Ocado Retail Limited

Annual Report and Financial Statements
for the 70 weeks ended 6 April 2025

COMPANY NUMBER 03875000

Contents

Chief Executive review

HANNAH GIBSON
Ocado Retail CEO

I am pleased to be presenting the Annual Report and Financial Statements for Ocado Retail Limited's (Ocado Retail) fifth financial period as a 50:50 joint venture between Ocado Group plc (Ocado Group) and Marks & Spencer Group plc (M&S). Please note that we are reporting our results for an extended 70-week period as we move to align our financial period with M&S's moving forward, see more detail on this below.

Our performance

There has been a lot going on in Ocado Retail – and we've made great progress on delivering this phase of our strategy. As a result, we've seen strong growth which accelerated as the period progressed. We continue to be laser-focused on customer service and improving our proposition of unbeatable choice, unrivalled service, and reassuringly good value.

We continued to deliver strong results with revenue up 15.5% in the 52 weeks ended 30 March 2025, largely driven by growing our active customer base. We have also improved frequency, with customers opting for Ocado more often when deciding where to shop. Growth was primarily driven by order volumes as our proposition and M&S offering continued to resonate with our customers, whilst our average basket size remained stable.

> We've made great progress on delivering this phase of our strategy. As a result, we've seen strong growth which accelerated as the period progressed

As a result of this growth, Kantar figures showed Ocado Retail was the fastest growing retailer in the sector for 12 consecutive months of 2024-2025.

Our topline growth, as well as continued focus on cost and efficiency, has resulted in Adjusted EBITDA growth and a reduction to loss before tax. The strong growth we've achieved is testament to the hard work that the teams have put into delivering our strategy. We continue to focus on attracting more customers to Ocado to drive our growth and have a clear plan in place to achieve profitability.

Our strategy

Throughout the period, we have continued to raise the bar on our proposition of unbeatable choice, unrivalled service, and reassuringly good value.

- We aim to give our customers Unbeatable Choice – a huge range which no other competitor can come close to matching due to our unique operating model. We now have our widest ever range of M&S products live on site, with more joint launches than prior periods. M&S continues to be a big reason why customers start and continue to shop with us and we will continue bringing the magic of M&S to Ocado. And we continue to champion small suppliers and challenger brands – enabling us to be first for new trends and offer choice for different dietary needs and cuisines.
- We focus on providing Unrivalled Service, keeping our promises to customers by delivering orders on time and in full. We offered better availability of products and delivery slots; we improved our already high 'perfect orders' rate and continued to ensure 99% of items were delivered exactly as promised. We also added half a day's life to the freshness of our produce.
- And we've continued to give customers Reassuringly Good Value, through our Ocado Price Promise as well as a series of Big Price Drops across hundreds of products and continuing to increase our

Ocado Own Brand range. As a result, we've shifted our value perception, with value satisfaction continuing to increase.

We also increased the capacity utilisation of our customer fulfilment centres (CFC) from 75% at the end of FY23 to a peak of 94% in February 2025. In addition to improving our capacity utilisation, we have increased the efficiency of our network with average units per hour (UPH) rising to 225, up 11.9% versus last period (FY24: 201), with our newest CFC in Luton reaching a peak of 286 UPH in the period as we further rolled out On-Grid Robotic Pick (OGRP). For context, that is already over 70% more productive than our old Hatfield site and we believe there's more progress to come.

Consolidation change

Until 5 April 2025, our financial results were consolidated into those of Ocado Group. From 6 April 2025, as planned and in accordance with our shareholders' agreement, this moved with our results now being consolidated into the results of M&S, with our financial period end moving accordingly. The results presented in this annual report and financial statements therefore relate to the 70-week period from 4 December 2023 to 6 April 2025 as we effect that transition. There is no change in the economic interest of either shareholders as a result of the change.

Looking ahead at FY26

This past period has seen us make significant progress on our Perfect Execution programme and we now look forward to further opportunities ahead for Ocado Retail as we focus on continuing to raise the bar in online grocery. Our focus will now be on three core strategic pillars:

- Firstly, we want to continue delivering a Leading Customer Proposition, through Unbeatable Choice, Unrivalled Service and Reassuringly Good Value. Whilst we've made progress, there's still much more to do.
- Secondly, we want to deliver Smart Growth as part of our drive to improve profitability; increasing our customer lifetime value; improving our cost to serve; and maximising our network capacity as we enable our CFCs to go beyond their original design capacity.
- And thirdly, to do this, we need to build out our Platforms for the Future, to be ready and set up for the next few years of what will be an exciting period for online grocery. In the period, we began migrating to new platforms across multiple parts of the business, including our website and apps. This will enable us to accelerate the pace of technology-driven benefits for our customers and the broader business.

There remains huge potential ahead and I'm excited about what's to come. As ever, I'd like to end with a big thank you to all the teams at Ocado Retail, Ocado Group, M&S and all our fantastic suppliers, who've worked so hard across the period. We have made great progress, and I'm looking forward to seeing how much more we can achieve together.

* The results presented in the annual report represent a 70-week period to 6 April 2025, with comparative results presented for 53 weeks to 3 December 2023. To enable fair analysis of trading, the results, associated commentary and percentage changes are also presented on an unaudited 52-week basis to 30 March 2025 with a comparable period to 31 March 2024, unless otherwise stated.

** Adjusted EBITDA is defined as earnings before depreciation, amortisation, impairment, net finance cost, taxation and adjusting items. See Statement of Comprehensive Income for reconciliation and further details.

(A) Alternative performance measures

Ocado Retail at a glance

Ocado Retail is the UK's largest online-only supermarket and is a 50:50 joint venture between Marks & Spencer Group and Ocado Group.

As the home of M&S food online, Ocado Retail provides over one million active customers with an unbeatable range of over 45,000 products across M&S, big-name brands, challenger brands, and Ocado Own Label.

Powered by Ocado Group's world-leading technology, orders are carefully packed in one of seven highly automated Customer Fulfilment Centres. Shopping is then delivered directly to customers using a network of regional spokes and fleet of brightly-coloured delivery vans, reaching over 80% of UK households.

Our ambition

To be the world's leading online grocer, delivering joy in every shop

Key performance indicators

The statutory period being presented in this annual report is a 70-week period to 6 April 2025. The statutory comparative period is 53 weeks to 3 December 2023. To enable meaningful discussion the alternative performance measures (A), trading results, associated commentary and percentage changes are also presented on an unaudited 52-week basis for the period to 30 March 2025 (FY25), unless otherwise stated. The comparable results for FY24 will be presented for the 52-week period to 31 March 2024. See note 1.3 for full reconciliation between these periods for financial metrics. From 6 April 2025 the Company consolidated into Marks & Spencer Group plc, therefore the analysis of these periods enables presentation of the most recent trading periods and alignment with the Marks & Spencer Group plc financial reporting period. For balance, key performance indicators and financial metrics are also presented representing the full 70-week period to 6 April 2025 with comparative results for the 53 weeks ended 3 December 2023. See note 1.3 for further details.

	70 weeks ended 6 April 2025	53 weeks ended 3 December 2023	% change	52 weeks ended 30 March 2025 FY25 Unaudited	52 weeks ended 31 March 2024 FY24 Unaudited	% change
Revenue (£m)	3,737.2	2,408.8	55.1%	2,826.8	2,446.6	15.5%
Gross profit (£m)	1,265.3	813.6	55.5%	952.0	834.0	14.1%
Adjusted EBITDA (A)1 (£m)	*67.0*	*12.0*	*458.3%*	*53.5*	*30.0*	*78.3%*
Loss before tax (£m)	(80.0)	(139.0)	(42.4)%	(60.0)	(121.7)	(50.7)%
Closing active customers (A) (000s)[2,7]	1,180	998	18.2%	1,177	1,027	14.6%
Average orders per week (A) (000s)[7]	468.0	404.6	15.7%	478.7	415.6	15.2%
Average basket value (A) (£)[3,7]	120.4	118.9	1.3%	119.8	119.9	(0.1)%
Average selling price (A) (£)[4,7]	2.77	2.74	1.1%	2.77	2.76	0.4%
Average basket size (A) (eaches)[7]	43.5	43.4	0.2%	43.3	43.5	(0.5)%
Eaches (A) (millions)[7]	1,424.8	931.5	53.0%	1,078.0	939.0	14.8%
Net promoter score (A) (%)[5]	74.3	69.4	7.1%	74.3	70.8	4.9%
Share of online UK grocery market – Nielsen (A) (%)	14.1	12.7	11.0%	14.1	13.9	1.4%
Share of the UK grocery market – NIIQ Total Till (A) (%)[8]	1.7	1.3	30.8%	1.7	1.5	13.3%
Total food handled in tonnes resulted in food waste (%) (A)6	N/A	N/A	N/A	0.49	0.43	14.0%

Source: the information in the table above is derived from information extracted from internal financial and operating reporting systems and is unaudited with the exception of revenue, gross profit and profit before tax, which has been extracted from the audited financial statements for the statutory periods only.
[1] Adjusted EBITDA is defined as earnings before depreciation, amortisation, impairment, net finance cost, taxation and adjusting items. See Statement of Comprehensive Income for reconciliation and further details.
[2] Active customers are classified as active if they have shopped at ocado.com within the previous 12 weeks at the relevant date.
[3] Average basket value (£) (ABV) is defined as product sales divided by total orders.
[4] Average selling price (£) (ASP) is defined as product sales divided by total eaches.
[5] Data sourced from Medallia.
[6] Food waste is reported on a 12 month period following WRAP's food waste measuring guidance - the 12 month period is the reporting period from the 4 December 2023 to 1 December 2024 (comparative period 4 December 2022 to 3 December 2023).
[7] Data represents Ocado.com metrics.
[8] Market share for the prior year has been restated to 1.3% due to Nielsen's expanded panel and updated methodology, reflecting a more complete and accurate view of consumer data.
(A) Alternative performance measure.

Financial review

The statutory period being presented in this annual report is a 70-week period to 6 April 2025. The statutory comparative period is 53 weeks to 3 December 2023. To enable meaningful discussion the alternative performance measures (A), trading results, associated commentary and percentage changes are also presented on an unaudited 52-week basis for the period to 30 March 2025 (FY25), unless otherwise stated. The comparable results for FY24 will be presented for the 52-week period to 31 March 2024. See note 1.3 for full reconciliation between these periods for financial metrics. From 6 April 2025 the Company consolidated into Marks & Spencer Group plc, therefore the analysis of these periods enables presentation of the most recent trading periods and alignment with the Marks & Spencer Group plc financial reporting period.

For balance, key performance indicators and financial metrics are also presented representing the full 70-week period to 6 April 2025 with comparative results for the 53 weeks ended 3 December 2023.

Going into 2024 we delivered a positive Adjusted EBITDA (A) on the back of our "Perfect Execution" programme, which was to make sure every element of our customer proposition and our operating model is at its best. To us, this means unbeatable choice, unrivalled service and reassuringly good value, as well as relentlessly focusing on our costs. We built upon this foundation to grow our active base beyond 1.1 million customers and expanded upon our M&S range, offering unbeatable choice in a highly competitive marketplace.

	70 weeks ended 6 April 2025 £m	53 weeks ended 3 December 2023 £m	% change	52 weeks ended 30 March 2025 FY25 £m Unaudited	52 weeks ended 31 March 2024 FY24 £m Unaudited	% change
Revenue	**3,737.2**	**2,408.8**	**55.1%**	**2,826.8**	**2,446.6**	**15.5%**
Gross profit	**1,265.3**	**813.6**	**55.5%**	**952.0**	**834.0**	**14.1%**
Gross margin %	*33.9%*	*33.8%*	*0.1ppts*	*33.7%*	*34.1%*	*(0.6)ppts*
Fulfilment and delivery costs[2]	(712.9)	(476.3)	49.9%	(539.4)	(474.2)	13.7%
Marketing costs[2]	(57.6)	(44.4)	37.1%	(42.5)	(42.9)	(0.9%)
Support costs[2]	(160.3)	(102.1)	53.8%	(117.4)	(102.8)	14.2%
Fees[2]	(267.5)	(178.8)	49.7%	(199.3)	(184.1)	8.3%
Adjusted EBITDA (A)[1]	**67.0**	**12.0**	**458.3%**	**53.5**	**30.0**	**78.3%**

The information in the table above is derived from information extracted from internal financial and operating reporting systems and is unaudited with the exception of the 70-week period ended 6 April 2025 and 53-week period ended 3 December 2023, which has been extracted from the audited financial statements. Metrics for FY25 are stated on a 52-week basis to 30 March 2025 with comparable results for FY24 presented to 31 March 2024 to enable meaningful analysis of the most recent trading period.
[1] Adjusted EBITDA (A) does not include the impact of adjusting items.
[2] Fulfilment and delivery, marketing, supporting costs and fees exclude depreciation, amortisation and impairment and adjusting items.

For the 70 weeks ending 6 April 2025, we achieved an Adjusted EBITDA of £67.0m increasing from £12.0m for the 53 weeks ended 3 December 2023.

In FY25 (the 52-week period to 30 March 2025) we achieved an Adjusted EBITDA (A) of £53.5m (FY24: £30.0m), a 78.3% growth period on period. We managed this by offering value to our customers with our average selling price remaining flat whilst growing our orders by 15.2%.

Revenue

Revenue for the 70 weeks ending 6 April 2025 increased by 55.1% to £3,737.2m from £2,408.8m for the 53 weeks ended 3 December 2023.

For FY25, revenue showed a similar growth profile and increased by 15.5% to £2,826.8m (FY24: £2,446.6m) driven by growth in ocado.com, with 13% order growth to 469,600 orders per week (FY24: 415,600 orders per week).

Active customers stood at 1,177,000 at the end of the period, up by 14.6% from 1,027,000 at the end of FY24.

We continued to win new customers through a focus on raising the bar of our proposition through unbeatable choice, unrivalled service, and reassuringly good value. We achieved effective customer acquisition results through enhanced marketing activity, with our marketing efficiency improving significantly in the period, and improved customer retention through our strengthened customer proposition and focus on service. We continue to focus on consistent and strong operational performance in key areas such as delivering on time and in full. Ocado grew its share of the online grocery market to 14.1% (FY24: 13.9%, source: Nielsen). As our customer base continued to increase, average orders per week grew by 15.2% to 478,700 (FY24: 415,600).

The average basket broadly held flat at £119.8 (FY24: £119.9) driven by a marginally lower number of items in the basket to 43.3 items (FY24: 43.5), offset by an increase in selling price of 0.4% to £2.77 (FY24: £2.76), well behind market inflation as we invested in our value proposition.

We remain committed to offering reassuringly good value to customers and did not pass through the full impact of food price inflation to our customers. We continued to offer customers the benefits of the Ocado Price Promise, which we launched in early 2023, matching customers' shops to Tesco.com on over 10,000 products, including Clubcard prices. This is a key component of our value strategy to support the growth and retention of our customers. Alongside this, we made multiple rounds of price cuts over the period, reducing the prices on thousands of products, to ensure that we continue to combine our unbeatable range and unrivalled service with reassuringly good value for our customers.

Gross profit

Gross profit for the 70-week period ending 6 April 2025 was £1,265.3m, increasing from £813.6m for the 53 weeks ended 3 December 2023.

Gross profit presented a similar trend for FY25, increasing by 14.1% to £952.0m (FY24: £834.0m). Growth in gross profit was lower than revenue growth (+15.5%) due to downside in gross margin from 34.1% in FY24 to 33.7% in FY25. The primary factors contributing to this decline were price investments and the decision not to fully pass on the impact of food price inflation to customers. As of 1 April 2025, the company also recognised Extended Producer Responsibility (EPR) packaging levies of £3.2m. In absolute terms our volume and average selling price benefit are reflected in gross profit and we made improvements in supplier funding and delivery income following the reduction in lower-priced slots alongside reducing margin costs through reducing produce waste and losses.

Gross profit includes the net benefit of supplier-funded income of £111.2m (FY24: £105.1m) and the cost of vouchers of £28.6m (FY24: £25.5m).

We remain committed to offering reassuringly good value to customers and did not pass through the full impact of food price inflation to our customers

Fulfilment and delivery costs

CFC costs for the 70-week period to 6 April 2025 were £250.2m, increasing from £185.7m for the 53 weeks ended 3 December 2023. These costs primarily comprise labour costs and consumables in CFCs.

We achieved a strong productivity performance in FY25, despite significant inflationary pressure on labour costs. Fulfilment costs increased by 3.7% to £187.0m (FY24: £180.3m), against a backdrop of 15.2% growth in average orders per week. This growth was supported by significant improvements in site productivity with an 11.9% increase in the average units per hour (UPH) at our CFCs reaching 225 (FY24: 201). The efficiency improvements were demonstrated across the CFC network, with all Ocado Smart Platform (OSP) CFCs achieving average UPH figures above 220. Further improvements were driven by the implementation of Re:Imagined technologies, including On-Grid Robotic Pick and Auto Frameload, which were rolled out in Luton and Purfleet. These sites reached UPH figures of 259 and 240, respectively.

Service delivery costs for the 70-week period to 6 April 2025 were £441.5m, increasing from £266.2m for the 53 weeks ended 3 December 2023. These costs comprise labour, fuel and fleet costs which enable the delivery of orders to customers.

Costs increased by 22.7% to £337.0m in FY25 (FY24: £274.7m) driven by 15.2% growth in average orders per week, wage inflation, delivery inefficiencies and additional insurance costs. Service delivery efficiency is measured using 'eaches per van', which reduced by 1.2% to 939 eaches (FY24: 950) as a result of the closure of the Hatfield CFC and changes in network configuration.

Utilities costs for the 70-week period to 6 April 2025 were £21.2m, decreasing from £24.4m for the 53 weeks ended 3 December 2023.

These costs across CFCs and spokes decreased by 19.8% to £15.4m (FY24 £19.2m) due to lower per unit costs and due to the closure of the Hatfield CFC, which was the least energy efficient site in the network. These cost reductions more than offset the additional utilities costs as a result of the volume growth.

	70 weeks ended 6 April 2025 £m	53 weeks ended 3 December 2023 £m	% change	52 weeks ended 30 March 2025 FY25 £m Unaudited	52 weeks ended 31 March 2024 FY24 £m Unaudited	% change
CFC	(250.2)	(185.7)	34.7%	(187.0)	(180.3)	3.7%
Service delivery	(441.5)	(266.2)	65.9%	(337.0)	(274.7)	22.7%
Utilities	(21.2)	(24.4)	(13.1)%	(15.4)	(19.2)	(19.8)%
Fulfilment and delivery costs	**(712.9)**	**(476.3)**	**49.7%**	**(539.4)**	**(474.2)**	**13.7%**

The information in the table above is derived from information extracted from internal financial and operating reporting systems and is unaudited with the exception of the 70-week period ended 6 April 2025 and 53-week period ended 3 December 2023, which has been extracted from the audited financial statements. Metrics for FY25 are stated on a 52-week basis to 30 March 2025 with comparable results for FY24 presented to 31 March 2024 to enable meaningful analysis of the most recent trading period.

Marketing and support costs

Marketing costs for the 70-week period to 6 April 2025 were £57.6m, increasing from £44.4m for the 53 weeks ended 3 December 2023 in line with volume growth as we look to support our acquisition of new customers. These costs comprise the cost of marketing activities to customers and exclude vouchering costs, which are deducted within revenue.

With vouchering excluded, costs remained relatively flat period on period for FY25 at £42.5m (FY24: £42.9m) as we optimised the marketing channel mix and improved marketing spend efficiency. As a result, marketing spend as a percentage of revenue decreased to 1.5% (FY24: 1.8%).

Support costs of £160.3m for 70 weeks ending 6 April 2025 have increased from £102.1m for the 53 weeks ended 3 December 2023. These comprise head office, customer support and other overhead costs for Ocado Retail.

For FY25, the costs of £117.4m (FY24: 102.8m) have increased primarily due to stronger business performance resulting in higher bonus and long-term incentive plan provision and lower vacancy rates.

Fees

Fees comprise 1) the OSP fees paid to Technology Solutions, a business of the Ocado Group, for the operation of OSP, 2) logistics management fees and 3) capital recharges paid to Ocado Logistics.

Fees of £267.5m for 70 weeks ending 6 April 2025 have increased from £178.8m for the 53 weeks ended 3 December 2023.

Following a similar trend, fees of £199.3m for FY25 (FY24: £184.1m) increased by £15.2m, driven by the additional OSP fees due to Technology Solutions following the opening of the Luton CFC during the period, partially offset by increased capacity utilisation across the estate resulting in scale benefits as a percentage of revenue. In the 52 weeks ended 30 March 2025 the Company incurred £33.6m (for FY24, fees incurred post-closure from 30th September 2023 to 30th March 2024 were £16.4m) in ongoing OSP fees for the Hatfield site which was closed in 2023.

Adjusted EBITDA (A)

For the 70 weeks ending 6 April 2025, we achieved an Adjusted EBITDA (A) of £67.0m increasing from £12.0m for the 53 weeks ended 3 December 2023.

Adjusted EBITDA (A) for the Retail business was £53.5m for FY25 (FY24: £30.0m). The primary drivers for the £23.5m period on period increase were growth in active customers and orders driving trading performance, optimisation of marketing, improved negotiations in supplier funding and savings in utilities costs across our CFCs. We also managed to leverage our cost base in fulfilment as a percentage to sales (6.3% in FY25; 7.0% in FY24) due to benefits in network reorganisation and increased adoption of on grid robotic pick. Service delivery inefficiencies and additional insurance costs partially offset EBITDA growth.

	70 weeks ended 6 April 2025 £m	53 weeks ended 3 December 2023 £m	% change	52 weeks ended 30 March 2025 FY25 £m Unaudited	52 weeks ended 31 March 2024 FY24 £m Unaudited	FY24 to FY25 % change
Adjusted EBITDA (A)[1]	**67.0**	**12.0**	**458.3%**	**53.5**	**30.0**	**78.3%**
Depreciation, amortisation and impairment	(80.4)	(61.5)	30.7%	(59.3)	(60.5)	(2.0)%
Net finance costs	(45.3)	(28.6)	58.4%	(34.4)	(29.9)	13.1%
Adjusted loss before tax (A)	**(58.7)**	**(78.1)**	**(24.8)%**	**(40.2)**	**(60.4)**	**(33.6)%**
Adjusting items (A)	(21.3)	(60.9)	(65.0)%	(19.8)	(61.3)	(67.7)%
Loss before tax	**(80.0)**	**(139.0)**	**(42.4)%**	**(60.0)**	**(121.7)**	**(50.7)%**

The information in the table above is derived from information extracted from internal financial and operating reporting systems and is unaudited with the exception of the 70-week period ended 6 April 2025 and 53-week period ended 3 December 2023, which has been extracted from the audited financial statements. Metrics for FY25 are stated on a 52-week basis to 30 March 2025 with comparable results for FY24 presented to 31 March 2024 to enable meaningful analysis of the most recent trading period.
[1] Adjusted EBITDA (A) does not include the impact of adjusting items.

	70 weeks ended 6 April 2025 £m	53 weeks ended 3 December 2023 £m
UK network capacity review	(3.6)	(27.1)
Zoom by Ocado strategy and network capacity review	(0.3)	(32.3)
Net Insurance proceeds relating to Andover and Erith CFCs	-	1.4
Transformation of IT and finance systems	(17.4)	(2.6)
Resizing	-	(0.3)
Total adjusting charge	**(21.3)**	**(60.9)**

Adjusting Items

Adjusting items are items that are considered to be significant due to their size/nature, or not in the normal course of business or are consistent with items that were treated as adjusting in the prior periods or that may span multiple financial years.

Transformation of IT and finance systems

In 2021, Ocado Retail initiated its IT Roadmap programme, which focuses on delivering IT systems and services that will enable Ocado Retail to meet its obligation to transition away from Ocado Group IT services, tools and support, towards M&S consolidation and set us up for the future.

Costs of £13.4m were recognised as adjusting expenditure in the current period (FY23: £1.5m) in respect of one-off development and the introduction of Ocado Retail IT systems linked to its migration from Ocado Group IT services tools and support.

Ocado Retail has also undertaken a programme to reimplement the Oracle Fusion Enterprise Resource Planning in advance of the move to M&S consolidation. Costs incurred to date are £2.8m (FY23: £1.1m), this programme will continue into 2026. Charges for other transformation projects of £1.2m were also incurred in the period (FY23: £nil).

Transformation costs that meet asset recognition criteria are capitalised as intangible assets and implementation costs that do not meet asset recognition are expensed as adjusting items.

Whilst these projects have spanned multiple periods, given the quantum and nature of projects (one off exit of transitional services, dual running costs and implementation of transformation to set up of the entity as a large company), management deem them to be adjusting in nature. This is consistent with historic treatment.

UK network capacity review

In April 2023, the plan to cease operations at the CFC in Hatfield was announced as part of a wider review of UK network capacity.

In FY23, provisions for restructuring costs of £3.9m at the end of the period, impairment charge of £15.7m (right-of-use (RoU) assets £13.9m and property, plant and equipment (PP&E) £1.8m) and other related costs of closure of £7.5m which include stock and redundancy costs were recognised.

Reassessment of the underlying indicators and assumptions associated with the UK network capacity review was undertaken in the period which resulted in an additional impairment charge of £3.6m to RoU assets.

These costs have been classified as adjusting on the basis that they are material and relate to sites where no future ongoing trading activities will take place. This is also consistent with previous treatment of these costs.

Zoom by Ocado strategy and network capacity review

During 2023, the Company undertook a strategy and capacity review for the Zoom network, which resulted in recording impairment charges totalling £32.2m (RoU assets £14.4m, PP&E £17.6m and intangibles £0.2m) and £0.1m other immaterial costs.

Reassessment of the underlying indicators and assumptions associated with the Zoom by Ocado strategy and network capacity review was undertaken in the period which resulted in an additional impairment charge of £0.3m to RoU assets.

These costs have been classified as adjusting on the basis that they are material and part of a significant strategic review which was a demonstrable commitment in FY23.

Loss before tax

Total depreciation and amortisation charges for the full statutory period were £80.4m (FY23: £61.5m), this includes depreciation of PP&E of £24.8m (FY23: £13.1m), depreciation of right-of-use assets of £53.5m (FY23: £45.7m) and amortisation expense of £2.1m (FY23: £1.6m).

Net finance costs of £45.3m (FY23: £28.6m) comprise interest expense on borrowings of £22.8m (FY23: £8.1m), which increased due to interest expense on the Shareholder loan from M&S and Ocado Group to Ocado Retail, and interest expense on lease liabilities of £26.6m (FY23: £20.7m), offset by income of £4.1m (FY23: £0.8m).

Loss before tax of £80.0m (FY23: loss of £139.0m) is stated after net adjusting items of £21.3m (FY23: £60.9m expense).

Balance sheet

Ocado Retail had **cash and cash equivalents** totalling £68.2m (FY23: £76.4m) at the end of the period. We believe that the period-end cash and cash equivalents and available revolving credit facility (RCF) of £30.0m provide sufficient liquidity to support investment in capital expenditure to meet existing financial commitments, and deliver future growth in the short to medium term. As we implement our growth plans, we expect further funding will be required.

Capital expenditure for the 70-week period totalled £12.2m (FY23: £25.2m) largely comprising spoke, fleet and CFC upgrade costs recharged from Ocado Group and IT project costs. Capital expenditure decreased by £13.0m due to a reduction in new CFC investment following the opening in FY23 of Luton CFC.

Right-of-use assets of £285.2m (FY23: £290.0m) represent the value of assets held under long-term leases, comprising land and buildings of £195.2m (FY23: £215.6m), motor vehicles of £60.1m (FY23: £33.7m) and fixtures, fittings, plant and machinery of £29.9m (FY23: £40.7m). The depreciation charge for the 70-week period was £53.5m (FY23: £46.5m) and an impairment charge of £3.6m (FY23: £28.3m) was recognised relating to the closure of the Hatfield CFC. Associated **lease liabilities** decreased to £333.8m (FY23: £337.1m).

Trade and other receivables decreased by £35.7m to £116.7m (FY23: £152.5m). The balance comprises largely trade receivables (net of expected credit loss allowance) of £39.9m (FY23: £72.9m) and accrued income of £55.6m (FY23: £50.2m) relating to media and promotions and volume related rebates.

Inventories of £85.7m (FY23: £84.1m) comprise grocery inventory.

Principal risks and uncertainties

How we manage our risks

The risks and uncertainties that we face as a business continuously evolve. Our approach to risk management enhances the quality of our decision making to support our strategic objectives and protect the interests of our stakeholders.

The Audit Committee, with delegated responsibility from the Board, is responsible for the review and approval of the risk management framework and for the identification of the key strategic and emerging risks and mitigating actions in addition to the ongoing effectiveness of this risk management framework.

The risk management framework provides for a full annual risk review and a half-yearly review of all risk registers.

Our risk management process is designed to ensure the identified risks are understood and managed in line with the agreed risk appetite. The risk appetite is reviewed by the Audit Committee as part of its delegated authority from the Board. Risks are measured and reported against set criteria, which consider both the likelihood of occurrence and potential impact to the Company, with clear ownership for mitigation.

Each functional area is responsible for the ongoing communication and feedback of their existing and emerging risks with mitigation plans which are approved by their respective leadership teams. This combines both top-down and bottom-up perspectives to provide a consolidated view of the Company's risks.

There is proactive consideration, utilising both internal and external sources, of emerging risks where the full extent and implications may not be fully understood. These continue to be monitored as part of the risk management process.

Principal risks

Set out below are the Company's eleven principal risks and uncertainties. In 2025, we applied reassessment to the twelve principal risks which remained at the close of 2023 and as a result, two principal risks were combined. Information security and business interruption principal risks have been aligned into Cyber risk and other business interruptions to appropriately clarify the potential for business impact.

We identify an emerging risk in 2025 related to the regulatory environment for cyber, artificial intelligence and data regulations.

Three of our principal risks have also been redefined in the period. The principal risk Health and Safety has been redefined as Food Safety and Integrity as it is more representative of the focus and priority on food safety. The principal risk Talent and Capability has been updated to Talent, Capability and Culture to reflect the evolution of the ORL People Strategy.

These risks and uncertainties do not comprise all of the risks associated with the Company and are not set out in any order of priority. Additional risks and uncertainties currently not known to the Directors and/or which the Directors believe to be less material may also have a material adverse effect on the Company's business, financial condition or future prospects.

We continue to review our risk landscape to identify emerging risks using both internal and external sources.

What is the risk	Movement from FY23	How we manage the risk
Geopolitical and economic uncertainty		
The Company is exposed to potential adverse external events in the global economic and geopolitical environment such as issues from tariffs, impact of input costs such as extreme weather events, employers national insurance and Extended Produce Responsibility. Cost increases could be passed on to the consumer, disrupt our supply chain and operations, and the demand for our product.	↓ Stabilisation of uncertainty of cost price increases resulted in a net decrease in risk	Continuous monitoring of the economic environment and regulatory changes to assess the potential impacts Ongoing price vigilance Maintenance of financial reserves to cushion any operational impact
Third-party management and service level decline		
Reliance on Ocado Group to provide key services (Technology, CFCs and service delivery) and support functions and impact on customer service levels.	→	Agreed service level agreements and oversight by the monthly Steering Committee Key indicators monitored weekly Ocado Group internal audits performed, which are reviewed and action plans implemented Shareholder relationships continue on arm's length terms basis
Cyber risk and other business interruptions		
Failure of key business systems including cyber-attack or data loss resulting in business disruption, reputational damage, significant fines or the loss of customer, employee or confidential business information.	↑ Recent publicised cyber attacks on the retail sector	Rolling internal audit programme over Ocado Group business interruption procedures for CFCs and service delivery Disaster recovery testing and business continuity plans continue to be progressed and updated Ongoing review and improvement of our cyber preparedness programmes Expanded team to proactively manage and address the risk Third parties engaged to undertake exercises throughout the period Business interruption insurance to transfer residual risks Regular mandatory employee training Expanding first and second line infosec and data privacy functions Ocado Group provides services for a reducing number of key functions. Systems undergo regular testing by third parties

What is the risk	Movement from FY23	How we manage the risk
Corporate compliance		
Ocado Retail must comply with legislative and regulatory requirements including Groceries Supply Code of Practice (GSCOP), data protection, modern slavery and anti-bribery. Failure to comply could negatively impact our business model and risks damage to our reputation, loss of stakeholder support, financial penalties and liability for our employees as well as undermining our ability to operate.	→	Policies and procedures in place including human rights, modern slavery, data protection, anti-bribery and corruption, health & safety, food safety, cyber, and data security Mandatory induction briefings and annual training for colleagues on key, relevant regulations, including contractors In-house legal team and advice sought from external legal firms for specialist areas Monitoring of regulatory developments to ensure that changes are identified as well as ongoing engagement with regulatory bodies such as the Groceries Code Adjudicator (GCA)
Food safety and integrity		
Risks may materialise due to failures in upholding food safety standards, ensuring product safety, or preventing health and safety incidents within our operations. In particular, harm suffered by a customer, potentially stemming from food safety issues could trigger significant business disruption, and a decline in our brand reputation and customer trust.	↑ Increased risk due to potential failures in upholding food safety in the sourcing, storage and distribution of products	Experienced food and product technical and legal professionals monitor compliance against policies and procedures Supplier approval and certification processes Food and product safety policies and quality management with operational procedures Risk assessments and safe systems of work prepared by qualified staff to raise awareness and knowledge Rotational inclusion in internal audit programme Monitoring of third-party product and logistics suppliers Full traceability of products from intake to customer Primary Authority relationships with enforcement agencies
Treasury and funding		
An inability to deliver our business goals, support the capital expenditure programme and/or settle our liabilities due to incorrect forecasting, outage by our one Payment Services Provider or insufficient facilities.	↓ Clear plan for profitability	Regular cash flow monitoring and forecasting RCF and Shareholder loan with options for further funding

What is the risk	Movement from FY23	How we manage the risk
Retail proposition		
Failure to maintain a retail proposition which appeals to our targeted customer base	→	Refinement and monitoring of value perception underpinned by Ocado Price Promise and our Big Price Drops Weekly monitoring of price indices Continued expansion of Ocado Own Range Close supplier relationships to ensure awareness of supplier product range Work closely with M&S teams especially around listing of new products Continuation of investment and optimisation of the marketing channels to acquire new customers Evolving functionality of Ocado Smart Platform
Shareholder relationship		
Breakdown in engagement and support from Ocado Group and M&S in the operations and future of Ocado Retail which is critical to enable the Company to meet its strategic objectives.	→	Five-year plan and strategy agreed annually by the shareholders Monthly meetings of the board or its sub-committees and regular contact between board members of the three parties
Ocado Smart Platform (OSP) implementation		
The Ocado Smart Platform is the Ocado Group end-to-end solution for operating online in the grocery market. The migration to the OSP platform will better serve our customers and our colleagues. Projects of this nature have inherent risks which could result in loss of capacity, reduced customer experience, an increase in cost of delivery, and cut over risk in moving on to the new OSP platform and the integration with non-OSP systems.	↓ Successful roll out of the OSP solution to end customers	Dedicated programme team, including both Ocado Retail and Technology Solutions, who work closely together Transition process is closely monitored with regular senior oversight and updates at this critical phase, including reporting progress to the Ocado Retail Board Switch overs successful with learnings incorporated throughout waves

What is the risk	Movement from FY23	How we manage the risk
Talent, capability and culture		
An inability to attract, retain and develop the right talent, skills and capabilities could undermine a high-performance culture and could impact business operations and growth plans.	→	Having a strong employer value proposition with effective communication channels Ensuring we remain competitive on total reward (and other elements of employee value proposition) Reporting and analysis of employee turnover with access to temporary labour resources if required Bespoke Leadership Development Programme and Emerging Leaders Programme to develop, engage and retain key talent and ensure generally high quality of leadership in ORL Investing in new learning and development plans (including for key individuals) to increase Ocado specific capabilities Engagement workstreams focussed on improving key topics highlighted in Peakon. Benchmarking exercise carried out by HR team Improved policies including family and absence Effective recruitment of highly skilled individuals within top level positions, and ensuring appropriate mix of talent and experience across the organisation
Climate change and environmental responsibility		
An inability to reduce the environmental impact of our business and progress towards our targets and managing the consequences of climate change on the business would lead to a failure in meeting the expectations of our customers, colleagues, investors and other stakeholders. Climate-related financial risks are detailed in the Non-financial and sustainability information- Task Force on Climate-Related Financial Disclosures (TCFD).	→	Working internally with buying colleagues and externally with key partners and NGOs including the WWF and Soil Association etc to promote agroecology and support local or seasonal produce, diversifying protein and changing dietary habits Setting up clear targets to achieve net zero by 2040 and a robust plan for decarbonisation across the business Introducing climate governance mechanisms supported by robust data to share progress against our targets Active monitoring of clear ESG targets

Non-financial and sustainability information

Task Force on Climate-Related Financial Disclosures (TCFD)

Executive Summary

In alignment with our voluntary commitment to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Ocado Retail presents climate-related financial disclosures for the period ending 6 April 2025. Our disclosure is in compliance with the climate-related financial disclosures required in section 414CB (2A) of the Companies Act 2006. Building upon our first climate-related financial disclosure for the period ending 3 December 2023, this disclosure reflects progress in assessing and quantifying the potential financial impacts of climate-related physical and transition risks and opportunities that could affect the business and value chain in future time horizons under different climate scenarios. We are developing strategies to enhance our resilience and integrate climate considerations into core business processes.

Governance

Board level

At the highest governance level, our Board of Directors is responsible for the long-term success of the company. This includes considering climate-related matters when reviewing our strategy, major plans of action, enterprise risk management and financial planning, and monitoring and overseeing progress against goals and targets for addressing climate-related issues. The General Counsel and Chief People Officer is the leadership position with responsibility for climate-related topics and attends the Board as the Company Secretary.

The Audit committee has responsibility for financial reporting, internal control and risk management across the business, including for climate-related risks, and reports to the Board on matters discussed and requiring Board attention. The committee, which comprises directors appointed by Ocado Group and M&S, meets at least three times per year and is attended by the Chief Financial Officer, Financial Director, Finance Controller, and the General Counsel and Chief People Officer.

Management level

The Leadership Team is responsible for the day-to-day running of the business and implementing the strategies agreed with the Board. The Environment, Social and Governance (ESG) committee has responsibility for defining and supporting the delivery of the ESG strategy. The committee meets on a quarterly basis to achieve cross functional alignment on climate-related topics. It consists

of the Leadership Team member with accountability for sustainability, the Director of Own Brand, Technical and Sustainability and the Sustainability Function Lead. The ESG Committee is attended by senior representatives of the Commercial, Financial and Customer and Communications teams.

Delivering on our climate goals requires close collaboration with Ocado Group. The purpose of our joint bi-monthly Ocado Retail and Ocado Group Sustainability Management Committee is to deliver on dependencies related to our climate strategy and targets across the two organisations.

Our ESG governance structure

Board of Directors

Responsible for the long-term success of the company.

Board committees

Each committee chair reports to the Board on matters discussed and topics requiring Board attention.

Audit committee

Reports to the board on Ocado Retail's financial reporting, internal control and risk management systems.

Remuneration committee

Responsible for the remuneration arrangements of the Executive Directors and Senior Management.

Leadership Team

Responsible for the day-to-day running of the business and implementing the strategies the Board has set.

Governance committees

The governance committees report to the Board or Board committees as appropriate.

Capital expenditure group

Reviews and authorises capital expenditure projects, overspends and property expenditure in accordance with agreed limits.

Compliance committee

Monitors the effectiveness of Ocado Retail material compliance programmes.

Health, Safety and Environment committee

Oversees Ocado Retail's health, safety and environment standards and systems, and monitors compliance.

ESG committee

Defines Ocado Retail's strategy and is responsible for the governance of the programme and its implementation.

Ocado Retail and Ocado Group joint sustainability management committee

Aligns and manages the carbon interdependencies.

Other committees

Ensure the implementation of the business strategies.

Strategy

Identified climate risks and opportunities

In 2023, we conducted a comprehensive scoping exercise to identify and evaluate climate-related risks and opportunities across our value chain. We engaged with key stakeholders across various business functions to assess potential impacts under two distinct climate scenarios: a high physical impact scenario (exceeding 4°C warming by 2050) and a rapid transition scenario (limited to 2°C warming).

Our analysis encompassed all TCFD categories, including physical risks (acute and chronic), transition risks (policy, market, technology, reputation), and transition opportunities (resource efficiency, energy sources, products/services, markets, resilience). We prioritised high-impact risks for detailed assessment using climate scenario analysis across three-time horizons: short term (<1 year), medium term (1-5 years), and long term (5-25 years). These time horizons are based on our business model and align with Ocado Group's time horizons for climate risk assessments.

Impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Qualitative scenario analysis

We conducted a qualitative assessment of physical climate risks across our upstream supply chain with a focus on key sourcing regions (UK, Spain, Italy) and commodities (fruit, vegetables, dairy, beef, poultry). The analysis revealed significant acute and chronic physical climate risks. The most significant risks include extreme temperatures and heavy rainfall in the UK and water stress and drought in Southern Europe. We identified that some of our key fresh products face vulnerabilities to climate risk hazards, and that climate change is expected to exacerbate biodiversity risks in the supply chain.

Under a low carbon transition scenario, we face transition risks related to future carbon pricing mechanisms, climate-related reporting requirements, meeting our ESG commitments, regulatory risks related to deforestation in the supply chain, as well as risks and opportunities related to evolving consumer preferences.

The table below highlights the climate-related risks and opportunities we have identified across the business in the short, medium and long term, the potential impacts these could have, and our response.

	Description and potential impacts	Our response
Risks relating to changes in the policy and regulatory landscape Short, medium and long term	Increased operating costs linked to meeting regulatory requirements around deforestation in the supply chain. Carbon pricing mechanisms could result in higher prices for some of our products.	We have defined a roadmap to deliver on our 'no deforestation' targets (see Metrics and Targets section), and on our decarbonisation targets, and we are collaborating with suppliers to reduce emissions throughout our supply chain.
Reputational risks related to climate targets and climate reporting Medium and long term	Increased stakeholder scrutiny on our climate targets and transition planning and wider climate reporting could result in higher compliance costs.	We have defined a roadmap for meeting our ESG/sustainability strategy including decarbonisation (Science Based Target Initiative (SBTi) validated) targets to 2040. Our net-zero plan consists of 10 priorities across low carbon supply and operations, logistics, sustainable agriculture and diets, and innovation and investment. Refer to page 23 and our Climate Action website page.
Technology risks linked to Ocado Group fleet decarbonisation ambitions Short, medium and long term	Ocado Group's fleet emissions are included in our proposed near-term Scope 3 reduction target. Developing decarbonisation technologies and building associated infrastructure incurs additional costs.	We have conducted a site analysis and considered available EV technology to develop a net-zero fleet transition plan based on tranches of electrification. We are exploring opportunities to leverage relevant policy incentives for adopting the required technologies and practices to meet our fleet decarbonisation targets.
Market opportunities/ risks from changing customer preferences for products Medium and long term	Changing customer preferences for low carbon product ranges present transition opportunities in terms of new revenue streams, and risks if we fail to capture this market share.	Through the implementation of our sustainable healthy diets strategy, we are gradually transitioning from the sale of high carbon food products towards low carbon food products via price and promotion interventions.
Acute and chronic climate risks across our supply chain for fresh product categories Short, medium and long term	Extreme temperatures and heavy rainfall in the UK and water stress and drought in Southern Europe could impact some of our fresh product categories (e.g. fruit and vegetables) and protein categories (poultry, beef, dairy).	We are working with our suppliers to assess vulnerabilities to key physical risk hazards identified and to build resilience to these through relevant mitigation and/or adaptation measures, for example by supporting the Water Stewardship Programme in our supply locations at risk.

Quantitative scenario analysis and financial impact quantification
In 2025, one physical risk, one transition risk and one transition opportunity were prioritised from the shortlisting of 25 physical and transition risks and opportunities. This hotspot analysis explored the magnitude of change in the risk/opportunity under two climate change scenarios and three time horizons, and was based on a high-level assessment of exposure and perceived vulnerability. We performed a quantitative scenario analysis to assess the financial impacts of these three key climate risks and opportunities. The assessment focused on heavy rainfall impacts on vegetable production on production and costs of vegetables sourced in the UK, carbon pricing impacts on operational costs, and revenue opportunities related to plant-based alternatives.

We evaluated these topics under three climate scenarios:
- +1.5°C – a pathway that sees net zero emissions achieved by 2050 and limits global warming to below 1.5°C by 2100.
- +2°C - a middle of the road pathway described by the IPCC's SSP2-4.5 scenario, leading to global mean temperature rise of ~2.7°C by 2100.
- +4°C - a high-emission pathway described by the IPCC's SSP5-8.5 scenario, assuming almost no mitigation action and global mean temperature rise of ~4.4°C by 2100.

The table below outlines the potential financial impacts associated with our key climate-related risks and opportunities, our approach to assessing these topics, and our response.

We have aligned our financial impact criteria to our risk assessment criteria, as follows:

Financial impact	
Minor	<1% on sales and profit before tax (PBT)
Moderate	1-3% impact on sales 1-5% impact on PBT
Major	3-5% impact on sales 5-10% impact on PBT
Critical	>5% impact on sales >10% impact on PBT

Quantitative scenario analysis and financial impact quantification

	Heavy rainfall impacts on production and costs of vegetables sourced in the UK	Carbon pricing impacts on operational costs	Revenue opportunity associated with plant-based alternatives
Risk/opportunity category	Acute physical hazard	Policy transition risk	Market transition opportunity
Description	Increasing frequency of heavy rainfall events in the UK has the potential to impact production of our core vegetables and lead to an increase in our sourcing costs.	Carbon pricing of emissions from energy and fuel used in our own operations as well as agricultural, manufacturing, and transport-related emissions in our supply chain could raise our operational costs and cost of goods and services.	Changing customer preferences leading to a decline in meat and dairy consumption in the UK and increasing uptake of plant-based alternatives presents a revenue opportunity.
Impact assessment - potential financial impact of climate risk/opportunity (criteria based)	2030: Minor 2050: Minor	2030: Moderate 2050: Critical	2030: Critical 2050: Critical
Scenario to which financial impacts correspond	4°C	1.5°C	1.5°C
Key analysis and assumptions	This analysis focused on ORL's key sourcing locations in the UK for four of our most important products: broccoli, cauliflower, leeks, and carrots. The financial impact range reflects estimated low and high potential impacts on production and associated costs modelled in the analysis.	Carbon prices are applied to our Scope 1 and 2 emissions, using carbon prices based on the IEA Net Zero Emissions by 2050 scenario. Carbon prices from increased supplier operational costs are applied for Scope 3 emissions assuming a 50% passthrough rate.	This analysis was based on the UK Climate Change Committee's Seventh Carbon Budget, which includes estimated reductions in consumption of meat and dairy to align with the UK's commitment to achieve net zero GHG emissions by 2050. The analysis explores potential revenue opportunities of ORL's plant-based alternative products.
Mitigation and adaptation measures in place to manage risk	Continue to engage suppliers and review risks. Maintain engagement with suppliers through critical industry collaborations like WRAP, Mondra, and Manufacture 2030 to build a more resilient supply chain.		We have identified a growing customer demand for sustainable products, including plant-based protein alternatives, as an opportunity for the business. Category growth plans have been developed.

Resilience
Based on the analysis, we are prioritising three key areas to enhance climate resilience: achieving decarbonisation targets, collaborating with suppliers to reduce emissions and enhance their resilience, and adapting our product portfolio to changing consumer demand and agricultural supply chain risks.

We are also partnering with the Soil Association to establish nature-friendly demonstration farms and promote sustainable agricultural practices. These farms serve as hubs for training sessions, promoting sustainable practices like agroforestry, hedgerow restoration, and diverse crop rotations, which enhance soil health and reduce reliance on synthetic inputs. This initiative supports UK farmers to reduce greenhouse gas emissions and support resilience in the food system.

In addition, we continue to work with Ocado Group to ensure the design and retrofit of Customer Fulfilment Centres (CFCs) accounts for resilience to extreme weather and other physical climate risks, such as flooding, overheating, and supply chain disruption.

Looking ahead we will continue to build upon our net-zero plan priority areas and work towards a transition plan that is aligned with our science-based targets.

Our net-zero plan consists of 10 priorities

Low-carbon supply and operations

1 Supplier manufacturing and processing

We assist suppliers in decarbonising manufacturing processes and reducing emissions from electricity, fuel and refrigerants. We ask our suppliers to join Manufacture 2030, which provides a framework for planning, measuring and taking action.

2 Packaging optimisation

We aim to decarbonise packaging materials used at all stages (primary, secondary and tertiary) through innovation, optimisation and reduction.

3 Supply chain transport distribution

We aim to support suppliers in decarbonising transport from farm to processing and processing to CFCs through the adoption of electric vehicles, alternative fuels and rail transport.

4 Food waste reduction

We will drive industry-leading food waste reduction and maximise redistribution.

5 Offices

We will reduce energy consumption from our HQ and Customer Hub and look to move away from fossil fuels for heating.

Low-carbon logistics

6 Ocado Group decarbonisation

We collaborate to decarbonise transportation and distribution emissions, aiming for a fully electric fleet by 2035.

Sustainable agriculture and diets

7 Sustainable agriculture

Through strategic partnerships and programmes, we collaborate with the farming community and suppliers to reduce cradle-to-farm gate emissions.

8 Deforestation

We strive to achieve a 100% deforestation- and conversion-free supply chain by 2025 through rigorous sourcing codes and collaboration with suppliers and industry initiatives.

9 Healthy and sustainable diets

We promote sustainable diets by shifting the protein balance, which includes reducing meat and dairy consumption and increasing plant-based alternatives.

Innovation and advocacy

10 Investment

We will scale up reductions by investing in partnerships, innovations and technology to transform our operational approach.

Risk management

Processes for identifying and assessing climate-related risks

We employ a combined bottom-up and top-down approach to identify and assess climate-related risks. The Sustainability Function leads an annual review of climate-related risks and opportunities across the value chain, considering regulatory changes related to climate change and assesses whether any need to be reviewed in more detail based on potential business vulnerability, potential business impacts and the potential magnitude of change in frequency and/or magnitude of climate-related hazards or transition events. Material risks are assessed using climate scenario analysis.

Processes for managing climate-related risks and how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Material climate-related risks are included in the Sustainability Risk Register and integrated into the company-wide risk register, thus becoming part of our enterprise risk management process. This bottom-up approach is combined with a comprehensive top-down approach which is led by the Risk Management team on an annual basis. Climate risk is also identified as a principal risk and managed with heightened scrutiny.

Metrics and Targets

Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse Gas (GHG) emissions.

We have assessed our 2024 carbon footprint across Scope 1, 2, and 3 emissions, in accordance with the GHG Protocol. We track progress towards our approved near and long-term science-based emissions reduction targets with the SBTi against our 2021 emissions base year.

We have recalculated our FY21 base year emissions to align with the updated methodology used in our FY23 and FY24 reporting. This includes revised emissions factors from industry carbon databases to ensure improved data quality and consistency across reporting years.

Ocado Retail is reporting against the Streamlined Energy and Carbon Reporting (SECR) framework and the methodology used is the World Business Council for Sustainable Development (WBCSD)/ World Resources Institute (WRI) Greenhouse Gas Protocol, and the UK Government's environmental reporting guidelines, including SECR guidance (see table).

Targets to manage climate-related risks and opportunities and Metrics used by the organisation to assess climate- related risks and opportunities in line with its strategy and risk management process.

We have defined key targets under each of the pillars of our sustainability strategy.

Climate action. In 2024, we were amongst the first grocery retailers to have SBTi approved targets including those originating from FLAG. SBTi, a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science, approved our near-term and net zero targets.

Near-term targets by FY30 (from FY21 base year)

- 42% reduction in absolute Scope 1 and 2 GHG emissions.
- 42% reduction in absolute Scope 3 GHG emissions (energy and industrial).
- 30% reduction in absolute Scope 3 GHG emissions (FLAG).
- No deforestation across primary deforestation-linked commodities (by FY25).

Long-term target by the FY40 (from FY21 base year)

- 90% reduction in absolute Scope 1, 2 and 3 emissions (energy and industrial, non-agriculture).
- 72% reduction in FLAG Scope 3 emissions.

Carbon emissions (tonnes of CO_2e)	52 weeks ended 30 March 2025 (FY25)	52 weeks ended 1 December 2024		53 weeks ended 3 December 2023 (FY23)	
Scope 1 emissions (combustion of natural gas and refrigerants)	134.64	126.87	31.1%	119.6	31.1%
Scope 2 emissions (purchase of electricity by the company for its own use including for the purpose of transport)	249.85	251.92	61.8%	246.4	64.0%
Total Scope 1 & 2 emissions	**384.49**	**378.79**	**92.9%**	**366.0**	**95.1%**
Scope 3 emissions (category 6 only, consumption of fuel for the purpose of business travel)	26.67	28.65	7.0%	19.0	4.9%
Total Scope 1, 2 & 3 emissions	**411.16**	**407.44**	**100.0%**	**385.0**	**100.0%**

The information in the table above is derived from information extracted from internal reporting systems and is unaudited. Metrics for FY25 are stated on a 52-week basis to 30 March 2025. Comparable periods have been presented for 52-week periods to 1 December 2024 and 3 December 2023. Presentation of the data in this manner allows future alignment with the Marks & Spencer Group plc financial reporting period, with which the Company now consolidates.

These science-based targets are used to manage the climate-related risks and realise the climate-related opportunities.

One key metric used to track our near term 42% reduction in absolute scope 1 and 2 emissions is intensity per 100,000 orders fulfilled, purchased electricity from renewable sources and total annual energy consumption.

Sourcing with integrity. We have committed to '100% deforestation and conversion-free soy and palm oil supply chains by 2025, with a cut-off date of 2020 at the latest', and are signatories to the UK Soy Manifesto with the aim to have 100% verified deforestation and conversion free (DCF) soy across our supply chain by 2024.

Healthy sustainable diets. We are increasing the sales of plant-based proteins to redress the balance with animal proteins.

Food waste reduction and community. We aim to reduce food waste in our own operation by 20% by 2025 and by 50% by 2030 (against a 2022 baseline), whilst ensuring our community programme delivers a lasting impact that benefits the community.

Responsible packaging. We aim to halve the environmental impact of our Ocado Own Range packaging by 2030, increase the recyclability to 100% and average recycled content of plastic to 30% by 2025 and integrate sustainable packaging thinking into packaging design from the outset.

Metric	52 weeks ended 30 March 2025	52 weeks ended 1 December 2024	53 weeks ended 3 December 2023
Emissions intensity per 100,000 orders fulfilled*	1.66 tonnes CO_2e	1.73 tonnes CO_2e	1.8 tonnes CO_2e
Purchased electricity from renewable sources	100%	100%	100%
Total energy consumption	1,769,345 kWh	2,029,088 kWh	1,697,458 kWh

*Emissions intensity is assessed against total gross emissions under SECR and a 17.3% revenue growth, per 100,000 orders fulfilled relative to the 2021 base year.

The information in the table above is derived from information extracted from internal reporting systems and is unaudited. Metrics for FY25 are stated on a 52-week basis to 30 March 2025. Comparable periods have been presented for 2024 and 2023. Presentation of the data in this manner allows future alignment with the Marks & Spencer Group plc financial reporting period, with which the Company now consolidates.

Section 172(1) Statement

The Board believes that, individually and together, they have acted in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in Section 172 of the Companies Act 2006.

The principles underpinning Section 172 are not only considered at Board level, they continue to be embedded throughout Ocado Retail, as shown below.

Building positive relationships through strong engagement, collaboration and dialogue with stakeholders to deliver long-term sustainable success continues to be a key area of focus for the Board, and all decisions take into account the impact on stakeholders. The following summarises how the directors had regard to the respective elements of Section 172 in their fulfilment of their duties in the period ended 6 April 2025.

The need to act fairly as between members of the Company

Our approach

Ocado Retail is led by an effective and committed Board with a range of knowledge and experience, who embrace a culture of openness and transparency at Board meetings.

Both shareholders have equal representation on the Board which, together with the Company's shareholders' agreement and articles of association, enable the dissemination of core information and ensure an ongoing dialogue with its shareholders on key business issues.

Examples of how we have had regard to this factor during the period

Strengthening collaboration with our Shareholders on an operational level remained a key priority in this financial period.

The Board was kept up to date with strategic performance packs circulated to shareholders throughout the period. Members of the Board also attended the Company's annual Strategy Day, a review of the Company's strategy and priorities, their fit in the wider context of the retail industry, and their alignment with each shareholder's goals and priorities.

All Board decisions were made with representation from both Shareholders and all related party transactions were approved in accordance with the relevant governing documents.

To align with the Shareholder Agreement, the Board also approved the consolidation of the Company's results into the M&S reporting calendar from April 2025.

Representatives of both shareholders make up the Audit Committee which provides oversight of the key principal risks affecting the Company, and likewise the Remuneration Committee supporting the Company on the performance, remuneration and long-term incentive plans of the executive directors and leadership team.

As in the previous period particular attention was also paid during the course of the period to further improving our relationships with both shareholders. This has led to better understanding and useful collaboration for the benefit of all.

The likely consequence of any decision in the long term

Our approach

The Company is committed to driving positive change with smart, profitable growth. All Board decisions are made for the long-term benefit of the Company's stakeholders, as well as contributing to wider society.

The Company's key stakeholders are its customers, employees, suppliers, shareholders, communities, the environment and its regulators. The views and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions.

The Company's mission is that together, we are the drivers of change. We proudly and sustainably deliver joy in every shop; through unbeatable choice, unrivalled service and reassuringly good value. This mission, coupled with the new strategic priorities and performance framework, are key considerations in the actions and decision-making of the Board, and its oversight of the implementation of these into the operations of the Company.

Our risk management process is designed to improve the likelihood of delivering the business objectives, protect the interests of key stakeholders, enhance the quality of decision-making, and assist in the safeguarding of assets, including people, finances, property and reputation. The process is supported by a risk methodology which enables the Company to clearly identify, prioritise and monitor our risks through a set of enhanced risk identification, categorisation and prioritisation mechanisms.

Examples of how we have had regard to this factor during the period

The Board is responsible for setting the strategic direction of the Company in both the long and short term. It monitors performance against the annual budget metrics on an ongoing basis, along with receiving reports from CEO and CFO each month. The Board regularly considers the allocation of capital in order to support the strategy of the Company, with capital requests over an agreed limit requiring the Board's approval. The board also approves all external financing of the Company.

Over this period the Company has embarked on a new strategic phase focused on raising the bar. A key part of this strategic shift involves showcasing the Company's unique strengths, fostering growth, and setting a new benchmark for the online shopping experience. In alignment with this phase, the Board reviewed and considered a number of relevant matters including the ongoing migration onto the new Ocado Group platform as well as continuing the IT migration, launching Zoom on Uber Eats, the reorganization of the Network Development Team to incorporate Property and Real Estate from Ocado Group and various strategic marketing campaigns. They were all examined with the longer-term success of the Company and all of its stakeholders at the forefront of consideration. Network capacity reviews incorporated assessment and engagement with relevant key stakeholders, for example the key supplier.

The Board considered a number of marketing and cost-saving campaigns in order to provide customers with the best shopping experience and, most importantly, good value. This included further campaigns to highlight and promote the Ocado Price Promise, in addition to the Ocado Big Price Drop offering reduced prices on more than 1,700 products. We also launched the Ocado Fresh + Promise to provide reassurance to customers more effectively on the freshness of our produce and shift online perception with respect to freshness. In addition, the Board has also considered how to reflect cost price reductions from suppliers in the retail price against the backdrop of inflation and an ongoing cost of living crisis.

The Audit Committee, delegated to by the Board, is responsible for the review and approval of the risk management framework that identifies the Company's key strategic and emerging risks. The Audit Committee is also responsible for the review of the effectiveness of risk management, the systems of internal control, and the monitoring of the quality of financial statements and consideration of any findings reported by the auditor, Deloitte LLP, in relation to the control environment and its financial reporting procedures.

This period, the focus of the Audit Committee continued to be on growing and monitoring the compliance function within the Company, which includes, inter alia, GSCOP, Data Protection, Technical Compliance, Health & Safety, Information Security and Business Continuity.

The interests of the Company's employees

Our approach

It is of the utmost importance to the Board that our colleagues have a diverse range of experiences, expertise and perspectives. Colleague successes are celebrated against our three core values; always be curious, bring our best selves and challenge what's possible; these are deemed to be the recipe for Ocado Retail's success.

While the Company's People Strategy has continued to evolve, the three pillars that shape the work the People Team have remained:

- Building the unique capabilities required for our business
- Driving personal growth
- Boosting engagement and wellbeing

These pillars are underpinned by a continuous focus on colleague experience, with the aim to achieve:

- A high performing culture, where colleague performance is connected to the performance of our business and our ability to deliver for our customers. A culture where we're able to continually raise the bar on potential and can reward and recognise colleagues in a meaningful way.
- Connection with the values that underpin our business, threading through all the initiatives we're putting into place and highlighting the importance of our culture in driving our success.
- Clear opportunities for colleagues to develop at ORL - whether that's through a focus on developing our current and future leadership, developing the skills and capabilities we need to drive our organisational priorities or helping to empower teams and foster cross-team collaboration.
- An environment where everyone can thrive, where we encourage everyone to be their best self by focusing on their careers while keeping a balance with the things that are important to them in and outside of work.

The Company is an equal opportunities employer and makes every effort to ensure all potential and existing Colleagues, along with suppliers and customers, are treated fairly and equally. The Board continues to encourage every colleague to have a voice, with monthly engagement pulse surveys and ongoing support for our People Networks, who are vital for amplifying diverse voices.

Moreover, open and ongoing dialogue and questioning is proactively encouraged between colleagues and senior management or the Board, with specific channels of communication open for transparency throughout the business. Colleagues are regularly updated on decisions made following their feedback through regular internal communications from the CEO and leadership team.

Examples of how we have had regard to this factor during the period

Our People Strategy, which was previously adopted by the Board includes the Company's approach on reward and recognition, learning and development, engagement and internal communication, and inclusion and diversity.

Reward & Recognition continues to be an enabler of our high-performance culture. In the Reward space, the focus this year has been to embed the new, structured Ocado Bonus Plan. Launched last year, the Ocado Bonus Plan aims to drive performance and engagement by providing a clearer link between the contribution colleagues make and the bonus they receive. For the first time this year, we successfully paid out the personal element of the new bonus scheme ensuring it linked to existing talent measurement tools. Similarly, embedding a culture of Recognition has remained a high priority this year, with a focus on peer-to-peer recognition through our celebration platform, Mo. Using this platform, colleagues are recognised (and at times are rewarded) for delivering above and beyond expectations.

Learning & Development remains a key priority for the Company. This year, developing both our current and future leaders has been a core priority. For current leaders, the Leadership Development Programme was launched and delivered to all senior leaders within the business.

The Programme aimed at embedding a set of Leadership Behaviours and developing core leadership capabilities. After a successful rollout to senior leaders, this programme has now been iterated with the intent to roll out to all Line Managers at Levels 4 and 5 within the business. To develop our future leaders, a cohort of our high potential colleagues were selected to participate in our Emerging Leaders Programme. This Programme aimed at building stronger succession pipelines, along with high retention and engagement with this group. Overall this programme achieved these outcomes, maintaining consistently high engagement scores, sitting in the top 10% of colleagues most likely to stay within the business (according to data from our colleague engagement platform, Peakon).

Colleague engagement continues to be one of the Company's key priorities. During the period, the Company conducted monthly pulse surveys with colleagues in our Apollo Court office and six-monthly surveys in our Sunderland Customer Hub. These provide an informed picture of how colleagues feel about the business which is reported to the Board. Participation remains high across both offices, with Apollo Court averaging 78% participation and the Customer Hub averaging 83%. Survey results are played back both at a Company level and also at a more local team level, driving action plans to focus on key engagement issues the survey identifies.

The interests of the Company's employees

This focus on engagement was also highlighted by bringing internal communications into the People Team. This move enables a better, more insight driven approach to people focused initiatives and communications by directly linking our communication strategy to colleague needs (as informed by regular engagement surveys) and our People priorities.

The Board's interest in inclusion was further cemented during this period through a partnership with D&I in Grocery. D&I in Grocery aims to accelerate a truly diverse and inclusive grocery industry and the partnership enables the business to track progress in this space through their Inclusion Maturity Model and benchmark against the industry. It also provides access to a range of resources and networking opportunities for colleagues along with access to an industry-wide mentorship programme. Moreover, the Board continues to oversee the Company's Gender Pay Gap reporting and sponsor a number of colleague networks that are active across the business.

The impact of the Company's operations on the environment and the community

Our approach

The Company is committed to meeting the needs of customers without compromising quality of life for future generations. We aim to achieve this through our Planet Together sustainability strategy focusing on five core pillars: climate action, sourcing with integrity, healthy and sustainable diets, food surplus and communities and responsible packaging.

We are committed to work with fellow retailers, suppliers, the UK Government and other stakeholders to accelerate the retail industry's progress towards Net Zero. We are a founding member of the British Retail Consortium's Climate Action Roadmap.

Further information in relation to carbon and energy usage can be found in the Strategic Report.

Examples of how we have had regard to this factor during the period

Environment

To support our ambitions for 2040, we set emission reduction targets aligned with the Science Based Target initiative (SBTi) framework. We have taken the important steps to calculate our emissions footprint in line with the GHG Protocol, identified our operational boundary approach, calculated our scope 1, 2 and 3 emissions against a 2021 baseline, and initiated a detailed carbon reduction strategy. Our targets have been validated by SBTi. We continue to work closely with Ocado Group co-ordinating the jointly owned climate related risks including GHG emissions data, fleet decarbonisation and solar photovoltaic installations at CFCs.

We are proud of our groundbreaking Farm to Fork partnership with the Soil Association launched in May 2024. This initiative is transforming our food system by supporting farmers adopting agroecological practices, ensuring higher quality and more sustainable produce for our customers. We've established demonstration farms, provided learning opportunities for farmers, and launched a Farm to Fork Ambassador programme to amplify our impact. Supporting local farmers and promoting homegrown produce is something we care deeply about at Ocado, evident in our 'Best of British' aisle launched early in 2024.

Ocado Retail is committed to reducing food waste and improving food insecurity. We continuously work to minimise our operational waste. Our unique OSP system technology accurately predicts demand and optimises stock through automated replenishment and targeted management. This minimises over-ordering and optimises distribution, preventing unnecessary waste.

We follow WRAP's food waste measuring guidance and report our food waste over a 12-month period. The 12-month period is the reporting period from 4 December 2023 to 1 December 2024. For the 12 month period to 1 December 2024, food waste represented 0.49% of food handled (0.43% for 12-month period to 3 December in 2023). This is a 17% reduction against Ocado Retail's baseline (0.59% in 2022). The increase versus the previous period is a result of improved waste data reporting and external factors impacting optimal operational waste management.

Our aim is for all edible surplus food deemed safe for redistribution to be allocated to humans and animals. We continue to work with Ocado logistics to improve visibility and data granularity. In addition, site waste evaluations by environmental consultants Anthesis pinpointed effective practices fostering a positive food waste culture and provided recommendations to optimise and meet our food waste reduction targets.

Community

Ocado Retail is committed to improving food security across the UK and bringing lasting impact that benefits the community. Alongside our two key charity partners, Community Shop and The Felix Project, we support a network of UK charities, including Magic Breakfast, Dens, EdibleLinks and School Food Matters.

Ocado Retail funds charitable donations and environmental causes from the net income made from mandatory bag charge in accordance with DEFRA's guidance. During the period the Company made charitable donations amounting to £1.8m (FY23: £1.1m). Additional cash donations to environmental causes of £1.9m (FY23: £0.4m) were made in addition to charitable stock donations valued at £12.8m (FY23: £10.7m). This was part funded (£2.8m, FY23: £2.5m) by customers through our You Give We Give initiative.

Notably, the donations helped fund a number of projects with our key charity partners. Highlights include:

The Felix Project
We sponsored 'Farm to Freezer', an innovative pilot supporting the Coronation Food Project, inspired by King Charles III, reducing food waste from the value chain.

Community Shop
Alongside M&S we provided 3,000 meal bundles at Christmas helping over 10,000 people in the most deprived communities.

School Food Matters
We partnered on two impactful programmes, Young Marketeers and Healthy Zones, improving children's well being and school food programmes.

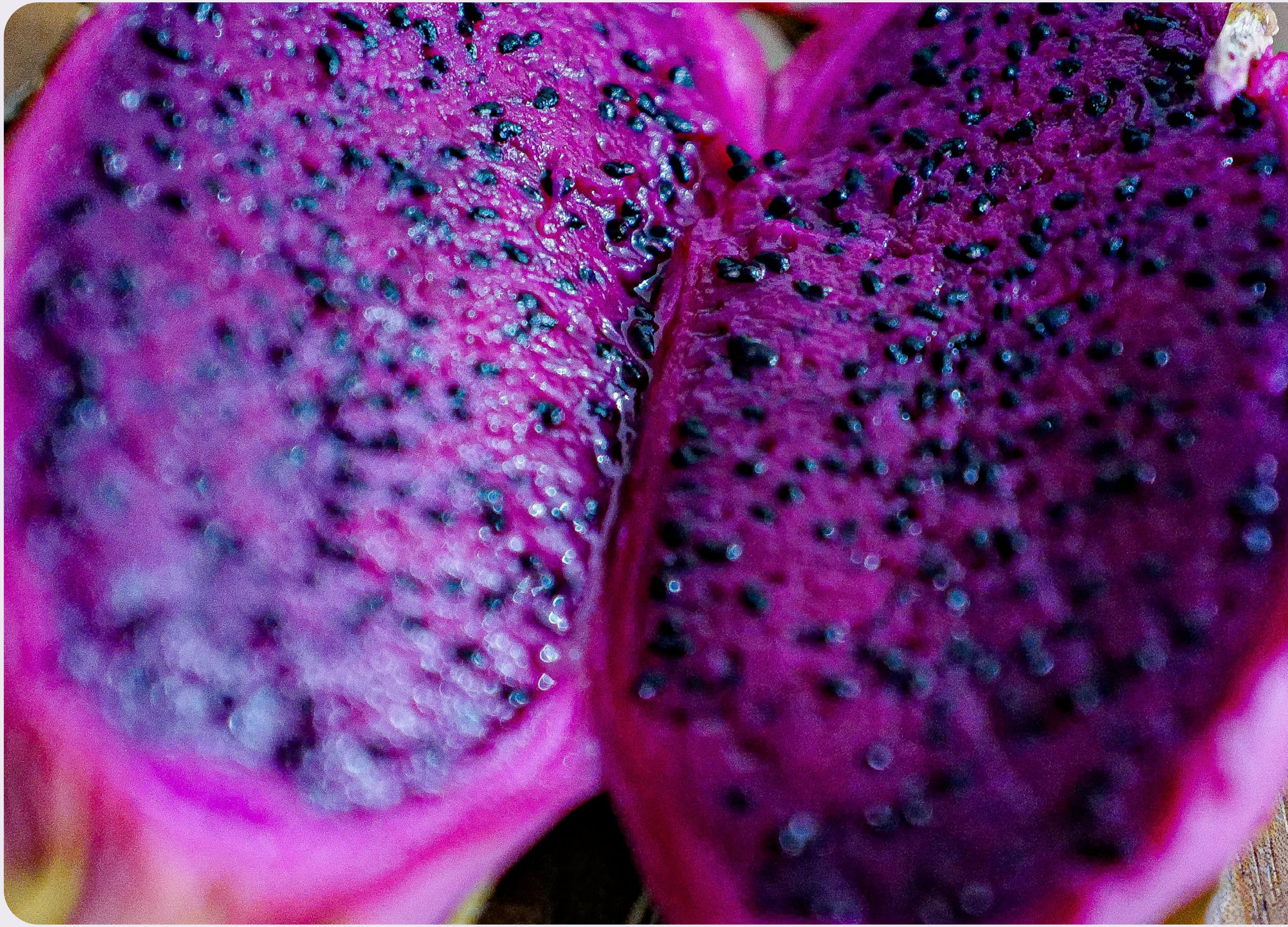
Our colleagues also play a key role in supporting charitable causes and communities. Last year, 84 employees volunteered at Woodoaks with the Soil Association to learn about nature-friendly farming.

The impact of the Company's operations on the environment and the community

In the realm of packaging, our pioneering online reuse system for reducing single-use packaging exceeded commercial, operational, customer, and environmental targets. This circular concept has significantly reduced packaging waste and carbon footprint, earning multiple awards and setting a new standard for the industry.

Recognising the unique demands and opportunities of online packaging to do things differently, Ocado Retail, is redesigning the packaging of their ~750 Own Range lines to incorporate innovative waste prevention solutions. Since 2021, our sustainability efforts have achieved significant reductions in packaging, eliminating 193 tonnes of material and 32 million unnecessary components. In the last period alone, we removed 45 tonnes and 8 million units of unnecessary packaging.

For further information on our progress please refer to the Planet Together Sustainability Report 2024.



The need to foster the Company's business relationships with suppliers, customers and others

Our approach

We pride ourselves on being a progressive retailer, so it's important to us that every Ocado Retail supplier (established and prospective) feels equally supported and fairly treated by us. Our suppliers are essential for us to provide a full range of quality products that allow us to offer customers an excellent range and service.

The Company maintains a supplier application website to aid the retail listing process. Our unique model means that we are able to onboard the smallest of suppliers and grow with their business.

We have clear modern slavery policies incorporated within the Company's Responsible Sourcing Code of Practice and actively engage with suppliers to prevent modern slavery and human trafficking in our business operations and supply chains.

We respond to the Groceries Code Adjudicator's annual supplier survey by creating action plans to address any highlighted areas of improvement. Collaborative engagement with suppliers is key to ensure relationships are conducted fairly and lawfully, in line with the requirements of the GSCOP.

Customers are vital for the long-term success of the Company and are at the heart of everything that we do. Customer feedback data is now shared throughout the Company to make it a stronger element of our business performance by enabling the Board and colleagues to better understand and meet customer needs.

Examples of how we have had regard to this factor during the period

Various communication channels allow for constant dialogue with suppliers, including through a dedicated supplier website and supplier surveys. Supplier forums are also held on specific issues. This period also marked a significant milestone with the launch of Ocado Ads and Ocado Roots which was revealed at the annual supplier conference.

- Ocado Ads is a retail media network which will allow suppliers, brands and agencies to deliver relevant advertising and personalised experiences to customers all via a self-serve media.
- Ocado Roots is a new challenger brand programme that will offer the best-in-class support for over 100 small suppliers who want to scale their business with Ocado.

This wrap-around support program not only enhances, but significantly strengthens the Company's commitment to smaller brands.

With the continuing support of the Board and senior management, the dedicated GSCOP Code Compliance Office (CCO) works very closely with the buying team to ensure compliance, professionalism and responsiveness between our teams and suppliers. The CCO reports into the Compliance Committee quarterly (which feeds up to the Audit Committee), and is also invited to report directly into the Audit Committee.

Regular update reports are provided to the Audit Committee, as delegated by the Board, in relation to GSCOP and compliance. For further information, please view our GSCOP Annual Statement at https://ocadoretail.com.

The Company has processes in place to prevent and eradicate modern slavery in its supply chain. Details are available in the Company's Modern Slavery Statement, which was overseen by the Board and is available on the Company's website.

The Company receives customer feedback in a number of ways, including through emails, social media activity and advertising. The Customer Hub is open seven days a week to assist customers with any queries. A centralised customer feedback platform was launched this year to better manage customer insight in one place.

The Board and senior management have further focused this year on the Company's value proposition and, in expanding Ocado's Own Range and the number of Marks & Spencer products it hosts increased to almost 10,000 new products on Ocado.com, on the provision of additional value and choice to customers. The Company launched a new partnership with Holland & Barrett expanding the wellness offering and showcasing the unbeatable choice available at Ocado.

Regular update reports are provided to the Board including on trading figures, customer behaviour and new and ongoing initiatives with customers. These can be used to inform key decisions.

The desirability of maintaining a reputation for high standards of business conduct

Our approach

Our values and leadership behaviours are a vital part of our culture, helping us ensure that through our conduct we do the right thing for the business and our stakeholders.

The Board leads by example to promote this culture, by maintaining high standards of ethics and integrity, and ensures that the necessary policies and procedures are put in place.

We are committed to maintaining the highest standards of ethical conduct and integrity in our business practices and we have in place compliance policies and processes to ensure these standards are embedded across the business.

Communications from the leadership team emphasise both the importance of these commitments and compliance with requirements. These are reinforced with both targeted training and communications to ensure colleagues are reminded of their obligations.

Examples of how we have had regard to this factor during the period

To ensure compliance with evolving regulations, the Company updated its Anti Tax Evasion and Anti Bribery and Money Laundering policies, specifically addressing the implications of the Economic Crime and Corporate Transparency Act 2023 (ECCTA) and the new offense of failure to prevent fraud.

Following on from the Company's previous Annual Statement where mandatory cyber security training was rolled out within the Company. Our Cyber Security Team has continued to test employee compliance through the implementation and use of third-party software to create phishing simulations to help test our internal security processes. The Company also received ISO 27001 certification, demonstrating a strong commitment to maintaining a high level of data security and privacy.

Human Rights & Modern Slavery, as well as Sustainability KPIs are reviewed on a quarterly basis to underscore not only the Company's commitment to transparency, but also to reinforce and enhance internal governance.

The Company continues to partner with Stronger Together, a multi-stakeholder business-led initiative aiming to reduce modern slavery. It is also a member of the Food Network for Ethical Trade, focused on bringing about positive change in working conditions in global food supply chains, and the British Retail Consortium, where it has a place on both the BRC's Responsible Sourcing Group and its Ethical Labour Working Group. Noted again are the Company's extension of its anti-slavery policy and its membership of the SWST and SEA Alliance.

In this period, the GCA (Groceries Code Adjudicator) published the results of the Annual Supplier Survey which is an opportunity for suppliers to submit confidential feedback and a valuable opportunity for suppliers to tell the GCA about any issues they are facing with retailers. The Company's performance was positive, particularly given the challenging trading environment this period.

The Company's Compliance Training programme has remained a key focus. This ensures that employees commit to annual training on core modules such as Data Protection, Competition Law, GSCOP, Anti-bribery and Anti-Money Laundering, Cyber Security and Human Rights & Modern Slavery, and sit alongside an extensive new joiner training programme.

Groceries Supply Code of Practice (GSCOP/the Code)

Summary of Annual Compliance Report 2023 – 2025

We recognise the crucial role that our suppliers play in meeting the expectations of our customers at Ocado Retail. We're committed to engaging collaboratively with our suppliers to ensure our relationships are conducted fairly and lawfully, in line with the requirements of the Code. This summary of our Annual Compliance Report is for the period of 4th December 2023 to 6th April 2025, which reflects the extended financial period.

Background

During the last financial period, we updated the process for new supplier applications, updated our Conditions of Purchase and Supplier Manual, alongside revised Technical Terms of Trade for own brand suppliers, ran training sessions for new suppliers, launched Ocado Roots, which is a programme for smaller suppliers, and revised our approach to inbound quality checks and product freshness upon delivery. Throughout these processes, the various teams engaged with the CCO to understand the Code requirements in order to define the approach to take when dealing with our suppliers to ensure we work in a collaborative and transparent way.

Ocado Retail has met all reporting requirements through timely submission of the Annual Compliance Report for 2023 to the CMA and submission of the Progress Update Reports to the GCA.

The CCO has provided updates to the GCA when requests have been made for further information and has supported the GCA throughout the period.

During the course of the period we have:
- maintained our approach to strong governance with our supplier-facing teams
- undertaken online training for 914 colleagues from Ocado Retail and Ocado Group
- held in-depth training sessions for 131 colleagues in supplier-facing roles
- delivered tiered negotiation training for 58 colleagues in the Buying Team
- held CCO Listening Sessions for suppliers to share feedback or obtain advice

Supplier Survey

The results of the Groceries Code Adjudicator's annual Supplier Survey highlighted that the majority of our suppliers, 94%, rated Ocado Retail Limited positively for overall compliance with the Code. We were pleased that we maintained our performance from the previous period, remaining in ninth position, and were encouraged by our positive ratings across all of the underlying Code questions.

We are grateful to our suppliers for taking the time to provide their feedback, which we reviewed in detail with each of the teams responsible. Each team developed an action plan that focused on process changes, training and awareness to address the areas of opportunity identified by suppliers.

Supplier Disputes

Our teams work closely with suppliers to resolve any issues that arise, the vast majority of which are resolved at the first point of contact. During the financial period we did not receive any formal disputes and dealt with two escalations informally as follows:
- One complaint was received and resolved by internal teams (level one)
- One complaint was received by the CCO (level two)

The complaints were considered to be within the scope of the Code and were addressed with each supplier concerned. The complaint received by the CCO was raised at the end of the last financial period and was therefore carried forward.

Key Contacts

We encourage all of our suppliers to raise any queries or feedback directly with their named contact within the Buying Team or with the Trading Manager for their category. Alternatively, any payment or invoicing issues can be directed to payables@ocadoretail.com.

If any of our suppliers wish to raise queries outside of the Buying Team or would like to have a conversation in confidence, please contact our Code Compliance Officer (CCO), Robert Skelton, by email at gscop@ocadoretail.com.

Contact details for the Groceries Code Adjudicator (GCA) along with more information about GSCOP can be found via the gov.uk website.

Approved by the Board and signed on its behalf by:

MATHEW ANKERS
Director, 2nd September 2025

Directors' Report

The Directors present their Annual Report and Financial Statements of Ocado Retail Limited (the "Company") for the 70-week period ended 6 April 2025. This report must be read in conjunction with the Strategic Report on pages 3 to 34.

Board of Directors

The Directors and Officers of the Company who were in office during the period and up to the date of signing the Annual Report and Financial Statements were:

Hannah Gibson
Tim Steiner
Stuart Machin
Stephen Daintith
Adam Dobbs
Jeremy Townsend
(resigned 1 April 2025)
Mathew Ankers
James Matthews
Alison Dolan
(appointed 1 April 2025)
Jonathan Wiseman
(Company Secretary)

Political donations and expenditure

No political donations or expenditure was made by the Company to any political party, organisation or candidate during the period (FY23: £Nil).

Charitable donations

Ocado Retail funds charitable donations and environmental causes from the net income made from mandatory bag charge in accordance with DEFRA's guidance. During the period the Company made charitable donations amounting to £1.8m (FY23: £1.1m). Additional cash donations to environmental causes of £1.9m (FY23: £0.4m) were made in addition to charitable stock donations valued at £12.8m (FY23: £10.7m). This was part funded (£2.8m, FY23: £2.5m) by customers through our You Give We Give initiative.

Research and development

No research and development is undertaken by the Company.

Streamlined Energy and Carbon Reporting

Ocado Retail's Streamlined Energy and Carbon Reporting disclosures can be seen in the Strategic Report on pages 3 to 34.

Risk management

The Company's risk management policies for managing financial risk to the extent that is material to assessing the financial performance or position of the Company are summarised in the principal risks and uncertainties section of the Strategic Report on pages 3 to 34.

Equal opportunities

Ocado Retail is committed to ensuring a collaborative, diverse and thriving culture that celebrates difference, brings people together and creates a sense of belonging.

We are committed to providing a workplace where our colleagues can bring their authentic best self to work every day. By authentic self, we mean a representation of each individual, where they are comfortable at work and being who they truly are as a person.

We believe that no one should face prejudice and discrimination for simply being who they are. Our Equal Opportunities Policy aims to ensure that our workplace is free from discrimination, harassment and bullying. We want it to be a place where everyone feels valued and respected. This means we do not tolerate discrimination, harassment, bullying or victimisation by, or of, colleagues, third party contractors, suppliers or customers, on the grounds of gender identity and expression.

We are proud partners of D&I in Grocery, which provides our colleagues with a wide range of tools and resources that connect to best practice and training to support our internal awareness and education campaigns. The partnership enables us to empower colleagues through a cross-industry mentorship programme. It also gives us the opportunity to take part in their groundbreaking Maturity Model which we can use to help further define our strategy and align to the wider grocery industry. The Company has an ongoing commitment to continue to recruit and develop a diverse workforce and a culture that celebrates all employees.

Applications for employment by all individuals, including those with a disability, are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of all employees should, as far as possible, be identical.

Stakeholder and employee engagement
Details of how the Directors have engaged with its employees, suppliers, customers and other stakeholders and the principal decisions made can be found within the Strategic Report on pages 3 to 34.

Financial instruments
Details are included in notes 3.6, 3.7, 3.8, and 3.9 of the Financial Statements.

Results and dividends
The Company's statutory results for the period are set out in the Statement of Comprehensive Income on page 41. The Directors do not propose to pay a dividend for the period (FY23: £Nil).

Events occurring after the reporting period
Details of events occurring after the reporting period are included in note 5.4 of the Financial Statements.

Future developments of the company
The likely future developments of the Company can be found on pages 4 to 5.

Branches
There are no branches of the Company.

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's accounts.

In assessing going concern and determining whether there are material uncertainties, the Directors recognise the Company's net deficit position at period end and take into account the Company's business activities, cash flows, solvency and liquidity positions, borrowing facilities including shareholder loans and support confirmations from shareholders, together with factors that are likely to affect its future development and position and the Company's principal risks and likely effectiveness of any mitigating actions (see more information on pages 13 to 17).

The Company monitors rolling forecasts of liquidity requirements based on a range of precautionary scenarios to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its committed borrowing facilities at all times, so that the Company does not contribute to breaching borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Further details regarding the adoption of the going concern basis and accounting policy can be found in note 1 to the accounts.

Directors' interests
The Directors did not have beneficial interests in the shares of the Company at the end of the period.

Directors' insurance and indemnities
Ocado Group maintains Directors' and Officers' Liability insurance cover for its Directors and Officers as permitted under the Company's Articles and the Companies Act 2006. Such insurance policies cover the Directors and Officers of Ocado Group plc and of each of its Group undertakings, including the Company. These insurance policies were renewed during the period and remain in force. The Company also indemnifies the Directors under an indemnity deed with each Director which contains provisions that are permitted by the Director Liability Provisions of the Companies Act 2006 and the Company's Articles. An indemnity deed is usually entered into by a Director, and the Company at the time of their appointment to the Board. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force for the benefit of the Directors of the Company or of any associated company.

Disclosure of information to the auditor
Each of the persons who is a director at the date of approval of this Annual Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and are deemed to be reappointed.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed in its behalf by:

MATHEW ANKERS
Director, 2nd September 2025

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Ocado Retail Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ocado Retail Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 6 April 2025 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income
- the balance sheet
- the statement of changes in equity; and
- the related notes 1 to 5.5

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the feasibility and availability of financing facilities and required support from parent entities including nature of loan agreements, facilities, repayment terms and covenants.
- Assessment of business model and medium-term risks
- Assessment over the feasibility and reasonableness of assumptions used in the forecasts
- Assessment of management's downside sensitivity analysis

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

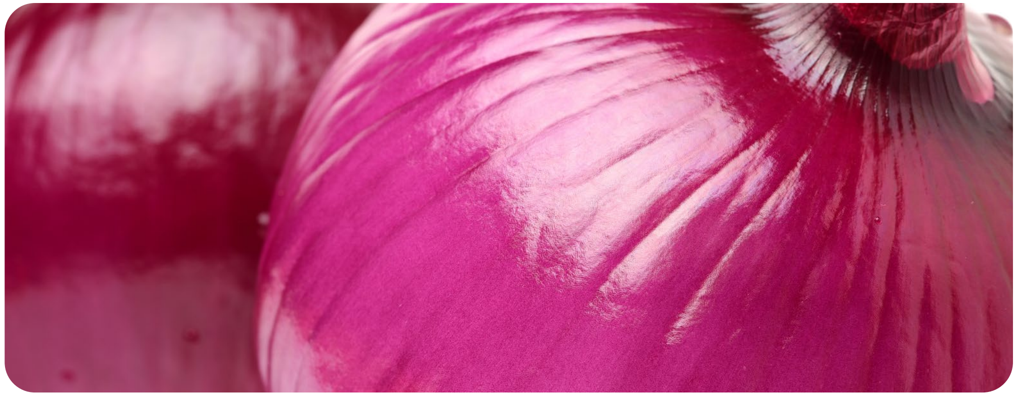
We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Groceries Supply Code of Practice (GSCOP), food safety regulations, health and safety regulations, data protection regulations and anti-bribery laws.

We discussed among the audit engagement team, including relevant internal specialists such as IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud through the possible manipulation of the accuracy and occurrence of promotional income, and our specific procedures performed to address it are described below:



- Independently requesting a sample of supplier confirmations to validate the amounts recorded throughout the period and on the balance sheet at period end. Where responses were not received, we performed alternative procedures including inspecting management's correspondence with the supplier, recalculating the amount of commercial income from the arrangement, and assessing the volume and value of credit notes raised post-period end.
- Traced samples selected to the relevant invoices and verifying subsequent payment in the bank statements (where applicable) or reviewed post-period-end invoices and payment history to determine whether amounts could have been netted or have been netted previously.
- Assessing the recoverability of a sample of unsettled balances included on the balance sheet for valuation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Heather Bygrave.

HEATHER BYGRAVE FCA

Senior statutory auditor

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 2nd September 2025

Statement of Comprehensive Income

For the 70-week period ending 6 April 2025

	Notes	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Revenue	**2.2**	**3,737.2**	**2,408.8**
Cost of sales		(2,471.9)	(1,595.2)
Gross profit		**1,265.3**	**813.6**
Operating costs	2.3	(1,278.7)	(863.1)
Operating loss before adjusting items		**(13.4)**	**(49.5)**
Adjusting items expense	2.7	(21.3)	(60.9)
Operating loss		**(34.7)**	**(110.4)**
Finance income	4.2	4.1	0.8
Finance costs	4.2	(49.4)	(29.4)
Loss before taxation	**2.4**	**(80.0)**	**(139.0)**
Taxation	2.6	-	(1.5)
Loss for the period and total comprehensive expense		**(80.0)**	**(140.5)**

* During the period, the Company has changed the presentation of its operating costs to remove the split of distribution costs and administrative expenses on the face of the statement of comprehensive income. This more accurately represents the nature of these transactions and aligns to shareholder presentation. Further detail of operating costs can be seen in note 2.3.

All amounts are derived from continuing operations. There are no recognised gains or losses other than those recognised in the Statement of Comprehensive Income.

Non-GAAP measure: Adjusted earnings before interest, taxation, depreciation, amortisation, impairment and adjusting items (Adjusted EBITDA).

	Notes	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Operating loss		(34.7)	(110.4)
Adjustments for:			
Adjusting items expense	2.7	21.3	60.9
Amortisation of intangible assets	3.2	2.1	1.6
Depreciation of property, plant and equipment	3.3	24.8	13.4
Depreciation of right-of-use assets	3.4	53.5	46.5
Adjusted EBITDA [(A)]		**67.0**	**12.0**

[(A)] Alternative performance measure

Balance Sheet as at 6 April 2025

	Notes	6 April 2025 £ million	3 December 2023 £ million
Intangible assets	3.2	12.9	14.2
Property, plant and equipment	3.3	207.5	223.6
Right-of-use assets	3.4	285.2	290.0
Non-current assets		**505.6**	**527.8**
Inventories	3.5	85.7	84.1
Trade and other receivables	3.6	116.7	152.5
Cash and cash equivalents	3.7	68.2	76.4
Current assets		**270.6**	**313.0**
Total assets		**776.2**	**840.8**
Trade and other payables	3.8	(277.7)	(270.1)
Lease liabilities	3.9	(42.3)	(37.1)
Provisions	3.10	(12.4)	(3.9)
Current liabilities		**(332.4)**	**(311.1)**
Net current (liabilities)/assets		**(61.8)**	**1.9**
Lease liabilities	3.9	(291.5)	(300.0)
Provisions	3.10	(21.3)	(18.7)
Borrowings	4.1	(180.0)	(180.0)
Non-current liabilities		**(492.8)**	**(498.7)**
Total liabilities		**(825.2)**	**(809.8)**
Net (liabilities)/assets		**(49.0)**	**31.1**
Share capital	4.3	-	-
Share premium	4.3	360.3	360.3
Accumulated losses		(409.3)	(329.2)
Shareholders (deficit)/funds		**(49.0)**	**31.1**

The financial statements on pages 41 to 62 were authorised for issue by the Board of Directors and signed on its behalf by:

MATHEW ANKERS
Director, Ocado Retail Limited

Company Registration Number 03875000 (England and Wales) 2nd September 2025

Statement of Changes in Equity

For the 70 weeks ended 6 April 2025

	Share capital £ million	Share premium £ million	Accumulated losses* £ million	Total equity £ million
Balance at 27 November 2022	**–**	**360.3**	**(188.7)**	**171.6**
Loss for the period and total comprehensive expense	–	-	(140.5)	(140.5)
Balance at 3 December 2023	**–**	**360.3**	**(329.2)**	**31.1**
Loss for the period and total comprehensive expense	–	-	(80.0)	(80.0)
Balance at 6 April 2025	**–**	**360.3**	**(409.3)**	**(49.0)**

* Historically, other reserves consisted of the capital contributions reserve and the fair value reserve. Given the absence of transactions in relation to these balances, these have been represented within accumulated losses in the current period. This presentation is considered representative of the entity's distributable reserves and will be maintained in future periods.

Notes to the Financial Statements

Section 1: Basis of preparation

General information
Ocado Retail Limited (hereafter "the Company" or "Ocado Retail") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales (Company Registration Number 03875000). The address of its registered office is Apollo Court, 2 Bishop Square, Hatfield Business Park, Hatfield, Hertfordshire, AL10 9NE.

The financial period represents the 70 weeks ended 6 April 2025. The prior financial period represents the 53 weeks ended 3 December 2023.

The principal activity of the Company is a UK-based online grocery retailer through the ocado.com website and the provision of the same-day online grocery service through Zoom by Ocado. Further information on the nature of the company's operations and its principal activities are set out in the Strategic Report on pages 3 to 34.

The Company is a 50:50 joint venture between Marks & Spencer Holdings Limited and Ocado Holdings Limited.

Under IFRS 10 Consolidated Financial Statements, it has been concluded that the Company's results until 5 April 2025 are consolidated into Ocado Group plc. From 6 April 2025, the Company's controlling party is Marks & Spencer Holdings Limited, a company incorporated in the United Kingdom.

Note 5.5 gives details of the Company's ultimate controlling party and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

Basis of preparation
The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with FRS 101.

The financial statements contain information about Ocado Retail as an individual company.

From 6 April 2025, as planned and in accordance with our shareholders' agreement, this moved with our results now being consolidated into the results of M&S, with our financial period end moving accordingly. The results presented in this annual report and financial statements therefore relate to the 70-week period to 6 April 2025 as we effect that transition. There is no change in the economic interest of either shareholders as a result of the change.

Note 5.5 gives details of the Company's ultimate controlling party and from where the consolidated financial statements prepared in accordance with IFRS may be obtained.

The financial statements are presented in sterling, rounded to the nearest hundred thousand unless otherwise stated. They have been prepared under the historical cost convention. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. Note 1.2 provides further details of the going concern assumption and considerations.

Exemptions
After considering the Application Guidance to FRS 100, the Company has taken advantage of the disclosure exemptions permitted under FRS 101 given that it is included in the consolidated financial statements of Marks & Spencer Group plc. The consolidated financial statements are prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom, including the interpretations issued by the IFRS Interpretation Committee. The disclosure exemptions adopted, where applicable, are in relation to financial instruments, capital management, fair value measurements, presentation of comparative information in respect of certain assets, new standards effective in the period, Standard, amendments and interpretations adopted by the Company and/or not yet effective, presentation of a cash flow statement and certain disclosures in respect of revenue from contracts with customers and certain related party transactions.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Ocado Group plc, that can be obtained from its registered office, which is Buildings One & Two, Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9UL, or alternatively from its corporate website www.ocadogroup.com.

From 6 April 2025, the trading results of Ocado Retail Limited will be consolidated with Marks & Spencer Group plc. The consolidated financial statements of Marks & Spencer Group plc can be obtained from its registered office, which is Waterside House, 35 North Wharf Road, London W2 1NW, United Kingdom, or from its corporate website, corporate.marksandspencer.com. The Company will also be eligible for the same exemptions in future periods when equivalent disclosures will be made in the consolidated financial statements of Marks & Spencer Group plc.

Accounting policies
The principal accounting policies adopted in the preparation of these financial statements are set out in the relevant notes to these financial statements. Accounting policies not specifically attributable to a note are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Foreign currency translation
Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Sterling is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within finance income or finance costs. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within operating loss.

1.1 Basis of preparation

Critical estimates, judgements and assumptions
The preparation of the Company's financial statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements
Adjusting items
Management believes that separate presentation of the adjusting items provides useful information in the understanding of the financial performance of the Company. Management exercises judgement in identifying and determining the classification of certain transactions as adjusting items by considering the nature, occurrence and the materiality of the amounts involved in those transactions. Note 2.7 provides further details on current period adjusting items and their adherence to the policy.

Determining the lease term
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. See Note 3.4 for more details.

Key estimation uncertainties
There were no key estimates concerning the future nor other key sources of uncertainty in the reporting period that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Other estimates, assumptions and judgements are applied by the Company, including those relating to identifying adjusting items. These estimates, assumptions and judgements are also evaluated on an ongoing basis, but are not deemed significant.

1.2 Going concern basis

Accounting standards require that directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare financial statements on a going concern basis. There has been no material uncertainty identified which would cast significant doubt upon the Company's ability to continue using the going concern basis of accounting for a minimum of 12 months following the approval of these financial statements.

In assessing going concern and determining whether there are material uncertainties, the Directors recognise the Company's net deficit position at period end and take into account the Company's business activities, cash flows, solvency, liquidity and net current liability positions, borrowing facilities, including shareholder loans and support confirmations from shareholders, together with factors that are likely to affect its future development and position, and the Company's principal risks and likely effectiveness of any mitigating actions (see more information on pages 13 to 17).

The Company monitors rolling forecasts of liquidity requirements based on a range of precautionary scenarios to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its committed borrowing facilities at all times, so that the Company does not contribute to breaching borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The going concern assessment is based on management forecasts and the strategic plan. The shareholders will provide sufficient financial support to Ocado Retail Limited to enable it to meet its financial liabilities in the event it is required. The shareholders have confirmed to the directors that this support will continue to be provided for at least 12 months from approval of these financial statements. The Directors concluded that going concern would be maintained under the base case scenario, with sufficient headroom for the minimum of 12 months following approval.

Downside stress testing was undertaken to determine the sensitivity to going concern. The test reflected reduced gross margin across the assessment period, assuming revenue growth materialised, but a rise in the cost of goods compressed the gross margin. The financial modelling shows that the Company's financial position remains manageable in all scenarios. Further mitigating actions could be applied during the assessment period, management has the option of taking additional measures such as postponing or curtailing spending, delay of capital expenditure, employee bonuses and reduced discretionary spending which would further increase the cash position, the drawdown of additional facilities and/or extension to the Shareholder Loan.

After making appropriate enquiries and having considered the business activities as set out in the Strategic Report on pages 3 to 34, the facts described above and the Company's principal risks and uncertainties, the Directors are satisfied that the Company has adequate resources to continue in operational existence for a minimum of 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

1.3 Alternative performance measures

The Company assesses its performance using a variety of Alternative Performance Measures ('APMs'), which are not defined under IFRS. These measures provide additional useful information on the underlying trends, performance and position of the Company.

The statutory period being presented in this annual report is a 70-week period to 6 April 2025. The statutory comparative period is 53 weeks to 3 December 2023. To enable meaningful discussion the alternative performance measures (A) trading results, associated commentary and percentage changes are also presented on an unaudited 52-week basis for the period to 30 March 2025 (FY25), unless otherwise stated. The comparable results for FY24 will be presented for the 52-week period to 31 March 2024. From 6 April 2025 the Company consolidated into Marks & Spencer Group plc, therefore the analysis of these periods enables presentation of the most recent trading periods and alignment with the Marks & Spencer Group plc financial reporting period.

	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million	52 weeks ended 30 March 2025 FY25 £ million Unaudited	52 weeks ended 31 March 2024 FY24 £ million Unaudited
Revenue	**3,737.2**	**2,408.8**	**2,826.8**	**2,446.6**
Cost of sales	(2,471.9)	(1,595.2)	(1,874.8)	(1,612.6)
Gross profit	**1,265.3**	**813.6**	**952.0**	**834.0**
Operating costs	(1,278.7)	(863.1)	(957.9)	(864.5)
Operating loss before adjusting items	**(13.4)**	**(49.5)**	**(5.9)**	**(30.5)**
Adjusting charges	(21.3)	(60.9)	(19.8)	(61.3)
Operating loss	**(34.7)**	**(110.4)**	**(25.7)**	**(91.8)**
Finance income	4.1	0.8	2.5	2.3
Finance costs	(49.4)	(29.4)	(36.8)	(32.2)
Loss before taxation	**(80.0)**	**(139.0)**	**(60.0)**	**(121.7)**
Taxation	(0.0)	(1.5)	0.0	(10.6)
Loss for the period	**(80.0)**	**(140.5)**	**(60.0)**	**(132.3)**

The information in the table above is derived from information extracted from internal financial and operating reporting systems and is unaudited with the exception of the 70-week period ended 6 April 2025 and 53-week period ended 3 December 2023, which has been extracted from the audited financial statements.

For balance, key performance indicators and financial metrics are also presented representing the full 70-week period to 6 April 2025 with comparative results for the 53 weeks ended 3 December 2023.

Section 2: Results for the period

2.1 Accounting policies

Revenue

The Company follows the principles of IFRS 15 "Revenue from Contracts with Customers", in determining appropriate revenue recognition policies. Revenue represents the transaction price that the Company expects to be entitled to in return for delivering the goods or services to its customers. The value recognised in any period is when items are delivered to the customers, as this is when the performance obligation is deemed to have been satisfied.

Identification of the Performance Obligations

In a typical contract there is one performance obligation, which is to deliver goods ordered online to the customer at the scheduled time and to the agreed address. "Ocado Smart Pass", the Company's discounted pre-pay membership scheme, is a separate contract with a customer and has a separate single performance obligation, which is to provide delivery services for an agreed period of time. The Company is able to apply the practical expedient to apply the standard to a portfolio of contracts, rather than individual contracts, as the characteristics of each sale are similar. The effect on the financial statements of applying this practical expedient would not materially differ from applying the standard to individual contracts.

Determining the Transaction Price

Customers pay in full at point of sale. The transaction price is based on the aggregation of all order values shown net of any material adjustment for expected returns or expected future redemption of marketing vouchers in accordance with IFRS 15 guidance on variable consideration. Standard delivery charges and carrier bag receipts are included in the transaction price. The Smart Pass transaction price is as per the contracted value of the membership for the agreed period of delivery services.

Allocation of Transaction Price to the Performance Obligations

Each contract has a single performance obligation and so all the transaction price is assigned to that single obligation. At the end of each reporting period, management will review and adjust for elements of variable consideration, such as expected refunds or expected voucher redemptions.

Revenue Recognition

Revenue from online grocery orders is recognised at a point in time when the customer obtains control of the goods, which for deliveries performed by the Company occurs when the goods are delivered to and have been accepted at the customer's home. These are shown net of returns, relevant marketing vouchers/offers and value-added taxes. Relevant vouchers/offers include money-off coupons, conditional spend vouchers and offers, such as buy three for the price of two. Revenue from Ocado Smart Pass is recognised over the duration of the membership on a time elapsed, straight-line basis.

Cost of sales

Cost of sales represents the cost of groceries and other products the Company sells, which are driven by the volume of sales of specific products or product groups, adjustments to inventory and charges for transportation of goods from a supplier to a CFC.

The Company also has agreements with suppliers whereby promotional allowances, consideration for advertising services and volume-related rebates are received in connection with the promotion or purchase of goods for resale from those suppliers. These items represent a reduction to cost of sales as these are rarely distinct from the purchase of goods. Consideration for advertising services is recognised over the particular time period for which the service is provided. Advertising services are agreed on either a fixed or variable volume basis. Agreements for volume rebates which also span across the period end date are estimated on a volume basis.

Uncollected amounts as at the balance sheet date are classified within trade and other receivables. Where consideration for services has been earned, but not yet invoiced at the balance sheet date, the amount is recorded in accrued income.

Operating costs

Operating costs consist of all the costs incurred, excluding product costs, to the point of sale, which is the customer's home or the third-party courier, all advertising and marketing expenditure, employment costs, which includes Board members remunerated through ORL, legal, finance, people team, marketing and procurement, and other property-related costs for the head office, all fees for professional services and the depreciation, amortisation and impairment associated with IT equipment, software, fixtures and fittings.

Adjusting items

Adjusting items, as disclosed on the face of the Statement of Comprehensive Income, are items that are considered to be significant due to their size/nature, or not in the normal course of business or are consistent with items that were treated as adjusting in the prior periods or that may span multiple financial years. They have been classified separately in order to draw them to the attention of the readers of the financial statements and facilitate additional comparison with prior periods to assess trends in the financial performance.

2.2 Revenue

Revenue is generated wholly within the United Kingdom and from a single class of business, being the Company's principal activity of grocery retailing. The Company is not reliant on any major customer for 10% or more of its revenue.

2.3 Cost analysis

	Note	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Employment costs	2.5	74.4	45.0
Labour recharges		508.3	334.4
Depreciation, amortisation and asset impairments	3.2, 3.3, 3.4	80.4	61.5
Impairment of receivables		5.5	0.8
Marketing costs		57.6	44.4
Management fees		267.5	178.8
Other costs**		285.0	198.2
Operating costs		**1,278.7**	**863.1**

*During the period, the Company has changed the presentation of its operating costs to remove the split of distribution costs and administrative expenses on the face of the statement of comprehensive income. The above analysis represents an accurate nature of these transactions and aligns to shareholder presentation.
**Includes costs such as logistics, professional fees and sundry costs.

2.4 Loss before taxation

	Note	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Loss before taxation is stated after charging the following:			
Cost of inventories recognised as an expense		(2,571.6)	(1,664.7)
Depreciation and amortisation	3.2, 3.3, 3.4	(80.4)	(61.5)
Adjusting items expense	2.7	(21.3)	(60.9)
Impairment of receivables		(5.5)	(0.8)
Employment costs	2.5	(74.4)	(45.0)

	70 weeks ended 6 April 2025 £ '000	53 weeks ended 3 December 2023 £ '000
During the period, the Company obtained the following services from its auditor:		
Audit of the Company's financial statements*	956.9	525.0
Non-audit services	-	-
Total	**956.9**	**525.0**

*Audit fee for 70 weeks ending 6 April 2025 includes £332.4k related to audit of extended period.

2.5 Employee information

During the period the average monthly number of employees was 869 (FY23: 841), being 588 for head office and 281 (FY23: 307) for Customer Hub staff.

Other staff including warehouse, service delivery and other functions (including non ORL remunerated directors), were employed by an Ocado Group entity and the Company was recharged for its share of their employment costs.

Remuneration disclosed below includes amounts paid to the highest paid executive director of £1,434.5k (FY23: £448.4k)

Increase in total remuneration noted due to timing of new directors in FY23, in addition to the updated bonus scheme and extended 70-week period. No defined contribution pension payments were made on behalf of the two (FY23: three) executive directors.

	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Employment costs	62.4	38.4
Long-term incentive plan - see note 3.10	3.3	1.2
Social security costs	6.4	4.0
Other pension costs	2.3	1.4
Total	**74.4**	**45.0**

	70 weeks ended 6 April 2025 £ '000	53 weeks ended 3 December 2023 £ '000
Directors' remuneration is disclosed as follows:		
Remuneration for qualifying services	2,567.4	587.6
Company pension contributions to defined contribution schemes	-	-

2.6 Taxation

Accounting policies

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred tax is recognised using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. No deferred tax is recognised from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Recognition, therefore, involves judgement regarding the prudent forecasting of future taxable profits of the business and in applying an appropriate risk adjustment factor. The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of that asset to be recovered. Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

A deferred tax asset has been recognised on unutilised current year trading losses to the extent that they will be utilised against future taxable amounts resulting from the reversal of deferred tax liabilities.

Deferred tax is calculated at the tax rates that have been enacted, or substantively enacted, by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Taxation – Statement of Comprehensive Income

	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Recognised in the Statement of Comprehensive Income		
UK corporation tax on loss	-	-
Adjustments in respect of prior periods	-	-
Total current corporation tax credit	**-**	**-**
Deferred tax	-	-
Origination and reversal of temporary differences	-	2.8
Adjustments in respect of prior periods	-	(1.3)
Total deferred tax	**-**	**1.5**
Income tax charge	**-**	**1.5**

	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Loss before tax	**(80.0)**	**(139.0)**
Effective tax charge at the UK tax rate of 25% (FY23: 23%)	(20.0)	(32.0)
Effect of:	-	-
Non-deductible items	1.9	6.7
Non-taxable income	-	(0.1)
Losses on which no deferred tax is recognised	18.1	30.4
Effect of change in UK Corporation Tax rate	-	(2.2)
Adjustments in respect of prior period	-	(1.3)
Income tax charge	**-**	**1.5**

Taxation – Balance Sheet

Movement in the deferred tax asset/(liability) is as follows:

	Tax losses £ million	Accelerated capital allowances £ million	Share-based payments £ million	Other short-term timing differences £ million	Total £ million
As at 27 November 2022	**17.9**	**(17.8)**	**-**	**1.4**	**1.5**
Recognised through Statement of Comprehensive Income	(6.4)	4.7	0.3	(0.1)	(1.5)
As at 3 December 2023	**11.5**	**(13.1)**	**0.3**	**1.3**	**-**
Recognised through Statement of Comprehensive Income	17.7	(18.4)	(0.3)	1.0	-
As at 6 April 2025	**29.2**	**(31.5)**	**-**	**2.3**	**-**

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company (see left).

The main rate of UK Corporation Tax was increased from 19% to 25% with effect from 1 April 2023. The effect of timing differences arising on current tax in the current period was calculated at the average rate 25% (FY23: 23%), the effect on deferred tax was calculated at 25% (FY23: 25%, the rate expected to be in force when the timing differences reverse). The difference between the current tax and deferred tax rates resulted in nil impact on the total income tax charge (FY23: a charge of £2.2 million).

A deferred tax asset on unutilised tax losses carried forward has been recognised only to the extent that losses can be utilised against future taxable amounts resulting from other reversing temporary differences. The gross value of losses on which no deferred tax asset has been recognised is £216.0 million (tax value £54.0 million) (FY23: £121.7 million, tax value £30.4 million). All tax losses, both recognised and unrecognised, can be carried forward indefinitely.

2.7 Adjusting items

	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
UK network capacity review[1]	(3.6)	(27.1)
Zoom by Ocado strategy and network capacity review[1]	(0.3)	(32.3)
Net Insurance proceeds relating to Andover and Erith CFCs[2]	-	1.4
Transformation of IT and finance systems[3]	(17.4)	(2.6)
Resizing	-	(0.3)
Total adjusting items expense	**(21.3)**	**(60.9)**

[1] Costs have been deducted from operating costs.
[2] Net proceeds deducted from other income, this would have been presented as other income on the Statement of Comprehensive Income.
[3] Costs have been deducted from operating costs.

Transformation of IT and finance systems
In 2021, Ocado Retail initiated its IT Roadmap programme, which focuses on delivering IT systems and services that will enable Ocado Retail to meet its obligation to transition away from Ocado Group IT services, tools and support, towards M&S consolidation and set us up for the future.

Costs of £13.4m were recognised as adjusting expenditure in the current period (FY23: £1.5m) in respect of one-off development and the introduction of Ocado Retail IT systems linked to its migration from Ocado Group IT services tools and support.

Ocado Retail has also undertaken a programme to reimplement the Oracle Fusion Enterprise Resource Planning in advance of the move towards M&S consolidation. Costs incurred to date are £2.8m (FY23: £1.1m), this programme will continue into 2026. Charges for other transformation projects of £1.2m were also incurred in the period (FY23: £nil).

Transformation costs that meet asset recognition criteria are capitalised as intangible assets and implementation costs that do not meet asset recognition are expensed as adjusting items.

Whilst these projects have spanned multiple periods, given the quantum and nature of projects (one off exit of transitional services, dual running costs and implementation of transformation to set up of the entity as a large company), management deem them to be adjusting in nature. This is consistent with historic treatment.

UK network capacity review
In April 2023, the plan to cease operations at the CFC in Hatfield was announced as part of a wider review of UK network capacity.

In FY23, provisions for restructuring costs of £3.9m at the end of the period, impairment charge of £15.7m (right-of-use assets £13.9m and property, plant and equipment £1.8m) and other related costs of closure of £7.5m which include stock and redundancy costs were recognised.

Reassessment of the underlying indicators and assumptions associated with the UK network capacity review was undertaken in the period which resulted in an additional impairment charge of £3.6m to right-of-use assets.

These costs have been classified as adjusting on the basis that they are material and relate to sites where no future ongoing trading activities will take place. This is also consistent with previous treatment of these costs.

Zoom by Ocado strategy and network capacity review
During 2023, the Company undertook a strategy and capacity review for the Zoom network, which resulted in recording impairment charges totalling £32.2m (right-of-use assets £14.4m, property, plant and equipment £17.6m and intangibles £0.2m) and £0.1m other immaterial costs.

Reassessment of the underlying indicators and assumptions associated with the Zoom by Ocado strategy and network capacity review was undertaken in the period which resulted in an additional impairment charge of £0.3m to right-of-use assets.

These costs have been classified as adjusting on the basis that they are material and part of a significant strategic review which was a demonstrable commitment in FY23.

Section 3: Assets and liabilities

3.1 Accounting policies
Inventories
Inventories comprise goods held for resale and other consumable goods. Inventories are valued at the lower of cost and net realisable value as provided in IAS 2 "Inventories". Cost is determined on a First In and First Out basis. Goods held for resale and consumables are valued using the historical cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. It also takes into account slow-moving, obsolete and defective inventory and estimation over the recoverability of these goods. Costs include all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present location and condition. There has been no security granted over inventory unless stated otherwise.

Trade and other receivables
Trade receivables are non-interest bearing and are on commercial terms. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses.

Other receivables are non-interest bearing and are recognised initially at fair value, and subsequently at amortised cost, reduced by appropriate allowances for estimated expected credit losses.

Allowance for expected credit losses
An allowance for expected credit losses is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

An allowance for expected credit losses is recognised in the Statement of Comprehensive Income within cost of sales.

The outcome of an impaired receivable depends on future events, which are by their nature uncertain. In assessing the likely outcome, management bases its assessment on historical experience and other factors that are believed to be reasonable in the circumstances.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and short-term deposits with a maturity of three months or less at the date of acquisition. Cash at bank and in hand and short-term deposits are shown under current assets on the Balance Sheet. The carrying amount of these assets approximates to their fair value. They are therefore included as a component of cash and cash equivalents.

Financial liabilities and equity instrument
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other payables
Trade and other payables are initially recognised at fair value and subsequently at amortised cost, using the effective interest rate method.

Borrowings
Interest-bearing loans, facilities and bank overdrafts are initially recorded at fair value, net of transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the Statement of Comprehensive Income over the period to redemption using the effective interest method, or capitalised as part of the cost of qualifying assets.

3.2 Intangible assets
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the relevant conditions of IAS 38 have been demonstrated.

Other intangible assets which are currently under development largely relate to IT assets recognised following the introduction of Ocado Retail IT systems linked to its obligation to transition away from Ocado Group IT services tools and support. These assets all remain in development as at the balance sheet date.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Estimation of useful life
The charge in respect of periodic amortisation is derived by estimating an asset's expected useful life and the expected residual value at the end of its life. The useful life is determined by management at the time the asset is acquired and brought into use and is reviewed for appropriateness regularly.

For computer software licences (excluding SaaS arrangements), the useful life represents management's view of the expected period over which the Company will receive benefits from the software.

For unique software products developed and controlled by Ocado Retail, useful life is based on historical experience with similar products within Ocado Group as well as anticipation of future events which may affect their useful life, such as changes in technology.

<u>Internally generated assets</u>
3 - 10 years

<u>Other intangible assets</u>
3 - 10 years

Amortisation is recognised as expenses in the Statement of Comprehensive Income on a straight-line basis over the life of the asset.

Impairment of non-financial assets (including tangible assets)
At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

	Internally Generated Assets £ million	Assets Under Development £ million	Other Intangible Assets £ million	Total Intangible Assets £ million
Cost				
At 3 December 2023	12.8	3.9	0.8	17.5
Additions	1.4	2.8	-	4.2
Reclassifications	(3.4)	-	-	(3.4)
At 6 April 2025	**10.9**	**6.7**	**0.8**	**18.4**
Accumulated amortisation				
At 3 December 2023	(2.6)	-	(0.7)	(3.3)
Amortisation	(2.0)	-	(0.1)	(2.1)
As at 6 April 2025	**(4.7)**	**-**	**(0.8)**	**(5.5)**
Net book value				
At 3 December 2023	10.2	3.9	0.1	14.2
At 6 April 2025	**6.2**	**6.7**	**-**	**12.9**

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value, less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and, to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income to the extent that it eliminates the impairment loss which has been recognised for the asset in prior periods. Any increase in excess of this amount is treated as a revaluation increase.

3.3 Property, plant and equipment

Accounting policies

Property, plant and equipment, excluding land, are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset, any costs attributable to bringing the asset to its working condition for its intended use and major spares.

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably.

In determining the cost of property, plant and equipment, certain costs that relate to intangible assets would be separately disclosed (see note 3.2). Management exercises judgement in reviewing each material addition of an asset and considers whether the intangible asset element can be used for other property, plant and equipment additions in the current or future periods.

Depreciation on items of property, plant and equipment is calculated on a straight-line basis from the date on which the item is brought into use, is charged to operating costs and is calculated based on the useful lives indicated below:

Buildings
up to 30 years

Fixtures and fittings
5 – 10 years

Plant and machinery
3 – 20 years

Motor vehicles
3 – 7 years

Land
Held at cost and not depreciated

Assets in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees and other directly attributable costs. Depreciation of these assets commences when the assets are ready for their intended use, on the same basis as other property assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

Estimation of useful life
Depreciation is provided at rates estimated to write off the cost of the relevant assets less their estimated residual values by equal annual amounts over their expected useful lives. Residual values and expected useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

The charge in respect of periodic depreciation is derived by estimating an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Comprehensive Income.

The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least once a period for appropriateness.

Management also assesses the useful lives based on historical experience with similar assets as well as anticipation of future events which may affect their useful lives, such as changes in technology. A review of useful lives took place in the current period and no changes in useful lives was required.

	Land and buildings £ million	Fixtures, fittings, plant and machinery £ million	Total £ million
Cost			
At 3 December 2023	164.8	105.2	270.0
Additions	2.9	5.0	7.9
Asset write off	(1.6)	(1.0)	(2.6)
Reclassifications	(1.9)	5.3	3.4
At 6 April 2025	**164.2**	**114.5**	**278.7**
Depreciation and impairment			
At 3 December 2023	(20.5)	(25.9)	(46.4)
Depreciation charge	(10.9)	(13.9)	(24.8)
As at 6 April 2025	**(31.4)**	**(39.8)**	**(71.2)**
Net book value			
At 3 December 2023	144.3	79.3	223.6
At 6 April 2025	**132.8**	**74.7**	**207.5**

Included within property, plant and equipment is work-in-progress for land and buildings of £2.2 million (FY23: £4.7 million) and fixtures, fittings, plant and machinery of £0.4 million (FY23: £1.4 million).

3.4 Right-of-use assets

Right-of-use assets are measured at cost, which is made up of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the asset at the end of the lease, less any lease incentives received.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use assets for impairment when such indicators exist.

The right-of-use assets are included in a separate line within non-current assets on the Balance Sheet. If required, assets will be re-measured to reflect modifications, with corresponding adjustments reflected in lease liabilities.

	Land and buildings £ million	Fixtures, fittings, plant and machinery £ million	Motor vehicles £ million	Total £ million
At 3 December 2023	215.6	40.7	33.7	290.0
Additions	-	-	40.5	40.5
Remeasurements	6.6	(0.4)	6.2	12.4
Depreciation	(23.4)	(10.4)	(19.7)	(53.5)
Write-off	-	-	(0.2)	(0.2)
Impairment	(3.6)	-	-	(3.6)
Disposals	-	-	(0.4)	(0.4)
At 6 April 2025	**195.2**	**29.9**	**60.1**	**285.2**

3.5 Inventories

	6 April 2025 £ million	3 December 2023 £ million
Goods for resale	85.7	84.1

3.6 Trade and other receivables

Included in trade receivables is £27.4 million (FY23: £59.1 million) due from suppliers in relation to commercial and media income. Within accrued income is £16.3 million (FY23: £21.5 million) to be invoiced to suppliers in relation to supplier-funded promotional activity and £36.4 million (FY23: £10.9 million) to be invoiced to suppliers in relation to volume-related rebate amounts and supplier funded media.

The Company has elected to apply the IFRS 9 “Financial Instruments” simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risks and ageing.

The expected loss rates are based on the Company’s historical credit losses, adjusted for reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade and other receivables at the period-end comprise mainly monies due from customers and suppliers, which are considered of a good credit quality, as well as VAT recoverable. The Company creates an allowance for expected credit losses in respect of monies due from customers and suppliers.

Trade receivables and trade payables are recognised and presented on a gross basis within the balance sheet. Certain trade receivables and trade payables are subject to counterparty offsetting or enforceable master netting arrangements. Each agreement between the Company and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. The master netting agreements regulate settlement amounts in the event a party defaults on their obligations. Of the £42.6 million recognised within accounts receivable £23.3 million (FY23: £33.3 million of £74.5 million) will be subject to future netting arrangements.

	6 April 2025 £ million	3 December 2023 £ million
Trade receivables	42.6	74.4
Less: allowance for expected credit losses	(2.7)	(1.5)
Net trade receivables	**39.9**	**72.9**
VAT recoverable	13.5	19.2
Other receivables	1.0	0.9
Prepayments	6.7	5.5
Amounts due from group undertakings	-	3.8
Accrued income	55.6	50.2
Total trade and other receivables	**116.7**	**152.5**

Amounts due from group undertakings are unsecured, interest free and are repayable on demand. Amounts are expected to be recovered within 12 months.

3.7 Cash and cash equivalents

	6 April 2025 £ million	3 December 2023 £ million
Cash at bank and in hand	68.2	76.4

3.8 Trade and other payables

	6 April 2025 £ million	3 December 2023 £ million
Trade payables	157.2	134.8
Accruals*	82.7	83.3
Interest payable	10.9	1.2
Amounts due to group undertakings**	16.1	43.9
Other taxation and social security	4.5	1.0
Deferred income	6.3	5.9
Total trade and other payables	**277.7**	**270.1**

*Within accruals is goods received not invoiced of £38.3 million (FY23: £58.0 million). At the period end the Company is required to estimate goods received not invoiced based on the stock purchases and invoices received. Confirmation of the majority of amounts is received by six months post period end, however some amounts can be confirmed over twelve months after the period ends. Estimation is applied in relation to cost price increases, therefore a top-up provision is recognised. In the prior period, the Company reassessed the estimation of the provision based on the analysis of historical trend data as 1% which remains consistent in FY25. A change of 0.1% in this estimation would have resulted in an additional charge of £0.8 million (FY23: £1.9 million).

**In the current period, following the change in controlling party, the amount due to group undertakings is the balance with companies in the Marks & Spencer Group. In the prior period, this represented balance with companies in the Ocado Group.

Deferred income represents the value of delivery income received under the Ocado Smart Pass scheme. All of the £5.9 million deferred income balance in the prior period has been recognised as revenue in the current period. Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

3.9 Lease liabilities

The Company leases a number of properties, items of equipment and motor vehicles. The leases have varying terms, escalation clauses and renewal rights. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Balance Sheet as a right-of-use asset and a lease liability.

The Company considers whether any new contract entered into is, or contains, a lease. At the lease commencement date, the Company recognises a right-of-use asset and a lease liability on the Balance Sheet.

The Company measures the lease liability at the present value of the lease payments that have not been paid at that date, discounted using the interest rate implicit in the lease (if that rate is readily available) or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability is reduced for payments made and increased for interest charged. If required, it is re-measured to reflect any modification, with a corresponding adjustment reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as expenses in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Assets funded through lease liabilities are capitalised as appropriate, and are depreciated over their estimated useful lives or the lease term, whichever is shorter. The amount capitalised is the lower of the fair value of the asset and the present value of the minimum lease payments during the lease term, measured at the inception of the lease. The resulting lease obligations are included in liabilities, net of attributable transaction costs. Finance costs on lease liabilities are charged directly to the Statement of Comprehensive Income on the effective interest rate basis.

Lease incentives

Lease incentives primarily include upfront cash payments or rent-free periods. Lease incentives are included in the initial measurement of the right-of-use asset and lease liability.

Lease liability

	Land and buildings £ million	Fixtures, fittings, plant and machinery £ million	Motor vehicles £ million	Total £ million
At 3 December 2023	254.8	47.8	34.5	337.1
Additions	-	-	40.5	40.5
Termination	-	-	(1.1)	(1.1)
Remeasurements	6.7	(0.4)	6.2	12.5
Interest	18.6	4.1	2.7	25.4
Payments	(44.0)	(14.6)	(22.0)	(80.6)
At 6 April 2025	**236.1**	**36.9**	**60.8**	**333.8**

	6 April 2025 £ million	3 December 2023 £ million
Lease liabilities due:		
Within one year	42.3	37.1
Between one and two years	38.6	35.3
Between two and five years	87.8	69.9
Over five years	165.1	194.8
Total lease liabilities	**333.8**	**337.1**
Minimum lease payments due:		
Within one year	57.9	54.8
Between one and two years	54.8	51.4
Between two and five years	127.9	109.8
Over five years	249.5	290.2
	490.1	**506.2**
Less: future finance charges	(156.3)	(169.1)
Present value of lease liabilities	**333.8**	**337.1**
Current	42.3	37.1
Non-current	291.5	300.0

The existing lease liability arrangements entered into by the Company contain no restrictions concerning dividends, additional debt and further leasing. Furthermore, no material leasing arrangements exist relating to contingent rent payable, renewal or purchase options and escalation clauses.

The expenses relating to payments not included in the measurement of the lease liability are £nil (FY23: £nil).

3.10 Provisions

Dilapidations

Provisions for dilapidations are made in respect of properties where there are obligations to return these properties to the condition and state they were in when the Company obtained the right to use them. These are recognised on a property by property basis and are based on the Company's best estimate of the likely committed cash outflow. Where relevant, these estimated outflows are discounted to net present value. Timing of utilisation of dilapidations provision is 2-21 years.

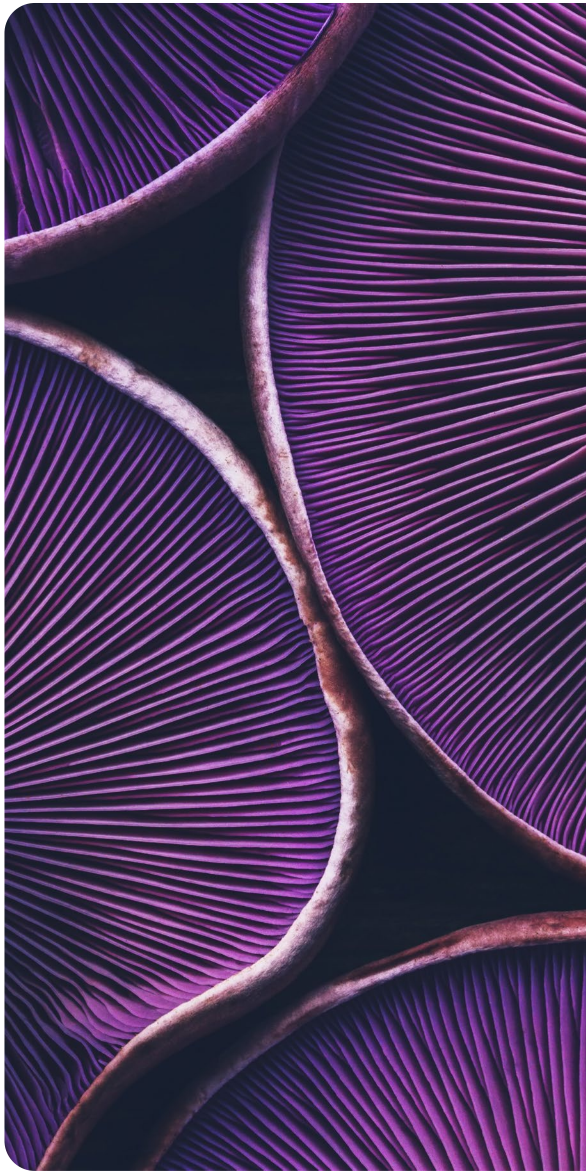
Long-term incentive plan (LTIP)

The Company operates a conventional, cash settled LTIP for the senior leadership team. Awards are made against a three year measurement period with payment (if any) made four months after the end of that measurement period. So, for example, awards made at the start of FY26 will be measured against FY26, FY27 and FY28 vest in July 2028. There is no requirement that awards will be made each year to management but it is expected that they will be unless the scheme is replaced. Provision is calculated based on assumed performance over the scheme term.

Operating provisions

During the prior period, the plans to cease operations at the CFC in Hatfield and Zoom site in Leeds were announced as part of a wider review of UK network capacity for both Ocado.com and Zoom by Ocado. Provisions of £10.7 million (FY23: £3.9 million) were recognised at the period end in relation to this which are expected to be utilised over the next three years.

Within the operating provisions is included a provision for Extended Producer Responsibility (EPR) concerning packaging. The company was required to report packaging data by 1 April 2025, that was determined to be the date of crystallisation of EPR, and the date at which provision should be made.



	Dilapidations £ million	LTIP £ million	Operating provisions £ million	Total provisions £ million
As at 3 December 2023	17.5	1.2	3.9	22.6
Charge to the Statement of Comprehensive Income				
· Additional provision	-	3.3	8.9	12.2
· Utilisation of provision	(0.1)	-	(2.1)	(2.2)
· Unwinding of discounting	1.1	-	-	1.1
At 6 April 2025	**18.5**	**4.5**	**10.7**	**33.7**
Current	-	1.7	10.7	12.4
Non-current	18.5	2.8	-	21.3

Section 4 — Capital structure and financing costs

4.1 Borrowings

	6 April 2025 £ million	3 December 2023 £ million
Shareholder loans	180.0	180.0
Revolving credit facility	-	-
Borrowings	**180.0**	**180.0**
Current	-	-
Non-current	180.0	180.0

Revolving credit facility
Ocado Retail entered into a three-year Revolving Credit Facility (RCF) of £30 million in May 2024. In May 2025, the Company exercised its option to extend the RCF, which now has a maturity date of May 2028.

Interest was payable on the amounts drawn down at a margin of 3.25% per annum plus the applicable reference rate. The company was subject to certain financial covenants under this facility. As at 6 April 2025 £nil of the facility was drawn down (FY23: £nil).

Shareholder loan
On 5 August 2019, Ocado Retail entered into a Shareholder loan facility of £60 million, £30 million respectively from each shareholder. During FY23 the facility was increased by £125 million, taking the total facility to £185 million. In the period, this facility was increased by £25 million, taking the total facility size to £210 million with each shareholder committed to £105 million. At the period end £180 million was drawn down, £90 million per shareholder (FY23: £90 million per shareholder). The Shareholder loan is due to mature in August 2039 and incurs interest at SONIA + 4.5% per annum.

4.2 Finance income and costs

	70 weeks ended 6 April 2025 £ million	53 weeks ended 3 December 2023 £ million
Interest income on cash balances	4.1	0.8
Finance income	**4.1**	**0.8**
Interest on lease liabilities	(26.6)	(21.1)
Other finance costs	(22.8)	(8.3)
Finance costs	**(49.4)**	**(29.4)**
Net finance costs	**(45.3)**	**(28.6)**

4.3 Share capital and reserves

Accounting policy
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share capital and reserves
The issued, authorised and fully paid up share capital and share premium accounts are set out below:

	Ordinary shares Number	Share Capital £ million	Share premium £ million
At 6 April 2025 and 3 December 2023	**100**	**-**	**360.3**

All shares are fully paid, have equal voting rights and carry no right to fixed income. Each of the shares has a nominal value of £0.01. The movements in reserves other than share premium are set out below.

Share premium account consists of proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

Historically, other reserves consisted of the capital contributions reserve and the fair value reserve. Given the absence of transactions in relation to these balances, these balances have been represented within accumulated losses in the current period. This presentation is considered representative of the entity's distributable reserves and will be maintained in future periods.

Section 5: Other notes

5.1 Commitments

Capital commitments

Capital commitments contracted but not provided for were as follows:

	6 April 2025 £ million	3 December 2023 £ million
Lease liabilities - Land & Building	4.4	-
Lease liabilities - Plant & Machinery	3.6	-
	8.0	**-**

Of the total capital commitment at the end of the period, £4.4 million relates to opening of new spoke in Nottingham and £3.6m relates to EV infrastructure being installed at two locations.

5.2 Contingent liabilities

The Company has contingent liabilities in respect of legal claims arising in the ordinary course of business, all of which the Company expects will be either covered by its insurances or will not be material in the context of the Company's financial position.

5.3 Related party transactions

Included within amounts due to group undertakings and amounts due from group undertakings are balances with companies in the Marks & Spencer Group, of which the Company's controlling party, Marks & Spencer Holdings Limited, is a member. Balances with companies in the Ocado Group include Ocado Operating Limited, Ocado Central Services Limited and Ocado Holdings Limited.

During the period the Company paid net recharges of £1,253.1 million (FY23: £995.1 million) to Ocado Operating Limited for goods and services provided, including the Ocado Smart Platform fee.

During the period the Company paid net £78.5 million (FY23: £42.2 million) to Marks & Spencer Group plc for goods and services provided.

During the period the Company paid net recharges of £nil million (FY23: £0.4 million) to Ocado Central Services Limited for goods and services provided.

	Included within trade and other payables £ million	Included within trade and other receivables £ million	Included within interest payable £ million	Included within borrowings £ million	Included within amounts due to group undertakings £ million
Ocado Operating Limited	(38.4)		-	-	-
Ocado Holdings Limited	-		(10.9)	(90.0)	-
Ocado Central Services Limited	-	0.2	-	-	-
Marks & Spencer Holdings Limited	-		-	(90.0)	(10.9)
Marks & Spencer plc	-		-	-	(4.1)
Gist Limited	-		-	-	(1.1)

During the period the Company paid net £28.4 million (FY23: £1.2 million) to Gist Limited, a member of the Marks & Spencer Group, for services provided.

During the period the Company paid net £0.5 million (FY23: £7k) to Jones Food Company Limited, a member of the Ocado Group, for goods provided.

5.4 Post balance sheet events

As of 11 April 2025, subsequent to the balance sheet date, under the terms of their contract, Ocado Group ceased to provide fulfilment services to Morrisons using 30% of the capacity of the Erith CFC. Under the terms of the Third Party Logistics Services agreement (3PL), this now means that ORL is liable for 100% of the fixed costs of the site (including rent), regardless of whether it is using the freed capacity, unless a third party starts taking that capacity instead. Consequently, under accounting principals, ORL is deemed to have gained the right to control the use of the entire CFC. This event will result in the recognition of right-of-use assets and corresponding lease liabilities of approximately £143.0 million.

This item has been treated as a non-adjusting post-balance sheet event and there has been no impact on the financial results reported for the year ended 6 April 2025.

5.5 Ultimate controlling party

In August 2019, Marks & Spencer Holdings Limited acquired a 50% stake in Ocado Retail to form a new 50:50 joint venture with Ocado Holdings Limited.

The Shareholders have concluded that for the 70-week period being reported upon, and preceding periods, Ocado Holdings Limited controlled Ocado Retail, since it held 50.0% of the voting rights of the Company and an agreement signed by the shareholders grants the Ocado Group determinative rights, after agreed dispute-resolution procedures, in relation to the approval of the Company's business plan and budget and the appointment and removal of the Company's Chief Executive Officer who is responsible for directing the relevant activities of the business.

The results of Ocado Retail Limited were consolidated into the results of Ocado Group plc. The consolidated financial statements of Ocado Group plc can be obtained from Buildings One & Two, Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9UL, United Kingdom, or from its corporate website, www.ocadogroup.com.

From 6 April 2025, as planned and in accordance with our shareholders' agreement, this moved with our results now being consolidated into the results of M&S, with our financial year end moving accordingly. There is no change in the economic interest of either shareholders as a result of the change. The Company's controlling party from this date is now Marks & Spencer Holdings Limited, a company incorporated in the United Kingdom. The consolidated financial statements of Marks & Spencer Group plc can be obtained from Waterside House, 35 North Wharf Road, London W2 1NW, United Kingdom, or from its corporate website, corporate.marksandspencer.com.

Company information

Directors

Hannah Gibson
Tim Steiner
Stuart Machin
Stephen Daintith
Adam Dobbs
Jeremy Townsend (resigned 1 April 2025)
James Matthews
Mathew Ankers
Alison Dolan (appointed 1 April 2025)

Company Secretary

Jonathan Wiseman

Company number

03875000

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Statutory auditor

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