



Kesko Corporation's Annual General Meeting, 12 April 2021

Esa Kiiskinen, Chairman of Kesko's Board of Directors

Esteemed shareholders: Welcome to Kesko's 2021 Annual General Meeting

For Kesko, 2020 was a very strong year, during which we achieved a record operating profit of €568 million. Our success and record-result are founded on the growth strategy first established in 2015 and its successful execution. Strong customer-orientation drives everything we do. The cornerstones of Kesko's strategy are profitable growth, focus on our core businesses – grocery trade, building and technical trade, and car trade –, sustainability and combatting climate change, and operating as “One unified K”.

Kesko's ability to face exceptional circumstances, such as the Covid-19 pandemic, is good. Our growth strategy works also under exceptional circumstances, and thanks to our transformation in recent years, our structures and processes can also withstand crises. Our fast response to changes in our operating environment and our agility are proof of active leadership and good collaboration towards achieving common goals. I am convinced that the lessons we have learned during this pandemic will help us also once the situation has passed.

In the grocery trade, sales continued to grow in 2020 on the back of good customer experiences, and K Group grocery stores gained market share for the fifth consecutive year. In the building and technical trade, country-specific strategies proved effective. There was good progress on many fronts, and growth was boosted by a consumer building and renovation boom. In the car trade, the market remained challenging.

Trust towards K Group has grown significantly and we now rank among the most reputable companies in Finland. Kesko has also become an increasingly attractive investment for Finnish private investors, and the number of Kesko shareholders has risen to nearly 60,000. As a sign of our long-term impactful commitment to corporate responsibility, in January 2021 we ranked as the world's most sustainable grocery trade company for the seventh consecutive year on the Global 100 Most Sustainable Corporations in the World list.

Esteemed shareholders,

The Board of Directors of Kesko Corporation proposes to this General Meeting that a dividend of €0.75 per share be paid on the basis of the 2020 adopted balance sheet, totalling nearly €300 million. Kesko's good



dividend capacity is based on its strong and steady cash flow from operations. The Board proposes that the dividend be paid in two instalments in May and October.

Last October, Kesko celebrated its 80th anniversary. Celebrations had to be put aside as we focused on work, as fits a company that employs tens of thousands of people both directly and indirectly. A key reason behind the success of Kesko and K Group throughout the decades has been our ability to move with the times. Indeed, in recent years, the company has successfully undergone a strong transformation.

This transformation and growth will continue under President and CEO Mikko Helander, who has agreed to stay on as President and CEO and not retire at 63 as originally agreed. Over the past year, changes in Kesko's Management Board have resulted in a more versatile composition, with sustainability, communication and brand-related work becoming more prominently part of the agenda of Kesko's top management.

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

We are well set to continue the execution of Kesko's growth strategy. I am convinced that Kesko's strong, visible transformation will continue and that the company will significantly accelerate the development of the whole trading sector also in upcoming years.

I warmly welcome you all to follow Kesko Corporation's Annual General Meeting.

