.93
Cash in hand and at banks	41,795,859.63	38,253,361.93
<b>CURRENT ASSETS IN TOTAL</b>	<b>47,642,440.05</b>	<b>45,358,369.86</b>
<b>ASSETS IN TOTAL</b>	<b>1,142,699,615.73</b>	<b>1,110,474,207.84</b>

EUR	Public administration services 31 Dec 2023	Public administration services 31 Dec 2022
EQUITY AND LIABILITIES		
EQUITY		
Other equity	1,098,351,160.12	1,067,931,938.46
Retained earnings	0.00	0.00
Profit/loss for financial period	0.00	0.00
<b>EQUITY IN TOTAL</b>	<b>1,098,351,160.12</b>	<b>1,067,931,938.46</b>
LIABILITIES		
Other liabilities, non-interest-bearing		
Current		
Advances received	27,439,715.18	25,072,274.61
Accounts payable	4,156,488.76	4,211,916.53
Debts to enterprise's business operations	1,249,309.00	2,316,626.26
Debts to the enterprise's subsidiaries	162,725.37	78,901.73
Other liabilities	1,466,091.33	1,852,394.71
Other liabilities	9,874,125.97	9,010,155.54
<b>LIABILITIES IN TOTAL</b>	<b>44,348,455.61</b>	<b>42,542,269.38</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>	<b>1,142,699,615.73</b>	<b>1,110,474,207.84</b>

## 2.3.2 Cash Flow Statement

EUR	Public administration services 1 Jan–31 Dec 2023	Public administration services 1 Jan–31 Dec 2022
CASH FLOW FROM OPERATIONS		
Payments from sales	15,163,660.69	14,477,216.41
Payments from other operating income	6,169,406.69	4,462,216.47
Payments from operating charges	-85,274,394.11	-113,855,256.35
Cash flow from operations, before financial items and taxes	-63,941,326.73	-94,915,823.47
Interest paid and other financial expenses	-20,993.64	-107,330.35
Interest income from operations	4,717.76	2,027.30
Dividends received	7,437.28	5,865.03
State's budget funding for other operations	69,219,061.81	79,463,502.29
<b>Cash flow from operations</b>	<b>5,268,896.48</b>	<b>-15,551,759.20</b>
INVESTMENTS		
Purchase of environmental protection areas, shares	-353,537.05	-26,157.94
Purchase of fixed assets, funding by Ministries	-57,183.68	-8,543,411.23
Purchase of fixed assets, other funding	-181,621.10	-574,286.44
Investments in tangible and intangible assets	-4,472,572.37	-1,793,598.22
Profits for the sale of tangible and intangible assets	44,604.52	81,322.15
Shareholder investment in purchase of environmental protection areas and shares	353,537.05	26,157.94
Investment subsidies	2,940,373.85	9,117,697.67
<b>Cash flows from investing activities</b>	<b>-1,726,398.78</b>	<b>-1,712,276.07</b>
CHANGE IN LIQUID FUNDS	3,542,497.70	-17,264,035.27
Liquid funds on 1 Jan	38,253,361.93	55,517,397.20
Liquid funds on 31 Dec	41,795,859.63	38,253,361.93
<b>Change</b>	<b>3,542,497.70</b>	<b>-17,264,035.27</b>

## 2.3.4 Notes to the financial statements

The separate bookkeeping and separate financial statements of Parks & Wildlife Finland for 2023 were prepared in compliance with the Act on Metsähallitus (234/2016) and the Government Decree (1368/2016). The financial statements cover the period from 1 January to 31 December 2023, and the comparative information dates from the previous financial year, 1 January to 31 December 2022.

The business accounting profit and loss account for Parks & Wildlife Finland, the balance sheets and the notes as well as the financial statement analysis describing them were prepared on an accrued basis according to the enterprise's financial statements model for the entire operating year 2023. The profit and loss account profit or loss before transfers within the financial statements will show a surplus resulting from a surplus in paid activities and sales of fixed assets. Rather than being covered by annual budget funding, depreciation has already been covered by the use of budget funding at the time of procurement. Financing received during the financial period for incomplete buildings and other fixed assets is entered as acquisition cost deductions.

The profit and loss account presents the transfer of the financial period profits to Other equity as a separate item. The transfer is based on the provision in Section 5 of Government Decree 1368/2016. The notes on Parks & Wildlife Finland present the financing received from the State budget. Rather than aiming to turn a profit, the value produced by Parks & Wildlife Finland is measured as the social impact of the operations.

### Valuation and allocation principles

#### Non-current assets

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

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

Parks & Wildlife Finland's procurements of fixed assets are mainly covered by budget financing from public funds. Investment aid corresponding to financing is entered in the accounts.

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 costs of the seed stock are funded by the Ministry of Agriculture and Forestry. The funding received is allocated to the acquisition cost, and consequently no stock value is generated during the financial year as a rule.

## 2.3.5 Complementary notes to the Profit and Loss Account

Turnover by business unit	2023	2022
<b>Turnover related to the field of the Ministry of Agriculture and Forestry</b>		
<b>Public law deliverables:</b>		
hunting permits	3,799,335.70	3,800,063.71
fishing permits	292,010.25	298,269.20
<b>Pricing on commercial terms:</b>		
hunting area rentals	630,960.40	623,489.32
fishing area rentals	132,819.52	121,559.93
fishing permits	1,221,474.02	1,190,591.97
sale of seeds and analyses	717,509.04	555,395.14
other deliverables priced based on business operations	64,444.46	56,311.55
<b>Deliverables based on individual legislation:</b>		
compensation for (fishing-related) water areas	341,027.80	357,246.78
<b>Total turnover related to the field of the Ministry of Agriculture and Forestry</b>	<b>7,199,581.19</b>	<b>7,002,927.60</b>
<b>Turnover related to the field of the Ministry of the Environment</b>		
<b>Public law deliverables:</b>		
track permits	212,110.00	192,834.00
decisions and permits	2,300.00	1,550.00
<b>Pricing on commercial terms:</b>		
long-term area rentals and transfer of user rights	1,767,775.33	1,758,990.73
provision of accommodation and other rentals of business premises	1,034,542.53	1,052,605.87
sale of wood (from restored areas etc.)	3,014,858.90	2,926,972.25
nature guidance and counselling products	545,221.00	678,013.68
entrance fees and Museum Cards	468,123.20	313,615.39
books and series of nature conservation publications	68,280.68	84,357.90
expert and planning services	236,939.00	320,665.47
other business operations deliverables	322,648.87	305,129.29
<b>Deliverables based on individual legislation:</b>		
compensations for gold prospecting and claims	39,452.28	39,918.50
mining concession fees, compensations for mineral prospecting	171,198.05	101,018.48
<b>Total turnover related to the field of the Ministry of the Environment</b>	<b>7,883,449.84</b>	<b>7,775,671.56</b>
<b>Turnover in total</b>	<b>15,083,031.03</b>	<b>14,778,599.16</b>

Other operating income	2023	2022
Gains on the sale of fixed assets	44,604.52	74,826.97
Insurance payments	33,547.13	2,700.36
Subsidies	4,380.00	21,361.85
Other income	4,743,039.92	4,751,823.86
Other income, internal	210,641.79	136,739.84
<b>Total</b>	<b>5,036,213.36</b>	<b>4,987,452.88</b>

Staff expense breakdown	2023	2022
Salaries and fees	27,596,011.58	28,254,926.99
Fees, for external parties	198,503.00	259,776.14
Change of holiday pay provision	-535,475.94	288,148.27
Profit sharing, incentive remuneration, change in reserve	1,845,821.68	1,981,632.33
VaEL and TyEL contributions	4,676,103.69	4,997,601.98
Social security contributions	1,064,149.69	1,006,570.20
<b>Total</b>	<b>34,845,113.70</b>	<b>36,788,655.91</b>

Depreciation according to plan	2023	2022
Depreciation of intangible rights	124,175.07	118,789.72
Depreciation of roads and other land structures	35,341.89	14,966.51
Depreciation of buildings and structures	829,488.32	1,258,786.21
Depreciation of machinery, devices and equipment	22,259.80	46,747.49
<b>Total</b>	<b>1,011,265.08</b>	<b>1,439,289.93</b>

Depreciation according to plan, depreciation periods	Starting from 1 January 2020	Before 1 January 2020
Intangible rights, other long-term expenditure	Between 4 and 5	Between 4 and 5
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	Between 20 and 40
Structures and facilities	8 years	Between 4 and 10
Machinery and equipment	Between 4 and 5	Between 4 and 8

<b>Other operating costs</b>	<b>2023</b>	<b>2022</b>
Facility expenses	4,132,751.21	4,794,650.64
ICT expenses	3,706,071.49	3,524,230.86
Travelling expenses	2,638,029.98	3,141,456.57
External services	1,463,660.20	1,161,608.85
Machinery and equipment expenses, vehicle expenses	3,108,977.65	3,383,238.96
Other staff expenses	861,193.26	1,244,893.27
Other expenses	1,690,137.86	2,403,658.93
Group internal expenses	14,444,146.32	14,338,574.14
<b>Total</b>	<b>32,044,967.97</b>	<b>33,992,312.22</b>

  

<b>Financial income and expenses</b>	<b>2023</b>	<b>2022</b>
Interest income	12,155.04	7,892.33
Interest expenses	20,993.64	107,330.35
<b>Total</b>	<b>8,838.60</b>	<b>99,438.02</b>

<b>Use of financing allocated to other operations in the State budget, EUR 1,000</b>	<b>2023</b>	<b>2022</b>
Ministry of Agriculture and Forestry main title		
30.64.50 Certain Public Administration Duties of Metsähallitus	7,214	11,059
Ministry of the Environment main title		
35.10.52 Public Administration Services of Metsähallitus	59,780	72,997
35.10.63 Acquisition of nature reserves (share of expenses)	6	15
35.10.22 Protection of maritime areas (Velmu)	995	1,194
<b>Financing for other operations from the State budget, total</b>	<b>67,996</b>	<b>85,265</b>
Other financing from the State budget		
Administrative branch of the Ministry of Justice	1,555	1,371
Administrative branch of the Ministry of Economic Affairs and Employment	143	133
Other financing from the State budget	2,639	2,015
Other financing from the State budget, total	4,336	3,520
Investment subsidies as acquisition cost deductions	-2,933	-8,543
Income and income adjustments	-179	-778
<b>Financing received from the State budget</b>	<b>69,219</b>	<b>79,464</b>

<b>Transfer of profits to the change of Other equity*</b>	<b>2023</b>	<b>2022</b>
Profits before transfers within the financial statements	1,091,681.87	185,969.53
Transfer of the profits to Other equity	-1,091,681.87	-185,969.53
<b>Profit/loss for financial period</b>	<b>-</b>	<b>-</b>

\*Government Decree 1368/2016, Section 5. The profit of the financial period for public administration services will be recorded as a change in Other equity of Metsähallitus Parks & Wildlife Finland in connection with the preparation of the financial statements.

### 2.3.6 Complementary notes to the balance sheet

Asset items 2023, EUR 1,000	Intangible assets	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery, equipment and other tangible assets	Tangible projects in progress	Shares and holdings	Total
1 January Acquisition cost before entering subsidies as acquisition cost deductions	6,732	1,042,427	4,619	64,320	2,229	7,884	12,938	1,141,149
1 January Subsidies received	-4,557	-291	-2,917	-19,891	-1,853	-7,599	0	-37,109
<b>1 January Acquisition cost</b>	<b>2,175</b>	<b>1,042,136</b>	<b>1,702</b>	<b>44,429</b>	<b>376</b>	<b>285</b>	<b>12,938</b>	<b>1,104,040</b>
Acquisition cost increases	2,983	29 256	3,012	6,388	209	1,427	0	43,275
Subsidies received during the financial period	-1,334	0	-2,748	-3,845	-193	5,491	0	-2,628
Decreases	0	-17	-82	-2,392	0	-7,203	0	-9,694
<b>31 December Acquisition cost</b>	<b>3,824</b>	<b>1,071,375</b>	<b>1,884</b>	<b>44,580</b>	<b>392</b>	<b>0</b>	<b>12,938</b>	<b>1,134,993</b>
1 January Accumulated depreciation before the depreciation of subsidies	1,695	0	2,233	42,665	1,284	0	0	41,268
1 January Depreciation of received subsidies	-1,066	0	-815	-6,111	-962	0	0	-6,637
<b>1 January Accumulated depreciation</b>	<b>629</b>	<b>0</b>	<b>1,418</b>	<b>36,553</b>	<b>323</b>	<b>0</b>	<b>0</b>	<b>38,924</b>
Financial period depreciation before the depreciation of subsidies	1,073	0	339	2,512	357	0	0	4,281
Financial period depreciation from the subsidies received	-949	0	-304	-1,682	-335	0	0	-3,269
<b>Depreciations during the financial year</b>	<b>124</b>	<b>0</b>	<b>35</b>	<b>829</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>1,011</b>
<b>31 December Accumulated depreciation</b>	<b>754</b>	<b>0</b>	<b>1,454</b>	<b>37,383</b>	<b>345</b>	<b>0</b>	<b>0</b>	<b>39,936</b>
1 January Book value	1,546	1,042,136	284	7,875	53	285	12,938	1,065,116
31 December Book value	3,070	1,071,375	430	7,197	47	0	12,938	1,095,057

Shares and holdings, book value, EUR	31 December 2023	31 December 2022
Shares in subsidiaries	12,200,000.00	12,200,000.00
Other shares	737,704.68	737,704.68
Interfaces	0.00	0.00
<b>Shares and holdings, total</b>	<b>12,937,704.68</b>	<b>12,937,704.68</b>

Shares in subsidiaries, EUR	31 December 2023	31 December 2022
Nuukiokeskus Oy holding % 68.1	12,200,000.00	12,200,000.00
<b>Shares in subsidiaries, total</b>	<b>12,200,000.00</b>	<b>12,200,000.00</b>



Receivables from enterprise's business operations and enterprise's subsidiaries, EUR	Subsidiaries 31 December 2023	Subsidiaries 31 December 2022	Business operations 31 December 2023	Business operations 31 December 2022	Total 31 December 2023	Total 31 December 2022
Accounts receivable	152,760.30	160,620.14	89,289.21	70,465.56	242,049.51	231,085.70
Prepayments and accrued income	0.00	0.00	7,789.48	38,931.48	7,789.48	38,931.48
<b>Group internal receivables in total</b>	<b>152,760.30</b>	<b>160,620.14</b>	<b>97,078.69</b>	<b>109,397.04</b>	<b>249,838.99</b>	<b>270,017.18</b>

Prepayments and accrued income, EUR	31 December 2023	31 December 2022
Life projects, accrued income	2,528,592.05	1,679,376.08
EU Structural Fund projects, accrued income	950,706.40	2,434,251.83
Employment promotion programme projects, accrued income	25,179.14	18,819.81
Other accrued income	454,871.55	1,043,523.28
Other prepaid expenses, purchase invoices and others	235,321.33	183,131.33
<b>External prepayments and accrued income, total</b>	<b>4,194,670.47</b>	<b>5,359,102.33</b>

Advances received, EUR	31 December 2023	31 December 2022
Funded by the EU	11,297,061.35	3,367,970.36
From the Ministry of the Environment	14,434,527.49	20,298,607.55
From the Ministry of Agriculture and Forestry	1,597,109.39	1,047,488.98
Others	111,016.95	358,207.72
<b>Total</b>	<b>27,439,715.18</b>	<b>25,072,274.61</b>

Equity for Parks & Wildlife Finland on 31 December 2023, EUR	31 December 2023	31 December 2022
1 January	1,067,931,938.46	1,039,385,483.92
Transfers of possession, increases	22,274,569.35	14,246,153.35
Transfers of possession, decreases	0.00	-377,492.50
Inheritance by the State, donation	0.00	0.00
Changes in land use, decreases	-15,071.61	-4,956.00
Changes in land use, increases	6,713,254.00	144,181.00
Owner's investment/return (land areas, shares)	353,537.05	26,157.94
Correction of errors, other, increases	1,251.00	0.00
Correction of errors, other, decreases	0.00	-5,305,881.09
Transfer of the profits of the financial year to Equity	1,091,681.87	185,969.53
<b>31 December</b>	<b>1,098,351,160.12</b>	<b>1,067,931,938.46</b>
Retained earnings		
1 January	0.00	0.00
Increases	0.00	0.00
Decreases	0.00	0.00
<b>31 December</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit/loss for financial period</b>	<b>0.00</b>	<b>0.00</b>
<b>Equity in total on 31 December</b>	<b>1,098,351,160.12</b>	<b>1,067,931,938.46</b>

Debts to enterprise's business operations and enterprise's subsidiaries, EUR	Subsidiaries 31 December 2023	Subsidiaries 31 December 2022	Business operations 31 December 2023	Business operations 31 December 2022	Total 31 December 2023	Total 31 December 2022
Accounts payable	162,725.37	78,891.73	53,806.05	618,522.44	216,531.42	697,414.17
Other liabilities	0.00	0.00	1,193,333.75	1,596,520.82	1,193,333.75	1,596,520.82
Accruals and deferred income	0.00	10.00	2,169.20	101,583.00	2,169.20	101,593.00
<b>Group internal debts in total</b>	<b>162,725.37</b>	<b>78,901.73</b>	<b>1,249,309.00</b>	<b>2,316,626.26</b>	<b>1,412,034.37</b>	<b>2,395,527.99</b>

Other liabilities, EUR	31 December 2023	31 December 2022
Withholding tax debt	716,233.59	623,652.15
Social security contribution debt	35,973.73	29,229.95
Value-added tax debt	314,978.93	806,312.87
Others	398,905.08	393,199.74
<b>Other liabilities, total</b>	<b>1,466,091.33</b>	<b>1,852,394.71</b>

Accruals and deferred income, EUR	31 December 2023	31 December 2022
Amount of debt not paid to the State	745,066.77	704,484.99
Holiday pay liabilities, including social security expenses	4,985,894.56	5,606,432.55
Other differentiated staff expenses	4,025,376.43	2,541,632.17
Other accruals and deferred income	117,788.21	157,605.83
<b>External accruals and deferred income, total</b>	<b>9,874,125.97</b>	<b>9,010,155.54</b>

Amount of debt not paid to the State, EUR	31 December 2023	31 December 2022
VaEl debt	576,102.70	526,822.42
Unemployment insurance contributions	168,964.07	177,662.57
<b>Amount of debt not paid to the State, total</b>	<b>745,066.77</b>	<b>704,484.99</b>

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

Contingent liabilities, MEUR	Public administration services 2023	Public administration services 2022
Leasing liabilities to be paid during the following year	0.7	0.5
to be paid at a later date	0.9	0.9

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

Number of employees, person-years	2023	2022
Supervisors	545	666

#### Changes to fixed assets

Increases in balance sheet value	Number	P&WF land area, ha	P&WF water area, ha	P&WF balance sheet value, euros
115 Other acquisition (acquisition explanation)	1	0.00	25.02	1,251.00
3010 Asset transfer tax	6	0.00	0.00	14,360.00
3026 Commercial transaction for nature conservation purposes	6	72.06	0.00	359,000.00
3036 Land exchange	1	0.05	0.00	22.00
3042 Transfer of possession for nature conservation purposes	414	6,867.75	149.47	22,168,110.15
3060 Change in land use (business operations to P&WF)	89	29,385.41	937.70	6,713,254.00
	<b>517</b>	<b>36,325.27</b>	<b>1,112.19</b>	<b>29,255,997.15</b>

#### Changes to fixed assets

Decreases in balance sheet value	Number	P&WF land area, ha	P&WF water area, ha	P&WF balance sheet value, euros
115 Other acquisition (acquisition explanation)	1	-0.11	0.00	-6.00
3025 Redemption of alluvial areas	1	0.00	-0.20	-444.00
3026 Commercial transaction for nature conservation purposes	5	-58.52	-25.54	-1,541.00
3036 Land exchange	1	-0.07	0.00	-22.00
3070 Change in land use (P&WF to business operations)	19	-51.06	0.00	-15,071.61
	<b>27</b>	<b>-109.76</b>	<b>-25.74</b>	<b>-17,084.61</b>

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

**METSÄHALLITUS**      **0116726-7**

### Public administration services

### Signatures of separate financial statements and annual report 1 January–31 December 2023.

Vantaa, 27 February 2024

\_\_\_\_\_  
Päivi Huotari  
Chair

\_\_\_\_\_  
Sanna Paanukoski  
Vice Chair

\_\_\_\_\_  
Keijo Kallunki  
Board Member

\_\_\_\_\_  
Tanja Joonas  
Board Member

\_\_\_\_\_  
Tuija Suur-Hamari  
Board Member

\_\_\_\_\_  
Jussi Saukkonen  
Board Member

\_\_\_\_\_  
Ismo Tiainen  
Board Member

\_\_\_\_\_  
Roope Uusitalo  
Board Member

\_\_\_\_\_  
Henrik Jansson  
Executive Director, Parks & Wildlife  
Finland

### Auditor's note

A report on the performed audit has been issued today.  
Helsinki, on the date of the electronic signature.

\_\_\_\_\_  
KPMG OY AB

\_\_\_\_\_  
KPMG OY AB

Jorma Nurkkala  
Authorised Public Accountant,  
Chartered Public Finance Auditor

Outi Koskinen  
Authorised Public Accountant,  
Chartered Public Finance Auditor

## LIST OF ACCOUNTS AND MATERIAL

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**METSÄHALLITUS**                      **0116726-7**

### List of accounts and material

#### Financial Statements

Financial Statements

Balance sheet breakdowns

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

Account-specific profit and loss account

Account-specific balance sheet

List of accounts

#### Accounts

General ledgers

Lists of fixed assets

Invoicing system printouts

Sales ledger

Purchase ledger

Stock accounts

#### Source documents

Bank account statements              Electronic

Sales invoices                              Electronic

Purchase invoices                        Electronic

Pay slips                                      Electronic, paper statements

VAT statements                            Electronic

Memo statements                        Electronic

Note statements                          Electronic

SAP system reports have been extracted separately from the material:

Balance sheet and profit and loss account, main ledgers (accounting and internal calculations), journals (accounting and internal calculations)

as well as event lists and open listings from the sales and purchase ledger, saved in a long-time archive in the MH network.