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Kesko continues updating its network of grocery store sites in line with its growth strategy

Kesko will continue to update its existing stores and also open several new grocery stores in growth centres in the coming years. Sales of Kesko's K-Citymarket hypermarket stores in particular have been growing considerably in Finland, and the hypermarkets have a crucial impact on the profitability and market share of Kesko's grocery store business. Kesko has already announced that it will build three new K-Citymarket stores, and in addition to these, the company plans to build several more K-Citymarket stores in growth centres.

"We are constantly updating and strengthening our store site network. When it comes to opening new stores, our main focus is on growth centres. The processes related to obtaining permissions and starting work on major new store sites in Finland tend to be lengthy, extending even to decades in some cases. The length of the processes has been the reason why Kesko's new store openings have in recent years consisted mainly of smaller stores rather than hypermarkets. The new hypermarkets to be opened in the coming years will have a significant role in strengthening Kesko's market share and further increasing sales," says **Ari Akseli**, President of Kesko's grocery trade division.

"We have also succeeded in significantly increasing the sales of our existing store site network by developing the stores' business ideas and offerings based on data to meet the needs of each store's customers. This has also significantly improved the stores' efficiency per square metre, competitiveness and profitability. We have invested around €1 billion on updating K-food stores in recent years. In line with Kesko's growth strategy, we are investing €200–250 million per year on developing the grocery store network," Akseli continues.

Significant investments in the store site network

Kesko has acquired a majority holding in a shopping centre located in the Espoon keskus neighbourhood in the Helsinki metropolitan area. Kesko will continue to develop the shopping centre in close cooperation with the City of Espoo. Some 40,000 people already live within a three-kilometre radius of Espoon keskus, and the neighbourhood is expected to grow significantly going forward.

Kesko announced earlier that it will build a K-Citymarket hypermarket store in Kivistö in Vantaa, which is part of the Helsinki metropolitan area. The shopping centre will measure over 13,000 square metres and the hypermarket will be approximately 7,000 square metres in size. In addition to the hypermarket, there will be around 20 other service providers in the shopping centre. The new shopping centre to be built around the K-Citymarket store will open in early spring 2026. Some 20,000 people currently live in the Kivistö area, and the figure is estimated to rise to 28,000 by 2030. The shopping centre will be in an excellent location in the centre of Kivistö in connection with the railway station and there is already a strong demand for the premises to be

leased.

Kesko will almost double the size of the K-Supermarket store in the Columbus shopping centre in Vuosaari, Helsinki and convert it into a K-Citymarket store in 2024. Work on the store premises will begin in early 2024, and should be completed by the end of that year.

Kesko is also preparing to build a new K-Citymarket in Länsiranta in Porvoo, which is located some 50 kilometres east of Helsinki, on a site already purchased by Kesko. Porvoo offers strong purchasing power and Länsiranta is a new residential area close to the city centre. Construction of the K-Citymarket store, with its floor area of around 7,000 square metres, plus a hotel and apartments is being planned next to the Taidetehdas shopping centre in Länsiranta.

A new K-Citymarket store is also planned for Kuopio. The store space of Kuopio's third store, K-Citymarket Haapaniemi, is planned to be around 8,000 square metres and the aim is to submit a planning permission application for the project by the end of the year. Kuopio is a vibrant university city with around 123,000 inhabitants.

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