

SOK-CORPORATION

INTERIM REPORT
1 JANUARY – 30 JUNE 2021

Development of the operating environment

The Finnish economy has resumed growth after COVID-19. However, the growth has been divided, as some economic sectors are yet to rise due to the restrictions, such as the travel and hospitality sector. Parts of the Finnish retail sector are doing well, and industrial exports have grown since last year. The quick recovery of China's economy and the strong revitalisation of the United States have boosted export. Finland's exports survived COVID-19 with relatively little damage. Consumer habits changed during the pandemic, helping the retail sector. Being unable to use services as usual or travel abroad, con-sumers have directed their funds to savings and buying consumer goods, as well as improving their homes. We are expecting a growth of around 2.5% for the current year, and 3.5% for 2022, slowing down towards the end of the year.

The retail sector is one of the winners of COVID-19, even though development within the sector has been divided. At the start of the year, retail grew by over 3% whilst wholesales grew 0.3%. Some sections of retail have grown strongly, such as sports equipment and car sales. Clothing and jewellery sales have been less fortunate under retail. A shortage of labour will make it challenging for the travel and hospitality sector to match the growth after COVID-19. It is one of the sectors that have suffered the most during the pandemic, and many employees have found work in other fields.

When the restrictions are lifted, there will likely be a surge in demand as consumers have a pent-up need to consume. This raises the fear of inflation. The European Central Bank is committed to maintaining a low interest rate, but an increasing demand is bound to raise prices. The increase in demand has already raised the price of oil and raw materials. Inflation is expected to remain at two per cent, and approximately one per cent in 2022.

S Group's performance 1 January – 30 June 2021

S Group comprises the cooperatives and SOK with its subsidiaries. S Group's retail sales excluding taxes in January–June were EUR 5,889 million, showing an increase of 5.2% year-on-year.

S Group's retail sales excluding taxes by business area	EUR million	+/- % previous year
Prisma*	1,968	+5.5
S-market	1,917	+3.3
Sale	372	+1.8
Alepa	208	+0.7
Herkku	28	-16.5
Other supermarket trade	2	+7.5
Supermarket trade total*	**4,497**	**+3.9**
		-16.2
Hardware trade	59	+17.9
Service station store and fuel sales	803	-1.1
Department stores and specialised trade	100	-14.7
Travel industry and hospitality business*	166	+24.0
Automotive trade and accessories	250	-27.9
Others:	16	+5.2
S Group total*	**5,889**	**+5,2**

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

At the end of June, S Group had 1,870 outlets (1,848 on 30 June 2020).

On 30 June 2021, there were 19 regional cooperatives and six local cooper-atives.

In January–June, a total of 35,644 new members joined the cooperatives participating in the Bonus system. The total number of co-op members was 2,449.705 at the end of June. Co-op members were paid EUR 182 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 also monitoring operations and seeing to the interests of S Group and its segments.

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, through its subsidiaries, SOK engages in the supermarket trade and travel industry and hospitality business in Estonia and St Petersburg.

SOK Corporation's financial development 1 January – 30 June 2021

SOK Corporation's net sales in January–June 2020 were EUR 3,773.8 million, showing an increase of 1.4% year-on-year.

SOK Corporation's operating profit was EUR -5.9 million (EUR 1.3 million). The result decreased because of the impacts of the COVID-19 pandemic on the travel and hospitality business. Foreign operations accounted for EUR 3.8% (4.0%) of net sales, or EUR 144 million.

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

SOK Corporation	30 June 2021	30 June 2020	30 June 2019
Net sales, EUR million	3,773.8	3,721.1	3,643.7
Operating profit/loss, EUR million	-5.9	1.3	44.0
Operating profit, %	-0.2	0.1	1.2
Return on equity, %	-3.5	-2.0	4.4
Equity ratio, %	21.1	21.7	21.6

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.

	Net sales, EUR million	Change, EUR million	Operating result, EUR million	Change, EUR million
Supermarket trade	134.7	-4.0	-1.4	+0.7
Travel industry and hospi-tality business	37.2	-14.8	-38.7	-8.3
Procurement and service business	3,615.3	+31.7	+3.9	-8.3
Real estate business	34.6	-5.1	+8.1	-0.3
Result from banking			+4.3	+2.4
Elimination for the retail and wholesale and other items	-47.9	+44.9	+1.3	+5.4
SOK Corporation, total	**3,773.8**	**+52.6**	**-22.5**	**-8.4**

Funding

The effects of the COVID-19 pandemic have weakened SOK Corporation's profitability, but the financing situation has remained at a good level. Credit loss risks have not increased either.

In January 2021, the amount of the Group's back-up credit facilities was increased by EUR 70 million, and the maturities of the earlier standby credit facilities were extended by 1–2 years. In connection with the changes, the credit facilities were re-priced, and metrics for sustainable financing were introduced. No changes were made to financial covenants or their limit values. Back-up credit facilities were not used during the financial period, and there have been no breaches concerning their terms. SOK Corporation's interest-bearing liabilities amounted to EUR 1,270.2 million at the end of June (EUR 1,217.0 million), and its gearing was 200.6% (189.5%). SOK Corporation's equity ratio was 21.1% (21.7%).

At the end of June, SOK Corporation's liquid assets amounted to EUR 79.1 million (EUR 163.0 million). In addition, the Group had unused committed long-term credit facilities of EUR 230.0 million (160.0 million) and overdraft facilities of EUR 57.0 million (57.0 million).

Investments and divestments

SOK Corporation's non-current asset procurement, or investments in fixed assets, amounted to EUR 32.4 million in the first half of the year (EUR 29.4 million).

Sales of non-current assets amounted to EUR 1.5 million in the review period (EUR 0.7 million).

Personnel

SOK Corporation's average number of personnel in full-time equivalents was 5,633 in January–June 2021(6090).

At the end of June, SOK Corporation's personnel numbered 6,297, of whom 1,766 (28%) were employed by SOK and 4,531 (72%) by its subsidiaries. At the end of the review period, a total of 1,898 people (30%) of the Corporation's personnel worked abroad.

Compared with the end of the previous year, SOK Corporation's number of personnel increased by 220 (3.4%). Compared with the corresponding period in the previous year, the number of personnel increased by 56 (0.8%).

Development of business areas

Supermarket trade

The SOK Corporation's retail operation includes Estonian and Russian markets. There are nine Prisma stores in Estonia – six in Tallinn, two in Tartu and one in Narva. Two new Prisma stores will open around Tallinn at the end of summer of 2021. There are also 16 Prisma stores in St Petersburg. One of the Prisma stores in St Petersburg was closed in the summer of 2021.

COVID-19 has already affected business for over a year. The new waves of coronavirus outbreaks and restrictive measures imposed by governments have made business less predictable.

At the beginning of March, all of Estonia went in lockdown that lasted until mid-May. All shops but grocery stores were closed. Prisma stores were among the rare places where you could buy consumer goods in person. For business, the lockdown appeared as a growth in sales of consumer goods. On the other hand, the pandemic has significantly reduced the number of tourists in Tallinn Old Town, which has influenced the sales of stores in the area. Online grocery shopping continues a strong growth.

The net sales of AS Peremarket grew by 5% in comparison to last year. The profit developed positively, which is partly due to the increase in volume during the pandemic and the operative measures taken. Despite the strong increase in demand, supply has remained good and there have been savings in personnel expenses. Investments have totalled EUR 2.5 million. The outlook for the remaining year's results is cautiously optimistic.

In St Petersburg, the coronavirus outbreak has worsened towards the summer. Only a few people wear face masks, and the vaccination rate is still low as the majority are reluctant to take it. Coronavirus no longer restricts life much, and the opening hours or number of customers are no longer limited in restaurants or stores.

Most markets in St Petersburg are by busy metro stations. The number of passengers has dropped due to COVID-19, which was reflected in the number of customers. The euro-denominated net sales decreased by 16% in comparison to last year, which was mainly due to the weakening of the rouble. OOO Prisma's investments at the start of the year were EUR 300,000 in total. The development of the coronavirus outbreak in St Petersburg – the virus variants and vaccination rate – has an impact on the outlook for the remaining year's results.

Travel industry and hospitality business

SOK Corporation's travel and hospitality business is conducted by Sokotel Oy in Finland, AS Sokotel in Estonia, and OOO Sokotel in Russia.

The demand in travel business remained at a low level for the first half of the year, both in Finland and Estonia. In Russia, the demand returned faster.

Sokotel Oy's net sales decreased by 38% in comparison to an equivalent time last year. Due to the strong and continuous restrictions in Finland, international travel was nearly entirely non-existent, which was reflected in the demand for accommodation, in particular. Restaurant and meeting trade operated with a limited capacity due to the constantly changing restrictions. At the beginning of the year, demand relied almost completely on domestic travel, and the same is expected of the summer season. To minimise losses, some hotels were closed at the start of the year, and operations were adjusted to the ever-changing demand. As the vaccination rate grew and the summer approached, demand began to recover in May and some closed hotels were reopened. The hotel capacity was fully open by the end of May. During the first half of the year, the availability of workforce posed challenges, which is likely to continue in the latter half as well. The business result was considerably negative.

AS Sokotel net sales decreased by 79% in comparison to an equivalent time last year. Due to the poor circumstances with COVID-19 and heavy restrictions on travel, there were practically no Finnish travellers. This had a central impact on demand, forcing strong adjustments in operations. The business result was considerably negative.

OOO Sokotel's euro-denominated net sales increased by 105% in comparison to an equivalent time last year, despite the weakening of the rouble. The Russian market recovered faster than expected, thanks to the local clientele, despite the nation's challenging situation with

COVID-19. The restrictive measures were clearly laxer than in other market areas, which increased the demand. Despite the improved net sales, the result was considerably negative.

In the first half of 2021, investments by the travel and hospitality business totalled EUR 2.2 million and were related to unit renovations, with EUR 2.1 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 from the procurement and service business totalled EUR 3,615.3 million, increasing one per cent from the previous year. The operating result of the procurement and service business was EUR 3.9 million, which was lower than in the previous year.

In the first half of 2021, investments by the procurement and service business totalled EUR 6 million The investments consisted mainly of information sys-tem investments.

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 from the real estate business were EUR 35 million, and was same level than last year. The operating result of the real estate business was. In the first half of 2021, investments by the real estate business totalled EUR 7 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 Ltd., which operates in the banking sector.

S Bank's balance sheet increased to EUR 8.0 billion from EUR 7.2 billion in the previous year. The total funds on deposit grew by 12.5% year-on-year and were EUR 7.3 billion at the end of June (EUR 6.5 billion). Lending grew by 11.2% and was EUR 5.7 billion at the end of June (EUR 5.1 billion). S-Bank Group's capital adequacy ratio was 15.2% (15.8%). At the end of June, S-Bank Group's operating result was EUR 14.2 million (EUR 6.6 million). The IFRS-adjusted result corresponding to SOK Corporation's shareholding (37.5%) was EUR 4.3 million.

SOK and the regional cooperatives have agreed to buy LähiTapiola's 25% share of S-Bank. S-Bank remains as SOK Corporation's associated company with a share of under 50%.

Net sales of the fuel procurement company North European Oil Trade group were around EUR 2,262 million in the first half of 2021. The group's net sales increased by just over 12% from the previous year as a result of the surge in the world market price of oil, as well as the recovery of the group's business volume after the pandemic.

SOK's shareholding in North European Oil Trade Oy is 50.77%. 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 the Kauppakeskus Mylly Oy shopping centre in Raisio and the inter-Nordic procurement company Coop Trading A/S, among other companies.

The total impact of SOK Corporation's associated companies and joint ventures on SOK Corporation's result was EUR 7.2 million (EUR 6.2 million).

Changes in group structure

SOK established Kiinteistö Oy Lounais-Suomen Terminaali in May. SOK sold S-Herkkukeittiö to HOK-Elanto in June.

Management and future outlook

Management and changes in management

Hannu Krook is serving as Chairman of SOK's Executive Board in 2020. In addition to the CEO, the members of the Executive Board include Managing Director Kim Biskop, Managing Director Juha Kivelä, Managing Director Veli-Matti Liimatainen and Managing Director Olli Vormisto, as well as Managing Director Kimmo Simberg, Professor Rita Järventie-Thesleff, Managing Director Nermin Hairedin

as well as Managing Director Harri Miettinen as new member. Kimmo Simberg serves as the Executive Board's Vice Chairman.

In April 2021, Doctor of Theology Matti Pikkarainen was re-elected as Chairman of SOK's Supervisory Board, and lawyer Timo Santavuo was elected as its Vice Chair. Managing Director Tapio Kankaanpää was elected as its second Vice Chair.

The auditor in the financial year 2021 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. In 2020, the Corporate Management Team consists of Arttu Laine, Deputy CEO of SOK and Executive Vice President, S Group Chain Management, Procurement and Logistics; Jorma Vehviläinen, CFO, SOK Finance and Administration; acting Personal director Mari Junnila, Executive Vice President, SOK Human Resources; Sebastian Nyström, Executive Vice President, SOK Strategy; Jari Annala, Senior Vice President, SOK Business; and , Nina Elomaa, the director responsible for communications and digital services, Maria Timgren, the director responsible for the strategy. Seppo Kuitunen, Executive Vice President, Legal Affairs, is Secretary to the Corporate Management Team.

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 entire management process. Risks are reviewed in a comprehensive manner considering strategic, financial, operative, and loss or damage 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.

S Group's strategic risks are examined annually over the short term (3 years) and long term (10 years) by SOK's Corporate Management Team, and are confirmed by SOK's Executive Board. S Group's most significant short-term risks and uncertainties are still related to the coronavirus pandemic's impacts and how to recover from it, particularly in the travel and hospitality trade and 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 control the risks mentioned earlier.

The most significant long-term risks are related to the progress and speed of changes and trends that are key 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 the opportunities successfully are key to securing S Group's future competitiveness.

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

Responsibility risks associated with SOK Corporation's business operations have been identified and analysed by business area. Key responsibility themes and the related risks and opportunities, as well as their significance for the business operations, were identified when preparing the responsibility 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 requires changes in business operations and leads to additional costs. More frequent extreme weather conditions may influence the availability of products, causing disturbances in logistics and the network of outlets. The responsibility risks are addressed through the targets and measures included in S Group's sustainability programme.

Responsibility

Responsibility in S Group covers all business areas and is managed at the Group level. SOK's Responsibility unit is in charge of the Group-level strategic development, management and reporting of responsibility within S Group. The unit operates as part of SOK's Business Operation Group, which includes all S Group's business areas, as well as the procurement and logistics companies.

S Group has signed the Women's Empowerment Principles of UN Women and UN Global Compact to promote equality in employment and comprehensively support the achievement of inclusion and diversity.

S Group is a member of amfori, an organisation focusing on the development of international trade and the social responsibility of businesses.

S Group's level of personnel experience has improved for five years now, and in 2020, the overall index of S Group's Work Community Survey reached an all-time high. S Group's work with mental health was also awarded as an act of responsibility in the world of work in Oikotie's Responsible Employer 2021 campaign.

S Group and its chains were once again ranked highly in the Sustainable Brand Index, the most extensive annual sustainability study in Europe. For the second year in a row, S Group was considered to be the most responsible brand in the group of companies selling consumer goods. Among grocery stores, Prisma was number one and S-Market came second. S-Bank, Sokos Hotels and ABC service stations were also considered to be the most responsible actors in their fields.

The results and objectives of S Group's responsibility work are described in more detail in the annual review and responsibility review, which was published in March 2021 and is available at www.s-ryhmä.fi.

Outlook for the remainder of 2021

With regard to demand, the outlook for the travel and hospitality business is uncertain for the rest of the year. Demand will recover for the summer season with domestic tourism, but the expectations for international travel are very uncertain due to the continuing strict restrictions. The fast development of vaccination coverage, both domestically and internationally, is central for the recovery of business operations. In order for demand to increase significantly, border traffic should be opened up more, allowing international business and leisure travel to resume. The full-year result of the travel and hospitality trade is expected to be significantly negative in all market areas. Market trade is expected to develop well in Finland and Estonia, whilst St Petersburg is expected to still face challenges.

The operating result of SOK Corporation is expected to be negative in the current year. The amount of the loss will be affected by the schedule and extent at which the COVID-19 restrictions are lifted. The vaccination rate is good in Finland, but international travel is recovering slower, which has a negative impact on travel and hospitality business.

Helsinki, 24 August 2021

SOK
CORPORATION

Executive Board

INTERIM FINANCIAL STATEMENTS

Consolidated income statement, IFRS

EUR million	1.1.–30.6.2021	1.1.–30.6.2020
Revenue	3,773.8	3,721.1
Other operating income	1.8	0.8
Materials and services	-3,437.0	-3,377.6
Employee benefit expenses	-132.9	-130.0
Depreciation and impairment losses	-90.7	-87.6
Other operating expenses	-126.3	-128.7
Share of results of associated companies and joint ventures (+/-)	5.4	3.4
Operating profit / loss	**-5.9**	**1.3**
Financial income and expenses (+/-)	-17.7	-18.2
Share of results of associated companies and joint ventures (+/-)	1.8	2.9
Profit / loss before taxes	**-21.8**	**-14.1**
Income taxes (+/-)	0.9	1.1
Result for the period	**-20.9**	**-13.0**
Attributable to:		
Owners of the parent	-20.9	-13.0
Share of non-controlling interests	0.0	0.0
	-20.9	-13.0

Statement of other comprehensive income

EUR million	1.1.–30.6.2021	1.1.–30.6.2020
Result for the period	-20.9	-13.0
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translating foreign operations	2.3	-5.0
Exchange differences on loans to foreign subsidiaries classified as net investments	0.2	-0.4
Cashflow hedges	2.0	-0.1
Comprehensive income items of associated companies and joint ventures	0.4	-2.3
Other comprehensive income for the period, net of tax	4.8	-7.8
Total comprehensive income for the period	**-16.1**	**-20.8**
Total comprehensive income for the financial year attributable to:		
Owners of the parent	-16.1	-20.8
Share of non-controlling interests	0.0	0.0
	-16.1	-20.8

Consolidated statement of financial position, IFRS

EUR million	30.6.2021	31.12.2020
ASSETS		
Non-current assets		
Property, plant and equipment	1,435.8	1,500.5
Investment properties	35.5	32.0
Intangible assets	97.1	99.6
Interests in associated companies and joint ventures	217.6	211.7
Non-current financial assets	44.0	42.4
Deferred tax assets	30.2	29.4
Non-current assets, total	**1,860.2**	**1,915.6**
Current assets		
Inventories	199.4	209.8
Trade receivables and other current non-interest-bearing receivables	699.3	621.6
Current interest-bearing receivables	18.9	37.3
Cash and cash equivalents	56.1	131.4
Current assets, total	**973.7**	**1,000.1**
Assets, total	**2,833.9**	**2,915.7**
EQUITY AND LIABILITIES		
Equity		
Cooperative capital	172.0	172.0
Restricted reserves	17.1	15.6
Invested non-restricted equity reserve	33.0	32.9
Retained earnings	370.9	390.6
Equity attributable to the the owners of the parent	**593.0**	**611.0**
Non-controlling interests	0.8	0.8
Equity, total	**593.8**	**611.8**
Non-current liabilities		
Non-current interest-bearing liabilities	1,128.5	1,191.2
Non-current non-interest-bearing liabilities	30.8	34.9
Provisions	5.9	6.8
Deferred tax liabilities	7.8	8.1
Non-current liabilities, total	**1,173.0**	**1,241.0**
Current liabilities		
Current interest-bearing liabilities	141.6	137.6
Current non-interest-bearing liabilities	188.1	176.6
Trade payables	736.1	747.8
Provisions	1.2	0.8
Tax liabilities for the financial year	0.0	0.0
Current liabilities, total	**1,067.1**	**1,062.9**
Equity and liabilities, total	**2,833.9**	**2,915.7**

Consolidated statement of cash flows, IFRS

EUR million	Reference	1.1.–30.6.2021	1.1.–30.6.2020
BUSINESS OPERATIONS			
Operating profit/ loss		-5.9	1.3
Adjustments to operating result	(1)	85.1	79.5
Change in working capital	(2)	-61.1	-43.3
Cash flow from business operations before financing and taxes		**18.1**	**37.4**
Increase (-) / decrease (+) in current receivables		12.3	-29.7
Interest paid and other financial expenses		-0.1	0.0
Interest received and other financial income		0.1	0.1
Dividends received from business operations			0.0
Income taxes paid		-0.1	0.3
Cash flow from business operations		**30.3**	**8.1**
INVESTMENTS			
Divested shares in subsidiaries net of cash held by subsidiary		0.2	
Investments in shares			0.0
Investments in tangible assets		-12.6	-26.3
Investments in intangible assets		-5.5	-5.9
Sale of other fixed assets		3.6	1.2
Change in other long-term investments			10.0
Dividends received from investments		0.1	3.1
Cash flow from investments		**-14.1**	**-17.9**
FINANCING			
Proceeds from new long-term liabilities			15.0
Increase (+) / decrease (-) in short-term liabilities		-83.3	-79.0
Interest paid		-9.5	-0.6
Interest received		1.4	1.0
Cash flow from financing		**-91.4**	**-63.5**
Decrease in cash and cash equivalents		**-75.2**	**-73.3**
Cash and cash equivalents at the beginning of the year		**131.4**	**172.6**
Foreign exchange rate effect on cash and cash equivalents		**0.0**	**0.0**
Decrease in cash and cash equivalents		**-75.2**	**-73.3**
Cash and cash equivalents at the end of the period		**56.1**	**99.3**
Adjustments to operating profit	(1)		
Profits (-) and losses (+) from the sale of fixed assets		-0.7	-0.1
Depreciation and impairment losses		90.7	87.6
Other non-cash income and expenses		-4.9	-8.1
		85.1	79.5
Change in working capital	(2)		
Change in trade and other receivables		-77.1	-58.4
Change in inventories		10.4	-5.3
Change in non-interest-bearing liabilities		5.5	20.4
		-61.1	-43.3

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 Jan 2020	172.0	-2.2	18.5	29.4	-12.5	457.1	662.3	0.8	663.1
Total comprehensive income		-2.4			-5.4	-13.0	-20.8	0.0	-20.8
Other changes				3.5		0.0	0.0		0.0
30 Jun 2020	**172.0**	**-4.6**	**18.5**	**32.9**	**-17.9**	**444.1**	**641.5**	**0.8**	**642.3**
1 Jan 2021	172.0	-3.0	18.5	32.9	-23.0	413.6	611.0	0.8	611.8
Total comprehensive income		1.6			2.3	-20.9	-17.0	0.0	-17.0
Other changes						-1.1	-1.1		-1.1
30 Jun 2021	**172.0**	**-1.3**	**18.5**	**32.9**	**-20.7**	**391.6**	**593.0**	**0.8**	**593.8**

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 2021 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 2020, with the exception of the changes in the IAS/IFRS standards and interpretations that came into effect on 1 January 2021. The implementation of these standard and interpretation amendments has not had a significant effect on the Interim Report.

In the spring of 2021, the IFRS Interpretations Committee issued an agenda decision on the accounting for configuration and customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). As the Group uses cloud service arrangements, it has begun an analysis of whether this agenda decision will have an impact on the accounting policies applied to the costs of cloud service deployment. The analysis will be carried out in the Group during autumn 2021, and any effects will be taken into account retrospectively in the 2021 financial statements at the latest.

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.

Interim Report is unaudited.

Fair values of financial assets and liabilities

EUR million	Financial assets and liabilities measured at fair value through profit and loss	Hedge accounting derivatives	Financial assets and liabilities to be measured at amortised cost	Carrying amount 30.6.2021	Fair value 30.6.2021
Financial assets					
Non-current financial assets					
Shares and participations	3.4			3.4	3.4
Loan receivables			0.6	0.6	0.6
Non-interest-bearing loan receivables			2.5	2.5	2.3
Trade receivables				0.0	0.0
Trade receivables and other current non-interest-bearing receivables					
Trade receivables			607.7	607.7	607.7
Other non-interest bearing receivables			60.7	60.7	60.7
Prepayments and accrued income in financial items			0.0	0.0	0.0
Derivatives assets	0.3	0.4		0.7	0.7
Current interest-bearing receivables					
Loan receivables			0.0	0.0	0.0
Other receivables			0.0	0.0	0.0
Money Market investmens			23.0	23.0	23.0
Cash and cash equivalents			52.1	52.1	52.1
Financial assets, total	**3.6**	**0.4**	**746.5**	**750.6**	**750.5**
Financial liabilities					
Non-current interest-bearing liabilities					
Trade payables			0.0	0.0	0.0
Interest-bearing loans from others			0.0	0.0	0.0
Non-current non-interest-bearing liabilities					
Cash counting service			26.2	26.2	26.2
Other non-interest-bearing liabilities			0.5	0.5	0.5
Current interest-bearing liabilities					
Interest-bearing loans from others			15.1	15.1	15.1
Current non-interest-bearing liabilities					
Accruals and deferred income in financial items			0.1	0.1	0.1
Derivatives liabilities	0.0	0.0		0.0	0.0
Trade payables			736.1	736.1	736.1
Financial liabilities, total	**0.0**	**0.0**	**778.0**	**778.0**	**778.1**

The table does not include lease liabilities of carrying amount 1,255.1 million eur.

Fair values of financial assets and liabilities

EUR million	Financial assets and liabilities measured at fair value through profit and loss	Hedge accounting derivatives	Financial assets and liabilities to be measured at amortised cost	Carrying amount 31.12.2020	Fair value 31.12.2020
Financial assets					
Non-current financial assets					
Shares and participations	3.3			3.3	3.3
Loan receivables			0.6	0.6	0.7
Non-interest-bearing loan receivables			2.4	2.4	2.3
Trade receivables				0.0	0.0
Trade receivables and other current non-interest-bearing receivables					
Trade receivables			537.1	537.1	537.1
Other non-interest bearing receivables			54.4	54.4	54.4
Prepayments and accrued income in financial items			0.0	0.0	0.0
Derivatives assets	0.0	0.0		0.1	0.1
Current interest-bearing receivables					
Loan receivables			0.0	0.0	0.0
Other receivables			0.0	0.0	0.0
Money Market investmens			35.4	35.4	35.5
Cash and cash equivalents			137.0	137.0	137.0
Financial assets, total	**3.3**	**0.0**	**766.9**	**770.3**	**770.4**
Financial liabilities					
Non-current interest-bearing liabilities					
Trade payables			0.0	0.0	0.0
Interest-bearing loans from others			0.0	0.0	0.0
Non-current non-interest-bearing liabilities					
Cash counting service			29.2	29.2	29.2
Other non-interest-bearing liabilities			0.5	0.5	0.5
Current interest-bearing liabilities					
Interest-bearing loans from others			15.0	15.0	15.1
Current non-interest-bearing liabilities					
Accruals and deferred income in financial items			0.2	0.2	0.2
Derivatives liabilities	0.7	1.2		1.9	1.9
Trade payables			747.8	747.8	747.8
Financial liabilities, total	**0.7**	**1.2**	**792.7**	**794.6**	**794.7**

The table does not include lease liabilities of carrying amount 1,318.8 million eur.

The fair value hierarchy

EUR million	Fair Value 30.6.2021	Level 1	Level 2	Level 3
Assets measured at fair value				
Non-current financial assets				
Shares and participations	3.4			3.4
Other current non-interest-bearing receivables				
Derivative assets	0.7		0.7	
Total	**4.1**	**0.0**	**0.7**	**3.4**
Liabilities measured at fair value				
Current non-interest-bearing liabilities				
Derivatives liabilities	0.0		0.0	
Total	**0.0**	**0.0**	**0.0**	**0.0**

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.

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 is 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 2.0 million (2.0 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 1.4 million of unquoted shares (1.4 million), for which the fair value cannot be determined.

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

EUR million	1.1. –30.6.2021
Opening balance, 1 Jan	3.3
Purchases	0.1
Sales	0.0
Impairments in the income statement	0.0
Fair value changes recognised in the income statement	0.0
Closing balance, 30 Jun	3.4

The fair value hierarchy

EUR million	Fair Value 31.12.2020	Level 1	Level 2	Level 3
Assets measured at fair value				
Non-current financial assets				
Shares and participations	3.3			3.3
Other current non-interest-bearing receivables				
Derivative assets	0.1		0.1	
Total	**3.4**	**0.0**	**0.1**	**3.3**
Liabilities measured at fair value				
Current non-interest-bearing liabilities				
Derivatives liabilities	1.9		1.9	
Total	**1.9**	**0.0**	**1.9**	**0.0**

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

EUR million	1.1. –31.12.2020
Opening balance, 1 Jan	3.7
Purchases	0.0
Sales	-0.4
Impairments in the income statement	0.0
Fair value changes recognised in the income statement	-0.1
Closing balance, 31 Dec	**3.3**

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	Tourism 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
Depreciation	-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 bospitality 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				1,521.1			
Foreign countries				47.2			
Fixed assets, total				1,568.3			

Segment information 30.6.2020

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	Tourism and hospitality business	Procurement and services business	Real estate business	Banking	Internal eliminations and other	Management reporting, total
Revenue	138.7	52.0	3,583.6	39.7		-92.8	3,721.1
Group internal sales to other segments	0.0	0.1	52.1	8.6		1.6	62.4
Operating result	-2.1	-30.4	12.2	8.4	2.0	-4.1	-14.1
Depreciation	-2.5	-5.3	-6.8	-6.5		0.9	-20.2
Investments	1.2	8.5	8.1	8.8		5.6	32.2
Divestments	0.0	0.0	1.4				1.4
Reconciliation of the revenue							
Management accounting revenue to be reported				3,721.1			
Eliminations				0.0			
Revenue IFRS				3,721.1			
Reconciliation of the result							
Operating result of the segments to be reported				-14.1			
Items excluded from the operating result within SOK Corporation:							
Financial income and expenses (FAS)				2.9			
Gains and losses on the sale of property, plant and equipment				0.1			
Other operating income and expenses, and other items				-0.9			
Valuation gains and losses on derivatives				-0.4			
Impairment losses on tangible and intangible assets				0.0			
IFRS adjustments				-1.6			
Profit before taxes for the period IFRS				-14.1			
Additional information at SOK Corporation level, external income							
Sales to S-Group				3,357.9			
Other sales in Finland				214.0			
Foreign countries				149.1			
Revenue, total				3,721.1			
Supermarket trade				138.7			
Tourism and bospitality business				52.0			
Procurement and services business and other				3,490.8			
Real estate business				39.7			
Revenue, total				3,721.1			
Additional data at SOK Corporation level, fixed assets							
Finland				1,603.0			
Foreign countries				52.0			
Fixed assets, total				1,655.0			

Pledges and contingent liabilities

Contingent liabilities, EUR million	30.6.2021	31.12.2020	Change	30.6.2020
Pledges given and contingent liabilities				
Pledges	0.1	0.1	0.0	0.1
Mortgages	1.4	1.4	0.0	1.3
Guarantees	2.5	2.5	0.0	2.5
Total	**4.0**	**4.0**	**0.0**	**3.9**
Security given on behalf of others				
Guarantees for liabilities of joint ventures enterprises	119.2	110.9	8.3	105.5
Total	**119.2**	**110.9**	**8.3**	**122.6**
Other contingent liabilities				
Pledges for liabilities of joint ventures enterprises	0.5	0.5	0.0	0.5
Guarantees for liabilities of joint ventures enterprises	22.9	20.4	2.5	21.8
Total	**23.4**	**20.9**	**2.1**	**21.8**
Other liabilities				
Letter of credit liabilities	**1.3**	0.0	1.3	0.0

The securities 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 93.6 million (EUR 82.8 million 31 Dec 2020) and of the guarantees on behalf of joint venture Kauppakeskus Mylly Oy on a loan of EUR 49.0 million (EUR 49.0 million 31 Dec 2020).

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 16.1 million (EUR 16.1 million on 31 Dec 2010).

Other contingent liabilities:

Commitments in accordance with the shareholder agreement to be responsible for the S-Voima Oy commitments and to finance its operations.

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 31 December 2020 are estimated to be EUR 0.7 million in total (EUR 2.1 million on 31 December 2020).

Additionally SOK has pledged to provide loan funding. SOK has at 30 Jun 2020 the following open commitments: to provide EUR 5.0 million (EUR 5.0 million 31 Dec 2020) conditional subordinated loan to North European Oil Trade Oy.

Other issues in progress

The legal proceedings related to the losses arising from the closure of business operations in Lithuania and Latvia have yet to be completed.

SOK Corporation's related parties have no essential related party transactions with the reported community.

Key ratios

SOK Corporation:	30.6.2021	30.6.2020	30.6.2019
Revenue, EUR million	3,773.8	3,721.1	3,644.7
Operating profit, EUR million	-5.9	1.3	44.0
% of revenue	-0.2	0.0	1.2
Profit before taxes, EUR million	-21.8	-14.1	26.3
% of revenue	-0.6	-0.4	0.7
SOK Corporation:			
Equity ratio, %	21.1	21.7	21.6
Return on equity, %	-3.5	-2.0	4.4
Gearing, %	200.6	189.5	177.7

Calculation of key ratios

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 %

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