

Completion of Arrangements with M&S

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Ocado Group PLC
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OCADO GROUP PLC

Completion of arrangements with Marks and Spencer Group plc ("M&S")

On 27 February 2019 Ocado announced that it had entered into certain arrangements with M&S and members of its group to establish a new 50/50 joint venture comprising Ocado's UK grocery retail business ("Ocado Retail"), supported by a new partnership for solutions services underpinned by the Ocado Smart Platform and the provision of branding and sourcing from M&S (the "Arrangements"). Further details of the Arrangements are set out in Ocado's shareholder circular published on 26 April 2019.

Ocado's shareholders voted in favour of the Arrangements on 20 May 2019. Following the satisfaction of certain other conditions, Ocado is delighted to announce that completion of the Arrangements took place today with the sale of 50 per cent. of Ocado Retail Limited to a wholly owned subsidiary of M&S.

Following completion of the sale, Ocado has appointed Melanie Smith, currently Strategy Director at M&S, as CEO of Ocado Retail Limited and Lawrence Hene, currently the interim managing director of Ocado Retail Limited, as deputy CEO for a transitional period before he moves back into a senior role within the Ocado group.

The other directors of Ocado Retail Limited are Tim Steiner and Duncan Tatton-Brown, respectively Chief Executive Officer and Chief Financial Officer of Ocado, and Steve Rowe and Stuart Machin, respectively Chief Executive Officer and Food Managing Director of M&S. Tim Steiner will also be chair of the board of Ocado Retail Limited.

Although M&S is now a 50 per cent. shareholder in Ocado Retail Limited, as described in more detail in the Circular, Ocado Retail will not sell M&S products until 1 September 2020, unless Ocado Retail's current arrangements with Waitrose terminate sooner. From that date, over three quarters of the UK population will be able to shop for a full supermarket range via Ocado.com, comprising over 6,500 M&S food products, Ocado's exclusive brands and own label products, and a full range of branded goods.

Tim Steiner, Chief Executive Officer, Ocado, said:

"Ocado Retail's future, as part of a joint venture with M&S, is full of opportunity. The new company will be able to offer customers even greater range, service, quality and value. Our collaboration will also allow us to grow the business faster, add more jobs, and create more value for all our stakeholders. We are very excited to be working together.

"I would like to take this opportunity to thank Lawrence for his incredible achievements with ocado.com since 2011, which he has been instrumental in growing to the business it is today and I look forward to continuing to work with him, both during his transitional role at Ocado Retail Limited and when he moves back to the Ocado Group. I am very excited about Ocado Retail Limited continuing to realise its fullest potential under Melanie's leadership."

Steve Rowe, Chief Executive Officer, M&S, said:

"I have always believed that M&S Food could and should be online. The addition of Ocado to our family of businesses marks M&S's first truly transformational step in shaping our future as a digital first retailer, as we combine the magic of M&S food with Ocado's award-winning service to create a new and compelling proposition. Through its unique OSP technology, Ocado has developed the most cost advantaged model in online grocery retail and our new partnership unlocks growth for M&S Food through an immediately profitable, scalable presence in the UK's fastest growing grocery sales channel.

"I am absolutely delighted that our JV will be led by Melanie. She is a real talent; who combines extensive retail knowledge, strategic vision and a focus on delivery."

Enquiries

Ocado Group plc

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Notes to Editors:

About Ocado Group

Ocado Group is a UK based company admitted to trading on the London Stock Exchange (Ticker OCDO). It comprises one of the world's largest dedicated online grocery retailers, operating its own grocery and general merchandise retail businesses under

Ocado.com and other specialist shop banners, together with its solutions division, Ocado Solutions.

About Ocado Retail

Online supermarket Ocado.com was established in 2000 and is one of Britain's leading online retailers. Covering geographies comprising over 74% of UK households, every shopping bag is carefully packed in one of three distribution centres using market leading software and technology. Shopping is then delivered direct to customers using a network of regional spokes in brightly-coloured vans.

With award-winning mobile apps, Ocado Retail delivers over 50,000 products, including big-name brands, a range of Ocado own brand products and a growing non-food selection. Thoughtful service features such as colour-coded bags, digital receipts provided in date order, reminder texts with your driver's name, along with convenient hourly delivery slots complementing award-winning customer service on email, phone and social media.

About M&S

M&S is a unique retailer with a great heritage of brand values and customers who want to see it succeed again. M&S operates Food, Clothing & Home and other retail businesses using the M&S own-brand model, focused on delivering great value for money. Although primarily based in the UK, M&S sells into 57 countries from 1,463 stores and 20 websites around the world and employs 81,000 colleagues serving about 32 million customers. M&S is committed to a programme of transformation to ensure that once again M&S can fulfil the potential of its brand and deliver long-term sustainable, profitable growth to investors, colleagues and the communities in which it operates.

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Information regarding forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should"

or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places and include, but are not limited to, statements regarding Ocado and its intentions, beliefs or current expectations concerning, among other things, the business, results of operations, financial position, prospects, growth, and strategies of Ocado and its subsidiaries.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of operations and financial position of Ocado Group plc (the "Company"), Ocado Retail and their subsidiaries, and the development of the markets and the industry in which they operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the results of operations and financial position of the Company, Ocado Retail and their subsidiaries, and the development of the markets and the industry in which they operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law and regulation, currency fluctuations, changes in business strategy, political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of their respective dates, reflect the Company's, Ocado Retail's and their subsidiaries' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to their and their operations, results of operations and growth strategy.

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