

# Proposed Placing of Shares and Convertible Bond

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Ocado Group PLC  
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**For immediate release**

**10 June 2020**

## **OCADO GROUP PLC**

### **Proposed Placing of New Ordinary Shares, Retail Offer and Convertible Bond Offering**

Ocado Group plc ("Ocado " or the "Company"), the leading online grocery platform and solutions provider, today announces its intention to conduct a non-pre-emptive placing of approximately £650m of new ordinary shares of 2 pence each (the "Placing Shares") in the capital of the Company (the "Placing").

In conjunction with the Placing, there will be an offer made by Ocado on the PrimaryBid platform of new ordinary shares of 2 pence each in the capital of Ocado (the "Retail Offer Shares") at the Placing Price (as defined below) (the "Retail Offer"), to provide certain retail investors with an opportunity to participate in the Capital Raise (as defined below). A separate announcement will be made shortly regarding the Retail Offer and its terms.

Ocado intends to raise gross proceeds of approximately £657m through the Placing and Retail Offer.

Concurrently with the Placing and Retail Offer, the Company is also launching an offering of £350m of guaranteed senior unsecured convertible bonds due 2027 (the "Bonds") (the "Convertible Bond Offering"). The Placing, Retail Offer and Convertible Bond Offering together are intended to raise total gross proceeds of approximately £1,007m (the "Capital Raise") and will provide the Company together with its subsidiaries (the "Group" or

the "Ocado Group") with the financial flexibility to capitalise on opportunities arising from the significant acceleration in online adoption and grow faster over the medium term.

The Placing will be conducted through an accelerated bookbuild which will be launched immediately following this announcement (the "Announcement") and will be made available to new and existing eligible institutional investors (the "Placing Bookbuild"). The Convertible Bond Offering will also be offered via an accelerated bookbuild which will be launched immediately following this Announcement only to institutional investors. The Placing is subject to the Terms and Conditions set out in the Appendix to this Announcement. Goldman Sachs International ("Goldman Sachs International"), J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove ("J.P. Morgan Cazenove" or "JPMC") and Numis Securities ("Numis") are acting as joint global coordinators and joint bookrunners (together, the "Joint Bookrunners") in respect of the Placing and Goldman Sachs International and J.P. Morgan Cazenove are acting as joint global coordinators and joint bookrunners in respect of the Convertible Bond Offering.

The price at which the Placing Shares are to be placed (the "Placing Price") will be determined at the close of the Placing Bookbuild. The final terms of the Convertible Bond Offering are expected to be announced at the end of the accelerated bookbuild. The Retail Offer is not made subject to the Terms and Conditions set out in the Appendix to this Announcement and instead will be made on the terms outlined in the separate announcement to be made shortly regarding the Retail Offer and its terms.

### **Context of the Capital Raise:**

In the context of deciding to pursue the Capital Raise, the Board of Ocado has considered the following factors:

#### **1) The online grocery market is showing a significant acceleration**

Online grocery continues to experience significant growth globally, driven by channel shift, as customers demand ever greater convenience for their household shopping. Industry data evidences that COVID-19 has significantly accelerated this ongoing change in shopping habits, as "lock-down" measures have led consumers to shop online. For example, in the UK, Nielsen data shows that online penetration has almost doubled in recent months to 13%<sup>[1]</sup> of the UK grocery market, from 7%<sup>1</sup> pre-COVID-19. Globally, online grocery penetration is currently low with significant scope for expansion.

#### **2) Step up in online growth is expected to generate a permanent and significant increase in online penetration**

Surveys indicate that many customers who have purchased groceries online in recent months, will continue to do so, resulting in a both a new baseline for online penetration, and expectations for a sustainable step up in growth from this new baseline. For example, in the US, surveys show that 90%<sup>[2]</sup> of shoppers who purchased groceries online in March-20 anticipate that they will continue doing so; in Europe, surveys show that an average of 47%<sup>[3]</sup> of existing shoppers who have increased their online grocery purchasing since COVID-19 expect to continue doing so once the outbreak is over.

Given these trends, Ocado Group anticipates that new customers will be more likely to have already shopped online, therefore making them easier to convert to customers of Ocado partners.

### **3) Current trading within Ocado Group also evidencing significant acceleration**

As announced on 6<sup>th</sup> May 2020, sales within Ocado Retail Limited ("Ocado Retail"), the Group's UK joint venture with Marks & Spencer, have been very strong as the Group has accelerated the ramp up of capacity at Erith, whilst also operating at peak capacity across its other facilities, in order to serve as many customers in the UK as possible. Ocado Retail sales were up 40.4% in Q2 2020 to 6<sup>th</sup> May and current trading remains consistent with these trends. Year-on-year comparatives have been stronger still, reflecting that this has typically been a quieter time for the business in normal trading.

In addition to supporting this accelerated growth at Ocado Retail, Ocado Group has seen a high level of activity with all its partners throughout the COVID-19 pandemic. In the UK, Morrisons are benefiting from additional capacity at Dordon and increased use of the Ocado platform for in-store fulfilment allowing them to increase their online store pick capacity several-fold. Internationally, the Group has helped Ocado Solutions Limited ("Ocado Solutions") partners Groupe Casino, in France, and Sobeys, in Canada, to launch and roll out their online businesses more rapidly against a backdrop of expected long-term increase in demand for online grocery. On 5<sup>th</sup> June, Kroger announced the continued expansion of their partnership with Ocado Group with plans to construct three additional customer fulfilment centres ("CFCs") in the US, progressing their ambition to use the CFC model to expand Kroger products to a larger footprint.

The Group will report its interim results for the six months ended 1<sup>st</sup> June 2020 on 14<sup>th</sup> July 2020.

### **4) Ocado Group's proven business model is best placed to capitalise on the rapid acceleration to online**

Ocado Group is the only end-to-end solution provider for online grocery fulfilment globally, with proprietary and proven technology that has been developed and successfully operated in the UK over the last 20 years. The Group's technology provides a flexible platform, able to serve all missions, with a market leading customer offer and compelling economics. Ocado Group believes that throughout COVID-19, automated fulfilment at the centre of the Group's CFC model also provides the safest means to shop online for consumers, at no incremental cost. Several of the world's largest grocery retailers have already chosen to partner with Ocado to deliver a market leading shopping experience for their own customers.

The Group's model is based on a virtuous cycle of growth, investment and innovation, with positive network effects as the online sales of its Ocado Solutions partners' scale. As partners scale, Ocado Group establishes a greater base of cash flow and more room to invest behind its proposition and more developed infrastructure.

Ocado Group believes this cycle will continue to see the opportunity set evolve and expand. Ocado Group will keep adapting and improving its leading proposition, so that Ocado Solution partners can build tailored and flexible ecosystems to serve an evolving and comprehensive set of customer missions in their given markets.

#### **Reasons for the Capital Raise:**

The net proceeds of the Capital Raise will provide Ocado Group with the financial flexibility to move quickly and to capitalise on the full opportunity set over the medium term, including:

**1. Support its current Ocado Solutions partners as the surge in online grocery demand globally may require faster growth in fulfilment capacity:**

The nine current partners on the Ocado Solutions platform (the "OSP") have commitments to Ocado Group for 54 large-scale CFCs (or equivalent capacity). These partners have £210bn of annual sales globally, providing Ocado Group with a significant runway for growth as these partners may choose to bring forward capacity investments or place additional CFC orders. The Group believes that the COVID-19 pandemic is providing the catalyst for its existing Ocado Solutions partners to accelerate their online delivery plans.

**2. Fund new Ocado Solutions partners it adds to its roster of the most progressive and forward-looking grocers around the world:**

The remaining global opportunity for Ocado Solutions is huge. As the migration to online globally gains pace, the Group believes that the global opportunity in its key target markets is around £2.8 trillion<sup>[4]</sup>. The current environment and accelerated shift online is expected to expand the addressable market with a fee opportunity for Ocado Group of £3.5-26.3bn<sup>[5]</sup> depending on the level of online penetration reached in its key markets. The Group believes that the COVID-19 pandemic is increasing interest in Ocado as grocery retailers around the world seek to accelerate the development of their online offer to customers.

**3. Continue investment in innovation and at a faster pace:**

In recent years Ocado Group has carefully evolved its platform to fulfil a broader range of customer missions with CFCs, mini-CFCs and micro-CFCs. It has also shown that the successive generations of its technology are delivering greater efficiency and market-leading customer service. The Group believes this culture and pace of innovation can be maintained, with a number of opportunities to drive further efficiency gains, that can be monetised through the OSP, or to leverage its technology expertise in other adjacencies.

**4. Further expand Ocado Group's leadership position:**

Ocado Group is focused on strengthening its position as the leading end-to-end solution provider for online grocery fulfilment globally over the long-term, with the strongest and largest network of Ocado Solutions partners of any company in the market. The Group believes that that the Capital Raise will give Ocado Group the flexibility to move fast and capitalise on increasing opportunities arising from the acceleration in online penetration to expand and establish leadership positions in its existing as well as new products and markets.

Pro-forma for the Capital Raise Ocado Group will have cash and cash equivalents of £2.2bn, putting the Group in a powerful position to fulfil its medium-term growth aspirations.

**Commenting on today's Capital Raise, CEO and Founder Tim Steiner commented:**

"Online grocery is experiencing an inflection point. The current crisis is proving a catalyst for permanent and significant acceleration in channel shift globally which we believe will redraw the landscape for the grocery industry worldwide. Ocado's model is proven, providing a flexible platform with the best customer offer and economics, and we are already the partner of choice for nine of the world's largest grocery retailers. The significant

acceleration in online grocery provides us with greater opportunities than ever before.

As we emerge from this crisis Ocado has the opportunity to help our Ocado Solutions partners in the UK, and around the world grow faster, to welcome more partners in new markets, to innovate more and more quickly, and to further strengthen our leadership position. This Capital Raise gives Ocado Group the opportunity to accelerate our role in creating sustainable change in the industry, allowing us the flexibility to move at increased pace and capitalise on the full opportunity set over the medium term."

A presentation has been made available on Ocado Group's website which contains further information relevant to the Capital Raise.

### **Details of the Placing**

The Placing is subject to the Terms and Conditions set out in the Appendix to this Announcement.

Goldman Sachs International, J.P. Morgan Cazenove and Numis will commence the Placing Bookbuild immediately following the release of this Announcement in respect of the placing. The Placing Price will be determined at the close of the Placing Bookbuild. The Retail Offer is not made subject to the Terms and Conditions set out in the Appendix to this Announcement and instead will be made on terms outlined in the separate announcement to be made shortly regarding the Retail Offer and its terms.

The book will open with immediate effect following this Announcement. All investors who participate in the Placing will be required to make bids for Placing Shares in pounds sterling. The timing of the closing of the book, pricing and allocations are at the absolute discretion of Ocado and the Joint Bookrunners. Details of the Placing Price and the number of Placing Shares and the number of Retail Offer Shares to be issued will be announced as soon as practicable after the close of the Placing Bookbuild.

The Placing Shares and Retail Offer Shares will, if issued, be credited as fully paid and will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company (the "Ordinary Shares") (other than treasury shares which are non-voting and do not qualify for dividends), including the right to receive all dividends and other distributions declared, made or paid in respect of Ordinary Shares after the date of issue. As at the date of this Announcement, the Company has 714,277,566 Ordinary Shares in issue.

Applications have been made (i) to the Financial Conduct Authority (the "FCA") for the admission of the Placing Shares to trading on the premium segment of the Official List of the FCA and (ii) to trading on the London Stock Exchange plc's (the "London Stock Exchange") for the admission of the Placing Shares to trading on its main market for listed securities (together, the "Admission").

It is expected that settlement of the Placing Shares will occur, Admission will become effective and that dealings will commence in the Placing Shares at 8.00 a.m. (London time) on 15 June 2020. The Placing is conditional, among other things, upon Admission becoming effective and the placing agreement between the Company, Goldman Sachs International, J.P. Morgan Cazenove and Numis (the "Placing Agreement") not being terminated in accordance with its terms. The Appendix sets out further information relating to the Placing Bookbuild and the Terms and Conditions of the Placing.

This Announcement contains inside information for the purposes of the Market Abuse Regulation (Regulation (EU) No 596/2014) ("MAR"), and is

disclosed in accordance with Ocado's obligations under Article 17 of MAR. Market soundings, as defined in MAR, were taken in respect of the Placing, with the result that certain persons became aware of inside information relating to Ocado and its securities, as permitted by MAR. That inside information is set out in this Announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Ocado and its securities.

### **Details of the Convertible Bond Offering**

The Bonds will be issued by Ocado and initially guaranteed by Ocado Operating Limited, Ocado Innovation Limited, Ocado Central Services Limited, Ocado Solutions Limited and Ocado Holdings Limited (the "Guarantors"), with the Guarantors subject to change in certain circumstances.

The Bonds will be issued at par and are expected to carry a coupon of between 0.5% and 1.0% per annum payable semi-annually in arrear in equal instalments on 18 January and 18 July of each year, commencing on 18 January 2021. The Bonds will be convertible into Ordinary Shares. The initial conversion price is expected to be set at a premium of between 30% and 35% above the Placing Price determined in the concurrent Placing Bookbuild. The conversion price will be subject to adjustment in certain circumstances in line with market practice.

To facilitate hedging for certain subscribers of the Bonds, Goldman Sachs International and J.P. Morgan Cazenove will, on behalf of certain subscribers of the Bonds, organise a simultaneous placement of existing Ordinary Shares owned by those certain subscribers of the Bonds (the "Delta Placement"). These Ordinary Shares will be part of the accelerated bookbuilding process but the Company will not receive any proceeds from the sale of these Ordinary Shares as these are not Ordinary Shares being issued by, or sold on behalf of, the Company.

Purchase of the existing Ordinary Shares in the Delta Placement will incur stamp duty, and each investor will receive a pro rata allocation of these existing Ordinary Shares based on the final size of the Delta Placement and such investor's final allocation of the combined book. Neither the Company nor the Joint Global Coordinators and Joint Bookrunners have any responsibility or liability for stamp duty or any other transfer tax which may arise from or be due on the purchase of these existing Ordinary Shares.

Settlement and delivery of the Bonds is expected to take place on or about 18<sup>th</sup> June 2020 (the "Closing Date"). If not previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 18 January 2027. The Company will have the option to redeem all outstanding Bonds on or after 8 February 2025, at par plus accrued interest, if the parity value on each of at least 20 dealing days in a period of 30 consecutive dealing days shall have exceeded 130% of the principal amount.

The Company will also have the option to redeem all outstanding Bonds, at par plus accrued interest, at any time if 85% or more of the principal amount of the Bonds shall have been previously converted or repurchased and cancelled.

The Convertible Bond Offering will be offered to institutional investors outside the United States, Australia, South Africa and Japan, and any other jurisdiction in which such distribution would be prohibited by applicable law. The final terms of the Bonds are expected to be announced later today.

Application is intended to be made for the Bonds to be admitted to trading on the unregulated open market (Freiverkehr) of the Frankfurt Stock Exchange after the Closing Date but prior to the first interest payment date.

## General

In the context of the Placing and the Convertible Bond Offering, the Company will agree to a lock-up relating to equity and equity-related securities for a period commencing on pricing and ending 180 calendar days following the Closing Date, subject to certain exceptions.

Prior to launch of the Placing, Ocado Group consulted with a significant number of its shareholders to gauge their feedback as to the Terms and Conditions of the Placing and Convertible Bond Offering. Feedback from this consultation was highly supportive and as a result the Board has chosen to proceed with the Capital Raise. The Capital Raise structure, which is consistent with the latest recommendations of the Pre-emption Group, has been chosen as it minimises costs, time to completion and use of management time at an important time for the Company to pursue new growth opportunities. The consultation with shareholders and bondholders has confirmed the Board's view that, given the current market environment, the Capital Raise is in the best interests of shareholders, bondholders and the wider stakeholders in Ocado Group.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notice" section of this Announcement.

For further information on the Announcement, please contact:

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## IMPORTANT NOTICE

Ocado Group plc is a company incorporated in England and Wales with registered number 07098618 and registered office at Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire, United Kingdom, AL10 9UL.

No action has been taken by Ocado, the Guarantors, the Joint Bookrunners or any of their respective Affiliates, or any person acting on its or their

behalf, that would permit an offering of the Placing Shares or an offering of the Bonds or possession or distribution of this Announcement or any other offering or publicity material relating to the Placing Shares or to the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by Ocado Group, the Guarantors and the Joint Bookrunners to inform themselves about, and to observe, such restrictions.

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THE BONDS AND THE PLACING SHARES MAY BE SOLD IN CANADA ONLY TO PURCHASERS IN THE PROVINCES OF CANADA PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS.

THIS PRESS RELEASE AND THE OFFERING WHEN MADE ARE ONLY ADDRESSED TO, AND DIRECTED IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "EEA") AND THE UNITED KINGDOM AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF THE PROSPECTUS REGULATION ("QUALIFIED INVESTORS"). FOR THESE PURPOSES, THE EXPRESSION "PROSPECTUS REGULATION" MEANS REGULATION (EU) 2017/1129.

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED ("MIFID II"); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE "MIFID II PRODUCT GOVERNANCE REQUIREMENTS"), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY "MANUFACTURER" (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE BONDS AND THE PLACING SHARES HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE BONDS IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; (II) ALL CHANNELS FOR DISTRIBUTION OF THE BONDS TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE, (III) THE TARGET MARKET FOR THE PLACING SHARES IS RETAIL INVESTORS AND, ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS, AND (IV) ALL

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NOTWITHSTANDING THE TARGET MARKET ASSESSMENT FOR THE PLACING SHARES, DISTRIBUTORS SHOULD NOTE THAT: THE PRICE OF THE PLACING SHARES MAY DECLINE AND INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENT; THE PLACING SHARES OFFER NO GUARANTEED INCOME AND NO CAPITAL PROTECTION; AND AN INVESTMENT IN THE PLACING SHARES IS COMPATIBLE ONLY WITH INVESTORS WHO DO NOT NEED A GUARANTEED INCOME OR CAPITAL PROTECTION, WHO (EITHER ALONE OR IN CONJUNCTION WITH AN APPROPRIATE FINANCIAL OR OTHER ADVISER) ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF SUCH AN INVESTMENT AND WHO HAVE SUFFICIENT RESOURCES TO BE ABLE TO BEAR ANY LOSSES THAT MAY RESULT THEREFROM.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO ANY OFFERING OF THE BONDS AND OF THE PLACING SHARES.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE BONDS AND/OR THE PLACING SHARES. FURTHERMORE, IT IS NOTED THAT, NOTWITHSTANDING THE TARGET MARKET ASSESSMENT, THE JOINT BOOKRUNNERS WILL ONLY PROCURE INVESTORS WHO MEET THE CRITERIA OF PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

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No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult a qualified independent legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities of the Company in the United States, Australia, Japan, South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Bonds or the Placing Shares is being made in the United States or any such other jurisdiction.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The securities referred to herein have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the securities referred to herein. Subject to certain limited exceptions, the Placing Shares may not be offered or sold in the United States, Australia, Japan, South Africa or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Japan, South Africa. In addition, the Bonds and the Retail Offer Shares are being offered and sold by the company only outside the United States in offshore transactions as defined in, and pursuant to, Regulation S under the Securities Act. No public offering of securities is being made in the United States.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in South Africa in relation to the Placing Shares and the Placing Shares have not been; and the

Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Japan or South Africa or any other jurisdiction outside the United Kingdom or to, or for the account or benefit of any national, resident or citizen of Australia, Japan or South Africa.

By participating in the Placing Bookbuild and the Placing each person who is invited to and who chooses to participate in the Placing (each a Placee) by making an oral or written and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the Terms and Conditions contained in the Appendix to this Announcement and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix to this Announcement.

Certain statements contained in this Announcement constitute "forward-looking statements" with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of Ocado Group. All statements other than statements of historical facts included in this Announcement are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "anticipates", "estimates", "projects", "will", "may", "would", "could" or "should", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of Ocado Group's operations. Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results, performance or achievements to differ materially from those projected or implied in any forward-looking statements. The important factors that could cause Ocado Group's actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, economic and business cycles, the terms and conditions of Ocado Group's financing arrangements, foreign currency rate fluctuations, competition in Ocado Group's principal markets, acquisitions or disposals of businesses or assets and trends in Ocado Group's principal industries. Due to such uncertainties and risks, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Announcement may not occur. The forward-looking statements contained in this Announcement speak only as of the date of this Announcement. Ocado Group, its Directors, the Joint Bookrunners, their respective Affiliates and any person acting on its or their behalf each expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, the Listing Rules, MAR, the DTRs, the rules of the London Stock Exchange or the FCA.

Goldman Sachs International and J.P. Morgan Cazenove are authorised by the Prudential Regulatory Authority (the "PRA") and regulated in the United Kingdom by the PRA and the FCA. Numis is authorised and regulated by the FCA. Each of the Joint Bookrunners is acting exclusively for Ocado

Group and no one else in connection with the Placing and the Convertible Bond Offering, the contents of this Announcement and other matters described in this Announcement. Each of the Joint Bookrunners will not regard any other person as their respective client in relation to the Placing, the Convertible Bond Offering, the content of this Announcement and other matters described in this Announcement and will not be responsible to anyone (including any Placees or bondholders) other than members of Ocado Group for providing the protections afforded to their respective clients or for providing advice to any other person in relation to the Placing, the Convertible Bond Offering, the content of this Announcement or any other matters referred to in this Announcement.

The Joint Bookrunners are acting as joint global co-ordinators and joint bookrunners in connection with the Placing. The Joint Bookrunners have today entered the Placing Agreement under which, subject to the conditions set out therein, each of the Joint Bookrunners, as agent for and on behalf of Ocado Group, will agree to use its respective reasonable endeavours to procure Placees for the Placing Shares at the Placing Price, and, subject to agreement with Ocado Group as to the number of Placing Shares to be placed with the Placees and the Placing Price, to the extent that Placees fail to pay for all of the Placing Shares, to acquire those Placing Shares for which Ocado Group has not received payment at the agreed price. The Joint Bookrunners are not acting for Ocado Group with respect to the Retail Offer.

This Announcement has been issued by and is the sole responsibility of Ocado Group. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any Bookrunner or by any of their respective Affiliates or any person acting on its or their behalf as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

This Announcement does not constitute a recommendation concerning any investor's investment decision with respect to the Placing. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Any decision to purchase any of the Bonds should only be made on the basis of an independent review by a prospective investor of Ocado's and the Guarantors' publicly available information. The information contained in this announcement is subject to change in its entirety without notice up to the Closing Date.

Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the Bonds or the Ordinary Shares to be issued or transferred and delivered upon conversion of the Bonds and notionally underlying the Bonds (together, for the purposes of this paragraph, the "Securities"). None of Ocado, the Guarantors, Goldman Sachs or J.P. Morgan Cazenove make any representation as to (i) the suitability of the Securities for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the Securities or (iii) the future performance of the Securities either in absolute terms or relative to competing investments.

Any indication in this Announcement of the price at which Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to

future performance. No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for Ocado Group, as appropriate, for the current or future years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for Ocado Group.

In connection with the Placing, each of the Joint Bookrunners and any of their respective Affiliates or any person acting on its or their behalf, may take up a portion of the shares of Ocado in the Placing in a principal position and in that capacity may retain, purchase or sell for its own account such shares and other securities of Ocado or related investments and may offer or sell such shares, securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to Placing Shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in Ocado to the Joint Bookrunners or any of their respective Affiliates or any person acting on its or their behalf acting in such capacity. In addition, any Bookrunner or any of their respective Affiliates or any person acting on its or their behalf may enter into financing arrangements (including swaps, warrants or contracts for difference) with investors in connection with which such Joint Bookrunner(s) or any of their respective Affiliates or any person acting on its or their behalf may from time to time acquire, hold or dispose of such securities of Ocado, including the Placing Shares. Furthermore, in the event that the Joint Bookrunners acquire Placing Shares in the Placing, they may co-ordinate disposals of such shares in accordance with applicable law and regulation. None of the Joint Bookrunners or any of their respective Affiliates or any person acting on its or their behalf intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Each of the Joint Bookrunners and their respective Affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with Ocado Group and/or its Affiliates for which they would have received customary fees and commissions. Each of the Joint Bookrunners and their respective Affiliates may provide such services to Ocado Group and/or its Affiliates in the future.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of Ocado Group's website (or any other website) nor the content of any website accessible from hyperlinks on Ocado Group's website (or any other website) is incorporated into or forms part of this Announcement.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

EACH OF OCADO, THE GUARANTORS, THE JOINT BOOKRUNNERS AND THEIR RESPECTIVE AFFILIATES EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO UPDATE, REVIEW OR REVISE ANY STATEMENT CONTAINED IN THIS ANNOUNCEMENT WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.

If you are in any doubt about the contents of this Announcement you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. Ocado has taken all reasonable care to ensure that the facts stated in this Announcement are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Announcement, whether of facts or of opinion. Ocado accepts responsibility accordingly.

It should be remembered that the price of securities and the income from them can go down as well as up.

NOTWITHSTANDING ANYTHING IN THE FOREGOING, NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE BY ANY PERSON ANYWHERE AND OCADO HAS NOT AUTHORISED OR CONSENTED TO ANY SUCH OFFERING IN RELATION TO THE PLACING SHARES.

## **APPENDIX 1**

### **TERMS AND CONDITIONS**

Terms and Conditions of the Placing for invited placees only

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE "EEA"), QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION ("QUALIFIED INVESTORS"); OR (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE (I) PERSONS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONAL" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"), OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (C) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) ABOVE TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS

AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES.

THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP, EXERCISED, RESOLD, RENOUNCED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN APPROVED, DISAPPROVED OR RECOMMENDED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES REFERRED TO HEREIN. SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THE SECURITIES REFERRED TO HEREIN PLACING SHARES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, AUSTRALIA, JAPAN, SOUTH AFRICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY NATIONAL, RESIDENT OR CITIZEN OF THE UNITED STATES, AUSTRALIA, JAPAN, SOUTH AFRICA. IN ADDITION, THE BONDS AND THE RETAIL OFFER SHARES ARE BEING OFFERED AND SOLD BY THE COMPANY ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS AS DEFINED IN, AND PURSUANT TO, REGULATION S UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES.

This Announcement is for information only and does not itself constitute or form part of an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities referred to herein in any jurisdiction including, without limitation, the United States or any other Restricted Territory (as defined below) or in any jurisdiction where such offer or solicitation is unlawful.

This Announcement, and the information contained herein, is not for release, publication or distribution, directly or indirectly, to persons in the United States, Australia, the Republic of South Africa or Japan or in any jurisdiction in which such publication or distribution is unlawful (each a "Restricted Territory"). The distribution of this Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Managers nor any of its or their respective Affiliates nor any person acting on its or their behalf which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company and the Managers to inform themselves about, and to observe, any such restrictions.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the

Financial Services and Markets Act 2000, as amended ("FSMA") does not apply.

The Placing has not been approved and will not be approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any Manager or any of their respective Affiliates or any person acting on its or their behalf as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefore is expressly disclaimed.

The Managers are acting exclusively for the Company and no-one else in connection with the Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their respective clients nor for providing advice in relation to the Placing and/or any other matter referred to in this Announcement.

None of the Company, the Managers nor any of its or their respective Affiliates nor any person acting on its or their behalf makes any representation or warranty, express or implied to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Placing Shares.

By participating in the Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety; and (ii) be making such offer on the Terms and Conditions contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements and undertakings set out herein.

In particular each such Placee represents, warrants and acknowledges that:

(a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

(b) it is and, at the time the Placing Shares are acquired, will be, (i) outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S; or (ii) (a) a QIB that has executed and delivered, or will, prior to the time such Placing Shares are acquired, execute and deliver, a US Investor Letter, and (b) subscribing for the Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, acknowledging that the Placing Shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States; if acquiring the Placing Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account; and

(c) if it is a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by

it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to Qualified Investors or in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of the Managers has been given to each such proposed offer or resale.

The Company and the Managers will rely on the truth and accuracy of the foregoing representations, warranties and acknowledgements.

## **IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING**

Defined terms used in this Appendix are set out in Appendix 2.

### **Bookbuild**

Following this Announcement, the Managers will commence the Bookbuild to determine demand for participation in the Placing by Placees and the Placing Price. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. The book will open with immediate effect. Members of the public are not entitled to participate in the Placing. This Appendix gives details of the Terms and Conditions of, and the mechanics of participation in, the Placing.

### **Details of the Placing Agreement and of the Placing Shares**

The Managers are acting as joint global co-ordinators and joint bookrunners in connection with the Placing. The Managers have today entered an agreement with the Company (the "**Placing Agreement**") under which, subject to the conditions set out therein, each of the Managers, as agent for and on behalf of the Company, will agree to use its respective reasonable endeavours to procure Placees for the Placing Shares at the Placing Price and, subject to agreement with the Company as to the number of Placing Shares to be placed with the Placees and the Placing Price, to the extent that Placees fail to pay for all of the Placing Shares, to acquire those Placing Shares for which the Company has not received payment at the agreed price.

The price per Ordinary Share at which the Placing Shares are to be placed is the Placing Price and the final number of Placing Shares will be decided at the close of the Bookbuild following the execution of an agreement between the Company and the Managers recording the final details of the Placing (the "**Terms of Subscription**"). The timing of the closing of the book and pricing are at the discretion of the Company and the Managers and allocations are at the discretion of the Company. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

The Placing Shares have been duly authorised and will, when issued, be credited as fully paid and will rank, *pari passu*, in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of issue. The Placing Shares will be issued free of any encumbrances, liens or other security interests.

## **Application for admission to trading**

The Company will apply to the FCA for admission of the Placing Shares to the premium listing segment of the Official List of the FCA (the "**Official List**") and to London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the Placing Shares on its main market for listed securities ("**Admission**"). It is expected that Admission will become effective at 08:00 a.m. (London time) on 15 June 2020 (or such later date as may be agreed between the Company and the Managers).

## **Participation in, and principal terms of, the Placing**

1. The Managers are acting as joint global co-ordinators and joint bookrunners on the Placing severally, and not jointly, nor jointly and severally, as agents of the Company. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by any of the Managers. Each of the Managers, their respective Affiliates and any person acting on its or their behalf are entitled to enter bids as principal in the Bookbuild.
2. The Bookbuild, if successful, will establish the Placing Price payable to the Managers by all Placees whose bids are successful. The Placing Price and the aggregate proceeds to be raised through the Placing will be agreed between the Managers and the Company following completion of the Bookbuild. The Placing Price and the number of Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild.
3. To participate in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Managers. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire either at the Placing Price which is ultimately established by the Company and the Managers or at prices up to a price limit specified in its bid. Bids may be scaled down by the Managers on the basis referred to in paragraph 6 below. Each of the Managers reserves the right not to accept bids or to accept bids in part rather than in whole.
4. The Bookbuild is expected to close no later than 07:00 (London time) on 11 June 2020 but may be closed earlier or later, at the discretion of the Managers and the Company. The Managers may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
5. Each Placee's allocation will be ultimately be determined by the Company and will be confirmed to Placees orally or in writing by the relevant Manager, acting as agent of the Company, following the close of the Bookbuild, and an electronic contract note/trade confirmation will be dispatched as soon as possible thereafter. Subject to paragraph 8 below, the relevant Manager's oral or written confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Manager and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Placing Price for each such Placing Share on the Terms and Conditions set out in this Appendix and in accordance with the Company's articles of association.
6. The Managers will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares and may scale down any bids for this purpose on such basis

as it may determine. The Managers may also, notwithstanding paragraphs 3 and 4 above and subject to the prior written consent of the Company (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the Managers, subject to agreement with the Company. If within a reasonable time after a request for verification of identity, the Managers have not received such satisfactory evidence, the Managers may, in their absolute discretion, terminate the Placee's Placing participation in which event all funds delivered by the Placee to the Managers will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited.

7. The Placing Shares are being offered and sold by the Company only (a) outside the United States in offshore transactions as defined in, and pursuant to, Regulation S under the Securities Act; and (b) in the United States only to persons reasonably believed to be QIBs in transactions not involving any "public offering" within the meaning of Section 4(a)(2) of the Securities Act pursuant to an exemption from the registration requirements of the Securities Act, and/or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. All potential placees and all prospective beneficial owners of the Placing Shares must, now, and at the time the Placing Shares are acquired, be, either: (i) outside the United States and subscribing for the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act; or (ii) (a) a QIB that has executed and delivered, or will, prior to the time such Placing Shares are acquired, execute and deliver, a US Investor Letter, and (b) subscribing for the Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, and all such potential Placees and prospective beneficial owners acknowledge that the Placing Shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States. With respect to (ii) above, each such potential Placee and prospective beneficial owner represents and warrants that it is subscribing for the Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof in whole or in part, in the United States, and it has full power to make the representations, warranties, indemnities, acknowledgements, undertakings and agreements herein on behalf of each such account.

8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Manager's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Manager, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Manager. The Company shall allot such Placing Shares to each Placee following each Placee's payment to the relevant Manager of such amount.

9. Except as required by law or regulation, no press release or other announcement will be made by any of the Managers or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

10. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be

acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".

12. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Manager.

13. To the fullest extent permissible by law, none of the Managers, nor any of their respective Affiliates, nor any person acting on its or their behalf shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Managers, nor any of their respective Affiliates, nor any person acting on its or their behalf shall have any responsibility or liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Managers' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Managers and the Company may agree.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Managers' obligations under the Placing Agreement are conditional on certain conditions, including:

1. the release by the Company of the Placing Results Announcement following the execution of the Terms of Subscription and in any event by 08:00 a.m. (London time) on the Business Day following the date of this Agreement;
2. the Company having allotted the Placing Shares, subject only to Admission;
3. the delivery to the Managers of customary documentation in connection with the Placing;
4. on or before the date of Admission, the Company delivering to the Managers a certificate in the form set out in the Placing Agreement signed by an authorised representative of the Company, dated as of the date of Admission;
5. the warranties on the part of the Company in the Placing Agreement being true, accurate in every respect and not misleading (i) as at the date of the Placing Agreement; and (ii) immediately prior to Admission, in each case by reference to the facts and circumstances then subsisting;
6. the Company having performed all of its obligations under the Placing Agreement to be performed prior to Admission under the terms or conditions of the Placing which fall to be performed on or prior to the date of Admission;
7. the Terms of Subscription having been executed by the Company and the Managers (which, in the case of the Managers, shall be at the absolute discretion of each Manager and in the case of its execution by the Company shall be at the absolute discretion of the

Company) prior to 8.00 a.m. on 11 June 2020 (or such later time or date as the Company and the Managers may agree in writing);

8. there not having occurred a material adverse change in relation to the Group from what had been publicly disclosed by the Group at or prior to the date of the Placing Agreement; and

Admission of the Placing Shares occurring at or before 8:00 a.m. (London time) on 15 June 2020, or such later time and/or date as the Company and the Managers may agree in writing. If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Managers by the relevant time or date specified (or such later time or date as the Company and the Managers may agree); or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Managers may in their discretion waive compliance with the whole or any part of any of the conditions described above (other than the condition of Admission occurring not later than 8.00 a.m. (London time) on 15 June 2020 (or such later time or date as the Company and the Managers may agree in writing) which may not be waived). Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of the Managers, their respective Affiliates nor any person acting on its or their behalf shall have any liability or responsibility to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing, each Placee agrees that any such decision is within the absolute discretion of the Managers.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Termination of the Placing Agreement" below, and will not be capable of rescission or termination by the Placee.

### **Termination of the Placing Agreement**

Each Manager is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, *inter alia*, if: (i) there has been a breach by the Company of, or any event rendering untrue or incorrect any of, the warranties or any failure by the Company to perform any of its obligations contained in the Placing Agreement; (ii) any of the conditions specified above has not been satisfied or waived by the Managers; (iii) there has been a material adverse change in relation to the Company or the Group; (iv) the application for Admission is withdrawn or refused by the FCA or the London Stock Exchange; or (v) upon the occurrence of certain force majeure events.

If circumstances arise that would allow a Manager to terminate the Placing Agreement, they may nevertheless determine to allow Admission to proceed.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under 'Conditions of the Placing' above and will not be capable of rescission or

termination by it after oral or written confirmation by the Managers following the close of the Bookbuild.

By participating in the Placing, Placees agree that the exercise or non-exercise by each Manager of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of such Manager or for agreement between the Company and the Managers (as the case may be) and that neither the Company nor the Managers need make any reference to, or consultation with, Placees and that neither they nor any of their respective Affiliates nor any person acting on its or their behalf shall have any liability to Placees whatsoever in connection with any such exercise or failure to so exercise.

### **No prospectus**

No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the FCA (or any other authority) in relation to the Placing, and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any Exchange Information (as defined below) previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to the further terms set forth in the electronic contract note/trade confirmation to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the Managers and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company (other than publicly available information) or any of the Managers or their respective Affiliates or any person acting on its or their behalf. None of the Managers, the Company, respective Affiliates or any person acting on its or their behalf will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing.

### **Restriction on further issue of securities**

The Company has undertaken to the Managers that, between the date of the Placing Agreement and 180 calendar days after (but including) the date of Admission, it will not, without the prior written consent of the Managers, directly or indirectly issue or allot Ordinary Shares, subject to certain exceptions and waiver by the Managers.

By participating in the Placing, Placees agree that the exercise by the Managers of any power to grant consent to waive the aforementioned undertaking by the Company shall be within the absolute discretion of the Managers and that they need not make any reference to, or consultation with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

## Registration and settlement

Settlement of transactions in the Placing Shares (ISIN: GB00B3MBS747) following Admission will take place within the relevant system administered by Euroclear ("CREST"), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the Managers and the Company reserve the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent an electronic contract note/trade confirmation stating the number of Placing Shares to be allocated to it at the Placing Price, the aggregate amount owed by such Placee to the relevant Manager and settlement instructions. Placees should settle against CREST Participant ID: 784. It is expected that such electronic contract note/trade confirmation will be despatched on or around 11 June 2020 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant Manager. In the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Managers may agree that the Placing Shares should be issued in certificated form. The Managers reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

The Company will deliver the Placing Shares to a CREST account operated by J.P. Morgan as agent for the Company and J.P. Morgan will enter its delivery (DEL) instruction into the CREST system. J.P. Morgan will hold any Placing Shares delivered to this account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 15 June 2020 on a T+2 basis in accordance with the instructions given to the Managers.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Managers.

Each Placee agrees that, if it does not comply with these obligations, the Managers may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and shall be required to bear any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest, fines or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the electronic contract note/trade confirmation is copied and delivered immediately to the Relevant Person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is

contracting as agent or that of a nominee for such person, such Placing Shares should, subject to as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither the Managers nor the Company shall be responsible for the payment thereof.

## **Representations and warranties**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (for itself and for any such prospective Placee) with the Managers (in their capacity as joint global co-ordinators and joint bookrunners, as placing agents of the Company in respect of the Placing) and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

1. it has read and understood this Announcement, in its entirety and that its subscription for and purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Bookbuild, the Placing, the Company, the Placing Shares or otherwise;
2. that no offering document, prospectus, offering memorandum or admission document has been or will be prepared in connection with the Placing or is required under the Prospectus Regulation and it has not received and will not receive a prospectus, offering memorandum, admission document or other offering document in connection with the Bookbuild, the Placing or the Placing Shares;
3. that the Ordinary Shares are listed on the Official List of the FCA and are admitted to trading on the main market of the London Stock Exchange and that the Company is therefore required to publish certain business and financial information in accordance with MAR and the rules and practices of the London Stock Exchange and/or the FCA (collectively, the "Exchange Information"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
4. that none of the Managers, nor the Company nor any of their respective Affiliates nor any person acting on its or their behalf has provided, and none of them will provide, it with any material or information regarding the Placing Shares, the Bookbuild, the Placing or the Company or any other person other than this Announcement, such information being all that it deems necessary to make any investment decision in respect of the Placing Shares, nor has it requested any of the Managers, the Company, or any of their respective Affiliates nor any person acting on its or their behalf to provide it with any such material or information;
5. unless otherwise specifically agreed with the Managers, that they are not, and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of a Restricted

Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the Placing Shares; and further acknowledges that the Placing Shares have not been and will not be registered or otherwise qualified, for offer and sale nor will an offering document, prospectus or admission document be cleared or approved in respect of any of the Placing Shares under the securities legislation of the United States or any other Restricted Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;

6. that the content of this Announcement is exclusively the responsibility of the Company and that none of the Managers or any of their respective Affiliates or any person acting on its or their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise;

7. that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, that it received and reviewed all information that it believes is necessary or appropriate to make an investment decision in respect of the Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the Managers or the Company and none of the Managers, the Company or any of their respective Affiliates or any person acting on its or their behalf will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied solely on its own investigation, examination and due diligence of the business, financial or other position of the Company in deciding to participate in the Placing and that none of the Managers or any of their Affiliates or any person acting on its or their behalf have made any representations to it, express or implied, with respect to the Company, the Bookbuild, the Placing and the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information, and each of them expressly disclaims any liability in respect thereof;

8. that it has not relied on any information relating to the Company contained in any research reports prepared by any of the Managers, their respective Affiliates or any person acting on its or their behalf and understands that (i) none of the Managers, their respective Affiliates nor any person acting on its or their behalf has or shall have any liability for public information or any representation; (ii) none of the Managers, their respective Affiliates nor any person acting on its or their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this document or otherwise; and that (iii) none of the Managers, their respective Affiliates nor any person acting on its or their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;

9. that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person to whom the allocation,

allotment, issue or delivery of the Placing Shares would give rise to such a liability and that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer Placing Shares into a clearance service;

10. it acknowledges that no action has been or will be taken by the Company, the Managers, their respective Affiliates or any person acting on its or their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;

11. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Managers, the Company or any of their respective Affiliates or any person acting on its or their behalf acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;

12. that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;

13. that it has complied with its obligations under the Criminal Justice Act 1993, the EU Market Abuse Regulation and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

14. that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Managers and the Company for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);

15. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business only;

16. it understands that any investment or investment activity to which this Announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons, and further understands that this Announcement must not be acted on or relied on by persons who are not Relevant Persons;

17. that it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into the United States (including electronic copies thereof) to any person, and it has not distributed,

forwarded, transferred or otherwise transmitted any such materials to any person;

18. where it is acquiring the Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;

19. that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of Placing Shares is in full compliance with applicable laws and regulations;

20. if it is acting as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, that the Placing Shares acquired for by it in the Placing will not be acquired for on a non-discretionary basis on behalf of, nor will they be acquired for with a view to their offer or resale to, persons in a member state of the EEA other than Qualified Investors or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Managers has been given to the proposed offer or resale;

21. that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;

22. that any offer of Placing Shares may only be directed at persons in member states of the EEA (including, for these purposes, the United Kingdom) who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;

23. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and agrees that this Announcement has not been approved by any of the Managers in their respective capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;

24. that it has complied and will comply with all applicable laws (including all relevant provisions of the FSMA in the UK) with respect to anything done by it in relation to the Placing Shares;

25. if it has received any inside information (as defined under MAR) about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by the MAR, prior to the information being made publicly available;

26. that (i) it (and any person acting on its behalf) has the funds available to pay for, and has capacity and authority and is otherwise entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Managers, any of their Affiliates or any person acting on its or their behalf being in breach of the

legal and/or regulatory requirements and/or any anti-money laundering requirements of any territory in connection with the Placing; and (iv) that the subscription for and purchase of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

27. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as the Managers may in their absolute discretion determine and without liability to such Placee. It will, however, remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest, fines or penalties) due pursuant to the terms set out or referred to in this Announcement which may arise upon the sale of such Placee's Placing Shares on its behalf;

28. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to acquire, and that the Managers or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

29. that none of the Managers nor any of their respective Affiliates nor any person acting on its or their behalf, is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Managers and that the Managers do not have any duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of the Managers' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

30. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither the Company, the Managers nor any of their respective Affiliates nor any person acting on its or their behalf will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar duties or taxes (together with any interest, fines or penalties) resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify each of the Company, the Managers, their respective Affiliates and any person acting on its or their behalf in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of Investec who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee's stock account on a delivery versus payment basis;

31. that these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it subjects (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Managers or the Company in any jurisdiction in which the

relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

32. that each of the Managers, the Company, their respective Affiliates and any person acting on its or their behalf will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are given to each of the Managers on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises each of the Managers and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;

33. that it will indemnify on an after-tax basis and hold each of the Managers, the Company and their respective Affiliates and any person acting on its or their behalf harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of, directly or indirectly, or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

34. it acknowledges that it irrevocably appoints any director or authorised signatories of the Managers as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;

35. that it acknowledges that its commitment to acquire Placing Shares on the terms set out herein and in the electronic contract note/trade confirmation will continue notwithstanding any amendment that may in future be made to the Terms and Conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Managers' conduct of the Placing;

36. that in making any decision to acquire the Placing Shares (i) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares, (ii) it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing, (iii) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the Managers, (iv) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary to enable it to make an informed and intelligent decision with respect to making an investment in the Placing Shares, (v) it is aware and understands that an investment in the Placing Shares involves a considerable degree of risk and (vi) it will not look to the Managers, any of their respective Affiliates or any person acting on its or their behalf for all or part of any such loss or losses it or they may suffer;

37. it acknowledges and agrees that none of the Managers or the Company, nor any of their respective Affiliates nor any person acting on its or their behalf, owe any fiduciary or other duties to it or any Placee in

respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;

38. it understands and agrees that it may not rely on any investigation that any of the Managers, their respective Affiliates or any person acting on its or their behalf may or may not have conducted with respect to the Company and its Affiliates or the Placing and each of the Managers has not made any representation or warranty to it, express or implied, with respect to the merits of the Placing, the subscription for or purchase of the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as any investment or other recommendation to it to acquire the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, any of the Managers, their respective Affiliates or any person acting on its or their behalf for the purposes of this Placing;

39. it acknowledges and agrees that it will not hold any of the Managers, any of their respective Affiliates or any person acting on its or their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group and that no such person makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such information;

40. that in connection with the Placing, each of the Managers and any of their respective Affiliates and any person acting on its or their behalf may take up a portion of the Placing Shares as a principal position and in that capacity may retain, purchase or sell for its own account such shares in the Company and any other securities of the Company or related investments and may offer or sell such shares, securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to Placing Shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Managers or any of their respective Affiliates or any person acting on its or their behalf, in each case, acting in such capacity. In addition certain of the Managers, any of their respective Affiliates and any person acting on its or their behalf may enter into financing arrangements (including swaps, warrants or contracts for difference) with investors in connection with which such person(s) may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. None of the Managers or any of their respective Affiliates or any person acting on its or their behalf intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;

41. that a communication that the transaction or the book is "covered" (i.e. indicated demand from investors in the book equals or exceeds the amount of the securities being offered) is not any indication or assurance that the book will remain covered or that the transaction and securities will be fully distributed by the Manager(s). The Manager(s) reserve(s) the right to take up a portion of the securities in the Placing as a principal position at any stage at their sole discretion and will, inter alia, take account of the Company's objectives, MiFID II requirements and/or their allocation policies;

42. it acknowledges that the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be prepared in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, nor approved, disapproved or recommended by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of

the Placing or the accuracy or adequacy of this Announcement. The Placing Shares have not been registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of the Placing Shares under the securities laws of Australia, South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, South Africa or Japan or in any country or jurisdiction where any action for that purpose is required;

43. it understands and acknowledges that the Placing Shares are being offered and sold by the Company (a) outside the United States pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; and (b) in the United States only to QIBs as defined in Rule 144A under the Securities Act, and/or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. It represents and warrants that it, and all prospective beneficial owners of the Placing Shares for the accounts of which it is acting is, and at the time the Placing Shares are acquired will be, either: (i) outside the United States and subscribing for the Placing Shares pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act; or (ii) (a) a QIB that has executed and delivered, or will, prior to the time such Placing Shares are acquired, execute or deliver, and agrees to be bound to the terms of, the US Investor Letter, and (b) subscribing for the Placing Shares pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, acknowledging that the Placing Shares have not been, and will not be, registered under the Securities Act or with any State or other jurisdiction of the United States. With respect to (ii) above, each such potential Placee represents and warrants that it is subscribing for the Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof in whole or in part, in the United States, and it has full power to make the representations, warranties, indemnities, acknowledgements, agreements and undertakings herein on behalf of each such account;

44. it understands and acknowledges that the Placing Shares offered and sold in the United States are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and for so long as the Placing Shares are "restricted securities", it undertakes, warrants and agrees that it will not deposit such shares in any unrestricted depository facility established or maintained by any depository bank and it agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing restrictions on transfer;

45. it undertakes, warrants and agrees that it will not directly or indirectly offer, reoffer, resell, transfer, assign, pledge or otherwise dispose of any Placing Shares except: (a) outside the United States pursuant to Rule 903 or Rule 904 under Regulation S of the Securities Act; (b) in the United States to a QIB who is purchasing for its own account or for the account of another person who is a QIB pursuant to Rule 144A under the Securities Act (if available, it being understood that all offers or solicitations in connection with such a transfer are limited to QIBs and do not involve any means of general solicitation or general advertising); (c) pursuant to Rule 144 under the Securities Act (if available); or (d) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and that it will notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Placing Shares of the foregoing restrictions on transfer; and

46. it acknowledges and agrees that it is not acquiring any of the Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act) or directed selling efforts (as defined in Regulation S);

47. it represents and warrants that the Placing Shares are being subscribed for investment purposes, and not with a view to offer, resell or distribute, directly or indirectly, within the meaning of the United States securities laws; and

48. that no representation has been made as to the availability of the exemption provided by Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares.

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as each of the Managers (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on its or their behalf) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that none of the Managers or the Company owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement or these Terms and Conditions.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and UK stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. None of the Company, the Managers nor their respective Affiliates nor any person acting on its or their behalf will be responsible for any UK stamp duty or UK stamp duty reserve tax (including any interest, fines and penalties relating thereto) arising in relation to the Placing Shares in any other circumstances.

Such agreement is subject to the representations, warranties and further terms above and also assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. Neither the Managers, the Company, nor their respective Affiliates nor any person acting on its or their behalf will be liable to bear any stamp duty or stamp duty reserve tax or any other similar duties or taxes (including, without limitation, other stamp, issue, securities, transfer, registration, capital, or documentary duties or taxes) ("Transfer Taxes") that arise (i) if there are any such arrangements (or if any such arrangements arise subsequent to the acquisition by Placees of Placing Shares) or (ii) on a sale of Placing Shares, or (iii) otherwise than under the laws of the United Kingdom or Switzerland. Each Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such Transfer Taxes undertakes to pay such Transfer Taxes forthwith, and agrees to indemnify on an after-tax basis and hold the Managers and/or the Company (as the case may be) and their respective Affiliates and any person acting on its or their behalf harmless from any such Transfer Taxes, and all interest, fines or penalties in relation to such Transfer Taxes. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises.

#### Miscellaneous

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that any of the Managers or any of their respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Managers are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement.

All times and dates in this Announcement may be subject to amendment by the Managers and the Company (in their absolute discretion). The

Managers shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Managers and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Time is of the essence as regards each Placee's obligations under this Appendix.

Any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Managers.

This Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part will be governed by and construed in accordance with English law. All agreements to subscribe for shares pursuant to the Bookbuild and/or the Placing will be governed by English law and the English courts shall have exclusive jurisdiction in relation thereto except that proceedings may be taken by the Company or the Managers in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

Each Placee may be asked to disclose in writing or orally to the Managers:

1. if he or she is an individual, his or her nationality; or
2. if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

## **APPENDIX 2**

### **DEFINITIONS**

The following definitions apply throughout this Announcement unless the context otherwise requires:

"£ ", "GBP", "pounds", "pound sterling" or "sterling", "p", "penny" or "pence" are to the lawful currency of the UK.

"US\$" , "\$" or "dollars" are to the lawful currency of the United States of America;

"Admission" means admission of the Placing Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities;

"Affiliate" has the meaning given in Rule 501(b) of Regulation D or Rule 405 under the Securities Act, as applicable;

"Announcement" means this announcement and its appendices;

"Bookbuild" means the bookbuilding process to be commenced by the Managers to use reasonable endeavours to procure placees for the Placing Shares and set the Placing Price, as described in this Announcement and subject to the Terms and Conditions set out in this Announcement and the Placing Agreement;

"Company" means Ocado Group plc;

"CREST" means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;

"DTRs" means the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part VI of FSMA;

"Euroclear" means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;

"FCA" or "Financial Conduct Authority" means the UK Financial Conduct Authority;

"FSMA" means the Financial Services and Markets Act 2000 (as amended);

"Group" means the Company and its subsidiary undertakings;

"J.P. Morgan" means J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove;

"Listing Rules" means the rules and regulations made by the FCA under FSMA;

"LSE" or "London Stock Exchange" means London Stock Exchange plc;

"Managers" means Goldman Sachs International, J.P. Morgan Securities plc and Numis Securities Limited

"MAR" or "Market Abuse Regulation" means the Market Abuse Regulation (EU) No.596/2014;

"Ordinary Share" means an ordinary share of £0.02 each in the capital of the Company;

"Placee" means a person procured by a Manager to acquire Placing Shares;

"Placing" has the meaning given in paragraph 1 of this Announcement;

"Placing Agreement" has the meaning given to it in Appendix 1 to this Announcement;

"Placing Price" means the price per Ordinary Share at which the Placing Shares are placed;

"Placing Results Announcement" means the announcement published by the Company confirming the results of the Placing on a Regulatory Information Service;

"Placing Shares" has the meaning given in paragraph 1 of this Announcement;

"PRA or Prudential Regulation Authority" means the UK Prudential Regulation Authority;

"Prospectus Regulation" means the Prospectus Regulation (EU) 2017/1129;

"QIBs" means "qualified institutional buyers" as defined in Rule 144A of the Securities Act;

"Regulation S" means Regulation S promulgated under the Securities Act;

"Regulatory Information Service" means any of the services set out in Appendix 3 of the Listing Rules;

"Relevant Person" has the meaning given to it in Appendix 1 to this Announcement;

"Restricted Territory" has the meaning given to it in Appendix 1 to this Announcement;

"Securities Act" means the U.S. Securities Act of 1933, as amended;

"Subscription and Transfer Agreement" means the subscription and transfer agreement entered into between the Company, Investec and JerseyCo on or about the date hereof;

"subsidiary" or "subsidiary undertaking" each have the meaning given to such term in the Companies Act 2006;

"Terms and Conditions" means the Terms and Conditions of the Placing set out in Appendix 1 to this Announcement;

"Terms of Subscription" has the meaning given to it in Appendix 1 to this Announcement;

"uncertificated" or "in uncertificated form" means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

"United Kingdom" or "UK" means the United Kingdom of Great Britain and Northern Ireland;

"United States" or "US" means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof; and

"US Investor Letter" means the investor representation letter in the form provided by the Managers to QIBs in the United States.

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<sup>[1]</sup> Source: Based on Nielsen, data corresponds to four weeks to 16th of May.

<sup>[2]</sup> Source: Based on an independent survey as of April-20.

<sup>[3]</sup> Source: Based on an independent survey in the UK, France, Germany, Italy and Spain in May-20.

<sup>[4]</sup> Source: Company information, Planet Retail. Note: M&S and joint venture sales 100% online. All countries with a GDP per capita of above \$25k and a population over 5 million.

<sup>[5]</sup> Source: Planet Retail, assuming a 25% grocery market share and assuming an online penetration of between 10% and 75% with a 5% fee opportunity, which represents the mid-point of the range provided to the market.

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