



18 August 2023

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir or Madam

OCADO CFC PROJECT UPDATE

Please find attached for immediate release to the market.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniella Pereira".

Daniella Pereira
Company Secretary

For personal use only



ASX Release

18 August 2023

OCADO CFC PROJECT UPDATE

In March 2019, Coles Group Limited (**Coles**) (ASX:COL) announced its entry into an exclusive service agreement with Ocado Group plc (**Ocado**) including the development and construction of two automated customer fulfilment centres (**CFCs**), being one in each of Victoria and New South Wales.

In its most recent 3Q FY23 Sales Results release on 28 April 2023, Coles provided an update on delays affecting construction of the CFCs and noted that work was continuing to determine what impact the delays will have on timelines.

Coles has received notification from Ocado regarding delayed timing for the hand over of the Victorian CFC. Additional works are required to rectify construction issues with the grid identified during quality control processes for the Victorian CFC.

Following further engagement with Ocado and in light of the revised hand over date, the commissioning of the Victorian CFC will be delayed with the incremental ramp up period now expected to commence in mid-FY25 (previously mid-FY24).

The timing for the New South Wales CFC being built by Ocado is expected to be commissioned with an incremental ramp up period commencing end 2H FY24 (previously 2H FY24).

The impacts of the delays are likely to increase the project capital and operating expenditure by approximately \$70 million and \$50 million respectively, noting the additional capital investment will continue to be managed within the Coles capital expenditure envelope. Total capital expenditure is now expected to be approximately \$400 million of which 55% has been incurred to the end of FY23, with the balance expected to be incurred in FY24 and FY25.

For more information:

Investor Relations

Anita Healy

Mobile: +61 411 109 108

E-mail:

investor.relations@colesgroup.com.au

Media

Jace Armstrong

Mobile: +61 431 987 599

E-mail:

media.relations@colesgroup.com.au

This announcement was authorised for release to ASX by the Board of Coles Group Limited.

Coles Group Limited ABN 11 004 089 936

800 Toorak Road Hawthorn East Victoria 3123 Australia

PO Box 2000 Glen Iris Victoria 3146 Australia

Telephone +61 3 9829 5111

www.colesgroup.com.au

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