

# Quarterly report

## Q2 2022



# Highlights

## Financial highlights for the second quarter of 2022

- Revenue totaled USD 165.6 million (85.5), representing growth of 93.6% from the corresponding quarter of 2021.
- Reported EBIT was USD 72.3 million, compared to USD 9.3 million in the second quarter of 2021.
- Adjusted EBITDA<sup>1</sup> amounted to USD 69.5 million (42.7), with the adjustments comprising a reduction in the provision for social security tax on management options attributable to the reduced share price during the period, as well as an adjustment in respect of Ocado litigation costs.
- The corresponding adjusted EBITDA margin<sup>1</sup> was 42.0% (50.0%), and the margin decline was primarily linked to continued cost inflation on key components as a result of global supply chain challenges in 2022. However, these are expected to be offset by the price increase and the temporary aluminum surcharge that were introduced in the fourth quarter of 2021 and the first quarter of 2022, respectively, as we look forward to 2023 in particular. The price increases are expected to have a positive impact on 2023 margins as projects move from backlog to recognized revenue. Pro-forma adjusted EBITDA would have been approximately 50% in the second quarter of 2022 when including the price increases and grid cost as of August 2022.
- Adjusted EBIT<sup>1</sup> was USD 66.7 million (40.4), corresponding to an adjusted EBIT margin<sup>1</sup> of 40.3% (47.2%). The margin decrease is linked to the same factors as the adjusted EBITDA margin<sup>1</sup>.
- Simplified free cash flow<sup>1</sup> was USD 59.4 million (34.9), resulting in a cash flow conversion<sup>1</sup> of 85.5% (81.7%).
- The order intake<sup>2</sup> ended at USD 161.3 million (161.0), representing a stable development compared to the corresponding quarter of 2021 (0.2%). This was partly driven by current market conditions, and partly by the transitional effects of reduced lead times, providing increased flexibility for customers to place orders closer to delivery.

- The order backlog<sup>3</sup> was USD 477.6 million as of the end of the second quarter of 2022 (287.6), representing year-on-year growth of 66.1%.

## Financial highlights for the first half of 2022

- Revenue amounted to USD 288.6 million, representing growth of 92.9% compared to the first half of 2021 (149.6).
- Reported EBIT was USD 100.3 million (-16.3).
- Adjusted EBITDA<sup>1</sup> ended at USD 123.7 million (75.0), representing an adjusted EBITDA margin<sup>1</sup> of 42.8% (50.1%). The year-on-year margin decline was primarily linked to continued cost inflation on key components as a result of global supply chain issues in 2022.
- Adjusted EBIT<sup>1</sup> was USD 117.4 million (70.6), and the adjusted EBIT margin<sup>1</sup> for the period ended at 40.7% (47.2%).
- The order intake<sup>2</sup> in the first half of 2022 increased by 13.9% year-on-year, from USD 282.5 million to USD 321.9 million.

## Corporate developments

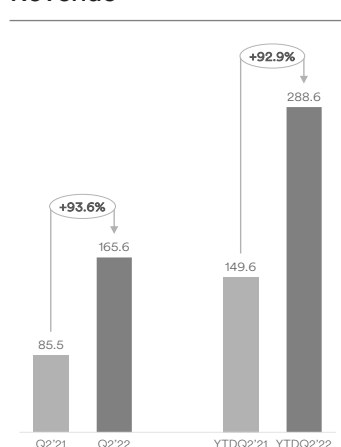
- In the Ocado IP infringement case, AutoStore has appealed the ITC decision to the U.S. Court of Appeals. The UK case was heard in March/April, with judgment expected in the second half of 2022.
- AutoStore continued to accelerate international growth by opening a new office in Singapore.
- A new share purchase program was launched for all permanent employees.

## Operational highlights

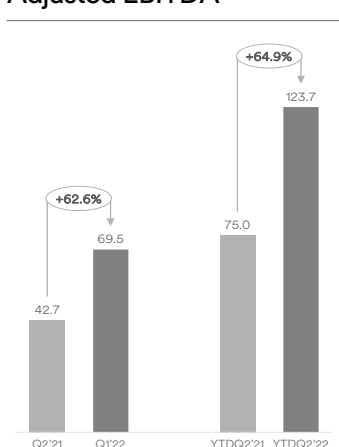
- Lead times were reduced significantly by further reinforcing AutoStore's supply chain through internal measures, external efforts and partnerships to ensure component supply.

USD million	Second quarter			First half		
	2022	2021	Δ in %	2022	2021	Δ in %
Revenue <sup>4</sup>	165.6	85.5	93.6 %	288.6	149.6	92.9 %
EBIT	72.3	9.3	681.2%	100.3	-16.3	n.a.
Adjusted EBITDA <sup>1</sup>	69.5	42.7	62.6 %	123.7	75.0	64.9 %
Adjusted EBITDA margin <sup>1</sup> (%)	42.0 %	50.0 %	-8.0 pp.	42.8 %	50.1 %	-7.2 pp.
Adjusted EBIT <sup>1</sup>	66.7	40.4	65.3 %	117.4	70.6	66.2 %
Adjusted EBIT margin <sup>1</sup> (%)	40.3 %	47.2 %	-6.9 pp.	40.7 %	47.2 %	-6.5 pp.
Simplified free cash flow <sup>1</sup>	59.4	34.9	70.1 %	100.8	62.0	62.7 %
Cash flow conversion <sup>1</sup> (%)	85.5 %	81.7 %	3.8 pp.	81.5 %	82.6 %	-1.1 pp.
Order intake	161.3	161.0	0.2 %	321.9	282.5	13.9 %

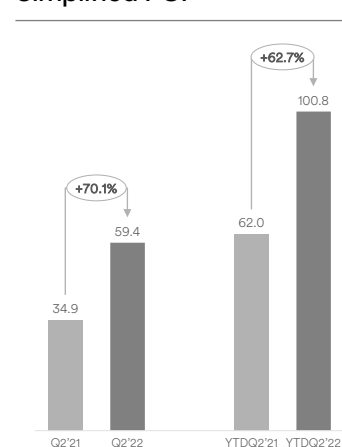
## Revenue<sup>4</sup>



## Adjusted EBITDA<sup>1</sup>



## Simplified FCF<sup>1</sup>



<sup>1</sup> Please refer to APM section for further explanations and details on APM measures.

<sup>2</sup> Order intake is defined as value of projects where a distribution partner has received a purchase order or verbal confirmation that a specific installation will be ordered.

<sup>3</sup> Order backlog is defined as the total value of order intake not yet shipped and for which revenue has not yet been recognized.

<sup>4</sup> Revenue and other operating income.





## Letter from the CEO

***“AutoStore continued to grow strongly in the second quarter of 2022, with revenues up 93.6% year-on-year, at USD 165.6 million. The solid second quarter order intake of USD 161.3 million brought the order backlog to USD 477.6 million – up 66.1% year-on-year – supporting revenue guidance of USD 550-600 million for the full year and continued growth in 2023.*”**

### **Resilient business model**

As the war in Ukraine sadly continued to unfold, the first half of 2022 was marked by challenging macro conditions, including economic uncertainty resulting from increased inflation and higher interest rates. AutoStore's lean business model has proven resilient in volatile and uncertain times, confirming the company's focus on standardized modular solutions and its unique go-to-market strategy, which has facilitated consistent growth in revenue, robust margins and high cash conversion. We have also implemented a number of measures in response to the current global macro situation and specific supply chain challenges. In combination with AutoStore's resilient business model, these efforts secured positive results in this quarter and provide a strong platform for continued growth.

### **Long-term fundamentals remain intact**

AutoStore continues to benefit from a huge, underpenetrated market with high and increasing expected demand for fast cubic storage. Although global e-commerce retailers have experienced a slowdown thus far in 2022 compared to the acceleration following the Covid-19 pandemic, AutoStore expects strong growth in the e-commerce and omni-channel sectors in the longer-term. Changes in customer demand, labor shortages, energy efficiency gains and demand for high-density warehousing are all expected to drive adoption of automation, and thus growth for AutoStore. In the first half of the year, the company made progress in further penetrating the USD 230 billion addressable market for automated storage and retrieval systems. Market access continued to expand in important regions, and market share grew in the attractive Micro-Fulfillment Center and High Throughput markets, further highlighting AutoStore's technological leadership.

### **Sourcing strategy and reduced lead times**

The AutoStore team has focused on refining its production and sourcing strategies by reducing dependencies on individual suppliers, optimizing inventory levels, improving collaboration and increasing visibility with suppliers. Collectively, these efforts

have secured significantly shorter lead times and faster delivery to customers. In addition, the improved sourcing strategy provides a platform for increased flexibility and production capacity to facilitate future growth.

### **Supply chain and cost inflation**

We are confident in our ability to deliver on our strategy and sustain revenue growth despite the war in Ukraine and other political and macroeconomic uncertainties. However, we anticipate further pressure on margins in the second half of 2022 as increased energy and grid-part costs take effect. Due to the time lag between projects in backlog and project delivery/installation, the positive effect from the price increases we took in the fourth quarter of 2021 and the first quarter of 2022 will take some time to materialize.

Mitigating actions have already been taken to address margin pressure, including a price increase and a temporary aluminum surcharge which are expected to lift margins back towards historical levels. The full impact of the measures will be seen in 2023 when projects with more favorable cost and pricing levels move from backlog to realized revenue. By way of illustrative example, the second quarter pro-forma adjusted EBITDA margin (including price increases and grid costs as of August 2022) would be ~50% if the mitigating actions had already taken effect.

### **On track to meet our growth ambitions for 2022 and 2023**

The second quarter order intake was USD 161.3 million, representing stable development compared to the same period last year. The quarterly result reflects prevailing market conditions and the transitional impact of shorter lead times as customers place orders closer to delivery.

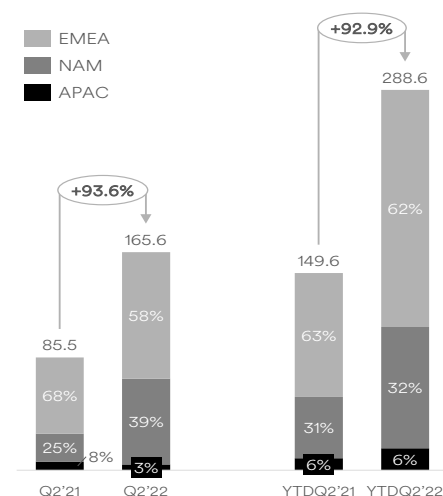
The order backlog of USD 477.6 million, up 66.1% year-on-year, emphasizes AutoStore's strong ongoing underlying growth powered by solid demand across regions, end markets and warehouse categories, and confirms our 2022 revenue guidance of USD 550-600 million. Together with our strong project pipeline, the backlog justifies an early 2023 revenue estimate of USD 700-800 million. A medium-term growth rate of ~40% remains realistic, subject to continued market growth of ~15% p.a. The journey has just begun, and the best is yet to come.”

*Karl Johan Lieer*  
Karl Johan Lieer,  
CEO AutoStore

# Other metrics

USD million

## Revenue breakdown<sup>4</sup>



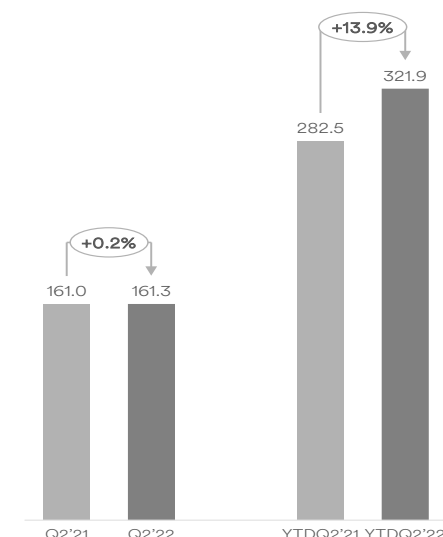
### Second quarter of 2022

Revenue totaled USD 165.6 million in the second quarter of 2022, representing year-on-year growth of 93.6%. The majority of growth occurred in the EMEA<sup>1</sup> region – which achieved revenue of USD 96.0 million, representing year-on-year growth of 65.9% – and the NAM<sup>2</sup> region, which grew by 209.1%, to USD 65.2 million. The APAC<sup>3</sup> region reported revenue of USD 4.3 million in the second quarter of 2022, compared to USD 6.6 million in Q2 2021. The order backlog supports strong full-year growth in APAC in 2022.

### First half of 2022

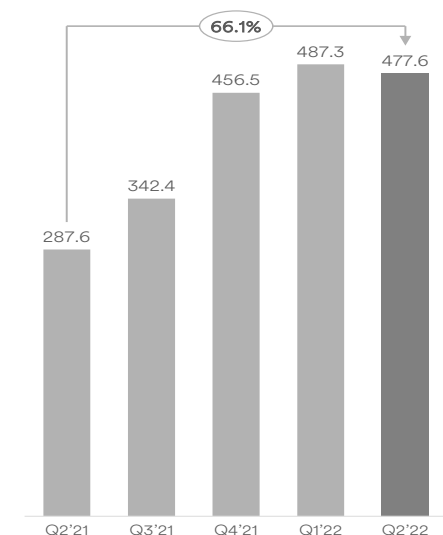
Revenue increased by 92.9% in the first half of 2022, from USD 149.6 million to USD 288.6 million. Revenue growth was led by the EMEA region, which achieved an increase of 91.5% compared to the corresponding period in 2021. In the first half of 2022, revenue in the NAM region increased by 97.7% year-on-year, while the APAC region achieved revenue growth of 83.4%.

## Order intake



The order intake ended at USD 161.3 million (161.0), representing a stable development compared to the corresponding quarter of 2021 (0.2%). This was partly driven by current market conditions, and partly by the transitional effects of reduced lead times, providing increased flexibility for customers to place orders closer to delivery.

## Backlog development



At the end of the second quarter of 2022, the order backlog amounted to USD 477.6 million – up 66.1% compared to the same period last year – highlighting AutoStore's continued underlying growth powered by strong demand across regions, end markets and warehouse categories.

<sup>1</sup> EMEA: Europe, the Middle East and Africa. Also includes a minor share of Latin America.

<sup>2</sup> NAM: North America.

<sup>3</sup> APAC: Asia-Pacific.

<sup>4</sup> Revenue and other operating income.

# Financial developments<sup>2,3</sup>

## Results for the period

### Second quarter of 2022

AutoStore reported total revenue (including other operating income) of USD 165.6 million (85.5), representing year-on-year growth of 93.6%. The continued growth is attributable to increased demand for efficient and automated logistics solutions, largely driven by labor shortages and demand for same-day delivery. The majority of total revenue resulted from the sale of AutoStore systems. Please see page 4 for further details on the revenue breakdown.

Cost of materials increased to USD 71.9 million (26.8) as a result of increased sales volume and continued price pressure on raw materials.

Employee benefit expenses were significantly reduced due to a reduction of the provision for social security tax on management options following the reduced share price of the company. The reduction of provision gave a reduced cost impact of USD 23.3 million, resulting in negative employee benefit expenses of USD 10.5 million (10.1). The option costs are considered by the company to be an adjustment item. Please see the APM section on page 27 for further details.

Other operating expenses totaled USD 18.0 million, down from USD 24.4 million in the corresponding quarter of 2021. The decrease is mainly linked to a drop in consultancy fees and transaction costs following completion of the SoftBank transaction in April and the IPO in October 2021. The company treats transaction costs as an adjustment item (please see the APM section on page 27 for further details).

Reported EBITDA was USD 86.2 million (24.2), corresponding to an EBITDA margin of 52.1% (28.3%). Adjusted EBITDA<sup>1</sup> and the adjusted EBITDA margin<sup>1</sup> were USD 69.5 million (42.7) and 42.0% (50.0%), respectively. The decrease in the adjusted EBITDA margin<sup>1</sup> was primarily attributable to continued price pressure on key components, particularly grid parts.

AutoStore reported USD 1.8 million (1.1) in depreciation and USD 12.1 million (13.8) in amortization of intangible assets. Amortization of intangible assets primarily relates to the purchase price allocation made when THL acquired the group from EQT. Development in adjusted EBIT<sup>1</sup> of USD 66.7 (40.4) follows adjustments for adjusted EBITDA<sup>1</sup>, together with adjustments for amortization of certain PPA values.

Finance income was USD 0.1 million (0.0), while finance costs were USD 24.4 million (11.4). Of the net financial items of USD -24.3 million (-11.4), USD -22.3 million (-2.0) comprised foreign currency losses (mainly accounting treatment with no cash effect). In addition, the interest expense fell from USD 8.6 million in the second quarter of 2021 to USD 2.5 million in second quarter of 2022 as a result of the repayment of long-term debt in the fourth quarter of 2021 and reduced interest rate margins.

The profit before tax was USD 48.0 million (-2.2), while the profit after tax was USD 37.4 million (-1.7).

### First half of 2022

Total revenue (including other operating income) was USD 288.6 million (149.6), representing year-on-year growth of 92.9%.

Cost of materials was USD 117.7 million (47.2), with the increase being driven by increased sales volume and continued price pressure on raw materials.

AutoStore reported employee benefit expenses of USD 1.3 million (51.1), impacted by the reduced option cost as described for the second quarter. The year-on-year reduction was also driven by the provision and payables linked to option costs and social security costs on management options totaling USD 34.5 million in the first half of 2021, resulting from the accelerated vesting of options due to the SoftBank transaction in April 2021.

Other operating expenses amounted to USD 40.1 million (38.3). The first half of 2021 included consultancy and transaction costs related to the SoftBank and IPO transactions completed in April and October 2021, respectively, while the first half of 2022 was driven by measures taken to promote the company's growth. The litigation costs related to the Ocado IP infringement case amounted to USD 16.4 million (15.3). The company treats transaction costs and Ocado litigation costs as adjustment items (please see the APM section on page 27 for further details).

Reported EBITDA ended at USD 129.6 million (13.1) with an EBITDA margin of 44.9% (8.7%), while adjusted EBITDA<sup>1</sup> and the adjusted EBITDA margin<sup>1</sup> were USD 123.7 (75.0) and 42.8% (50.1%), respectively. The year-on-year reduction in the adjusted EBITDA margin<sup>1</sup> was primarily driven by continued price pressure on key components, particularly grid parts, resulting from global supply chain issues in the first two quarters of 2022.

Depreciation amounted to USD 3.3 million (2.2), while amortization of intangible assets totaled USD 26.0 million (27.1).

Finance income was USD 0.1 million (12.9), with finance costs totaled USD 24.2 million (18.4). Of the net financial items of USD -24.1 million (-5.5), USD -17.1 million (12.9) related to foreign currency losses (gains).

The profit before tax was USD 76.2 million (-21.8), while the profit after tax was USD 59.4 (-17.3).

<sup>1</sup> Please refer to APM section for further explanations and details on APM measures.

<sup>2</sup> The interim condensed consolidated financial statements have not been subject to audit or review.

<sup>3</sup> All subsequent numbers in parentheses refer to comparative figures for the same period last year, except for balance sheet items ("Financial position").

**Profit/loss for the period**

USD million	Second quarter		First half	
	2022	2021	2022	2021
Revenue and other operating income	165.6	85.5	288.6	149.6
Cost of materials	-71.9	-26.8	-117.7	-47.2
Employee benefit expenses	10.5	-10.1	-1.3	-51.1
Other operating expenses	-18.0	-24.4	-40.1	-38.3
<b>EBITDA</b>	<b>86.2</b>	<b>24.2</b>	<b>129.6</b>	<b>13.1</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>69.5</b>	<b>42.7</b>	<b>123.7</b>	<b>75.0</b>
Depreciation	-1.8	-1.1	-3.3	-2.2
Amortization of intangible assets	-12.1	-13.8	-26.0	-27.1
<b>EBIT</b>	<b>72.3</b>	<b>9.3</b>	<b>100.3</b>	<b>-16.3</b>
<b>Adjusted EBIT<sup>1</sup></b>	<b>66.7</b>	<b>40.4</b>	<b>117.4</b>	<b>70.6</b>
Finance income	0.1	0.0	0.1	12.9
Finance costs	-24.4	-11.4	-24.2	-18.4
<b>Profit/loss before tax</b>	<b>48.0</b>	<b>-2.2</b>	<b>76.2</b>	<b>-21.8</b>
Income tax expense	-10.6	0.5	-16.8	4.5
<b>Profit/loss for the period</b>	<b>37.4</b>	<b>-1.7</b>	<b>59.4</b>	<b>-17.3</b>

**Cash flow***Second quarter of 2022*

AutoStore generated positive cash flow of USD 63.9 million (18.0) from operating activities in the second quarter of 2022. The increase compared to the corresponding quarter of 2021 was mainly driven by a USD 62.0 million increase in EBITDA. This was offset by a higher build-up of working capital items of USD 15.9 million compared to the same period in 2021.

Cash flow from investing activities amounted to USD -10.0 million (-7.9) and was driven mainly by R&D investments focused on further development and optimization of current and new product and software portfolios. The majority of the group's investments relate to R&D, which is classified as development expenditure in the cash flow statement.

Cash flow from financing activities was USD -3.8 million (-9.5). Cash outflows mainly comprised interest of USD 2.5 million (8.6) on the group's long-term debt, which fell year-on-year due to a debt repayment in the fourth quarter of 2021.

Effect of change in the exchange rate related to the translation of cash held in NOK to USD.

*First half of 2022*

The cash flow from operating activities in the first half of 2022 was USD 18.1 million (26.0). The increase of USD 116.5 million in EBITDA was offset by significant payments made related to the IPO in October 2021, i.e. payment of withholding tax and social security tax on management options, as well as other IPO-related transaction costs. The reduction in cash flow from operating activities was also related to higher build-up of working capital as a consequence of the experienced growth.

Cash flow from investing activities was USD -22.7 million (-18.0), driven by R&D investments.

Cash flow from financing activities was USD -10.1 (-7.4), including paid interest of USD 6.9 million. Interest paid in the same period in 2021 amounted to USD 16.5 million, with the reduction being attributable to the repayment of long-term debt. The first half of 2021 was also impacted by cash inflow linked to an equity issue as part of the IPO totaling USD 11.0 million.

The group held USD 119.2 million in cash as of 30 June 2022, up from USD 50.7 million as of the same date in 2021.

For a more detailed statement of cash flow, please see page 13.

**Cash flow**

USD million	Second quarter		First half	
	2022	2021	2022	2021
Cash flow from operating activities	63.9	18.0	18.1	26.0
Cash flow from investing activities	-10.0	-7.9	-22.7	-18.0
Cash flow from financing activities	-3.8	-9.5	-10.1	-7.4
<b>Net change in cash and cash equivalents</b>	<b>50.1</b>	<b>0.6</b>	<b>-14.7</b>	<b>0.6</b>
Cash and cash equivalents, beginning of period	83.1	50.1	146.9	50.1
Effect of change in exchange rate	-14.0	-0.1	-12.9	-0.1
<b>Cash and cash equivalents, end of period</b>	<b>119.2</b>	<b>50.7</b>	<b>119.2</b>	<b>50.7</b>

<sup>1</sup> Please refer to APM section for further explanations and details on APM measures.



## Financial position

The group's total assets as of 30 June 2022 totaled USD 1,950.2 million, down from USD 2,129.0 as of 31 December 2021. Intangible assets and goodwill amounted to USD 528.2 million (604.0) and USD 1,084.8 million (1,224.2), respectively. The reduction in goodwill is attributable to currency translation. Inventory grew to USD 58.9 million (51.4), while trade receivables and other receivables ended at USD 96.0 million (46.5) and USD 20.1 million (21.5), respectively. The increase in trade receivables is linked to revenue growth.

Equity fell from USD 1,391.2 million as of 31 December 2021 to USD 1,286.5 million as of 30 June 2022. The reduction reflects negative exchange differences linked to the translation of results and the financial position of subsidiaries and the parent company from other currencies into USD.

Current liabilities decreased to USD 100.8 million as of 30 June 2022, from USD 152.3 million as of year-end 2021. The reduction reflects payments linked to the management option program and transaction costs related to the IPO (paid in the first quarter of 2022), as well as a reduction in the provision for social security tax on management options in the second quarter of 2022.

Total non-current liabilities decreased from USD 585.6 million as of 31 December 2021 to USD 562.9 million as of 30 June 2022, mainly due to translation of the Facility B EUR loan into USD.

USD million	30 June 2022	31 December 2021
Goodwill	1,084.8	1,224.2
Intangible assets	528.2	604.0
Other non-current assets	42.9	34.6
<b>Total non-current assets</b>	<b>1,656.0</b>	<b>1,862.8</b>
<b>Total current assets</b>	<b>294.2</b>	<b>266.2</b>
<b>Total assets</b>	<b>1,950.2</b>	<b>2,129.0</b>
<b>Total equity</b>	<b>1,286.5</b>	<b>1,391.2</b>
Non-current interest-bearing liabilities	414.3	435.6
Other non-current liabilities	148.6	150.0
Current liabilities	100.8	152.3
<b>Total liabilities</b>	<b>663.7</b>	<b>737.8</b>
<b>Total equity and liabilities</b>	<b>1,950.2</b>	<b>2,129.0</b>

## Corporate developments

### Ocado litigation

#### UK proceedings

The first substantive trial of AutoStore's patent infringement claim against Ocado in the UK High Court took place in March/April 2022. The focus of this trial was on three particular patents, known collectively as its "Central Cavity Patents". AutoStore is expecting the judgment from this trial in the third quarter/fourth quarter of 2022. As AutoStore sharpened its infringement action, it also asserted two additional patents against Ocado which will be the subject of a further substantive infringement trial to be heard in April 2023.

For further information, please see note 5.2 on page 22.

## Operational highlights

### Reduced lead times

Lead times were reduced significantly by further reinforcing AutoStore's supply chain through internal measures, external efforts and partnerships to ensure component supply.

### Opening of new office in Singapore

AutoStore continued to accelerate international growth by opening a new office in Singapore. The location will serve as the local hub for AutoStore's expansion into the Asia-Pacific region, positioning the company to serve local partners and clients as demand for automated storage and retrieval systems grows.

# Outlook

AutoStore is an innovative robotics and software technology company and a pioneer of cubic storage automation. The company operates in the rapidly-growing warehouse automation industry and the even faster-growing cubic storage segment.

AutoStore develops warehouse solutions for the future while facilitating space-saving, boosting performance and reducing labor and energy costs for customers. AutoStore is in a strong position to leverage global megatrends in the e-commerce and automation industries. Rapid market expansion, changing consumer demand, the emergence of Micro-Fulfillment Centers, and a general need for more sustainable and efficient solutions constitute a strong platform for accelerating growth.

AutoStore's momentum is illustrated by its growth and performance. Despite a tight market situation for certain parts and materials, the company is confident in its ability to deliver solutions in line with its own revenue guidance.

AutoStore's business has seen a limited direct impact of Russia's invasion of Ukraine and subsequent sanctions. However, additional macro level complexity and implications could have negative impacts. AutoStore will continue to monitor the war in Ukraine and related global supply chain challenges.

Continued supply chain challenges and increased cost inflation are expected to impact margins further in the second half of 2022. Mitigating actions have already been taken, including the implemented price increase and temporary aluminum surcharge, which are expected to lift margins towards historical levels, albeit, with some delayed impact to 2023, as projects with more favorable cost and pricing levels move from backlog to realized revenue. The company's strong order intake and order book provide significant revenue visibility and AutoStore expects revenues to total USD 550-600 million in 2022. The backlog together with the strong pipeline, provide support to early 2023 revenue estimates of USD 700-800 million. A medium-term growth rate of ~40% remains realistic, provided continued market growth of ~15% p.a.

# Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements for the second quarter of 2022, which have been prepared in accordance with IAS 34 Interim Reporting, give a true and fair view of the company's assets, liabilities, financial position and results of operation, and that the report provides a fair overview of the information as specified in Section 5-6, first paragraph, of the Norwegian Securities Trading Act.

Oslo, 17 August 2022

## The Board of Directors of AutoStore Holdings Ltd.

James C. Carlisle  
*Co-chair*

Samuel Merksamer  
*Co-chair*

Hege Skryseth  
*Board member*

Viveka Ekberg  
*Board member*

Kristin Skogen Lund  
*Board member*

Michael K. Kaczmarek  
*Board member*

Nils Magnus Tornling  
*Board member*

Andreas Hansson  
*Board member*

Ram Trichur  
*Board member*

Karl Johan Lier  
*CEO*



# Interim condensed consolidated financial information

The background features a dark gray gradient. A thin, light gray diagonal line runs from the bottom left towards the top right. In the bottom left corner, there is a triangular area filled with a pattern of small, light gray dots.

# Interim condensed consolidated statement of comprehensive income

USD million	Notes	Second quarter		First half	
		2022	2021	2022	2021
Revenue	2.1	165.3	84.8	288.3	148.4
Other operating income		0.3	0.8	0.3	1.3
<b>Total revenue and other operating income</b>		<b>165.6</b>	<b>85.5</b>	<b>288.6</b>	<b>149.6</b>
Cost of materials		-71.9	-26.8	-117.7	-47.2
Employee benefit expenses	2.2, 5.1	10.5	-10.1	-1.3	-51.1
Other operating expenses		-18.0	-24.4	-40.1	-38.3
Depreciation		-1.8	-1.1	-3.3	-2.2
Amortization of intangible assets	3.1	-12.1	-13.8	-26.0	-27.1
<b>Operating profit/loss</b>		<b>72.3</b>	<b>9.3</b>	<b>100.3</b>	<b>-16.3</b>
Finance income	4.2	0.1	0.0	0.1	12.9
Finance costs	4.2	-24.4	-11.4	-24.2	-18.4
<b>Profit/loss before tax</b>		<b>48.0</b>	<b>-2.2</b>	<b>76.2</b>	<b>-21.8</b>
Income tax expense		-10.6	0.5	-16.8	4.5
<b>Profit/loss for the period</b>		<b>37.4</b>	<b>-1.7</b>	<b>59.4</b>	<b>-17.3</b>
<b>Other comprehensive income/loss</b>					
Items that subsequently will not be reclassified to profit or loss:					
Exchange differences on translation of parent company	4.2	-37.0	-	-34.2	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>-37.0</b>	<b>-</b>	<b>-34.2</b>	<b>-</b>
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	4.2	-137.7	-2.2	-130.2	-3.8
<b>Total items that may be reclassified to profit or loss</b>		<b>-137.7</b>	<b>-2.2</b>	<b>-130.2</b>	<b>-3.8</b>
<b>Other comprehensive income/loss for the period</b>		<b>-174.7</b>	<b>-2.2</b>	<b>-164.4</b>	<b>-3.8</b>
<b>Total comprehensive income/loss for the period</b>		<b>-137.3</b>	<b>-3.9</b>	<b>-105.0</b>	<b>-21.0</b>
<b>Profit/loss attributable to:</b>					
Equity holders of the parent		37.4	-1.7	59.4	-17.3
<b>Total comprehensive income/loss attributable to:</b>					
Equity holders of the parent		-137.3	-3.9	-105.0	-21.0
<b>Earnings per share</b>					
Basic earnings per share (USD)		0.011	-0.001	0.017	-0.005
Diluted earnings per share (USD)		0.011	-0.001	0.017	-0.005

The accompanying notes are an integral part of these interim condensed consolidated financial statements.  
The interim condensed consolidated financial statements have not been subject to audit or review.

# Interim condensed consolidated statement of financial position

USD million	Notes	30 June 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		14.2	11.2
Right-of-use assets		19.1	11.6
Goodwill	3.1	1,084.8	1,224.2
Intangible assets	3.1	528.2	604.0
Deferred tax assets		8.2	8.7
Other non-current assets		1.4	3.0
<b>Total non-current assets</b>		<b>1,656.0</b>	<b>1,862.8</b>
<b>Current assets</b>			
Inventories		58.9	51.4
Trade receivables		96.0	46.5
Other receivables		20.1	21.5
Cash and cash equivalents		119.2	146.9
<b>Total current assets</b>		<b>294.2</b>	<b>266.2</b>
<b>TOTAL ASSETS</b>		<b>1,950.2</b>	<b>2,129.0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4.1	34.3	34.3
Share premium		1,154.6	1,154.6
Treasury shares		-0.9	-0.9
Other equity		98.6	203.2
<b>Total equity</b>		<b>1,286.5</b>	<b>1,391.2</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	4.2	414.3	435.6
Non-current lease liabilities		18.5	12.9
Deferred tax liabilities		125.1	127.1
Non-current provisions	5.1	5.0	10.0
<b>Total non-current liabilities</b>		<b>562.9</b>	<b>585.6</b>
<b>Current liabilities</b>			
Trade and other payables		58.6	95.8
Interest-bearing liabilities	4.2	0.0	0.7
Lease liabilities		4.9	3.6
Income tax payable		0.7	0.7
Provisions	5.1	36.5	51.5
<b>Total current liabilities</b>		<b>100.8</b>	<b>152.3</b>
<b>Total liabilities</b>		<b>663.7</b>	<b>737.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,950.2</b>	<b>2,129.0</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.  
The interim condensed consolidated financial statements have not been subject to audit or review.

# Interim condensed consolidated statement of changes in equity

USD million	Other equity						
	Share capital	Share premium	Treasury shares	Other capital reserves	Cumulative translation differences	Retained earnings	Total equity
<b>Balance at 1 January 2022</b>	<b>34.3</b>	<b>1,154.6</b>	<b>-0.9</b>	<b>7.0</b>	<b>-36.8</b>	<b>233.1</b>	<b>1,391.2</b>
Profit for the period	-	-	-	-	-	59.4	59.4
Other comprehensive loss for the period	-	-	-	-	-164.4	-	-164.4
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-164.4</b>	<b>59.4</b>	<b>-105.0</b>
Share-based payments (note 5.1)	-	-	-	0.4	-	-	0.4
<b>Balance at 30 June 2022</b>	<b>34.3</b>	<b>1,154.6</b>	<b>-0.9</b>	<b>7.3</b>	<b>-201.2</b>	<b>292.4</b>	<b>1,286.5</b>

USD million	Other equity						
	Share capital	Share premium	Treasury shares	Other capital reserves	Cumulative translation differences	Retained earnings	Total equity
<b>Balance at 1 January 2021</b>	<b>35.2</b>	<b>1,139.1</b>	<b>-</b>	<b>4.3</b>	<b>20.9</b>	<b>-42.4</b>	<b>1,157.1</b>
Loss for the period	-	-	-	-	-	-17.3	-17.3
Other comprehensive loss for the period	-	-	-	-	-3.8	-	-3.8
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3.8</b>	<b>-17.3</b>	<b>-21.0</b>
Issue of share capital (note 4.1)	0.2	10.7	-	-	-	-	11.0
Exercise of share options (note 4.1)	0.5	-	-	-	-	-	0.5
Share-based payments (note 5.1)	-	-	-	2.4	-	-	2.4
<b>Balance at 30 June 2021</b>	<b>36.0</b>	<b>1,149.9</b>	<b>-</b>	<b>6.7</b>	<b>17.1</b>	<b>-59.7</b>	<b>1,149.9</b>

The exchange differences relate to the translation of results and financial position of subsidiaries as well as the parent company with functional currencies different than USD to the presentation currency. As the group has large net investments in subsidiaries with NOK as functional currency, the depreciation of NOK compared to USD has resulted in negative translation differences being recognized in the first half of 2022 of USD 164.4 million (USD 3.8 million in first half of 2021).

Translation differences related to the translation of the parent company are presented as not reclassifiable to profit or loss, while translation differences related to the translation of foreign operations are presented as reclassifiable to profit or loss in the statement of other comprehensive income.



# Interim condensed consolidated statement of cash flow

		Second quarter		First half	
USD million	Notes	2022	2021	2022	2021
Cash flow from operating activities					
Profit/loss before tax		48.0	-2.2	76.2	-21.8
Adjustments to reconcile profit/loss before tax to net cash flow:					
Depreciation and amortization		13.9	15.0	29.3	29.3
Share-based payment expense	5.1	0.2	0.3	0.4	2.4
Finance income	4.2	-0.1	-0.0	-0.1	-12.9
Finance costs	4.2	24.4	11.4	24.2	18.4
Working capital adjustments:					
Changes in inventories		-5.6	-3.2	-7.5	-2.2
Changes in trade and other receivables		-19.2	-8.9	-46.5	-14.2
Changes in trade and other payables		24.8	6.5	-36.4	4.1
Changes in provisions and other liabilities		-22.4	-0.9	-20.0	25.9
Other items					
Tax paid		-0.0	-	-1.4	-3.1
Net cash flow from operating activities		63.9	18.0	18.1	26.0
Cash flow from investing activities					
Purchase of property, plant and equipment		-1.3	-0.7	-4.4	-1.4
Proceed from sale of property, plant and equipment		-	-	-	-
Purchase of shares in subsidiaries, net of cash		-	-	-	-5.0
Development expenditures	3.1	-8.8	-7.1	-18.5	-11.6
Interest received		0.1	-0.0	0.1	-
Net cash flow from investing activities		-10.0	-7.9	-22.7	-18.0
Cash flow from financing activities					
Proceeds from issuance of equity		-	-	-	11.0
Repayment of short-term debt	4.2	0.1	-	0.1	-
Payments of principal for the lease liability		-1.1	-0.7	-2.1	-1.4
Payments of interest for the lease liability		-0.3	-0.2	-0.5	-0.5
Interest paid	4.2	-2.5	-8.6	-6.9	-16.5
Other financial expenses	4.2	-	-	-0.7	-
Net cash flow from financing activities		-3.8	-9.5	-10.1	-7.4
Net change in cash and cash equivalents		50.1	0.6	-14.7	0.6
Effect of change in exchange rate		-14.0	-0.1	-12.9	-0.1
Cash and cash equivalents, beginning of period		83.1	50.1	146.9	50.1
Cash and cash equivalents, end of period		119.2	50.7	119.2	50.7

# Notes to the interim condensed consolidated financial statements

## Note 1 Background

### 1.1 Corporate information

The unaudited interim condensed consolidated financial statements of AutoStore Holdings Ltd. ("AutoStore group", "the company" or "the group") for the six months ended 30 June 2022 were authorized for issue by the Board of Directors on 17 August 2022. AutoStore Holdings Ltd. has shares traded on Oslo Børs, with the ticker symbol AUTO. AutoStore Holdings Ltd. was incorporated in Bermuda on 31 August 2021, and became the parent company of the group as a consequence of an internal reorganization prior to listing on Oslo Børs in October 2021. The company's registered office is located at Park Place, 55 Par La Ville Road, Third Floor, Hamilton HM11, Bermuda. The group's corporate headquarter is located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway.

The establishment of AutoStore Holdings Ltd. as the new parent company of the group was accounted for as a continuity of the old group, hence, comparative figures presented for the group as of the second quarter of 2021 are based on historical figures of the former Automate Holdings S.à r.l group. Reference is made to note 1.4 in the group's consolidated financial statements for the year ended 31 December 2021 for further description of the reorganization and related accounting treatment.

Reference is made to note 6.1 in the group's consolidated financial statements for the year ended 31 December 2021 for a list of subsidiaries, where the largest entity in the group is AutoStore AS, registered in Norway. In April 2022, AutoStore announced the opening of a new office in Singapore.

### 1.2 Basis of preparation

The unaudited interim condensed consolidated financial statements for the three months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by The European Union ("EU") and additional requirements in the Norwegian Securities Trading Act.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's consolidated financial statements for the year ended 31 December 2021 (AutoStore Holdings Ltd.'s consolidated financial statements).

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's consolidated financial statements for the year ended 31 December 2021.

All figures are presented in millions (000,000), except when otherwise indicated. Information presented in the interim condensed consolidated financial statements and notes may thus not add due to rounding. The statement of comprehensive

income/gains is presented as positive amounts while expenses/costs are presented as negative amounts.

#### Business impact of the Russian invasion of Ukraine

In light of the the ongoing war, AutoStore has halted all sales activities to companies in Russia and stopped all marketing activities and other initiatives directed at the Russian market.

In general, AutoStore expects a very limited direct impact on operations from the invasion. Sales activity has been low in the involved countries, and AutoStore does not expect this to change in the upcoming period. AutoStore does not have any employees in these countries.

As regards its supply chain, AutoStore does not source any materials directly from suppliers in Ukraine or Russia. However, it expects to see some indirect effects related to sub-suppliers, especially regarding aluminum – a key input factor in the AutoStore grid. Overall, the aluminum market was constrained prior to the invasion, largely due to high European energy prices. The invasion has put further pressure on the energy market. In addition, Russia is a global supplier of raw materials used in aluminum production, and the global supply and price of aluminum may thus also be affected. Overall, AutoStore expects these factors to have an impact on the cost of AutoStore grid parts.

#### Climate change

As a manufacturing business, AutoStore's business activities have both direct and indirect environmental impacts. The group's main impact on the environment is through the use of raw materials, waste generation and energy use. To mitigate the group's environmental footprint, environmental precautions are considered throughout the production and distribution chain, from raw material production to distribution and sale. The company is continuously working to reduce the overall environmental footprint of its operations.

The group assesses where climate risks could have a significant impact on its financial statements and related estimates, and pays special attention to the possible future introduction of environmental regulation which could potentially increase future production costs. If the group is not able to increase its energy efficiency or adjust prices to address any increased production costs accordingly, the group's future margins may decrease. Such potential impacts of climate change are continuously considered in the cash flow forecasts in assessing value-in-use amounts. However, as of 30 June 2022, climate risk is not expected to have any significant impact on the group's assets or liabilities.

### 1.3 New and amended standards and interpretations

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations apply for the first time in 2022, but do not have a material impact on the unaudited interim condensed consolidated financial statements of the group:

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IFRS 9 – Fees in the '10 percent' test for derecognition of financial liabilities
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract
- IFRS 17 Insurance Contracts
- Amendments to IFRS 1 – Subsidiary as a first-time adopter
- Amendments to IAS 41 – Taxation in fair value measurements

### 1.4 Significant judgments, estimates and assumptions

The accounting policies applied by management which include a significant degree of judgment, estimates and assumptions that may have the most significant effect on the amounts recognized in the unaudited interim condensed consolidated financial statements are summarized below:

#### Estimates and assumptions:

- Impairment testing of goodwill and other intangibles (note 3.1)
- Useful lives of intangible assets (note 3.1)
- Share-based payments (note 5.1)

#### Accounting judgments:

- Capitalization of development costs (note 3.1)

Reference is made to the group's annual financial statements for further descriptions.

## Note 2 Operating performance

### 2.1 Revenue from contracts with customers

The group's revenue<sup>2</sup> from contracts with customers has been disaggregated and presented in the tables below:

USD million	Second quarter		First half	
	2022	2021	2022	2021
<b>Major products and services</b>				
AutoStore system	165.2	84.6	287.7	148.2
Rendering of services	0.1	0.1	0.6	0.2
<b>Total revenue<sup>2</sup></b>	<b>165.3</b>	<b>84.8</b>	<b>288.3</b>	<b>148.4</b>
<b>Geographic information</b>				
Norway	4.6	7.5	9.3	10.1
Rest of Nordics	29.3	6.6	59.8	21.0
Germany	25.2	18.6	50.9	30.8
Europe, excl. Nordics and Germany	35.1	24.8	58.1	31.3
USA	63.1	19.6	89.9	45.0
Asia	5.3	6.9	15.6	9.0
Other	2.7	0.8	4.7	1.2
<b>Total revenue<sup>2</sup></b>	<b>165.3</b>	<b>84.8</b>	<b>288.3</b>	<b>148.4</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	162.0	82.7	280.7	144.3
Goods and services transferred over time	3.3	2.1	7.6	4.1
<b>Total revenue<sup>2</sup></b>	<b>165.3</b>	<b>84.8</b>	<b>288.3</b>	<b>148.4</b>

<sup>2</sup> Includes revenue, excl. other operating income.

## 2.2 Segment information

The chief operating decision maker (CODM) of the AutoStore group, which is defined as the Board, monitors the operating results of the group as one business unit for the purpose of making decisions about resource allocation and performance assessment, hence only one segment is reported. Segment performance is

evaluated with main focus based on total revenue, gross margin and EBITDA. Total revenue is measured consistently with the total of revenue and other operating income in the unaudited interim condensed consolidated statement of comprehensive income, while gross margin and EBITDA are defined below.

USD million	Second quarter		First half	
	2022	2021	2022	2021
Revenue	165.3	84.8	288.3	148.4
Other operating income	0.3	0.8	0.3	1.3
<b>Total revenue and other operating income</b>	<b>165.6</b>	<b>85.5</b>	<b>288.6</b>	<b>149.6</b>
Cost of materials	-71.9	-26.8	-117.7	-47.2
<b>Gross margin</b>	<b>93.6</b>	<b>58.7</b>	<b>171.0</b>	<b>102.5</b>
Employee benefit expenses	10.5	-10.1	-1.3	-51.1
Other operating expenses	-18.0	-24.4	-40.1	-38.3
<b>EBITDA</b>	<b>86.2</b>	<b>24.2</b>	<b>129.6</b>	<b>13.1</b>

Employee benefit expenses were significantly reduced due to a reduction of the provision for social security tax on management options following the reduced share price of the company. The reduction of provision gave a reduced cost impact of USD 23.3 million in Q2 2022, resulting in negative employee benefit expenses of USD 10.5 million (10.1) in the period. Employee benefit expenses in Q2 2022 excluding the provision was USD 12.8 million.

Other operating expenses decreased in Q2 2022 compared to Q2 2021 due to a reduction in consulting fees and transaction costs, which were higher than normal in Q2 2021 as a consequence of the SoftBank transaction and IPO preparations. Costs related to the Ocado IP infringement case amounted to USD 6.5 million in Q2 2022 compared to USD 11.1 in Q2 2021.

USD million	Second quarter		First half	
	2022	2021	2022	2021
<b>Profit/loss for the period</b>	<b>37.4</b>	<b>-1.7</b>	<b>59.4</b>	<b>-17.3</b>
Income tax expense	10.6	-0.5	16.8	-4.5
Finance income	-0.1	-0.0	-0.1	-12.9
Finance costs	24.4	11.4	24.2	18.4
Depreciation	1.8	1.1	3.3	2.2
Amortization of intangible assets	12.1	13.8	26.0	27.1
<b>EBITDA</b>	<b>86.2</b>	<b>24.2</b>	<b>129.6</b>	<b>13.1</b>

EBITDA is the group's profit/loss for the period after adding back the income tax expense, finance costs, and depreciation and amortization, and deducting the finance income.



## Note 3 Asset base

### 3.1 Intangible assets

Recognized goodwill of the group is derived from the business combination of AutoStore in 2019 (please refer to the group's consolidated financial statements for the year ended 31 December 2020 for more information). Additionally, USD 9.2 million of new goodwill was recognized in Q1 2021 from the acquisition of Locai (please refer to the group's consolidated financial statements for the year ended 31 December 2021 for more information). No additional goodwill was recognized during the six months ended 30 June 2022.

When THL acquired AutoStore in 2019, the group recognized intangible assets for: Technology, trademarks, patents, and customer relations. Subsequently, the group has recognized intangible assets comprising of internal development projects related to the AutoStore system. Internal developed assets are amortized from the time when the assets are available for use and reclassified to either software and technology or patents. The group started to reclassify development costs to relevant asset classes from 2021. The group has recognized additions of USD 18.5 million for the six months ended 30 June 2022. USD 15.3 million was reclassified to technology.

USD million	Goodwill	Trade- marks	Software and technology	Patent rights	Customer relation- ships	Internal develop- ment	Total
<b>Acquisition cost 31 December 2021</b>	<b>1,224.2</b>	<b>7.2</b>	<b>486.1</b>	<b>95.4</b>	<b>123.2</b>	<b>13.9</b>	<b>1,950.0</b>
Additions through acquisitions	-	-	-	-	-	-	-
Additions	-	-	-	-	-	18.5	18.5
Reclassification	-	-	15.3	-	-	-15.3	-
Currency translation effects	-139.3	-0.1	-54.3	-7.0	-6.6	-1.0	-208.3
<b>Acquisition cost 30 June 2022</b>	<b>1,084.8</b>	<b>7.2</b>	<b>447.1</b>	<b>88.4</b>	<b>116.6</b>	<b>16.0</b>	<b>1,760.1</b>
<b>Accumulated amortization 31 December 2021</b>	<b>-</b>	<b>-</b>	<b>49.3</b>	<b>12.8</b>	<b>59.6</b>	<b>-</b>	<b>121.7</b>
Amortization for the period	-	-	11.3	2.8	11.9	-	26.0
Currency translation effects	-	-	-0.2	-0.1	-0.3	-	-0.6
<b>Accumulated amortization 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>60.4</b>	<b>15.5</b>	<b>71.1</b>	<b>-</b>	<b>147.1</b>
<b>Carrying amount 31 December 2021</b>	<b>1,224.2</b>	<b>7.2</b>	<b>436.7</b>	<b>82.7</b>	<b>63.7</b>	<b>13.9</b>	<b>1,828.2</b>
<b>Carrying amount 30 June 2022</b>	<b>1,084.8</b>	<b>7.2</b>	<b>386.7</b>	<b>72.9</b>	<b>45.5</b>	<b>16.0</b>	<b>1,613.1</b>
Economic life (years)	Indefinite		5-25	13-18	5	-	
Amortization plan	N/A			Straight-line			

The group performed its annual impairment test for goodwill and intangible assets with indefinite lives as of 31 December 2021 and no impairments were made. The group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount were disclosed in the group's consolidated financial statements for the year ended 31 December 2021.

The group considers the relationship between the estimated market capitalization of the group and its book value when reviewing intangible assets with finite useful lives for indicators of impairment. In addition, the group considers factors such as the industry growth, impact of general economic conditions, changes in the technological and legal environment, the group's market share, and performance compared to previous forecasts in this assessment, among other factors. No impairments have been recognized to the group's intangible assets for the six months ended 30 June 2022. The group's shares traded at a Price-to-Book (P/B) level of 3.7 as of 30 June 2022.

## Note 4 Financial instruments and equity

### 4.1 Share capital and shareholder information

#### Issued capital and reserves:

Share capital in AutoStore Holdings Ltd.	Number of shares issued and fully paid	Par value per share (USD) <sup>1</sup>	Financial position (USD)
<b>At 1 January 2021</b>	<b>3,163,317,200</b>	<b>0.01</b>	<b>35,243,583</b>
Share issue at 4 January	9,279,444	0.01	114,100
Share issue at 22 January	9,810,000	0.01	119,270
Share issue at 13 April (exercise of share options)	41,113,780	0.01	489,090
<b>At 30 June 2021</b>	<b>3,223,520,424</b>	<b>0.01</b>	<b>35,966,043</b>
Share issue at 12 October	6,220,005	0.01	71,872
Cancellation of shares at 13 October	-1,200,000	0.01	-13,874
Capital reorganization 14 October	-	-	-3,738,636
Share issue at 14 October (treasury shares)	200,000,000	0.01	2,000,000
<b>At 31 December 2021</b>	<b>3,428,540,429</b>	<b>0.01</b>	<b>34,285,404</b>
<b>At 30 June 2022</b>	<b>3,428,540,429</b>	<b>0.01</b>	<b>34,285,404</b>

<sup>1</sup> Par value per share of Automate Holdings S.à r.l. was EUR 0.01, while par value per share of AutoStore Holdings Ltd. is USD 0.01.

The table above presents the shares in Automate Holdings S.à r.l. until the reorganization on 14 October 2021. From this date, the number of shares and share capital presented, represent the capital of AutoStore Holdings Ltd. AutoStore Holdings Ltd. was incorporated on 31 August 2021 with an initial share capital of USD 100. The above presented shares are issued and fully paid, and include a total of 91,329,579 treasury shares as of 30 June 2022. The authorized share capital of AutoStore Holdings Ltd. is USD 42,500,000, consisting of 4,250,000,000 shares.

Reconciliation of the group's equity is presented in the statement of changes in equity.

## The group's largest shareholders:

Shareholders of the group (AutoStore Holdings Ltd.)	Country	Account type	Total shares	Ownership	Voting rights
The Bank of New York Mellon	United States	Nominee	1,321,877,873	38.6 %	38.6 %
Bank of America, N.A.	United States	Nominee	1,133,350,367	33.1 %	33.1 %
State Street Bank and Trust Comp	United States	Nominee	139,505,762	4.1 %	4.1 %
The Bank of New York Mellon SA/NV	Belgium	Nominee	123,970,423	3.6 %	3.6 %
AutoStore Holdings Ltd.	Norway	Ordinary	91,329,579	2.7 %	2.7 %
Alecta Tjanstepension Omsesidigt	Luxembourg	Ordinary	73,146,350	2.1 %	2.1 %
Folketrygdfondet	Norway	Ordinary	39,301,530	1.1 %	1.1 %
Citibank, N.A.	Ireland	Nominee	37,085,591	1.1 %	1.1 %
State Street Bank and Trust Comp	United States	Nominee	23,677,481	0.7 %	0.7 %
Lyngneset Invest AS	Norway	Ordinary	23,122,055	0.7 %	0.7 %
Brown Brothers Harriman & Co.	United States	Nominee	22,299,803	0.7 %	0.7 %
Sumitomo Mitsui Trust Bank (U.S.A)	United States	Nominee	20,470,722	0.6 %	0.6 %
Citibank, N.A.	Ireland	Nominee	15,049,652	0.4 %	0.4 %
JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	14,990,255	0.4 %	0.4 %
Brown Brothers Harriman & Co.	United States	Nominee	14,389,345	0.4 %	0.4 %
State Street Bank and Trust Comp	United States	Nominee	11,474,651	0.3 %	0.3 %
Jakob Hatteland Holding AS	Norway	Ordinary	10,950,000	0.3 %	0.3 %
JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	10,854,389	0.3 %	0.3 %
Polysys AS	Norway	Ordinary	10,800,000	0.3 %	0.3 %
J.P. Morgan SE	Luxembourg	Nominee	9,902,026	0.3 %	0.3 %
Other shareholders			280,992,575	8.2 %	8.2 %
<b>At 30 June 2022</b>			<b>3,428,540,429</b>	<b>100 %</b>	<b>100 %</b>

The shareholder information is gathered from the VPS share register. The account of The Bank of New York Mellon is controlled by Alpha LP, part of SoftBank Group Corp. The account of Bank of America is controlled by THL Fund VIII. The account of The Bank of New York Mellon SA/NV is controlled EQT.

## Distribution to shareholders

The group did not pay dividends to shareholders during 2021 or the six-month period ended 30 June 2022. There are no proposed dividends as of the date of authorization of this interim report.

## Share price information as of 30 June 2022

Share price at 30 June 2022 (NOK)	14.00
Number of shares	3,428,540,429
<b>Market capitalization at 30 June 2022 (NOK)</b>	<b>47,999,566,006</b>
USD/NOK exchange rate at 30 June 2022	9.96
<b>Market capitalization at 30 June 2022 (USD)</b>	<b>4,817,830,753</b>

	Second quarter		First half	
	2022	2021	2022	2021
Weighted average number of shares				
Weighted average number of ordinary shares for basic EPS	3,428,540,429	3,223,068,624	3,428,540,429	3,201,452,514
Weighted average number of ordinary shares adjusted for the effect of dilution	3,517,284,717	3,223,068,624	3,517,284,717	3,201,452,514

## 4.2 Interest-bearing liabilities

USD million	Interest rate	30 June 2022	31 December 2021
Senior Facilities: Facility B (EUR) <sup>1</sup>	EURIBOR+2.50%	253.4	276.3
Senior Facilities: Facility B (USD) <sup>1</sup>	LIBOR+3.25%	167.0	167.0
Capitalized fees - Facility B		-6.1	-7.7
<b>Total non-current interest-bearing loans and borrowings</b>		<b>414.3</b>	<b>435.6</b>

<sup>1</sup> The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

The Senior Facilities have a maturity until 30 July 2026.

USD million	Interest rate	30 June 2022	31 December 2021
Senior Facilities: Facility B (EUR) <sup>1</sup>	EURIBOR+2.50%	-	0.7
Senior Facilities: Facility B (USD) <sup>1</sup>	LIBOR+3.25%	-	-
<b>Total current interest-bearing loans and borrowings</b>		<b>-</b>	<b>0.7</b>

<sup>1</sup> The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

In November 2021, the group established a new revolving credit facility (RCF) which may be drawn at any time up to USD 150 million. The revolving facility bears interest at a rate of LIBOR +2.00%. The group has not drawn any amounts on the RCF as of 30 June 2022.

Management has assessed that the fair value of interest-bearing loans and borrowings are not significantly different from their carrying amounts.

### Finance income and costs

USD million	Second quarter		First half	
	2022	2021	2022	2021
Finance income	0.1	0.0	0.1	12.9
Finance costs	-24.4	-11.4	-24.2	-18.4
<b>Net finance income/cost</b>	<b>-24.3</b>	<b>-11.4</b>	<b>-24.1</b>	<b>-5.5</b>
Foreign currency gain/loss included above	-22.3	-2.0	-17.1	12.9

Net financial items in Q2 2022 were negative at USD 24.3 million compared to USD 11.4 million in Q2 2021. The main difference relates to an increase in foreign exchange loss from USD 2.0 million in Q2 2021 to USD 22.3 million in Q2 2022. This was partially offset by a reduction in interest expense from USD 8.6 million in Q2 2021 to USD 2.5 million in Q2 2022 as a result of the repayment of loans in Q4 2021 and correspondingly reduced interest rate margins. Total non-current interest-bearing loans and borrowings were USD 682.3 million as of 30 June 2021 compared to USD 414.3 million as of 30 June 2022.

Foreign currency income/cost for the six-month period ended 30 June 2022 are presented net.



## Note 5 Other disclosures

### 5.1 Share-based payments

USD million	Second quarter		First half	
	2022	2021	2022	2021
Expense arising from equity-settled share-based payment transactions	-0.2	-0.3	-0.4	-2.4
<b>Total expense arising from share-based payment transactions</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-2.4</b>

The group recognizes a liability for social security contributions in respect of options to be exercised. The liability is dependent on the number of options that are expected to be exercised. From the end of the vesting period to the date of actual exercise, the liability is adjusted by reference to the current market value of the shares. Social security contribution is calculated for the intrinsic value of the options (share price - strike value) over the vesting period.

Changes in provisions for social security tax (SST) related to the group's share-based payments program were USD -24.2 million (reduction in cost) from 31 December 2021 to 30 June 2022 as a result of a decrease in the company's underlying share price.

#### Movements during the period

The following table illustrates the number of, and movements in, share options during the period:

Number of and movements in share options	First half	
	2022	2021
<b>Outstanding at 1 January</b>	<b>88,744,288</b>	<b>163,338,129</b>
Granted during the period	-	266,529
Forfeited during the period	-	-
Exercised during the period	-	49,884,080
Expired during the period	-	-
<b>Outstanding at 30 June</b>	<b>88,744,288</b>	<b>113,720,578</b>
Exercisable at 30 June	63,691,888	77,552,986

There were no share options granted, forfeited, exercised, or expired during the first half of 2022.

For more information on the share option program, reference is made to the group's consolidated financial statements for the year ended 31 December 2021.

External members of the Board of Directors of AutoStore Holdings Ltd. are partly compensated through option instruments, RSUs (restricted stock options), granted upon the parent company's IPO on 20 October 2021. Vesting period is two years from grant date.

USD 10.5 million in social security tax (SST) payables as of 31 December 2021 were paid during January 2022. For further information, including the weighted average remaining contractual life for the share options outstanding, please see note 7.4 in the group's consolidated financial statements for the year ended 31 December 2021.

The management options were previously granted by Automate Holdings S.à r.l. As part of the internal reorganization of the group in October 2021, options that were not exercised at that date have been rolled over to AutoStore Holdings Ltd. with the same terms and conditions.

On 7 June 2022, the group introduced a new share purchase program for all permanent employees, where more than 145 permanent employees applied for a total of 2,035,330 shares in AutoStore for a purchase price of NOK 16.7. Shares purchased will be subject to a two-year lock-up period. The new share purchase program will be reflected during the next quarter (grant date of issued shares takes place in Q3 2022).

## 5.2 Commitments and contingencies

### Ocado litigation

#### *International Trade Commission (ITC)*

On 13 December 2021, the Chief Administrative Law Judge, Charles Bullock, of the International Trade Commission (ITC) in Washington, D.C., issued an Initial Determination in connection with the action AutoStore brought in October 2020 against Ocado Group Plc. and certain of its affiliates (Ocado). The Initial Determination found, among other things, that despite Ocado's infringement of three patents asserted by AutoStore, those patents were invalid. On 10 March 2022, the Commission affirmed the Initial Determination and terminated the investigation. AutoStore has appealed the Commission's decision. The Commission's decision does not impact AutoStore's ability to sell its products anywhere.

#### *United States District Court for the District of New Hampshire*

On 17 January 2021, Ocado Innovations Ltd. and Ocado Solutions Ltd. filed a complaint for patent infringement against AutoStore AS and AutoStore System Inc. in the United States District Court for the District of New Hampshire, claiming that the AutoStore entities infringe four Ocado patents. On October 6, 2021, Ocado filed another complaint in the United States District Court for the District of New Hampshire, alleging that AutoStore infringes a fifth Ocado patent. The two cases have been consolidated into one case. AutoStore maintains that it does not infringe any of the five patents and that all claims asserted against AutoStore are invalid. The presiding judge has entered orders scheduling the claim construction hearing for 29 September 2022, and the trial for two weeks starting on 5 December 2023.

#### *US Patent Trial and Appeal Board (PTAB) proceedings*

In June 2022, the U.S. Patent Trial and Appeal Board ("PTAB") issued Final Written Decisions in Inter Partes Review proceedings initiated by Ocado that challenged the validity of AutoStore's U.S. Patent Nos. 10,294,025 and 10,474,140. On 1 June, the PTAB upheld the validity of one challenged claim of U.S. Patent No. 10,294,025 and found three claims invalid. On 27 June, the PTAB upheld the validity of all challenged claims of U.S. Patent No. 10,474,140. There are no other pending PTAB proceedings challenging AutoStore patents.

#### *German proceedings*

As of February 2022, all of Ocado's claims against AutoStore in Germany have been stayed pending a determination by the German Patent Office of AutoStore's ongoing challenge to the validity of Ocado's utility model IP rights in its claims. Ocado brought four actions in total against AutoStore in Germany – two in the Munich District Court and two in the Mannheim District Court – seeking to assert two Ocado utility models. Three of those actions were stayed by orders of the German courts and Ocado agreed to a stay on the remaining action. AutoStore has consistently maintained that the Ocado utility models in Germany are invalid, and the company's proceedings in the German Patent Office to invalidate them are ongoing.

### UK proceedings

The first substantive trial of AutoStore's patent infringement claim against Ocado in the UK High Court took place in March/April 2022. The focus of this trial was on three particular patents, known collectively as its "Central Cavity Patents". AutoStore is expecting the judgment from this trial in the third quarter/fourth quarter of 2022. As AutoStore sharpened its infringement action, it also asserted two additional patents against Ocado which will be the subject of a further substantive infringement trial to be heard in April 2023.

## 5.3 Subsequent events

### Long-term incentive plan 2022 grants

On 7 July 2020, the group introduced a new long-term incentive plan ("LTIP") for certain members of the company's management and other leading employees. Under the LTIP, the executives are awarded a conditional grant of share options, performance share units ("PSUs") and/or restricted stock units ("RSUs").

The total number of options that will be awarded under the LTIP for 2022 is 791,241, where each option will give the holder the right to acquire one AutoStore share from the company. The options under the LTIP for 2022 shall vest on 7 July 2025, and can be exercised within 12 months with a strike price of NOK 21.88 per share.

The total number of PSUs that will be awarded under the LTIP for 2022 is 343,217. Vesting of the PSUs is based on the achievement of financial or other performance goals, and may only be vested by the holder upon approval of the board of directors at their sole discretion. Once vested, each PSU will award the holder with one AutoStore share (settled through treasury shares).

The total number of RSUs that will be awarded under the LTIP for 2022 is 739,081. The RSUs are subject to a time-based vesting and shall vest on the date falling 36 months following the date of grant. Once vested, each RSU will award the holder with one AutoStore share (settled through treasury shares).

# Appendices

The background of the page is a dark gray. A thin, light gray diagonal line runs from the bottom left towards the top right. In the bottom left corner, there is a triangular area filled with a pattern of small, light gray dots. A thin, light gray line also runs diagonally from the bottom left towards the top right, parallel to the first line but slightly offset.

# AutoStore in Brief

Founded in 1996, AutoStore is an innovative robotic and software technology company, and the pioneer of cubic storage automation, the densest warehouse order-fulfillment solution available today. The group operates in the rapidly growing warehouse automation industry, and in the even faster growing cube storage segment. AutoStore benefits from a large addressable market of which only 15% of the addressable market is currently being served by automated storage and retrieval solutions.

The company believes its products and services have transformed the automated warehouse sector and defined the automated cube storage segment. In particular, through the products and services AutoStore provides, the company seeks to directly address the challenges facing the rapidly growing e-commerce, retail and logistics industries where the need to automate picking and to streamline processes is critical, of which 90% of such work is currently done manually. Over the course of 25 years of dedicated research and development of standardized modular products, AutoStore has developed proprietary technology incorporating advanced concepts in artificial intelligence, mobility, navigation and storage to build what it believes to be industry-leading cube storage solutions. AutoStore's current suite of products for both its Red Line and Black Line systems comprise a complete goods-to-person system and forms the core of AutoStore's product offering. In addition to revenue generated by installations of AutoStore's systems to new customers, the company generates repeat revenue from the sale of additional systems to existing customers, extension of systems to existing sites, licensing of AutoStore's proprietary technology, sale of spare parts, and the provision of consulting services to customers seeking to maximize the benefits of their AutoStore systems.

The company believes the AutoStore system provides a significant return on investment (ROI) for customers by reducing personnel needs and enabling space saving. Typically, an AutoStore solution provides a payback period of one to three years, calculated based on initial capital expenditure, yearly maintenance fees, expected throughput and yearly labor savings. Certain customers have effectively a zero payback period as a result of the significant space saving the system can provide. This payback period is faster than a typical shuttle system that has a payback period of approximately four to five years. The faster payback primarily results from the fact that AutoStore systems require lower initial capital expenditure and yearly maintenance capital expenditure compared to typical shuttle systems. The ROI calculations do not include the benefits of easy scalability or flexibility of AutoStore systems which results in greater ROI compared to typical shuttle systems in warehouses with complex layouts or those planning to expand.

## Strategy

AutoStore's strategy builds on its competitive strengths and provides a framework for strong growth in the years ahead. The company plans to invent, design, market, and promote innovative technologies and software to expand usage of the AutoStore system in existing and newly addressable markets. The automated storage and retrieval systems (AS/RS) market is

growing rapidly as a result of several underlying global megatrends that are ultimately driven by warehouse owners' demand for automated facilities. The favorable trends driving market growth include growing e-commerce, increasing automation, changing customer demand, and an enhanced sustainability focus. The addressable AS/RS market currently totals approximately USD 230 billion, including approximately USD 160 billion linked to light AS/RS systems – AutoStore's specialism. Approximately 85% of warehouses in the light AS/RS market (USD 135 billion) have yet to be automated, leaving significant room for growth.

AutoStore anticipates that the strategic priorities presented below will bring further growth capacity, shorter delivery times and increased supplier diversification.

Key strategic priorities include:

### Penetrating new markets – including MFCs

AutoStore is focused on strengthening its offering in the micro-fulfillment center (MFC) segment – a key growth area. The company's products and services directly address the evolving demands of the e-commerce industry, specifically the desire for more rapid order fulfillment and delivery. Whereas consumers previously expected delivery within three to five days, delivery times now total one to two days in most cases, and same-day delivery has become standard in the groceries sector. Many retailers are therefore looking to upgrade their e-commerce capabilities with micro-fulfillment capacity to facilitate delivery within hours of order placement.

AutoStore sees its technology as an excellent option for e-commerce MFCs because it significantly increases storage density, improves operating efficiency and reduces order fulfillment times. The company's complete end-to-end solution – from warehouse management system (WMS) software to cubic storage equipment – is the best offering for MFCs in the market, and is suitable for use in both general retail verticals and the grocery MFC segment specifically. The unique features of AutoStore's WMS solution also support multi-warehouse management and the integration of MFCs with centralized fulfillment operations.

For example, using AutoStore, customers can process e-commerce orders in less than 10 minutes and return them to the system for immediate customer collection. AutoStore's MFC solutions also have other clear advantages, such as fully configurable solutions based on standard blocks, allowing easy tailoring of operations on a client-by-client and site-by-site basis, increased order fulfillment volume within a given operational footprint, maximization of on-hand inventory while saving floor space, and enhancement of inventory control of fresh products with limited shelf life.

AutoStore therefore believes it is well-positioned to capitalize on the MFC market and the revenue it generates. The company is focused on developing new automated solutions, including efficient storage of pre-picked orders and customer-facing ports for self-collection of online orders.

## Increasing WMS revenue

The company's warehouse management system (WMS) software, when combined with its cube storage equipment, provides customers with the best end-to-end user experience and functionality of any MFC solution. The WMS application is a cloud-native, multi-tenant platform with a modern and scalable architecture driven by an application programming interface (API). As a result, the WMS application can be configured and integrated with other IT and hardware systems more quickly and efficiently.

This has several key advantages: cost-savings thanks to reduced automation deployment times, a higher level of software reliability and zero operational downtime due to software upgrades, maintenance and support activities. The WMS offers a broad set of capabilities that can be easily configured to support individual end-client and site-specific operational requirements. These include:

- Inventory put away and replenishment task management
- Intelligent MFC order waving and batching
- MFC order pick and pack task management (including exception handling and consolidation)
- MFC order consolidation and dispensing
- Inventory management and control (including a system of record orchestration)
- Labor management
- Analytics
- MFC order management system to assist operations in viewing order status, or canceling orders

AutoStore believes its ability to expand in the MFC market is supported by its established track record, as well as its constant commitment to product innovation.

## Product innovation

Innovation and product improvement are central to AutoStore's strategy, and the company continuously seeks to refine its existing solutions and innovate, not least through ongoing development of its software solutions. AutoStore will continue expanding its research and development (R&D) operations with the aim of providing world-class solutions. The company sees continuous product development and innovation as essential components of past and future growth patterns. For example, the company's R&D focus has driven the Red Line product range to its current fifth-generation design iteration, as well as various software breakthroughs like the AutoStore Router, the Cloud Simulator and expanded WMS capabilities.

## Expanding in APAC and North America

The ability to invent, test and launch new products on an ongoing basis is a major driver of AutoStore's rapid growth in the Asia-Pacific region (APAC) and North America, where the company plans to pursue continued expansion of its operations and customer base.

In each region, AutoStore focuses on tailoring its local go-to-market strategy and adding local supply capacity. The expansion has been driven by an increase in the number of partners and BDMs, and further growth in these key parameters remain a priority.

AutoStore is also benefiting from its relationship with SoftBank, one of its largest shareholders. SoftBank has over 200 portfolio companies and a strong presence in the APAC region. The company's relationship with SoftBank provides a significant opportunity to increase access to APAC customers. In addition, AutoStore's global partnership with SoftBank Robotics – a leading service robotics company – paves the way for significant synergies related to robotic products and artificial intelligence/machine learning (AI/ML) solutions. The company intends to achieve further growth in APAC and North America by leveraging its diverse supplier base and asset-light assembly model (which requires limited investment to increase capacity) to expand local assembly footprints, increase purchase capacity of aluminum and bins, and grow the local supplier base in target regions.

AutoStore believes that expansion in these regions will be driven by the same structural trends as are currently powering demand for automation in other markets where it has an established presence.

## Increasing offerings through M&A

The AutoStore strategy also includes offering proprietary products that the company cannot, or has yet to, produce on its own. AutoStore believes that strategic mergers and acquisitions (M&As) can help improve its product offering and expand its theoretical addressable market (TAM).

AutoStore assesses M&A opportunities based on a set of critical questions:

- Does the opportunity expand the TAM and use cases or strengthen the existing proposition?
- Does the offering integrate with existing products?
- Would in-house development of such a product be more costly and time-consuming?

The company continually scans the market for innovative players and services, and seeks to enhance its own innovation through the purchase of desirable software, technologies and businesses. The company expects horizontal expansion to encompass both software and hardware technology for AutoStore AS/RS systems and/or AutoStore WMS.

In addition to geographic expansion, the company plans to continue expanding its R&D operations in order to further develop and optimize new product innovation, and desires to provide world-class solutions. The company believes that continuous product development and innovation has been central to AutoStore's historical growth and will continue to be essential in the future.

In addition to the company's recent R&D spending and hiring of R&D employees, AutoStore intends to further increase the amount of money spent on R&D and the number of R&D employees hired. The company intends to continue to improve and invest in R&D to make its products more compelling.



# Sustainability at AutoStore

AutoStore is dedicated to operating sustainably, improving working conditions for customer workforces and developing environmentally friendly and energy-efficient solutions. The company's environmental, social and governance initiatives also focus on employee wellbeing, health and safety, and on ensuring that AutoStore's corporate governance activities reflect the group's core values of integrity and responsibility.

The company is continuously working to reduce the overall environmental footprint of both its own activities and those of its customers. AutoStore's systems are highly energy-efficient, and the bins and materials used in AutoStore systems are all recyclable at end of life. Additionally, the storage density of AutoStore's solutions allows storage space to be reduced by up to 75%, thereby reducing emissions linked to electricity consumption, heating and construction.

AutoStore's systems consume 85-90% less energy than competing solutions and manual handling. Further, each of the AutoStore products are made of durable materials ensuring a long lifespan, as evidenced by the fact that none of the AutoStore systems has been removed from production to date. The company is constantly looking for ways to reduce its environmental impact. AutoStore intends to continue improving the energy efficiency of its products and solutions and reducing the environmental footprint of its office locations. AutoStore also plans to make itself accountable for energy consumption occurring outside its organization, thereby facilitating reporting of energy-intensive upstream and downstream activities.

Providing safe and healthy working conditions for its employees is a high priority for AutoStore. The company has a direct and indirect ability and responsibility to minimize health and safety risks through its policies and processes, and by adopting a proactive approach to health and safety in the working environment. AutoStore's health and safety policies and processes are outlined in its Employee Handbook and Code of Conduct. The company continuously seeks to improve health and safety at its office locations and production facility by enforcing regulations and communicating with employees about health and safety risks and hazards.

AutoStore is directly and indirectly exposed to ethical risks through its global business operations. In order to mitigate such risks, the company seeks to ensure that good corporate governance, as well as anti-corruption policies and respect for human rights, are priority areas and followed up on a regular basis. Working with suppliers, customers and employees across borders, AutoStore has a direct and indirect ability and responsibility to make sure that the company maintains a proactive approach to ethics, including assessing operations for risks related to corruption as well as providing sufficient information to and training employees.

AutoStore has zero tolerance for corruption. The company operates in compliance with national and international laws and regulations, including (but not limited to) the Human Rights Act, the Money Laundering Act and the Penal Code with related regulations. The company does not operate in any countries with a higher perceived corruption risk according to the Corruption Perception Index (CPI).

AutoStore's ethical guidelines are described in the company's Code of Conduct, which is the key governing document for everyone who works for or on behalf of AutoStore. The Code of Conduct was updated in 2021, and the company has also implemented a 'read and confirm' option for the new Code of Conduct in the company's HR system.

AutoStore is committed to building a world class workforce and to make sure the company's selection processes actively foster equal opportunities and diversity. The company prohibits discrimination in any form, whether based on political views, union membership, sexual orientation, disability, and/or age. In addition to complying with the Norwegian Working Environment Act, AutoStore also operates in accordance with the Norwegian Gender Equality Act – which protects staff against gender-based discrimination – and the Norwegian Anti-Discrimination Act, which guards against discrimination on the grounds of ethnicity, religion and similar factors.

As a manufacturing business, AutoStore's business activities have both direct and indirect environmental impacts. The company's main environmental impacts are linked to transportation, energy use, business travel, purchased goods and services and waste generation. To mitigate AutoStore's environmental footprint, environmental precautions are considered throughout the production and distribution chain, from raw material production to distribution and sale. The company is continuously working to reduce the overall environmental footprint of its operations. AutoStore started climate accounting in 2021, and a full climate report for 2021 can be found on the company's website.

The company reports on its sustainability work and performance in accordance with the Global Reporting Initiative (GRI). For further information, please refer to the sustainability report 2021 on AutoStore's website.

## Risks and Uncertainty Factors

AutoStore is exposed to risks and uncertainty factors that may affect some or all group activities. The company is exposed to financial, market and operational risks, as well as risks related to technology, implementation and operation of installed systems. A thorough presentation of applicable risks and uncertainty factors can be found in the IPO prospectus from October 2021.

No significant changes have occurred since that date, other than a continued focus on litigation following the ongoing IP infringement case against Ocado and an increased focus on operational supply chain risk as a result of the increased global supply chain issues related to the Russian invasion of Ukraine. Reference is also made to the company's annual report for 2021.

# Alternative Performance Measures (APMs)

In order to enhance investors' understanding of the company's performance, AutoStore presents certain alternative performance measures (APMs) as defined by the European Securities and Markets Authority ("ESMA") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of AutoStore's performance. The company uses the APMs: Adjusted EBIT, adjusted EBITDA, adjusted EBIT margin, adjusted EBITDA margin, EBIT, EBITDA, EBITDA margin, simplified free cash flow, and simplified free cash flow conversion, as further defined below.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of AutoStore's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the company's historical operating results, nor are such measures meant to be predictive of AutoStore's future results. The company believes that the APMs presented herein are commonly reported by companies in the markets in which AutoStore's competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, AutoStore discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the company's ability to service its debt. Because companies calculate the APMs presented herein differently, AutoStore's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The company has presented these APMs because it considers them to be important supplemental measures for prospective investors to understand the overall picture of profit generation in AutoStore's operating activities. Adjustments are non-IFRS financial measures that the group considers to be an APM, and these measures should not be viewed as a substitute for any IFRS financial measures.

The APMs used by AutoStore are set out below (presented in alphabetical order):

- Adjusted EBIT is defined as the profit/(loss) for the year/period before net financial income (expenses) and income tax expense (EBIT) adjusted for certain items affecting comparability and include adjustments for share-based compensation expenses and related payroll taxes, costs incurred in connection with sale and purchase of the group's shares, litigation costs incurred in connection with the Ocado litigation proceedings which mainly are due to the company's use of external legal counsel, fees from terminated agreement related to previous ownership structure for consultation and advisory services regarding strategic and growth initiatives launched following completion of acquisition, cost to external advisors associated with refinancing of the group's debt facilities, and amortization of assets recognized as part of the purchase price allocation ("PPA") made when THL acquired the group from EQT.
- Adjusted EBITDA is defined as the profit/(loss) for the year/period before net financial income (expenses), income tax expense, depreciation and amortization (EBITDA), adjusted for certain items affecting comparability and include adjustments for share-based compensation expenses and related payroll taxes, costs incurred in connection with sale and purchase of the group's shares, litigation costs incurred in connection with the Ocado litigation proceedings which mainly are due to the company's use of external legal counsel, fees from terminated agreement related to previous ownership structure for consultation and advisory services regarding strategic and growth initiatives launched following completion of acquisition, and cost to external advisors associated with refinancing of the group's debt facilities.
- Adjusted EBIT margin is defined as adjusted EBIT as a percentage of revenues.
- Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of revenues.
- EBIT is defined as the profit/(loss) for the year before net financial income (expenses) and income tax expense.
- EBITDA is defined as the profit/(loss) for the year before net financial income (expenses), income tax expense, depreciation and amortization.
- EBITDA margin is defined as EBITDA as a percentage of revenues.
- Simplified free cash flow is defined as adjusted EBITDA less cash CAPEX. Cash CAPEX used herein is cash flow used in purchase of property, plant and equipment and development expenditures.
- Simplified free cash flow conversion is defined as simplified free cash flow divided by adjusted EBITDA.

# Alternative Performance Measures (APMs)

## Adjusted EBIT<sup>1</sup>

USD million	Second quarter		First half	
	2022	2021	2022	2021
<b>EBIT</b>	<b>72.3</b>	<b>9.3</b>	<b>100.3</b>	<b>-16.3</b>
Ocado litigation costs	6.5	11.1	16.4	15.3
Transaction costs	0.0	6.4	1.2	11.5
Option costs	-23.3	0.7	-23.5	34.5
Management fees related to previous ownership structure	-	0.3	-	0.6
PPA amortizations	11.1	12.6	23.0	25.0
<b>Total adjustments</b>	<b>-5.6</b>	<b>31.1</b>	<b>17.1</b>	<b>86.9</b>
<b>Adjusted EBIT<sup>1</sup></b>	<b>66.7</b>	<b>40.4</b>	<b>117.4</b>	<b>70.6</b>
Total revenue and other operating income	165.6	85.5	288.6	149.6
<b>EBIT margin</b>	<b>43.7 %</b>	<b>10.8 %</b>	<b>34.7 %</b>	<b>-10.9 %</b>
<b>Adjusted EBIT margin<sup>1</sup></b>	<b>40.3 %</b>	<b>47.2 %</b>	<b>40.7 %</b>	<b>47.2 %</b>

## Adjusted EBITDA<sup>1</sup>

USD million	Second quarter		First half	
	2022	2021	2022	2021
<b>Profit/loss for the period</b>	<b>37.4</b>	<b>-1.7</b>	<b>59.4</b>	<b>-17.3</b>
Income tax	10.6	-0.5	16.8	-4.5
Net financial items	24.3	11.4	24.1	5.5
<b>EBIT</b>	<b>72.3</b>	<b>9.3</b>	<b>100.3</b>	<b>-16.3</b>
Depreciation	1.8	1.1	3.3	2.2
Amortization of intangible assets	12.1	13.8	26.0	27.1
<b>EBITDA</b>	<b>86.2</b>	<b>24.2</b>	<b>129.6</b>	<b>13.1</b>
Ocado litigation costs	6.5	11.1	16.4	15.3
Transaction costs	0.0	6.4	1.2	11.5
Option costs	-23.3	0.7	-23.5	34.5
Management fees related to previous ownership structure	-	0.3	-	0.6
<b>Total adjustments</b>	<b>-16.7</b>	<b>18.5</b>	<b>-5.9</b>	<b>61.9</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>69.5</b>	<b>42.7</b>	<b>123.7</b>	<b>75.0</b>
Total revenue and other operating income	165.6	85.5	288.6	149.6
<b>EBITDA margin</b>	<b>52.1 %</b>	<b>28.3 %</b>	<b>44.9 %</b>	<b>8.7 %</b>
<b>Adjusted EBITDA margin<sup>1</sup></b>	<b>42.0 %</b>	<b>50.0 %</b>	<b>42.8 %</b>	<b>50.1 %</b>

<sup>1</sup>Please refer to page 27 for explanations on the APM definitions and page 29 for explanations and details on the adjustments.

# Adjustments

Ocado litigation costs	Comprise costs incurred in connection with the Ocado litigation, i.e. costs linked to the company's use of external legal counsel. Adjustments only cover the litigation with Ocado, and adjusted figures therefore exclude all other legal costs. The company has assessed the adjustment item to reduce comparability between historic and future periods, and outside the normal course of the company's business, based on historical events.
Transaction costs	Comprise external costs incurred in connection with the sale and purchase of the group's shares, including the IPO. The company has deemed these costs to constitute a special item, as they fall outside the company's normal course of business.
Option costs	Comprise costs incurred in connection with the management stock option program initiated in 2019. The company has deemed these costs to constitute a special item in terms of their nature and size.
Management fees related to previous ownership structure	Comprise fees under an advisory services agreement regarding strategic and growth initiatives related to the previous ownership structure. The agreement was terminated at the time of the IPO on 20 October 2021, and no further costs will be incurred with respect to this item.
PPA amortizations	Represent amortization of assets recognized as part of the purchase price allocation made when Thomas H. Lee Partners acquired the group from EQT. The company has deemed the transaction to constitute a special item, as it resulted from a change of ownership structure and hence no acquisitions were made by the company itself. No adjustments are made for PPA amortizations resulting from acquisitions through the company.

# Definitions

3PL	Third-Party Logistic
APAC	Asia-Pacific
AS/RS	Automated Storage and Retrieval Systems
BDM	Business Development Managers
CAGR	Compounded Annual Growth Rate
CGUs	Cash Generating Units
Company	AutoStore Holdings Ltd.
EMEA	Europe, the Middle East and Africa. Also includes a minor share of Latin America
HTP	High Throughput Warehouses
IPO	Initial Public Offering
MFC	Micro-Fulfillment Center
NAM	North America
Order backlog	Order backlog is defined as the total value of order intake not yet shipped and for which revenue has not yet been recognized
Order intake	Order intake is defined as value of projects where a distribution partner has received a purchase order or verbal confirmation that a specific installation will be ordered
PPA	Purchase Price Allocations, being the fair value adjustments resulting from business acquisitions where fair values are higher than carrying values of the acquired company
R&D	Research and Development
ROI	Return on Investment
Standard	Standard warehouses
TAM	Total Adressable Market
WMS	Warehouse Management System



AutoStore Holdings Ltd.

Published date: 18 August 2022

Investor Relations  
[info@autostoresystem.com](mailto:info@autostoresystem.com)

+47 527 63 500  
Stokkastrandvegen 85,  
N-5578 Nedre Vats, Norway

The publication can be downloaded  
on [autostoresystem.com](https://autostoresystem.com)