



Kesko Corporation's Annual General Meeting, 7 April 2022

Esa Kiiskinen, Chairman of Kesko's Board of Directors

Esteemed shareholders,

Kesko posted its all-time record result in 2021. The company's annual result has now improved for seven consecutive years. Our net sales in 2021 grew by 8.2% in comparable terms, totalling €11,300 million. Our comparable operating profit amounted to a record €776 million, representing an increase of €208 million on the year before.

All three divisions – grocery trade, building and technical trade, and car trade – recorded their all-time best results. Profitability in both grocery trade and building and technical trade has risen to the level of the best European operators. Our strong transformation efforts in the car trade division also resulted in significant profit improvement.

The strong growth is based on the successful execution of Kesko's growth strategy, underpinned by a favourable market. The strategy centres on profitable growth in three selected business divisions: grocery trade, building and technical trade, and car trade. Continuous improvement of customer experiences, further development of digital services, and corporate responsibility and sustainability are also central themes for us strategically. In addition to a common strategy, operating as 'One unified K' means seamless cooperation with retailers and across divisions.

In the 2021 strategy review, we decided to continue the execution of our successful growth strategy in the three business divisions, taking targeted division-specific actions to ensure further growth in sales and profitability. We aim to offer even better customer experiences, and to maintain and strengthen our reliable K brand.

Kesko also updated its sustainability strategy, and tied the remuneration of the company's management to its sustainability targets. The strategy sets clear sustainability targets for the operations of Kesko and its three divisions to ensure that we remain at the forefront of sustainability also going forward.

Customer trust towards Kesko and K Group is good. Interest towards Kesko as an investment also rose significantly in 2021. Today, Kesko has over 67,500 shareholders, and the figure has risen by nearly 20% since the beginning of last year.



We continue to live in exceptional times. The war in Ukraine and the financial sanctions imposed as a result will have a significant impact on the global economy and Kesko's operating environment. As a company, our position in this tragic situation is helped by the fact that we gave up all our operations in Russia between the years 2016 and 2018.

Kesko will continue the systematic execution of its growth strategy. The company's financial position is strong and it is well prepared to face new kinds of exceptional circumstances.

Esteemed shareholders,

Kesko's good ability to produce a profit and strong financial position enable good dividend capacity. The Board of Directors of Kesko Corporation proposes to this General Meeting that a dividend of €1.06 per share be paid on the basis of the 2021 adopted balance sheet, totalling nearly €421 million. The Board proposes that the dividend be paid in four instalments. Kesko's strong financial success has enabled good returns for its shareholders for many years.

On behalf of the whole Board of Directors, I want to thank our shareholders, Kesko's management, retailers, K Group personnel and all other partners for the valuable work done towards our common success. I especially want to thank all our customers.

I welcome you to this Annual General Meeting of Kesko Corporation.

