

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

28 November 2024

**Ocado Group plc
Update on shared UK CFCs**

Ocado Group ("Ocado") provides technology solutions to two grocery partners in the UK, Morrisons and Ocado Retail Ltd. They currently share fulfilment capacity at two Customer Fulfilment Centres ("CFCs") in Dordon and Erith. We engage actively with both Morrisons and Ocado Retail to support their expansion and development within the online grocery market. This includes strategic discussions on the optimal use of our CFCs to support each partner to achieve their growth ambitions.

Following recent discussions, Morrisons will gradually cease deliveries from Ocado's Erith CFC in order to continue building further volumes from Ocado's Dordon CFC, as well as expansion of their store network where online orders are fulfilled using Ocado's AI-powered In-Store Fulfilment solution.

Ocado has supported Morrisons.com's growth since May 2013, helping to establish and build an online grocery business delivering Morrisons unique blend of customer service, value and fresh food to thousands of shoppers each week. Morrisons.com is enabled by Ocado's world-leading technology, the Ocado Smart Platform, which also enables the online operations of leading grocery retailers globally.

As Ocado Retail continues to grow robustly and approaches full capacity in its current network, this decision now opens an attractive option to provide Ocado Retail with extra network capacity over the near term.

Tim Steiner, CEO of Ocado Group, said:

"With our world-leading technology, Ocado Retail and Morrisons offer amazing propositions in the UK online grocery market. As Ocado Retail moves towards full utilisation of existing capacity, this decision enables a helpful option to provide it with further short-term growth, without an expectation for additional capex. As Morrisons reduce their operations at Erith and build their volumes in other parts of the network we are working with them to ensure seamless continuity of service to their customers and to continue strong market share growth across the UK market with the Ocado Smart Platform."

Rami Baitiéh, CEO of Morrisons, said:

"We have a successful partnership with Ocado and we value their expertise and their technology highly. As our online business continues to grow we have decided to process a greater share of our online volume through the Dordon CFC and with in-store fulfilment - which gives our customers full access to our unique Market Street offer. Morrisons.com will continue to service every postcode in England, Wales and Scotland, with no impact to customers."

Expected Financial Impact on Ocado Group

Subject to the conclusion of our discussions with Ocado Retail, we expect the net cash impact to be broadly neutral across FY25 and FY26.

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Notes to Editors

About Ocado Group

Ocado Group is a UK based technology company trading on the London Stock Exchange (Ticker OCDO). It provides end-to-end online grocery fulfilment solutions to thirteen of the world's largest grocery retailers and holds a 50% share of Ocado Retail Limited in the UK in a Joint Venture with Marks & Spencer. Ocado has spent two decades innovating for grocery online, investing in a wide technology estate that includes robotics, AI & machine learning, simulation, forecasting, and edge intelligence.

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