

Statement regarding Auchan Poland partnership

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Ocado Group PLC
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Ocado Group plc

Announcement of partnership between Ocado Solutions and Auchan Retail Poland

We are pleased to announce the signing of an agreement between Ocado Group plc ("Ocado") and Auchan Retail ("Auchan") to partner with Ocado Solutions Limited to develop Auchan Retail Poland's ("Auchan Poland") online business using the Ocado Smart Platform ("OSP"). This agreement marks the second Auchan business to partner with Ocado Solutions.

Auchan Poland and Ocado will initially build a Customer Fulfilment Centre (CFC) to serve the Warsaw region, beginning in 2024, with additional CFCs to be announced at future dates. Auchan Poland will also leverage Ocado's In-Store Fulfilment (ISF) software across its hypermarkets nationwide to enable more efficient picking from those stores. The agreement will cover both its food and non-food business.

Auchan Poland will also benefit from the enhancements announced during Ocado's Re:Imagined event in January, such as the latest generation 600 Series bot, Automated Frameload and On-Grid Robotic Pick. Alongside physical fulfilment solutions, Ocado will provide OSP's end-to-end software platform and a comprehensive suite of engineering and support services to ensure the smooth launch and ongoing development of its ecommerce operations.

The structure of fees agreed with Auchan Poland are similar to those agreed with other international Ocado Solutions partners. Auchan Poland will pay Ocado certain fees upfront and during the development phase, then ongoing fees linked to both sales achieved and installed capacity within the CFC and service criteria.

Ocado Group and Auchan Retail will continue to explore the potential to further develop our relationship with partnerships in other geographies.

The agreement is mutually exclusive in Poland on the basis of Auchan Poland, in the longer term, meeting market share targets or ordering an agreed amount of CFC capacity per annum.

Tim Steiner, CEO of Ocado Group, said:

"We are pleased to bring a second Auchan business to our global platform, and to welcome Auchan Poland to the club of innovative and forward-looking retailers who are using the Ocado Smart Platform to power their online grocery business."

"Today though, we recognise that this announcement comes at a very difficult time for everyone in Poland, including many cherished colleagues working in our technology development centres in Wrocław, Krakow and elsewhere. The human tragedy unfolding in Ukraine, and the refugee crisis along its borders, has shocked the world. My thoughts, and those of everyone at Ocado Group, are with the Ukrainian people and everyone impacted by Russia's invasion of their country."

Gérard Gallet, CEO of Auchan Retail Poland, said:

"In the current very difficult context we are faced with, our teams are very committed to help Ukrainian refugees with the support of NGOs like Caritas and Red Cross. We strongly call for peace in Ukraine. At the same time, we would like to prepare our company for the future."

"The development of ecommerce services is our priority direction, which we have been consistently pursuing for years, and recently especially intensively. The partnership agreement with Ocado Solutions is the best proof of our commitment. I am convinced that the introduction of such innovative and forward-looking solutions will be a significant step for our company on the way to achieving the leading position in the e-grocery market in Poland."

Expected financial impact for Ocado

Ocado expects this deal to create significant long term value to the business. The impact of this transaction should be negligible on earnings in the current financial year as no cash fees will be recognised in revenue until operations commence. Ocado expects minimal additional capex in FY22 with the majority of additional capex in the 18 months prior to the opening of the CFC.

Contacts

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Notes to editors

About Ocado Group

Ocado Group is a UK based technology company admitted to trading on the London Stock Exchange (Ticker OCDO). It provides end-to-end online grocery fulfilment solutions to some of the world's largest grocery retailers and holds a 50% share of Ocado Retail Ltd 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.

About Ocado Solutions

Ocado Solutions is responsible for Ocado's corporate partnerships, providing the Ocado Smart Platform as a service to retailers around the world. OSP comprises access to Ocado's physical infrastructure solutions, running highly efficient warehouse operations for the single pick of products, together with the entire end-to-end proprietary software applications required to operate a world-class online grocery business. It is underpinned by Ocado's proven expertise and experience as a dedicated online grocer in the UK.

Ocado Solutions is partnered with leading grocery retailers worldwide. These include Aeon, Alcampo, Kroger, Sobeys, Morrisons, Groupe Casino, Coles Supermarkets, ICA Group, Bon Preu Group, and Ocado Retail.

About Auchan Retail

Present in 13 countries, Auchan Retail operates all food retail formats (hypermarket, supermarket, convenience, drive, digital) with 1985 points of sale. Auchan Retail puts its customers at the heart of all its operations by offering them a phygital shopping experience, which combines physical stores with the digital ecosystem, and exclusive, quality products at the best price. New generation merchants, players in the good, healthy and local; the 179,590 employees of Auchan Retail contribute, through a responsible approach with customers, farmers and suppliers, to enable everyone to live better by eating better.

About Auchan Retail Poland

Auchan Retail Polska is a large-scale retail network with French roots, present in Poland since 1996, managing a network of hypermarkets on the Polish market under the Auchan brand, supermarkets under the Auchan Supermarket brand, convenience stores under the Easy Auchan brand, neighbourhood stores under the Moje Auchan, as well as the e-commerce trade channel. The chain also has franchise stores in the format of a supermarket and a hypermarket.

More information about the company can be found on the website <https://www.auchan.pl/pl>.

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