

SOK-CORPORATION

FINANCIAL STATEMENTS
1 JAN–31 DEC 2021

SOK CORPORATION'S FINANCIAL STATEMENTS 2021

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EXECUTIVE BOARD REPORT ON OPERATIONS

Development of the operating environment

Global trade has recovered from the Covid-19 pandemic, and the Finnish economy has continued to grow in 2021. The recovering global economy and general stimulus measures have resulted in an increase in both imports and exports. However, the growth has not been equal. For example, the Finnish retail sector has ultimately benefitted from the pandemic, and industrial exports have grown since last year. Meanwhile, restrictions have substantially affected other sectors, such as the travel and hospitality sector, which continues to undergo significant difficulties. Finland's exports survived COVID-19 with relatively little damage. Retail business received a boost from the change in consumer habits during the pandemic, most significantly the transition of consumption into the home environment. Being unable to use services as usual or travel abroad, consumers have directed their funds to savings and buying consumer goods, as well as improving their homes. Growth (GDP) is estimated to be at a level of 3.4 per cent in 2021, and 3.0 per cent in 2022.

Finnish retail growth stopped in the third quarter of 2021, but sales volumes still clearly exceeded those of the previous year. Consumers' great trust in their own financial situations and a high savings rate are creating a positive foundation for growth in private consumption. However, the labour shortage has worsened, and the availability of labour may pose an obstacle to growth. Especially the travel and hospitality sector has suffered during the pandemic, and some of their workforce has sought employment in other sectors.

The primary objective of the monetary policy of the ECB's Governing Council is to maintain price stability. According to the Council, maintaining price stability is most successful when the goal is to maintain an inflation rate of 2 per cent in the medium term. Increasing demand and other factors have already increased the prices of oil, energy and raw materials. The labour shortage and consumer price increase may also increase salary costs. This may fuel inflation and slow down growth. The average inflation rate in 2021 was 2.2 per cent, and it is predicted to be at 2.6 per cent in 2022.

S Group's performance 1 January – 31 December 2021

S Group comprises the cooperatives and SOK with its subsidiaries. S Group's retail sales excluding taxes in 2021 were EUR 12,328.5 million, showing an increase of 5.9 per cent compared to the previous year (689 million).

S Group's retail sales excluding taxes by business area	EUR million	+/- % previous year
Prisma*	4,060	+4.7
S-market	3,893	+2.9
Sale	753	+0.6
Alepa	417	+1.4
Other supermarket trade	61	-15.0
Supermarket trade total*	**9,184**	**+3.2**
Hardware trade	110	-12.4
Service station store and fuel sales	1,780	+16.7
Department stores and speciality stores	245	+3.7
Travel industry and hospitality business*	494	+12.3
Automotive trade and accessories	476	+12.6
Others	40	-11.7
S Group total*	**12,329**	**+5.9**

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

At the end of December, S Group had 1,909 outlets compared to 1,849 during the same time in the previous year.

At the end of 2021, there were 19 regional cooperatives and six local cooperatives.

A total of 77,341 new members joined the cooperatives participating in the Bonus system in 2021. The total number of co-op members was 2,471,637 at the end of the year. Co-op members were paid a total of EUR 379 million in Bonus rewards.

S Group's investments increased by 22.4 per cent amounting to EUR 786 million, compared to EUR 642 million in 2020.

S Group's combined unconsolidated result before appropriations and taxes was EUR 302 million, whereas the result for the previous year was EUR 199 million. The cooperatives' combined result before appropriations and taxes showed a profit of EUR 314 million, whereas the result was EUR 235 million in the previous year (increase EUR 79 million). SOK Corporation's result before taxes (IFRS) showed a loss of EUR 12 million, compared with a loss of EUR 36 million in the previous year (EUR 24 million improvement).

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, logistics 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 – 31 December 2021

SOK Corporation's net sales for the period 1 January – 31 December 2021 were EUR 7,796.6 million, showing an increase of 2.6 per cent (+ EUR 196.2 million), compared to the previous year.

SOK Corporation's operating profit (IFRS) was EUR 19.7 million (EUR -2.6 million). Foreign operations accounted for 4.0 per cent (3.8%) of net sales, or EUR 309.0 million.

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

SOK Corporation	31.12.2021	31.12.2020	31.12.2019
Net sales, EUR million	7,796.6	7,600.4	7,496.6
Operating profit/ -loss, EUR million	19.7	-2.6	102.2
Operating profit, %	0.3	0.0	1.4
Return on equity, %	-3.1	-4.7	9.9
Equity ratio, %	21.2	21.1	24.0

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

SOK Corporation's operative 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	+282.4	+13.3	-2.3	+1.5
Travel industry and hospitality business	+123.7	+21.0	-50.9	+10.3
Procurement and service business	+7,425.5	+90.6	+14.0	-1.3
Real estate business	+72.0	+3.9	+16.4	+2.5
Result from banking			+9.8*	+3.9
Elimination for the retail and wholesale and other items	-106.9	+67.5	-0.6	+1.0
SOK Corporation, total	**+7,796.6**	**+196.2**	**-13.6**	**+17.9**

*S-Bank's associated company result is the result after taxes.

Financing

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 70.0 million, and the maturities of the earlier back-up 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 1 223.2 million at the end of December (1 328.8 million). EUR 1 201.6 million of the interest-bearing liabilities were lease liabilities compliant with IFRS 16 (1 313.8 million). Gearing was 191.1 per cent (189.9%). SOK Corporation's equity ratio was 21.2 per cent (21.1%).

At the end of December, SOK Corporation's liquid assets amounted to EUR 84.8 million (166.8 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 126.8 million (EUR 93.6 million). The most significant investments were related to information systems and S-Bank Plc shares.

Sales of non-current assets amounted to EUR 3.9 million in the review period (EUR 1.9 million).

Personnel

SOK Corporation's average number of personnel in full-time equivalents was 5,648 at the end of the period under review, 1 January to 31 December 2021 (2020: 5,788).

At the end of December, SOK Corporation had 6,038 employees (2020: 6,140), of whom 1,820 (30%) were employed by SOK and 4,218 (70%) by its subsidiaries. At the end of the period under review, a total of 1,836 people (30%) of the Corporation's personnel worked abroad.

Compared with the end of the previous year, SOK Corporation's number of personnel decreased by 102 (-1.7%). COVID-19 has influenced the number of personnel in the travel and hospitality industry, in particular.

Development of the business areas

Supermarket trade

Supermarket trade covers business operations in Estonia and Russia. In Estonia, there are eight Prisma stores in Tallinn, two stores in Tartu and one in Narva. Two new stores were opened in Tallinn during the year under review. There are 16 Prisma stores in St Petersburg.

Net sales from the supermarket trade were EUR 282 million. Net sales grew by 5 per cent compared to the previous year, the difference being mainly due to good sales development in Estonia. In St Petersburg, net sales declined by 3 per cent, because many of the stores are located in shopping centres and in conjunction with metro stations, where customer volumes were affected by COVID-19 restrictions. The operating result of the supermarket trade was higher than in the previous year. Investments in the supermarket trade totalled EUR 9.2 million, mainly comprising investments in furniture and fixtures for new units and concept reforms.

Travel and hospitality business

In 2021, SOK Corporation's travel industry and hospitality business was conducted by Sokotel Oy in Finland, AS Sokotel in Estonia and OOO Sokotel in Russia.

Demand in the travel business remained low during the first half of the year, both in Finland and Estonia. In Russia, the demand recovered faster. During the summer season, demand started to develop positively in all market areas as vaccination coverage increased and restrictions were lifted. In the autumn, demand and consequently sales continued to grow as businesses and consumers started to more actively plan their Christmas parties. During the autumn, there was particularly strong development in meeting sales compared to the previous year. Sufficient availability of workforce has posed challenges throughout the year. Towards the end of the year, demand began to reflect concerns about the spreading of the new viral variant, and some of the already agreed events were cancelled or postponed.

Net sales and operating result of SOK's hotel business improved from the previous year as a result of the increased demand, but the result was still considerably negative. The net sales of the hotel business totalled EUR 123.7 million, showing an increase of 20.4 per cent from the previous year. The operating result was EUR -50.9 million, showing an improvement of EUR 10.3 million from the previous year.

In 2021, investments in the travel industry and hospitality business totalled EUR 9.4 million, with EUR 9.1 million invested in Finland. The investments consisted, among others, the renovations of Original Sokos Hotel Ilves, Solo Sokos Hotel Torni and Heymo 1 By Sokos Hotels.

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 7,425.5 million (7,334.9 million), increasing 1.2 per cent from the previous year. The operating result of the procurement and service business was EUR 14.0 million, which was EUR 1.3 million weaker than in the previous year.

In 2021 investments by the procurement and service business totalled EUR 88.5 million. The investments consisted mainly of information system acquisitions and acquisitions of S-Bank Plc shares.

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 72.0 million, representing an increase of 5.7 per cent. The operating result of the real estate business was EUR 16.4 million positive.

Investments by the real estate business in 2021 totalled EUR 19.6 million. The most significant investments were in hotel real estate and regional distribution/logistics terminals.

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 8.5 billion from EUR 7.6 billion in the previous year. The total funds on deposit grew by 9.1 per cent from the end of the previous year and were EUR 7.6 billion at the end of the

year (6.9 billion). Lending grew by 11.8 per cent and was EUR 6.1 billion at the end of the year (5.4 billion). S-Bank Group's capital adequacy ratio was 16.3 per cent (15.7%). At the end of the year, S-Bank Group's operating result was EUR 24.8 million (21.0 million). The IFRS-adjusted result corresponding to SOK Corporation's shareholding (49.99%) was EUR 9.8 million. SOK and the regional cooperatives have bought 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 fuel procurement company North European Oil Trade were around EUR 5,284 million during the 2021 financial period. The Group's revenue increased by almost 34 per cent year-on-year as a result of a steep increase in the world market price of oil and the restoration of the Group's business operation volumes after the pandemic.

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 the Raisio-based Kauppakeskus Mylly Oy shopping centre 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 14.0 million (EUR 11.8 million).

Changes in the group structure

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

SOK and the regional cooperatives have bought LähiTapiola's 25 per cent share of S-Bank. S-Bank remains as SOK Corporation's associated company with a share of under 50 per cent.

SOK established Kiinteistö Oy Mikkelin Terminaali in November.

Management and future outlook

Management and changes in management

The SOK Executive Board's Chair and CEO will be Hannu Krook from 1 January 2022. In addition to the CEO, the Executive Board's members are Managing Director Kim Biskop, Managing Director Juha Kivelä, Managing Director Veli-Matti Liimatainen, Managing Director Olli Vormisto, Professor Rita Järventie-Thesleff, Managing Director Harri Miettinen, and Managing Director Antti Määttä as a new member. Arttu Laine, EVP, has been acting as Deputy CEO from 23 November 2021, during CEO Krook's sick leave.

In April 2021, Doctor of Theology Matti Pikkarainen was re-elected as Chair 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 Corporation and S Group. 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, Chief Transformation Officer; Jari Annala, Senior 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 entire 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.

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 processed and confirmed by SOK's Executive Board. S Group's most significant short-term risks and uncertainties are still related to the temporary and permanent effects of the COVID-19 pandemic, particularly in the travel and hospitality trade and department store and speciality store trade. Ensuring the competitiveness of the grocery trade also remains key, especially as competition intensifies and creates a pressure for continuous development of the operating methods. Digital development is fundamental in order to succeed in competition in all sectors. S Group has several active projects to control the above-mentioned risks.

The most significant long-term risks are related to the progress and speed of changes and trends that are the most important for S Group, including changes in consumer habits and working life, technological devel-

opment and the impact of demographic trends and migration on the operations of S Group. Responding to these changes and seizing the opportunities successfully are key to securing S Group's future competitiveness.

SOK Corporation's financing and the management of financing risks is 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 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 in S Group covers all business areas and is managed jointly with the executive management at the Group level. SOK's Sustainability unit is in charge of strategic development, control and reporting of sustainability at the Group level. The unit is part of the Marketing, Communications and Sustainability unit.

S Group promotes sustainability group-wide through its "Together we will make a better place to live" sustainability programme, which serves as the framework for S Group's sustainability work until 2030. Our goal in the programme is to be a pioneer in sustainability in our fields of business.

S Group is committed to science-based ambitious emission reduction targets in its own operations. The plan is to reduce emissions by 90% from the 2015 level by 2030 and make the Group's own operations carbon negative by the end of 2025. S Group has reached the A- list in the international CDP rating.

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 was the first Finnish retail sector company to participate in the CDP Supply Chain programme related to improving partner commitment.

Since November 2021, Sokos Hotels customers have been able to offset the carbon footprint of their overnight stays and breakfasts at Sokos Hotels. Sokos Hotels is the first chain in its sector in Finland to offer an opportunity for compensation to its private customers.

S Group's deforestation guidelines, published in spring 2021, are part of the sustainability programme goals to strengthen biodiversity. The guidelines are based on the identification of raw materials central to deforestation, and related objectives and regional restrictions concerning sustainable production.

S Group aims to build a network of some 1,000 electric car charging stations covering the whole of Finland between 2021 and 2024. The first ABC charging stations were opened in spring 2021.

S Group's large logistics centres in Sipoo have achieved zero-emission status in their operations as the result of a switch to renewable electricity and, above all, using a heating solution based on geothermal heat and the recycling of condensate heat. S Group already has nearly one hundred zero-emission properties.

In 2021, we updated our procurement contracts for groceries and consumer goods, specifying our expectations regarding due diligence on environmental and human rights impact. In our procurement contracts, we require all our suppliers to respect key labour and human rights, as well as to exercise due diligence to identify, mitigate and remedy the human rights impact of their operations and supply chains.

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 sustainability work will be described in greater detail in the annual review and sustainability review to be published in March 2022, available at www.s-ryhmä.fi/en/.

Outlook for the current year

Current coronavirus restrictions will have a significant impact on finances during the first half of the year. However, a high savings rate and good consumer atmosphere have set a foundation for the rapid growth of private consumption. Private consumption is predicted

to continue to increase in 2022, and private investments are also predicted to increase rapidly.

The operating result of SOK Corporation is expected to improve in 2022 over the previous year. The amount of operating profit is particularly dependent on the schedule and scope of the lifting of coronavirus restrictions, and the development of international travel.

The situation has eased somewhat for the travel industry and hospitality business, but insufficient demand continues to hamper sales growth. The spreading and effects of the new viral variant, the duration and scope of the new restrictions, development of vaccination coverage and the general global economic situation will continue to have a major impact on demand. The labour shortage continues to be a significant obstacle to growth. Some accumulated demand can be observed, and the recovery is expected to continue, driven by domestic leisure travel. There is significantly more uncertainty concerning international travel.

The market is still expecting a recovery of B2B travel. However, the new coronavirus variant and its fast spread have had a negative effect on reservation volumes, especially for the early year. The share of international travel in Sokotel's accommodation business has slowly started to rise. However, ongoing restaurant restrictions are still limiting full-scale business operations. The outlook for conference business demand in 2022 is currently positive, and reservation volumes are exceeding 2019 levels in some locations.

The procurement and service business is expected to develop as planned, and the pandemic is not considered to have any significant impact on it.

Material events after the balance sheet date

SOK's Executive board has decided to end its operations in Russia. SOK has 16 Prisma stores and three Sokos Hotels in Russia. Shutting down of the operations in Russia has started, taken into account the local personnel and legislation. The schedule and the economic effects will be clarified later, but ending the operations in Russia, will have an effect on the valuation of the Russian companies shares and balance sheet values in SOK. It will also result in additional costs that will be booked when the economic effects are clarified.

Executive Board's proposal on the distribution of SOK's distributable surplus

SOK's distributable surplus is EUR 577,636,681.93 (the profit for the financial year is EUR 617,368.37). The Executive Board proposes that EUR 45,000.00 be trans-ferred to the Supervisory Board's contingency fund and 572,368.37 be left in the retained earnings account.

Helsinki, 17 March 2022

SOK
CORPORATION
Executive Board

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Consolidated income statement, IFRS

EUR million	1.1.-31.12.2021	1.1.-31.12.2020
Revenue	7,796.6	7,600.4
Other operating income	4.1	2.3
Materials and services	-7,059.7	-6,903.8
Employee benefit expenses	-282.1	-270.4
Depreciation and impairment losses	-181.0	-178.2
Other operating expenses	-270.2	-261.5
Share of results of associated companies and joint ventures (+/-)	12.0	8.7
Operating profit (-loss)	**19.7**	**-2.6**
Financial income and expenses (+/-)	-33.7	-37.0
Share of results of associated companies and joint ventures (+/-)	2.0	3.2
Profit before taxes	**-12.1**	**-36.5**
Income taxes (+/-)	-6.6	6.2
Result for the financial year	**-18.6**	**-30.2**
Attributable to:		
Owners of the parent	-18.6	-30.2
Share of non-controlling interests	0.0	0.0
	-18.6	**-30.2**

Statement of other comprehensive income

EUR million	1.1.-31.12.2021	1.1.-31.12.2020
Result for the financial year	-18.6	-30.2
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	2.8	-9.7
Exchange differences on loans to foreign subsidiaries classified as net investments.	0.2	-0.8
Cashflow hedges	1.9	-0.8
Comprehensive income items of associated companies and joint ventures	-0.2	0.0
Other comprehensive income for the financial year, net of tax	4.8	-11.3
Total comprehensive income for the financial year	**-13.9**	**-41.5**
Total comprehensive income for the financial year attributable to:		
Owners of the parent	-13.9	-41.5
Share of non-controlling interests	0.0	0.0
	-13.9	**-41.5**

Consolidated statement of financial position, IFRS

EUR million	31.12.2021	31.12.2020
ASSETS		
Non-current assets		
Property, plant and equipment	1,403.4	1,500.5
Investment properties	27.1	32.0
Intangible assets	96.8	99.6
Interests in associated companies and joint ventures	287.8	211.7
Non-current financial assets	43.2	42.4
Deferred tax assets	30.9	29.4
Non-current assets, total	**1,889.2**	**1,915.6**
Current assets		
Inventories	210.2	209.8
Trade receivables and other current non-interest-bearing receivables	646.0	621.6
Current interest-bearing receivables	0.0	37.3
Cash and cash equivalents	84.8	131.4
Current assets, total	**941.0**	**1,000.1**
Assets, total	**2,830.2**	**2,915.7**
EQUITY AND LIABILITIES		
Equity		
Cooperative capital	172.0	172.0
Restricted reserves	17.3	15.6
Invested non-restricted equity reserve	36.4	32.9
Retained earnings	369.3	390.6
Equity attributable to the the owners of the parent	**595.0**	**611.0**
Non-controlling interests	**0.8**	**0.8**
Equity, total	**595.8**	**611.8**
Non-current liabilities		
Non-current interest-bearing liabilities	1,073.4	1,191.2
Non-current non-interest-bearing liabilities	31.3	34.9
Provisions	5.9	6.8
Deferred tax liabilities	6.9	8.1
Non-current liabilities, total	**1,117.5**	**1,241.0**
Current liabilities		
Current interest-bearing liabilities	149.8	137.6
Current non-interest-bearing liabilities	198.4	176.6
Trade payables	767.6	747.8
Provisions	0.7	0.8
Tax liabilities for the financial year	0.4	0.0
Current liabilities, total	**1,117.0**	**1,062.9**
Equity and liabilities, total	**2,830.2**	**2,915.7**

Consolidated statement of cash flows, IFRS

EUR million	Note/ Reference	1.1.-31.12.2021	1.1.-31.12.2020
BUSINESS OPERATIONS			
Operating result from continuing operations		19.7	-2.6
Adjustments to operating result	(A)	163.8	171.6
Change in working capital	(B)	25.7	5.3
Cash flow from business operations before financing and taxes		**209.2**	**174.2**
Increase (-)/decrease (+) in current receivables		-0.1	34.2
Interest paid and other financial expenses		-0.4	0.0
Interest received and other financial income		0.1	0.2
Dividends received from business operations		0.0	0.0
Income taxes paid		-8.4	1.3
Cash flow from business operations		**200.4**	**209.9**
INVESTMENTS			
Acquired shares in subsidiaries net of acquired cash		0.0	0.3
Divested shares in subsidiaries net of cash held by subsidiary		0.2	0.0
Investments in shares		-63.5	0.0
Investments in tangible assets		-51.5	-75.7
Investments in intangible assets		-11.8	-18.2
Sale of other fixed assets		3.7	1.9
Change in other long-term investments		0.0	30.0
Dividends received from investments		1.3	3.1
Cash flow from investing activities		**-121.6**	**-58.5**
FINANCING			
Increase (+)/decrease (-) in short-term liabilities		6.5	15.0
Payments of lease liabilities		-166.0	-164.4
Interest paid		-5.6	-0.3
Interest received		0.8	2.2
Interest paid on the cooperative capital		0.0	-13.2
Other changes in equity		3.5	3.5
Cash flow from financing		**-160.8**	**-157.3**
Increase/Decrease in cash and cash equivalents		**-82.0**	**-5.9**
Cash and cash equivalents at the beginning of the year		**166,8**	**172,6**
Increase/Decrease in cash and cash equivalents		**-82,0**	**-5,9**
Cash and cash equivalents at the end of the year		**84,8**	**166,8**
Adjustments to operating profit	(A)		
Gains from the sale of fixed assets		-0,2	-0,8
Depreciation and impairment losses		181,0	178,2
Other non-cash income and expenses		-16,9	-5,8
		163,8	**171,6**
Change in working capital	(B)		
Change in trade and other receivables		-22,5	-20,8
Change in inventories		-0,4	-4,8
Change in non-interest-bearing liabilities		48,6	31,0
		25,7	**5,3**

The loan period of short term loans is less than 3 months.

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									
1.1.2020	172.0	-2.2	18.5	29.4	-12.5	457.1	662.3	0.8	663.1
Total comprehensive income		-0.8			-10.5	-30.2	-41.5	0.0	-41.5
Interest on cooperative contributions						-13.2	-13.2		-13.2
Other changes			0.0	3.5		-0.1	3.4	0.0	3.4
31.12.2020	**172.0**	**-3.0**	**18.5**	**32.9**	**-23.0**	**413.6**	**611.0**	**0.8**	**611.8**
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
Interest on cooperative contributions						0.0	0.0		0.0
Other changes			0.0	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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company information

In accordance with SOK's Statutes, the name 'SOK Corporation' is used for the SOK Group. SOK Corporation comprises Suomen Osuuskauppojen Keskuskunta (SOK) and its subsidiaries. SOK is domiciled in Helsinki and its registered address is Fleminginkatu 34, 00510 Helsinki.

SOK's purpose is to create competitive advantage for S Group's businesses. SOK implements its operational objective by developing and guiding S Group's strategies, value chain, and chain operations in co-operation with the cooperative enterprises. SOK produces the shared, competitiveness-enhancing services S Group requires and engages in profitably growing operations in Finland and its neighbouring countries, with the aim of creating synergies and added economic value for S Group's products.

A copy of the consolidated financial statements is available at www.s-ryhma.fi.

Accounting policies for consolidated financial statements

Accounting basis

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and the IAS and IFRS standards and SIC and IFRIC interpretations in force on 31 December 2021 have been applied in preparing them.

The financial statements information is presented in millions of euro and is based on original acquisition costs unless indicated otherwise in the accounting policies below.

All figures in the tables of the financial statements have been rounded off, which is why the total of the individual figures may differ from the sum presented. The key ratios have been calculated with exact values.

New and amended standards and interpretations adopted in the 2021 financial period

In spring 2021, the IFRS Interpretations Committee issued an agenda decision on the accounting of configuration and customisation costs in a cloud computing arrangement. In accordance with the agenda decision, the implementation costs of cloud computing projects, i.e., SaaS investments, are, unlike before, recognised as an expense in the consolidated financial statements, unless the criteria for capitalization in IAS 38 Intangible Assets are met. Based on the analysis of the group the costs of implementing cloud services, capitalised in the balance sheet at the beginning of the financial year 2021, are now to be recognised as an expense in accordance with the agenda decision, amounted to EUR 4.4 million. These has been recognised directly in equity as a change in accounting policy in accordance with IAS 8. The impact of the adoption of the agenda decision on the result for the financial year was EUR - 0.1 million.

The SOK Corporation has not applied the amendment to IFRS 16 Leases regarding lease relief (the relief was originally issued in 2020 but has been extended by one year to cover payments initially due on or before 30 June 2022).

Use of estimates

The preparation of the financial statements in compliance with IFRS calls for the making of 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. Any changes to estimates and assumptions are recognised in the financial period during which the estimate or assumption is corrected.

The main uncertainties in respect of estimates and assumptions concerning the future that cause a risk of significant changes to the carrying values of assets and liabilities in the subsequent financial period concern the determination of the fair value of financial instruments which are classified as level three, impairment testing as well as deferred tax assets and provisions.

In significant reorganisations, the Corporation has used an external advisor when evaluating the fair values of tangible and intangible assets, and comparisons with the market prices of equivalent assets have been made in the valuation of such assets.

Estimates are also used in impairment testing in which the recoverable monetary amount from the operations of the business entity being tested is based on value in use calculations or on the fair value less expenses incurred by sales.

Assumptions and key uncertainties related to determining the fair value of financial instruments are

described in Note 26. Fair values of financial assets and liabilities. The presentation of leases is described specially in the notes 10. Property, plant and equipment and 22. Interest-bearing liabilities. Additional information on deferred taxes and provisions are provided in Notes 16. Deferred taxes and 24. Provisions.

Principles of consolidation

The consolidated financial statements include the parent cooperative and all subsidiaries in which the parent cooperative has controlling interest. Controlling interest is generated when the Corporation has the right to control the principles of the company's finances and operations in order to gain benefits from its operations. In addition to Finland, the parent cooperative had subsidiaries in Russia and Estonia during the financial year 2021.

Acquired subsidiaries are consolidated using the purchase method, according to which all the identifiable assets and liabilities of the acquired company are measured at fair value on the date of acquisition. Goodwill is recognised in the amount by which the combined amount of the consideration given, the share of non-controlling shareholders in the acquired company and the share owned previously exceed the fair value of the acquired net assets. Costs related to the acquisition, excluding borrowing costs, are recognised as expenses.

Joint ventures in which SOK Corporation exercises shared control and associated companies in which the Corporation holds 20–50 per cent of the votes and in which the Corporation has significant influence but does not exercise control have been consolidated using the equity method. The share in accordance with the Corporation's holding of the joint ventures and associated companies in changes recognised in other comprehensive income items has been recognised in the Corporation's other comprehensive income items. If the Corporation's share of an associate company's or joint venture's losses exceeds the carrying amount of the investment, the investment is entered in the balance sheet at zero value and losses in excess of this amount are not taken into account unless the Corporation has obligations towards the associated companies or joint ventures. The share of the profits of an associated company or joint venture that has been acquired for investment purposes is presented below operating profit, before financial income and expenses. The profit or loss of associated companies and joint ventures serving the Corporation's ordinary operations is, however, presented before the final operating profit.

Companies acquired or established during the financial year have been consolidated from the date of acquisition or establishment. Divested subsidiaries as well as associated companies and joint ventures have been consolidated in the consolidated financial statements up to the date on which the controlling interest, shared controlling interest or significant influence ends. Changes of ownership in a subsidiary company that do not lead to a loss of controlling interest are treated as transactions concerning shareholders' equity.

Intra-Group transactions, receivables, liabilities, unrealised margins, and internal distribution of profits have been eliminated in the consolidated financial statements. Profit or loss for the financial period as well as the comprehensive income for the financial period have been distributed to the shareholders of the parent company and non-controlling shareholders. The share of non-controlling shareholders is presented as a separate item in the Corporation's shareholders' equity.

Mutual real-estate companies are consolidated (those assets and liabilities the shareholder is responsible for) line by line as joint operation in proportion to the Corporation's shareholding.

Principles of revenue recognition

SOK Corporation's revenue consists of invoicing related to the cooperative enterprises' goods procurement, joint service business operated by SOK in a centralised manner and retail by SOK's subsidiaries. Sales to the cooperative enterprises are invoiced sales. Retail is mainly cash or credit card sales. Typical customer agreements concerning the sales of products form one performance obligation.

Sales gains are recognised at an amount to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer Sales gains are recognised as revenue when the customer obtains control over the goods or service. The customer obtains control when they can direct the use of the goods or service and obtain the benefit associated with the use. SOK Corporation's net sales are primarily generated by through the sale of goods, where the performance obligations are clearly identifiable from customer agreements and orders. The sale of goods is recognised as revenue at a point in time when the control of the products is transferred to the customer in accordance with the delivery terms and conditions. The sales of services are primarily recognised as revenue at the as the service is provided.

The transaction price includes considerations that change often, such as volume and cash discounts. The changing considerations are measured by using the method of the most probable value unless they have not been realised yet at the end of the reporting period. Sales gains adjusted by indirect taxes and foreign exchange differences from currency-denominated sales are presented as net sales.

Government grants

Grants received from the government or another party are recognised in the income statement when the costs relating to the object of the grant are recorded as an expense. Grants related to the acquisition of tangible and intangible assets are deducted from the carrying

amounts of the said commodities. Such grants are recognised as income over the economic life of the asset.

Other operating income

Items presented as other operating income are gains other than those related to the actual sales of goods and services, such as sales gains on fixed assets; capital gains on divestments; damages income and grants received as well as subsidies not granted for funding a certain investment or for participating in a certain expense.

Employee benefit expenses

Pension plans are classified as defined-benefit and defined-contribution plans. Fixed premiums are paid to separate companies under defined-contribution plans without a legal or constructive obligation to make additional contributions, if the recipient cannot pay the pension benefits in question. All plans that do not fulfil these conditions are defined-benefit plans.

Payments made for defined-contribution plans are recognised as expenses in the income statement in the financial period in which they are incurred. Costs arising from defined-benefit pensions plans are recorded as an expense for the persons' time in employment, based on calculations made by qualified actuaries. Liabilities or receivables following from defined-benefit plans are recognised in the balance sheet at the liability's present value less the pension plan's fair value on the closing date. Items related to re-determining the net liability of the benefit plan are recognised in other comprehensive income items for the financial period when they are generated. SOK Corporation did not have any defined benefit plans in the financial year 2021.

Expenses based on past performance are recognised through profit and loss in the earlier of the following: when the arrangement is changed or reduced, or when the related reorganisation costs or expenses related to the termination of employment are recognised. Based on the duration of their employment relationships, personnel accumulate seniority and age benefits. A seniority and age provision is recognised in the seniority and age benefit.

Operating profit

Operating profit is generated when other operating income is added to revenue, and when purchases of materials, supplies and goods during the financial period; external services; expenses, depreciation and amortization and possible impairments caused by employee benefits; and other operating expenses are deducted from revenue, and when the result of associated companies and joint ventures serving the Corporation's actual operations is added to or deducted from it. All income statement items other than those mentioned above are presented below operating profit.

Foreign exchange differences and changes in the fair value of derivatives are included in operating profit if they arise from items connected to business operations; otherwise they are recognised in financial income and expenses.

Income taxes

Income taxes include both income taxes calculated on the basis of the taxable profit for the period and taxes paid or refunded for previous periods and changes in deferred taxes. The tax effect of items directly recognised in equity or items in the statement of comprehensive income is nevertheless recognised in the said items. Income tax for the period is calculated using the tax rate in effect in each country on the balance sheet date.

Deferred tax liabilities and assets are recognised on the temporary differences between the carrying amount and tax base of assets and liabilities. No deferred tax liabilities have been calculated on goodwill to the extent that goodwill is not tax deductible. The main temporary differences arise from the differences between the carrying amounts and tax bases of property, plant and equipment, and investment properties (leases, depreciation difference, intra-group margins, and gains on the sale of assets), from measurement at fair value and from unutilised tax losses. No deferred tax liability is recognised for undistributed earnings of foreign subsidiaries if profit distribution is not probable in the foreseeable future. Deferred taxes are calculated with the tax rates in effect on the balance sheet date and, if the tax rates change, with the tax rates that have in practice been approved by the ending date of the reporting period.

The deferred tax liability is included in the consolidated balance sheet in its entirety, with the exception of the aforementioned undistributed earnings of subsidiaries, and any deferred tax asset to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The recognition prerequisites are assessed on each closing date of the reporting period.

Goodwill and other intangible assets

The goodwill arising from business combinations constitutes the difference between the consideration given measured at fair value and the identifiable net assets acquired, which are measured at fair value, at the time of acquisition. Goodwill is not amortised but is annually tested for impairment. Goodwill is allocated to the cash-generating units. The goodwill of associated companies and joint ventures is included in the acquisition cost of the investment.

Other intangible assets include, for example, software licences and copyrights. Other intangible assets are measured at cost and amortised over their estimated economic lives on a straight-line basis. SOK Corporation does not have such intangible assets, apart from goodwill, which have an indefinite economic life.

The depreciation periods of other intangible assets are:	Years
Software licence fees	3 to 5
Other intangible assets	3 to 10

Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment losses.

Straight-line depreciation is recorded on property, plant, and equipment in accordance with each item's economic life. Land areas are not depreciated.

The depreciation periods for property, plant, and equipment are:	Years
Buildings	15 to 35
Lightweight structures and equipment in buildings	5 to 15
Office and warehouse equipment	5 to 10
Warehouse, maintenance, and production machinery	5 to 10
Restaurant and hotel equipment	3 to 10
In-store equipment	3 to 7
Motor vehicles and servers	3 to 5
Renovations of premises	3 to 10

Depreciation on items of property, plant, and equipment is discontinued when the item is classified as held for sale. Gains from the sale or decommissioning of property, plant, and equipment are recognised in other operating income or expenses.

Impairment losses

The carrying amounts of asset items belonging to property, plant, and equipment are assessed annually to determine whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable monetary amount of the asset is determined. The recoverable amount is estimated annually on the following assets, regardless of whether there are indications of impairment or not: goodwill, intangible assets in progress, and intangible assets with an indefinite economic life. An impairment loss is recognised if the carrying amount of the asset or cash-generating unit is greater than its recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss on a cash-generating unit is first allocated as a reduction of the goodwill of the cash-generating unit and thereafter to reduce the carrying amounts of the unit's other assets on a proportionate basis.

The recoverable amount is determined as the higher of either fair value, less costs to sell or value in use. In determining value in use, estimated future cash flows are discounted to their present value based on discount interest rates reflecting the average cost of capital before tax on the cash-generating unit.

A previously recognised impairment loss is reversed if the assumptions used in estimating the recoverable amount change. An impairment loss is reversed to an amount not greater than the carrying amount of the asset (less depreciation or amortisation) would have been if an impairment loss had not been recorded in previous years. An impairment loss recognized for goodwill is not reversed. Impairment testing on goodwill is described in greater detail in Note 13. Impairment testing.

Leases

The lease agreements are entered in the balance sheet in compliance with IFRS 16 Leases, as a right-of-use asset and as a corresponding lease liability. The lower of the asset's fair value or the present value of future lease payments is recognised at the inception of the lease in property, plant, and equipment or in investment properties in the balance sheet (details of investment properties are given below) and the obligations under the lease are recognised in interest-bearing liabilities. Lease payments are split between interest expenses and a reduction in lease liabilities. The interest expense is recognised in the income statement during the lease period so as to produce an equal rate of interest on the remaining balance of the liability. Depreciation is recognised and any impairment losses are recognised on assets obtained by a lease. Items of property, plant, and equipment are depreciated according to the Corporation's depreciation periods, or if shorter, the lease term.

Lease agreements with a term of 12 months or less or lease agreements of low value are not entered in the balance sheet.

Investment property

Investment properties are properties that are in use in operations outside SOK Corporation's mainline operations and which the Corporation primarily holds in order to obtain rental income and/or an appreciation in the asset value. Investment properties are measured at cost less accumulated depreciation and any impairment losses in accordance with the same principles that are applied to real estate belonging to property, plant, and equipment. Properties classified as investment properties include both owned properties and properties where the operations have been sold but the lease agreement remains with the Corporation.

The fail value of investment properties is determined through both a market-value based valuation carried out by an external property valuer and self-valuation of the yield value of the property. Rental income from investment properties is recognised in net sales. Investment properties include four spa hotels acquired through leasing arrangements, whose business operations the Group has sold while keeping the lease agreement. The fair value of these items is not presented, as the Group

does not hold the information of Holiday Club's sales figures.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the FIFO method or the weighted average cost method and includes all the direct expenses incurred in acquiring materials and goods. In ordinary operations, the net realisable value is the estimated selling price less the estimated cost to complete the product and the necessary selling expenses.

Financial assets and liabilities

Financial assets are included in the following balance sheet items: non-current financial assets, trade receivables and other current non-interest-bearing receivables, current interest-bearing receivables, current investments and cash and cash equivalents.

Non-current financial assets consist of shares, capital loan receivables, other long-term loan receivables and long-term trade receivables. Trade receivables and other current non-interest-bearing receivables, which are included in financial assets, comprise trade receivables, derivative receivables, and accrued income in respect of financial items. Current interest-bearing receivables comprise money market investments and other short-term receivables. Cash and cash equivalents consist of cash in hand and very liquid receivables from credit institutions.

Financial liabilities are included in the following balance sheet items: non-current interest-bearing liabilities, non-current non-interest-bearing liabilities, current interest-bearing liabilities, current non-interest-bearing liabilities, and trade payables.

Non-current interest-bearing liabilities consist solely of lease liabilities. Non-current, non-interest-bearing liabilities, which are included in financial liabilities, comprise the regional cooperative enterprises' funds that have been invested in SOK Corporation's cash-counting service and non-current trade payables. Current interest-bearing liabilities consist of current lease liabilities and other current liabilities. Current non-interest-bearing liabilities, which are included in financial liabilities, comprise derivative liabilities as well as accruals and deferred income related to financial items.

SOK Corporation applies a settlement-date practice in recognising financial assets and liabilities in the balance sheet. Financial assets and liabilities that will not be later measured at fair value through profit and loss are initially measured at fair value plus the immediate acquisition costs.

Financial assets are classified at amortized cost, fair value through items of other comprehensive income or fair value to be measured later through profit and loss. Financial liabilities are classified at amortized cost by means of the effective interest method to be measured later or at fair value to the measured through profit and loss.

Derivative contracts to which hedge accounting is not applied as well as shares and participations are classified as financial assets or liabilities measured at fair value through profit and loss. Financial assets or liabilities recognised at fair value through profit and loss are measured at the market price of the closing date. The change in fair value is entered in the income statement in such a manner that the difference between the value on the balance sheet date of the financial instruments recognised at fair value in the income statement and the carrying value on the previous balance sheet is entered as the income or expense for the period. If the financial instrument recognised at fair value was acquired during the financial period, the difference between the value of the financial instrument on the balance sheet date and its acquisition cost is entered as the income or expense for the period. The fair value of publicly traded investments is defined on the basis of their market values. Investments that are not publicly quoted are measured at acquisition cost if their fair values cannot be reliably defined.

The changes in the fair value of derivative contracts have been recognised through profit or loss, with the exception of hedge accounting. Realised and non-realised gains and losses from derivative contracts made in order to hedge purchases and trade payables are recognised in purchases. Realised and non-realised gains and losses of other derivatives recognised at fair value through profit or loss are recognised in financial income and financial expenses, respectively.

Financial assets held in order to collect cash flows and sales gains based on agreement are classified as financial assets measured at fair value through items of other comprehensive income. In addition, the cash flows of the aforementioned agreements are only payments of interest on the capital and the remaining capital amount. The change in the fair value is recognised through other comprehensive income in the fair value reserve of equity.

When the financial instrument is sold, the cumulative change in fair value cumulated in equity, together with accrued interest and capital gains or losses, is recognised in the income statement as a change in classification. The financial statements do not include financial assets measured at fair value through other items of comprehensive income.

Financial assets that are held in order to collect cash flows based on agreement and the cash flows of which are only payments of interest on the capital and the remaining capital amount are classified as financial assets measured at amortized cost. The transaction costs of financial assets measured at amortized cost are included in the amortized cost calculated by means of the effective interest method and amortized through profit and loss over the exercise period of the receivable. After the original recognition, the agreements are meas-

ured at amortized cost by means of the effective interest method.

All financial liabilities, with the exception of derivative liabilities, are classified for measurement at amortized cost by means of the effective interest method. Items to be measured at amortized cost are entered on the balance sheet at their nominal value when the fair value of the balance sheet date equals the nominal value. If the debt capital received is less or more than the nominal value of the liability, the debt is measured at the amount that has been received for it. The amount recognised as expense or income for the financial period from the difference between the nominal value of the debt and cost of debt is amortised and recognised as an increase or decrease in the cost of debt. The difference between the nominal value and cost, or a fee or other expense that is associated with the debt and is included in the interest expense related to the debt, is amortised using the effective interest method as an expense for the term-to-maturity of the debt.

The fair value of a financial instrument is determined on the basis of prices quoted in active markets or by using measurement methods that are generally applied in the markets. The fair values of interest rate swaps has been determined by discounting future cash flows to the present by using the market rates of the balance sheet date. The fair values of currency forwards has been calculated by measuring the forward contracts at the forward rate of the balance sheet date. Financial assets and liabilities at fair value have been measured using average rates.

Impairment of financial assets

A deductible item concerning losses is recognised for expected credit losses on guarantee contracts and financial assets that are measured at amortized cost or at fair value through items of other comprehensive income. The recognition is performed through profit and loss for financial assets and guarantee contracts to be measured at amortized cost. A deductible item concerning losses from the financial assets to be measured at fair value through items of other comprehensive income is recognised in items of other comprehensive income without deducting the book value of the financial asset item.

If the credit risk related to the financial instrument has not considerably increased after the original recognition, the deductible item is calculated for 12 months, corresponding to the expected credit losses. The factors describing the credit loss risk of the remaining exercise period were used for calculating the deductible item of financial assets of less than 12 months' duration. If the credit risk related to the financial instrument in question has considerably increased after the original recognition, the deductible item to be recognised is an amount that corresponds to the expected credit losses for the entire agreement validity period. If it is observed on a reporting date to be reviewed later that the credit risk has no longer increased compared to the original situation, the deductible item will, going forward, be recognised for 12 months, corresponding to the expected credit losses.

Items denominated in foreign currency

The consolidated financial statements are presented in the euro, which is the functional and presentation currency of SOK Corporation's parent cooperative.

Transactions in foreign currency have been recognised in euros at the exchange rate on the date of the transaction. Foreign currency monetary items at the end of the financial year have been translated into euro at the exchange rate quoted by the European Central Bank on the closing day of the financial year and the exchange rate differences have been recognised through profit and loss. Non-monetary items have been translated at the rate on the date of the transaction.

Exchange rate differences arising from the valuation of trade receivables are recognised in revenue, and exchange rate differences arising from the valuation of trade payables are recognised in expenses above the operating profit. The exchange gains and losses of receivables belonging to other financial items in the balance sheet are recognised in financial income and, correspondingly, those belonging to other liabilities, in financial expenses.

The figures concerning the result and financial position of foreign Group companies have been originally given in the currency of each company's operating environment. The income statements of foreign subsidiaries are translated into euro at the average rate of the financial period, and the balance sheets at the exchange rate on the balance sheet date. An exchange rate difference arising from translating the income statement items and other comprehensive income items according to the average rate and translating balance sheet items according to the balance sheet date and, similarly, a translation difference due to exchange rate changes in the elimination of the subsidiaries' acquisition cost and in shareholders' equity, have been recognised as a separate item in other comprehensive income items. When a foreign subsidiary, associated company or joint venture is divested, the cumulated translation difference is recognised as part of capital gain or loss through profit and loss.

Exchange rate differences in loans granted to foreign subsidiaries have been treated as other comprehensive income items as far as their repayment is not probable in the foreseeable future.

Hedge accounting

The Group applies hedge accounting according to IFRS to some of the currency derivatives used for hedging Group goods purchases. In these, only the exchange rate risk is being hedged. The hedge accounting model used is cash flow hedging.

The Corporation has derivative contracts outside of hedge accounting which, according to the Corporation's financial policy, are effective economic hedging instruments but to which hedge accounting in accordance with the IFRS 9 standard is not applied.

Cooperative interest and dividends payable

Cooperative capital interest and dividends paid by SOK Corporation are recognised as a decrease in equity in the period during which the owners approved the cooperative capital interest or dividend for payment.

Cooperative capital

Cooperative capital consists of the combined amount of the cooperative enterprises' share payments to SOK Corporation. The number of each cooperative enterprise's shares is determined based on the number of members and annual purchases in the said cooperative enterprise.

Provisions

A provision is recognised when SOK Corporation has a legal or constructive obligation as the result of a past event, when it is probable that a payment obligation will be realised, and the amount of the obligation can be reliably estimated. Compensation that can be obtained from a third party in connection with the obligation is recognised in the balance sheet as a receivable when it is certain in practice. The amounts of provisions are estimated on every balance sheet date and are adjusted to correspond to the best estimate on the reporting date.

Provisions can be set up for underutilised premises, warranty provisions, and restructuring of operations, for example.

Assets held for sale and discontinued operations

An asset that is part of a plan of sale or a disposal group is classified as an asset held for sale when the recoverable amount primarily comes from the sale of the asset and not from its continuous use. An asset or group of assets classified as held for sale is measured at the lower of its carrying amount or fair value less estimated selling costs and depreciation of these assets will be discontinued. Assets held for sale and the associated liabilities are presented in the balance sheet separately from assets and liabilities connected with continuing operations from the date on which they have been classified as held for sale. Information for the year of comparison is not reclassified.

A discontinued operation is a separate, significant function that has been disposed of (or has been permanently removed from use) or is classified as held for sale. The profit or loss from discontinued operations is presented in the income statement on a separate line after the result from continuing operations. The income statement information for the year of comparison is adjusted accordingly.

Amendments to standards and interpretations published by IASB taking effect later

The preliminary assessment is that the standards and interpretations published by IASB taking effect later are not relevant for the Group.

1. Segment information

For reporting to top management, SOK Corporation's operations are divided into five business segments. The segments are based on business areas.

SOK Corporation's segments to be reported are

Supermarket trade

SOK Corporation carries on supermarket trade in Estonia and Russia via its subsidiaries. AS Prisma Peremarket has eight Prismas in Tallinn, one in Narva and two in Tartu. OOO Prisma has sixteen Prismas in St. Petersburg.

Tourism and hospitality business

SOK Corporation's tourism and hospitality business is carried on by Sokotel Oy in Finland, AS Sokotel in Estonia and OOO Sokotel in Russia. SOK Corporation's hotels operate under the brands Sokos Hotels and Radisson Blu Hotels. In Finland, Sokotel Oy operates 10 Sokos hotels and 7 Radisson Blu hotels. Visitors to Tallinn are warmly received at the Original Sokos Hotel Viru with its wide choice of restaurants. OOO Sokotel has three Sokos Hotel chain hotels in St. Petersburg, one of which is a spa hotel.

Real estate business

SOK real estate division's main responsibility is ensuring revenue and value development of SOK Corporation's real estate portfolio. The revenue of the real estate segment consists of rental income and service charges from SOK Corporation's business functions and from other tenants.

Procurement and Services Business

Inex Partners Oy offers logistics services for grocery, consumer goods and speciality goods supplied to the retail chains. Meira Nova Oy provides purchasing and logistics services for groceries supplied to locations in the HoReCa sector.

The aim of the service functions provided by SOK Corporation is to develop operational models and processes that generate the maximum added value for the S Group's businesses. The service units develop and maintain business models that increase the competitiveness of the entire S Group, and produce cost-effective services for the S Group. The joint service functions cover all the S Group's service functions that can be organised centrally to yield cost savings and/or a qualitative improvement in operations.

Banking

S-Bank Plc. main purpose is to provide competitive basic banking services for the S-Group's customer-owners. The supermarket bank will strengthen customer loyalty whilst achieving savings in operating costs. SOK Corporation's share of the consolidated result of the S-Bank Plc. is reported as banking operations.

Segment reporting principles within SOK Corporation and reconciliation with the IFRS financial statements

The items to be included in the reporting to SOK Corporation's top management are revenue, operating result, operational result, investments, divestments and working capital. Management reporting is based on Finnish accounting legislation and on the principles of management accounting. Each segment is reported with intra-segment items eliminated. For example, revenue from the Procurement and services business has been stated eliminating the revenue between the companies in the Procurement and services business segment. Revenue in management reporting is reconciled with the IFRS revenue for continuing operations in the accounts. Financial accounting revenue for both continuing and discontinued operations is external revenue from which all of SOK Corporation's internal items have been eliminated. The differences between management reporting and financial accounting revenue are not material.

In calculating the operating result, valuations in accordance with Finnish accounting legislation are used. The income and expenses according to the matching principle are allocated to the segment. Reconciliation of the operating result with the result before taxes from continuing operations in compliance with IFRS shows those items which fall outside the operational result. These are, among others, financial income and expenses, gains and losses on the sale of property, plant and equipment as well as non-recurring costs from discontinuing operations..

In SOK Corporation's management reporting, assets are not allocated or reported on.

Segment information 31.12.2021

2021 EUR million	Supermarket trade	Travel industry and hospitality business	Procurement and services business	Real estate business	Internal Banking	Internal eliminations and other	Management reporting, total
Revenue	282.4	123.7	7,425.5	72.0		-106.9	7,796.6
Group internal sales to other segments	0.0	0.1	113.2	17.1		3.4	133.8
Operating result	-2.3	-50.9	14.0	16.4	9.8	-0.6	-13.6
Depreciation	-5.0	-10.3	-15.4	-12.8		-1.0	-44.4
Investments	9.2	9.4	88.5	19.6		0.1	126.8
Divestments	0.1	0.0	3.8				3.9
Reconciliation of the revenue							
Management reporting revenue to be reported				7,796.6			
Eliminations				0.0			
Revenue IFRS				7,796.6			
Reconciliation of the result							
Operating result of the segments to be reported				-13.6			
Items excluded from the operating result within SOK Corporation:							
Financial income and expenses (FAS)				3.6			
Gains and losses on the sale of property, plant and equipment				-0.4			
Other operating income and expenses				2.8			
Changes in provisions				0.4			
Valuation gains and losses on derivatives				0.5			
Impairment losses on tangible and intangible assets				-0.4			
IFRS adjustments				-4.8			
Profit before taxes for the period IFRS				-12.1			
Additional data at SOK Corporation level, external income							
Sales to S-Group				7,018.4			
Other sales in Finland				469.1			
Foreign				309.0			
Revenue, total				7,796.6			
Supermarket Trade				282.4			
Tourism and Hospitality Business				123.7			
Procurement and services Business				7,318.6			
Real estate business				72.0			
Revenue, total				7,796.6			
Additional information at SOK Corporation level, fixed assets							
Finland				1475.7			
Foreign				47.0			
Fixed assets, total				1522.7			

Segment information 31.12.2020

2020 EUR million	Supermarket trade	Travel industry and hospitality business	Procurement and services business	Real estate business	Internal Banking	Internal eliminations and other	Management reporting, total
Revenue	269.1	102.7	7,334.9	68.1		-174.4	7,600.4
Group internal sales to other segments	0.0	0.1	105.0	15.7		2.6	123.3
Operating result	-3.8	-61.2	15.3	14.0	5.9	-1.6	-31.5
Depreciation	-4.9	-10.0	-17.6	-12.1		-1.2	-45.7
Investments	6.0	16.3	15.3	46.6		9.4	93.6
Divestments	0.0	0.0	1.9				1.9

Reconciliation of the revenue	
Management reporting revenue to be reported	7,600.4
Eliminations	0.0
Revenue IFRS	7,600.4
Reconciliation of the result	
Operating result of the segments to be reported	-31.5
Items excluded from the operating result within SOK Corporation:	
Financial income and expenses (FAS)	2.7
Gains and losses on the sale of property, plant and equipment	0.5
Other operating income and expenses	-0.5
Changes in provisions	-0.8
Valuation gains and losses on derivatives	-0.9
Impairment losses on tangible and intangible assets	-0.1
IFRS adjustments	-5.7
Profit before taxes for the period IFRS	-36.5
Additional data at SOK Corporation level, external income	
Sales to S-Group	6,867.9
Other sales in Finland	442.2
Foreign	290.3
Revenue, total	7,600.4
Supermarket Trade	269.1
Tourism and Hospitality Business	102.7
Procurement and services Business	7,160.5
Real estate business	68.1
Revenue, total	7,600.4
Additional information at SOK Corporation level, fixed assets	
Finland	1602.9
Foreign	52.0
Fixed assets, total	1655.0

2. Other operating income

EUR million	2021	2020
Gains on sale of property, plant and equipment	0.8	1.1
Other income	3.2	1.2
Total	**4.1**	**2.3**

3. Employee benefit expenses

EUR million	2021	2020
Salaries and remuneration	229.4	225.1
Pension expenses, defined contribution plan	41.5	34.5
Other personnel expenses	11.2	10.9
Total	**282.1**	**270.4**

Average number of personnel by segment	2021	2020
Supermarket trade	1,549	1,456
Tourism and hospitality business	901	951
Procurement and services business	3,630	3,381
Total	**6,080**	**5,788**

The average number of personnel by segment has been calculated as the average number of personnel at the end of each quarter including both continuing and discontinued operations.

4. Depreciation and impairment

EUR million	2021	2020
Depreciation		
Property, plant and equipment	147.6	150.9
Buildings and structures	14.0	13.1
Machinery and equipment	0.3	0.3
Other property, plant and equipment		
Intangible assets	17.1	11.9
Other intangible assets	1.5	1.9
Investment properties	**180.5**	**178.1**
Total		
Impairment		
Property, plant and equipment		
Land and water areas		
Buildings and structures		0.0
Machinery and equipment	0.3	0.1
Other tangible assets	0.1	0.0
Intangible assets		
Other intangible assets	0.0	0.0
Investment properties		
Total	**0.4**	**0.1**
Depreciation and impairment, total	**181.0**	**178.2**

5. Other operating expenses

EUR million	2021	2020
Rental expenses	8.9	15.5
Marketing expenses	5.8	6.7
Administrative expenses	29.9	16.5
Equipment and supplies	169.0	166.8
Property maintenance expenses	39.2	36.9
Other business expenses	17.3	19.1
Total	**270.2**	**261.5**

6. Auditor's fees

EUR million	2021	2020
Audit fees	0.3	0.4
Tax consulting		0.0
Other services	0.0	0.2
Total	**0.4**	**0.5**

7. Financial income and expenses

EUR million	2021	2020
Financial income		
Interest income from loans and receivables	1.1	2.7
Dividend income from available-for-sale investments	1.2	0.1
Gains on derivatives held for trading	0.1	0.0
Other financial income	0.7	0.1
Total	**3.1**	**3.0**
Financial expenses		
Interest expenses on lease liability	35.4	37.6
Interest expenses on financial liabilities measured at amortised cost	1.4	0.8
Expenses on derivatives held for trading		0.0
Other financial expenses	0.0	1.6
Total	**36.8**	**40.0**
Financial income and expenses, total	**-33.7**	**-37.0**

8. Financial instrument items recognised in the income statement

EUR million	2021	2020
In other operating income		
Capital gain on shares and participations	0.1	0.2
In purchases of materials and services		
Net exchange differences on trade payables	0.1	0.2
Net expense on derivatives held for hedging purposes and subject to hedge accounting	0.5	-2.5
In financial income and expenses		
Net profit from shares and participations	1.2	0.0
Interest income on receivables, cash and liquid assets	1.1	2.7
Net exchange differences on receivables, cash and liquid assets	0.7	-1.2
Net income from derivatives held for hedging purposes	0.1	-0.1
Interest expenses on other financial liabilities	-36.5	-38.4
Net exchange differences on other financial liabilities	0.0	0.0
Net expenses total	**-32.7**	**-39.2**

Summary in IFRS 9 categories	2021	2020
Financial assets at amortized cost	1.8	1.4
Financial assets and liabilities at fair value through profit or loss	0.7	-2.2
Financial liabilities valued at amortized cost	-36.4	-38.2
Derivative contracts subject to hedge accounting measured at fair value through profit or loss	1.3	-0.2
Net expenses total	**-32.7**	**-39.2**

Net expenses from derivatives held for trading, which has been recognised in purchases of materials and services, consists of derivatives that have been taken out to hedge purchases but to which hedge accounting has not been applied.

The expenses for liabilites measured at amortised cost also include guarantee commission expenses.

9. Income taxes

EUR million	2021	2020
Current tax	0.0	1.4
Taxes for previous financial years	-8.8	-0.1
Changes in deferred taxes	2.2	5.0
Total	**-6.6**	**6.2**

Reconciliation statement between tax expense in the income statement and taxes calculated at the valid Corporation's tax rate in Finland:

EUR million	2021	2020
Profit before taxes	-12.1	-36.5
Taxes at parent company's tax rate	2.4	6.1
Effect of tax-free income	0.4	0.4
Effect of non-deductible expenses	-1.6	-1.2
Share of results of associated companies and joint ventures net of tax	2.8	2.4
Deferred tax assets not booked on losses	-3.9	-1.1
Taxes for previous financial years	-8.8	-0.1
Changes in deferred taxes	2.2	0.0
Other items	0.0	-0.1
Taxes in the income statement	**-6.6**	**6.2**

Taxes related to other comprehensive income items

2021

EUR million	Before tax	Tax effect	After tax
Cashflow hedges	2.2	-0.3	1.9
Total	2.2	-0.3	1.9

2020

EUR million	Before tax	Tax effect	After tax
Cashflow hedges	-1.0	0.2	-0.8
Total	-1.0	0.2	-0.8

10. Property, plant and equipment

31.12.2021 EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress and advance payments	Total
Acquisition cost						
Acquisition cost, 1 Jan	23.1	1,924.3	168.3	6.5	11.0	2,133.1
Translation differences	0.0	2.5	1.8		0.0	4.3
Increases	2.2	31.1	17.5	0.0	42.2	93.0
Decreases		-23.2	-4.4			-27.6
Transfers between items	2.2	19.7	16.0		-18.3	19.6
Acquisition cost, 31 Dec	**27.5**	**1,954.4**	**199.2**	**6.5**	**34.8**	**2,222.5**
Accumulated depreciation						
Accumulated depreciation, 1 Jan	-0.2	-504.9	-125.3	-2.3		-632.6
Translation differences		-1.1	-1.4			-2.5
Accumulated depreciation on deducted and transferred items		1.5	3.8			5.4
Depreciation for the period		-161.0	-27.7	-0.3		-189.1
Impairment losses		-0.2	-0.1			-0.3
Accumulated depreciation, 31 Dec	**-0.2**	**-665.7**	**-150.6**	**-2.6**	**0.0**	**-819.0**
Carrying amount, 1 Jan 2021	**22.9**	**1,419.4**	**43.0**	**4.2**	**11.0**	**1,500.5**
Carrying amount, 31 Dec 2021	**27.4**	**1,288.7**	**48.6**	**3.9**	**34.8**	**1,403.4**

Assets under a finance lease are included in the cost of property, plant and equipment as follows:

31.12.2021 EUR million	Buildings and structures	Machinery and equipment	Total
Acquisition cost 1.1.	1,546.0	26.4	**1,572.4**
Increases	30.1	11.8	**41.9**
Decreases	-103.7	0.0	**-103.7**
Depreciation for the period	-134.2	-4.7	**-138.9**
Accumulated depreciation 31.12.	-256.6	-7.4	**-264.0**
Carrying amount 31.12.	**1,081.5**	**26.1**	**1,107.6**

31.12.2020 EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress and advance payments	Total
Acquisition cost						
Acquisition cost, 1 Jan	8.8	1,619.4	156.5	6.4	15.5	1,806.6
Translation differences	0.0	-10.2	-6.5		-0.1	-16.8
Increases	14.3	278.2	13.5	0.0	49.7	355.7
Decreases	0.0	-1.2	-6.1	0.0		-7.4
Transfers between items		38.1	11.0	0.0	-54.1	-5.0
Acquisition cost, 31 Dec	**23.1**	**1,924.3**	**168.3**	**6.5**	**11.0**	**2,133.1**
Accumulated depreciation						
Accumulated depreciation, 1 Jan	-0.2	-359.5	-106.2	-2.0		-467.9
Translation differences		4.1	5.6			9.7
Accumulated depreciation on deducted and transferred items	0.0	1.3	6.1	0.0		7.4
Depreciation for the period		-150.6	-30.8	-0.3		-181.7
Impairment losses	0.0	-0.1	0.1	0.0		0.0
Accumulated depreciation, 31 Dec	**-0.2**	**-504.9**	**-125.3**	**-2.3**	**0.0**	**-632.6**
Carrying amount, 1 Jan 2020	**8.6**	**1,259.8**	**50.3**	**4.5**	**15.5**	**1,338.6**
Carrying amount, 31 Dec 2020	**22.9**	**1,419.4**	**43.0**	**4.2**	**11.0**	**1,500.5**

Assets under a finance lease are included in the cost of property, plant and equipment as follows:

31.12.2020 EUR million	Buildings and structures	Machinery and equipment	Total
Acquisition cost	1,206.7	16.2	**1,222.9**
Increases	339.3	10.2	**349.5**
Depreciation for the period	-131.5	-5.9	**-137.4**
Accumulated depreciation	-125.1	-1.5	**-126.6**
Carrying amount	**1,289.4**	**19.0**	**1,308.4**

11. Investment properties

EUR million	2021	2020
Acquisition cost, 1 Jan	98.8	87.8
Increases	0.6	0.2
Decreases		
Transfers between items	-8.8	10.8
Acquisition cost, 31 Dec	**90.6**	**98.8**
Accumulated depreciation, 1 Jan.	-66.8	-65.0
Accumulated depreciation on deducted and transferred items	5.3	
Depreciation for the period	-1.9	-1.9
Accumulated depreciation, 31 Dec	**-63.5**	**-66.8**
Carrying amount, 1 Jan	**32.0**	**22.8**
Carrying amount, 31 Dec	**27.1**	**32.0**
Fair value[1)]	**87.7**	**89.8**

Investment properties are classified onto level 3 in fair value hierarchy. Assets and liabilities that are included on hierarchy level 3 have their fair value based on input data which is not based on observable market data.

Fair values of investment properties are based on either assessments made by external specialists or on companys own assessments. The values of self assessed investment properties are based on market value which is determined based on realised sales transactions before the assessment date and the existing market situation. Fair value has been assessed semiannually for financial reporting.

[1)] Investment properties include four spa hotels acquired through financing leases where the operations have been sold but the lease agreement remains with the Corporation. The fair value of these properties cannot be reliably determined since Holiday Club's lease agreements and sales information are not available to Group. The carrying values of the properties amounted to a total of EUR 0.9 million in SOK Group's balance sheet (EUR 0.9 million on 31 December 2020). The fair value of these properties is not included in the above presented fair value.

12. Intangible assets

31.12.2021 EUR million	Goodwill	Other intangible rights	Construction in progress and advance payments	Total
Acquisition cost				
Acquisition cost, 1 Jan	11.5	193.6	23.0	228.1
Translation differences		0.2		0.2
Increases		-0.3	15.9	15.6
Decreases	-1.7	-0.4		-2.1
Transfers between items		-6.9	-8.0	-14.9
Acquisition cost, 31 Dec	**9.8**	**186.2**	**30.9**	**226.9**
Accumulated amortisation				
Accumulated amortisation and impairment, 1 Jan	-1.6	-126.9		-128.5
Translation differences		-0.2		-0.2
Accumulated depreciation on deducted and transferred items		0.4		0.4
Depreciation for the period		-1.8		-1.8
Impairment losses		0.0		0.0
Accumulated amortisation, 31 Dec	**-1.6**	**-128.5**	**0.0**	**-130.1**
Carrying amount, 1 Jan 2021	**9.9**	**66.6**	**23.0**	**99.6**
Carrying amount, 31 Dec 2021	**8.2**	**57.7**	**30.9**	**96.8**

31.12.2020 EUR million	Goodwill	Other intangible rights	Construction in progress and advance payments	Total
Acquisition cost				
Acquisition cost, 1 Jan	11.5	148.2	62.1	221.8
Effect of IFRS 16		-0.7		-0.7
Translation differences		1.2	16.9	18.2
Increases		-5.3		-5.3
Transfers between items		50.2	-56.0	-5.8
Acquisition cost, 31 Dec	**11.5**	**193.6**	**23.0**	**228.1**
Accumulated amortisation				
Accumulated amortisation and impairment, 1 Jan	-1.6	-117.3		-118.9
Translation differences		0.6		0.6
Accumulated depreciation on deducted and transferred items		1.7		1.7
Depreciation for the period		-11.9		-11.9
Accumulated amortisation, 31 Dec	**-1.6**	**-126.9**	**0.0**	**-128.5**
Carrying amount, 1 Jan 2020	**9.9**	**30.9**	**62.1**	**102.9**
Carrying amount, 31 Dec 2020	**9.9**	**66.6**	**23.0**	**99.6**

13. Impairment testing of goodwill

Goodwill has been allocated to SOK Corporation's cash-generating units or to groups of cash-generating units as follows:

EUR million	2021	Discount rate, % 2021	2020	Discount rate, % 2020
Sokos Hotels chain	7.4	6.9	7.4	6.9
S-Herkkukeittiö			1.7	
LB Kiel Tampere Ab/Kiinteistö Oy Hotelli Tammer	0.8		0.8	
Total	**8.2**		**9.9**	

Apart from goodwill, SOK Corporation does not have other intangible assets with an indefinite economic life.

SOK Corporation's cash-generating units are defined for the level below the business segment. As a rule, a cash-generating unit

is a legal company. For the Travel industry and hospitality business, goodwill is monitored and tested at the chain level.

Impairment losses

In the 2020–2021 financial statements no impairment losses of goodwill were recognised.

Testing and sensitivity analysis

In impairment testing, the recoverable amount for the business is based on value-in-use calculations. Value in use has been calculated on the basis of estimated discounted cash flows. The projected cash flows are based on financial plans which have been approved by management and cover a five-year-period. The cash flows after this period have been extrapolated using a 2% growth rate which, according to the estimate, does not exceed the long-term actual growth rate of the business areas. The discount rate applied is the weighted average cost of capital (WACC) that is determined by sector and by country, taking into account the special risks associated with the unit. The required return is based on the average capital structure for the sector and a sector-specific beta.

The main variables in impairment testing are the discount rate, the EBITDA margin (%) as well as the growth rate after the five-year forecasting period. In assessing the goodwill of the Sokos Hotels chain, a possible foreseeable change in any of the key variables does not lead to a situation that would result in the need to recognise an impairment loss.

14. Shares in associated companies and joint ventures

EUR million	2021	2020
Carrying amount, 1 Jan	211.7	205.0
Share of result for the period	14.0	11.8
Dividends received	-0.1	-3.0
Increases/decreases	62.2	-2.2
Carrying amount, 31 Dec	**287.8**	**211.7**

Most significant associated companies

Among the associated companies engaging in business operations within SOK Corporation, the most significant is S-Bank Plc., which operates in the banking sector and belongs to S Group. S-Bank provides the members of the cooperative enterprises with services in daily banking, and its product range consists of current accounts and savings accounts, funds and asset management services, consumer credits and secured loans, international credit or debit cards as well as an online bank and a mobile bank.

SOK and the regional cooperatives have bought Lähi-Tapiola's 25 per cent share of S-Bank. S-Bank remains as SOK Corporation's associated company with a share of under 50%.

Financial information summary of the essential associated companies

	S-Bank Plc	
EUR million	**2021**	**2020**
Current assets	2,114.8	1,854.7
Non-current assets, total	6,386.1	5,770.6
Current liabilities	7,697.1	7,127.0
Non-current liabilities	294.5	9.7
Revenue [1)]	90.3	89.3
Result for the financial year	19.6	15.7
Other comprehensive income for the financial year	-0.2	0.0
Reconciliation of the associated company's financial information with the balance sheet value recognised by the Group		
Net assets of the associated company	509.3	488.6
Group ownership, %	50,%	38 %
Group's share of the net assets	254.7	183.2
Other adjustments	8.4	6.4
Associated company's balance sheet value in the consolidated balance sheet	**263.1**	**189.6**

Other associated companies

2021 EUR million	**Assets**	**Liabilities**	**Revenue**	**Result**	**Share holding %**
Coop Trading A/S	10.1	2.5	14.4	0.4	25.0 %
Others	4.8	0.1	1.0	0.0	

2020 EUR million	**Assets**	**Liabilities**	**Revenue**	**Result**	**Share holding %**
Coop Trading A/S	11.0	3.7	15.3	0.5	25.0 %
Others	4.8	0.1	0.5	0.0	

[1)] S-Bank Plc's net interest income has been presented as revenue.

Most significant joint ventures

North European Oil Trade Oy (NEOT) is a fuel procurement company jointly owned by SOK Corporation and St1 Nordic Oy. NEOT's task is to procure and deliver fuel to its owners at an as competitive a price as possible.

Financial information summary of the essential associated companies

	North European Oil Trade Oy	
EUR million	**2021**	**2020**
Current assets	1,005.8	787.5
Cash and cash equivalents included in current assets	71.3	72.9
Non-current assets, total	3.5	3.1
Current liabilities	986.0	769.1
Financial liabilities included in current liabilities	391.5	428.6
Non-current liabilities, total	0.0	0.1
Revenue	5,303.9	3,956.5
Reconciliation of the joint ventures financial information with the balance sheet value recognised by the Group		
Net assets of the joint venture	23.3	21.4
Group ownership, %	51 %	51 %
Group's share of the net assets	11.8	10.9
Other adjustments	5.1	4.2
Joint ventures balance sheet value in the consolidated balance sheet	16.9	15.1

Other joint ventures

2021 **EUR million**	**Assets**	**Liabilities**	**Revenue**	**Result**	**Share holding %**
Kauppakeskus Mylly Oy	138.1	107.3	18.6	4.5	50.0 %

2020 **EUR million**	**Assets**	**Liabilities**	**Revenue**	**Result**	**Share holding %**
Kauppakeskus Mylly Oy	133.5	107.9	18.5	5.6	50.0 %

SOK Corporation owns 50.8 per cent of North European Oil Trade Oy. SOK Corporation executes shared controlling interest in the company with ST1, based on the shareholder agreement, so the company is treated as a joint venture.

All associated companies and joint ventures of the SOK Corporation are unlisted.

S-Bank and Kauppakeskus Mylly were consolidated as Groups.

15. Non-current financial assets

Available-for-sale financial assets EUR million	2021	2020
Shares and participations		
Carrying amount, 1 Jan	39.4	39.8
Increases	1.4	0.0
Decreases	-0.7	-0.4
Carrying amount, 31 Dec	**40.1**	**39.4**

Shares and participations include shares in unlisted companies. Unlisted shares are stated at cost if their fair values cannot be obtained reliably.

Loans and receivables EUR million	2021	2020
Capital loan receivables from others	0.6	0.6
Other non-current receivables	2.5	2.4
Loans and other receivables total	**3.1**	**3.0**
Non-current financial assets, total	**43.2**	**42.4**

16. Deferred taxes

Changes in deferred taxes in 2021 Deferred tax assets EUR million	1 Jan 2021	Recognised in the income statement	Items recognised in the statement of comprehensive income	Foreign exchange differences	31 Dec 2021
Confirmed losses	8.2	-0.3			7.9
Provisions and impairment losses	1.5	-0.2			1.3
Internal margin on inventories and property, plant and equipment	1.9	0.0			1.9
Finance lease liabilities	16.3	2.1			18.4
Other items	1.4	0.2		-0.3	1.3
Total	**29.4**	**1.8**	**0.0**	**-0.3**	**30.9**

Deferred tax liabilities EUR million					
Cumulative depreciation difference	3.0	-0.9			2.1
Business combinations	0.8				0.8
Fair value reserve	-0.3	0.3			0.1
Retained earnings of Estonian companies	4.6	-0.6			4.0
Other items	0.0			0.0	0.0
Total	**8.1**	**-1.2**	**0.0**	**0.0**	**6.9**

Changes in deferred taxes in 2020 Deferred tax assets EUR million	1 Jan 2020	Recognised in the income statement	Items recognised in the statement of comprehensive income	Foreign exchange differences	31 Dec 2020
Confirmed losses	4.6	3.7			8.2
Provisions and impairment losses	1.4	0.1			1.5
Internal margin on inventories and property, plant and equipment	1.9	0.0			1.9
Finance lease liabilities	17.6	-1.3			16.3
Other items	1.3	-0.1		0.2	1.4
Total	**26.8**	**2.4**	**0.0**	**0.2**	**29.4**
Deferred tax liabilities **EUR million**					
Cumulative depreciation difference	3.4	-0.4			3.0
Business combinations	0.8				0.8
Fair value reserve	0.0	-0.2			-0.3
Retained earnings of Estonian companies	5.8	-1.2			4.6
Other items				0.0	0.0
Total	**10.0**	**-1.8**	**0.0**	**0.0**	**8.1**

The Group had EUR 60.4 million (EUR 36.9 million on 31 December 2020) of confirmed losses, for which no deferred tax assets have been recognised, since it is not likely that the Group will accrue taxable income against which the losses could be utilised before the losses expire.

With regard to confirmed losses for which deferred tax assets have been recognised, the group has sufficient tax planning measures in place for using the losses.

17. Inventories

EUR million	2021	2020
Raw materials and consumables	1.5	1.3
Supplies	203.4	206.1
Other inventories	5.3	2.4
Total	**210.2**	**209.8**

18. Trade receivables and other current non-interest-bearing receivables

EUR million	2021	2020
Trade receivables	560.7	535.0
Non-interest-bearing loan and other receivables	57.3	61.2
Derivative assets	1.6	0.1
Prepayments and accrued income in financial items	0.3	0.0
Other prepayments and accrued income	26.1	25.3
Trade receivables and other current non-interest-bearing receivables, total	**646.0**	**621.6**

Material items included in other prepayments and accrued income.

Personnel expenses	0.3	0.5
Purchase related	20.8	19.0
Others	5.0	5.9
Other prepayments and accrued income, total	**26.1**	**25.3**

19. Current interest-bearing receivables

EUR million	2021	2020
Money market investments	0.0	37.3
Current interest-bearing receivables, total	**0.0**	**37.3**

20. Cash and cash equivalents

EUR million	2021	2020
Cash on hand and deposits	84.8	131.4

21. Equity

EUR million	2021	2020
Cooperative capital, 1 Jan	172.0	172.0
Cooperative capital, 31 Dec	**172.0**	**172.0**

Cooperative capital consists of the cooperative contributions paid to Suomen Osuuskauppojen Keskusosuuskunta (SOK) for participations in the cooperative enterprises. The number of participations in a cooperative enterprise is determined on the basis of the number of the members and annual purchases of the cooperative enterprises.

Restricted reserves

Fair value reserve

The fair value reserve includes changes in the fair values of derivative instruments used to hedge available-for-sale investments and cash flow as well as a share of change in S-Bank's fair value reserve. Value of the reserve is EUR -1.2 million (EUR -3.0 million on 31 Dec 2020). The share of S-Bank's fair value reserve is EUR -2.1 million (EUR -2.0 million on 31 December 2020).

Reserve fund

The reserve fund comprises the portion of non-restricted equity that can be transferred under the cooperative's statutes. Value of the fund is EUR 18.5 million (EUR 18.5 million on 31 Dec 2020).

Supervisory Board's Disposal fund

The Supervisory Board decides on the use of its disposal fund. Value of the fund is EUR 0.0 million (EUR 0.1 million on 31 Dec 2020).

Non-restricted reserves

Invested non-restricted equity reserve

According to new co-operative rules of Suomen Osuuskauppojen Keskusosuuskunta the increases of cooperative capital paid by cooperative enterprises are booked into invested non-restricted equity reserve. Value of the reserve is EUR 36.4 million (EUR 32.9 million on 31 Dec 2020).

22. Interest-bearing liabilities

Non-current interest-bearing liabilities EUR million	2021	2020
Finance lease liabilities	1,073.4	1,191.2
Non-current interest-bearing liabilities, total	**1,073.4**	**1,191.2**

Current interest-bearing liabilities EUR million	2021	2020
Finance lease liabilities	128.2	122.6
Other current interest-bearing liabilities	21.5	15.0
Current interest-bearing liabilities, total	**149.8**	**137.6**

Finance lease liabilities EUR million	2021	2020
Finance lease liabilities – present value of minimum lease payments		
In one year	128.2	122.6
Over one year	1,073.4	1,191.2
Present value of minimum lease payments, total	**1,201.6**	**1,313.8**

EUR million	2021	2020
Interest on lease liabilities	35.2	37.5
Short term and low value leases		
Amount of short-term leases	0.6	0.6
Amount of long-term leases	0.3	0.2
	0.9	**0.7**

The lease period shown in the agreement is shown for accounting; the options for continuation are not taken into account unless a binding decision has been made regarding them. The basic principle is that exercising the option for continuing the lease cannot be considered likely before the Board of Directors has approved business operations' proposal to continue. The options for continuation will therefore be taken into account when a binding decision regarding them has been made by the Board of Directors or another decision-making body. The agreements on logistics centres and terminals do not include separate options; instead, the use and terms and conditions of any continuation agreements will be separately agreed.

	2021	2020
Income from subleasing right-of-use assets	**48.6**	**51.5**

Finance leases mainly consist of real estate leases.

23. Non-interest-bearing liabilities

EUR million	2021	2020
Non-current non-interest-bearing liabilities	31.3	34.9
Non-current non-interest-bearing liabilities, total	**31.3**	**34.9**
Trade payables, total	**767.6**	**747.8**
Advances received	14.8	21.2
Current liabilities	40.7	24.7
Derivative financial instruments	0.0	1.9
Accruals and deferred income	142.9	128.8
Current non-interest bearing liabilities, total	**198.4**	**176.6**
Material items included in current accruals and deferred income		
Personnel expenses	67.6	62.2
Financing items	0.1	0.2
Accruals of S-publications	22.4	29.3
Others	52.8	37.1
Current accruals and deferred income, total	**142.9**	**128.8**

24. Provisions

EUR million	Unprofitable lease agreements	Maintenance provisions of leased facilities	Other provisions	Total
Provisions, 1 Jan 2021	6.3	0.4	1.0	7.6
Increases in provisions				0.0
Provisions used	-0.3	-0.4	-0.4	-1.0
Provisions, 31 Dec 2021	**6.0**	**0.0**	**0.6**	**6.6**

Breakdown of provisions	
Non-current	5.9
Current	0.7

EUR million	Unprofitable lease agreements	Maintenance provisions of leased facilities	Other provisions	Total
Provisions, 1 Jan 2020	6.5	0.4	0.1	7.0
Increases in provisions			1.0	1.0
Provisions used	-0.2	-0.1	-0.1	-0.3
Provisions, 31 Dec 2020	**6.3**	**0.4**	**1.0**	**7.6**

Breakdown of provisions	
Non-current	6.8
Current	0.8

25. Operating leases

Group as lessor
Minimum lease payments on non-cancellable operating leases:

EUR million	2021	2020
In one year	8.6	8.4
In one to five years	27.1	27.0
Over five years	12.9	16.1
Total	**48.6**	**51.5**

26. Fair values of financial assets and liabilities

FINANCIAL ASSETS	2021				2020			
		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	2.6		2.6	2.6	3.3		3.3	3.3
Trade receivables and other current non-interest-bearing receivables								
Derivative assets	0.5	0.5		0.5	0.0	0.0		0.0
Hedge accounting derivatives								
Trade receivables and other current non-interest-bearing receivables								
Derivative assets	1.1	1.1		1.1	0.0	0.0		0.0
Financial assets to be measured at amortised cost								
Non-current loan and other receivables	3.0	3.0		3.0	3.0	3.0		3.0
Trade receivables and other current non-interest-bearing receivables								
Trade receivables	562.5	562.5		562.5	537.1	537.1		537.1
Non-interest-bearing loan and other receivables	51.2	51.2		51.2	54.4	54.4		54.4
Prepayments and accrued income in financial items	0.3	0.3		0.3	0.0	0.0		0.0
Current interest-bearing receivables								
Loan receivables and other receivables	0.0	0.0		0.0	35.4	35.5		35.5
Cash and liquid assets	84.8	84.6		84.6	133.3	133.3		133.3
Financial assets, total	**705.9**	**703.2**	**2.6**	**705.8**	**766.6**	**763.4**	**3.3**	**766.8**

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

EUR million	2021	2020
Opening balance, 1 Jan	3.3	3.7
Purchases	0.1	0.0
Sales	0.0	-0.4
Impairments in the income statement	0.0	0.0
Fair value changes recognised in the income statement	-0.9	-0.1
Closing balance, 31 Dec	**2.6**	**3.3**

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 2020 and 2021, 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 1.1 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 1.5 million of unquoted shares (1.4 million), for which the fair value cannot be determined.

FINANCIAL LIABILITIES	2021				2020			
		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	0.7	0.7		0.7
Hedge accounting derivatives								
Current non-interest-bearing liabilities								
Derivative liabilities	0.0	0.0		0.0	1.2	1.2		1.2
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								
Trade payables	0.0	0.0		0.0	0.0	0.0		0.0
Other non-interest-bearing liabilities	26.9	26.9		26.9	29.7	29.7		29.7
Current interest-bearing liabilities	21.5	21.5		21.5	15.0	15.1		15.1
Current non-interest-bearing liabilities								
Accruals and deferred expenses	0.1	0.1		0.1	0.2	0.2		0.2
Trade payables	767.6	767.6		767.6	747.8	747.8		747.8
Financial liabilities, total	**816.2**	**816.2**	**0.0**	**816.2**	**794.6**	**794.7**	**0.0**	**794.7**

The table does not include lease liabilities of carrying amount EUR 1 201.6 million (1 313.8 million).

27. Management of financial risks

SOK's business involves financial risks such as currency, interest rate, liquidity and credit risks. The management of finance and financial risks has been centralised within SOK's Treasury unit. SOK Corporation follows a Finance and treasury policy as well as risk management instructions that are established by SOK's Executive Board. These define the principles of managing financial risks and the permissible maximum amounts for financial risks. In addition, numerical targets have been set for the different subareas of financing with the aim of being able to ensure the sufficiency, balance and affordability of financing in all conditions.

SOK Corporation uses derivatives mainly to hedge against financial risks. Trading in derivatives for other than hedging purposes is done only within the risk limits approved by SOK's Executive Board.

Currency risk

A currency risk means an uncertainty in SOK Corporation's cash flow, result and balance sheet caused by changes in exchange rates.

More than 98 percent of SOK Corporation's net sales come from sales denominated in euros. The most significant currency risks are related to procurement transaction risks and the financing of the Group's Russian subsidiaries. The target is to minimise the uncertainty caused by the currency risk of an open position, nevertheless taking the hedging costs into account.

Transaction risks related to business operations consist of liabilities and receivables denominated in foreign currencies and projected cash flows. Currency risk is managed by hedging balance sheet items and future cash flows to the extent that it is not possible to pass on changes in exchange rates to sales prices. The Group's centralized financial unit is responsible for managing currency risk and hedging transaction risks with currency derivatives if necessary.

The financing of the subsidiaries is arranged in the functional currency of each company. The translation risk associated with the invested equity financing in foreign subsidiaries is reduced by hedging the capitals to the extent that a 20 per cent exchange rate change would cause a decline of more than 0.6 percentage points in SOK Corporation's equity ratio.

Outstanding derivative contracts

EUR million	Value of the underlying asset 2021	Value of the underlying asset 2020	Fair value 2021	Fair value 2020
Forward exchange contracts				
Hedge accounting is applied	28.7	30.3	1.1	-1.1
Hedging contracts, no hedge accounting	23.3	26.0	0.5	-0.7
Total	**52.0**	**56.3**	**1.6**	**-1.9**

Currency sensitivity analysis

EUR million	2021	2020
Position exposed to risk		
USD	44.0	52.6
RUB	24.1	16.0
Other currencies	7.4	6.8
Total	75.5	75.5
Effect on the income statement		
Appreciation of EUR, 10%	-1.5	-1.9
Depreciation of EUR, 10%	1.5	1.9
Effect on equity		
Appreciation of EUR, 10%	-6.1	-5.7
Depreciation of EUR, 10%	6.1	5.7

The currency sensitivity analysis shows the effect on SOK Corporation's profit/loss or equity of a 10% appreciation or depreciation in the euro against other currencies on closing day. Other variables are asssumed to remain constant. The calculation includes receivables and liabilities denominated in foreign currencies and currency derivatives. The calculation does not include probable purchases denominated in foreign currencies. The effect on the income statement and equity is shown without the effect of taxes.

Hedge accounting

SOK Corporation applies hedge accounting to derivatives hedging highly probable future purchases. The hedge accounting model used is cash flow hedge. The purpose of hedge accounting is to hedge against the currency risk in currency-denominated purchases.

Hedge accounting is applied to derivatives which are effective for the risk being hedged and meet the conditions set for hedge accounting in the IFRS9 standard. For hedging is used forward exchange contracts. The hedging relationship between the hedging derivative and the hedged item as well as the risk management objectives related to hedging are documented when the hedging begins.

The efficiency of the hedge is assessed at the beginning of the hedging relationship and during the hedge so that the hedge is extremely efficient throughout. The efficient portion of hedging is recognised in the fair value reserve.

Changes recognised in Group equity from cash flow hedge

EUR million	2021	2020
Opening balance, 1 Jan	-1.3	-0.2
Profits and losses from valuing at fair value	1.0	-1.3
Amount included in the income statement	1.3	0.2
Closing balance, 31 Dec	**1.0**	**-1.3**

Items recognised in equity are shown without the effect of taxes. Changes in value recognised in equity are recognised in the income statement in the period during which the hedged cash flows are recognised in the income statement, the derivative matures or the hedge accounting prerequisites are no longer met.

Interest rate risk

The interest rate risk means an uncertainty in SOK Corporation's cash flow, result and balance sheet caused by changes in market rates.

SOK Corporation's objective in the management of the interest rate risk is to reduce or eliminate the negative effect of the change in market rates on the Corporation's cash flows, result and balance sheet, nevertheless taking the costs of hedging into account.

When measuring the interest rate risk of SOK Corporation, only external interest-bearing items are taken into account, including lending, borrowing and derivatives.

The target is that a linear change in the market interest rate of one percentage point does not lead to an increase in net financial expenses that exceeds 1 percent of the planned EBITDA (not IFRS) for each year.

Interest rate sensitivity analysis

EUR million	2021	2020
Floating rate net debt	-73.0	-128.2
Fixed interest net debt	1,214.0	1,289.7
Total	1,141.0	1,161.5
Effect on the income statement		
1.0 percentage point increase	0.1	0.3
1.0 percentage point decrease	-0.1	0.0
Effect on equity		
1.0 percentage point increase	0.0	0.0
1.0 percentage point decrease	0.0	0.0

The sensitivity of interest expenses to changes in market interest rates is assessed by a calculation in which market interest rates are assumed to change permanently by one percentage point and the amount of net debt to remain unchanged for the next 12 months. The changes are presented without tax effect.

Liquidity risk

SOK Corporation's liquidity risk is managed by keeping the cash reserve at a level that secures the Corporation's liquidity also in unexpected situations. In addition, liquidity and refinancing risks are sought to be minimized through a balanced maturity distribution of loans and funding limits.

The cash reserve includes liquid assets tradeable on the secondary market as well as such bank account funds in Finland or abroad that are available on the same day. In addition to the available funds, unused overdraft limits are also taken into consideration. The targeted size of the cash reserve is one hundred million euros.

At the end of December, SOK Corporation had liquid assets of EUR 84.8 million (166.8 million). The amount of committed credit facilities on December 31, 2021 was EUR 230.0 million (160.0 million).

The credit facilities are unsecured, but their terms contain covenants. The financial covenants used in all credit facility agreements are equity ratio excluding lease liabilites and interest cover ratio. The maximum amount of lease liabilities is also limited. The credit facilities have not been used during the financial year and there have been no breaches on the conditions of the covenants.

SOK Corporation also has uncommitted overdraft limits of EUR 57.0 million and a commercial paper programme of EUR 250.0 million. These were not in use at the end of year 2021.

Maturity analysis of SOK Corporation's agreement-based cash flows from financial liabilities and derivative contracts

	2021				2020			
EUR million	**< 1 y**	**1–5 y**	**> 5 y**	**Total**	**< 1 y**	**1–5 y**	**> 5 y**	**Total**
Non-current interest-bearing liabilities								
Lease liabilities	166.5	559.2	741.4	1,467.1	160.0	574.0	797.6	1,531.6
Other interest-bearing liabilities	21.5			21.5	15.2			15.2
Non-interest-bearing liabilities								
Trade payables	767.6	0.0		767.6	747.8	0.0		747.8
Other non-interest-bearing liabilities	0.0	26.9	0.0	26.9	0.0	29.7	0.0	29.7
Off-balance liabilities								
Nominal value of guarantee liabilities*	148.9			148.9	135.8			135.8
Non-derivative financial liabilities	**1,104.5**	**586.1**	**741.4**	**2,432.0**	**1,058.8**	**603.7**	**797.6**	**2,460.1**
Derivatives liabilities	0.0			0.0	1.8			1.8
Derivatives assets	-1.7			-1.7	-0.1			-0.1
Derivative contracts, total	**-1.7**	**0.0**	**0.0**	**-1.7**	**1.7**	**0.0**	**0.0**	**1.7**
Total	**1,102.9**	**586.1**	**741.4**	**2,430.3**	**1,060.6**	**603.7**	**797.6**	**2,461.9**

* Cash flows on guarantee liabilities have been presented with a term of less than 1 year, although it is unlikely that they will be realized.

Credit risk

Credit risk is the risk that a counterparty to a contract will default on its obligations to the SOK Corporation or that a change in the counterparty's creditworthiness will affect the market value of the financial instruments it issues.

The maximum amount of SOK Corporation's credit risk corresponds to the total carrying amount of financial assets in Note 26 of EUR 705.9 million (766.6 million) plus a nominal value of EUR 148.9 million (135.8 million) in guarantees and a maximum of EUR 5.0 million in credit commitments (5.0 million).

Guarantee commitments which increase SOK Corporation's credit risk are presented in Note 29. The guarantee liabilities include guarantees issued on behalf of the S Group and companies related to the S Group. Realisation of the credit risks of the guarantees is improbable.

Management of financial credit and counterparty risk

The credit risk of financial instruments is managed by entering into agreements only with financially solid counterparties approved by SOK's Board of Directors, within the limits approved by the Board of Directors. SOK Corporation's liquidity is invested in the money and foreign exchange markets productively, but avoiding unnecessary risks.

SOK Corporation has not netted its financial assets and liabilities. However, some derivative contracts are subject to an agreement according to which the derivatives could be netted in case of bankruptcy.

Management of of business related credit risk

SOK's units and subsidiaries are responsible for their own credit risks. Credit decisions are made in accordance with the credit risk management guidelines defined in writing for each unit or subsidiary.

Of the Group's trade receivables, EUR 470.2 million (459.0 million) came from SOK's owner cooperatives.

Aging of trade receivables

EUR million	2021	2020
Not fallen due	561.0	532.4
1–30 days past due	1.1	4.1
31–90 days past due	0.4	0.5
Over 90 days past due	0.0	0.2
Total	**562.5**	**537.1**

SOK Corporation used credit insurance to reduce the credit risk of trade receivables. The value of the insured trade receivables was EUR 14.1 million (9.7 million), for which the maximum compensation is EUR 4.0 million (3.9 million) per insurance period. Trade receivables do not include impaired receivables.

Expected credit losses on receivables

EUR million	2021	2020
Opening balance, 1 Jan	-1.1	-2.1
Change in financial year	0.0	1.0
Closing balance, 31 Dec	**-1.1**	**-1.1**

Expected credit losses on receivables under IFRS 9 are recognized in sales and loan receivables and issued guarantees. The expected credit losses on trade receivables are based on actual credit losses and on the amount of receivables outstanding at the balance sheet date and the estimated probability of credit losses. For other items, expected credit losses are based on the counterparties' credit ratings and the probability of credit losses in the ratings. Counterparties to bank accounts and short-term bank deposits do not include expected credit risk on the basis of credit ratings. Expected credit losses on long-term receivables have been calculated using the probability of credit loss over the next 12 months, as the credit risk has not increased significantly since the original issue. The expected credit losses on money market investments have been calculated using credit risk factors in accordance with the remaining term of the agreement, as the outstanding agreements are short-term.

Most of the expected credit losses consist of guarantee exposures granted on behalf of associates. These are unlikely to be realized.

28. Related party transactions

SOK Corporation's related parties include the subsidiaries, joint ventures, the associated companies, CEO and his deputy, SOK's Corporate Management Team, SOK's Executive Board and Supervisory Board and their family members. SOK Corporation is maintaining related parties register. Regional cooperatives are not included in to SOK Corporation's related parties by the standard IAS 24 Related Party Disclosures.

Paid Management employee benefit expenses EUR million	**2021**	**2020**
CEO and SOK's Corporate Management Team salaries and remuneration	5.0	3.5
SOK's Executive Board and Supervisory Board salaries and remuneration	0.5	0.5
CEO and SOK's Corporate Management Team supplementary pension costs	1.2	0.9
Total	**6.7**	**4.9**

Management's pension commitments: SOK's Chief Executive Officer, members of the executive board in an emplyment relationship and the Corporate Management Team as well as other management, which complies with the criteria of pension policy are entitled to an additional pension insurance, where the retirement age is 60–63 years.

Related-party loans to the subsidiaries, joint ventures as well as associates have been granted for financing normal business operations. Loans have not been granted to the management of SOK Corporation's related parties in 2020–2021. Nor have conditional items or other commitments been granted on the behalf of key employees. Persons belonging to management, including their related parties, are not in a material business relationship with SOK Corporation.

Transactions and balances with associated companies and joint ventures: EUR million	**2021**	**2020**
Sales	25.9	22.6
Purchases	0.8	0.6
Financial income and expenses	0.0	0.5
Trade and other receivables	1.6	2.0
Trade payables and other liabilities	0.0	0.0

29. Contingent liabilities

EUR million	2021	2020
Other securities provided		
Pledges	0.1	0.1
Mortgages	3.4	1.4
Guarantees	2.5	2.5
Total	**5.9**	**4.0**
Security given on behalf of others' debt		
Guarantees for debt of joint ventures	114.1	110.9
Other securities given on behalf of others		
Pledges for liabilities of joint ventures	0.5	0.5
Guarantees for liabilities of joint ventures	27.1	20.4
Total	**27.6**	**20.9**
Other liabilities		
Letter of credit liabilities	1.3	0.0

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 92.7 million (82.8 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 (16.1 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 31 December 2021 are estimated to be EUR 0.7 million in total (2.1 million).

Additionally SOK has pledged to provide loan funding. SOK has at 31 December 2021 the following open commitments: to provide EUR 5.0 million (5.0 million) conditional subordinated loan to North European Oil Trade Oy.

30. Subsidiaries and associated companies

Companies owned by SOK Corporation and SOK 31.12.2021	Country	SOK Corporation´s shareholding %	SOK Corporation´s voting rates %	SOK´s share-holding %
Group companies				
Commercial				
AS Sokotel	Estonia	100	100	
Inex Partners Oy	Finland	100	100	100
Inex Export Oy	Finland	100	100	100
Jollas-Opisto Oy	Finland	100	100	100
Meira Nova Oy	Finland	100	100	100
OOO Itis 2	Russia	100	100	
OOO SOK Service Center RUS	Russia	100	100	
OOO Otel Plus	Russia	100	100	
OOO Prisma	Russia	100	100	
OOO Sokotel	Russia	100	100	
Prisma Peremarket AS	Estonia	100	100	
Reila Palvelut Oy	Finland	100	100	100
S-Herkkukeittiö Oy	Finland	100	100	100
SOK-Liiketoiminta Oy	Finland	100	100	100
Sokotel Oy	Finland	100	100	100
SOK Fund Management Oy	Finland	100	100	
SOK Real Estate Int Oy	Finland	100	100	99
SOK Retail Int Oy	Finland	100	100	
S-Business Oy	Finland	100	100	100
S-Yrityspalvelu Oy	Finland	100	100	100
S-Verkkokauppa Oy	Finland	100	100	100
Commercial, 21 companies				
Real-estate companies, 26 companies				
Total Group companies, 47 companies				
Joint ventures				
Kauppakeskus Mylly Oy	Finland	50	50	50
Kiinteistö Oy Kuloisten Kauppakeskus	Finland	50	50	
North European Oil Trade Oy	Finland	51	50.8*	51
* Due to the shared controlling interest based on the associated company agreement, the company is treated as a joint venture using the equity method.				
Total joint ventures, 3 companies				
Associated companies				
Asunto Oy Kauniaisten Kirkkomäki	Finland	39	39	39
Coop Trading A/S	Denmark	25	25	25
Keskuskorttelin Huolto Oy	Finland	32	32	32
S-Pankki Oyj	Finland	50	50.0*	50
S-Asiakaspalvelu Oy	Finland	50	50.0*	
S-Pankki Pääomarahastot Oy	Finland	50	50.0*	
FIM Kiinteistö Oy	Finland	50	50.0*	
S-Pankki Kiinteistöt Oy	Finland	50	50.0*	
S-Pankki Vaikuttavuusijoitukset Oy	Finland	50	50.0*	
Fennia Varainhoito Oy	Finland	50	50.0*	
Fennia Kiinteistöt Oy	Finland	50	50.0*	
FIM Infrastructure Mezzazine Debt Fund oy	Finland	50	50.0*	
FIM Private Debt Fund I GP Oy	Finland	50	50.0*	
FIM SIB Oy	Finland	50	50.0*	
S-Pankki Vaikuttavuus I GP Oy	Finland	50	50.0*	
Total associated companies, 14 companies				

31. Material events after the balance sheet date

SOK's Executive board has decided to end its operations in Russia. SOK has 16 Prisma stores and three Sokos Hotels in Russia. Shutting down of the operations in Russia has started, taken into account the local personnel and legislation. The schedule and the economic effects will be clarified later, but ending the operations in Russia, will have an effect on the valuation of the Russian companies shares and balance sheet values in SOK. It will also result in additional costs that will be booked when the economic effects are clarified.

SOK CORPORATION KEY RATIOS 2017-2021

SOK Corporation continuing operations	IFRS 2021	IFRS 2020	IFRS 2019	IFRS 2018	IFRS 2017
Revenue, EUR million	**7,796.6**	7,600.4	7,496.6	7,303.5	7,063.6
Operating profit, EUR million	**19.7**	-2.6	102.2	60.7	5.9
% of revenue	**0.3**	0.0	1.4	0.8	0.1
Profit/loss before taxes, EUR million	**-12.1**	-36.5	67.2	55.4	5.0
% of revenue	**-0.2**	-0.5	0.9	0.8	0.1
SOK Corporation *)					
Return on equity, %	**-3.1**	-4.7	9.9	7.5	0.3
Return on investment, %	**1.3**	0.1	8.0	7.9	1.7
Equity ratio, %	**21.2**	21.1	24.0	38.4	36.5
Gearing, %	**191.1**	189.9	146.6	-0.1	11.8
The average number of the personnel during the financial year, converted to full-time personnel	**5,648**	5,788	5,974	5,474	5,411
Non-interest-bearing liabilities, EUR million	**997.3**	967.4	933.4	874.6	877.8

* The key indicators 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 %

Return on investment, % = $\frac{\text{Profit/loss after financial items + interest and other financial expenses}}{\text{Total assets – non-interest-bearing liabilities – provisions, average}}$ x 100 %

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

Gross investment in fixed assets = Acquisition costs of subsidiary shares and other fixed assets

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

The average number of the personnel during the financial year

The average number of personnel and the number converted to full-time equivalents has been calculated as the average number of personnel at the end of each quarter.

SOK PARENT COMPANY FINANCIAL STATEMENT, FAS

Income statement, FAS

Assets EUR million	Note	1.1. - 31.12.2021	1.1. - 31.12.2020
NET TURNOVER		**7,077.7**	**6,955.0**
Other operating income	(2)	0.5	0.5
Materials and services			
Materials, consumables and goods			
Purchases during the financial period		-6,398.7	-6,306.8
Changes in inventories		-5.6	8.9
External services		-300.3	-305.2
		-6,704.7	-6,603.1
Personnel costs	(3)		
Wages, salaries and fees		-116.8	-110.3
Other social security expenses		-25.2	-21.2
		-142.0	-131.5
Depreciation and impairment charges	(4)	-11.1	-12.5
Other operating expenses	(5)	-200.8	-189.7
OPERATING RESULTS		**19.7**	**18.8**
Financial income and expense	(6)	5.2	15.9
RESULT BEFORE APPROPRIATIONS AND TAXES		**24.9**	**34.7**
Appropriations			
Changes in depreciation difference		-0.3	0.2
Group Contribution		-23.9	-21.1
Income taxes	(7)	0.0	0.0
RESULT FOR THE FINANCIAL PERIOD		**0.6**	**13.9**

Balance sheet, FAS

Assets EUR million	Note	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Intangible assets	(8)		
Intangible rights		54.2	56.0
Other intangible assets		3.4	3.2
Advance payments		30.0	27.2
		87.6	**86.4**
Tangible assets	(9)		
Land and water areas		0.6	0.6
Buildings and constructions		0.1	0.1
Machinery and equipment		1.5	1.5
Other tangible assets		0.6	0.6
Advance payments and constructions in progress		12.2	0.1
		14.9	**2.8**
Investments	(10)		
Investments in group companies		359.3	358.0
Receivables from group companies		339.6	323.1
Investments in participating interest companies		196.1	134.2
Other investments and holdings		2.0	2.8
Other receivables		0.6	0.6
		897.6	**818.6**
Total non-current assets		**1,000.1**	**907.8**
CURRENT ASSETS			
Inventories			
Finished products		163.6	169.2
Other inventories		0.0	0.0
Advance payments		5.3	2.4
		168.8	**171.6**
Non-current receivables			
Other receivables		1.5	1.5
Current receivables	(11)		
Accounts receivables		509.3	493.4
Receivables from group companies		35.0	30.2
Receivables from associated companies		1.6	2.0
Other receivables		0.5	1.6
Prepayments and accrued income		23.9	20.7
		570.3	**547.9**
Securities			
Other securities			35.5
			35.5
Cash and equivalents		67.3	116.3
Total current assets		807.9	872.7
Total assets		**1,808.0**	**1,780.6**

Balance sheet, FAS

Member's funds and liabilities EUR million	Note	1.1.-31.12.2021	1.1.-31.12.2020
Member's funds	(12)		
Member's capital		172.0	172.0
Other reserves			
Reserve for invested unrestricted equity		36.4	32.9
Fair value reserve		1.0	-1.3
Legal reserve		18.5	18.5
Supervisory Board's disposal fund		0.0	0.1
Retained earnings		577.0	563.2
Result for the financial period		0.6	13.9
		805.5	**799.2**
APPROPRIATIONS			
Accumulated depreciation difference		5.6	5.3
PROVISIONS	(13)		
Other provisions		6.0	6.3
LIABILITIES			
Non-current liabilities			
Other liabilities		0.4	0.4
Current liabilities	(14)		
Advance payments		11.8	19.5
Accounts payables		655.1	653.0
Liabilities to group companies		180.6	170.7
Liabilities to participating interest companies		0.4	0.2
Other liabilities		44.2	33.4
Accruals and deferred income		98.3	92.5
		990.5	**969.4**
Total liabilities		990.9	969.8
Total members' funds and liabilities		**1,808.0**	**1,780.6**

Cashflow statement, FAS

Assets EUR million	Note	31.12.2021	31.12.2020
CASH FLOW FROM OPERATING ACTIVITIES			
Operating result		19.7	18.8
Adjustment to operating result	(1)	9.5	12.9
Change in working capital	(2)	4.3	8.6
Cash flow from operating activities before taxes and interests		33.6	40.3
Changes in receivables		0.0	-5.3
Paid interests and other financial expenses		-1.2	-0.8
Received interests and other financial income		1.8	-0.3
Paid taxes		0.0	0.0
Cash flow from other operating activities		34.2	33.9
Cash flow arising from investing activities			
Investments in tangible and intangible assets		-24.3	-13.7
Investments in other shares and holdings		-66.3	-13.1
Issued loans		-51.0	-128.6
Proceeds from sale of tangible and intangible assets		0.0	0.0
Proceedings from other investments		2.7	0.4
Repayments from loan receivables		34.5	94.3
Received interests from investments		4.2	4.1
Received dividends from investments		1.3	13.1
Cash flow arising from investing activities		-99.0	-43.5
Cash flow arising from financial activities			
Change in short-term loans		-2.1	11.4
Change in members' capital		3.5	3.5
Interest paid on members' capital			-13.2
Change in members' capital		0.0	0.0
Change in group contributions		-21.1	-12.9
Cash flow arising from financial acitivities		-19.7	-11.3
Change in cash and equivalents		-84.5	-20.9
Cash and cash equivalents at beginning of period		**151.8**	**172.7**
Change in cash and equivalents at end of period		**67.3**	**151.8**
Adjustments to result	(1)		
Gain and losses from fixed assets		-1.0	-0.2
Depreciations and amortisations		11.1	12.5
Other non-cash items		-0.6	0.6
		9.5	**12.9**
Change in working capital	(2)		
current receivables, non-interest bearing		-18.8	-34.2
Change in inventories		2.7	-9.1
Current liabilities, non-interest bearing		20.4	51.9
		4.3	**8.6**

SOK PARENT COMPANY NOTES

1. Accounting principles

SOK Corporation's financial statements have been prepared in compliance with the Finnish Accounting Standards (FAS).

Non-current assets and depreciations

Non-current assets are initially recognised at historical cost and they are subsequently measured at historical cost less depreciation and impairment losses. The assets are depreciated over their estimated useful life using the straight-line method. The estimated useful lives are as follows:

Lightweight structures and equipment in buildings	5–15
Buildings	20–35
Machinery and equipment	3–10
Vehicles and servers	3–5
Other intangible and tangible assets	in compliance with Finnish taxation

Investments

Investments under non-current assets are measured at fair value in compliance with the alternative method allowed under the FAS, section 5, Article 2a in case the fair value is reliable measured.

Inventories

Inventories are stated, using the weighted average price method method, at lower of direct purchase cost, replacement cost or probable selling price.

Financial assets and liabilities

Financial instruments are recognised, using an alternative method, as al-lowed in section 2a, Chapter 5 of the Accounting Act, at fair value in accord-ance with the International Financial Reporting Standards (IFRS).

Financial assets are classified at amortized cost, fair value through items of other comprehensive income or fair value to be measured through profit and loss. Financial liabilities are classified at amortized cost by means of the ef-fective interest method to be measured or at fair value to the measured through profit and loss.

The fair value of a financial instrument is determined on the basis of prices quoted in active markets or by using measurement methods that are general-ly applied in the markets. The fair values of interest rate swaps has been de-termined by discounting future cash flows to the present by using the market rates of the balance sheet date. The fair values of currency forwards has been calculated by measuring the forward contracts at the forward rate of the balance sheet date.

Foreign currency transactions

Foreign currency transactions are recorded in euros using the rate of ex-change at the date of transaction. Foreign currency receivables and paya-bles have been translated into euros using the rate of exchange at the bal-ance sheet date. Exchange rate differences are recognised in income state-ment.

Derivative contracts and hedge accounting

Derivative contracts are used mainly for hedging purposes. SOK applies hedge accounting according to IFRS to some of the currency derivatives used for hedging Group goods purchases. In these, only the exchange rate risk is being hedged. The hedge accounting model used is cash flow hedg-ing. SOK has derivative contracts outside of hedge accounting which, ac-cording to the Corporation's financial policy, are effective economic hedging instruments but to which hedge accounting in accordance with the IFRS 9 standard is not applied.

Pension plans

Personnel's statutory pension provision is organised through pension insur-ance companies and the volun-tary supplementary pension provision is ei-ther insured or kept at SOK's own risk. The management is in the scope of the supplementary pension provision. Pension costs are recognised as ex-pense in the income state-ment.

Future expenses and losses

Future expenses and losses include items committed to under agreements or otherwise but not yet realised are recorded either as mandatory provision or as accrued liabilities in balance sheet. Changes in accrued liabilities and provisions are recognised as expense in income statement. Losses from the Group's under-utilised premises are included in mandatory provisions.

Income taxes

Income tax includes the income tax payments for the period calculated based on the profit for the period, and taxes payable for prior periods, or tax refunds. Deferred taxes are not included in SOK's income statement and balance sheet. Unrecognised deferred taxes are disclosed in note 7.

Terminology

In SOK's financial reporting, the term 'result' is primarily used to describe the financial performance of the cooperative. Secondarily, the terms 'profit' or 'loss' are used where 'result' does not fit the context. The terms 'surplus' and 'deficit' may be used if it is necessary to present a link with a provision of the Co-operatives Act or the rules of the cooperative.

EUR million	2021	2020
2. Other operating income		
Gain and losses from sale of tangible and intangible assets	0.1	0.1
Other	0.4	0.4
Total	**0.5**	**0.5**
3. Personnel expenses		
The average number of personnel is counted as weighted average number on the quarter basis.		
Average amount of personnel	**1,765**	1,713
Salaries and remunerations paid to management		
Management	1.9	1.3
Board of directors	0.3	0.3
Total	**2.2**	**1.5**

Management's pension commitments

Management's pension commitments: SOK's Chief Executive Officer and the Corporate Management Team are entitled to retire at the age of 60–63.

4. Depreciations and impairments charges		
Depreciations according to plan	**11.1**	12.5
Impairment charges		0.0
Total	**11.1**	12.5

Depreciation principles are disclosed under the chapter accounting principles. Depreciations' detalizations on asset types are disclosed in notes 8-10.

5. Operating expenses		
Rents and property expenses	34.8	34.5
ICT	134.3	132.3
Administration and marketing expenses	24.2	15.3
Other operating expenses	7.5	7.6
Total	**200.8**	**189.7**

Other operating expenses contain auditors' fee.

Audit	0.2	**0.2**
Tax services		0.0
Other services	0.0	0.2
Total	**0.2**	**0.4**

EUR million	2021	2020
6. Financial income and expenses		
Income from non-current investments		
Income from investments in group companies		10.0
Income from investments in associated companies	0.1	3.0
Income from other non-current investments	1.2	0.1
Other interest and financial income		
From group companies	4.7	4.0
From others	0.8	1.3
Financial income total	**6.8**	**18.4**
Impairment charges from non-current investments	-1.3	0.0
Interest and other financial expenses		
For the same group companies	0.2	-1.4
For others	-0.6	-1.1
Interest and other financial expenses total	**-0.3**	**-2.5**
Financial income and expenses total	**5.2**	**15.9**
7. Income taxes		
Income taxes for the financial period	0.0	0.0
Income for previous financial periods	0.0	0.0
Total	**0.0**	**0.0**
Deferred tax receivables		
Other provision	1.2	1.3
Deferred tax liabilities		
Accumulated depreciation difference	1.1	**1.1**

Deferred taxes are not included to the balance sheet.

8. Intangible assets

31.12.2021	Intangible rights	Other intangible assets	Advance payments	Total
Acquisition cost at 1 Jan.	127.8	15.2	27.2	170.2
Increases	-0.7		12.5	11.8
Decreases	0.0			0.0
Transfers	9.0	0.7	-9.7	0.0
Acquisition cost at 31 Dec	136.1	15.9	30.0	181.9
Accumulated depreciation at 1 Jan	71.8	12.0		83.7
Decreases and transfers	0.0			0.0
Depreciation for the financial year	10.1	0.5		10.6
Accumulated depreciations at 31 Dec	81.9	12.5		94.4
Book value at 31 Dec	**54.2**	**3.4**	**30.0**	**87.6**

31.12.2020	Intangible rights	Other intangible assets	Advance payments	Total
Acquisition cost at 1 Jan.	77.8	15.2	65.2	158.3
Increases	0.8		11.9	12.7
Decreases	-0.4	0.0	-50.0	-50.4
Transfers	49.6			49.6
Acquisition cost at 31 Dec	**127.8**	**15.2**	**27.2**	**170.2**
Accumulated depreciation at 1 Jan	61.8	11.2		73.0
Decreases and transfers	-0.4	0.0		-0.4
Depreciation for the financial year	10.4	0.8		11.2
Accumulated depreciations at 31 Dec	71.8	12.0		83.7
Book value at 31 Dec	**56.0**	**3.2**	**27.2**	**86.4**

9. Tangible assets

31.12.2021	Land and water areas	Buildings and constructions	Machinery and equipment	Total
Acquisition cost at 1 Jan.	0.7	1.5	8.9	11.1
Increases			0.4	0.4
Decreases			0.0	0.0
Transfers				0.0
Acquisition cost at 31 Dec	0.7	1.5	9.3	11.5
Accumulated impairment charges 1 Jan	0.1			0.1
Accumulated impairments 31.12	0.1			0.1
Accumulated depreciation at 1 Jan		1.5	7.4	8.9
Decreases and transfers		0.0	0.0	0.0
Depreciation for the financial year		0.0	0.4	0.5
Accumulated depreciations at 31 Dec		**1.5**	**7.8**	**9.3**
Book value at 31 Dec	**0.6**	**0.1**	**1.5**	**2.1**

31.12.2020	Land and water areas	Buildings and constructions	Machinery and equipment	Total
Acquisition cost at 1 Jan.	0.7	1.5	7.7	9.9
Increases			0.9	0.9
Decreases	0.0		-0.1	-0.1
Transfers			0.4	0.4
Acquisition cost at 31 Dec	0.7	1.5	8.9	11.1
Accumulated impairment charges 1 Jan	0.1			0.1
Accumulated impairments 31.12	0.1			0.1
Accumulated depreciation at 1 Jan.		1.4	6.3	7.7
Decreases and transfers			-0.1	-0.1
Depreciations for the financial year		0.0	1.3	1.3
Accmuated depreciations as at 31 Dec		**1.5**	**7.4**	**8.9**
Book value at 31 Dec	**0.6**	**0.1**	**1.5**	**2.1**

31.12.2021	Other tangible assets	Advance payments and constructions in progress	Total
Acquisition cost at 1 Jan.	0.6	0.1	0.7
Increases	0.0	12.0	12.1
Decreases			0.0
Acquisition cost at 31 Dec	0.6	12.2	12.8
Accumulated impairment charges 1 Jan	0.0		0.0
Accumulated impairments 31.12	**0.0**		0.0
Book value at 31 Dec	**0.6**	**12.2**	**12.8**

31.12.2020	Other tangible assets	Advance payments and constructions in progress	Total
Acquisition cost at 1 Jan.	0.6		0.6
Increases	0.0	0.1	0.1
Decreases	0.0	0.0	0.0
Acquisition cost at 31 Dec	0.6	0.1	0.7
Accumulated impairment charges 1 Jan	0.0		0.0
Accumulated impairments 31.12	0.0		0.0
Book value at 31 Dec	**0.6**	**0.1**	**0.7**

10. Investments

31.12.2021	Investments in group companies	Receivables from group companies	Investments in participating interest companies	Total
Acquisition cost as at 1 Jan.	372.5	323.1	134.2	829.8
Increases	2.8	24.9	63.4	91.1
Decreases	-0.2	-8.3	-1.5	-10.0
Acquisition cost as at 1 Jan.	375.2	339.6	196.1	910.9
Accumulated impairments 1 Jan.	14.5		0.1	14.6
Impairments	1.3			1.3
Accumulated impairments 31 Dec.	**15.8**		**0.1**	**15.9**
Book value 31 Dec.	**359.3**	**339.6**	**196.1**	**895.0**

31.12.2020	Investments in group companies	Receivables from group companies	Investments in participating interest companies	Total
Acquisition cost as at 1 Jan.	358.2	258.8	135.4	752.4
Increases	14.3	74.8	-1.1	88.0
Decreases		-10.6		-10.6
Acquisition cost as at 1 Jan.	372.5	323.1	134.2	829.8
Accumulated impairments 1 Jan.	14.5		0.1	14.6
Accumulated impairments 31 Dec.	14.5		0.1	14.6
Book value 31 Dec.	**358.0**	**323.1**	**134.2**	**815.2**

31.12.2021	Receivables from participating interest companies	Other investments and shares	Other receivables from others	Total
Acquisition cost as at 1 Jan.		1.2	0.6	1.8
Increases		0.1		0.1
Fair value		0.8		0.8
Acquisition cost as at 1 Jan.		2.0	0.6	2.6
Accumulated impairments 1 Jan.		0.0	0.0	0.0
Accumulated impairments 31 Dec.		0.0	0.0	0.0
Book value 31 Dec.	**0.0**	**2.0**	**0.6**	**2.6**

31.12.2020	Receivables from participating interest companies	Other investments and shares	Other receivables from others	Total
Acquisition cost as at 1 Jan.	20.0	1.4	10.6	32.1
Increases		0.0		0.0
Decreases	-20.0	-0.3	-10.0	-30.3
Fair value		1.6		1.6
Acquisition cost as at 1 Jan.	0.0	2.8	0.6	3.4
Accumulated impairments 1 Jan.		0.0	0.0	0.0
Accumulated impairments 31 Dec.		0.0	0.0	0.0
Book value 31 Dec.	**0.0**	**2.8**	**0.6**	**3.4**

EUR million	2021	2020
11. Current receivables		
Receivables from group companies		
Accounts receivables	7.9	8.0
Others	15.1	13.4
Prepayments and accrued income	11.9	8.9
Total	**35.0**	**30.2**
Receivables from participating interest companies		
Accounts receivables	1.6	2.0
Total	**1.6**	**2.0**
Material items included in accrued receivables and income		
Personnel expenses	0.0	0.1
Financial items	13.7	9.0
Others	1.3	1.5
Purchase related	20.8	19.0
Total	**35.8**	**29.5**
12. Member's funds		
Restricted equity		
Member's capital 1 Jan	172.0	172.0
Member's capital 31 Dec*	**172.0**	**172.0**
Fair value reserve 1 Jan	-1.3	-0.2
Cash flow hedge		
Fair value changes for the financial period	1.0	-1.3
Amount excluded from equity to income statement	1.3	0.2
Fair value reserve 31 Dec	**1.0**	**-1.3**
Legal reserve at 1 Jan	18.5	18.5
Legal reserve at 31 Dec	**18.5**	**18.5**
Total restricted equity	**191.4**	**189.2**
Non-restricted equity		
Reserve for invested unrestricted equity 1 Jan	32.9	29.4
Increases	3.5	3.5
Reserve for invested unrestricted equity 31 Dec	**36.4**	**32.9**
Supervisory Board's disposal fund 1 Jan	0.1	0.1
Increases		0.0
Decreases	0.0	0.0
Supervisory Board's disposal fund 31 Dec	**0.0**	**0.1**

EUR million	2021	2020
Retained earnings 1 Jan	**577.0**	**576.4**
Transfer to supervisory board's disposal fund		0.0
Interest to member's funds		-13.2
Retained earnings 31 Dec	**577.0**	**563.2**
Result for the financial period	**0.6**	**13.9**
Total non-restricted equity	**614.1**	**610.0**
Total member's fund	**805.5**	**799.2**
Distributable funds 31 Dec		
Reserve for invested unrestricted equity	36.4	32.9
Retained earnings	577.0	563.2
Result for the financial period	0.6	13.9
Total	**614.1**	**609.9**

Member's capital consist of cooperative payments paid by cooperative societies to SOK. The number of a cooperative society's shares is determined based on the total amount of cooperative memberships and the amount of the annual purchases. As of 31 December 2021 the number of cooperative societies were 25 (25) and number of society shares were 391 357 (384 275).

13. Provisions		
Partially used premises	6.0	6.3
Total	**6.0**	**6.3**

Changes in provisions are recorded under other operating expenses in income statement.

14. Short-term liabilities		
Liabilities to group companies		
Trade payables	33.7	18.8
Other liabilities	142.0	144.1
Accruals and deferred income	4.9	6.0
Total	**180.6**	**170.7**
Liabilities to participating interest companies		
Trade payables	0.4	0.2
Total	**0.4**	**0.2**
Material items included in accruals and deferred income		
Personnel expenses	40.8	37.3
Financial items and derivatives	0.1	2.0
Others	62.3	59.1
Total	**103.3**	**98.5**

EUR million	2021	2020
15. Related party transactions		
Material related party transactions for the financial period		
Sale of goods	72.2	69.6
Sale of services	40.4	41.4
Rental income	25.5	25.6
Total	**138.1**	**136.5**
Purchase of goods	222.4	202.6
Purchase of services	239.3	245.9
Total	**461.6**	**448.5**
16. Secured assets, contingent liabilities and other liabilities		
Pledges given and contingent liabilities		
Other securities provided		
Pledges	0.1	0.1
Mortgages	1.9	0.0
Total	**1.9**	**0.1**
Securities given on behalf of Group companies		
Pledges	0.0	0.0
Guarantees	89.1	102.8
Total	**89.2**	**102.8**
Securities given on behalf of others' debt		
Guarantees for debt of joint ventures	114.1	110.9
Other securities given on behalf of others		
Pledges for liabilities of joint ventures	0.5	0.5
Guarantees for liabilities of joint ventures	27.1	20.4
Total	**27.6**	**20.9**
Other liabilities		
Letter of credit liabilities	1.3	0.0
Leasing liabilities		
Maturity within one year	13.8	13.0
Maturity in more than one year	62.5	66.7
Total	**76.3**	**79.7**

Other financial liabilities

SOK is obliged to review VAT deductions made between 2013 - 2021 relating to real estate investments in case use of real estate premises decrease during the review period. The responsibility reached 0,4 million as of 31 Dec 2021 (0,4 million).

Other contingent liabilities

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

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 2021 are estimated to be EUR 0.7 million in total (2.1 million).

Additionally SOK has pledged to provide loan funding. SOK has at 31 December 2021 the following open commitments: to provide EUR 5.0 million (5.0 million) conditional subordinated loan to North European Oil Trade Oy.

Risk Management and derivative contract

SOK's finance and funding policy and risk management guideline are approved by SOK's Executive Board. They define risk management principals and threshold levels. Derivatives are used only for hedging purposes

Foreign currency risks relates to purchases' transactional risk and Russian subsidiaries funding risk. The purpose of the hedging is to minimize the uncertainty of the open position's foreign currency risk taking into the account the expense of the hedging.

SOK applies hedging to derivatives to hedge highly probable future purchases and the applied model is cash flow hedging. The effective portion of the hedging is recorded in fair value fund under the equity.

Derivatives	Nominal amount		Fair value	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Forward exchanges, hedge accounting	28.7	30.3	1.1	-1.1
Forward exchanges, no hedge accounting	21.9	25.1	0.5	-0.7
Total	**50.5**	**55.5**	**1.6**	**-1.8**

All derivatives are due within one year.

EXECUTIVE BOARD'S PROPOSAL FOR THE DISTRIBUTION OF SOK'S DISTRIBUTABLE SURPLUS

	€
Profit indicated in the income statement	617,368.37
Profit for the previous financial years	577,019,313.56
Total	577,636,681.93

The Executive Board proposes that the profit for the financial year of EUR 617 368,37 be used as follows:

- transferred to the Supervisory Board's disposal fund	45,000.00
- left in the retained earnings account	572,368.37

Providing that the Cooperative Meeting approves the above proposal, SOK's capital and reserves will be:

Cooperative capital	172,001,000.00
Fair value reserve	959,112.74
Legal reserve	18,473,154.85
Invested non-restricted equity reserve	36,427,500.00
Supervisory Board's disposal fund	82,634.97
Profit for the previous financial years	577,591,681.93
Total	805,535,084.49

Helsinki,
17 March 2022

Hannu Krook

Kim Biskop | Nermin Hairedin | Rita Järventie-Thesleff

Juha Kivelä | Veli-Matti Liimatainen | Harri Miettinen

Antti Määttä | Olli Vormisto

AUDITOR'S REPORT

To the members of Suomen Osuuskauppojen Keskuskunta

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Suomen Osuuskauppojen Keskuskunta (business identity code 0116323-1) for the year ended December 31, 2021. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent cooperative's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial performance, financial position and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

- the financial statements give a true and fair view of the parent cooperative's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent cooperative and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent cooperative's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent cooperative or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent cooperative's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent cooperative's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent cooperative or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the information included in the report of the Board of Directors and, in doing so, consider whether the information included in the report of the Board of Directors is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement in the information included in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

Helsinki, March 21, 2022

KPMG OY AB

Jukka Rajala
Authorized Public Accountant, KHT

STATEMENT BY THE SUPERVISORY BOARD

According to Clause 1 of Subsection 1 of Section 13 of the SOK Corporation's statutes, the Supervisory Board has today inspected the financial statements and consolidated financial statements prepared by the Executive Board for 2021, and has familiarised itself with the auditors report.

The Supervisory Board proposes that the cooperative meeting confirm the financial statements and the consolidated financial statements and that the Executive Board's proposal concerning the distributable equity be approved.

Helsinki, 24 March 2022

SUOMEN OSUUSKAUPPOJEN
KESKUSKUNTA

On behalf of the Supervisory Board

Matti Pikkarainen
Chairman

Seppo Kuitunen
Secretary

In its meeting on 24 March 2022, the Supervisory Board of SOK Corporation approved these financial statements for publication. According to the Finnish Cooperatives Act, the Annual Cooperative Meeting can approve or reject the financial statements in the ordinary Council of Representatives' meeting to be held after the publication of the financial statements. The ordinary Council of Representatives' meeting may also decide on amending the financial statements.



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