



NATIONWIDE K-LATAUS NETWORK PROMOTES E-MOBILITY IN FINLAND

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K-Auto

KESKO'S CAR TRADE IN BRIEF



New car imports and sales, wide multi-brand used car selection, strong service and charging business



900,000 customers



800

K-Lataus EV charging points in Finland



K Auto

Market leader: market share in new car sales in Finland 17.0% (2021)



K-Auto offers the most extensive selection of new and used electric cars in Finland

	Q3/2022*	2021	2020
Net sales	€898 million	€1,028 million	€893 million
Operating profit	€44.7 million	€52.2 million	€23.4 million
Operating margin	5.0%	5.1%	2.6%

Comparable figures

*rolling 12 months



Hyötyautot



MAJOR IMPACT ON CAR TRADE IN FINLAND



NEW DISTRIBUTION MODELS

Significant reduction in total delivered cost



FUEL REVOLUTION

Electrification continues, EU-level regulation promoting change



SUPPLY CHAIN CHALLENGES

Continued disruptions in the supply chain and raw material availability



DIGITALISATION

Focus on efficiency and major change in consumer buying behaviour



NEW COMPETITION

New disrupting competition arriving actively to Europe



ECONOMY

Economic challenges ahead and potential reduction in market demand

STRATEGY FOCUS AREAS



K-Auto is the leading car trade operator and mobility service provider in Finland



The best customer experience



Making car trade digital



Close collaboration with the Volkswagen Group



More efficient cost structure



Meeting ambitious sustainability goals



Growing used car sales

KAuto

Making K-Auto the leading brand in the business

Comprehensive services: importing, new cars, used cars, services, and K-Lataus



KESKO'S PARTNER VOLKSWAGEN GROUP ACCELERATING ITS ELECTRIFICATION PUSH

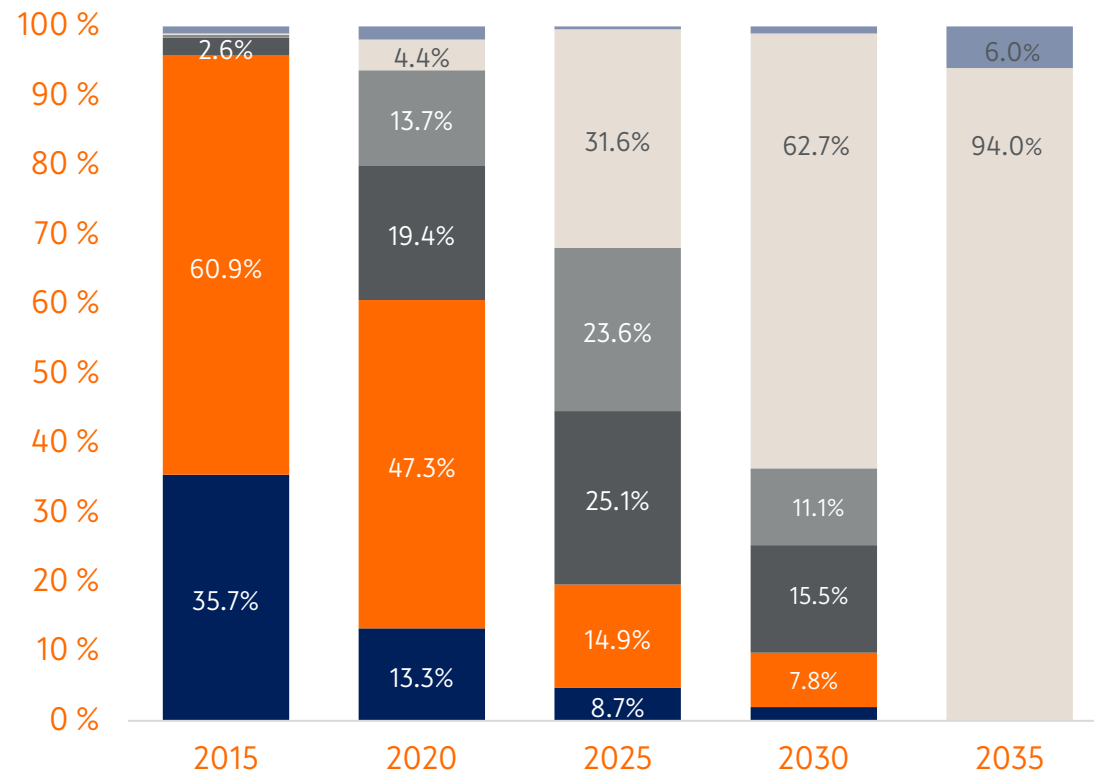
- One of the world's biggest car manufacturers
 - intends to spend some €89 billion on e-mobility and digitalisation
 - plans to end the production of combustion engine models in Europe by 2033
 - expects 70% of sales in Europe to come from full electric cars by 2030
- Volkswagen is the market leader in electric cars in Finland (12.3% of all full electric car registrations in 1-10/2022)



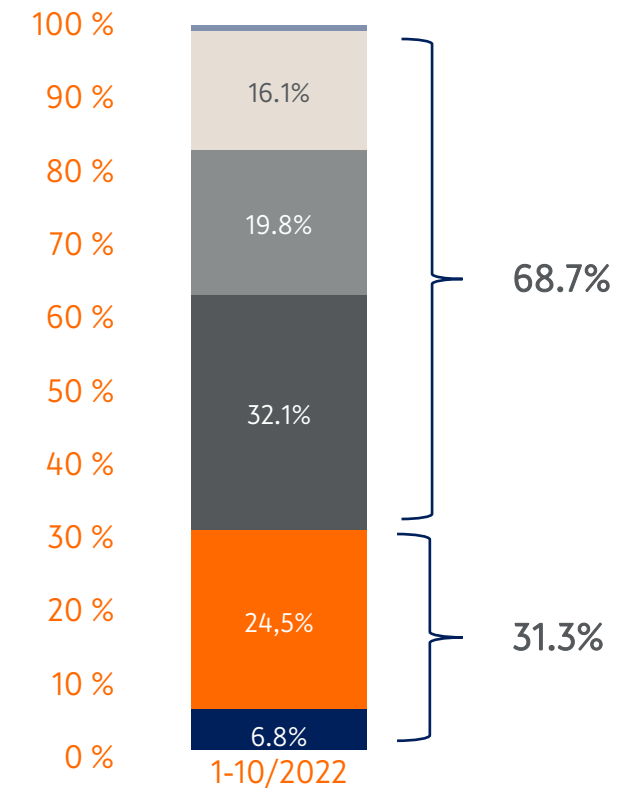
ELECTRIFICATION HAS ONLY JUST BEGUN IN FINLAND

K-Auto's EV offering is top of the market

ESTIMATED SHARE OF FUEL TYPES IN NEW PASSENGER CARS REGISTRATIONS IN FINLAND



ACTUAL



■ Diesel
 ■ Petrol
 ■ Hybrid
 ■ Plug-in hybrid
 ■ Full-electric
 ■ Other

Source: The Finnish Information Centre of Automobile Sector





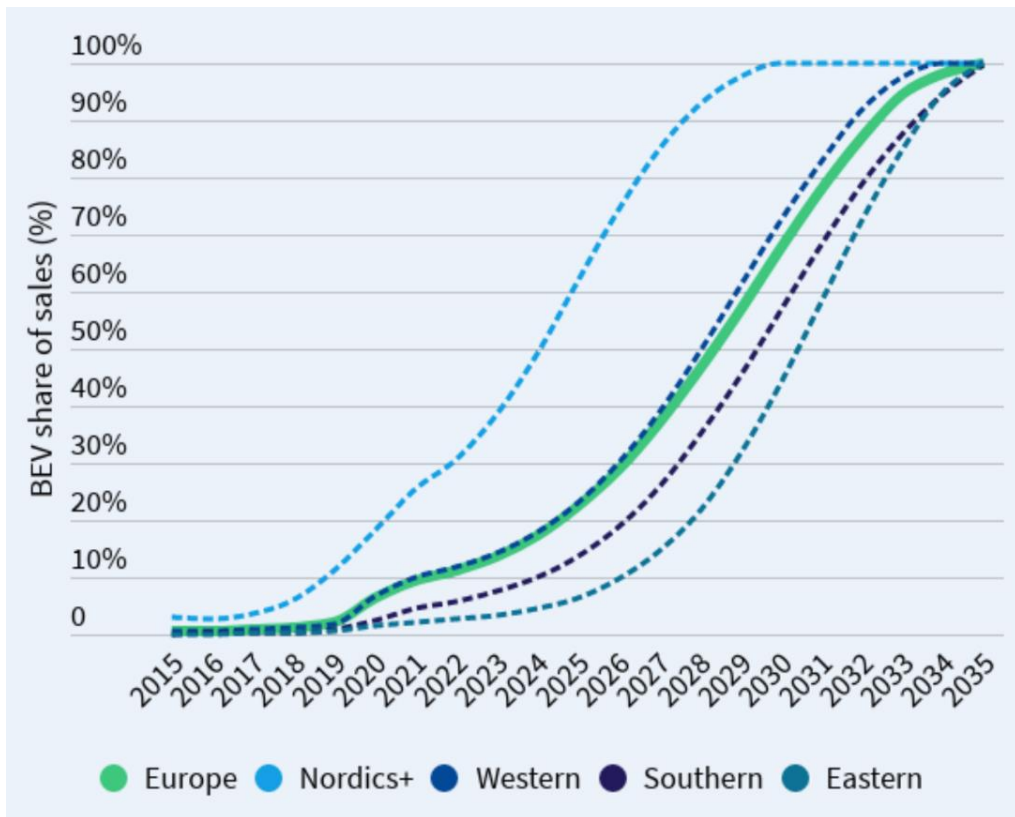
K-LATAUS OFFERS OVER 800 CHARGING POINTS

- K-Lataus is a nationwide charging network for electric vehicles, found at over 150 K Group store locations
- The K-Lataus network will double in size in 2022, with some 100 new charging stations established across Finland
- Growth in charging: **+123%***
- Growth in customer numbers: **+80%***
- The electricity is 100% Finnish wind power, majority bought centrally by Kesko

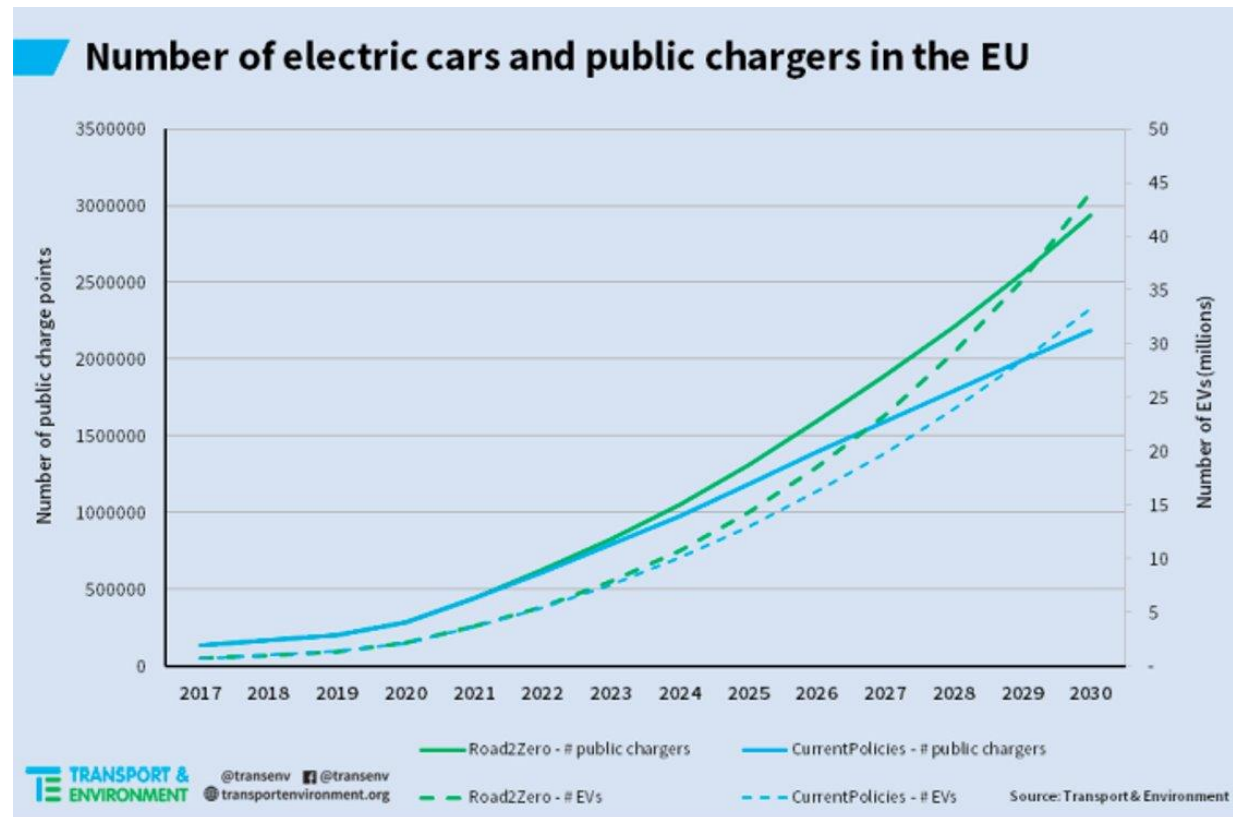
* 1-10/2022 vs. 1-10/2021



EV CHARGING: STRATEGIC AND MAIN MARKET TRENDS



Source: CleanTechnica, www.cleantechnica.com/2021/05/11/hitting-the-ev-inflection-point-in-europe/



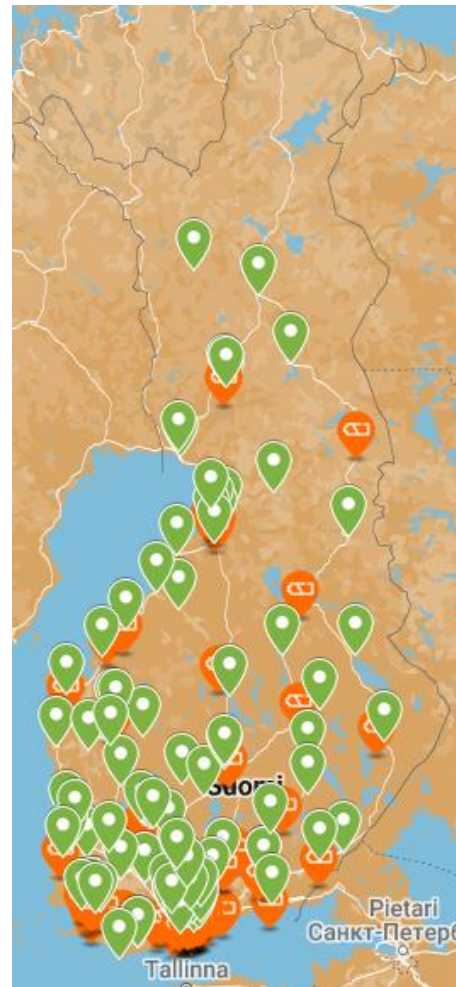
Source: Transport & Environment, https://www.transportenvironment.org/wp-content/uploads/2021/08/2021_05_Briefing_BNEF_phase_out.pdf

OUR NATIONWIDE K-LATAUS NETWORK IS GROWING FAST

12/2021
99 Charging stations



12/2022
200 Charging stations



Strategic focus areas

- An efficient, nationwide EV charging network
- Focus on HPC (high power charging): most new chargers offer 100-200 kW. We target a minimum charging capacity of 50 kW for each DC charging point.
- Locations: cities and key hubs for drivers – stations set up where demand exists
- Stations situated at K Group store locations, which enables suitable facilities and access to the electric grid
 - 87% of the stations at grocery store sites – K Group has the most extensive network of grocery stores in Finland
 - 4% of the stations at K-Rauta sites
 - 9% of the stations at Neste K sites

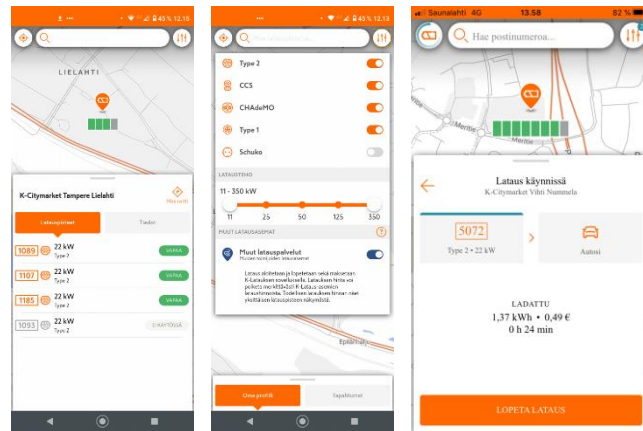
CUSTOMER EXPERIENCE FIRST

Integrated charging environment for passenger cars (B2C)

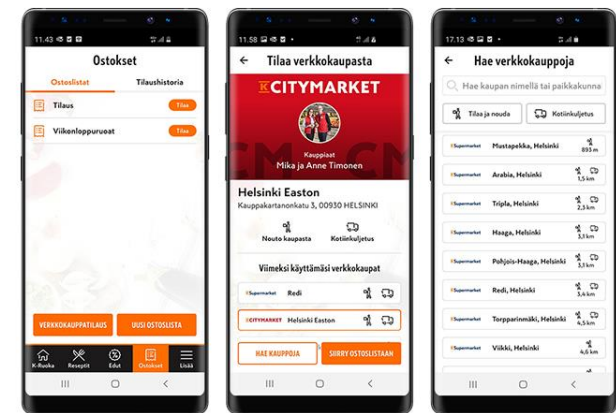
Digital Operating system &
Customer Interface



K Lataus



K Ruoka



SCENARIO 2025 & 2030: NORWAY VS. FINLAND

NORWAY* 	2022	2025e	2030e
EV Car Park	600,000	1,000,000	1,600,000
HPC chargers	5,000	9,000	12,000

FINLAND** 	2022	2025e	2030e
EV Car Park	40,000	200,000	600,000
HPC chargers	1,100	2,500	4,000

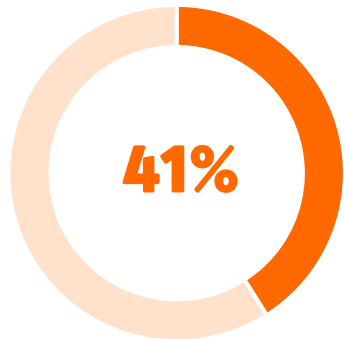
>> At the moment, there are 400 K-Charge HPC chargers in Finland.

*Source Norway: Norway's alternative fuels infrastructure strategy, 15.8.2022

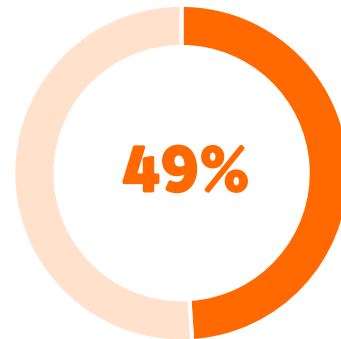
**Source: Technology Industries of Finland & Kesko's own estimates

FINNISH DRIVERS FAIRLY POSITIVE ON ELECTRIC CARS

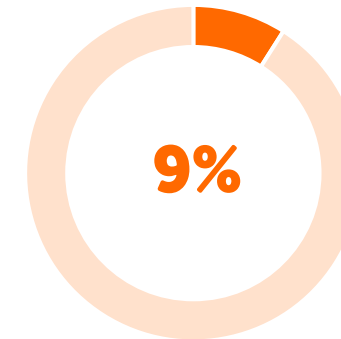
Recognise a need for more public charging facilities



Of Finnish drivers interested in getting a full electric car within the next five years



Nearly half of Finnish drivers have a positive attitude towards full electric cars



Only a small portion of Finnish drivers consider the number of public EV charging points in Finland sufficient

LAND & GRID



