

Ocado announces deal with McKesson Canada

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Ocado Group plc (the "Company" or "Ocado")

**Announcement of deal for Ocado to provide fulfilment technology to
McKesson Canada**

Ocado Group ("Ocado") has today announced a deal for Ocado Intelligent Automation ("OIA") to provide automated fulfilment technology at a distribution site for McKesson Canada. The deal will see Ocado sell its proven, unique warehouse fulfilment technology in a sector outside of grocery retail, and provide the AI-powered software applications necessary to operate that technology long term. McKesson Canada is a leading diversified healthcare provider in Canada and is the largest pharmaceutical distributor in the country.

Tim Steiner, CEO of Ocado Group said:

"Today represents a new and exciting milestone as we bring the amazing benefits of Ocado's technology to the healthcare distribution and logistics sector. Our technology is ideally suited to supply chains that require dense storage, highly accurate inventory management and secure stock control. It has been proven over 20 years in one of the most complex supply chain environments, online grocery, and we're now bringing our experience and IP to more sectors. We are very pleased to be expanding in Canada."

Expected Financial Impact

Ocado will receive upfront fees during the construction process with the final payment upon final installation. Ocado will also receive an ongoing annual fee related to the servicing and maintenance of the technology.

The impact of this transaction will be minimal on cash flow and earnings in the current financial year. This is a capital light deal which will be cash neutral throughout the development phase and will be cash and EBITDA positive in FY25 when installation is complete and we recognise the income, costs and profit.

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Notes to Editors

About Ocado Group

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

The person responsible for arranging the release of this announcement is:

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