

SOK CORPORATION

INTERIM REPORT
1 JANUARY – 30 JUNE 2022

Development of the operating environment

Economic development both worldwide and in Finland looked quite positive at the beginning of the year. The economy was well on its way to a recovery from the COVID-19 pandemic, and the national economy of Finland was growing. The Russian invasion of Ukraine that started in February and the resulting sanctions imposed by the Western countries have caused a global shock that has significantly accelerated the rise in commodity and energy prices. The inflation rate is exceptionally high, which reduces the purchasing power of consumers and slows down economic growth.

In May and June, inflation accelerated considerably in Finland, especially due to the rapid increase in the prices of energy and food. However, the inflation rate is expected to start to slow down as the increase in energy costs levels off, supply disruptions caused by the pandemic and the Russian invasion ease off, and monetary policy normalises. In its June forecast, the Ministry of Finance estimated that the inflation rate in Finland would be 5.8 per cent in 2022 but would slow down to 2.7 per cent in 2023. The growth rate (GDP) is estimated to be at 1.4 per cent in 2022, and around 1.1 per cent in 2023.

In Finland, the volume of retail sales in the first half of the year was clearly lower than in the previous year. Rising production costs have also been reflected in consumer prices, and net sales in retail have increased compared with the previous year.

The travel and hospitality industry has perked up significantly since the lifting of COVID-19 restrictions. However, the availability of workforce has become more of a challenge, which contributes to the slowing down of the growth of the industry. Challenges in the availability of workforce have also increased in the service station and supermarket business.

S Group's performance 1 January to 30 June 2022

S Group consists of cooperatives and SOK Corporation, along with its subsidiaries. S Group's retail sales excluding taxes in January–June were EUR 6,419 million, showing an increase of 9.0 per cent from the previous year.

S Group's retail sales excluding taxes by business area	EUR million	+/- % from previous year
Prisma*	2,050	+1.1
S-market	1,993	+3.8
Sale	361	-3.0
Alepa	209	+0.5
Other supermarket trade	27	-10.0
Supermarket trade total*	**4,640**	**+1.8**
Service station store and fuel sales	1,100	+37.0
Department stores and speciality stores	115	+15.6
Travel industry and hospitality business*	308	+87.2
Automotive trade and accessories	239	-3.6
Others	17	-4.7
S Group total*	**6,419**	**+9.0**

*Including retail sales in the neighbouring areas (Estonia and St Petersburg).

At the end of June, S Group had 1,949 outlets (1,870 at the end of June the previous year). There were 19 regional and six local cooperatives.

In January–June, a total of 39,166 new members joined the cooperatives participating in the Bonus system. There were 2,481,525 co-op members at the end of the year. The co-op members were paid a total of EUR 194 million in Bonus rewards.

Financial development

SOK's operations

SOK is the parent company of SOK Corporation. In accordance with its statutes, SOK serves as the central organisation of S Group, promoting and developing the operations of the cooperative enterprises and other organisations belonging to S Group, and managing and supervising the Group's overall resources for maximum efficiency, while monitoring operations and seeing to the interests of S Group and its divisions.

SOK is responsible for S Group's overall strategic management. Its tasks are to provide S Group companies with chain management, co-op membership and marketing services, as well as other group and corporate services and development activities related to these services and other activities of S Group.

Services central to S Group's operations also include procurement and assortment services.

Through its subsidiaries, SOK offers a wide spectrum of services to its co-op members in S Group. Furthermore, SOK engages in supermarket trade and travel industry and hospitality business in Estonia through its subsidiaries.

SOK Corporation's financial development 1 January to 30 June 2022

SOK Corporation's net sales from 1 January to 30 June 2022 amounted to EUR 4,034.0 million. The net sales increased by 6.9 per cent year-on-year.

SOK Corporation's operating loss was EUR -23.5 million (-5.9 million).

Foreign operations accounted for EUR 3.3 per cent (3.8%) of the net sales, or EUR 134 million.

The following key indicators describe SOK Corporation's financial position and result.

SOK Corporation	30 June 2022	30 June 2021	30 June 2020
Net sales, EUR million	4,034.0	3,773.8	3,721.1
Operating profit/-loss, EUR million	-23.5	-5.9	1.3
Operating profit, %	-0.6	-0.2	0.0
Return on equity, %	-5.7	-3.5	-2.0
Equity ratio, %	20.6	21.1	21.7

SOK Corporation's operating revenue and operating result by business area (segment)

SOK Corporation's operating revenue and operating result are divided into retail and wholesale business areas in accordance with operational monitoring. In addition, the operating result of the banking operations is under operational monitoring. The operating result differs from the official IFRS operating result, with the difference being equal to the non-recurring items and IFRS items. In the first half year the non-recurring items consisted mainly of divesting and selling of the business operations in Russia.

	Net sales, EUR million	Change, EUR million	Operating result, EUR million	Change, EUR million
Supermarket trade	122.9	-11.9	-9.4	-8.0
Travel industry and hospitality business	89.6	+52.4	-18.9	+19.8
Procurement and service business	3,843.5	+228.2	+8.5	+4.7
Real estate business	37.2	+2.6	+9.2	+1.0
Result from banking*			+5.3	+1.0
Elimination for the retail and wholesale and other items	-59.0	-11.1	-1.3	-2.6
SOK Corporation, total	**4,034.0**	**+260.2**	**-6.6**	**+15.9**

* SOK share of associated company operating profit was 6.7 million euros. SOK ownership of S-Bank is 49.99 per cent (37.5 %).

Financing

Despite the weaker than normal performance in the last two years and the divestment of the Russian operations, the Group's financing position is stable. Covering the negative cash flow has led to a moderate increase in short-term interest-bearing liabilities. Credit loss risks have not increased.

At the end of June, SOK Corporation's interest-bearing net liabilities amounted to EUR 1,226.6 million (1,223.2 million). EUR 1,143.0 million of the interest-bearing liabilities are lease liabilities compliant with IFRS 16 (1,201.6 million). Gearing was 204.5 per cent (191.1%), and SOK Corporation's equity ratio was 20.6 per cent (21.2%).

At the end of June, SOK Corporation's liquid assets amounted to EUR 39.7 million (84.8 million). In addition, the Group had EUR 230.0 million in unused long-term committed credit facilities (230.0 million) and EUR 57.0 million in unused overdraft facilities (57.0 million). No standby credit facilities were used during the accounting period, and there were no breaches concerning their terms.

Investments and divestments

SOK Corporation's non-current asset procurement, or investments in fixed assets, amounted to EUR 42.0 million during the first half of the year (18.2 million).

Divestments of non-current assets during the period under review amounted to EUR 1.7 million (3.8 million).

Personnel

SOK Corporation's average number of personnel in full-time equivalents was 5,925 in January–June 2022 (5,633).

At the end of June, SOK Corporation had 6,773 (6,297) employees. A total of 29 per cent of the personnel or 1,966 employees worked for SOK and 71 per cent or 4,807 employees for the subsidiaries. At the end of the period under review, 27 per cent of SOK Corporation's personnel, or 1,825 employees, were working abroad.

Compared to the end of the previous year, the number of SOK Corporation's personnel increased by 12.2 per cent or 735 employees. Compared to the corresponding period the previous year, the number of personnel increased by 7.8 per cent or 489 employees.

Development of the business areas

Supermarket trade

During the first half of the year, SOK Corporation's supermarket trade included the business in Estonia and Russia. In March 2022, SOK decided to divest all its business operations in Russia, including OOO Prisma, which comprised 16 units in the St Petersburg region. All the Prisma stores in Russia were closed by 31 March 2022. SOK announced the sale of the business in June 2022, and the transaction was finalised on 27 June 2022. The Estonian business of SOK Corporation consists of 12 Prisma stores: eight in the Tallinn region, two in Tartu and one in Narva, as well as new units in Rapla and Maardu that were opened in June 2022.

In the first half of 2022, the total net sales of SOK Corporation's supermarket trade amounted to EUR 122.9 million. The supermarket trade net sales in Estonia increased by 5.2 per cent, but the operating result decreased compared to the same period last year. The retail performance in Estonia in the first half of the year was affected by the accelerating inflation and the resulting increase in costs. Total investments in the entire supermarket business in the first half of the year amounted to EUR 4.9 million, comprising investments in furniture and fixtures for the new units and concept renewals in the old ones.

Travel and hospitality business

In early 2022, SOK Corporation's travel industry and hospitality business was conducted by Sokotel Oy in Finland, AS Sokotel in Estonia and OOO Sokotel in Russia. In March 2022, SOK decided to divest all its business operations in Russia. The shutdown of the business operations was started immediately. In June 2022, SOK announced the sale of OOO Sokotel, and the operations were transferred to the buyer as of 29 June 2022. All rental liabilities, except for an agreed lump sum, were transferred to the new owner in connection with the transaction.

Demand in the travel industry remained low in January and February due to COVID-19 restrictions, followed by a gradual recovery in both Finland and Estonia. Business development indices were more positive in the first half of the year than in the previous year due to the more extensive COVID-19 restrictions in the previous year.

Sokotel Oy's net sales increased by 183 per cent from the corresponding period in the previous year. In Finland, both domestic and international tourism remained almost non-existent due to the restrictive measures at the beginning of the year, which was reflected in demand for both accommodation and restaurant services during the first months of the year. The restaurant and meeting trade had to be operated with limited capacity. To minimise losses, some hotels were kept closed at the start of the year, and operations were adjusted to the changing demand. The hotel closures were carried out over a much shorter period and with lighter measures than in the previous year.

With the partial lifting of COVID-19 restrictions in February and their complete removal in early March, demand began to recover. Demand still mainly relied on domestic travel, and the same is expected of the summer season. Availability of workforce posed challenges during the first half of the year, and the issue is expected to persist during the latter half of the year. During the spring, three refurbished units, Original Sokos Hotel Ilves, Solo Sokos Hotel Torni and Solo Sokos Hotel Helsinki, as well as a completely new unit, Heymo1 by Sokos Hotels, were opened. The operating result showed a loss but was still 61 per cent better than in the previous year.

The net sales of AS Sokotel increased significantly compared to the corresponding period in the previous year. Due to the poor COVID-19 status at the beginning of the year and the travel restrictions, there were virtually no Finnish travellers, which had a major impact on demand in January and February. Starting in March, demand and sales have picked up, and the sales volumes have been significantly more than the previous year's level. Sufficient availability of employees also posed challenges in the Tallinn market. In addition, the sharp rise in energy costs has increased costs. The operating result showed a loss but was still 38 per cent better than in the previous year.

In the first half of 2022, investments in the travel and hospitality business totalled EUR 10.9 million and were related to unit renovations, with EUR 10.6 million invested in Finland.

Procurement and service business

The procurement and service business comprises procurement services for groceries and consumer goods provided by SOK's procurement operations, logistics services provided by Inex Partners Oy, procurement and logistics services provided by Meira Nova Oy in the

HoReCa business, and other services provided by SOK Corporation primarily for S Group's units. Net sales generated by other services provided to S Group's units include chain fees and management service income, among other income.

Net sales for the procurement and service business totalled EUR 3,843.5 million. Net sales increased by 6.3 per cent from the previous year. The operating result of the procurement and service business was EUR 8.5 million, which was better than in the previous year.

In the first half of 2022, investments in the procurement and service business totalled EUR 20.2 million.

Real estate business

Net sales from the real estate business consist of rental and property service income from properties owned by SOK Corporation. Net sales for the real estate business totalled EUR 37.2 million, which was at the same level as in the previous year. The operating result of the real estate business showed a profit. Investments in the real estate business in early 2022 totalled EUR 14.1 million.

Development of associated companies and joint ventures

Among the associated companies engaging in business operations within SOK Corporation, the most significant is S-Bank Plc, which operates in the banking sector.

S Bank's balance sheet increased to EUR 8.8 billion from EUR 8.0 billion in the previous year. The total funds on deposit grew by 7.7 per cent year-on-year to EUR 7.8 billion at the end of June (7.6 billion). Lending grew by 12.7 per cent and was EUR 6.4 billion at the end of June (5.7 billion). S-Bank Group's capital adequacy ratio was 16.2 per cent (15.2%). At the end of June, S-Bank Group's operating result was EUR 13.3 million (14.2 million). The IFRS-adjusted result corresponding to SOK Corporation's shareholding (49.99%) was EUR 5.3 million. S-Bank is own by SOK and the regional cooperatives.

Net sales of the fuel procurement company North European Oil Trade group were around EUR 4,116 million in the first half of 2022. The group's net sales increased by 82 per cent from the previous year. The strong sales growth is mainly due to the record high increase in the world market price of oil during the current accounting period.

SOK's shareholding in North European Oil Trade Oy is 50.77 per cent. Due to the shared controlling interest based on the associated company agreement, the company is treated as a joint venture using the equity method.

In addition to S-Bank and North European Oil Trade Oy, SOK Corporation's other associated companies and joint ventures include Mylly shopping centre in Raisio and the inter-Nordic purchasing company Coop Trading A/S, among others.

The total impact of SOK Corporation's associated companies and joint ventures on SOK Corporation's result was EUR 8.4 million (7.2 million).

Changes in group structure

OOO Prisma was sold to the Russian X5 Group in July and OOO Sokotel was sold to Russian investors Alexander Ermakov and Yury Shumakov in June.

Management and future outlook

Administration and changes therein

The chairperson of the SOK Executive Board and the CEO of SOK is Hannu Krook. In addition to the CEO, the other Board members are managing director Kim Biskop, managing director Nermin Hairedin, Professor Rita Järventie-Thesleff, managing director Juha Kivelä, managing director Veli-Matti Liimatainen, managing director Harri Miettinen, managing director Antti Määttä and managing director Olli Vormisto.

In April 2022, Timo Santavuo, attorney-at-law and Master of Laws with court training, was elected chairperson of the SOK Supervisory Board. Managing director Jarkko Rautaoja was elected as the first deputy chairperson and managing director Tapio Finér as the second deputy chairperson.

The auditor for this accounting period is KPMG Oy Ab, Authorised Public Accountants, with APA Jukka Rajala as the principal auditor.

SOK's CEO is assisted by SOK's Corporate Management Team in the management of SOK Corporation and S Group business chains. The Corporate Management Team consists of Arttu Laine, Deputy CEO and Executive Vice President, S Group Chain Management, Procurement and Logistics; Jorma Vehviläinen, CFO, SOK Finance and Administration; Hanne Lehtovuori, Executive Vice President, SOK Human Resources; Sebastian Nyström, Executive Vice President, Digital, Product and Strategy; Jari Annala, Executive Vice President, SOK Business; Päivi Anttikoski, Executive Vice President, Marketing, Communications, Sustainability; Maria Timgren, Executive Vice President, Strategy; and Seppo Kuitunen, Executive Vice President, Legal Affairs.

Near-term risks and uncertainties

S Group's risk management principles have been approved by SOK's Executive Board. S Group complies with SOK Corporation's risk management policy, which describes the purpose, objectives, key implementation methods and responsibilities of the Group's risk management. Within SOK Corporation, risk management is implemented continuously and throughout the management process. Risks are assessed holistically, taking into account strategic and operational risks. Through risk management procedures, SOK and its subsidiaries aim to anticipate and control risk factors that affect their ability to reach their goals, and use the potential related to risks in their business operations.

Major changes in the operating environment of S Group took place during the spring of 2022. Uncertainties of

different types have significantly increased. The Russian invasion of Ukraine has affected S Group's operations in many ways, including disruptions in the supply chain. In addition, the rising inflation rate and the general deterioration of the economic situation add to the uncertainty. There is also uncertainty about the evolution of the COVID-19 pandemic. S Group is actively monitoring and assessing these uncertainties, preparing for and responding to them based on the assessments.

Meanwhile, competition is becoming tighter, creating pressure for the continuous improvement of the operating methods. Digital development is fundamental to competitive success in all sectors. Labour supply challenges affect several of S Group's divisions. S Group has several active projects to control these risks.

S Group's strategic risks are examined annually over the short term (three years) and long term (ten years) by the SOK Corporate Management Team, and confirmed by the SOK Executive Board.

S Group's most significant short-term risks and uncertainties are still related to the impact of the pandemic and how to recover from it, particularly in the travel, hospitality, department store and speciality store trade. Ensuring the competitiveness of the grocery trade continues to be key as well, and it is realised through concept reforms, for example. International competition is becoming tighter in online shopping, which brings pressure to continuously develop practices. Digital development is fundamental in order to succeed in competition in all sectors. S Group has several active projects to manage the above-mentioned risks.

The most significant long-term risks are related to the progress and speed of the key changes and trends for S Group. Among these are changes in consumption patterns and working life, technological development and the impacts of demographic trends and migration on S Group's operations. Responding to changes and seizing opportunities successfully are the key to securing S Group's future competitiveness.

SOK Corporation's financing and the management of financing risks are centralised within the SOK Treasury unit. The Group has a financing and funding policy confirmed by the SOK Executive Board that defines principles for the management of financing risks and the permissible maximum amounts for financing risks. In addition, numerical targets have been set for the different sub-areas of financing to ensure that financing is sufficient, balanced and affordable under all circumstances. The management of financing risks is described in more detail in the notes to the consolidated financial statements.

Sustainability risks associated with SOK Corporation's business operations have been identified and analysed by business area. Key sustainability themes and the related risks and opportunities, as well as their significance for the business operations, were identified when preparing the S Group sustainability programme. The risks are reviewed from the perspective of regulation, the physical operating environment, changes in consumer behaviour and reputation. The most significant risks related to human rights include violations of human rights in global supply chains and any shortcomings in ethical operating methods and transparency. Key environmental risks are related to climate change and deteriorating biodiversity, as well as their impact on the Group's own operations and on the supply chains. S Group has identified climate risks that, if realised, may have considerable financial effects on the Group's operations. Increasing regulation may require changes of the business operations or lead to additional costs. More frequent extreme weather conditions may influence the availability of products, causing disturbances in logistics and the network of outlets. The sustainability risks are addressed through the targets and measures included in the S Group sustainability programme.

Sustainability

Sustainability is at the core of the S Group strategy. Sustainability is promoted across the Group in line with the sustainability programme, "Together we create a better place to live". The programme will provide the framework for the sustainability work in S Group until 2030. S Group aims to be a trailblazer in sustainability in all its divisions.

S Group is committed to science-based ambitious emission reduction targets in its own operations. The target is to reduce emissions from the Group's own operations to 90 per cent of the level of 2015 by 2030 and make the Group's own operations carbon negative by the end of 2025. Furthermore, S Group aims to reduce emissions by a million metric tonnes by 2030 in cooperation with its partners, as well as to encourage its major product and service suppliers to set their own emission reduction targets.

S Group's largest wind power investment, the Sarvisuo wind farm in Simo, has been operating at full capacity in the early summer of 2022. The wind farm's 27 wind power plants alone will produce approximately half the entire retail group's annual electricity demand. After the commissioning of the new power plants, S Group will be one step closer to self-sufficiency in its electricity use.

S Group aims to build a network of some 1,000 electric car charging stations covering the whole of Finland between 2021 and 2024. It is estimated that there will be more than 150 ABC charging stations in connection with S Group outlets by the end of 2022, compared to 50 at the end of 2021.

In early 2022, S Group launched a study on the impact on nature of the retail group's own operations. The nature footprint, meaning the harmful impact that the Group's operations have on biodiversity, is being assessed by JYU.Wisdom, the School of Resource Wisdom at the University of Jyväskylä.

The S Group cooperatives and companies will employ around 15,000 young people during the summer of 2022.

S Group has organised a collection with the Finnish Red Cross to help those affected by the crisis in Ukraine. With its customers, the Group has collected nearly EUR 700,000 for the Finnish Red Cross Disaster Relief Fund.

The results and objectives of S Group's sustainability work are described in greater detail in the annual and sustainability review published in March 2022, available at www.s-ryhmä.fi/en/.

Outlook for the remainder of 2022

The period of high inflation will continue during the second half of the year, and expectations for the economy will remain uncertain. The falling consumer savings rate should continue to keep consumption up, but the outlook for the future is now bleaker than before Russia's invasion of Ukraine. The uncertainty about the direction of the economy may discourage household investments and reduce the propensity to consume.

The Group's procurement and service business is expected to develop as planned.

In 2022, SOK Corporation's operating result is expected to improve from the previous year. The amount of operating profit will especially depend on the development of the inflation rate, any new COVID-19 restrictions and their extent, as well as the development of international tourism.

SOK Corporation's travel and hospitality business has gained momentum this year as the COVID-19 lockdowns and restrictions were lifted. Lively domestic tourism boosts demand in the industry during the summer months. July is expected to be slightly better than last year, driven in particular by leisure-related travel. There will be plenty of events this year, including ones that were postponed during the pandemic. The net sales of hotels are expected to improve as a result of both the higher average prices and the occupancy rate, especially in the Helsinki metropolitan region. The events will also boost the restaurant business. Demand for meetings from corporate clients has picked up since last spring. A revival of business travel is also expected in August and September. The expectations for the rest of the year, especially regarding international tourism, are still somewhat uncertain. Russia's invasion of Ukraine also poses new challenges for the industry. Russian tourism to Finland has plummeted, and the closure of Russian airspace has simultaneously significantly reduced the number of tourists from Asia. However the result for the travel and hospitality business for the entire year is expected to be significantly better than last year.

Helsinki, 25 August 2022

SOK
CORPORATION
Executive Board

INTERIM FINANCIAL STATEMENTS

Consolidated income statement, IFRS

EUR million	1.1.-30.6.2022	1.1.-30.6.2021
Revenue	4,034.0	3,773.8
Other operating income	3.1	1.8
Materials and services	-3,633.2	-3,437.0
Employee benefit expenses	-158.5	-132.9
Depreciation and impairment losses	-91.1	-90.7
Other operating expenses	-184.5	-126.3
Share of results of associated companies and joint ventures (+/-)	6.8	5.4
Operating profit / loss	**-23.5**	**-5.9**
Financial income and expenses (+/-)	-11.9	-17.7
Share of results of associated companies and joint ventures (+/-)	1.6	1.8
Profit / loss before taxes	**-33.7**	**-21.8**
Income taxes (+/-)	0.3	0.9
Result for the period	**-33.4**	**-20.9**
Attributable to:		
Owners of the parent	-33.4	-20.9
Share of non-controlling interests	0.0	0.0
	-33.4	**-20.9**

Statement of other comprehensive income

EUR million	1.1.-30.6.2022	1.1.-30.6.2021
Result for the period	-33.4	-20.9
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translating foreign operations	13.7	2.3
Exchange differences on loans to foreign subsidiaries classified as net investments	0.7	0.2
Cashflow hedges	0.6	2.0
Comprehensive income items of associated companies and joint ventures	0.0	0.4
Other comprehensive income for the period, net of tax	15.0	4.8
Total comprehensive income for the period	**-18.4**	**-16.1**
Total comprehensive income for the financial year attributable to:		
Owners of the parent	-18.4	-16.1
Share of non-controlling interests	0.0	0.0
	-18.4	**-16.1**

Consolidated statement of financial position, IFRS

EUR million	30.6.2022	31.12.2021
ASSETS		
Non-current assets		
Property, plant and equipment	1,314.0	1,403.4
Investment properties	26.5	27.1
Intangible assets	98.2	96.8
Interests in associated companies and joint ventures	291.0	287.8
Non-current financial assets	41.9	43.2
Deferred tax assets	30.6	30.9
Non-current assets, total	**1,802.1**	**1,889.2**
Current assets		
Inventories	233.4	210.2
Trade receivables and other current non-interest-bearing receivables	703.5	646.0
Current interest-bearing receivables	0.0	0.0
Cash and cash equivalents	35.0	84.8
Current assets, total	**971.9**	**941.0**
Assets of non-current assets held for sale	**31.3**	
Assets, total	**2,805.3**	**2,830.2**
EQUITY AND LIABILITIES		
Equity		
Cooperative capital	172.0	172.0
Restricted reserves	17.8	17.2
Invested non-restricted equity reserve	36.5	36.4
Retained earnings	347.8	369.3
Equity attributable to the the owners of the parent	**574.1**	**595.0**
Non-controlling interests	**0.8**	**0.8**
Equity, total	**574.9**	**595.7**
Non-current liabilities		
Non-current interest-bearing liabilities	1,026.7	1,073.4
Non-current non-interest-bearing liabilities	32.1	31.3
Provisions	6.4	6.6
Deferred tax liabilities	6.6	6.9
Non-current liabilities, total	**1,071.8**	**1,118.2**
Current liabilities		
Current interest-bearing liabilities	199.9	149.8
Current non-interest-bearing liabilities	159.3	198.4
Trade payables	791.2	767.6
Provisions	0.0	0.0
Tax liabilities for the financial year	0.0	0.4
Current liabilities, total	**1,150.4**	**1,116.3**
Liabilities of non-current assets held for sale	**8.2**	
Equity and liabilities, total	**2,805.3**	**2,830.2**

Consolidated statement of cash flows, IFRS

EUR million	Reference	1.1.-30.6.2022	1.1.-30.6.2021
BUSINESS OPERATIONS			
Operating profit/ loss		-23.5	-5.9
Adjustments to operating result	(1)	106.8	85.1
Change in working capital	(2)	-68.2	-61.1
Cash flow from business operations before financing and taxes		**15.1**	**18.1**
Increase (-) / decrease (+) in current receivables		0.9	12.3
Interest paid and other financial expenses		-0.5	-0.1
Interest received and other financial income		0.1	0.1
Dividends received from business operations		0.0	
Income taxes paid		-0.9	-0.1
Cash flow from business operations		**14.8**	**30.3**
INVESTMENTS			
Divested shares in subsidiaries net of cash held by subsidiary			0.2
Investments in shares			
Investments in tangible assets		-30.6	-12.6
Investments in intangible assets		-11.3	-5.5
Sale of other fixed assets		1.7	3.6
Change in other long-term investments		0.0	
Dividends received from investments		6.2	0.1
Cash flow from investments		**-34.1**	**-14.1**
FINANCING			
Proceeds from new long-term liabilities			
Increase (+) / decrease (-) in short-term liabilities		62.0	0.1
Payments of lease liabilities		-82.4	-83.4
Increase (+) / decrease (-) in short-term receivables			
Interest paid		-4.8	-9.5
Interest received		-0.4	1.4
Interest paid on the cooperative and supplementary cooperative capital			
Cash flow from financing		**-25.7**	**-91.4**
Decrease in cash and cash equivalents		**-45.1**	**-75.2**
Cash and cash equivalents at the beginning of the year		**84.8**	**131.4**
Decrease in cash and cash equivalents		**-45.1**	**-75.2**
Cash and cash equivalents at the end of the period		**39.7**	**56.1**
Adjustments to operating profit	(1)		
Profits (-) and losses (+) from the sale of fixed assets		23.6	-0.7
Depreciation and impairment losses		91.1	90.7
Other non-cash income and expenses		-7.9	-4.9
		106.8	**85.1**
Change in working capital	(2)		
Change in trade and other receivables		-60.1	-77.1
Change in inventories		-23.1	10.4
Change in non-interest-bearing liabilities		15.0	5.5
		-68.2	**-61.1**

Consolidated statement of changes in equity, IFRS

EUR million	Equity attributable to the owners of the parent								
	Cooperative capital	Fair value reserve	Other restricted reserves	Invested non-restricted equity reserve	Translation differences	Retained earnings	Total	Non-controlling interests	**Equity, total**
Equity									
1.1.2021	172.0	-3.0	18.5	32.9	-23.0	413.6	611.0	0.8	611.8
Total comprehensive income		1.7			2.8	-18.6	-14.1	0.0	-14.1
Other changes				3.5		-5.5	-2.0		-2.0
31.12.2021	**172.0**	**-1.2**	**18.5**	**36.4**	**-20.2**	**389.5**	**595.0**	**0.8**	**595.8**
1.1.2022	172.0	-1.2	18.5	36.4	-20.2	389.5	595.0	0.8	595.8
Total comprehensive income		0.6			13.7	-33.4	-19.0	0.0	-19.1
Other changes						-1.9	-1.9		-1.9
30.6.2022	**172.0**	**-0.6**	**18.5**	**36.4**	**-6.5**	**354.2**	**574.1**	**0.8**	**574.9**

Accounting policies applied to the interim Report

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. IAS and IFRS standards and SIC and IFRIC interpretations valid on 30 June 2022 have been applied to this interim report.

The interim report has been prepared in accordance with the same accounting policies as the financial statements for 2021, with the exception of the changes in the IAS/IFRS standards and interpretations that came into effect on 1 January 2022. The implementation of these standard and interpretation amendments has not had a significant effect on the Interim Report.

All figures in the tables of the Interim Report have been rounded, which is why totals of individual figures may differ from the sum presented. The key ratios have been calculated with exact values. Unless otherwise indicated, the euro-denominated figures from the income statement that are presented in parentheses in the text section of the interim report refer to the corresponding period of the previous year. The figures from the balance sheet that are presented in parentheses refer to the financial statements of the previous year.

The preparation of the financial statements in compliance with IFRS calls for making estimates and for judgement in applying accounting policies. The estimates are based on management's best judgement on the balance sheet date, but it is possible that the actual outcome will differ from the estimates used.

SOK has decided to divest all its business operations in Russia. As a result of the decision the real estate companies in Russia OOO Otel plus, OOO Itis 2 and OOO Karelia are classified as assets held for sale in accordance with IFRS 5.

As the ECB has suspended the quotation of the exchange rate of the Russian rouble in euro for the time being, the exchange rate quoted by the ECB on 1 March 2022 was exceptionally used for the recording of all transactions in roubles from 2 March 2022 to 25 April 2022. From 26 April 2022 onwards, the EUR/RUB WM exchange rate quoted by Refinitiv has been used.

Interim Report is unaudited.

Assets held for sale

SOK has decided to divest all its business operations in Russia. The real estate companies in Russia OOO Otel plus, OOO Itis 2 and OOO Karelia are classified as assets held for sale. Statements related to the sale of the real estate companies are ongoing. The real estate companies assets are valued at book value, which according to our best estimate at the moment corresponds to the market value of the assets.

The effect of assets held for sale on the Group's financial position

EUR million	30.6.2022	31.12.2021
Tangible and intangible assets	26.2	
Tangible assets		
Non-current financial assets		
Deferred tax assets		
Inventories		
Trade receivables and other current non-interest-bearing receivables	0.4	
Current interest-bearing receivables		
Cash and cash equivalents	4.7	
Provisions		
Deferred tax liabilities	-0.3	
Current interest-bearing liabilities		
Current non-interest-bearing liabilities	-7.9	
Assets and liabilities, total	**23.1**	**0.0**
Cash payment		
Net cash disposed of with the discontinued operation	4.7	
Cash flow effect	**4.7**	**0.0**

Fair values of financial assets and liabilities

FINANCIAL ASSETS	30.6.2022				31.12.2021			
		Fair value				Fair value		
EUR million	Carrying amount	Level 2	Level 3	Total	Carrying amount	Level 2	Level 3	Total
Financial assets measured at fair value through profit and loss								
Shares and participations	2.2		2.2	2.2	2.6		2.6	2.6
Trade receivables and other current non-interest-bearing receivables								
Derivative assets	0.9	0.9		0.9	0.5	0.5		0.5
Hedge accounting derivatives								
Trade receivables and other current non-interest-bearing receivables								
Derivative assets	2.0	2.0		2.0	1.1	1.1		1.1
Financial assets to be measured at amortised cost								
Non-current loan and other receivables	2.2	2.1		2.1	3.0	3.0		3.0
Trade receivables and other current non-interest-bearing receivables								
Trade receivables	604.9	604.9		604.9	562.5	562.5		562.5
Non-interest-bearing loan and other receivables	63.6	63.6		63.6	51.2	51.2		51.2
Prepayments and accrued income in financial items	0.2	0.2		0.2	0.3	0.3		0.3
Current interest-bearing receivables								
Cash and liquid assets	39.7	39.7		39.7	84.8	84.6		84.6
Financial assets, total	**715.7**	**713.5**	**2.2**	**715.7**	**705.9**	**703.2**	**2.6**	**705.8**

Movements of items in Level 3 measured at fair value on recurring basis in the balance sheet

EUR million	1.1.-30.6.2022	1.1.-31.12.2021
Opening balance, 1 Jan	2.6	3.3
Purchases	0.0	0.1
Sales	-0.3	0.0
Impairments in the income statement	0.0	0.0
Fair value changes recognised in the income statement	0.0	-0.9
Closing balance	**2.2**	**2.6**

The fair value hierarchy level to which an item measured at fair value has been classified in its entirety is determined based on the lowest level inputs that are significant for the entire item in question, measured at fair value. The significance of the input has been estimated in its entirety in relation to the item in question measured at fair value. The moment of transfers between different levels of the fair value hierarchy is determined by the end of the review period.

Fair values on hierarchy level 1 are based on the quoted prices of completely identical asset items or liabilities in an active market. In 2021 and 2022, there were no Level 1 financial instruments.

The fair values of level 2 instruments are to a significant extent based on inputs other than quoted prices included in level 1. However they are based on information that is observable for the said asset item either directly or indirectly. In determining the fair value of these instruments, the Group uses generally accepted valuation models in which the input is to a significant extent based on verifiable market information.

The fair values of level 3 instruments are based on inputs concerning the asset item or liability which are not based on verifiable market information.

The holdings in Suomen Luotto-osuuskunta cooperative are presented in level 3 due to inaccuracies in the measurement of the fair value. The fair value of the holdings, EUR 0.7 million (1.1 million) is based on Suomen Luotto-osuuskunta cooperative's preliminary plan regarding the distribution of funds. In addition to the aforementioned, level 3 also includes EUR 1.5 million of unquoted shares (1.5 million), for which the fair value cannot be determined.

FINANCIAL LIABILITIES	30.6.2022				31.12.2021			
		Fair value				Fair value		
EUR million	Carrying amount	Level 2	Level 3	Total	Carrying amount	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit and loss								
Current non-interest-bearing liabilities								
Derivative liabilities	0.0	0.0		0.0	0.0	0.0		0.0
Hedge accounting derivatives								
Current non-interest-bearing liabilities								
Derivative liabilities	0.0	0.0		0.0	0.0	0.0		0.0
Financial liabilities to be measured at amortised cost								
Non-current interest-bearing liabilities								
Other non-current interest-bearing liabilities	0.0	0.0		0.0	0.0	0.0		0.0
Non-current non-interest-bearing liabilities								
Other non-interest-bearing liabilities	26.5	26.5		26.5	26.9	26.9		26.9
Current interest-bearing liabilities	83.5	83.5		83.5	21.5	21.5		21.5
Current non-interest-bearing liabilities								
Accruals and deferred expenses	0.1	0.1		0.1	0.1	0.1		0.1
Trade payables	791.2	791.2		791.2	767.6	767.6		767.6
Financial liabilities, total	**901.3**	**901.4**	**0.0**	**901.4**	**816.2**	**816.2**	**0.0**	**816.2**

The table does not include lease liabilities of carrying amount EUR 1,143.0 million (1,201.6 million).

Segment information 30.6.2022

SOK Corporation applies the IFRS 8 standard in its segment reporting. For reporting to top management, SOK Corporation's operations are divided into seven business segments. The segments are based on business areas. In calculating the operational result, valuations in accordance with Finnish accounting legislation are used. In SOK Corporation's management reporting, assets are not allocated or reported on, except for working capital.

EUR million	Supermarket trade	Travel industry and hospitality business	Procurement and services business	Real estate business	Banking	Internal eliminations and other	Management reporting, total
Revenue	122.9	89.6	3,843.5	37.2		-59.0	4,034.0
Group internal sales to other segments	0.0	0.2	56.4	8.3		1.9	66.8
Operating result	-9.4	-18.9	8.5	9.2	5.3	-1.3	-6.6
Depreciations	-2.6	-5.5	-7.6	-6.7		0.1	-22.3
Investments	4.9	10.9	12.0	14.1			42.0
Divestments	0.0	1.5	0.1				1.7
Reconciliation of the revenue							
Management accounting revenue to be reported				4,034.0			
Eliminations				0.0			
Revenue IFRS				4,034.0			
Reconciliation of the result							
Operating result of the segments to be reported				-6.6			
Items excluded from the operating result within SOK Corporation:							
Financial income and expenses (FAS)				6.8			
Gains and losses on the sale of property, plant and equipment				-12.0			
Other operating income and expenses, and other items				-7.9			
Valuation gains and losses on derivatives				0.9			
Impairment losses on tangible and intangible assets				-2.0			
IFRS adjustments				-13.1			
Profit before taxes for the period IFRS				-33.8			
Additional information at SOK Corporation level, external income							
Sales to S-Group				3,615.8			
Other sales in Finland				280.5			
Foreign countries				137.6			
Revenue, total				4,034.0			
Supermarket trade				122.9			
Tourism and hospitality business				89.6			
Procurement and services business and other				3,784.5			
Real estate business				37.2			
Revenue, total				4,034.0			
Additional data at SOK Corporation level, fixed assets							
Finland				1418.7			
Foreign countries				46.1			
Fixed assets, total				1464.9			

Segment information 30.6.2021

SOK Corporation applies the IFRS 8 standard in its segment reporting. For reporting to top management, SOK Corporation's operations are divided into seven business segments. The segments are based on business areas. In calculating the operational result, valuations in accordance with Finnish accounting legislation are used. In SOK Corporation's management reporting, assets are not allocated or reported on, except for working capital.

EUR million	Supermarket trade	Travel industry and hospitality business	Procurement and services business	Real estate business	Banking	Internal eliminations and other	Management reporting, total
Revenue	134.7	37.2	3,615.3	34.6		-47.9	3,773.8
Group internal sales to other segments	0.0	0.0	50.5	8.4		1.5	60.4
Operating result	-1.4	-38.7	3.9	8.1	4.3	1.3	-22.5
Depreciations	-2.4	-5.3	-8.5	-7.0		0.6	-22.6
Investments	2.8	2.2	6.0	7.1			18.1
Divestments	0.0	0.0	3.8				3.8
Reconciliation of the revenue							
Management accounting revenue to be reported				3,773.8			
Eliminations				0.0			
Revenue IFRS				3,773.8			
Reconciliation of the result							
Operating result of the segments to be reported				-22.5			
Items excluded from the operating result within SOK Corporation:							
Financial income and expenses (FAS)				2.0			
Gains and losses on the sale of property, plant and equipment				0.4			
Other operating income and expenses, and other items				0.4			
Valuation gains and losses on derivatives				0.2			
Impairment losses on tangible and intangible assets				-0.3			
IFRS adjustments				-2.1			
Profit before taxes for the period IFRS				-21.8			
Additional information at SOK Corporation level, external income							
Sales to S-Group				3,464.9			
Other sales in Finland				162.6			
Foreign countries				146.3			
Revenue, total				3,773.8			
Supermarket trade				134.7			
Tourism and hospitality business				37.2			
Procurement and services business and other				3,567.3			
Real estate business				34.6			
Revenue, total				3,773.8			
Additional data at SOK Corporation level, fixed assets							
Finland				1521.1			
Foreign countries				47.2			
Fixed assets, total				1568.3			

SECURED ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities, EUR million	30.6.2022	31.12.2021	Change	30.6.2021
Pledges given and contingent liabilities				
Other securities provided				
Pledges	0.1	0.1	0.0	0.1
Mortgages	3.4	3.4	0.0	1.4
Guarantees	2.5	2.5	0.0	2.5
Total	**5.9**	**5.9**	**0.0**	**4.0**
Securities given on behalf of others' debt				
Guarantees for debt of joint ventures	152.0	114.1	37.9	119.2
Total	**152.0**	**114.1**	**37.9**	**119.2**
Other securities given on behalf of others				
Pledges for liabilities of joint ventures	0.5	0.5	0.0	0.5
Guarantees for liabilities of joint ventures	26.9	27.1	-0.2	22.9
Total	**27.3**	**27.6**	**-0.2**	**23.4**
Other liabilities				
Letter of credit liabilities	0.4	1.3	-0.9	1.3

The guarantees granted consist mainly of the guarantees on behalf of joint venture North European Oil Trade Oy and its subsidiary North European Oil Trade AB on a loan and other liabilities of EUR 130.3 million (92.7 million) and of the guarantees on behalf of joint venture Kauppakeskus Mylly Oy on a loan of EUR 49.0 million (49.0 million).

Other financial liabilities:

The Group is obligated to audit valued added tax depreciations it has made on a property investment if the taxable use of the property decreases during the auditing period. The maximum amount of the responsibility is EUR 15.8 million (15.8 million).

Other contingent liabilities:

Commitments in accordance with the shareholder agreement to be responsible for the S-Voima Oy commitments

The shareholders are responsible for S-Voima Oy's liabilities in accordance with the Mankala principle. According to this principle, SOK's responsibility for S-Voima's expenses – including loan repayments, interest and depreciation – is determined based on the amount of energy used by the shareholder as concerns electricity sold on the market, proportionate to the series of shares owned by the shareholder as concerns wind and nuclear power (further funding for nuclear power was discontinued in 2012), and based on solar energy plants built for properties managed by the shareholder as concerns solar power.

In addition, shareholders of S-Voima Oy agreed upon a shared obligation to finance the company's investments in wind energy companies by means of equity funding, with liabilities being primarily divided at the ratio of shareholdings per share series. SOK's liabilities from equity funding based on decisions made by 30 June 2022 are estimated to be EUR 0.7 million in total (0.7 million).

Additionally SOK has pledged to provide loan funding. SOK has at 30 June 2022 the following open commitments: to provide EUR 5.0 million (5.0 million) conditional subordinated loan to North European Oil Trade Oy.

SOK CORPORATION KEY RATIOS 30 JUNE 2020–30 JUNE 2022

SOK Corporation continuing operations	IFRS 30.6.2022	IFRS 30.6.2021	IFRS 30.6.2020
Revenue, EUR million	**4,034.0**	3,773.8	3,721.1
Operating profit, EUR million	**-23.5**	-5.9	1.3
% of revenue	**-0.6**	-0.2	0.0
Profit/loss before taxes, EUR million	**-33.7**	-21.8	-14.1
% of revenue	**-0.8**	-0.6	-0.4
SOK Corporation *)			
Return on equity, %	**-5.7**	-3.5	-2.0
Equity ratio, %	**20.6**	21.1	21.7
Gearing. %	**204.5**	200.6	189.5

*The key ratios contain both discontinued and continuing operations.

CALCULATION OF KEY RATIOS

Return on equity, % = $\frac{\text{Profit/loss after financial items – income taxes}}{\text{Equity, average}}$ x 100 %

Equity ratio, % = $\frac{\text{Total equity}}{\text{Total assets – advances received}}$ x 100 %

Gearing, % = $\frac{\text{Interest-bearing liabilities – Cash and cash equivalents}}{\text{Total equity}}$ x 100 %