

## **Agreement re Ocado Smart Platform**

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Ocado Group PLC  
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### **Ocado Group plc**

#### **This announcement contains inside information**

#### **Announcement of first international customer for the Ocado Smart Platform**

We are pleased to announce that on 3<sup>rd</sup> June 2017 we signed an agreement with a regional European retailer to use Ocado Smart Platform ("OSP"). The retailer wishes to remain anonymous until it launches its online business in order to retain competitive advantage.

Ocado will provide this partner with our full software platform, know-how and support services required to create an efficient and intelligent online grocery business, with orders initially fulfilled from their manually operated centralised warehouse.

The agreement gives the partner the right to request in the future the installation of automated mechanical handling equipment in centralised warehouses, powered by OSP technology, on terms to be separately agreed but within given parameters.

The partner will pay an up-front fee to Ocado for access to OSP, together with ongoing fees that are based on the volume of products sold online. Ocado expects the arrangement to be earnings and cash neutral in the current and 2018 financial years, and increasingly accretive thereafter.

Tim Steiner, CEO of Ocado, said:

"We are delighted that our partner has decided to adopt OSP for its online operations. This is an exciting step in the evolution of our business and in the delivery of our strategy.

The benefits of our integrated solution are clear. As this particular retailer looks to develop its online offering the agreement we have signed provides the flexibility to expand its capacity efficiently in the

future. We look forward to working closely with our new partner in the months and years ahead.

Our discussions with other retailers across the globe are ongoing and we continue to expect to sign multiple deals in the medium term."

### **Contacts**

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### **Notes to editors**

#### *About Ocado*

Ocado is a UK based company admitted to trading on the London Stock Exchange (Ticker OCDO), and is the world's largest dedicated online grocery retailer, operating its own grocery and general merchandise retail businesses under the Ocado.com and other specialist shop banners.

#### *About Ocado Smart Platform*

Ocado began the commercialisation of its intellectual property in 2013 with its agreement to operate the online business of Wm Morrison Supermarkets plc in the UK. This agreement was further expanded in 2016.

OSP is an enabling platform provided as a service to retailers. It comprises access to Ocado's entire end-to-end proprietary software required to operate an online grocery business. It includes the ability for retailers to fulfil orders either out of their own store or manual warehouse network or to use Ocado's proprietary physical infrastructure solutions to run highly efficient automated warehouse operations. It is underpinned by Ocado's expertise and experience as a dedicated online grocery operator.

#### *Cautionary statement*

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Ocado does not undertake to update or revise any forward-

looking statements, whether as a result of new information, future developments or otherwise.

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