

REPORT ON STATE ANNUAL ACCOUNTS 2019

Annex 4 State corporate holdings, government undertakings
and off-budget funds

PUBLICATIONS OF THE FINNISH GOVERNMENT 2020:22

vn.fi/en



FINNISH
GOVERNMENT

Publications of the Finnish Government 2020:22

Report on state annual accounts 2019 Annex 4

State corporate holdings, government undertakings and off-budget funds

Finnish Government

ISBN: 978-952-287-891-5 PDF

ISBN: 978-952-287-887-8 printed

Layout: Government Administration Department, Publications

Helsinki 2020



Description sheet

Published by	Finnish Government		1 July 2020
Authors	Prime Minister's Office, Ministry of Finance		
Title of publication	Report on State Annual Accounts 2019 Annex 4 State corporate holdings, government undertakings and off-budget funds		
Series and publication number	Publications of the Finnish Government 2020:22		
Register number	VN/13080/2019		
ISBN (printed)	978-952-287-887-8	ISSN (printed)	2490-0613
ISBN PDF	978-952-287-891-5	ISSN (PDF)	2490-0966
Website address (URN)	http://urn.fi/URN:ISBN:978-952-287-891-5		
Pages	75	Language	English
Keywords	state annual accounts, financial statements, Government		
<p>Abstract</p> <p>As provided in section 46 of the Constitution, the Government submits to Parliament a report on the State annual accounts and information on the management of government finances and compliance with the budget including measures taken by the Government in response to the resolutions passed by Parliament.</p> <p>More detailed provisions on the report on the state annual accounts are set out in section 9a of the Government Act (715/2003) and sections 17 and 18 of the State Budget Act (42371988). Section 18 of the State Budget Act stipulates that the state annual accounts and information on the central government finances and the State's financial management and operative performance included in the report on the State annual accounts shall provide true and fair information on compliance with the budget, State revenues and expenditure, the State's financial position, and performance (true and fair view). Legislatively, the contents of the report are more specifically governed by the requirements laid down in the State Budget Decree (1243/1992).</p> <p>The State annual accounts for 2019 consist of five parts: the state annual accounts; Annex 1 Financial performance by ministries; Annex 2 Financial statements; Annex 3 Measures taken in response to statements and opinions issued by Parliament; and Annex 4 State corporate holdings, government undertakings and off-budget funds.</p> <p>In early 2020, Europe was hit by a pandemic caused by the COVID-19 virus originating from China. In Finland, the first measures to contain the virus were taken in March 2020. Both the epidemic and the restrictions imposed in response to the virus have had extensive operational and financial implications for several sectors of society both in the short and long term. These state annual accounts will not address the situation during the pandemic or make any projections as to the future. As the accounts provide an overview of developments in 2019, the impacts of the COVID-19 pandemic are not reflected in this report, for example in terms of risk assessments or the overall economy.</p>			
Publisher	Finnish Government		
Printed by (place and time)	PunaMusta Ltd., 2020		
Distributed by/ Publication sales	Online version: julkaisut.valtioneuvosto.fi Publication sales: vnjulkaisumyynti.fi		

Kuvailulehti

Julkaisija	Valtioneuvosto	1.7.2020	
Tekijät	Valtioneuvoston kanslia, valtiovarainministeriö		
Julkaisun nimi	Hallituksen vuosikertomus 2019 liite 4 Valtion yhtiöomistus, liikelaitokset ja talousarvion ulkopuoliset rahastot		
Julkaisusarjan nimi ja numero	Valtioneuvoston julkaisuja 2020:22		
Diaari/hankenumero	VN/13080/2019		
ISBN painettu	978-952-287-887-8	ISSN painettu	2490-0613
ISBN PDF	978-952-287-891-5	ISSN PDF	2490-0966
URN-osoite	http://urn.fi/URN:ISBN:978-952-287-891-5		
Sivumäärä	75	Kieli	englanti
Asiasanat	vuosikertomus, tilinpäätös, valtioneuvosto		
Tiivistelmä	<p>Valtioneuvosto antaa eduskunnalle hallituksen vuosikertomuksen perustuslain 46 §:ssä säädettyinä kertomuksena hallituksen toiminnasta, valtiontalouden hoidosta ja talousarvion noudattamisesta sekä niistä toimista, joihin hallitus on eduskunnan päätösten johdosta ryhtynyt.</p> <p>Hallituksen vuosikertomuksesta säädetään tarkemmin valtioneuvostosta annetun lain (175/2003) 9 a §:ssä sekä valtion talousarviosta annetun lain (423/1988) 17 ja 18 §:ssä. Talousarviolain 18 §:ssä edellytetään, että hallituksen vuosikertomukseen otettavien valtiontalouden ja valtion taloudenhoidon sekä toiminnan tuloksellisuuden kuvausten tulee antaa oikeat ja riittävät tiedot talousarvion noudattamisesta, valtion tuotoista ja kuluista, valtion taloudellisesta asemasta sekä tuloksellisuudesta (oikea ja riittävä kuva). Säädöstatolla kertomuksen sisältöä määrittävät erityisesti myös valtion talousarviosta annetun asetuksen (1243/1992) vaatimukset.</p> <p>Hallituksen vuosikertomus vuodelta 2019 muodostuu viidestä osasta: vuosikertomuksesta sekä liitteestä 1 Ministeriöiden tuloksellisuuden kuvaukset, liitteestä 2 Tilinpäätöslaskelmat, liitteestä 3 Toimenpiteet eduskunnan lausumien ja kannanottojen johdosta sekä liitteestä 4 Valtion yhtiöomistus, liikelaitokset ja talousarvion ulkopuoliset rahastot.</p> <p>Alkuvuodesta 2020 Euroopassa levisi Kiinasta alkunsa saanut uuden koronaviruksen aiheuttama COVID-19-tartuntatauti-epidemia. Suomessa ensimmäiset viruksen leviämisen rajoittamista koskevat toimet tehtiin maaliskuussa 2020. Sekä epidemialla että sitä koskevilla rajoitustoimilla on merkittäviä toiminnallisia ja taloudellisia vaikutuksia yhteiskunnan eri osa-alueilla niin lyhyellä kuin pitkälläkin aikavälillä. Tässä vuoden 2019 hallituksen vuosikertomuksessa ei käsitellä tilannetta epidemian aikana tai arvioida tilannetta sen jälkeen. Kertomus on kuvaus vuoden 2019 tilanteesta, COVID19-epidemian vaikutukset eivät tässä kertomuksessa näy esimerkiksi riskiarvioissa tai talouden kokonaiskuvassa.</p>		
Kustantaja	Valtioneuvosto		
Painopaikka ja vuosi	PunaMusta Oy, 2020		
Julkaisun jakaja/ myynti	Sähköinen versio: julkaisut.valtioneuvosto.fi Julkaisumyynti: vnjulkaisumyynti.fi		

Presentationsblad

Utgivare	Statsrådet	1.7.2020	
Författare	Statsrådets kansli, finansministeriet		
Publikationens titel	Regeringens årsberättelse 2019 bilaga 4 Statens bolagsinnehav och affärsverk samt statliga fonder utanför budgeten		
Publikationsseriens namn och nummer	Statsrådets publikationer 2020:22		
Diarie-/ projektnummer	VN/13080/2019		
ISBN tryckt	978-952-287-887-8	ISSN tryckt	2490-0613
ISBN PDF	978-952-287-891-5	ISSN PDF	2490-0966
URN-adress	http://urn.fi/URN:ISBN:978-952-287-891-5		
Sidantal	75	Språk	engelska
Nyckelord	årsberättelse, statsrådet, bokslut		
Referat	<p>Enligt i 46 § i grundlagen ska statsrådet lämna en berättelse till riksdagen om regeringens verksamhet, skötseln av statsfinanserna och om hur budgeten har följts samt om regeringens åtgärder med anledning av riksdagens beslut.</p> <p>Närmare bestämmelser om regeringens årsberättelse finns i 9 a § i lagen om statsrådet (175/2003) och i 17 och 18 § i lagen om statsbudgeten (423/1988). I 118 § i lagen om statsbudgeten förutsätts det att de redogörelser för statsfinanserna och skötseln av statsfinanserna samt resultat av statens verksamhet som tas in i regeringens årsberättelse ska ge riktiga och tillräckliga uppgifter om hur budgeten följts och om statens intäkter och kostnader, om statens ekonomiska ställning och resultat (rättvisande bild). På författningsnivå fastställs årsberättelsens innehåll i synnerhet i förordningen om statsbudgeten (1243/1992).</p> <p>Regeringens årsberättelse för 2019 består av fem delar: den egentliga årsberättelsen samt bilaga 1) Ministeriernas resultatöversikter, bilaga 2) Bokslutskalkyler, bilaga 3) Åtgärder med anledning av riksdagens uttalanden och ställningstaganden och bilaga 4) Uppgifter om statens bolagsinnehav, affärsverk och fonder utanför statsbudgeten.</p> <p>En ny coronavirussjukdom, covid-19, med ursprung i Kina, spred sig i början av 2020 i Europa. I Finland vidtogs de första åtgärderna för att hindra virusets spridning i mars 2020. Såväl epidemin som begränsningsåtgärderna har betydande praktiska och ekonomiska följder för alla samhällsområden, både på lång och på kort sikt. I regeringens årsberättelse för 2019 tas inte läget under eller efter coronaepidemin upp. Årsberättelsen beskriver läget år 2019 och därför beaktas inte följderna av covid-19 i till exempel riskbedömningen eller i helhetsöversikten av ekonomin.</p>		
Förläggare	Statsrådet		
Tryckort och år	PunaMusta Ab, 2020		
Distribution/ beställningar	Elektronisk version: julkaisut.valtioneuvosto.fi Beställningar: vnjulkaisumyynti.fi		

Contents

1 State corporate holdings	9
1.1 Key indicators	9
1.2 Remuneration	10
1.3 Board appointments	11
1.4 Corporate social responsibility and sustainability	12
1.5 Tax footprint	13
1.6 Basic information on portfolio companies	14
1.7 Value changes in the value of the State's portfolio of listed equities	17
1.7.1 Directly held listed companies	17
1.7.2 Solidium-held companies	19
1.8 Direct state holdings in listed companies	23
Altia Plc	23
Finnair Plc	24
Fortum Corporation	25
Neste Corporation	26
1.9 Non-listed commercial companies	27
Arctia Ltd	27
Boreal Plant Breeding Ltd	28
Finavia Corporation	29
Fingrid Oyj	30
Gasum Corporation	31
Kemijoki Oy	32
Leijona Catering Oy	33
Motiva Oy	34
Nordic Morning Group Plc	35
Patria Plc	36
Posti Group Corporation	37
Suomen Lauttaliikenne Oy	38
Mint of Finland Ltd	39
Finnish Seed Potato Centre Ltd	40
Suomen Viljava Oy	41
Tapio Ltd	42
Vapo Oy	43
VR-Group Ltd	44
1.10 Special assignment companies	45
A-Kruunu Oy	45
Alko Inc	46
Cinia Oy	47
CSC - IT Center for Science Ltd	48
Finnpilot Pilotage Ltd	49
Finnvera plc	50
Governia Group	51
Hansel Ltd	52
HAUS Finnish Institute of Public Management Ltd	53
Horse Institute Ltd	54
Municipality Finance Plc	55
Solidium Oy	56

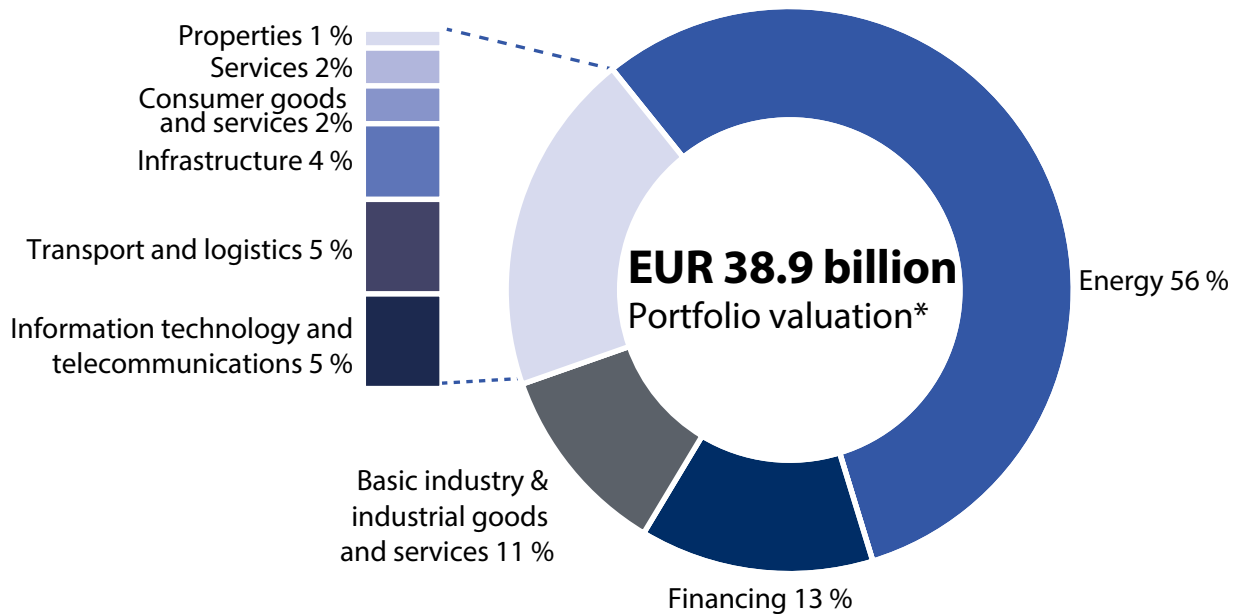
SoteDigi Oy	57
STUK International Ltd.....	58
State Security Networks Group Finland.....	59
Finnish Aviation Academy Ltd	60
Finnish Minerals Group Ltd.....	61
Finnish Industry Investment Ltd (Tesi)	62
University Properties of Finland Ltd.....	63
VTT Technical Research Centre of Finland Ltd.....	64
Finnish Fund for Industrial Cooperation Ltd (Finnfund).....	65
Tietokarhu Oy	66
Traffic Management Finland Ltd.....	67
State Business Development Company Vake Ltd	68
Veikkaus Ltd.....	69
ICT Service Centre Vimana.....	70
Finnish Broadcasting Company Ltd	71
1.11 Sources of data and formulae for calculating key financial indicators.....	72
1.12 State's holdings and parliamentary authorisations on 31 December 2019.....	73
1.12.1 Listed companies	73
1.12.2 Non-listed commercial companies	74
1.12.3 Companies entrusted with special state assignments.....	75

1 State corporate holdings

1.1 Key indicators

Annex 4 of the state annual accounts address state corporate holdings in 2019. All the figures in the report are based on performance in 2019. When the crisis caused by the coronavirus materialised in 2020, the Ownership Steering Department took immediate action to monitor its effects and will implement the necessary measures as appropriate. The impacts of the corona crisis on the State’s corporate holdings will be reported at the portfolio level in the 2020 annual accounts to be published in spring 2021.

Figure 1. State corporate holdings 2019,
distribution by field of activity and key indicators



EUR 111.5 billion
Net sales

EUR 9.7 billion
Operating income

EUR 6.0 billion
Investments

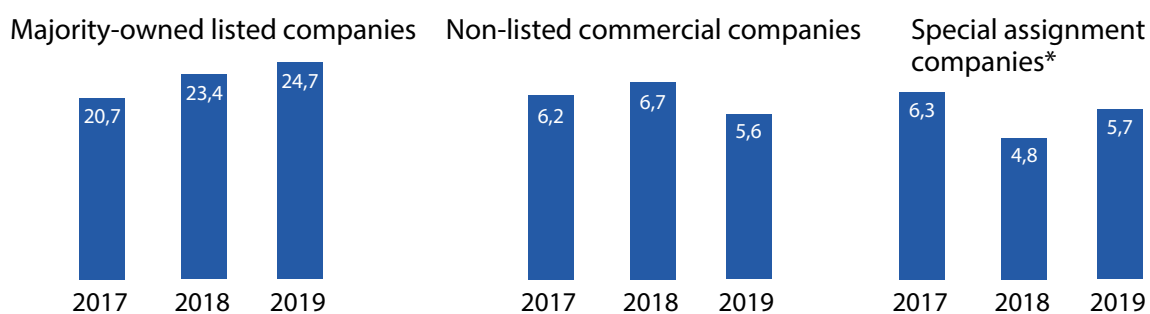
EUR 8.1 billion
Tax footprint

316,000
Personnel

*At the end of 2019. Listed companies: market capitalisation. Non-listed companies: valuation made by the Ownership Steering Department.

Figure 2. Net sales and operating income of state-owned companies,
(EUR billion)

Net sales



Operating income



*The year 2017 is not comparable in terms of net sales. Veikkaus revised its reporting in 2019. The 2018 figures were converted retroactively.

1.2 Remuneration

Executive and staff remuneration is a tool used by the board of directors for the purpose of increasing the company's value. To be able to operate in an intensely competitive market, state-owned companies need to be able to hire executives and staff on competitive terms. State ownership must not compromise competition neutrality.

The State requires that the companies report on their remuneration policies and any changes in incentives to the Annual General Meeting (AGM). This requirement is based on a directive adopted in spring 2017, and the period of time allowed for implementation by Member States ended in June 2019. The Ownership Steering Department is of the opinion that, with the Shareholder Rights Directive, reporting by state-owned companies has reached a satisfactory standard of quality.

On the whole, the overall level of remuneration applied by state-owned companies is consistent with general market practices in Finland. Typically, total remuneration paid to chief executive officers (CEO) in 2019 was close to or below the median earned by their peers in comparable companies. The same holds for total remuneration paid to the members of management teams.

Generally, the fixed monthly salaries of CEOs in state-owned companies in 2019 were at a par with those paid by peer companies. The trend in CEO median salaries followed that of peer groups.

The median incentive bonuses based on performance in 2018 and paid out in 2019 was approximately 50 per cent of the maximum profit-based compensation. An analysis of the actual incentive bonuses over several years shows that both in state-owned and peer companies the median incentive level was very close to the target of 50 per cent of the maximum performance-based compensation.

As the earnings periods under the schemes are long and the rewards are not paid out annually, the bonuses disbursed are not comparable year-on-year.

Supplementary pension schemes are more common in large companies in which most CEOs enjoy this benefit. With large state-owned companies, the CEOs' supplementary pension plans are accrual-based, which is also the usual arrangement in peer companies. A few peer companies still apply defined benefit schemes.

Performance-based remuneration refers to total earnings that a person may achieve when the objectives established by the company's board of directors are attained. Aside from paid-out compensation, it is always appropriate to analyse the overall level of total remuneration to gain an understanding of competitiveness relative to the market levels of the selected peer groups.

Finland's Government affirmed its views on executive and staff remuneration in state-owned companies in the recent Government Resolution on State Ownership Policy issued in April 2020. The resolution underlined responsibility and financial performance as remuneration criteria.

1.3 Board appointments

In 2019, the Ownership Steering Department in the Prime Minister's Office proposed candidates for board membership to the annual general meetings (AGM) or nomination committees of 29 companies. All in all, there were a total of 191 members on these boards, of whom the State had appointed 155. Of all State-appointed members, women accounted for 43 per cent of the total in 2019. During 2020, the Ownership Steering Department has or will propose candidates to the AGMs or nomination committees of 30 companies. Solidium Oy is active in the nomination committees of its portfolio companies and is not included in the above figures.

During 2019 and 2020, the State proposed or will propose candidates to boards of directors at a total of over 60 AGMs. This includes companies in respect of which ownership steering is exercised by the Prime Minister's Office and other ministries. The total number of board members was over 300. Of all the State-appointed members, women accounted for more than 40 per cent of the total.

The State's objective is that neither gender should have less than 40 per cent of the State's board appointments. Failure to meet this objective can usually be explained by the total number of board positions available or the number of members that the State is authorised to appoint under shareholder agreements.

Gender is not the only criterion for the State's board appointments when it seeks to promote diversity in the composition of the boards. Other considerations include an international outlook, industry expertise and management skills. Most importantly, the composition of the board of directors must respond to the company's needs with each member contributing some added value.

With regard to board members appointed on proposal from the State, the preferred maximum duration of the term is 5–7 years. The members of the boards of directors are appointed by the general meeting of shareholders, which often also elects the chair of the board. At the AGMs, the State is represented by either the minister responsible for ownership steering or a designated government official. When screening suitable candidates for board membership, the State relies on an external consultant. At many of the companies in which the State is not the sole owner, the largest shareholders form a nomination committee to prepare matters related to the composition and remuneration of board members and to propose candidates for board membership to the meeting of shareholders.

Key criteria for board membership include experience and expertise, assurance of the capacity for cooperation and diversity of competence, and compliance with the gender equality objectives established by the Government. Board appointments offer a way of ensuring that the State's objectives are achieved as effectively as possible. When officials responsible for ownership steering are appointed to the boards of directors of state-owned companies, steps must be taken to ensure that such officials are not disqualified when preparing decisions affecting state ownership or exercising other shareholder control or powers.

1.4 Corporate social responsibility and sustainability

Corporate social responsibility (CSR) means companies' responsibility for the social impacts of their operations. Changes in the operating environment underline their responsibility for people, the environment and the economy. As the rate of change only accelerates, CSR performance plays an increasingly important role in business. Today, CSR is an integral part of a company's competitiveness as it relates to risk management while at the same time serving as a source of business opportunities.

The Government Resolution on State Ownership Policy encourages companies to assess the impacts of their own operations and those of their value and supply chains on key ecological and social developments,

to identify the biggest risks and effects and commit to reducing adverse consequences. As declared in the resolution, the State expects every company to establish measurable objectives for corporate social responsibility and report on their CSR performance, actions taken and goals for the coming years to the meetings of shareholders. This type of reports were submitted to the AGMs for the first time in spring 2017. At the 2020 AGMs, increasing attention was drawn to the link between CSR and corporate strategy.

Over the past few years, the State's expectations have increased from mere reporting to more strategic requirements regarding corporate social responsibility and sustainability in recognition of the overall development of society and stakeholder concerns. A sustainable competitive edge can only be gained through responsible action. Consequently, the promotion of corporate social responsibility is part of the toolkit of active owners in their efforts to increase shareholder value.

The Ownership Steering Department continued its regular dialogue with companies on corporate social responsibility and its advancement. As a shareholder, the State underlines the importance of a CSR materiality analysis as a tool for developing management performance in this respect. When properly managed, this creates favourable conditions for increasing the company's worth and shareholder value.

In 2019, the State held a CSR seminar for the representatives of its portfolio companies to explore how to give more consideration for the operating environment and, particularly, cyber and climate change threats in business operations. Similar CSR seminars are organised every two years or so.

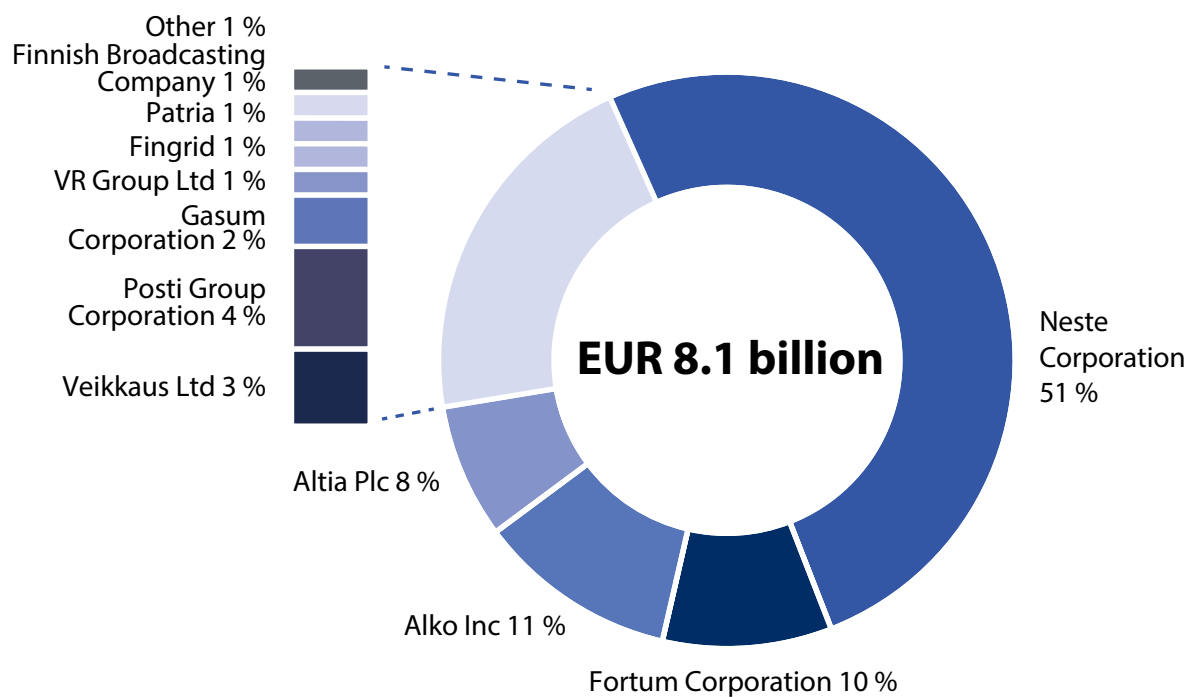
In the Resolution on State Ownership Policy adopted by Prime Minister Marin's Government, the importance of CSR as a strategic corporate resource is emphasised even further. Companies are expected to incorporate CSR policies as an integral part of their business activities. A case in point is the reference to the objective of a carbon-neutral Finland by 2035 announced in Government Programme and the actions required by the State to achieve it.

1.5 Tax footprint

In the Government Resolution on State Ownership Policy, the State adopted an unambiguous position on tax reporting by companies. Aggressive tax planning is not acceptable and taxes must be paid to the country in which the profits are earned. Minimisation of taxes through the use of tax havens is unacceptable.

The Ownership Steering Department in the Prime Minister's Office has been encouraging state-owned companies to disclose their tax information since 2014. The 2019 tax data was gathered on all state-owned companies including companies ownership-steered by other ministries. The total tax footprint of all the companies was EUR 8.1 billion. The companies ownership-steered by the Prime Minister's Office have several years' experience of public tax reporting and have taken steps to develop their reporting further. The State will update its guidelines for country-by-country tax reporting for companies in which it holds a controlling interest in compliance with the guidelines issued by the OECD.

Figure 3. All state-owned companies in 2019,
breakdown of the total tax footprint by percentage



1.6 Basic information on portfolio companies

Table 1. Listed companies in 2019

Key indicators

	Net sales EURm	Operating income EURm	Operating income %	Total assets	Equity ratio, %	Gearing, %	Return on equity, %	Return on invest- ment, %	Personnel
Altia Plc	360	25,1	7	400	38	19	12	9	632
Finnair Plc	3 098	163	5	3 878	25	64	8	6	6 771
Fortum Corporation	5 447	1 110	20	23 364	57	40	12	10	8 191
Neste Corporation	15 840	2 229	14	9 793	60	-3	34	34	5 474

Table 2. Non-listed companies in 2019
Key indicators

	Net sales EURm	Operating income EURm	Operating income %	Total assets	Equity ratio, %	Gearing, %	Return on equity, %	Return on invest- ment, %	Personnel
Arctia Ltd	79,1	0,0	0,0	288	49	73	-1	-1	442
Boreal Plant Breeding Ltd	9,8	0,5	4,7	12	65	-5	3	5	70
Cinia Group Ltd	50,1	3,4	6,8	113	39	62	4	4	283
Finavia Corporation	389,2	44,0	11,3	1360	50	72	5	4	2239
Fingrid Oyj	789,4	115,5	14,6	2145	32	151	12	6	380
Gasum Corporation	1 127,6	141,4	12,5	1648	45	83	14	12	373
Kemijoki Oy	53,1	5,6	10,6	485	11	824	2	1	38
Leijona Catering Oy	75,5	5,6	7,4	28	65	-78	25	31	497
Motiva Oy	7,8	0,8	10,3	5	57	-96	31	36	60
Nordic Morning Group Plc	77,5	0,6	0,8	48	39	62	2	2	442
Patria Plc	507,5	7,8	1,5	651	39	71	2	2	3 055
Posti Group Corporation	1 564,6	18,5	1,2	1194	38	37	4	5	20 468
Suomen Lauttaliikenne Oy	56,5	9,7	17,2	67	71	-32	16	21	336
Mint of Finland	56,8	-1,4	-2,4	51	51	55	-6	-3	159
Finnish Seed Potato Centre Ltd	3,4	0,2	4,5	3	67	35	6	5	14
Suomen Viljava Oy	18,3	4,2	23,0	28	72	26	17	17	61
Tapio Ltd	12,4	0,7	5,6	16	67	-47	6	7	72
Vapo Oy	297,7	-40,4	-13,6	829	43	90	-5	-2	996
VR-Group Ltd	988,4	301,4	30,5	1940	69	0	19	20	6 062

Table 3. Special assignment companies in 2019
Key indicators

	Net sales EURm	Operating income EURm	Operating income %	Total assets	Equity ratio, %	Gearing, %	Return on equity, %	Return on investment, %	Personnel
A-Kruunu Oy	7,5	2,3	31	273	20	291	0	1	18
Alko Inc	1 144,0	40,0	3	262	35	-120	35	44	1 898
CSC - IT Center for Science Ltd	51,0	1,5	3	37	36	-316	21	26	413
Finnpilot Pilotage Ltd	40,9	2,6	6	25	63	-26	13	16	336
Finnvera plc	0,0	100,2		12 665	12		7		351
Governia Group	18,5	1,4	8	223	64	20	1	1	25
Hansel Ltd	11,1	-0,8	-8	15	68	-116	-6	-6	116
HAUS Finnish Institute of Public Management Ltd	8,0	-0,1	-1	4	35	-333	-14	-11	36
Horse Institute Ltd	8,0	0,1	1	5	78	-44	5	3	74
Municipality Finance Plc	191,6	131,2	68	38 934	4		7		167
Solidium Oy	0,0	-3,9		8 193	90				12
SoteDigi Oy	0,0	-8,2		82	98	-101	-9	-9	23
Stuk International Ltd	0,3	0,0	0	4	39	-199	-10	-3	1
State Security Networks Group Finland	102,4	1,6	2	253	88	-8	0	1	370
Finnish Aviation Academy Ltd	10,5	0,1	1	19	94	-37	1	1	48
Finnish Minerals Group Ltd	310,4	-9,1	-3	862	54	4	-9	-3	735
Finnish Industry Investment Ltd	64,6	95,5	148	1 130	96	-37	7	9	37
University Properties of Finland Ltd	165	46	28	1 335	47	108	4	4	31
VTT Technical Research Centre of Finland Ltd	147,2	3,9	3	264	65	-72	2	3	2 083
Finnish Fund for Industrial Cooperation Ltd	0,0	-12,5		616	43	111	0	8	81
Tietokarhu Oy	28,5	8,0	28	18	55	0	83	102	89
Traffic Management Finland Ltd	221,9	21,3	10	238	72	-41	9	13	1 103
State Business Development Company Vake Ltd	71,8	68,0	95	1 916	100	-2	3	4	9
Veikkaus Ltd	1 690,7	1 009,3	60	1 361	86	-12	87	87	1 606
ICT Service Centre Vimana	0,7	-4,1		17	96	-103	-25	-25	27
Finnish Broadcasting Company Ltd	478,0	6,1	1	309	44	22	5	0	3 309

1.7 Value changes in the value of the State's portfolio of listed equities

1.7.1 Directly held listed companies

The market capitalisation of the State's listed portfolio companies increased by 24 per cent in 2019. The value changes in market value is not directly comparable to 2018 because the State's interest in Neste Corporation fell by about 0.5 per cent in 2019. At the end of the year, the State held a total of 44.3 per cent of Neste's entire share capital. Another major change in direct holdings in listed companies involved Altia Plc when the State relinquished all its shares in the company to the State Business Development Company Vake Ltd as a contribution in kind. However, responsibility for ownership steering in respect of Altia Plc continued to rest with the Ownership Steering Department in the Prime Minister's Office.

The overall increase in the market value of state-owned listed companies was supported by excellent financial performance by Altia, Fortum and Neste. Neste's share price increased by 38 per cent in 2019 thanks to hefty profits exceeding the benchmark index by a wide margin. Over the same period, Altia's share price increased by 16 and Fortum's by 15 per cent. Finnair's market value fell by 17 per cent. The total 12-month return on the portfolio was 28.6 per cent. In 2019, the general index of the Nasdaq OMX Helsinki Stock Exchange increased by 13.4 per cent and the return index by 19.1 per cent. Consequently, the portfolio performed very well compared with the overall market developments. The dividend yield from directly held listed companies at 2019 year-end prices was 4.0 (4.6) per cent.

Table 4. Value changes in the market capitalisation of state holdings in listed companies

Market capitalisation

	Ownership interest (%)	2014	2015	2016	2017	2018	2019
Altia Plc	36,2					93	107
Finnair Plc	55,8	177	388	288	917	507	421
Fortum Corporation	50,8	8 103	6 277	6 570	7 440	8 613	9 921
Neste Corporation	44,3	2 577	3 549	4 689	6 853	7 729	10 562
Total		10 857	10 214	6 858	15 210	16 941	21 010
Total interests held by Solidium Oy		7 616	6 835	7 848	8 538	6 842	7 541
Total		18 474	17 050	19 395	23 748	23 783	28 551

Financial performance

	Return % 1y	Benchmark index 1y	Return % 5y*	Benchmark index 5y*
Altia Plc	21,7	N/A	N/A	N/A
Finnair Plc	-14,1	-1,3	20,9	3,6
Fortum Corporation	22,0	30,6	11,9	7,5
Neste Corporation	41,7	11,0	40,0	7,6

* Annualised

Figure 4. Directly held listed companies,
value changes in equity prices 21 Jan 2015–31 Dec 2019

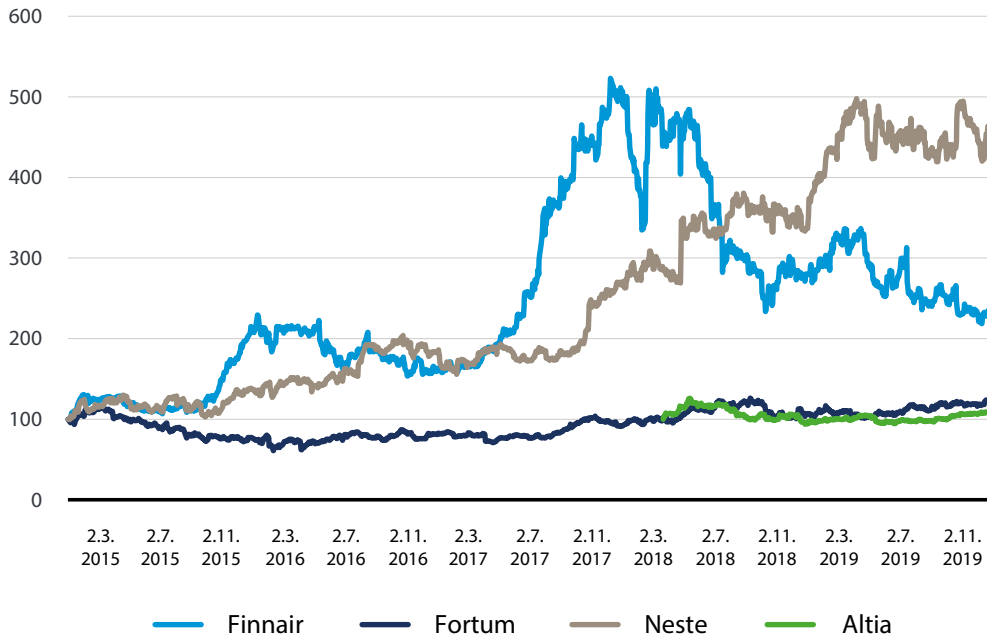
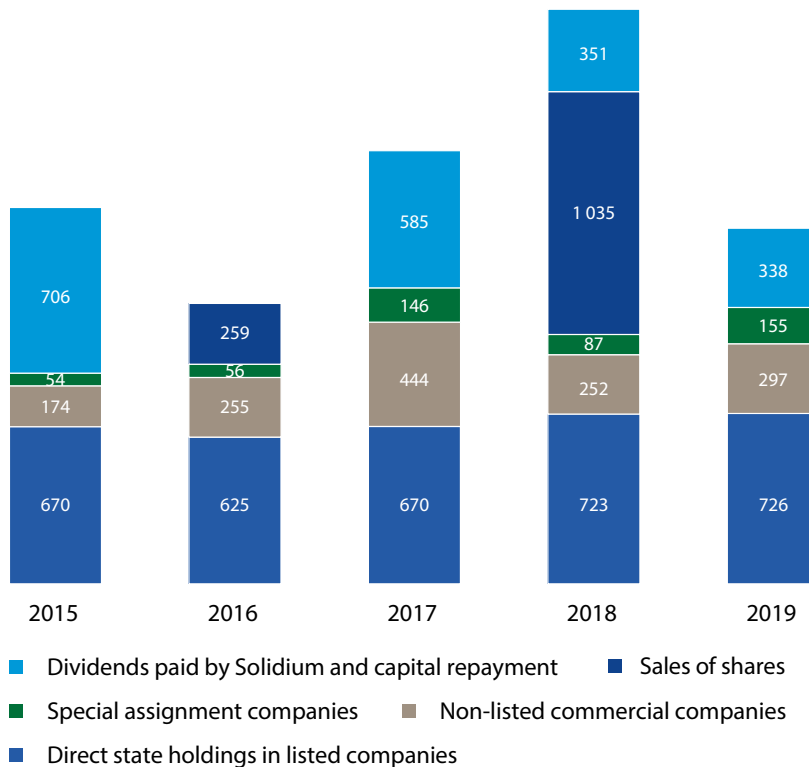


Figure 5. Dividends, capital repayments and sales proceeds received by the State,
on cash basis, EUR million



The State received a total of EUR 1515 million (2448 million) in dividends and capital repayments. The figure shows the substantial impact of sales proceeds in the amount of EUR 1035 million in the benchmark year, whereas no sales proceeds were generated in 2019. Total dividends paid by directly held listed companies increased to EUR 726 (723) million. Additionally, the State Business Development Company Vake Ltd received EUR 49 million in dividends from Neste. The increase in total dividends and capital repayments by non-listed companies to EUR 451 (339) million was mainly due to the EUR 102 million capital repayment by Pohjolan Rautatiet Oy. Sodium paid a total of EUR 338 (351) million in dividends.

1.7.2 Solidium-held companies

Table 5. Solidium's investment portfolio
at 31 December 2019

	EURm	% of the company	% of the portfolio
Sampo plc A	2 151	10,0 %	29 %
Stora Enso Plc*	1 132	10,7 %	15 %
Elisa Corporation	828	10,0 %	11 %
Metso Corporation	787	14,9 %	10 %
Nokia Plc	715	3,8 %	9 %
SSAB AB**	386	12,6 %	5 %
Valmet Plc	357	11,1 %	5 %
Outokumpu Plc	254	21,7 %	3 %
Kemira Corporation	209	10,2 %	3 %
TietoEVRY Plc***	206	6,3/10%	3 %
Konecranes Plc	181	8,4 %	2 %
Nokian Tyres plc	179	5,0 %	2 %
Outotec Plc	157	14,9 %	2 %
All equity investments	7 541		100%

Allocation	EURm	% of the portfolio
Total investments	7 701	100 %
Equities	7 541	98 %
Fixed-income investments	160	2 %

* Solidium holds 10.7% of all Stora Enso shares and 27.3% of all votes

**Solidium holds 12.6% of all SSAB shares and 9.8% of all votes

***Solidium's interest in the company increased to 10% on 2 January 2020

On 31 December 2019, equity investments accounted for approximately 98 per cent of Solidium's portfolio. The greatest weight in equities was in Sampo, which accounted for 29 (31) per cent of the total. Solidium's money market investments stood at EUR 160 (152) million. The total return from Solidium's share portfolio fell short of the weight-limited OMX Helsinki Cap GI gross index over the preceding 12 months. Similarly, the five-year return on the share portfolio fell short of the benchmark index.

Table 6. Return on Solidium-owned company shares and the benchmark index return, % 1 year and 5 years*

	Return, % 1 year		Return, % 5 years	
	Company	Index	Company	Index
Elisa Corporation	43	5	22	-1
Kemira Corporation	41	29	11	7
Konecranes Plc	8	38	7	12
Metso Corporation	59	24	12	6
Nokia Plc	-33	37	-10	13
Nokian Tyres plc	1	21	10	4
Outokumpu Plc	-8	-11	-8	-6
Outotec Plc	87	24	6	6
Sampo plc A	10	21	6	8
SSAB AB**	12	-11	0	-6
Stora Enso Plc*	34	15	16	6
TietoEVRY Plc	24	40	11	13
Valmet Plc	22	24	19	6
Total return on share portfolio	15,0	20,4	7,2	11,1
Fixed-income investments	0,4		0,3	
Return on investments	14,9		6,9	

* S Purchases into the portfolio: Konecranes 24 May 2016, Nokia 13 March 2018, Nokian Tyres 19 March 2019

The best performance in the calendar year was put in by Outotec (87 per cent) and Metso (59 per cent). Negative returns were delivered by Nokia (-33 per cent) and Outokumpu Plc (-8 per cent).

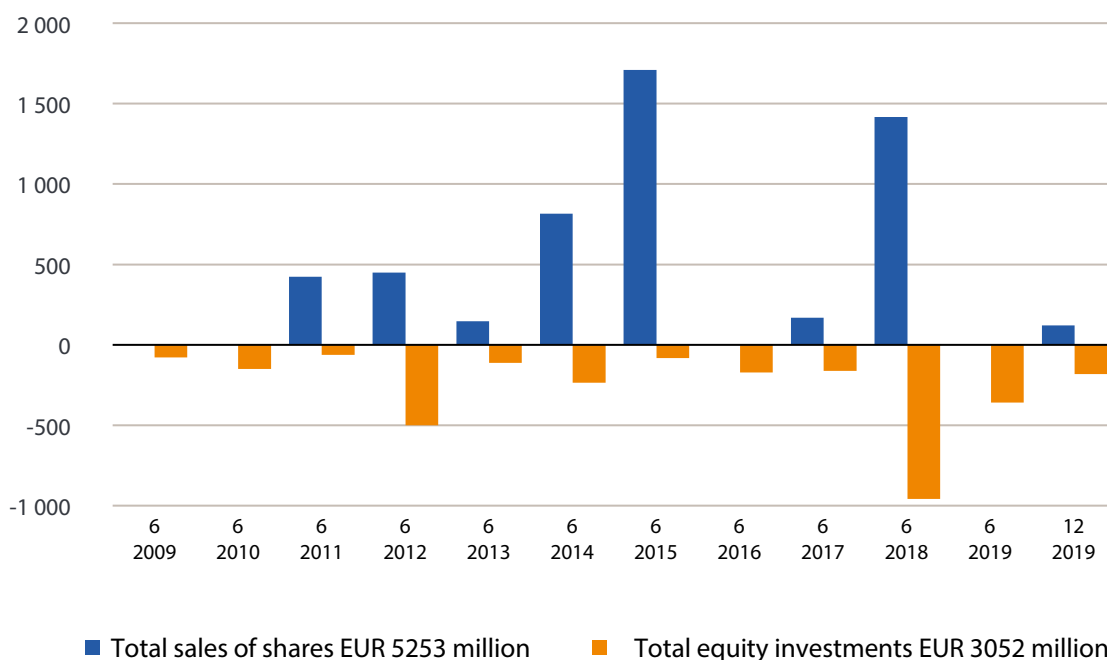
Solidium relinquished shares to the State in the form of capital repayments in three stages to a total value of EUR 155 million. Kemira shares were relinquished for EUR 15 million and shares in Kemira, Outokumpu and SSAB for EUR 60 million to the State. Additionally, shares in Kemira, Nokia and Sampo were surrendered to a total value of EUR 80 million to the State, which subsequently transferred them to Oppiva Invest Oy.

During the calendar year, Solidium acquired shares to a total value of EUR 417 million, including TietoEVRY (2 Jan 2020). A new addition to Solidium’s portfolio was Nokian Tyres in which Solidium acquired a 5.1 per cent interest for EUR 205 million. During the year, Solidium bought shares in Konecranes for EUR 23 million and in Nokia for EUR 66 million.

As a result, Solidium’s interest in Konecranes increased from 6.2 to 7.4 per cent and in Nokia from 3.3 to 3.7 per cent when Solidium bought Nokia shares in the market following the capital repayment effected in spring 2019. The merger between Tieto and EVRY of Norway was completed. After a share purchase of EUR 123 million, Solidium’s interest in the merged TietoEVRY increased to 10.0 per cent.

During the calendar year, Solidium sold Kemira shares for EUR 84 million and Nordea shares for EUR 36 million. After the end of the year, Solidium sold shares in Sampo for EUR 458 million.

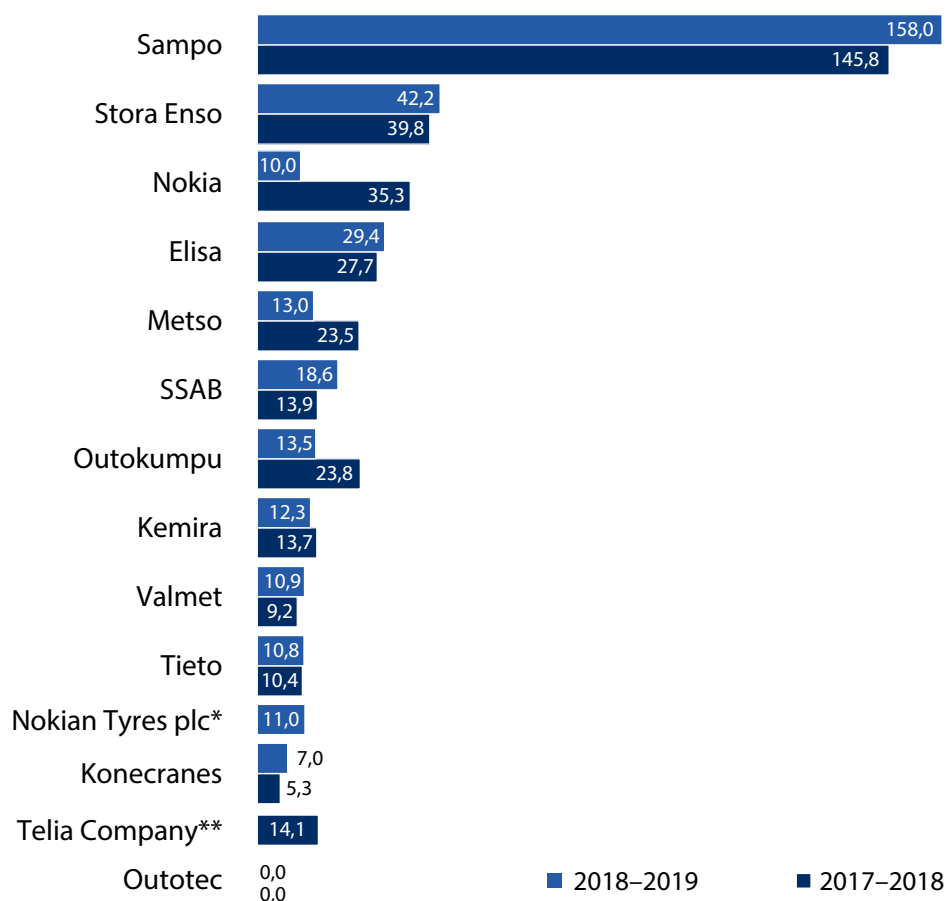
Figure 6. Solidium Oy’s equity investments and sales in 2019, EUR million



The dividend yield from Solidium’s equity portfolio calculated at 2019 year-end share prices and determined on the basis of financial statement bulletins was 3.2 (4.6) per cent and the payout ratio 83 (91) per cent. The dividend yield of companies listed at the Nasdaq OMX Helsinki Stock Exchange at 2019 year-end prices was 3.9 (5.3) per cent and the payout ratio 76 (84) per cent.

Since 2008, Solidium has received a total of EUR 3.8 billion in dividend income. At the same time, Solidium has paid a total of EUR 5.7 billion in dividends to the State. Aside from dividends, Solidium has relinquished shares to the State by way of capital repayments. Consequently, Solidium has paid the State some EUR 1.9 billion more than it has received in dividends. This was made possible by the sale of shares by Solidium, as a result of which its dividend income has decreased. Solidium has invested some EUR 3.1 billion in equities and sold stock for some EUR 5.3 billion.

Figure 7. Dividends paid by Solidium's portfolio companies,
EUR million



* Investment made 3/2019

** Interests sold 2/2018

Payment during next financial year: Metso EUR 13 million

1.8 Direct state holdings in listed companies

Altia Plc

Altia is an alcoholic beverage brand company operating in the wines and spirits markets in the Nordic and Baltic countries. The company produces, imports, markets, sells and distributes its own brands and partner products and exports alcoholic beverages to approximately 30 countries.

Altia Plc
State shareholding
36.2% (Vake Ltd 36.2%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
No strategic interest
Board of directors 2020, proposal of the nomination committee
Sanna Suvanto-Harsaae (Chair), Jyrki Mäki-Kala (Vice Chair), Jukka Leinonen, Tiina Lencioni, Jukka Ohtola, Anette Rosengren, Torsten Steenholt.
Chief Executive Officer
Pekka Tennilä

Key financial indicators	2019	2018
Net sales, EURm	359,6	357,3
Operating income, EURm	25,1	19,7
Operating margin	7,0	5,5
Total assets, EURm	400,2	390,4
Equity ratio, %	37,8	38,4
Gearing, %	19,1	31,6
Return on equity, %	12,2	10,5
Return on investment, %	8,5	7,0
Total dividends paid, EURm	15,2	13,7
Dividends received by the State, EURm*	*5,5	*5,0
Investments, EURm	6,8	7,7
Personnel, total, 31 Dec	632	678
Personnel, Finland, 31 Dec	381	402
Gender composition of the management team w/m	2/5	2/5
Gender composition of the Board of Directors w/m	3/4	3/4
Total tax footprint	613,8	627,2
Tax footprint in Finland	325,7	330,3

* Dividends received by Vake

A year of moderate growth

The 0.6 per cent growth in net sales was achieved as a result of increased sales to the Nordic monopoly markets, the higher prices of the products manufactured for industry and the increase in the volume of industrial products. As in the comparative period, the weakness of the Swedish krona had an adverse effect on net sales and financial performance. Altia's net sales increased to EUR 25.1 (19.7) million, partly due to improved efficiency and price adjustments. By contrast, the increase in the price of barley undermined the Group's financial performance during the first nine months of the reporting period. The company's balance sheet position was strengthened during the financial year. At the end of the period, the Group's gearing was 19.1% (31.6%).

In February 2019, the State relinquished all its shares in Altia Plc to the State Business Development Company Vake Ltd as a contribution in kind. Responsibility for Altia's ownership steering continues to rest with the Ownership Steering Department in the Prime Minister's Office.

Carbon neutrality by 2025

In December, Altia announced its new CSR roadmap extending up to 2030 based on the circular economy and carbon neutrality. The key objective is to achieve carbon-neutral production by 2025 without compensation. Corporate social responsibility has played a key part in Altia's strategy for a long time. As far as the circular economy is concerned, the Koskenkorva Distillery has been a forerunner as the Finnish barley used as a raw material is harnessed one hundred per cent in production. A new key objective established by the company is to replace all packaging materials by recyclable products by 2025.

Finnair Plc

Finnair is a network airline specialising in scheduled services between Asia and Europe.

Finnair flies to 21 destinations in Asia, 8 in Northern America and over 100 destinations in Europe.

Finnair Plc
State shareholding
55.8%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To develop Finland as a hub of international air traffic.
Board of directors 2020, proposal of the nomination committee
Jouko Karvinen (Chair), Tiina Alahuhta-Kasko, Colm Barrington, Montie Brewer, Mengmeng Du, Jukka Erlund, Henrik Kjellberg, Maija Strandberg, Jaana Tuominen
Chief Executive Officer
Topi Manner

Key financial indicators	2019	2018
Net sales, EURm	3 097,7	2 836,1
Operating income, EURm	162,8	218,4
Operating margin	5,3	7,7
Total assets, EURm	3 877,9	3 943,6
Equity ratio, %	24,9	23,3
Gearing, %	64,3	76,9
Return on equity, %	7,9	10,5
Return on investment, %	6,3	9,3
Total dividends (proposal), EURm	0	38,4
Dividends received by the State, EURm	0	19,6
Investments, EURm	443,8	474,0
Personnel, total, 31 Dec	6 771	6 360
Personnel, Finland, 31 Dec	6 164	5 828
Gender composition of the management team w/m	3/7	2/8
Gender composition of the Board of Directors w/m	3/5	3/5
Total tax footprint	82,1	101,5
Tax footprint in Finland	81,5	100,5

Continued profitable growth

Strong demand for air travel services combined with increased capacity as a result of the modernisation of the fleet contributed, again, to a healthy 9 per cent increase in Finnair's net sales. The number of passengers carried went up by 10.3 per cent reaching 14.6 million. At the same time, passenger traffic capacity increased by 11.3 per cent on 2018.

Approximately 80 per cent of net sales was generated by passenger traffic revenues that increased in all operating areas. Similarly, sales of other products, such as cargo and travel services, increased. Over the same period, the comparable operating income decreased to EUR 163 million due to increased costs. The operating margin fell to 5.3 per cent.

Finnair's financial position is strong, which will make it possible to invest billions of euros in modernising the narrow-body fleet in the future. In 2019, Finnair recruited about 1000 new employees and is investing heavily in staff well-being and human resources development.

Strategy updated

In November 2019, Finnair announced a new comprehensive strategy for 2020–2025 which will focus on five priority areas: route network and fleet; operational quality; a modern airline company of the highest quality; responsibility; and shared culture.

Corporate social responsibility and sustainability are an integral part of Finnair and reflected in all its operations. After the end of the reporting period, Finnair announced in February 2020 a highly ambitious sustainability programme by which it seeks to halve its net emissions by the end of 2025 and achieve full carbon neutrality by 2045.

Fortum Corporation

Fortum is primarily engaged in electricity and heat generation, waste incineration and circular economy solutions. At the end of 2019, Fortum held 49.99 per cent of the shares and voting rights in Uniper.

Fortum Corporation
State shareholding
50.8%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure adequate power generation under all conditions
Board of Directors 23 April 2020
Matti Lievonon (Chair), Eva Hamilton Essimari Kairisto, Klaus-Dieter Maubach, Anja McAlister, Teppo Paavola, Veli-Matti Reinikkala, Philipp Rösler, Annette Stube
Chief Executive Officer
Pekka Lundmark

Key financial indicators	2019	2018
Net sales, EURm	5 447	5 242
Operating income, EURm	1 110	1 138
Operating margin	20	22
Total assets, EURm	23 364	22 409
Equity ratio, %	57	54
Gearing, %	40	46
Return on equity, %	12	6,8
Return on investment, %	10	6,7
Total dividends paid, EURm	977	977
Dividends received by the State, EURm	496	496
Investments, EURm	802	4 667
Personnel, total, 31 Dec	8 191	8 286
Personnel, Finland, 31 Dec	2 234	2 238
Gender composition of the management team w/m	2/8	2/8
Gender composition of the Board of Directors w/m	3/5	3/5
Total tax footprint	771	703
Tax footprint in Finland	224	186

A clear improvement in financial performance

2019 was a successful year for Fortum in terms of financial performance and active strategy

implementation. The company agreed on increasing its interest in Uniper, re-examined the strategic options for its district heating business and continued to build solar and wind power capacity. As the principal shareholder in Uniper, Fortum will continue to focus on cooperation and coordinating the strategies of the two companies. As part of its efforts to streamline its business operations, Fortum announced at the beginning of 2020 that it will divest its district heating business in Joensuu for the price of EUR 530 million, which contributed to the company's long-term objective regarding gearing. At the same time, the company announced that it will reassess its district heating operations in Järvenpää and the Baltics. In 2019, Fortum's comparable operating income increased to EUR 1.2 (1.0) million, mainly due to markedly improved financial performance by the Generation segment. While electricity prices in general were on the decline, the price of electricity charged by Fortum increased by 6 per cent. Other factors contributing to sound financial performance included positive developments in the Russia and Consumer Solutions segments. Additionally, Fortum's share of the profits earned by its affiliated companies and joint ventures reached almost EUR 750 million, mostly due to Uniper. For the first time in years, Fortum was able to reach its long-term objective of 10 per cent return on investments.

The climate year

Climate issues were highlighted from several points of view during the year. For years now, Fortum Corporation has been engaged in determined efforts to reduce its carbon dioxide emissions, and this positive trend was upheld in 2019. As a result, the company established a new ambitious objective for specific CO₂ emissions from energy production in 2020. Fortum's strategy calls for a reduction in carbon dioxide emissions, which is supported by Uniper's decision to close old coal-fired plants in Germany. Fortum's investments in carbon-free production increased by EUR 100 million.

Neste Corporation

Neste is the world's leading producer of diesel fuel made from wastes and residues and creates renewable solutions for the aviation and plastics industries. The company ranks third on the Global 100 list of the world's most responsible companies.

Neste Corporation
State shareholding
44.3% (Prime Minister's Office 36.0%, Vake Ltd 8.3%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure nationwide fuel supply with due regard to the maintenance of emergency stocks of critical supplies.
Board of directors 2020, proposal of the nomination committee
Matti Kähkönen (Chair), Marco Wiren (Vice Chair), Sonat Burman-Olsson, Nick Elmslie, Martina Flöel, Jean-Baptiste Renard, Jari Rosendahl, Johanna Söderström
Chief Executive Officer
Peter Vanacker

Key financial indicators	2019	2018
Net sales, EURm	15 840	14 919
Operating income, EURm	2 229	1 025
Operating margin	14,1	6,9
Total assets, EURm	9 793	8 224
Equity ratio, %	60,5	56,3
Gearing, %	-3,2	-1,5
Return on equity, %	33,9	17,4
Return on investment, %	34,4	18,3
Total dividends (proposal), EURm	783	585
Dividends received by the State, EURm*	347	210
Investments, EURm	568	395
Personnel, total, 31 Dec	5 474	5 468
Personnel, Finland, 31 Dec	3 794	3 681
Gender composition of the management team w/m	2/9	2/7
Gender composition of the Board of Directors w/m	3/5	3/5
Total tax footprint	4 119	3 973
Tax footprint in Finland	3 373	3 322

* State and Vake combined.

Excellent financial result

Neste's achieved the best financial result in its history in 2019, with the comparable operating income reaching EUR 1962 (1422) million. As in the previous year, underlying the positive trend was Renewable Products, which increased its comparable operating income to EUR 1599 (983) million. By contrast, Oil Products' comparable operating income decreased slightly to EUR 386 (397) million. The profits earned by Marketing & Services remained unchanged at EUR 77 (77) million. The financial result of the Other segment fell to EUR -98 (-36) million due to weak performance by Nynas. Nest wrote off its holdings in and loan receivables from Nynas in the third quarter.

Currently Neste is engaged in a project to expand its facility in Singapore at the cost of EUR 1.4 billion. Once completed, the investment will increase Singapore's annual production capacity to 1.3 million tonnes and that of the entire Renewable Products to 4.5 million tonnes in 2022.

Sound profits have strengthened Neste's balance sheet. The equity ratio was 60.5 (56.3) per cent. For 2019, the company will distribute an extra dividend of EUR 0.10 per share. Neste's share price increased by 38.2 per cent during 2019.

Updated strategy

According to Neste's updated strategy, the company aims to become the global leader in renewable and circular economy solutions.

Among other things, Neste seeks to reduce greenhouse gas emissions by its customers by at least 20 million tonnes by 2030; expand its end-product markets to aviation and polymers; provide solutions for chemicals recycling; consolidate the company's global position in waste and residue raw materials; and continue to point the way in growing the renewable products production capacity by seizing at least 40 per cent of the market.

1.9 Non-listed commercial companies

Arctia Ltd

Icebreaking and multipurpose vessel services, maintenance and operation of waterways and canals, prevention of environmental accidents, hydrographic surveying, other watercourse-related services and the provision of expert services in Finland and internationally.

Arctia Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To ensure winter navigation capabilities in order to serve the needs of Finnish business and industry and provide hydrographic surveying services necessary for the maintenance of naval preparedness.
Board of Directors 23 March 2020
Pertti Saarela (Chair), Mats Rosin (Vice Chair), Hanna Masala, Sinikka Mustakari, Pirjo Kiiski, Kari Savolainen
Chief Executive Officer
Maunu Visuri

Key financial indicators	2019	2018
Net sales, EURm	79,1	50,9
Operating income, EURm	0,0	2,2
Operating margin	0,0	4,4
Total assets, EURm	288,0	300,1
Equity ratio, %	49,1	49,2
Gearing, %	72,6	70,4
Return on equity, %	-1,4	1,0
Return on investment, %	-1,0	0,8
Total dividends paid, EURm	0,0	1,6
Dividends received by the State, EURm	0,0	1,6
Investments, EURm	9,5	12,7
Personnel, total, 31 Dec	442	497
Personnel, Finland, 31 Dec	442	497
Gender composition of the management team w/m	2/2	2/5
Gender composition of the Board of Directors w/m	3/3	3/5
Total tax footprint	10,5	5,6
Tax footprint in Finland	10,5	5,6

Easy ice conditions due to mild winter

Arctia's net sales increased on 2018 reaching EUR 79.1. This was mainly due to the inclusion of Meritaito in the Group in December 2018. The Group's operating income fell to EUR 0.0 million as a result of fewer operating days due to the mild winter and the inflexibility of fixed costs. Even so, the company's balance sheet and financial position remained solid close to the previous year's level.

The number of operating days in icebreaking decreased relative to the previous financial year. While the ice conditions on the Baltic Sea were easy because of the mild winter, the conditions on the Gulf of Bothnia were challenging because of strong winds and drifting ice. In 2019, the conventional icebreakers clocked a total 547 (662) operating days. Multi-purpose icebreakers did not operate during the reporting period. Because of the bleak business prospects for international chartering, the company made a decision during the financial year to discontinue the offshore business with the current concept.

In waterway maintenance, active efforts to develop the service concept were continued. The company's oil spill prevention agreement expired at the end of 2019. It will mean a significant loss of income for Arctia in 2020. In hydrographic surveying, both the volume of work and net sales increased in Finland and abroad.

Corporate social responsibility in the company strategy

Corporate social responsibility is high on Arctia's agenda. Arctia provides services that help improve safety at sea and supports sustainable use of the water areas. The importance of responsible action is highlighted as the company operates in sensitive sea areas. Corporate social responsibility will be closely integrated into the Group's new strategy.

Boreal Plant Breeding Ltd

Boreal Plant Breeding Ltd breeds and markets productive and high-quality varieties of field crops for professional farmers operating in the harsh growing conditions prevailing in northern Europe. Boreal is the market leader in its line of business in Finland.

Boreal Plant Breeding Ltd
State shareholding
60.75%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To ensure the continued breeding of production plant species suitable for the northern climate necessary for the proper functioning of the market and retention of ownership of the material being bred. Availability of the necessary species is important to the maintenance of emergency stocks of critical supplies.
Board of Directors 1 April 2020
Riitta Mynttinen (Chair), Jyrki Lepistö, Minna Oravuo, Birgitta Vainio-Mattila, Mia Rainio
Chief Executive Officer
Markku Äijälä

Key financial indicators	2019	2018
Net sales, EURm	9,8	9,4
Operating income, EURm	0,5	0,5
Operating margin	4,7	5,3
Total assets, EURm	12,2	12,3
Equity ratio, %	64,8	70,1
Gearing, %	-5,1	-29,2
Return on equity, %	3,2	3,6
Return on investment, %	5,1	5,4
Total dividends paid, EURm	0,3	0,3
Dividends received by the State, EURm	0,2	0,2
Investments, EURm	0,8	0,7
Personnel, total, 31 Dec	70	70
Personnel, Finland, 31 Dec	70	70
Gender composition of the management team w/m	3/4	2/4
Gender composition of the Board of Directors w/m	4/1	2/3
Total tax footprint	3,0	3,1
Tax footprint in Finland	3,0	3,1

Product development for future needs

Boreal Plant Breeding's mission is to enable Finnish food producers to improve their competitiveness by breeding plant species important to domestic production to make them suitable for local growth conditions. At the same time, the company plays a key role in maintaining emergency stocks of critical supplies. Boreal's position in the Finnish markets remained strong in 2019 despite intensifying competition. All in all, over 1.1 million hectares – more than half of all the fields in Finland – was cultivated using varieties developed by the company.

In 2019, net sales reached EUR 9.8 million, up 4 per cent on 2018. Royalties on certified seeds increased by 2.9 per cent and TOS royalties by 7.7 per cent. Despite the growth in net sales, the operating income remained at the same level as in 2018 at EUR 460,000. Advanced development work was continued under the breeding programmes. Several new Boreal varieties were included in the Finnish plant type catalogue during the reporting period.

The company strategy was updated in 2019. The priorities in the new strategy are the competitiveness of the breeding activities; further growth in Finland and the export markets; human resources and skills development; and improved efficiency. In particular, the efforts to increase exports will be prioritised.

Corporate social responsibility and sustainability

Plant breeding plays a key role in the adaptation to climate change. The importance of local breeding is underlined in borderlands of cultivation like Finland. In addition, diverse breeding programmes enable the Finnish food industry to adapt to climate change, reduce agriculture's carbon footprint and bind carbon in the soil.

Finavia Corporation

The company maintains and develops the Helsinki-Vantaa Airport and an airport network covering the entire country.

Finavia Corporation
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To ensure the provision domestic and international air transport services by maintaining and developing Finland's airport network.
Board of Directors 30 March 2020
Harri Sailas (Chair), Johanna Kara, Nina Kiviranta, Tuija Pesonen, Esko Pyykkönen, Erkkka Valkila, Stefan Wentjärvi
Chief Executive Officer
Kimmo Mäki

Key financial indicators	2019	2018
Net sales, EURm	389,2	377,3
Operating income, EURm	44,0	66,8
Operating margin	11,3	17,7
Total assets, EURm	1 360,1	1 133,3
Equity ratio, %	50,1	58,7
Gearing, %	72,0	45,3
Return on equity, %	5,1	7,0
Return on investment, %	4,5	6,5
Total dividends paid, EURm	0	11,1
Dividends received by the State, EURm	0	11,1
Investments, EURm	306,1	229,0
Personnel, total, 31 Dec	2776	2852
Personnel, Finland, 31 Dec	2776	2852
Gender composition of the management team w/m	2/7	2/7
Gender composition of the Board of Directors w/m	3/4	3/4
Total tax footprint	67,9	81,1
Tax footprint in Finland	67,9	81,1

Growth of passenger volumes levelled off

Year 2019 was busy at the airports operated by Finavia although the growth in passenger numbers was less marked than in the previous years. A total of 26 million passengers passed through the company airports in 2019, up 4.9 per cent on 2018.

The number of passengers at the Helsinki-Vantaa Airport reached an all-time high of 21.9 (20.8) million. Compared with other Nordic airports, Helsinki-Vantaa's market position was strengthened. The total number of passengers at Finavia's other airports was 4.2 million, up 0.6 per cent on the previous year.

Finavia's net sales increased by 3.2 per cent to EUR 389.2 (377.3) million. Profitability and financial performance remained at a sound level in 2019, with the operating income reaching EUR 44 (66.8) million and operating margin 11.3 per cent. Sound profits made it possible to finance investments with revenues in addition to loans.

Strategy implementation

Finavia succeeded in implementing its strategy in 2019 as planned. There were three strategic goals: to offer the best flight services in northern Europe; provide an unrivalled customer experience; and achieve sustainable growth and profitability. The billion-euro development programme of the Helsinki-Vantaa Airport extending up to 2024 proceeded according to plan in 2019, and the investment programme on the airports in Lapland was brought to a successful conclusion.

Finavia continued its determined efforts to reduce its own emissions, achieving carbon neutrality at all its airports in 2019. The next objective is to achieve zero net emissions for the entire company.

Fingrid Oyj

Fingrid's main strategic objectives are to secure a reliable supply of electricity and effective markets for society as well as to provide affordable services responsive to the needs of customers. In 2019, the transmission capacity of the grid was in effective use and transmission reliability remained at an excellent level.

Fingrid Oyj
State shareholding
53.1% (Ministry of Finance 28.2%, National Emergency Supply Agency 24.9%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure the usability and trouble-free operation of electricity transmission and the power system under all conditions.
Board of Directors 1 January 2020
Juhani Järvi (Chair), Päivi Nerg, Anu Hämäläinen, Esko Torsti, Sanna Syri
Chief Executive Officer
Jukka Ruusunen

Key financial indicators	2019	2018
Net sales, EURm	789,4	852,8
Operating income, EURm	115,5	241,6
Operating margin	14,6	28,3
Total assets, EURm	2 145,1	2 109,9
Equity ratio, %	32,0	36,6
Gearing, %	150,7	126,1
Return on equity, %	11,6	23,3
Return on investment, %	6,4	13,2
Total dividends paid, EURm	148,2*	171,4
Dividends received by the State, EURm	54,9*	63,5
Investments, EURm	117,3	95,4
Personnel, total, 31 Dec	380	380
Personnel, Finland, 31 Dec	378	378
Gender composition of the management team w/m	3/6	3/6
Gender composition of the Board of Directors w/m	3/2	3/2
Total tax footprint	90,7	125,9
Tax footprint in Finland	90,7	125,9

* Maximum

Overview of events in 2019

Operationally and financially, 2019 was a successful year for all stakeholders. The financial result decreased as foreseen when the company lowered its transmission rates substantially (by an average of 8 per cent) at the beginning of the year. This benefitted both customers and society. However, the company's finances are sound, allowing it both to make investments and pay dividends in the coming years.

Transmission reliability was 99.9998 per cent and the adequacy of system reserves 99.8 per cent. Fingrid's grid transmitted a total of 68.7 terawatt hours of electricity, equivalent to 76.0 per cent of Finland's total power transmission (consumption and through-transmission). Average downtime due to disruptions in the national grid was 4.3 minutes, a clear improvement on 2018.

Among European companies with a similar infrastructure, Fingrid's grid pricing was the third lowest. Fingrid ranked among the top companies in the cost-efficiency comparison made by European regulators. Customer satisfaction was rated at 4.0 (on a scale of 1–5), and the landowners' feedback on the operations was good at 3.8 (on a scale of 1–5). The reliability of DC supply lines, which is of great importance to the electricity market and the price of electricity in Finland, remained at a satisfactory level. The EstLink 2 connection suffered one long disruption. A total of EUR 103 million was invested in the national grid during the reporting period. Fingrid's investments play a key role in enabling a transition towards a clean power system. Industrial safety remained at a sound level, with the accident frequency at 5.5 per million working hours.

Corporate social responsibility and sustainability are key company values that are reflected in all its operations. CSR issues are managed as an integral part of Fingrid's management system. The company also expects sustainable business practices of its partners. No significant anomalies in responsibility and employment issues were detected in the supply chain.

Gasum Corporation

Gasum Corporation imports natural gas to Finland, produces biogas in Finland and Sweden and distributes LNG in Finland, Sweden and Norway. The company supplies energy for power and heat generation for industry, land transport and shipping.

Gasum Corporation
State shareholding
100% (Prime Minister's Office 26.5%, Gasonia 73.5%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure the supply of methane-based industrial raw materials and fuels for energy production with due regard to the maintenance of emergency stocks of critical supplies.
Board of Directors 5 March 2020
Elina Engman (Chair), Stein Dale, Päivi Pesola, Elisabet Salander Björklund, Torbjörn Holmström, Minna Pajumaa, Ari Vanhanen
Chief Executive Officer
Johanna Lamminen

Key financial indicators	2019	2018
Net sales, EURm	1 128	1 177
Operating income, EURm	141	124
Operating margin	12,5	10,5
Total assets, EURm	1 648	1 527
Equity ratio, %	44,7	43,7
Gearing, %*	83,4	84,7
Return on equity, %	13,6	13,7
Return on investment, %	11,9	10,6
Total dividends paid, EURm	20	32,9
Dividends received by the State, EURm	20	32,9
Investments, EURm	70	31
Personnel, total, 31 Dec	373	434
Personnel, Finland, 31 Dec	244	317
Gender composition of the management team w/m	3/5	3/4
Gender composition of the Board of Directors w/m	3/4	3/4
Total tax footprint	182	254,3
Tax footprint in Finland	206	246,8

Important year for the advancement of strategy

To develop the Nordic gas market and expand its range of offerings in low-emission energy solutions, Gasum announced an agreement on the purchase of the AGA Clean Energy business operations and Nauticor's Marine Bunkering operations from Linde AG. At the same time, the company developed its energy market services business, which strengthened its capacity to operate more extensively in the energy market. The company made several investments to expand its biogas capacity. In the spring, Gasum sold its subsidiary Gasum Tekniikka Oy. The segregation of the gas transmission business in terms of ownership was a major project that the company managed to complete during the reporting period. The gas market was opened for competition at the beginning of 2020 when Gasgrid Finland, a new company engaged in the gas transmission business, commenced operations.

Consolidated net sales reached EUR 1 128 million, down 4.2 per cent on the previous year. The decline in net sales was primarily due to the falling price of gas. Since summer 2019, gas prices have been pushed down by increased supply and low demand. Corporate profits developed favourably with the operating income increasing by 14 per cent. The operating income from continuous operations was EUR 50.9 (23) million. Gas consumption decreased relative to the benchmark period because of the cold spell in the early winter of 2018. The sales of motor gases grew as a result of the expansion of the network of filling stations and increased demand in the various segments.

Transition towards a carbon-neutral society creates opportunities

Through its CSR programme, the company is committed to taking action to mitigate climate change and promote a transition to a low-carbon society. Gasum offers clean energy solutions and helps customers reduce their carbon footprint. Occupational safety is another priority in the CSR efforts, in which the company performed well by halving the accident frequency.

Kemijoki Oy

Kemijoki Oy generates about one third of Finland's hydroelectric power, which will secure energy supply in the era of renewable energy. The electricity produced by the company is sold at cost to its shareholders, and the company does not seek profit.

Kemijoki Oy
State shareholding
50.1%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
No strategic interest
Board of Directors 1 April 2020
Tiina Tuomela (Chair), Risto Andsten, Tapio Jalonen, Markus Katara, Tapio Korpeinen, Anne Simolinna, Juha-Pekka Weckström
Chief Executive Officer
Tuomas Timonen

Key financial indicators	2019	2018
Net sales, EURm	53,1	47,9
Operating income, EURm	5,6	-1,6
Operating margin	10,6	-3,3
Total assets, EURm	485,4	477,6
Equity ratio, %	10,6	10,8
Gearing, %	824,1	809,7
Return on equity, %	1,5	1,5
Return on investment, %	1,2	-0,3
Total dividends paid, EURm	0,8	0,8
Dividends received by the State, EURm	0,4	0,4
Investments, EURm	19,9	17,7
Personnel, total, 31 Dec	38	35
Personnel, Finland, 31 Dec	38	35
Gender composition of the management team w/m	1/6	1/6
Gender composition of the Board of Directors w/m	2/5	2/5
Total tax footprint	28,1	27,4
Tax footprint in Finland	28,1	27,4

Electricity generation at the previous years' level

In 2019, total availability of the power stations remained at 98.9 per cent, an excellent achievement. During the year, Kemijoki stations generated 4498 (4501) GWh of electricity, which accounted for 36 per cent of all the hydropower produced in Finland. The production volume was average. At the end of the year, the water reserves stood at 57 (59) per cent, clearly below average levels.

As Kemijoki Oy generates electricity at cost for its shareholders, its key priority is cost-efficiency. The biggest single cost item is real estate tax. Costs developed according to plan during the reporting period. Kemijoki Oy proceeded in 2019 with the renovation of power stations and environmental investments as planned. Detailed design and planning for the Sierilä hydroelectric power station continued during the reporting period. Total investments in 2019 amounted to EUR 19.9 million.

Hydropower plays a key role in mitigating climate change

Hydropower is Finland's most important source of renewable electricity as it reduces the need for fossil fuels and so mitigates climate change. Aside from its benefits, hydropower also has adverse environmental impacts arising from the construction of new power plants, the control use of existing stations and the regulation of water levels.

In 2019, a total of EUR 4.5 (4.1) million was used for environmental management to mitigate the adverse environmental impacts. Of this, the fishery management obligations accounted for EUR 2.3 (2.7) million and voluntary measures for EUR 1.2 million. The company engages in active cooperation with other actors in planning measures to restore fish stocks.

Leijona Catering Oy

Leijona Catering Oy is a Finnish catering company with close to 60 sites that prepares over 70,000 meals each day. Leijona Catering focuses on a strategic partnership with the Finnish Defence Forces and government sites critical to national security.

Leijona Catering Oy
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure the operations of the Defence Forces by providing essential food services under all conditions
Board of Directors 18 March 2020
Riitta Laitasalo (Chair), Sinikka Mustakari, Sanna Poutiainen, Timo Rotonen, Elina Yrjänheikki, Anton Westermarck
Chief Executive Officer
Ritva Paavonsalo

Key financial indicators	2019	2018
Net sales, EURm	75,5	70,0
Operating income, EURm	5,6	4,8
Operating margin	7,4	6,9
Total assets, EURm	28,3	25,9
Equity ratio, %	65	66,4
Gearing, %*	-78,3	-76,7
Return on equity, %	24,7	21,3
Return on investment, %	31,5	27
Total dividends paid, EURm	4,0	4,0
Dividends received by the State, EURm	4,0	4,0
Investments, EURm	1,2	0,8
Personnel, total, 31 Dec	488	437
Personnel, Finland, 31 Dec	488	437
Gender composition of the management team w/m	3/1	2/2
Gender composition of the Board of Directors w/m	4/2	3/3
Total tax footprint	9,6	8,5
Tax footprint in Finland	9,6	8,5

Continued profitable growth

Leijona Catering provides the Defence Forces with catering services in all readiness conditions. The current agreement with the Defence Forces is valid up to 31 December 2027, possibly longer. The strategic partnership is based on close cooperation. Additionally, Leijona Catering is responsible for meal services at 25 prisons operated by the the Criminal Sanctions Agency. Other customers include government agencies critical to national security.

Leijona Catering's business continued to be profitable in 2019. The company continued its long-term efforts to improve customer orientation and operational efficiency as well as to promote skills development. Leijona Catering's net sales increased by 7.9 per cent to EUR 75.5 (70.0) million and operating income to EUR 5.6 (4.8) million. Investments totalled EUR 1.2 (0.8) million.

Focus on corporate social responsibility and sustainability

In 2019, Leijona Catering took several new steps in CSR performance, partnering and human resources development. The company's environmental performance and quality management systems were re-audited in 2019 to the ISO 14001 and ISO 9001 standards. An international Great Place to Work® certificate was awarded to the company in September 2019. A two-year staff wellness programme was launched in 2019.

Corporate social responsibility is one of Leijona Catering's values. In 2019, the CSR efforts focused on analysing and reducing the carbon footprint, responsible purchasing and reducing wastage in food serving and preparation. The company has also invested in occupational safety. As a result, there were no serious occupational accidents during 2019.

Motiva Oy

Motiva Oy is a state-owned specialist in sustainable development, offering its stakeholders information, solutions and services designed to promote sustainable development.

Motiva Oy
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To ensure impartial expert and project management services for promoting energy efficiency, renewable energy and resource efficiency.
Board of Directors 20 March 2020
Anja Kahri (Chair), Petteri Kuuva, Jukka Ohtola, Timo Tähtinen, Eeva Vakkilainen
Chief Executive Officer
Vesa Silfver

Key financial indicators	2019	2018
Net sales, EURm	7,8	7,2
Operating income, EURm	0,8	0,2
Operating margin	10,3	3,2
Total assets, EURm	4,8	4,6
Equity ratio, %	56,8	50,2
Gearing, %*	-96,0	-90,8
Return on equity, %	31,2	10,5
Return on investment, %	35,7	12,1
Total dividends paid, EURm	0,3	0,1
Dividends received by the State, EURm	0,3	0,1
Investments, EURm	0,0	0,2
Personnel, total, 31 Dec	60	59
Personnel, Finland, 31 Dec	60	59
Gender composition of the management team w/m	5/1	7/0
Gender composition of the Board of Directors w/m	2/3	2/3
Total tax footprint	2,3	2,1
Tax footprint in Finland	2,3	2,1

Moderate growth & new strategy

The Group's net sales increased by 7 per cent on the previous year reaching EUR 7.8 million. Growth was achieved by the parent company and Ympäristömerkitä Suomi Oy, whereas the net sales generated by Motiva Services Oy remained unchanged relative to 2018. The operating income was EUR 0.8 million. Improved profits relative to the previous period was due to a fairly large non-recurring item. At the end of the year, the equity ratio was sound at about 57 per cent and the company was debt-free.

Strategy development efforts were commenced under the new CEO Vesa Silfver during 2019. The work was carried out with view to sustainable development objectives, mitigation of climate change, changes in the operating environment and prevailing megatrends. The strategy seeks to accelerate the transition to a sustainable society and way of life. One embodiment of the strategy is the Materials Market designed to promote the re-use of wastes and sideflows and the circular economy by offering a marketplace for suppliers and users of recycled materials. Additionally, a long-term building repair strategy was prepared during 2019 under Motiva's direction.

Promoting sustainable development

Motiva Oy's role has expanded from a specialist in energy and materials efficiency and renewable energy to a company that promotes sustainable development on a broad front. Motiva Oy's principal customers include ministries, ministerial and other central government agencies. As an in-house entity, the company supports the implementation of the government programme and the attainment of the State's strategies and objectives for the mitigation of climate change and the promotion of sustainable development. Energy and materials efficiency and the circular economy, both an integral part of Motiva's mission, are key ways to curb climate change in municipalities and regions, businesses and households.

Nordic Morning Group Plc

Nordic Morning Group's three business areas are Nordic Morning, Edita Prima and Edita Publishing. Nordic Morning includes one company in Finland and several companies in Sweden. Edita Prima Oy and Edita Publishing Oy are based in Finland.

Nordic Morning Group Plc
State shareholding
100% (Vake Ltd 100%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
No strategic interest
Board of Directors 12 March 2020
Jukka Ruuska (Chair), Mervi Airaksinen, Ingrid Jonasson Blank, Jani Engberg, Anne Korkiakoski, Maija Strandberg
Chief Executive Officer
Anne Årneby

Key financial indicators	2019	2018
Net sales, EURm	77,6	76,4
Operating income, EURm	0,6	0,9
Operating margin	0,8	1,2
Total assets, EURm	48,3	51,2
Equity ratio, %	38,6	40,2
Gearing, %	62,0	64,8
Return on equity, %	1,6	1
Return on investment, %	1,9	3,1
Total dividends paid, EURm*	2	2
Dividends received by the State, EURm	0	0
Investments, EURm	2,1	0,7
Personnel, total, 31 Dec	442	472
Personnel, Finland, 31 Dec	255	257
Gender composition of the management team w/m	n/a	n/a
Gender composition of the Board of Directors w/m	4/2	3/3
Total tax footprint	21,5	22,9
Tax footprint in Finland	7,8	8,5

* Dividends paid to State Business Development Company Vake Ltd

Continued restructuring

In the 2017 reorganisation, Nordic Morning Group was divided into three business areas. Nordic Morning focuses on knowledge-intensive marketing and service design, particularly in the digitalisation of services. Edita Prima provides personalised printing services to enable automated customer communications and create sales support material. Edita Publishing develops intelligent learning methods and information services using digital means and content in a new way.

The Group's net sales reached EUR 77.6 (76.4) million, of which 66 per cent was generated in Finland and 33 per cent in Sweden. Net sales by Nordic Morning fell to EUR 36.1 (44.4) million as a result of subcontractor billing and loss of customers. Edita Publishing's net sales decreased to EUR 13.3 (13.9) million due to reduced revenues on learning materials and made-to-order books. Edita Prima increased its net sales substantially to EUR 28.3 (18.6) million thanks to new letter distribution contracts. Consolidated operating income fell to EUR 0.6 (0.9) million.

Corporate social responsibility and sustainability

Nordic Morning's CSR priorities include financial responsibility, social responsibility and environmental responsibility. Its CSR programme is integrated into the Group's strategy and business operations. In 2019, the Group achieved its lowest in energy consumption in 20 years and the efforts to reduce carbon dioxide emissions will continue. In social responsibility, the Group focused on wellness-at-work and started measuring the work engagement of the staff, which is perceived as a reliable indicator of the organisation's performance capacity.

Patria Plc

Patria is an international provider of defence, security and aviation life-cycle support services and technology solutions. The company's products include flight training; intelligence, control and management systems; armoured wheeled vehicles; and mortar systems.

Patria Plc
State shareholding
50.1%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure the operation of the Defence Forces by producing essential military materiel and services under all conditions.
Board of Directors 3 April 2020
Panu Routila (Chair), Harald Aarø, Eirik Lie, Päivi Marttila, Jarle Næss, Ari Puheloinen, Gyrid Skalleberg Ingerø, Petri Vihervuori
Chief Executive Officer
Esa Rautalinko

Key financial indicators	2019	2018
Net sales, EURm	507,5	476,1
Operating income, EURm	7,8	35,9
Operating margin	1,5	7,5
Total assets, EURm	651,4	501,7
Equity ratio, %	39,1	54,4
Gearing, %	70,8	26,8
Return on equity, %	2,0	12,9
Return on investment, %	2,1	12,2
Total dividends paid, EURm	13,9	13,9
Dividends received by the State, EURm	7,0	7,0
Investments, EURm	14,8	7,3
Personnel, total, 31 Dec	3 055	2 816
Personnel, Finland, 31 Dec	2 797	2 644
Gender composition of the management team w/m	3/8	3/6
Gender composition of the Board of Directors w/m	2/5	2/6
Total tax footprint	87,0	84,6
Tax footprint in Finland	72,6	74,0

Financial performance weakened relative to benchmark period

Patria Group's new orders in the financial year 2019 amounted to EUR 432.1 (474.1) million. Consolidated net sales increased by 6.7 per cent relative to 2018 and the operating income fell to 1.5 (7.5) per cent. The delays in certain international sales projects in the Land Services undermined financial performance during the reporting period. The Group's R&D expenditure for the financial year was EUR 8.7 (9.1) million.

A number of important acquisitions were made. Of these, the deal on AIM Norway was closed in May. Following the completion of the transaction, AIM Norway, a company offering life-cycle services for the Norwegian Air Force, is now owned jointly by Kongsberg Defence & Aerospace AS (50.1 per cent) and Patria (49.9 per cent). Another major acquisition was made in June when Patria bought the entire share capital of Belgium Engine Center (BEC) from AIM Norway. BEC is a company specialising in the servicing, repair and maintenance of military aircraft engines. A total of EUR 19.8 million was spent on acquisitions during the financial year. As a result of the acquisitions and changes in the accounting policies, the Group's equity ratio fell to 39 (54) per cent at the end of the period.

Future projects and corporate social responsibility

The Finnish Defence Forces are engaged in record-large projects, notably the replacement of the interceptor fleet of the Air Force. Patria is looking to secure a sizeable percentage of the industrial cooperation to be generated by the project. An important event took place after the closure of the reporting period in January 2020 when Patria's 6x6 vehicle platform was included in the joint development project of Finland and Latvia designed to improve the mobility of land forces. The project is expected to generate vehicle system orders at a later date. Responsible operations create the basis for Patria's profitable business operations. Patria continued to develop its ethical business practices during the reporting period.

Posti Group Corporation

Posti Group Corporation is Finland's leading delivery and logistics company whose core operations include postal services, parcels, freight and logistics. The company operates Finland's most extensive network of service outlets.

Posti Group Corporation
State shareholding
50.1% (Vake Ltd 49.9%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To provide postal services throughout Finland.
Board of Directors 14 May 2020
Sanna Suvanto-Harsaae (Chair), Raija-Leena Hankonen, Harri Hietala, Sirpa Huuskonen, Frank Marthaler, Minna Pajumaa, Per Sjödel (vpj), Hanna Vuorela, Pertti Miettinen (staff representative)
Chief Executive Officer
Turkka Kuusisto as of 6 Feb 2020, acting CEO as of 1 October 2019, Heikki Malinen up to 1 October 2019

Key financial indicators	2019	2018
Net sales, EURm	1 565	1 559
Operating income, EURm	18,5	39,3
Operating margin	1,2	2,5
Total assets, EURm	1 194	1 005
Equity ratio, %	37,9	45,3
Gearing, %*	36,9	-7,1
Return on equity, %	4,3	0,1
Return on investment, %	4,5	1,3
Total dividends paid, EURm	30	28
Dividends received by the State, EURm	30	28
Investments, EURm	106	63
Personnel, total, 31 Dec	20 468	18 185
Personnel, Finland, 31 Dec	18 307	15 542
Gender composition of the management team w/m	2/7	3/7
Gender composition of the Board of Directors w/m	4/5	4/5
Total tax footprint	308,8	293,5
Tax footprint in Finland	280,8	256,0

Strike affected profits

In 2019, Posti Group Corporation's net sales grew by 0.3 per cent. The increase was due to the acquisition of Transval, a company specialising in logistics solutions. Revenues from postal services continued to fall. Parcel and online services grew during the first three quarters, but the strike staged towards the end of the year pressed net sales down to the same level as the year before.

The reported operating income from on-going operations decreased to EUR 18.5 (39.3) million. The financial result was adversely affected by EUR 6.4 million expenditure for staff restructuring; EUR 6.0 million impairments and EUR 8.1 million expenditure for other non-recurring items. The adjusted operating income was EUR 39.0 (47.0) million. The strike undermined financial performance by postal, parcel and logistics services. The adoption of the IFRS 16 standard had a positive effect on the financial result in the amount of EUR 3.9 million.

Operations governed by the universal service obligation accounted for EUR 115.2 (135.0) million or 7.4 (8.7) per cent of the consolidated net sales and 4.0 (4.6) per cent of the distribution volume.

Posti's restructuring proceeds

Postal services are undergoing a major transformation. According to the 2018–2020 strategy, Posti is seeking growth in online sales and logistics, which includes in-house logistics and new services. Parcel and online sales including logistics solutions account for over 50 per cent of the consolidated net sales. Sales increased specifically as a result of the acquisition of Transval. The transaction was brought to a conclusion during the first quarter of 2019.

As a further step in the implementation of its strategy, Posti announced on 24 February 2020 that it will acquire Adistro Logistics, a Swedish company.

Suomen Lauttaliikenne Oy

Suomen Lauttaliikenne Oy is responsible for both cable ferry and other ferry services along a total of 43 routes in different parts of Finland. The company's largest client is Southwest Finland ELY Centre, which is responsible for putting the routes out to open tender.

Suomen Lauttaliikenne Oy
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To secure cable and other ferry services as part of Finland's public road network.
Board of Directors 20 March 2020
Juha Heikinheimo (Chair), Pekka Hurtola, Kati Niemelä, Håkan Modig, Kaarina Soikkanen
Chief Executive Officer
Mats Rosin

Key financial indicators	2019	2018
Net sales, EURm	56,5	54,6
Operating income, EURm	9,7	8,9
Operating margin	17,2	16,3
Total assets, EURm	66,9	63,0
Equity ratio, %	71,2	75,1
Gearing, %	-31,8	-35,4
Return on equity, %	16,4	15,6
Return on investment, %	20,7	19,5
Total dividends paid, EURm	5	7
Dividends received by the State, EURm	5	7
Investments	10,6	2,5
Personnel, total, 31 Dec	336	327
Personnel, Finland, 31 Dec	336	327
Gender composition of the management team w/m	2/5	2/5
Gender composition of the Board of Directors w/m	2/5	2/5
Total tax footprint, EURm	21,5	21,0
Tax footprint in Finland, EURm	21,5	21,0

New contracts

Suomen Lauttaliikenne Group consists of the parent company Suomen Lauttaliikenne Oy and its subsidiary Suomen Saaristovarustamo Oy. Suomen Saaristovarustamo Oy holds half of the share capital of the affiliated company Ansgar Ab of Åland Islands. The company operates under its auxiliary business name Finferries.

As in the previous years, the Group's business was stable and profitable. The company increased its net sales to EUR 56.5 (54.6) million and operating income to EUR 9.7 (8.9) million. Investments totalled EUR 10.6 (2.5) million.

In 2019, the company signed 6 to 10-year contracts with the Centre for Economic Development, Transport and the Environment for Southwest Finland on 40 ferry routes forming part of the road network. Long-term contracts make it possible to invest in new environment-friendly vessels while at the same time improving the level of service on the routes. Together with the affiliated company Ansgar Ab, the company won a contract for a new environment-friendly hybrid ferry and its operation on the Föglö route in the Åland Islands. Unfortunately, the Government of Åland announced in January 2020 that it will terminate the contract.

Reduced carbon footprint

The company's investments in environmental performance and the responsible modernisation of its fleet assumed a concrete form in 2019 when the company introduced its new virtual cable to replace the conventional control cable. Efforts to develop the electric coil ferry continued.

Corporate social responsibility is an integral part of the company's management system. The reduction of the carbon footprint, made possible by the company's efforts on behalf of the environment, was one of its greatest achievements in 2019. Compared to 2016, the reduction in CO₂ emissions per nautical mile was -6.3 per cent. For customer satisfaction, the company received a score of 8.9 points out of 10, an all-time high.

Mint of Finland Ltd

Mint of Finland manufactures circulation and commemorative coins as well as coin blanks. The bulk of production is exported. The main market areas include Europe, Asia, Africa and Latin America. The company is one of the world's leading coin exporters. Its customers include the central banks of various countries and mints across the world.

Mint of Finland Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
No strategic interest
Board of Directors 31 March 2020
Kaisa Vikkula (Chair), Pekka Leskinen (Vice Chair), Päivi Nerg, Ari Viinikkala, Petri Vihervuori
Chief Executive Officer
Jonne Hankimaa

Key financial indicators	2019	2018
Net sales, EURm	56,8	71,5
Operating income, EURm	-1,4	1,7
Operating margin	-2,4	2,4
Total assets, EURm	50,7	58,1
Equity ratio, %	50,7	47,4
Gearing, %	54,7	62,5
Return on equity, %	-6,0	4,6
Return on investment, %	-3,1	3,8
Total dividends paid, EURm	0,0	0,0
Dividends received by the State, EURm	0,0	0,0
Investments, EURm	1,5	1,2
Personnel, total, 31 Dec	159	164
Personnel, Finland, 31 Dec	50	54
Gender composition of the management team w/m	3/4	3/3
Gender composition of the Board of Directors w/m	2/3	2/3
Total tax footprint	1,2	-0,3
Tax footprint in Finland	1,3	0,4

Financial performance weakened relative to benchmark period

Net sales by the Mint of Finland Group fell relative to 2018 to EUR 56.8 million, mostly due to the reduced volume of the blanks business. The total loss for the reporting period was EUR 1.4 million. Weakened performance was due to the falling volumes of the blanks and commemorative coins business. The consolidated result for the period showed a loss of EUR -1.6 million. It includes write-downs on consolidated goodwill of EUR 1.9 million. At the end of the financial year, consolidated goodwill stood at EUR 2.1 million. Despite poorer financial performance, the equity ratio improved to a satisfactory 51 per cent. Investments during the financial year totalled EUR 1.5 million.

Operating environment

Competition in the sector intensified, which was reflected in Mint of Finland's operations as stiff competition on price. Most European countries are closed for competition, but there is demand for both blanks and circulation coins in the emerging economies. While there is overcapacity in the blanks market, peaks in demand still create bottlenecks. The cyclical nature of the circulation coin business is reflected in fluctuations in capacity utilisation rates, which, in turn, is due to the purchasing cycles of central banks. Global overcapacity and the different circumstances of the players make the business challenging. At the same time, the range of other means of payments is growing all the time. For the time being, cash continues to have its uses in small transactions. In the Nordic countries, digital payments have also been gaining ground in minor transactions.

Mint of Finland Ltd sets great store by corporate social responsibility and sustainability in its global business environment. The company has in place an ethical code of conduct and expects proper CSR performance of its partners

Finnish Seed Potato Centre Ltd

The Finnish Seed Potato Centre Ltd is a Finnish seed potato producing enterprise whose field of activity comprises the cleaning and maintenance of seed material as well as the production, packaging and marketing of basic and certified potato varieties.

Finnish Seed Potato Centre Ltd	
State shareholding	
	22.0%
Ownership steering	
	Prime Minister's Office
Strategic interest of ownership	
	The promotion of plant health and the maintenance of security of supply by providing seed potato material that is healthy and suitable for Finnish conditions.
Board of Directors 30 October 2019	
	Kauko Matinlauri (Chair), Mika Antila, Kirsi Heinonen, Antti Lavonen, Ossi Paakki, Jyrki Siira
Chief Executive Officer	
	Paula Ilola

Key financial indicators	2019	2018
Net sales, EURm	3,4	3,3
Operating income, EURm	0,2	-0,1
Operating margin	4,5	-1,9 %
Total assets, EURm	3,2	3,5
Equity ratio, %	66,8	58,4
Gearing, %	34,9	52,2
Return on equity, %	6,4	-4,1
Return on investment, %	5,2	-1,8
Total dividends paid, EURm	0,0	0,0
Dividends received by the State, EURm	0,0	0,0
Investments, EURm	0,0	0,0
Personnel, total, 31 Dec	14	14
Personnel, Finland, 31 Dec	14	14
Gender composition of the management team w/m	3/4	4/3
Gender composition of the Board of Directors w/m	1/5	0/6
Total tax footprint	-	-
Tax footprint in Finland	-	-

A turn for the better in profitability

The main production area of the Seed Potato Centre covers the municipalities of Tyrnävä and Liminka. It is located in the High-Grade quality zone for seed potatoes recognised by the European Union. Additionally, the company engages select contract farms throughout Finland to grow the varieties.

During the reporting period, the company had a total of 29 potato varieties for the domestic market and 10 varieties for exports for use in greenhouse production. In field cultivation, the demand was greatest for the Jussi, Jazzy and Rosamunda varieties.

From 1 August 2018 to 31 July 2019, Seed Potato Centre's net sales increased by 2 percent on the previous year reaching EUR 3.4 million. At the same time, business costs fell slightly on the benchmark year, which helped the company achieve a positive financial result.

The company's outlook is relatively steady, but margins remain small because of stiff competition. Annual earnings are entirely dependent on the potato growing season and market developments.

Efforts to develop the aeroponic method in seed potato production were continued during 2019. It makes it possible to shorten the time to market of new, promising potato varieties in Finland, which should reduce dependency on foreign registered seeds.

Through its sustainable business model, Seed Potato Centre seeks to maintain emergency stocks of seed potatoes and promote plant health.

Suomen Viljava Oy

Suomen Viljava Oy is Finland’s largest company specialising in the handling and storage of cereals and agribulk raw materials. It provides storage and handling services for companies in Finland and those operating in the export, import and transit business.

Suomen Viljava Oy
State shareholding
100%
Ownership steering
Prime Minister’s Office
Strategic interest of ownership
To ensure the functioning of the cereal storage and handling market in a manner that ensures competitive neutrality and to secure the undisturbed execution of tasks related to the supply security of the food chain and EU intervention operations.
Board of Directors 5 March 2020
Petri Alava (Chair), Esko Pyykkönen (Vice Chair), Anne Ilola, Tanja Viljanen, Tomi Tanninen
Chief Executive Officer
Pasi Lähdetie

Key financial indicators	2019	2018
Net sales, EURm	18,3	17,4
Operating income, EURm	4,2	4,2
Operating margin	23,0	24,2
Total assets, EURm	27,9	27,3
Equity ratio, %	72,0	74,8
Gearing, %	25,9	24,9
Return on equity, %	16,8	17,4
Return on investment, %	16,5	16,7
Total dividends paid, EURm	4,0	3,7
Dividends received by the State, EURm	4,0	3,7
Investments, EURm	3,2	3,4
Personnel, total, 31 Dec	61	60
Personnel, Finland, 31 Dec	61	60
Gender composition of the management team w/m	1/2	1/2
Gender composition of the Board of Directors w/m	2/3	2/3
Total tax footprint, EURm	5,7	5,1
Tax footprint in Finland, EURm	5,7	5,1

Positive development in business operations

Suomen Viljava’s core business consists of the provision of cereal storage and handling services for the needs of the import and export industry and the Finnish market. The company’s aims at profitable growth. In 2019, the company’s net sales increased from EUR 17.4 million to EUR 18.2 million. The operating income remained unchanged at EUR 4.2 million despite increased depreciation. The increase in depreciation charges is due to the massive investment programme implemented over the previous years. The investments were made in response to changes in the markets. For 2019, the company also recognised significant non-recurring costs for the development of business operations. Human resources are being developed on a sustained basis and the organisational structure is kept agile.

The company’s long-term objective is to maintain sound profitability and achieve sustainable growth by increasing its market share in cereal handling and storage and investing in the transit operations of Russian crops.

Net sales by Suomen Viljava’s other business operations developed favourably during 2019. There was a marked increase in the imports of animal feed raw materials from Russia. Supply of district heat from Koria’s cereal dust fired heating plant increased. Wood pellets were stored in greater quantities than in 2019 and storage facilities were made available for new bioeconomy products.

Towards carbon neutrality

Over past few years, Suomen Viljava Oy has invested heavily in reducing its own carbon footprint. The Koria heating plant fired by cereal dust delivers heat to the in-house crops drying facility and the district heating network of the local utility company. All cereal dust and other cereal fractions are converted into energy. In 2019, the company was able to reduce its carbon dioxide emissions by 90 per cent, which makes it virtually carbon-free.

Tapio Ltd

Tapio offers solutions for the sustainable use of forests and natural resources. Tapio's business areas include consultation, commercialised expert services, the media, maps and books as well as forest-tree seeds.

Tapio Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To ensure the availability of high quality forest seed material suitable for Finnish conditions for forest management purposes with due regard to the need to ensure long-term security of supply.
Board of Directors 30 March 2020
Karri Koskela (Chair), Harri Lauslahti, Tuula-Riitta Markkanen, Petri Vihervuori, Leena Westerholm
Chief Executive Officer
Anne Ilola

Key financial indicators	2019	2018
Net sales, EURm	12,4	9,9
Operating income, EURm	0,7	0,3
Operating margin	6	3
Total assets, EURm	15,7	15,0
Equity ratio, %	67	67
Gearing, %	-47	-45
Return on equity, %	6,4	3,3
Return on investment, %	6,8	4,2
Total dividends paid, EURm	0,8	0,2
Dividends received by the State, EURm	0,8	0,2
Investments, EURm	0,6	0,8
Personnel, total, 31 Dec	72	68
Personnel, Finland, 31 Dec	72	68
Gender composition of the management team w/m	3/3	3/3
Gender composition of the Board of Directors w/m	2/3	2/3
Total tax footprint	2,1	2,1
Tax footprint in Finland	2,1	2,1

Investments in growth and business development

Climate change and digitalisation are two megatrends that also have a profound impact on forest companies. The need for digital tools in this field of activity is growing continuously. To respond to this demand, Tapio Ltd founded in 2019 a joint venture called Digitapio Ltd and will continue to develop digital services, which are expected to offer growth opportunities. Another major project was the further digitalisation of forest management guidelines, which is believed to provide a platform for new types of digital services. The seed production business was upgraded by investing in a new cone processing line. Tapio's net sales increased by 24 per cent on the previous reporting period. The biggest single business area is still Media that generated one third of the revenue. Other developments contributing to increased sales included the acquisition of Karttakeskus, a geospatial information company, and the expansion of the customer base. All business areas posted positive figures except for Maps and Books, which continued to operate at a loss. The company continued to concentrate the business and pursue measures designed to improve profitability. Internal efficiency will continue to be high on the company's agenda.

Role of forests highlighted in mitigating climate change

Forests planted using Tapio's processed seeds bind 10 million tonnes more carbon dioxide over their lifespan than forests planted using local seeds. As a result, high-quality seed production is believed to play an increasingly important role in the future as new ways of responding to climate change are being explored. In 2019, the company updated its strategy and CRS objectives. As of 2020, the revenues generated by services related to environmental sustainability will be used as one measure of CSR performance.

Vapo Oy

Vapo Oy is a leading bioenergy operator in Finland, Sweden and Estonia. The Group also includes Kekkilä-BVB, the European market leader in growth substrates, while Ventures develops business operations based on products of higher added value.

Vapo Oy
State shareholding
50.1% (Prime Minister's Office 33.4%, Vake Ltd 16.7%)
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To ensure the availability of domestic fuels for energy production under all circumstances with due regard to the maintenance of emergency stocks of critical supplies.
Board of Directors 19 March 2020
Jan Lång (Chair), Markus Tykkyläinen (Vice Chair), Tuomas Hyyryläinen, Kirsi Punttila, Minna Smedsten, Maija Strandberg, Stefan Damlin, Vesa Hätilä
Chief Executive Officer
Vesa Tempakka

Key financial indicators	2019*	2018
Net sales, EURm	297,7	460,8
Operating income, EURm	-40,4	33,3
Operating margin	-13,6	7,2
Total assets, EURm	828,5	805,8
Equity ratio, %	42,9	51,3
Gearing, %	90,4	65,8
Return on equity, %	-5,1	7,0
Return on investment, %	-1,7	5,4
Total dividends paid, EURm	4,0	12,2
Dividends received by the State, EURm**	2,0	6,2
Investments, EURm	42,8	62,7
Personnel, total, 31 Dec	996	1079
Personnel, Finland, 31 Dec	521	564
Gender composition of the management team w/m	2/10	2/8
Gender composition of the Board of Directors w/m	3/5	3/5
Total tax footprint, EURm	13,4	49,7
Tax footprint in Finland, EURm	1,4	37,8

*exceptional financial year 1 May–31 Dec 2019. Benchmark period 1 May 2018–30 Apr 2019

** State and Vake combined.

Implementation of new strategy

The reporting period was exceptionally only 8 months long, as the company switched to calendar-year reporting as of the beginning of 2020. Net sales amounted to EUR 298 million and operating income EUR -40.4 million. The company recognised several major write-downs during the reporting period because the fall in demand for energy peat was faster than foreseen. One of the reasons for the negative result was the EUR 30 million write-down on peat assets. However, the cash flow was positive with the free cash flow reaching EUR 2.10 million.

Vapo has been pursuing its new strategy for two years now. The key priorities in the strategy are the expansion to the international growth substrate market and substitution for the falling demand for energy peat by peat products of higher added value.

The company engaged in the growth substrate business is Kekkilä-BVB. During the reporting period, Vapo focused on the integration of the two merged companies. Kekkilä-BVB is expected to generate more than half of the Group's net sales in the current year.

The Ilomantsi active carbon factory, which is to make peat products of higher added value, is due to go on stream at the end of 2020. Additionally, the company is commencing 11 new product development projects co-funded by Business Finland to commercialise humus acids, waxes and industrial sugars to be made from marshland biomasses.

Corporate social responsibility and sustainability in focus

Vapo Oy's strategy is based on responsibility. Its goal is to halve the carbon dioxide emissions of its Finnish operations by 2025.

VR-Group Ltd

VR is a company offering travel, logistics and maintenance services. The company operates mainly in Finland and Russia.

VR-Group Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Strategic interest of ownership
To maintain adequate rail transports services
Board of Directors 16 March 2020
Kjell Forsén (Chair), Heikki Allonen, Nermin Haireidin, Pekka Hurtola, Virve Laitinen, Roberto Lencioni, Sari Pohjonen
Chief Executive Officer
Rolf Jansson

Key financial indicators	2019	2018
Net sales, EURm	988,4	1 276,6
Operating income, EURm	301,4	151,7
Operating margin	30	12
Total assets, EURm	1 940	1 844
Equity ratio, %	69	68
Gearing, %	-0,5	1,7
Return on equity, %	19,4	9,1
Return on investment, %	19,8	10,9
Total dividends paid, EURm	350	100
Dividends received by the State, EURm	350	100
Investments, EURm	257	117
Personnel, total, 31 Dec	6 062	7 573
Personnel, Finland, 31 Dec	5 937	7 197
Gender composition of the management team w/m	2/8	1/8
Gender composition of the Board of Directors w/m	¾	3/4
Total tax footprint	111	206
Tax footprint in Finland	111	198

Train travel continued to increase in popularity

Train travel continued to enjoy growing popularity in 2019 increasing its market share as a mode of transport. Passenger volumes in long-distance traffic increased 10 per cent. Growth was boosted by successful price-setting, increased supply, shorter travel times and increased climate awareness among customers. By contrast, volumes in rail logistics services declined with the economic downswing. In accordance with the government programme, passenger traffic will be put out to open tender using the open access formula. First, experience of competitive bidding will be gathered from the commuter traffic operated by Helsinki Region Transport (HSL). Following policy changes, the Ministry of Transport and Communications suspended competitive tendering in commuter services in southern Finland.

Net sales from passenger traffic increased by 5 per cent, but the general growth of revenues was adversely affected by the decline in logistics sales. The comparable consolidated net sales totalled EUR 988.4 (976.4) million. The operating income was EUR 301.4 (151.7) million. The operating income includes EUR 207.6 (63.9) million in net sales proceeds mostly from the sale of VR Track. Improved profitability was aided by the increased passenger volume, which boosted the operating income from passenger traffic to EUR 79.9 (55.8) million. Investments increased clearly, mostly due to investments in rolling stock.

Forerunner in environment-friendly business

During the reporting period, VR focused on integrating corporate social responsibility into its business practices and strategy. As a climate-friendly mode of transport, rail traffic is believed to continue to support the increase in volumes. Safety aspects were also highlighted in the company's CRS performance. Room for improvement exists in this respect, as accident frequency increased after a couple of years of positive progress.

1.10 Special assignment companies

A-Kruunu Oy

A-Kruunu Oy is a not-for-profit developer of rental housing. Its construction management operations commenced in 2014. At the end of 2019, the company owned 1097 affordable housing units with an additional 854 units under construction.

A-Kruunu Oy
State shareholding
100%
Ownership steering
Ministry of the Environment
Special assignment
To construct affordable housing in major population centres
Board of Directors 18 March 2019
Matti Vatiolo (Chair), Eero Saastamoinen (Vice Chair), Sinikka Mustakari, Teppo Salmikivi, Jaana Parviainen, Ari Eschner
Chief Executive Officer
Jari Mäkimattila

Key financial indicators	2019	2018
Net sales, EURm	7,5	4,9
Operating income, EURm	2,3	1,3
Operating margin	30,7	26,7
Total assets, EURm	273,4	177,9
Equity ratio, %	20,1	17,4
Gearing, %*	291,3	362,6
Return on equity, %	0,0	0,1
Return on investment, %	1,1	1,0
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	74,1	51,1
Personnel, total, 31 Dec	18	12
Personnel, Finland, 31 Dec	18	12
Gender composition of the management team w/m	2/3	2/3
Gender composition of the Board of Directors w/m	2/4	1/3
Total tax footprint, EURm	10,6	8,6
Tax footprint in Finland, EURm	10,6	8,6

Construction continued at a brisk pace

The company's mission is to build rental housing at a reasonable cost and rent level with long-term interest subsidies from the State.

In 2019, the company's construction management operations continued at a fast pace. During the reporting period, the company launched the construction of 471 (481) new housing units with 304 (296) units completed over the same period. In the Helsinki region, A-Kruunu accounted for 18 per cent of building starts in the long-term interest subsidy sector.

A-Kruunu has been engaged in the construction of affordable housing across the Helsinki region, having currently projects in 13 of the region's 14 municipalities either completed or under construction. The demand for the housing units is intense with an occupancy rate of 99.6 per cent.

Operating area extended

In 2019, the company received a capital injection of EUR 24 million and its operating area was extended beyond the Helsinki region to other major urban areas. At the same time, its annual housing unit production target was raised to 800 by 2021. Another objective established for the company was that timber-framed multistorey buildings should account for 15 per cent of the total.

The company is actively involved in the efforts to develop housing. As part of its development projects, the company is carrying out a comparative study of wood and concrete construction, exploring concepts for urban apartment buildings for families with children and developing a group rental project.

In 2019, the average rent of all housing units was EUR 12. per month per m². The tenant turnover rate was 15 (13) per cent and the score in the resident satisfaction survey 3.7 (3.7) out of 5.

Alko Inc

Alko's mission is to manage the exclusive retail sale of alcoholic beverages specified as its monopoly in the Alcohol Act. At the end of 2019, Alko operated 361 (359) retail outlets, an online store and mobile application. Additionally, there are 100 (65) pick-up points to complement the network of shops.

Alko Inc
State shareholding
100%
Ownership steering
Ministry of Social Affairs and Health
Special assignment
Special assignment defined in section 23 of the Alcohol Act (1102/2017): mitigation of the ill-effects of alcohol
Board of Directors 31 Dec 2018
Harri Sailas (Chair), Markku Tervahauta, Kuisma Niemelä, Kirsi Paakkari, Pekka Perttula, Ulrika Romantschuk
Chief Executive Officer
Leena Laitinen

Key financial indicators	2019	2018
Net sales, EURm	1 140,0	1 153,6
Operating income, EURm	40,1	46,0
Operating margin	3,5	4,0
Total assets, EURm	262,0	261,8
Equity ratio, %	35,5	34,8
Gearing, %*	-120,4	-128,2
Return on equity, %	34,6	41,8
Return on investment, %	44,0	52,3
Total dividends paid, EURm	30,0	30,0
Dividends received by the State, EURm	30,0	30,0
Investments, EURm	7,6	10,1
Personnel, total, 31 Dec	2 581	2 690
Personnel, Finland, 31 Dec	2 581	2 690
Gender composition of the management team w/m	3/3	5/2
Gender composition of the Board of Directors w/m	2/4	3/4
Total tax footprint, EURm	911,8	653,2
Tax footprint in Finland, EURm	911,8	653,2

Responsible alcohol sales

The footfall in Alko's shops in 2019 reached 54.2 (55.2) million. By the end of the year, the online stores had served 65,300 registered customers and the mobile application launched in March almost 45,000. A total of 4.6 million presented proof of age when requested at the outlets. Additionally, the company carried out 0.5 million checks on suspicion of intoxication in connection with purchases and 0.3 million checks on suspicion of procurement for others. The score in the mystery shopping test measuring the success of age checks by outlets was 96.3 per cent, clearly exceeding the 94 per cent target.

Alko's customer service performance is measured by means of national customer service (KAP) surveys carried out by the Taloustutkimus polling agency. In two KAP surveys conducted in 2019, Alko received the highest score of all Finnish retailers with an average score of 8.57 (target 8.58). This was the 11th time in succession that customers rated Alko the best shop in Finland. Sixty two per cent of Finns consider Alko's retail monopoly as a positive way of containing the ill-effects of alcohol (Kantar TNS Oy and the National Institution for Health and Welfare 2020).

In 2019, the key CSR measures included the assurance of responsible alcohol sales; promotion of the well-being of children and young people; development of a more environmentally sustainable beverage selection; and skills development at the various levels of the supply chain.

Main actions in the realm of responsible customer service included the launching of the 'Välivesi' sparkling and still water and 'Don't let a drop become an ocean' campaign as well as the adoption of the Concern Card by the outlets. According to extensive research, the price of alcohol and limitation of availability are the most efficient ways of controlling consumption. Aside from responsible alcohol sales, Alko provides information on the adverse health effects and social ill-effects of alcohol and engages in cooperation with social and health organisations and research institutes.

Cinia Oy

Cinia Oy is a diversified Finnish telecommunication and IT company providing network, software and cloud services. Cinia serves as a telecom operator delivering expert and communications services as well as development services for telecom-intensive systems and software.

Cinia Oy
State shareholding
77.5%
Ownership steering
Ministry of Transport and Communications
Special assignment
Promoting socially significant high-capacity telecommunications
Board of Directors 31 Dec 2019
Esko Aho (Chair), Hanna Maria Sievinen, Janne Yli-Äyhö, Annika Ekman, Vesa Aho
Chief Executive Officer
Ari-Jussi Knaapila

Key financial indicators	2019	2018
Net sales, EURm	50,1	45,7
Operating income, EURm	3,4	2,2
Operating margin	6,8	4,8
Total assets, EURm	113,4	109,1
Equity ratio, %	38,7	38,8
Gearing, %*	62,5	71,5
Return on equity, %	4,4	2,6
Return on investment, %	4,4	3,0
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	7,4	6,6
Personnel, total, 31 Dec	283	272
Personnel, Finland, 31 Dec	283	272
Gender composition of the management team w/m	2/5	2/5
Gender composition of the Board of Directors w/m	2/3	2/3
Total tax footprint	15,7	15,3
Tax footprint in Finland	15,7	15,3

Continued business development

In addition to the parent company Cinia, the Group includes C-Lion1 Oy (99.9%), Cinia Cloud GmbH (100%) and Netplaza Oy (100%) owned directly by the parent company as well subsidiaries not engaged in business operations (up to 15 October 2019).

The international communications business continues to grow and sales developed as expected. During the reporting period, Cinia expanded its international network and introduced new optional routes in Sweden and elsewhere in northern Europe. Year 2019 saw the establishment of affiliated companies. To prepare the construction of an Arctic subsea cable, an agreement was made in June with MegaFon of Russia to establish a joint project company. In October, Cinia and the DIF financing company founded a company called Adola Oy to develop the Finnish optical fibre network.

In 2019, the consolidated net sales totalled EUR 50.1 (45.7) million and operating income came to EUR 3.4 (2.2) million. Compared to the previous year, the Group's total net sales increased by approximately EUR 4.5 million (+10%). Growth was achieved in several services, particularly Netplaza Oy and international communications.

Corporate social responsibility and sustainability

Cinia's objective is to incorporate social responsibility into daily business operations in the context of management, development and client solutions.

Cinia's greatest positive contribution to society is provided through the IT network and software services designed to improve energy and material efficiency. Electricity consumption is a key variable in assessing environmental performance in the line of business Cinia is engaged in. At the same time, various efficiency-enhancing digitalisation solutions can substantially improve materials efficiency.

CSC - IT Center for Science Ltd

CSC provides world-class ICT services for research, education, culture and public administration for the benefit of society at large.

CSC – IT Center for Science Ltd
State shareholding
70%
Ownership steering
Ministry of Education and Culture
Special assignment
To maintain and develop a centralised IT infrastructure for the provision of nationwide IT services
Board of Directors 1 January 2019
Mirjami Laitinen (Chair), Antti Asikainen, Heikki Mannila, Jukka Mönkkönen, Jouko Paaso (vpj), Veera Sylvius, Leena Viljo
Chief Executive Officer
Kimmo Koski

Key financial indicators	2019	2018
Net sales, EURm	51,0	44,9
Operating income, EURm	1,5	1,8
Operating margin	2,9	3,9
Total assets, EURm	37,2	31,1
Equity ratio, %	36,2	33,0
Gearing, %*	-315,6	-349,3
Return on equity, %	20,6	31,2
Return on investment, %	25,8	39,1
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	1,5	0,6
Personnel, total, 31 Dec	413	351
Personnel, Finland, 31 Dec	413	351
Gender composition of the management team w/m	5/8	4/11
Gender composition of the Board of Directors w/m	3/4	3/4
Total tax footprint, EURm	18,5	17,2
Tax footprint in Finland, EURm	18,5	17,2

CSC's position in data management and scientific computing grew stronger

Finland, together with the Lumi consortium, was selected as the site for the world-class EuroHPC supercomputers and hence a provider of scientific research services for the EU.

The national DL2021 project proceeded to first-stage implementation: the Puhti supercomputer more than doubled CSS's computing capacity while the common data management solution Allas provided an environment for storing, sharing and analysing large amounts of data. The service environment was also made available to university educators and users as well as researchers.

With the mid-life upgrade of Funet 2020, a large number of organisations associated with Funet transferred to the new network. CSC also participate in the upgrade of the NORDUnet network.

In university education, CSC developed support for life learning, individual learning paths and cross-learning as part of the implementation of the 'Vision for higher education and research in 2030' and top-priority university projects.

Additionally, CSC was involved in rolling out the State Treasury's new municipal economy service, the KOHA library service for the National Library and an IT system service for Findata. The Fairdata persistent identifier service commenced on full scale in 2019.

Data management at the heart of customer digitalisation

Service development and customer interaction were governed by customer preferences and investments as well as common needs for data utilisation in the efforts to develop data management, interoperability, persistent identifiers and analytics.

Finnpilot Pilotage Ltd

Finnpilot Pilotage provides piloting services on all shipping lanes requiring pilotage in the Finnish territorial waters and on Lake Saimaa so as to promote safety at sea and prevent environmental damage.

Finnpilot Pilotage Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Special assignment
To provide pilotage services and assume responsibility for other related functions and duties specified in the Finnish Pilotage Act, operating in the water areas defined in the said act.
Board of Directors 20 March 2020
Seija Turunen (Chair), Markus Katara, Tuula-Riitta Markkanen, Petri Peltonen, Hilppa Rautpalo
Chief Executive Officer
Kari Kosonen

Key financial indicators	2019	2018
Net sales, EURm	40,9	40,3
Operating income, EURm	2,6	3,7
Operating margin	6,4	9,1
Total assets, EURm	25,3	26,3
Equity ratio, %	63,4	66,1
Gearing, %*	-25,6	-29,9
Return on equity, %	12,7	16,3
Return on investment, %	15,8	20,0
Total dividends paid, EURm		3,5*
Dividends received by the State, EURm		3,5*
Investments, EURm	2,5	2,3
Personnel, total, 31 Dec	336	324
Personnel, Finland, 31 Dec	336	324
Gender composition of the management team w/m	2/3	2/3
Gender composition of the Board of Directors w/m	3/3	3/3
Total tax footprint, EURm	13,5	13,2
Tax footprint in Finland, EURm	13,5	13,2

* Includes a capital repayment of EUR 2.0 million.

Net sales practically unchanged

The company's net sales increased slightly exceeding EUR 40 million for the second year running. By contrast, profitability fell slightly. In terms of the operating income, profits fell to 6.4 (9.1) per cent. The decrease in operating income was due to increased costs, particularly staff costs. Pilotage fees remained unchanged at the 2017–2019 level. The rates will be raised in 2020.

Irrespective of the rise in pilotage fees, it is essential for the company's financial performance to operate cost-effectively and improve efficiency on an ongoing basis.

The number of nautical miles under pilotage fell by -2.8 per cent (up 5.5 per cent in 2018). However, the company was able to maintain a high standard of operations and provide the services on schedule in 99.9 (99.9) per cent of the assignments.

A year of reform projects

The tragic accident in Emäsalo in December 2017 continued to affect the company's operations. In 2019, the company focused on the safety culture ensuring that all staff members undergo the sea safety course. Towards the end of the year, the company obtained a self-righting pilot vessel.

An amendment to the Pilotage Act permitting remote piloting entered into force on 1 February 2019. Finnpiilot was involved in promoting the projects related to remote piloting. Preparations were made during 2019 for three research projects concerning remote piloting: sea4Value launched by One Sea Ecosystem, ISTLab and Novia's / Aboa Mare' mastesim simulator.

The focus on safety was reflected in the number of anomaly reports, which reached an all-time high in 2019. This is a clear indication of the drive to enhance occupational safety.

Finnvera plc

Finnvera is a state-owned specialised financing company and the official Export Credit Agency of Finland. Finnvera seeks to create favourable conditions for Finnish companies and improve their competitiveness by offering loans, guarantees and export credits.

Finnvera plc
State shareholding
100%
Ownership steering
Ministry of Economic Affairs and Employment
Special assignment
Finnvera is a state-owned specialised financing company and the official Export Credit Agency (ECA) of Finland.
Board of Directors 31 Dec 2019
Pentti Hakkarainen (Chair), Antti Neimala (1st Vice Chair), Terhi Järvikare (2nd Vice Chair), Ritva Laukkanen, Pekka Nuuttila, Pirkko Rantanen-Kervinen, Antti Zitting
Chief Executive Officer
Pauli Heikkilä

Key financial indicators	2019	2018
Net sales, EURm		
Operating income, EURm	100,2	100,3
Cost to income ratio, %	25,4	29,3
Total assets, EURm	12 665	11 039
Equity ratio, %	11,6	12,3
Solvency ratio, Tier 1, domestic operations, %	29,4	27,2
Return on equity, %	6,7	7,4
Return on all assets, %	0,8	0,9
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	-	-
Personnel, total, 31 Dec	351	379
Personnel, Finland, 31 Dec	350	378
Gender composition of the management team w/m, %	44/56	37,5/62,5
Gender composition of the Board of Directors w/m, %	43/57	57/43
Total tax footprint, Finnvera Group	10,6	10,6

Finnvera's financial result clearly positive

At the end of 2019, Finnvera had 24,500 customers and its liabilities in SME and midcap financing amounted to EUR 2.3 (2.3) billion. Export credits and special guarantees on behalf of large cap companies inclusive of liabilities and bidding commitments were EUR 25.2 (23.3) billion. As part of its efforts to assist SMEs and midcap companies, Finnvera provided financing to almost 2400 start-up enterprises and more than 2400 growth enterprises, contributing to the creation of more than 8000 new jobs. Finnvera's corporate social responsibility action focuses on four themes: Finnvera's role in society; impact of its own operations; responsible financing; and stakeholder relations. The biggest liabilities in the large cap business were related to the boatbuilding, shipyard, telecom and forest sectors. Finnvera is expected to be self-financing. The consolidated financial result for 2019 was EUR 94 (98) million and the cost to income ratio 25.4 (29.3) per cent. Finnvera is exempted from business income tax. Eight of the nine objectives established for the company by the Ministry of Economic Affairs and Employment were achieved.

Finnvera's solvency ratio in domestic operations must be 15 per cent as a minimum. At the end of 2019, the solvency ratio was 29.4 (27.2) per cent. No solvency ratio target applies to export financing. However, if the assets of the export and specific guarantee funds and the State Guarantee Fund are taken into account in the determination of solvency, the estimated Tier 1 solvency of export financing would be less than 6.9 (6.8) per cent. The ministry monitors the equity requirement which makes allowance for operational risks, notably credit risks. The equity requirement in respect of credit risks takes account of the assets of the export credit and special guarantee funds and the State Guarantee Fund. Buffer funds are deemed to meet the equity requirement.

Governia Group

Governia Oy is a wholly state-owned special assignment company whose balance sheet is deployed to restructure ownership outside stock exchanges. The company is also tasked to develop the companies in its ownership.

Governia Group
State shareholding
100%
Ownership steering
Prime Minister's Office
Special assignment
To serve as a state investment company that can be used for special ownership restructuring purposes.
Board of Directors 22 March 2019
Ilpo Nuutinen (Chair), Niclas Köhler, Taina Susiluoto, Helena Tarkka (until 28 April 2020) and Pauliina Pekonen (as of 28 April 2020)
Chief Executive Officer
Maaret Heiskari

Key financial indicators	2019	2018
Net sales, EURm	18,5	41,3
Operating income, EURm	1,4	16,8
Operating margin	7,6	40,7
Total assets, EURm	223	203
Equity ratio, %	64,3	69,7
Gearing, %*	20,1	8,1
Return on equity, %	1,5	12,5
Return on investment, %	1,4	9,2
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	29,7	66,5
Personnel, total, 31 Dec	25	22
Personnel, Finland, 31 Dec	25	22
Gender composition of the management team, w/m	n/a	n/a
Gender composition of the Board of Directors, w/m	2/2	2/1
Total tax footprint, EURm	4,7	2,5
Tax footprint in Finland, EURm	4,5	3,5

Active promotion of its special assignment

At the end of the financial year, Governia owned three fully owned subsidiaries; Kruunuasunnot Oy, Pietarin Suomi Talo Oy and Gok Oy.

During the financial year, the parent company, Governia Oy, did not carry out any transactions.

Kruunuasunnot Oy, the Group's wholly owned subsidiary, builds and leases non-subsidised homes and provides property management services. During the financial year, Kruunuasunnot continued to develop its housing stock in line with its renewed strategy by launching new housing projects and developing the plots and properties in its ownership. In addition, the company continued to develop its service business. Kruunuasunnot updated its strategy in line with the changing markets and customer needs.

GoK Oy, another wholly owned subsidiary of the Group, engages in real estate development activities. The company has only had one development project with one plot sold in 2019. The company has not had any employees.

Suomi-Talo (Finland House) in St Petersburg is being developed into a self-financing service and customer centre. As part of the development work, the leased premises of the building were renovated in 2019 to turn them into a modern business and event centre. Suomi-Talo is a protected site in St Petersburg.

Governia Group's financial years are not comparable due to the companies and assets leaving the Group in previous years. Financial income is of major importance to the parent company.

Hansel Ltd

Hansel is the joint procurement unit for the public sector which provides its customers with joint procurement contracts for services and products as well as expert services for procurement.

Hansel Ltd
State shareholding
65%
Ownership steering
Ministry of Finance
Special assignment
A joint procurement unit whose mission is to improve productivity in public administration and lead the way in efficient and responsible public purchasing.
Board of Directors 1 January 2020
Timo Laitinen (Chair), Timo Reina, Anna-Maija Karjalainen, Antti Laakso, Johanna Luukkonen
Chief Executive Officer
Anssi Pihkala

Key financial indicators	2019	2018
Net sales, EURm	11,1	10,9
Operating income, EURm	-0,8	-0,7
Operating margin	-7,5	-6,3
Total assets, EURm	14,7	18,7
Equity ratio, %	68,1	83,2
Gearing, %	-116,3	-107,0
Return on equity, %	-6,1	-4,2
Return on investment, %	-6,1	-4,2
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,0	0,2
Personnel, total, 31 Dec	116	95
Personnel, Finland, 31 Dec	116	95
Gender composition of the management team, w/m	5/2	3/3
Gender composition of the Board of Directors, w/m	2/3	2/3
Total tax footprint, EURm	4,1	3,6
Tax footprint in Finland, EURm	4,1	3,6

Overview of events in 2019

For Hansel Ltd, the year 2019 was a time of major changes. Since 2 September 2019, when the Finnish state sold 35 per cent of Hansel's shares to the Association of Finnish Local and Regional Authorities and the Hansel Act was amended accordingly, the company has operated as a joint procurement unit for the entire public sector.

The Ministry of Finance and the Association of Finnish Local and Regional Authorities felt that a central procurement unit for the entire public sector would bring significant benefits to customers, both from the point of view of developing purchasing expertise and through a wider range of services. As a result of the changes in ownership and reorganisation of the corporate structure, the personnel of KL-Kuntahankinnat Oy, owned by the Association of Finnish Local and Regional Authorities, transferred to Hansel Ltd as established employees.

Hansel's business continued to grow with joint acquisitions amounting to EUR 900 million and expert services sold for EUR 2.1 million. The procurement value of these customer-specific bidding competitions was more than EUR 600 million. In 2019, alongside joint acquisitions, Hansel introduced a small-scale procurement service for the entire public sector for acquisitions below the national threshold.

In November, the Board of Directors adopted an integration strategy based on a vision of combining the entire public procurement power of Finland. The cornerstones of the strategy are to provide an excellent service experience and a wide range of services, as well as to act as a forerunner in responsible and effective procurement. Exemplary operation, a strong value base and an inclusive culture are believed to make Hansel the most respected expert in public procurement and, as a result, a desired place to work.

HAUS Finnish Institute of Public Management Ltd

HAUS renewed its strategy for 2020-2024. HAUS improved its position through an increase in net sales from EUR 6.4 million to EUR 8.0 million, with international operations accounting for EUR 2.4 million. In 2019, the number of participants in training was 6500, the eOppiva digital learning environment for public administration reached the mark of 30,000 users, and 11 international administration development projects were underway.

HAUS Finnish Institute of Public Management Ltd	
State shareholding	
	100%
Ownership steering	
	Ministry of Finance
Special assignment	
	Provision of training and development services for the renewal of administrative management and expertise.
Board of Directors 1 January 2020	
	Hannu Mäkinen (Chair), Ilona Lundström, Pauli Forma, Susanna Niinistö-Sivuvirta
Chief Executive Officer	
	Kyösti Väkeväinen

Key financial indicators	2019	2018
Net sales, EURm	8,0	6,4
Operating income, EURm	-0,1	-0,2
Operating margin	-1,3	-3,6
Total assets, EURm	3,7	5,6
Equity ratio, %	34,6	38,4
Gearing, %	-333,3	-351,2
Return on equity, %	-14,4	-29,4
Return on investment, %	-10,9	-19,0
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,0	0,0
Personnel, total, 31 Dec	36	37
Personnel, Finland, 31 Dec	31	34
Gender composition of the management team, w/m	4/2	5/1
Gender composition of the Board of Directors, w/m	3/2	3/2
Total tax footprint, EURm	1,8	1,4
Tax footprint in Finland, EURm	1,8	1,4

Overview of events in 2019

The company underwent a major renewal in 2019. The new CEO started on 1 February 2019. The strategy was revamped and the organisation developed to be more customer-oriented.

The services provided by HAUS consisted of open and organisational training programmes as well as digital training (eOppiva). Popular areas of training were those focusing on the common areas of expertise required in public administration, such as management and leadership, ICT, human resources management, financial management and public procurement. In 2019, 6500 people participated in open and organisational training. The Uudistuja leadership training programme, which was transferred from Sitra to HAUS in 2019, achieved very high customer satisfaction during the year. Although the programme is aimed at senior government officials, today it also interests many members of the top management of municipalities. The popularity of the state's eOppiva digital learning environment increased by 21,000 new users to 30,000 users, covering about 40 per cent of all personnel in central government. The number of original productions in eOppiva was 25. The most popular course was Tietosuoja ABC (The ABC of Data Protection), which was completed by approximately 15,000 people.

HAUS promoted good governance exports and strengthened its partnerships with government agencies in international cooperation. In Belarus, a civil security project was launched in cooperation with the Ministry of the Interior. A new project was launched in Albania in cooperation with the Police University College. An HR project led by HAUS was launched in Armenia, with partners from the French ENA and the Estonian Ministry of Finance. In 2019, there were a total of 11 international projects underway and about 1000 expert days. In Finland, HAUS organised training on good governance practices for international customers from public administration schools in Taiwan, Japan, Poland, Germany and Romania.

Horse Institute Ltd

Horse Institute Ltd's special assignment is to operate a vocational equestrian college as well as organise and develop training in the field. Horse Institute Ltd provides facilities for the national equestrian training centre.

Horse Institute Ltd
State shareholding
25%
Ownership steering
Ministry of Education and Culture
Special assignment
To operate a vocational equestrian college and national coaching centre for equestrian sports
Board of Directors 29 March 2019
Thomas Stenius (Chair), Pasi Rentola, Jarmo Pynnönen, Terhi Koipijärvi, Vesa Mäkinen, Kari Haimi
Chief Executive Officer
Pauliina Mansikkamäki

Key financial indicators	2019	2018
Net sales, EURm	8,0	7,7
Operating income, EURm	0,1	0,3
Operating margin	1,3	3,2
Total assets, EURm	5,0	5,0
Equity ratio, %	78,0	75,6
Gearing, %*	-43,6	-53,3
Return on equity, %	5,3	4,7
Return on investment, %	2,5	7,0
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,7	0,1
Personnel, total, 31 Dec	77	73
Personnel, Finland, 31 Dec	77	73
Gender composition of the management team, w/m	3/1	3/1
Gender composition of the Board of Directors, w/m	1/5	1/5
Total tax footprint, EURm	0,6	0,6
Tax footprint in Finland, EURm	0,6	0,6

A positive year for the Horse Institute

The past year at the Horse Institute was full of training, sports events and activities provided by the national equestrian training centre. The changes brought about by the 'Täyttä hevoselämää 2020' strategy were incorporated into the daily life in all parts of the Horse Institute.

The financial situation of the Horse Institute provided an opportunity to invest in the development of conditions and repair of facilities. The preparation of the new strategy began at the end of the year.

The Horse Institute maintained its position as the most popular institute of education in the equine field in terms of the number of people naming it as their primary choice in the joint application process. The concept of 'Kiltatalli' was developed during the year. The Horse Institute was actively involved in the preparation of the new curriculum.

Active ties to stakeholders

Development of ties to stakeholders continued. We joined forces with Häme University of Applied Sciences to organise Bachelor of Business Administration training in horse management. Cooperation with the Olympic Committee was educational and participatory. A strategic partnership agreement was signed with Ypäjä Horse Hospital to further develop our activities. As part of the on-going strategic work, the Equestrian Federation of Finland and Suomen Hippos discussed the future of the equine industry and the role of the Horse Institute College in developing the industry.

International activities in line with the strategy were carried out through student and staff exchange periods. Top athletes from Finland and abroad participated in the activities of the training centre.

Our financial performance was positive and our equity ratio high. The Horse Institute was successful in project funding.

Municipality Finance Plc

Municipality Finance Plc provides financing services for the municipal sector and state-subsidised housing. Municipality Finance Plc is owned by the municipalities, the Local Government Pension Institution Keva and the State.

Municipality Finance Plc acquires funding from the international capital markets.

Municipality Finance Plc
State shareholding
16.0%
Ownership steering
Prime Minister's Office
Special assignment
To secure affordable funding for the building and renovation of state-subsidised housing.
Board of Directors 25 March 2020
Helena Walldén (Chair), Tuula Saxholm (Vice Chair), Maaria Eriksson, Markku Koponen, Kari Laukkanen, Vivi Marttila, Denis Strandell, Kimmo Viertola
Chief Executive Officer
Esa Kallio

Key financial indicators	2019	2018
Net sales, EURm	191,6	239,1
Operating income, EURm	131,2	190,0
Operating margin	68,5	79,5
Total assets, EURm	38 934	35 677
Equity ratio, %	4,1	4,2
Own funds in relation to risk-weighted assets, %	107,9	88,0
Return on equity, %	6,8	10,8
Return on all assets, %	0,3	0,4
Total dividends paid, EURm	6,3	6,3
Dividends received by the State, EURm	1,0	1,0
Investments, EURm	-	-
Personnel, total, 31 Dec	167	151
Personnel, Finland, 31 Dec	167	151
Gender composition of the management team, w/m	1/6	2/5
Gender composition of the Board of Directors, w/m	4/4	4/4
Total tax footprint, EURm	10,8	13,7
Tax footprint in Finland, EURm	10,8	13,7

A financially stable anniversary year

During the company's 30th anniversary year, demand for customer financing remained strong and new loans were raised in the amount of EUR 3.2 billion, which was more than 7 per cent more than in the previous year. At the same time, the loan portfolio for long-term customer financing increased to EUR 24.0 (22.4) billion. Of the loans, 48 per cent were issued for housing companies, 34 per cent for municipalities and the rest for municipal companies or federations. Operating income fell to EUR 131.2 (190.0) million during the financial year. Excluding unrealised changes in fair value, the Group's operating income decreased by only 2.1 per cent from the previous year's level. The Group's solvency remained strong and exceeded the requirements set for the company many times over.

In 2019, state-subsidised housing production comprised about 7800 new housing units, which is 9 per cent less than in 2018. The Housing Finance and Development Centre of Finland approved new interest-subsidy loans totalling EUR 1409 million. According to the statistics of the Housing Finance and Development Centre of Finland, the Municipality Finance's share of new interest-subsidy loans, in terms of numbers, was about 80 per cent, which means that it plays a key role as a financier of state-subsidised housing production.

Responsible investing

Responsibility lies at the heart of Municipality Finance's business, which is reflected both in customer relationship management and the financing options offered. In 2016, Municipality Finance was the first credit institution to bring green financing to Finland, and the amount of green financing raised increased to EUR 1.23 billion by the end of 2019. The company's goal is for green financing to account for 10 per cent (now 5.2 per cent) of the total financing portfolio in 2022. Municipality Finance has a new responsible financing instrument called Social Financing which it will launch in 2020 before any other Nordic financial institution.

Solidium Oy

Solidium holds minority interests in listed companies of national significance. The company operates on market terms and only makes investment decisions when the financial preconditions are met.

Solidium Oy
State shareholding
100.0%
Ownership steering
Prime Minister's Office
Special assignment
To reinforce and consolidate domestic ownership in listed companies of national significance, and increase the financial value of assets in the long term.
Board of Directors 6 November 2019
Harri Sailas (Chair), Aaro Cantell (Vice Chair), Timo Ahopelto, Jannica Fagerholm, Marjo Miettinen, Laura Raitio, Kimmo Viertola
Chief Executive Officer
Antti Mäkinen

Key financial indicators	2019	2018
Net sales, EURm	0,0	0,0
Operating income, EURm	-3,9	-4,6
Profit for the year, EURm	297,2	349,6
Total assets, EURm	8 193,2	9 092,9
Equity ratio, %	90	88
Return on investments at fair value, %	-2,9	8,3
Administrative cost ratio, %	0,05	0,06
Net asset value, EURm	7 340,8	8 009,9
Total dividends paid, EURm	338,0	351,0
Dividends received by the State, EURm	338,0	351,0
Personnel, total, 31 Dec	12	11
Personnel, Finland, 31 Dec	12	11
Gender composition of the management team, w/m	2/5	1/4
Gender composition of the Board of Directors, w/m	3/4	3/3
Total tax footprint	13,9	232
Tax footprint in Finland	13,9	230

Financial performance in the financial year

Solidium's financial year is from 1 July to 30 June. The company does not generate net sales. Solidium's operating income for the financial year was approximately EUR -3.9 (-4.6) million. Solidium's result for the 2019 financial year mainly consists of dividends received in the amount of EUR 337 million.

Repayment of capital to the State

Solidium relinquished shares to the State in the form of capital repayments in three stages to a total value of EUR 155 million. Kemira shares were relinquished for EUR 15 million and shares in Kemira, Outokumpu and SSAB for EUR 60 million to the State. Additionally, shares in Kemira, Nokia and Sampo were surrendered to a total value of EUR 80 million to the State, which subsequently transferred them to Oppiva Invest Oy.

Market operations carried out by Solidium

During the financial year, Solidium acquired shares to a total value of EUR 359 million. A new addition to Solidium's portfolio was Nokian Tyres in which Solidium acquired a 5.1 per cent interest for EUR 205 million. During the financial year, Solidium bought shares in Konecranes for EUR 29 million and in Nokia for EUR 95 million. As a result, Solidium's interest in Konecranes increased from 6.2 to 7.4 per cent and in Nokia from 3.3 to 3.7 per cent.

Solidium's board appointments

According to the strategy updated in the autumn of 2017, the long-term goal of Solidium is to have a representative in the Board of Directors of every portfolio company. After the general meetings of companies held in the spring of 2019, this is the case in five companies owned by Solidium.

SoteDigi Oy

Established at the end of 2017, the SoteDigi development company is responsible for the execution of projects and procurements related to the new digital solutions for the healthcare and social services sector, developed on a national scale, and for developing support for them.

Sotedigi Oy
State shareholding
100%
Ownership steering
Ministry of Finance
Special assignment
To develop national digital solutions to improve cost-effectiveness in social and healthcare services.
Board of Directors 1 January 2020
Timo Lepistö (Chair), Siv Schalin, Markus Sovala, Taru Kuosmanen, Liisa-Maria Voipio-Pulkki
Chief Executive Officer
Harri Hyvönen

Key financial indicators	2019	2018
Net sales, EURm	0,0	0,0
Operating income, EURm	-8,2	-1,7
Operating margin	-	-
Total assets, EURm	81,7	89,2
Equity ratio, %	98,5	99,2
Gearing, %	-101,1	-99,1
Return on equity, %	-9,4	-1,8
Return on investment, %	-9,4	-1,8
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,0	1,2
Personnel, total, 31 Dec	23	21
Personnel, Finland, 31 Dec	23	21
Gender composition of the management team, w/m	5/1	5/2
Gender composition of the Board of Directors, w/m	3/2	3/4
Total tax footprint, EURm	0	0
Tax footprint in Finland, EURm	0	0

Overview of events in 2019

The company's operations focused on implementing the operational processes defined during the first quarter and on the advancement of projects. Staff were recruited as planned.

In particular, the focus was on the development of quality systems (ISO 9001 and 13485), the audits of which were important achievements for the company on the way to acquiring a medical device CE marking for Omaolo. On 17 June 2019, the company was awarded both ISO 9001:2015 and ISO 13845:2016 certificates without any non-conformances. In the autumn, the company took the next step towards the CE marking of its medical device.

In March 2019, following the collapse of the health, social services and regional government reform, the company received new guidelines which entered into force on 26 April 2019. In line with the guidelines, the company promoted the following operations:

- Omaolo
- Emergency Assistance 116117
- Secondary use of knowledge management data
- Archiving old customer and patient data

The Omaolo service was successfully launched on 6 February 2019, and efforts to complete version 2.0 continued during the rest of the year. Deployments of the Emergency Assistance 116117 project progressed as planned in hospital districts, and the planning for the construction of a 116117 digital channel also proceeded. With regard to knowledge management, the company participated in the Toivo programme of the Ministry of Social Affairs and Health, and piloted knowledge management with Kainuu Social Welfare and Health Care Joint Authority.

As outlined by the Ministerial Finance Committee, the company decided to acquire the entire business of Vimana on 19 December 2019. The acquisition took place on 1 February 2020.

STUK International Ltd

The company provides expert services to promote safety in the use of nuclear energy and radiation, and works in close cooperation with the Finnish Radiation and Nuclear Safety Authority (STUK). Its clients include foreign authorities responsible for radiation and nuclear safety as well as other public-sector operators in the field.

Stuk International Ltd
State shareholding
100%
Ownership steering
Ministry of Social Affairs and Health
Special assignment
The objective of the sale of commercial services is to generate revenue for the company's owner, the State of Finland, and enhance the expertise of the Finnish Radiation and Nuclear Safety Authority.
Board of Directors 31 December 2019
Ilona Lindholm (Chair), Petteri Tiippana, Kirsi Alm-Lytz, Jorma Aurela, Ilpo Nuutinen
Chief Executive Officer
Pekka Ottavainen

Key financial indicators	2019	2018
Net sales, EURm	0,3	7,4
Operating income, EURm	0,0	1,5
Operating margin	0,0	19,8
Total assets, EURm	3,7	5,4
Equity ratio, %	38,7	32,6
Gearing, %*	-199,2	-191,0
Return on equity, %	-10,3	50,3
Return on investment, %	-2,9	122,7
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,0	0,0
Personnel, total, 31 Dec	1	1
Personnel, Finland, 31 Dec	1	1
Gender composition of the management team, w/m	0/1	0/1
Gender composition of the Board of Directors, w/m	2/3	2/3
Total tax footprint, EURm		
Tax footprint in Finland, EURm		

Operation of the company

The company's primary purpose is to enable the sale of STUK's international expert services in a profitable way and in line with market terms. The provision of the company's expert services is mainly based on subcontracting, the most important partner being the Finnish Radiation and Nuclear Safety Authority. All the services provided have the same quality target – they must be “as if provided by STUK”. This will be given special consideration when other subcontractors besides STUK are selected.

In addition to the provision of services related to nuclear energy, special emphasis is also put on the export of expertise in the safe use of radiation, environmental radiation monitoring and emergency preparedness and, wherever possible, on consultation tasks related to nuclear safeguards and security. The company develops products based on expert services related to the safe use of nuclear energy and radiation.

During its third year of operation, the company has continued to deliver expert services for the development of independent nuclear authority operations consistent with international requirements in Saudi Arabia. Cooperation with STUK has been deepened, and the company has increasingly invested in international marketing.

State Security Networks Group Finland

The State Security Networks Group is a state-owned company with a special mission to ensure critical management capabilities in times of crisis, and to secure the provision of communications and information society services under all circumstances.

State Security Networks Group Finland
State shareholding
100%
Ownership steering
Prime Minister's Office
Special assignment
Construction and operation of communications networks used by central and local government authorities that are critical to the nation's security as well as other security networks and the provision of related services. The special assignment is based on the Act on the Operation of the Government Security Networks and the Act on Electronic Communication Services.
Board of Directors 31 March 2020
Ilpo Nuutinen (Chair), Teemu Anttila, Leena Hellfors, Arja Lehtonen, Janne Koivukoski, Maria Nikkilä, Hannu Kauppinen, Tuula Haataja
Chief Executive Officer
Timo Lehtimäki

Key financial indicators	2019	2018
Net sales, EURm	102,4	97,4
Operating income, EURm	1,6	-2,4
Operating margin	1,6	-2,5
Total assets, EURm	253,4	256,3
Equity ratio, %	87,8	86,7
Gearing, %	-7,8	-7,8
Return on equity, %	0,3	-1,8
Return on investment, %	0,6	-1,2
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	19,0	20,4
Personnel, total, 31 Dec	370	345
Personnel, Finland, 31 Dec	370	345
Gender composition of the management team, w/m	1/5	0/7
Gender composition of the Board of Directors, w/m	4/4	3/4
Total tax footprint, EURm	14,7	17,5
Tax footprint in Finland, EURm	14,7	17,5

The Group developed in many directions

The strategic goal of the State Security Networks Group is to keep Finland as a forerunner with regard to cooperation between security actors. The Group's security-critical ICT services ensure the smooth functioning of everyday life in all parts of Finland. The Group consists of the parent company State Security Networks Ltd and its subsidiaries Suomen Turvallisuusverkko Oy, Leijonaverkot Oy, Suomen Infratieto Oy and affiliated company Kyberleijona Oy.

In 2019, several changes took place in the Group's structure: Virve Tuotteet and Palvelut Oy were sold to Millog Oy and the Group structure was simplified by merging some of the Group's subsidiaries. A new subsidiary, Suomen Infratieto Oy, was established for managing location data points for the future physical infrastructure.

The use of the Virve public authority network continued to expand in 2019. Virve will undergo the largest changes in its history when it gradually moves to broadband, which will bring more services to Virve users. The development of Virve proceeded according to plan. Legislation related to Virve was amended at the beginning of 2019 and the Ministerial Finance Committee supported significant investments in Virve at the end of 2019. The company will implement the new broadband Virve together with the commercial operator to be selected in 2020.

Financial result and corporate social responsibility

The Group's financial development was stable. Net sales increased to EUR 102.4 (97.4) million. Operating income increased to EUR 1.6 (-2.4) million. The Group's equity ratio was strong at 87.8 per cent. The company has drawn up a new sustainability programme up to 2025, which will be an integral part of the company's business activities. The new sustainability programme focuses on such things as reducing CO2 emissions, well-being at work and responsible purchasing.

Finnish Aviation Academy Ltd

The Finnish Aviation Academy is a special vocational institute that trains professional pilots for Finnish commercial aviation needs and develops aviation training as well as other related services.

Finnish Aviation Academy Ltd
State shareholding
49.5%
Ownership steering
Prime Minister's Office
Special assignment
To operate an institute of education providing aviation training
Board of Directors 18 March 2020
Kai-Petteri Purhonen (Chair), Jaakko Schildt, Juho Sinkkonen, Tuula Lybeck
Chief Executive Officer
Juha Siivonen

Key financial indicators	2019	2018
Net sales, EURm	10,5	10,2
Operating income, EURm	0,1	0,1
Operating margin	1,0	1,0
Total assets, EURm	19,4	19,3
Equity ratio, %	94,3	94,8
Gearing, %	-37,4	-34,1
Return on equity, %	0,5	0,6
Return on investment, %	0,5	0,6
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,7	1,6
Personnel, total, 31 Dec	48	45
Personnel, Finland, 31 Dec	48	45
Gender composition of the management team, w/m	1/6	1/6
Gender composition of the Board of Directors, w/m	1/3	1/3
Total tax footprint, EURm	3,1	3,4
Tax footprint in Finland, EURm	3,1	3,4

Pilot training for aviation needs

Finnish Aviation Academy Ltd is a special vocational institute that is tasked with training high-quality pilots to meet the need for commercial pilots in Finland. The company's financial objective is to generate an operating margin that secures investments and future operations. The company does not seek profit or distribute dividends to its owners. Most of the net sales come from government grants.

In 2019, the activities continued smoothly and the training volumes were at record highs in some places. Net sales totalled EUR 10.5 million, and the operating income was EUR 66,000. The company's balance sheet is strong, the equity ratio being above 90 per cent.

The cessation of regular scheduled traffic at the Pori airport in 2018 affected the payments charged from the company for the Pori Airport services. In 2019, scheduled traffic to Pori was resumed. This will reduce the company's airport charges compared to a situation where there would be no commercial traffic.

Corporatjonnty

The corporate responsibility of the Aviation Academy focuses on aviation safety and environmental matters. Flight safety is at an excellent level in the company. The training will produce high-quality pilots whose knowledge, skills and attitude are at a level that meets the requirements of regulatory authorities and airlines.

The focus of environmental responsibility is on exhaust emissions. Investments in new aircraft in recent years are clearly reflected in reduced fuel consumption. The share of jet aircraft has been reduced in training and this in turn has reduced exhaust emissions. The use of high-quality training equipment can reduce the share of aircraft use in flight training. Hence, CO₂ emissions per student have clearly decreased.

Finnish Minerals Group Ltd

The special assignment for the Finnish Minerals Group is to develop the Finnish battery and mining industry. The company's main asset is its majority shareholding in Terrafame Ltd.

Finnish Minerals Group Ltd
State shareholding
100%
Ownership steering
Ministry of Economic Affairs and Employment
Special assignment
Development and ownership of the battery and mining industry.
Board of Directors 28 March 2019
Janne Känkänen (Chair), Juha Majanen, Minna Pajumaa, Eeva Ruokonen, Antti Kumm. New members as of 28 March 2019: Ilpo Korhonen, Teija Kankaanpää
Chief Executive Officer
Matti Hietanen

Key figures (Group)	2019	2018
Net sales, EURm	310,4	325,8
Operating income, EURm	-9,1	2,3
Operating margin	-2,9	0,7
Total assets, EURm	861,6	788,4
Equity ratio, %	53,5	59,7
Gearing, %	4,4	-16,9
Return on equity, %	-8,9	-7,5
Return on investment, %	-2,8	-1,3
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	124,9	85,2
Personnel, total, 31 Dec	735	677
Personnel, Finland, 31 Dec	735	677
Gender composition of the management team, w/m	¼	1/4
Gender composition of the Board of Directors, w/m	¾	2/3
Total tax footprint, EURm	25,0	20,5
Tax footprint in Finland, EURm	25,0	20,5

Responsible maximisation of the value of Finnish minerals as a mission

The aim of the Finnish Minerals Group is to increase the benefits of the Finnish mining industry through state ownership and by increasing the degree of processing. At the end of 2019, the company owned about 71.8 per cent of its subsidiary Terrafame Ltd, about 24.3 per cent of Keliber Oy and about 2.0 per cent of Sotkamo Silver AB. The company's goal is to create a value chain in Finland for the production of raw materials and components, such as cathode materials and cells, for lithium-ion batteries. This would ensure the acquisition of the greatest macroeconomic value and benefit from Finnish minerals, and promote the achievement of international climate goals. The company strives to find technology partners with which the company can carry out industrial projects within the battery value chain in Finland and participate in their ownership as a minority owner.

Construction of Terrafame Oy's battery chemicals plant progresses as planned

Terrafame produced 27,468 tonnes of nickel and 55,222 tonnes of zinc in 2019. The operating margin was EUR 32 million. Terrafame is currently building a battery chemicals plant that will start operating in 2021.

Social responsibility is reflected in Terrafame Ltd's efforts to improve work and environmental safety. The risks and impacts related to the environment and nearby watercourses have diminished in recent years; for example, sulphate emissions in 2019 were clearly below the emission quota set in the environmental permit. Efforts to improve occupational safety continue; the frequency of accidents at work leading to absence was 9.6 accidents per million hours worked (7.4 in 2018).

Finnish Industry Investment Ltd (Tesi)

Finnish Industry Investment Ltd is a state-owned capital investment company whose mission is to promote the growth and internationalisation of Finnish companies, and to develop the Finnish capital investment market. Tesi invests in portfolio companies directly and through private equity funds.

Finnish Industry Investment Ltd	
State shareholding	100%
Ownership steering	Ministry of Economic Affairs and Employment
Special assignment	To develop the capital investment market, effect the renewal of trade and industry and create growth companies.
Board of Directors 31 December 2019	Kimmo Jyllilä (Chair), Pauli Kariniemi, Jyrki Mäki-Kala, Mika Niemelä (Vice Chair), Annamarja Paloheimo, Riitta Tiuraniemi
Chief Executive Officer	Jan Sasse

Key financial indicators	2019	2018
Net sales, EURm	64,6	89,7
Operating income, EURm	95,5	67,7
Operating margin	147,9	75,6
Total assets, EURm	1 129,7	1 030,5
Equity ratio, %	96,3	96,6
Gearing, %	-37,1	-38,4
Return on equity, %	7,5	5,5
Return on investment, %	9,2	6,9
Total dividends paid, EURm	0	16,0*
Dividends received by the State, EURm	0	16,0*
Investments, EURm	118,1	146,6
Personnel, total, 31 Dec	37	36
Personnel, Finland, 31 Dec	37	36
Gender composition of the management team, w/m	1/6	1/5
Gender composition of the Board of Directors, w/m	2/4	3/4
Total tax footprint, EURm	9,8	25,2
Tax footprint in Finland, EURm	9,8	25,2

*Paid during 2018

Private equity markets developed favourably in 2019

Tesi's investment commitments and direct investments in 2019 totalled EUR 133 million. At the end of the year, the equity investments managed by the company amounted to EUR 1334 million. The investees included 92 funds and 54 portfolio companies.

The KRR III fund of EUR 150 million, which invests in early and growth-stage funds, invested in four funds during the year. All the KRR funds have so far invested in 30 funds. By the end of 2018, the funds had invested in a total of 227 companies, employing a total of 19,000 people and generating a revenue of nearly EUR 3.2 billion.

Tesi's investment programmes are targeted in strategic growth areas or other areas that renew business structures. During the year, the Industrial Renewal programme was fully invested. The circular economy investment programme launched in 2018 and the EFSI programme launched jointly with the EIB continued their investment activities.

During 2019, the strategy process was completed, as a result of which the company's strategy was fine-tuned. Key areas of focus under the new strategy include the effectiveness of operations and their closer integration into investment activities, as well as knowledge-based management. As a concrete measure under the new strategy, the construction of a data model for knowledge-based management was launched.

The number of jobs in Tesi's portfolio companies grew by more than 7500 during 2016-2018. The companies' net sales in Finland grew by 15 per cent during 2018. Tesi's special focus was on implementing corporate responsibility and impact goals.

University Properties of Finland Ltd

University Properties of Finland Ltd is an owner and developer of higher education campuses outside the Helsinki metropolitan area. The company provides its customers with effective and cost-efficient facility solutions.

University Properties of Finland Ltd
State shareholding
33.33%
Ownership steering
Ministry of Finance
Special assignment
To manage and lease buildings and premises mainly for the purposes of research and training and the business activities supporting them in order to safeguard the long-term operation of universities.
Board of Directors 1 January 2020
Päivi Mikkola (Chair), Sami Yläoutinen, Riitta Juutilainen, Heli Huhtala, Keijo Hämäläinen, Pekka Riuttanen
Chief Executive Officer
Sanna Sianoja

Key financial indicators	2019	2018
Net sales, EURm	165,2	159,5
Operating income, EURm	46,0	46,0
Operating margin	27,8	28,8
Total assets, EURm	1 335,0	1 357,1
Equity ratio, %	46,9	45,5
Gearing, %	107,8	106,7
Return on equity, %	4,4	4,6
Return on investment, %	3,5	3,6
Total dividends paid, EURm		18,6
Dividends received by the State, EURm		6,2
Investments, EURm	113,9	95,4
Personnel, total, 31 Dec	31	30
Personnel, Finland, 31 Dec	31	30
Gender composition of the management team, w/m	1/4	0/5
Gender composition of the Board of Directors, w/m	3/3	3/3
Total tax footprint, EURm	23,5	23,2
Tax footprint in Finland, EURm	23,5	23,2

Overview of events in 2019

University Properties of Finland Ltd managed its property assets responsibly and in a manner that secured the operation of universities in the long term. In addition to renovations, several new construction projects continued in 2019. Financial performance remained solid.

The company invested heavily in the development of learning environments and multi-space facilities as well as increasing business activities supporting universities in vacated campus premises. In 2019, nearly 11 per cent of the tenants were entities other than universities and institutes of higher education.

The most significant strategic and commercial act in 2019 was the sale of the Palosaari campus in Vaasa to Vaasan Merikampus Oy founded by Vaasa University and the City of Vaasa, effective as of 1 May 2019. The deal reduced the company's leasable area by approximately 30,000 square metres.

The most significant leasing operations in 2019 were the lease agreements concerning the new building for the Rauman Normaalikoulu day-care centre and the renovation of Arcanum in Turku and Block B (main library) in Jyväskylä. In leasing operations in 2019, the focus continued on the renewal of the existing lease portfolio and the continuity of leases.

The key focus areas of maintenance operations were energy management, development of appropriate maintenance procedures as well as revising and implementing maintenance operating models. The energy demand flexibility project progressed to ordering and implementation planning. The purpose of demand flexibility is to enable more extensive use of renewable energy in the national grid.

VTT Technical Research Centre of Finland Ltd

VTT Technical Research Centre of Finland Ltd is one of the leading research and technology organisations in Europe. It helps customers grow and the society prosper through applied research.

VTT Technical Research Centre of Finland Ltd
State shareholding
100%
Ownership steering
Ministry of Economic Affairs and Employment
Special assignment
Economic and innovation policy implementation tasks
Board of Directors 31 December 2019
Matti Hietanen (Chair), Heli Antila, Harri Leiviskä, Kaija Pehu-Lehtonen, Marja-Riitta Pihlman, Pekka Tiitinen, Mari Walls
Chief Executive Officer
Antti Vasara

Key financial indicators	2019	2018
Net sales, EURm	147,2	159,8
Operating income, EURm	3,9	-7,8
Operating margin	2,7	-4,9
Total assets, EURm	263,7	260,0
Equity ratio, %	64,7	59,0
Gearing, %	-72,4	-79,0
Return on equity, %	2,0	11,6
Return on investment, %	2,7	8,4
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	23,3	9,0
Personnel, total, 31 Dec	2 083	2 041
Personnel, Finland, 31 Dec	2 083	2 041
Gender composition of the management team, w/m	6/3	6/3
Gender composition of the Board of Directors, w/m	4/3	3/4
Total tax footprint, EURm	36,8	35,1
Tax footprint in Finland, EURm	36,8	35,1

VTT Ltd's operations in 2019

VTT's goal is to make an impact with scientific and technological excellence as well as joint development with stakeholders. During the autumn of 2019, the management of research was developed and procedures improved to foster research by focussing on content and joint research agendas for teams. VTT also invested heavily in innovative new projects supporting the development and renewal of its own expertise, as well as in preparatory projects for the commercialisation of technology. The projects aim to strengthen the international competitiveness of VTT and its contribution to reforming the society and ensuring sustainable growth. All the sustainability objectives set for VTT were achieved. The methods used for calculating and reporting VTT's greenhouse gas emissions were revised during the year.

VTT has successfully invested in eight international innovation ecosystems aimed at enabling effective cooperation between international research institutes and the business community and creating innovation clusters in Finland in relevant areas. An important part of Finland's national innovation infrastructure is based on VTT's unique research infrastructure and development environments in which VTT has continued to invest to ensure the continuous development of excellence. A process chemistry pilot platform is nearing completion at the Bioruukki Pilot Centre in Espoo, investments in the hot cells of the Nuclear Safety House have continued, and a significant upgrade of the research infrastructure was carried out in Micronova's cleanrooms as part of the electronics industry renewal ecosystem. Towards the end of the year, the Circular Raw Materials Hub, a joint laboratory established by VTT, Aalto University and the Geological Survey of Finland (GTK), was opened in Otaniemi. In Tampere, investments were made in research capabilities in intelligent manufacturing, robotics and transport. And in Oulu, the research infrastructure for printed electronics has been developed and improved.

Finnish Fund for Industrial Cooperation Ltd (Finnfund)

Finnfund promotes economic and social development by funding private sector projects in low-income and lower-middle-income countries. Finnfund complements commercial financing as a risk financier.

Finnish Fund for Industrial Cooperation Ltd	
State shareholding	
	94.4%
Ownership steering	
	Ministry for Foreign Affairs
Special assignment	
	Finnfund promotes the economic and social development of its target countries by funding private sector projects.
Board of Directors 2 March 2019	
	Ritva Laukkanen (Chair), Robert Wihtol (Vice Chair), Jussi Haarasilta, Anu Hämäläinen, Kristiina Kuvaja-Xanthopoulos, Pirita Mikkanen, Lars-Erik Schöring, Antero Toivainen
Chief Executive Officer	
	Jaakko Kangasniemi

Key financial indicators	2019	2018
Net sales, EURm	0,0	0,0
Operating income, EURm	-12,5	-11,9
Operating margin	0,0	0,0
Total assets, EURm	615,7	553,9
Equity ratio, %	43,4	46,4
Gearing, %*	111,3	95,5
Return on equity, %	0,3	0,8
Return on investment, %	7,9	8,9
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	1,1	0,0
Personnel, total, 31 Dec	81	80
Personnel, Finland, 31 Dec	81	80
Gender composition of the management team, w/m	2/4	2/3
Gender composition of the Board of Directors, w/m	4/4	5/3
Total tax footprint, EURm	0,17	0,15
Tax footprint in Finland, EURm	0	0

Funding base strengthened

Finnfund's funding base strengthened considerably in 2019 when the Finnish state granted it a long-term conditional convertible bond of EUR 210 million. Finnfund's share capital was also increased by EUR 10 million. During the year under review, Finnfund issued 29 new investment decisions totalling EUR 237 million. Finnfund's investment assets increased by 13 per cent, reaching EUR 557 million at the end of the year, and the result remained positive. Of the new investment decision, 24 concerned lower-middle-income and low-income developing countries.

Development effects at the centre

Finnfund's role as an important instrument of Finland's development policy was emphasized when it received substantial additional financing. The development effects and risks of the investment portfolio are widely monitored by various stakeholders. The company's administration was strengthened in order to lend support to the management of risks concerning the environment, social responsibility and human rights, and the evaluation of the developmental effects of the investments.

Finnfund attained the targets set by the Ministry for Foreign Affairs well and exceeded those concerning positive development effects and the cost-effectiveness of operations.

In 2019, cooperation with the EU Commission, which started in the previous year, was continued to obtain a pillar assessment. During 2019, Finnfund carried out the development measures required to obtain a pillar assessment and passed the assessment for all eight pillars it applied for in December 2019. After passing the pillar assessment, Finnfund will be able to manage and channel EU funding or guarantees for its projects in the future.

Tietokarhu Oy

Tietokarhu Oy, a joint venture between the Finnish state and TietoEVERY Oyj, has been developing and maintaining tax information systems since 1998. The company also maintains the Finnish Business Information System of the Finnish Patent and Registration Office.

Tietokarhu Oy
State shareholding
20% (share of votes 80%)
Ownership steering
Ministry of Finance
Special assignment
To take responsibility for its own part for the data systems of the Finnish Tax Administration to enable timely and error-free collection of taxes.
Board of Directors 1 January 2020
Tomi Hytönen (Chair), Tarja Rautio, Mari Näätsaari, Monica Ek-Lindblom, Tiina Häkkä
Chief Executive Officer
Jani Nissinen

Key financial indicators	2019	2018
Net sales, EURm	28,5	32,8
Operating income, EURm	8,0	7,2
Operating margin	28,0	21,9
Total assets, EURm	17,7	16,2
Equity ratio, %	54,9	37,7
Gearing, %	0,0	0,0
Return on equity, %	83,4	112,0
Return on investment, %	101,9	144,0
Total dividends paid, EURm	2,8	2,2
Dividends received by the State, EURm	0,6	0,4
Investments, EURm	0,0	0,0
Personnel, total, 31 Dec	89	137
Personnel, Finland, 31 Dec	89	137
Gender composition of the management team, w/m, %	67/33	50/50
Gender composition of the Board of Directors, w/m, %	80/20	50/50
Total tax footprint, EURm	7,5	8,1
Tax footprint in Finland, EURm	7,5	8,1

Overview of events in 2019

The company's financial performance remained very good even though net sales decreased by 13 percent from the previous year. The service level and customer satisfaction remained at a better level than in reference groups. In the face of declining demand, Tietokarhu was able to strike a very good balance between supporting the new career paths of its staff and ensuring the smooth functioning of the Tax Administration's systems.

Staff turnover increased during the year, the majority of which took the form of transfers to the Tax Administration (client) and Tieto (owner). In 2019, cooperation negotiations based on production-related and financial reasons were held due to the fact that the Tax Administration terminated Tietokarhu's service agreement in December 2018, as expected. The agreement will come to an end on 31 December 2020. The cooperation negotiations ended with the conclusion that a maximum of 56 people would need to be laid off by the end of 2020. Seven people were laid off in 2019 following the conclusion of the negotiations.

During 2020, the company intends to transfer application responsibilities for the data systems of the Tax Administration and the Finnish Business Information System of the Finnish Patent and Registration Office to the customers and/or another supplier in a controlled manner. Tietokarhu's operational activities will cease on 31 December 2020. Tietokarhu will, in the final phase of the company, focus on safeguarding the level of service and the customers' reform projects with the means at its disposal.

The company has an ongoing programme to support the new career paths of its staff, and this programme will continue in 2019-2020. The objective is to provide timely support and enable staff to find new careers.

Traffic Management Finland Ltd

Traffic Management Finland Ltd (TMF) provides air, maritime, rail and road traffic control and management services as well as publishes traffic information. TMF's objective is to promote safe, smooth and environmentally friendly traffic flow.

Traffic Management Finland Ltd	
State shareholding	
	100%
Ownership steering	
	Ministry of Transport and Communications
Special assignment	
	To provide traffic control and management services needed by the society, the business sector and the public authorities, as well as to publish traffic information.
Board of Directors 31 December 2019	
	Seija Turunen (Chair), Sauli Eloranta, Juha Majanen, Kirsi Nuotto, Teemu Penttilä and Katriina Vainio
Chief Executive Officer	
	Pertti Korhonen

Key financial indicators	2019	2018
Net sales, EURm	221,9	
Operating income, EURm	21,3	
Operating margin	9,6	
Total assets, EURm	237,6	
Equity ratio, %	71,6	
Gearing, %*	-40,9	
Return on equity, %	8,6	
Return on investment, %	12,6	
Total dividends paid, EURm	0	
Dividends received by the State, EURm	0	
Investments, EURm	22,8	
Personnel, total, 31 Dec	1 103	
Personnel, Finland, 31 Dec	1 103	
Gender composition of the management team, w/m	1/9	
Gender composition of the Board of Directors, w/m	3/3	
Total tax footprint, EURm	47,3	
Tax footprint in Finland, EURm	47,3	

Overview of developments in 2019

Traffic Management Finland Group's net sales for its first financial year were EUR 221.9 million. Of the net sales, EUR 80.2 million came from ANS Finland Oy's air navigation services, EUR 74.4 million from Finrail Oy's rail traffic control services, EUR 44 million from ITM Finland Oy's road traffic control services and EUR 21.7 million from VTS Finland Oy's maritime traffic control services.

The operating income was EUR 21.3 million. The result was better than what was anticipated when the company was founded. As a company, the organisation was able to provide services at lower costs, and there were fewer new investments than anticipated.

The main objective for the first year was to ensure traffic safety and the reliability of traffic control operations. Operational traffic control of various modes of transport continued without disruption in the new group.

During the first year of operation, the company built its core operations, developed its practices and published a new strategy in October 2019. The company's vision is to ensure that Finland has the safest, smoothest and most environmentally friendly traffic in the world. The aim of the company is to contribute to the realisation of the vision by running the best traffic control system and providing the best traffic information in the world. In 2019, the Group promoted the construction of a traffic data platform in cooperation with its partners.

Corporate social responsibility and sustainability as part of business

TMF works to prevent accidents and guarantee data protection and security in all operations. The company promotes eco-friendly and smooth traffic. TMF is a good workplace community and a reliable partner. In its special assignment, the company acts responsibly and efficiently and provides services that support Finland's competitiveness and create new business opportunities for companies.

State Business Development Company Vake Ltd

The strategy proposal of Vake's new Board of Directors was completed in September 2019 and emphasises digital and climate investments instead of artificial intelligence.

State Business Development Company Vake Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Special assignment
Defined in the company guidelines
Board of Directors 1 April 2019
Ilpo Nuutinen (Chair), Jukka Ohtola, Mia Rainio
Chief Executive Officer
Paula Laine

Key financial indicators	2019	2018
Net sales, EURm	71,8	0
Operating income, EURm	68,0	-1,1
Operating margin	95	neg
Total assets, EURm	1 916	1 788
Equity ratio, %	100	98
Gearing, %	-1,7	-0,2
Return on equity, %	3,2	-0,1
Return on investment, %	3,7	-0,1
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0	0
Personnel, total, 31 Dec	9	4
Personnel, Finland, 31 Dec	9	4
Gender composition of the management team, w/m		
Gender composition of the Board of Directors, w/m	2/3	3/3
Total tax footprint, EURm	8,7	
Tax footprint in Finland, EURm	8,7	

Finding a new direction

After the acquisitions at the beginning of 2019, Vake was preparing its first investments, but none of the ideas which fit the company's strategy reached the implementation stage before Prime Minister Sipilä's Government resigned. CEO Taneli Tikka resigned in June 2019, and Paula Laine was appointed as the new CEO in July 2019. The new strategy proposal of Vake's Board of Directors, which was completed in September 2019, focuses on digital and climate investments instead of artificial intelligence; however, the new investments cannot yet be implemented on market terms, either at the required pace or scale. During the year, the company launched projects in the areas of Finnish language artificial intelligence, MyData and the digitalisation of healthcare.

In July 2019, the Prime Minister's Office and the Ministry of Economic Affairs and Employment appointed Jouni Hakala to prepare a report on the roles of state investment and development companies. In his report, Hakala proposed structural changes for individual operators to be implemented in three stages. The proposals aim for the state to have one centre of expertise with regard to equity investments in non-listed companies, and include a proposal to merge Vake into Suomen Teollisuusijoitus Oy.

At its climate summit in February, Prime Minister Marin's Government published a roadmap setting out a timetable and objectives for the preparation of climate measures and outlining new measures to promote carbon neutrality. As part of the outlined measures, a decision was made to set up a climate fund based on Vake, which will focus on combating climate change, promoting digitalisation and boosting low-carbon industrial activities. In February 2020, a civil service working group was set up to design an operating model for the climate fund.

During the year under review, Vake received a total of EUR 72 million in dividends. Total costs amounted to EUR 3.8 million, the operating margin being EUR 68 million.

Veikkaus Ltd

Veikkaus Ltd holds the exclusive right to operate all gambling in Finland. The company's result is credited to the beneficiary ministries (Ministry of Education and Culture, Ministry of Social Affairs and Health, Ministry of Agriculture and Forestry), which distribute the funds to the beneficiary groups defined by law.

Veikkaus Ltd
State shareholding
100%
Ownership steering
Prime Minister's Office
Special assignment
Defined in the Lotteries Act
Board of Directors 2 April 2020
Olli-Pekka Kallasvuo (Chair), Outi Henriksson, Hanna Sievinen, Christian Cedercreutz, Anne Larilahti, Juha Pantzar, Pekka Hurtola
Chief Executive Officer
Olli Sarekoski

Key financial indicators	2019	2018
Net sales, EURm*	1 690,7	1 759,0
Operating income, EURm	1 009,3	1 014,5
Operating margin	59,7	57,7
Total assets, EURm**	1 360,8	1 353,5
Equity ratio, %	86,5	87,3
Gearing, %	-12,0	-10,9
Return on equity, %	86,7	86,9
Return on investment, %	86,8	87,0
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	32,6	40,2
Personnel, total, 31 Dec	1 606	2 039
Personnel, Finland, 31 Dec	1 606	2 039
Gender composition of the management team, w/m	3/6	2/6
Gender composition of the Board of Directors, w/m	3/4	4/4
Total tax footprint, EURm	281,1	297,5
Tax footprint in Finland, EURm	281,1	297,5

* net sales now consist of gross gaming revenue (gaming margin = net sales - winning paid to players).

** The bulk of the total assets are pass-through items, all of which consist of the share of the financial year's profits distributed to the benefitting ministries as well as some short-term debts to players.

More responsibility to players

During 2019, Veikkaus Ltd took several measures to increase responsibility. The number of decentralised slot machines will be reduced. Compulsory identification will be introduced in an accelerated timetable so that all decentralised slot machines will be subject to compulsory identification by the end of January 2021. An identified player will have access to powerful tools for controlling their gaming.

Responsibility will also be included in the management's remuneration system. In addition, the strategy of Veikkaus will be revised to increase the importance of responsibility. The key themes of strategy work are responsibility, channelling capacity and new business.

The company's gaming revenue decreased in 2019 compared to the previous year. The gross gaming revenue was EUR 1690.7 million. The decrease was due to, among other things, reduced marketing investments and the online gaming limits that entered into force in 2018. The net result was EUR 1009.0 million. Of the company's result, EUR 433 million was credited to the Ministry of Education and Culture, EUR 533.7 million to the Ministry of Social Affairs and Health, and EUR 40.3 million to the Ministry of Agriculture and Forestry.

Declining market share

Despite its exclusive status as defined in the Lotteries Act, Veikkaus Ltd faces intense competition in the digital gaming channel. The company's market share of Finland's gross gaming revenue is about 85 per cent, but only about 63 per cent in the digital gaming channel. A partial transfer of the gaming market to non-exclusive operators may increase if the exclusivity cannot be effectively protected and strengthened. The company's channelling capacity will be significantly affected by the content of the forthcoming Lotteries Act.

ICT Service Centre Vimana

Vimana is a nationwide ICT service centre for counties established in 2017. Vimana is tasked with providing information management, development, integration and expert services as well as ICT and data system services.

ICT Service Centre Vimana
State shareholding
100%
Ownership steering
Ministry of Finance
Special assignment
Vimana is tasked with promoting the digitalisation of services for future counties and their affiliated entities in order to improve effectiveness and productivity, and to unify and integrate operating processes.
Board of Directors 1 January 2020
Mirjami Laitinen (Chair), Tiina Pesonen, Harri Eskola, Pertti Mäkelä, Tapio Niskanen
Chief Executive Officer
Kalle Toivoinen

Key financial indicators	2019	2018
Net sales, EURm	0,7	0,0
Operating income, EURm	-4,1	-5,2
Operating margin	-625,2	-
Total assets, EURm	16,9	6,4
Equity ratio, %	96,1	86,1
Gearing, %	-102,7	-108,4
Return on equity, %	-24,5	-185,4
Return on investment, %	-24,7	-184,8
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	0,0	0,3
Personnel, total, 31 Dec	27	30
Personnel, Finland, 31 Dec	27	30
Gender composition of the management team, w/m	2/4	2/5
Gender composition of the Board of Directors, w/m	2/3	3/4
Total tax footprint, EURm	1,252	0,163
Tax footprint in Finland, EURm	1,252	0,163

Review of 2019

Until 8 March 2019, the company's operations focused on preparing IT solutions for the regional government reform advanced by Prime Minister Sipilä's Government. All projects, competitive tendering processes and services were on schedule and ready as required by the regional government reform.

Following the failure of the reform, the company received new guidelines on 25 April 2019 under the ownership steering of the Ministry of Finance. In line with these guidelines, the company continued the following projects and services:

- Nationwide support for the development of service integration and interoperability for the authorities and companies (Population Register Centre, State Security Networks Group Finland, Business Finland, Valtori) responsible for common administrative services, and support for connecting regions to national electronic services and information networks.
- Electronic services support for the introduction of Suomi.fi services provided by the Population Register Centre in municipalities and municipal federations.
- Operating and maintenance services for SoteDigi Oy.
- Self-contained management tools (community CRM, knowledge management) and preparation of a platform solution, as well as support for the knowledge management development project of the Ministry of Social Affairs and Health and SoteDigi Oy.
- Self-contained archiving.

The company's knowledge capital was maintained and increased by concluding expert service agreements between the company and various actors in the state administration. Sales income was used to minimise the need to use capital.

On 17 December 2019, the Ministerial Finance Committee supported the merger of SoteDigi Oy and Vimana into a nationwide company.

Finnish Broadcasting Company Ltd

The company is responsible for the provision of versatile and comprehensive television and radio programming with the related additional and extra services for all citizens under equal conditions. These should be provided in public communication networks nationally and regionally.

Finnish Broadcasting Company Ltd
State shareholding
99.98%
Ownership steering
Administrative Council elected by the Parliament / Ministry of Transport and Communications
Special assignment
To make comprehensive television and radio programming and related ancillary and extra services available for all citizens.
Board of Directors 31 December 2019
Thomas Wilhelmsson (Chair), Katri Viippola, Pauliina Ahokas, Kai Huotari, Jussi Karhinen, Lauri Kontro, Pauliina Mäkelä
Chief Executive Officer
Merja Ylä-Anttila

Key financial indicators	2019	2018
Net sales, EURm	478,0	471,7
Operating income, EURm	6,1	-7,5
Operating margin	1,3	-1,6
Total assets, EURm	308,7	315,4
Equity ratio, %	43,8	41,0
Gearing, %*	21,6	9,9
Return on equity, %	4,5	-4,2
Return on investment, %	0,1	-3,0
Total dividends paid, EURm	0	0
Dividends received by the State, EURm	0	0
Investments, EURm	87,6	93,4
Personnel, total, 31 Dec	3 304	3 309
Personnel, Finland, 31 Dec	3 209	3 302
Gender composition of the management team, w/m	5/5	3/5
Gender composition of the Board of Directors, w/m	3/4	3/4
Total tax footprint, EURm	86	91,2
Tax footprint in Finland, EURm	86	91,2

Business operations in 2019

In 2019, the Finnish Broadcasting Company Ltd (YLE) achieved all its long-term customer goals, which monitor the accessibility and use of content, as well as the significance of the company's public service. 96 per cent of Finns used at least one YLE service during the week.

YLE continued to develop its online and mobile services. Attention was paid to the discoverability, distinctiveness and accessibility of its contents. YLE will continue to strive to attract more young audiences to public service content. Strategic priorities also include increasing understanding and interaction, as well as better personal service. The biggest investments of the year included the Contest for New Music, Eurovision Song Contest, Sauna Day, Nose Day and Pointti Urban Festival, as well as major sporting events of the year.

During the year, YLE and its partners participated in several experiments with new technologies, such as artificial intelligence, robotics and 5G technology, to seek for information and added value with regard to developing operations. YLE has increased programme purchases from outside the company and launched cooperation projects with commercial media in accordance with the guidelines of the parliamentary working group and the amendments made to the Act on Yleisradio Oy (436/2017).

Corporate responsibility

YLE executes social responsibility through its mission to provide public broadcasting services. YLE's versatile content and services promote the vitality of different population groups, regions, languages and cultures, as well as the citizens' equality and opportunities to be part of society. Responsibility includes ethical operating methods, responsibility for the effective use of YLE tax and YLE's role as an employer in the creative field. Social responsibility covers the company's values, strategy, risk management policy and ethical principles underlying all operations.

1.11 Sources of data and formulae for calculating key financial indicators

The data provided in this Annex 4 to the State Annual Accounts is based on publicly available information. An attempt has been made to select information on the companies and the share portfolio held by the State which is essential in the eyes of the Ownership Steering Department of the Prime Minister's Office. Estimates of the amount of dividends paid by companies are subject to an exceptional degree of uncertainty. The Ownership Steering Department carries out independent analyses of the companies to formulate its own view of their status and performance. Valuatum Oy's equity analysis platform is used for the analysis work. The key financial indicators presented in the report are ratios calculated by the State Ownership Steering Department using the following formulae. Consequently, the key indicators may differ from those calculated by the companies themselves. One of the reasons for the differences is the items included in the companies' comparable profit.

$$\text{Operating margin, \%} = \frac{\text{operating income}}{\text{net sales}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{equity + minority interest}}{\text{total assets – advances received}} \times 100$$

$$\text{Return on investment, \%} = \frac{\text{profit before taxes + interest and other financial expenses}}{\text{invested capital on average}} \times 100$$

$$\text{Return on equity, \%} = \frac{\text{net earnings}}{\text{equity (average for the financial year)}} \times 100$$

$$\text{Gearing, \%} = \frac{\text{interest-bearing net debts}}{\text{equity}} \times 100$$

$$\text{Dividend yield, \%} = \frac{\text{dividend per share}}{\text{share price}} \times 100$$

$$\text{Payout ratio, \%} = \frac{\text{dividend per share}}{\text{net earnings per share}} \times 100$$

$$\text{Return on equity, \%} = \frac{\text{operating income – taxes}}{\text{total assets on average}} \times 100$$

$$\text{Total own funds in relation to risk weighted assets, \%} = \frac{\text{total own funds}}{\text{risk-weighted receivables}} \times 100$$

1.12 State's holdings and parliamentary authorisations on 31 December 2019

1.12.1 Listed companies

	Exercise of shareholder control	Group	State shareholding %	Minimum level for state interest %
Altia Plc ¹⁾	PMO	1a	36,2	0,0
Elisa Corporation	Solidium Oy	1a	10,0	0,0
Finnair Plc	PMO	1b	55,8	50,1
Fortum Corporation	PMO	1b	50,8	50,1
Kemira Corporation	Solidium Oy	1a	10,2	0,0
Konecranes Plc	Solidium Oy	1a	7,4	0,0
Metso Corporation	Solidium Oy	1a	14,9	0,0
Neste Corporation ¹⁾	PMO	1b	44,7	33,4
Nokia Plc	Solidium Oy	1a	3,9	0,0
Nokian Tyres plc	Solidium Oy	1a	5,0	0,0
Outokumpu Plc	Solidium Oy	1a	21,7	0,0
Outotec Plc	Solidium Oy	1a	14,9	0,0
Sampo plc	Solidium Oy	1a	10,0	0,0
SSAB	Solidium Oy	1a	12,6	0,0
Stora Enso Plc	Solidium Oy	1a	10,7	0,0
Tieto Corporation	Solidium Oy	1a	10,0	0,0
Valmet Plc	Solidium Oy	1a	11,1	0,0
Total (qty)		17		

1) On 5 December 2018, approximately 8.3 per cent of Neste Corporation's shares, 49.9 per cent of Posti Group Corporation's shares, 16.7 per cent of Vapo Oy's shares and all Nordic Morning Plc's shares were transferred to Vake by a Government decision. On 7 February, 36.2 per cent of Altia Plc's shares were transferred to Vake. The Prime Minister's Office will continue to be in charge of ownership steering.

2) National Emergency Supply Agency 24.9 per cent

3) Direct state ownership 26.5 per cent of the shares and 50.2 percent of the voting rights. The rest of the shares are owned by Gasonia Oy, a wholly state-owned special assignment company.

1.12.2 Non-listed commercial companies

	Exercise of shareholder control	Group	State shareholding %	Minimum level for state interest %
Arctia Ltd	VNK	1b	100,0	50,1
Boreal Plant Breeding Ltd	VNK	1b	60,8	50,1
Finavia Corporation	VNK	1b	100,0	100,0
Fingrid Oyj ²⁾	VM	1b	28,2	50,1
Gasum Corporation ³⁾	VNK	1b	100,0	50,1
Kemijoki Oy	VNK	1a	50,1	0,0
Leijona Catering Oy	VNK	1b	100,0	100,0
Motiva Oy	VNK	1b	100,0	100,0
Nordic Morning Group Plc ¹⁾	VNK	1a	100,0	0,0
Patria Plc	VNK	1b	50,1	50,1
Posti Group Corporation ¹⁾	VNK	1b	100,0	50,1
Suomen Lauttaliikenne Oy	VNK	1b	100,0	100,0
Mint of Finland Ltd	VNK	1a	100,0	50,1
Finnish Seed Potato Centre Ltd	VNK	1b	22,0	0,0
Suomen Viljava Oy	VNK	1b	100,0	100,0
Tapio Ltd	VNK	1b	100,0	100,0
Vapo Oy ¹⁾	VNK	1b	50,1	33,4
VR-Group Ltd	VNK	1b	100,0	100,0
Total (qty)		18		
Commercial companies in total		35		

1) On 5 December 2018, approximately 8.3 per cent of Neste Corporation's shares, 49.9 per cent of Posti Group Corporation's shares, 16.7 per cent of Vapo Oy's shares and all Nordic Morning Plc's shares were transferred to Vake by a Government decision. On 7 February, 36.2 per cent of Altia Plc's shares were transferred to Vake. The Prime Minister's Office will continue in charge of ownership steering.

2) National Emergency Supply Agency 24.9 per cent

3) Direct state ownership 26.5 per cent of the shares and 50.2 percent of the voting rights. The rest of the shares are owned by Gasonia Oy, a wholly state-owned special assignment company.

1.12.3 Companies entrusted with special state assignments

	Exercise of shareholder control	Group	State shareholding %	Minimum level for state interest %
A-Kruunu Oy	YM	2	100,0	100,0
Alko Inc	STM	2	100,0	100,0
Asset Management Company Arsenal Ltd ⁴⁾	VM	2	100,0	100,0
Business Finland Oy ⁵⁾	TEM	2	100,0	100,0
Cinia Group Ltd	LVM	2	77,5	50,1
CSC-IT Centre for Science Ltd	OKM	2	70,0	50,1
Finnpilot Pilotage Ltd	VNK	2	100,0	100,0
Finnvera plc	TEM	2	100,0	100,0
Gasonia Oy	VNK	2	99,0	0,0
Governia Oy	VNK	2	100,0	100,0
Hansel Ltd	VM	2	65,0	50,1
HAUS Finnish Institute of Public Management Ltd	VM	2	100,0	100,0
Horse Institute Ltd	OKM	2	25,0	0,0
ICT Service Centre Vimana	VM	2	100,0	100,0
Municipality Finance Plc	VNK	2	16,0	0,0
Pohjolan Rautatiet Oy	LVM	2	100,0	100,0
Solidium Oy	VNK	2	100,0	100,0
SoteDigi Oy	VM	2	100,0	100,0
STUK International Ltd	STM	2	100,0	100,0
State Security Networks Group Finland	VNK	2	100,0	100,0
Finnish Aviation Academy Ltd	VNK	2	49,5	0,0
Finnish Minerals Group Ltd	TEM	2	100,0	0,0
Finnish Industry Investment Ltd	TEM	2	100,0	100,0
University Properties of Finland Ltd	VM	2	33,3	..
VTT Technical Research Centre of Finland Ltd	TEM	2	100,0	100,0
Finnish Fund for Industrial Cooperation Ltd (Finnfund)	UM	2	93,4	50,1
Tietokarhu Oy ⁶⁾	VM	2	20,0	50,1
Traffic Management Finland Ltd	LVM	2	100,0	100,0
State Business Development Company Vake Ltd	VNK	2	100,0	100,0
Veikkaus Ltd	VNK	2	100,0	100,0
Finnish Broadcasting Company Ltd	LVM	2	100,0	100,0
Total (qty)		31		
All companies (qty)		66		

4) In receivership 5) Ownership steering by Business Finland 6) State's share of votes 80 per cent

MTC = Ministry of Transport and Communications MEC = Ministry of Education and Culture MSAH = Ministry of Social Affairs and Health
MEAE = Ministry of Economic Affairs and Employment MFA = Ministry for Foreign Affairs MF = Ministry of Finance

PMO = Ownership Steering Department in the Prime Minister's Office ME = Ministry of the Environment

Company Group 1a: The State has exclusively, or almost exclusively, a strong investor interest in the company. When control is exercised through ownership, due consideration must be given to the control or influence associated with the State's holdings as well as the owner's risk and involvement in decision-making based on such holdings.

Company Group 1b: Aside from a strong investor interest, the companies in this category involve strategic interests that make it advisable for the State to remain a strong shareholder or take other steps to secure such strategic interests in case its holdings are decreased or relinquished.

Company Group 2: As a shareholder, the State has a special interest in the companies included in this category related to regulation or statutory duties; these companies have a state-defined political or other mission related to business and industry or society, or they play some other special role.

SNELLMANINKATU 1, HELSINKI
PO BOX 23, 00023 GOVERNMENT, FINLAND
valtioneuvosto.fi/en/
julkaisut.valtioneuvosto.fi

ISBN: 978-952-287-891-5 PDF

ISBN: 978-952-287-887-8

ISSN: 2490-0966 PDF

ISSN: 2490-0613 printed