



KESKO CORPORATION INVESTOR NEWS 8.9.2022 AT 13.35

Finnish Competition and Consumer Authority suspects Onninen Oy of violation of competition law – Onninen denies the claims

The Finnish Competition and Consumer Authority has been investigating Kesko Group company Onninen's suspected violation of competition law for almost 10 years, and has finally decided to take the matter to the Market Court. The investigation has concerned a wide range of companies operating in the HPAC infra plastic pipe product market in Finland. The suspected violation concerns almost in its entirety a period of time before Kesko acquired the capital stock of Onninen from Onvest Oy on 1 June 2016. Consequences resulting to Onninen from the investigation were addressed in the acquisition terms and conditions. Onninen denies the FCCA claims of suspected violation of competition law as unfounded. Kesko is not suspected of participation in the alleged infringement.

The Finnish Competition and Consumer Authority (FCCA) initiated an investigation into the HPAC infra plastic pipe product market in Finland in 2013. The market accounts for less than 5% of Onninen's net sales. According to the FCCA, the suspected violation would have extended from summer 2009 to autumn 2016. The FCCA proposes a penalty payment of €16 million for Onninen for the alleged infringement. Kesko is not suspected of participation in the alleged infringement.

Kesko was aware of the ongoing investigation when it acquired Onninen. The terms and conditions of the acquisition prepared for the risks related to the investigation, with the seller committing to assume responsibility for consequences potentially resulting to Onninen from the investigation.

The proposal by the FCCA represents one interpretation of the matter and is only a proposal for the Market Court. It is not, in itself, proof of actions in breach of the Competition Act. Onninen will review the FCCA proposal carefully, and will submit its rejoinder to the Market Court. The investigation into the suspected violation of competition law has so far taken nearly 10 years, which can be considered unreasonable for the companies under investigation and their representatives in charge.

At this stage, it is impossible to estimate what the final result of the process and the final potential penalty payment sum will be. Kesko and Onninen have disclosed the investigation, for example, in their 2021 financial statements.

Further information is available from Lasse Luukkainen, Group General Counsel, tel. +358 105 322 818.

Kesko Corporation

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