



24 March 2025

Esa Kiiskinen, the Chair of the Board of Directors

**Esteemed shareholders,**

Kesko's result in 2024 was good despite the challenges in our operating environment. This is a clear indication of the effectiveness of our strategy, as well as our systematic management and stringent cost control across all divisions.

Kesko's strategy was updated last spring, with particular focus on refining the competitive advantages of each division. The main pillars of Kesko's strategy remain intact, and we continue to pursue profitable growth in three selected divisions, namely grocery trade, building and technical trade, and car trade. In all business operations, we aim for sales growth and improved customer experiences, profitability, and efficiency.

Our operating environment remained challenging in 2024. The year was characterised by geopolitical tensions and slow economic growth. Consumer confidence in Finland improved on 2023, but still remained low. Gradual improvement was seen in purchasing power thanks to decelerating inflation and interest rates coming down. Business confidence in Finland rose across all sectors in the latter half of the year, but the confidence indicator for construction continued to be very low.

Despite the challenges in its operating environment, Kesko's ability to generate profit remains good. The company has a good, clear strategy that focuses on its strengths, and we have been able to respond quickly to changes in our operating environment, while constantly improving efficiency.

Kesko's balance sheet enables investments in growth also in a challenging economic cycle. Among the highlights of the year was Kesko expanding its operations to Denmark by acquiring Davidsen, one of the leading building and home improvement trade operators in the country. In August, we announced three further acquisitions in Denmark. Once these are completed, our market share in Danish building and home improvement trade will rise to some 20%, with net sales of 800 million euros. Denmark will then become Kesko's third biggest operating country in terms of net sales, after Finland and Norway.

In 2024, we continued significant investments in our network of store sites in grocery trade. We are investing some 200 to 250 million euros in store renovations and new store openings annually, and expect the investments to result in sales growth in upcoming years.

Kesko's sustainability strategy was also updated last year, with the objective of ensuring the feasibility of our emission reduction targets and establishing concrete actions towards them. Over the next ten years, Kesko will increase investments in, for example, energy efficiency and the electrification of transports in an effort to reduce emissions.

Kesko's long-standing sustainability work yields results as well as international recognition. Kesko is the only company in the world to have made the 'Global 100 Most Sustainable Corporations in the World' list every year since the list was first established in 2005. In the most recent listing, Kesko ranked the highest among all grocery trade companies in the world as well as the highest of all Finnish companies. Kesko was also again included in the Dow Jones Sustainability Indices.

Kesko has ranked among the most reputable companies in Finland for several years. Interest towards Kesko has also risen significantly among Finnish private investors: at the end of 2024, the number of registered shareholders exceeded 113,000 and Kesko was among the biggest companies in terms of the number of shareholders on the Helsinki stock exchange. Foreign ownership now stands above 33%, and the share of foreign investors took an upturn at the start of the latter half of the year.

Kesko today is a strong, modern and increasingly international trading sector company. Kesko's strategy is effective, and it is well-positioned to continue to grow profitably. There are signs of a gradually improving operating environment, and I foresee a bright future for Kesko in upcoming years.

**Dear shareholders,**

Kesko's ability to generate profit and its strong financial position enable both investments and a good dividend capacity. The Board of Directors of Kesko Corporation proposes to this General Meeting that a dividend of €0.90 per share be distributed based on the 2024 adopted balance sheet, totalling some 358 million euros. The Board proposes that the dividend be paid in four instalments.

On behalf of the whole Board of Directors, I want to thank Kesko's shareholders, management, retailers, K Group personnel, and our other partners for their excellent collaboration. I also want to express my gratitude to all our customers.

I welcome you all to this Annual General Meeting of Kesko Corporation, and declare the meeting open.

