AutoStore

Quarterly report
Q3 2023

Highlights (1/2)

In the third quarter of 2023, AutoStore delivered sequential increase in order intake[3] of 10.9%, bringing the backlog to USD 463.6 million. Revenue was USD 144.7 million, a slight decline of 1.8% YoY. Gross margin of 68.2%, adjusted EBITDA[2] margin of 47.4% as well as solid cash flow conversion[2] of 79.3% continues to demonstrate the strengths and profitability of AutoStore. 2023 revenue guidance updated to around USD 640 million, as certain projects are postponed from 2023 to 2024.

Financial highlights for the third quarter of 2023

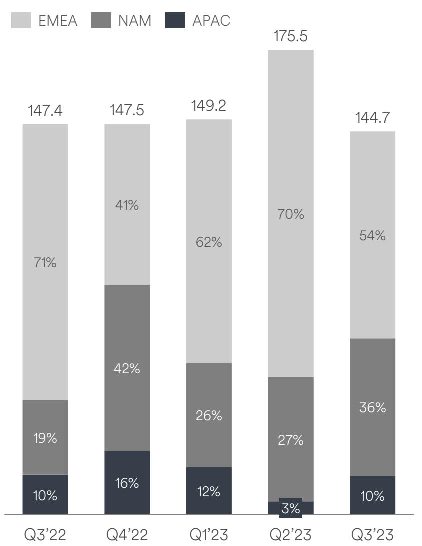
- Revenue[1] in the third quarter of 2023 totaled USD 144.7 million (147.4), down 1.8% YoY. The company continued to deliver growth in NAM with a YoY growth of 83.8%, while EMEA and APAC declined 24.9% and 3.5%, respectively. The decline in EMEA was primarily a consequence of the timing of project deliveries.
- Gross margin increased by 13.8 pp. YoY to 68.2% (54.3%), successfully returning to a sustainable strong level, following strategic pricing actions together with more favorable grid and robot costs.
- Reported EBIT in the period ended at USD 61.7 million (35.5).
- Adjusted EBITDA[2] was USD 68.6 million (54.9) while the corresponding adjusted EBITDA margin[2] was 47.4% (37.2%), up 10.2 pp. YoY, driven by improved gross margin.
- Simplified free cash flow[2] was USD 54.4 million (48.4), resulting in a cash flow conversion[2] of 79.3% (88.2%).

Financial highlights YTD 2023

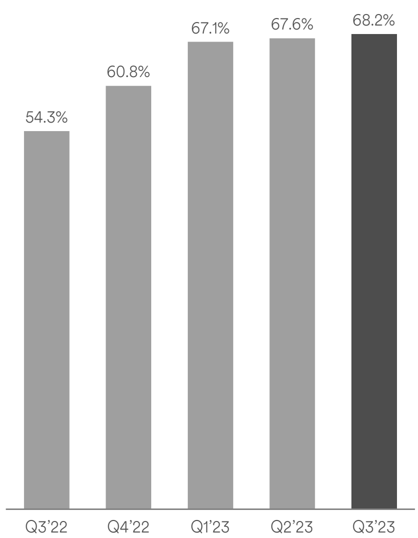
- Revenue[1] YTD 2023 amounted to USD 469.3 million (436.0), representing growth of 7.6% YoY.
- Gross margin improved by 10.0 pp. from 57.6% to 67.6%.
- Reported EBIT ended at USD -76.7 million (135.8), primarily explained by an expense of GBP 200 million (USD 239.0 million) related to the settlement of all claims in the global patent dispute with Ocado Group recognized in Q2. Please see note 4.2 and 5.2 for additional information.
- Adjusted EBITDA[2] ended at USD 224.1 million (178.5), representing an adjusted EBITDA margin[2] of 47.7% (40.9%). The YoY margin increase was primarily linked to improved gross margin.
- Simplified free cash flow[2] totaled USD 185.8 million (149.2), resulting in cash flow conversion[2] of 82.9% (83.6%).

	Third quarter			YTD		
USD million	**2023**	**2022**	**Δ in %**	**2023**	**2022**	**Δ in %**
Revenue[1]	144.7	147.4	-1.8 %	469.3	436.0	7.6 %
Gross profit	98.6	80.1	23.2 %	317.3	251.1	26.4 %
Gross margin	68.2%	54.3 %	13.8 pp.	67.6 %	57.6 %	10.0 pp.
EBIT	61.7	35.5	73.7 %	-76.7	135.8	-156.5 %
Adjusted EBITDA[2]	68.6	54.9	25.0 %	224.1	178.5	25.5 %
Adjusted EBITDA margin[2] (%)	47.4 %	37.2 %	10.2 pp.	47.7 %	40.9 %	6.8 pp.
Adjusted EBIT[2]	62.3	51.5	20.9 %	208.4	168.7	23.5 %
Adjusted EBIT margin[2] (%)	43.1 %	34.9 %	8.1 pp.	44.4 %	38.7 %	5.7 pp.
Simplified free cash flow[2]	54.4	48.4	12.4 %	185.8	149.2	24.6 %
Cash flow conversion[2] (%)	79.3 %	88.2 %	-8.9 pp.	82.9 %	83.6 %	-0.7 pp.
Order intake[3]	151.7	155.2	-2.3 %	452.8	477.1	-5.1 %

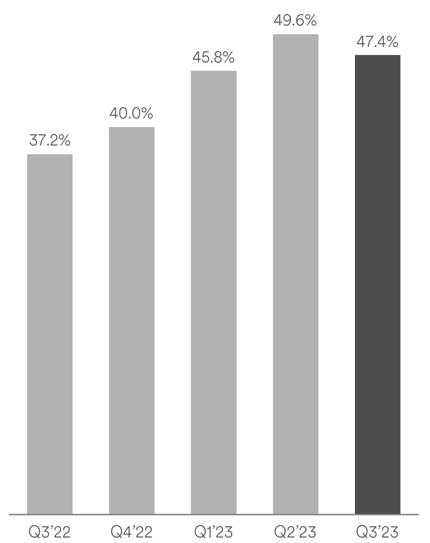
Revenue[1] by region
USD million



Gross margin



Adjusted EBITDA margin[2]



[1] Revenue and other operating income.
[2] Please see the APM section for further explanations and details on APM measures.
[3] 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.

Highlights (2/2)

Sales KPIs

● Order intake[3] sequentially improved by 10.9% to USD 151.7 million, bringing the backlog[4] to USD 463.6 million.

Operational highlights

● AutoStore released R5 Pro™ Robot, which provides up to 18% higher throughput per robot.

● AutoStore implemented a general price increase of 9% and removed the grid surcharge, yielding a net price increase of 3%, effective from December 1, 2023.

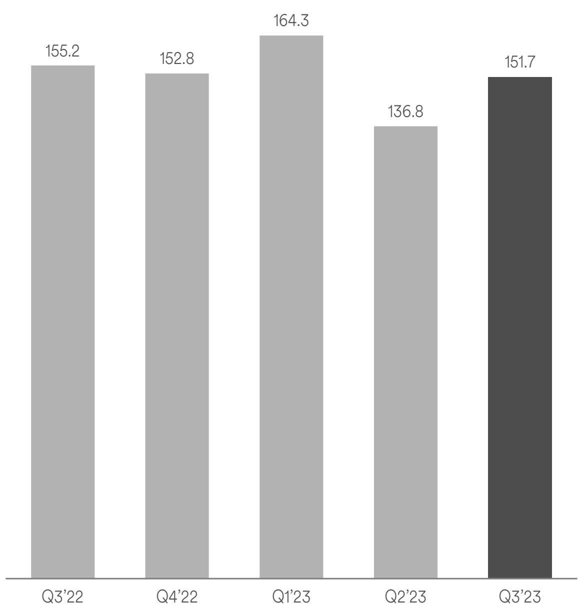
● On 22 July, 2023 AutoStore and Ocado Group announced a complete settlement of all claims between the companies in their global patent dispute avoiding further litigations and associated costs. Please see note 4.2 and 5.2 for additional information.

Subsequent events

● Paul Harrison, new CFO, joined AutoStore on 30 October, 2023.

Order intake[3]

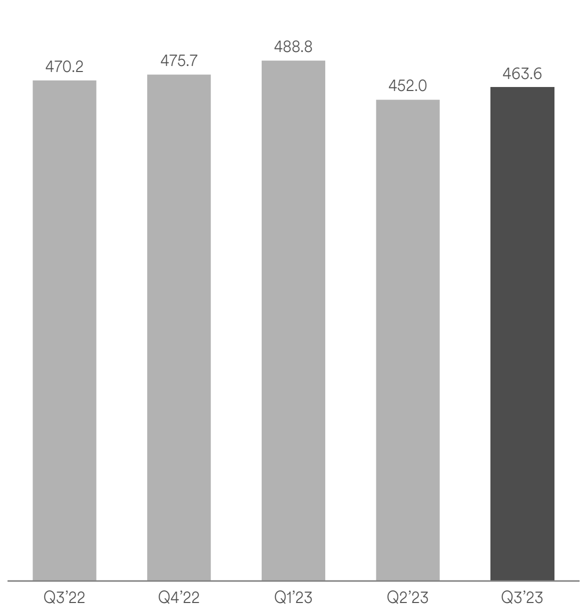
USD million



[3] 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.

Order backlog[4] development

USD million



[4] Order backlog is defined as the total value of order intake not yet shipped and for which revenue has not yet been recognized.

Letter from the CEO

In the third quarter, AutoStore reported revenue of USD 144.7 million (147.4) and achieved a gross margin of 68.2%, a substantial increase of 14 pp. year-over-year. Adjusted EBITDA margin was 47.4%, versus 37.2% in the prior year quarter, demonstrating the strength and profitability of AutoStore's business model. Order intake of USD 151.7 million represents an 11% sequential increase and brought our backlog to USD 463.6 million. Due to timing changes in our backlog, we update our 2023 revenue guidance to around USD 640 million.

Through decades of innovation and consistent execution of our growth strategy, we have established a position as a global leader in the warehouse automation market. Our technology and proprietary software provide best-in-class reliability and customer ROI, protected by an extensive patent portfolio. The standardization and modularity of our solution provides efficiency and scalability, enabling us to serve a broad range of new and existing customers across a wide spectrum of end markets on a global basis. The combination of these factors, together with our unique partner based go-to-market model, allows for unparalleled market access, scalability, and industry leading financial performance. We are demonstrating the capabilities of AutoStore's standardized, scalable and adaptable warehouse solution by supporting customers such as DHL increase their global warehouse productivity by 5x[1].

Sequential growth in order intake, 2023 revenue outlook affected by project execution postponement
In the third quarter, we continued to see a high level of activity when measured in the number of opportunities we worked on and the number of offers we submitted across our network. Despite continued extended decision making cycles, order intake remained robust at USD 151.7 million, sequentially up 11%. The vast majority of orders were related to automation of existing warehouses (brownfield), whereas a smaller share was related to new builds (greenfield). The order intake was roughly evenly split between new and existing customers.

While we continue to see a strong order book, we have experienced certain project postponements from 2023 to 2024. Due to these timing changes in our backlog, we are updating our 2023 revenue guidance to around USD 640 million. This implies a growth of 10% compared to last year, despite facing a decline in the global warehouse automation market in 2023[2]. This means that we continue to capture market share.

Robust long-term fundamentals and continued focus on innovation
We remain optimistic about the future. AutoStore is the leading global player in the market, with the only proven and scalable solution, driving a best-in-class financial profile. Secular drivers including increased warehouse automation and high demand for fast and efficient cubic storage remain strong. Our team continuously develops innovative solutions and offerings, reinforcing our product and technology leadership. A great example is our newly launched R5 Pro™ Robot, which provides up to 18% higher throughput per robot. Its improved battery and charging time considerably increases our competitive advantage within very large sites.

Summing up, we are highly confident in the tremendous potential in the warehouse automation market when taking a medium- and long-term perspective. The market penetration is still low, and I am equally confident in AutoStore's ability to grow market share based on our strong competitive position, leading product portfolio, efficient operating model, and broad market reach.

Mats Hovland Vikse
Mats Hovland Vikse,
CEO

[1] Source: Markus Voss, Global CIO & COO of DHL Supply Chain in AutoStore Q3 2023 presentation video.
[2] Source: Interact Analysis, November 2023.

Financial developments[1,3]

Results for the period

Third quarter of 2023

AutoStore reported total revenue (including other operating income) of USD 144.7 million (147.4), representing a YoY reduction of 1.8%.

Cost of materials was reduced from USD 67.3 million in the third quarter of 2022 to USD 46.0 million in the third quarter of 2023. The reduction was primarily a result of lower grid and robot costs.

Employee benefit expenses in the third quarter of 2023 remained at the same level as in the corresponding quarter, USD 12.9 million (12.6). In both periods the expense was below normal levels, influenced by a reduction in the provision for social security tax on management options in response to a reduction in the company's share price. AutoStore treats option costs as an adjustment item, and in the third quarter of 2023 the related adjustment for management option costs totaled USD -3.7 million (-1.9). Please see the APM section on page 24 for further details. Excluding adjustment items, employee benefit expenses amounted to USD 16.6 million (14.6). The increase was primarily driven by increased headcount related to R&D and sales functions.

In the third quarter of 2023, other operating expenses decreased to USD 7.7 million, down from USD 17.8 million in the same period in 2022. The decrease was mainly a result of a change in the accounting estimate related to the calculation of the obligation to Ocado Group of USD -7.9 million. Please see note 4.2 and 5.2 for additional information. The group treats litigation costs as an adjustment item. Please see the APM section on page 24 for further details. Excluding the adjustment items, other operating expenses increased to USD 13.4 million (10.8) in the third quarter of 2023. The development in other operating expenses was primarily a result of continued operational expansion and increased marketing activities, which in turn will support the company's long-term development.

Reported EBITDA was USD 78.1 million (49.7), corresponding to an EBITDA margin of 54.0% (33.7%). Adjusted EBITDA[2] and the adjusted EBITDA margin[2] were USD 68.6 million (54.9) and 47.4% (37.2%), respectively. The increase in reported EBITDA was primarily a result of the change in the accounting estimate related to the Ocado obligation and improved gross margin. The increase in adjusted EBITDA[2] was primarily a result of improved gross margin. The adjusted EBITDA margin[2] was down 2.2 pp. sequentially, primarily due to a reduction in revenue compared to the second quarter of 2023.

AutoStore reported USD 2.9 million (1.7) in depreciation and USD 13.5 million (12.4) in amortization of intangible assets. Amortization of intangible assets relates primarily to the purchase price allocation made when Thomas H. Lee Partners (THL) acquired the group.

Reported EBIT ended at USD 61.7 million (35.5), while adjusted EBIT[2] totaled USD 62.3 million (51.5).

Finance income was USD 21.1 million (1.0), while finance cost was USD 12.2 million (19.1). The increase in finance income was mainly a result of foreign exchange gains of USD 19.5 million in the third quarter of 2023, compared to a foreign exchange loss affecting finance cost of USD 11.2 million in the third quarter of 2022. As a result, there is a decrease in finance cost in the third quarter of 2023. The reduction in finance cost was offset by increased interest expenses related to the group's long-term debt, which totaled USD 7.3 million (5.8) in the third quarter of 2023.

The profit before tax in the third quarter of 2023 was USD 70.6 million (17.5), which resulted in a tax expense of USD 15.6 (3.9). The profit after tax was USD 55.0 million (13.6) and basic earnings per share ended at 0.016 (0.004).

YTD 2023

Total revenue (including other operating income) was USD 469.3 million (436.0), representing a YoY growth of 7.6%.

Cost of materials ended at USD 152.0 million (185.0). The reduction was primarily a result of lower grid and robot costs.

AutoStore reported employee benefit expenses of USD 53.8 million (13.9). The YoY increase was attributable to two main factors: Firstly, the expense YTD 2022 was unusually low due to a reduction in the provision for social security tax on management options following the reduced share price for the company. Secondly, an increase in the number of employees contributed to higher expenses during 2023.

Other operating expenses amounted to USD 294.2 million (57.9). The increase was mainly attributable to expenses related to the Ocado Group settlement and legal fees recorded in the second quarter. Please see note 4.2 and 5.2 for additional information. The group treats litigation costs as an adjustment item. Please see the APM section on page 24 for further details. Excluding the adjustment items, other operating expenses amounted to USD 41.7 million (34.5). The increase was primarily driven by operational expansion and increased marketing activity.

Reported EBITDA ended at USD -30.7 million (179.2) with an EBITDA margin of -6.5% (41.1%), while adjusted EBITDA[2] and the adjusted EBITDA margin[2] were USD 224.1 (178.5) and 47.7% (40.9%), respectively. The decrease in reported EBITDA was primarily a result of expenses related to the settlement of the patent dispute with Ocado Group, whereas the increase in adjusted EBITDA[2] primarily was a result of improved gross margin.

Depreciation amounted to USD 7.7 million (5.0), while amortization of intangible assets totaled USD 38.3 million (38.4).

Finance income was USD 12.9 million (1.1), while finance cost totaled USD 33.1 million (43.4). The YoY increase in finance income was a result of foreign exchange gains of USD 4.2 million (0.0) and increased interest earned on the group's financial deposits, USD 8.7 million (1.1). The decrease in finance cost was driven by foreign exchange losses of USD 28.3 million recognized in the comparison period. Increased interest on the group's long-term debt of USD 26.2 million (12.6) in the current period, had the opposite effect.

The loss before tax was USD -96.9 million (93.7), which resulted in a tax income of USD 23.6 (-20.8). The loss after tax was USD -73.3 million (72.9) and basic earnings per share ended at USD -0.022 (0.021).

[1] The interim condensed consolidated financial statements have not been subject to audit or review.

[2] Please see the APM section for further explanations and details on APM measures.

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

Profit for the period	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
Revenue and other operating income	144.7	147.4	469.3	436.0
Cost of materials	-46.0	-67.3	-152.0	-185.0
Employee benefit expenses	-12.9	-12.6	-53.8	-13.9
Other operating expenses	-7.7	-17.8	-294.2	-57.9
EBITDA	**78.1**	**49.7**	**-30.7**	**179.2**
Adjusted EBITDA[2]	**68.6**	**54.9**	**224.1**	**178.5**
Depreciation	-2.9	-1.7	-7.7	-5.0
Amortization of intangible assets	-13.5	-12.4	-38.3	-38.4
EBIT	**61.7**	**35.5**	**-76.7**	**135.8**
Adjusted EBIT[2]	**62.3**	**51.5**	**208.4**	**168.7**
Finance income	21.1	1.0	12.9	1.1
Finance costs	-12.2	-19.1	-33.1	-43.3
Profit/loss before tax	**70.6**	**17.5**	**-96.9**	**93.7**
Income tax expense	-15.6	-3.9	23.6	-20.8
Profit/loss for the period	**55.0**	**13.6**	**-73.3**	**72.9**

Cash flow

Third quarter of 2023

AutoStore generated a positive cash flow of USD 19.5 million (49.2) from operating activities in the third quarter of 2023. The reduction from the corresponding period was primarily a result of cash outflows of USD 31.4 million related to the settlement with Ocado Group and USD 8.5 million related to Ocado Group's legal fees from the UK High Court hearing. Despite this, the company generated positive cash flow from operating activities which was driven by a positive EBITDA contribution. Please see note 4.2 and 5.2 for additional information about the settlement with Ocado Group.

Cash flow from investing activities amounted to USD -12.6 million (-4.7). The cash outflows comprised of USD -5.1 million (-1.2) from purchase of property, plant and equipment and intangible assets, and USD -9.1 million (-5.3) related to development expenditures. The increase in capital expenditures for property, plant and equipment was primarily due to capitalization of assets related to a pay-per-pick project. The increase in development expenditures was primarily linked to higher activity in the R&D department this quarter. These effects were partly offset by positive cash flows from interest on bank deposits of USD 1.6 million (1.8).

Cash flow from financing activities was USD -7.6 million (-2.9). The cash outflows primarily consisted of interest amounting to USD 7.1 million (4.1), related to the group's long-term debt.

The cash flow statement was also affected by the translation into USD of cash held in other currencies.

The group held USD 260.7 million in cash as at 30 September 2023, up from USD 147.3 million as at 30 September 2022.

YTD 2023

The cash flow from operating activities YTD 2023 was USD 139.7 million (67.3). Despite payments made to Ocado Group in the third quarter of 2023, the group maintained a positive cash flow from operating activities. Please see note 4.2 and 5.2 for additional information about the settlement with Ocado Group.

Cash flow from investing activities was USD -29.5 million compared to USD -27.4 million in the corresponding period of 2022. The increase was primarily a result of increased interest received on bank deposits, offset by higher disbursements related to purchase of property, plant and equipment. YTD 2023 there was a minor decrease in the cash outflows related to development expenditures. This was primarily related to currency exchange rate fluctuations and capitalization of one-off effects in the comparative period. Overall, the R&D activity increased compared to 2022.

Cash flow from financing activities was USD -29.0 million (-13.0). The increase from the corresponding period was primarily caused by higher market interest rates related to the company's senior debt.

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

Cash flow	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
Cash flow from operating activities	19.5	49.2	139.7	67.3
Cash flow from investing activities	-12.6	-4.7	-29.5	-27.4
Cash flow from financing activities	-7.6	-2.9	-29.0	-13.0
Net change in cash and cash equivalents	**-0.8**	**41.7**	**81.1**	**26.9**
Cash and cash equivalents, beginning of period	261.0	119.2	174.8	146.9
Effect of change in exchange rate	0.5	-13.6	4.7	-26.4
Cash and cash equivalents, end of period	**260.7**	**147.3**	**260.7**	**147.3**

[2] Please see the APM section for further explanations and details on APM measures.

Financial position

The group's total assets as at 30 September 2023 were USD 2,046.2 million, up from USD 2,041.0 million as at 31 December 2022. Intangible assets and goodwill amounted to USD 475.8 million (524.6) and USD 1,018.1 million (1,096.4), respectively. The reduction in goodwill was attributable to currency translation effects.

Current assets increased from USD 368.3 million as at 31 December 2022 to USD 468.7 million as at 30 September 2023. The increase was mainly attributable to an increase in the cash reserve from USD 174.8 million to USD 260.7 million. Inventory decreased to USD 79.6 million (83.5), while trade receivables and other receivables ended at USD 108.6 million (90.0) and USD 19.8 million (20.0), respectively. The increase in trade receivables was linked to timing effects of payments.

Equity decreased from USD 1,347.8 million as at 31 December 2022 to USD 1,178.1 million as at 30 September 2023. The reduction primarily reflects the effect of the expense related to the settlement of claims in the global patent dispute with Ocado Group and negative exchange rate differences linked to the translation of results and the financial position of subsidiaries and the parent company from other currencies into USD.

Current liabilities increased to USD 244.0 (134.9) million as at 30 September 2023. The increase was primarily due to a current liability of USD 116.4 million, which was recognized in relation to the settlement of all claims in the patent dispute with Ocado Group.

Total non-current liabilities increased from 31 December 2022 to 30 September 2023, from USD 558.2 million to USD 624.1 million. The increase was mainly a result of a non-current liability of USD 81.2 million recognized in relation to the settlement of all claims in the patent dispute with Ocado Group. In addition, non-current lease liabilities increased to USD 47.0 million (28.9) primarily as a result of the new assembly facility in Thailand. These effects were offset by a USD 29.0 million reduction in the deferred tax liability, which mainly occurred as a consequence of the positive tax income.

USD million	30 September 2023	31 December 2022
Goodwill	1,018.1	1,096.4
Intangible assets	475.8	524.6
Other	83.5	51.7
Total non-current assets	**1,577.3**	**1,672.6**
Total current assets	**468.7**	**368.3**
Total assets	**2,046.2**	**2,041.0**
Total equity	**1,178.1**	**1,347.8**
Non-current interest-bearing liabilities	421.8	421.8
Other non-current liabilities[1]	202.3	136.5
Current liabilities	244.0	134.9
Total liabilities	**868.1**	**693.2**
Total equity and liabilities	**2,046.2**	**2,041.0**

[1] Includes all non-current liabilities, except for non-current interest bearing liabilities.

Operational highlights

● AutoStore released R5 Pro™ Robot, which provides up to 18% higher throughput per robot. This new robotic solution is designed to address the specific demands of large-scale e-commerce operations, emphasizing better space usage, higher performance, and reduced total ownership costs for companies running multishift operations at scale. The R5 Pro™ provides a critical advantage in meeting heightened peak-season demands due to its extended battery life and rapidly charging LTO battery.

● AutoStore implemented a general price increase of 9% and removed the grid surcharge, yielding a net price increase of 3%, effective from December 1, 2023.

● On 22 July, 2023 AutoStore and Ocado Group announced a complete settlement of all claims between the companies in their global patent dispute avoiding further litigations and associated costs. Please see note 4.2 and 5.2 for additional information.

Subsequent events

● Paul Harrison joined AutoStore as the company's new CFO on 30 October, 2023. Paul has over 20 years of experience in finance leadership roles including 17 years as the CFO of successful FTSE 100 technology businesses. His most recent roles include serving as COO of Ascential plc and as CFO of Just Eat plc. Between 2000 and 2013 he served as the CFO of The Sage Group plc.

Outlook

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

AutoStore’s innovative warehouse solutions facilitate space saving, boost performance and reduce labor and energy costs for customers. Global megatrends such as e-commerce and automation, changing consumer demand, the emergence of micro-fulfillment centers and a general need for more sustainable and energy-efficient solutions constitute a strong platform for accelerating growth.

While supply chain challenges and increased cost inflation impacted the business in 2022, the company adopted mitigating measures, which have successfully improved the gross margin. In the third quarter of 2023, the adjusted EBITDA margin was for the second sequential quarter back to historical and industry leading levels of around 50%, driven by operational leverage. The company’s ability to provide best-in-class reliability and customer ROI, coupled with its standardized, modular solutions provide efficiency and scalability. These attributes combined with the unique go-to-market model yield a high growth, high margin business model.

While we continue to see a strong order book, we have experienced certain project postponements from 2023 to 2024. Due to these timing changes in our backlog, we are updating our 2023 revenue guidance to around USD 640 million, indicating a growth rate of around 10% for the year. This compares to a negative development for the market as a whole[1], which means that we continue to gain market share.

[1] Source: Interact Analysis, November 2023

Interim condensed consolidated financial information

Interim condensed consolidated statement of comprehensive income

		Third quarter		YTD	
USD million	Notes	2023	2022	2023	2022
Revenue	2.1	145.2	149.1	470.2	437.5
Other operating income		-0.5	-1.8	-0.9	-1.4
Total revenue and other operating income		**144.7**	**147.4**	**469.3**	**436.0**
Cost of materials		-46.0	-67.3	-152.0	-185.0
Employee benefit expenses		-12.9	-12.6	-53.8	-13.9
Other operating expenses	4.2	-7.7	-17.8	-294.2	-57.9
Depreciation		-2.9	-1.7	-7.7	-5.0
Amortization of intangible assets	3.1	-13.5	-12.4	-38.3	-38.4
Operating profit/loss		**61.7**	**35.5**	**-76.7**	**135.8**
Finance income	4.2	21.1	1.0	12.9	1.1
Finance costs	4.2	-12.2	-19.1	-33.1	-43.3
Profit/loss before tax		**70.6**	**17.5**	**-96.9**	**93.7**
Income tax expense		-15.6	-3.9	23.6	-20.8
Profit/loss for the period		**55.0**	**13.6**	**-73.3**	**72.9**
Other comprehensive income/loss					
Items that subsequently will not be reclassified to profit or loss:					
Exchange differences on translation of parent company		3.5	-22.2	-20.0	-56.4
Total items that will not be reclassified to profit or loss		**3.5**	**-22.2**	**-20.0**	**-56.4**
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		6.2	-85.4	-81.5	-215.5
Total items that may be reclassified to profit or loss		6.2	-85.4	-81.5	-215.5
Other comprehensive income/loss for the period		**9.7**	**-107.5**	**-101.4**	**-271.9**
Total comprehensive income/loss for the period		**64.7**	**-93.9**	**-174.7**	**-198.9**
Profit/loss attributable to:					
Equity holders of the parent		55.0	13.6	-73.3	72.9
Total comprehensive income/loss attributable to:					
Equity holders of the parent		64.7	-93.9	-174.7	-198.9
Earnings per share[1]					
Basic earnings per share (USD)		0.016	0.004	-0.022	0.021
Diluted earnings per share (USD)		0.016	0.004	-0.022	0.021

[1]If profit/loss is negative, diluted earnings per share is equal to basic earnings per share.
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 September 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment		27.4	17.3
Right-of-use assets		50.1	31.3
Goodwill	3.1	1,018.1	1,096.4
Intangible assets	3.1	475.8	524.6
Deferred tax assets		3.8	1.6
Other non-current assets		2.2	1.6
Total non-current assets		1,577.3	1,672.6
Current assets			
Inventories		79.6	83.5
Trade receivables		108.6	90.0
Other receivables		19.8	20.0
Cash and cash equivalents		260.7	174.8
Total current assets		468.7	368.3
TOTAL ASSETS		2,046.2	2,041.0
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	34.3	34.3
Share premium		1,154.6	1,154.6
Treasury shares	4.1	-0.7	-0.9
Other equity		-10.1	160.0
Total equity		1,178.1	1,347.8
Non-current liabilities			
Non-current interest-bearing liabilities	4.2	421.8	421.8
Other non-current liabilities	4.2	81.2	-
Non-current lease liabilities		47.0	28.9
Deferred tax liabilities		72.6	101.6
Non-current provisions		1.6	6.0
Total non-current liabilities		624.1	558.2
Current liabilities			
Trade and other payables		49.0	51.5
Interest-bearing liabilities	4.2	4.1	-
Other current liabilities	4.2	116.4	1.0
Lease liabilities		9.4	6.8
Income tax payable		20.2	26.8
Provisions		45.0	48.9
Total current liabilities		244.0	134.9
Total liabilities		868.1	693.2
TOTAL EQUITY AND LIABILITIES		2,046.2	2,041.0

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	Share capital	Share premium	Treasury shares	Other equity: Other capital reserves	Other equity: Cumulative translation differences	Retained earnings	Total equity
Balance at 1 January 2023	**34.3**	**1,154.6**	**-0.9**	**7.9**	**-183.2**	**335.3**	**1,347.8**
Loss for the period	-	-	-	-	-	-73.3	**-73.3**
Other comprehensive loss for the period	-	-	-	-	-101.4	-	**-101.4**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-101.4**	**-73.3**	**-174.7**
Share-based payments (note 5.1)	-	-	-	2.9	-	-	**2.9**
Purchase/sale of treasury shares (note 4.1)	-	-	0.2	-	-	1.8	**2.0**
Balance at 30 September 2023	**34.3**	**1,154.6**	**-0.7**	**10.9**	**-284.7**	**263.8**	**1,178.1**

USD million	Share capital	Share premium	Treasury shares	Other equity: Other capital reserves	Other equity: Cumulative translation differences	Retained earnings	Total equity
Balance at 1 January 2022	**34.3**	**1,154.6**	**-0.9**	**7.0**	**-36.8**	**233.1**	**1,391.2**
Profit for the period	-	-	-	-	-	72.9	**72.9**
Other comprehensive loss for the period	-	-	-	-	-271.9	-	**-271.9**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-271.9**	**72.9**	**-198.9**
Share-based payments (note 5.1)	-	-	-	0.7	-	-	**0.7**
Purchase/sale of treasury shares (note 4.1)	-	-	0.0	-	-	2.3	**2.3**
Balance at 30 September 2022	**34.3**	**1,154.6**	**-0.9**	**7.6**	**-308.7**	**308.3**	**1,195.2**

The cumulative translation 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 YTD 2023 of USD -101.4 million (USD -271.9 million).

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.

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 cash flow

		Third quarter		YTD	
USD million	Notes	2023	2022	2023	2022
Cash flow from operating activities					
Profit/loss before tax		70.6	17.5	-96.9	93.7
Adjustments to reconcile profit/loss before tax to net cash flow:					
Depreciation and amortization		16.4	14.1	46.0	43.4
Share-based payment expense	5.1	1.4	0.3	2.0	0.7
Finance income	4.2	-21.1	-1.0	-12.9	-1.1
Finance costs	4.2	12.2	19.1	33.1	43.3
Working capital adjustments:					
Changes in inventories		0.0	-5.5	3.9	-13.0
Changes in trade and other receivables		7.8	11.2	-19.0	-35.4
Changes in trade and other payables		-19.0	-4.2	-2.4	-40.6
Changes in provisions		-11.8	-0.3	-7.2	-20.3
Changes in other liabilities	4.2, 5.2	-36.0	-	203.0	-
Other items					
Tax paid		-1.0	-2.0	-10.0	-3.4
Net cash flow from operating activities		**19.5**	**49.2**	**139.7**	**67.3**
Cash flow from investing activities					
Purchase of property, plant and equipment		-3.6	-0.2	-12.3	-2.2
Purchase of intangible assets[1]	3.1	-1.5	-1.0	-4.0	-3.4
Development expenditures	3.1	-9.1	-5.3	-21.9	-23.7
Interest received		1.6	1.8	8.7	1.9
Net cash flow from investing activities		**-12.6**	**-4.7**	**-29.5**	**-27.4**
Cash flow from financing activities					
Proceeds from sale of treasury shares	4.1	1.8	2.3	2.0	2.3
Payments of principal for the lease liability		-1.5	-0.8	-3.1	-2.9
Payments of interest for the lease liability		-0.8	-0.2	-2.0	-0.7
Interest paid	4.2	-7.1	-4.1	-25.9	-10.9
Other financial expenses	4.2	-	-	-	-0.7
Net cash flow from financing activities		**-7.6**	**-2.9**	**-29.0**	**-13.0**
Net change in cash and cash equivalents		-0.8	41.7	81.1	26.9
Effect of change in exchange rate		0.5	-13.6	4.7	-26.4
Cash and cash equivalents, beginning of period		261.0	119.2	174.8	146.9
Cash and cash equivalents, end of period		**260.7**	**147.3**	**260.7**	**147.3**

[1] Was earlier presented as development expenditures.
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.

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 nine months ended 30 September 2023 were authorized for issue by the Board of Directors on 8 November 2023. AutoStore Holdings Ltd. has shares traded on Oslo Børs with the ticker symbol AUTO. 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.

Please see note 6.1 in the group's consolidated financial statements for the year ended 31 December 2022 for a list of subsidiaries, where the largest entity in the group is AutoStore AS, registered in Norway.

1.2 Basis of preparation

The unaudited interim condensed consolidated financial statements for the nine months ended 30 September 2023 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 2022 (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 ending 31 December 2022.

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.

Climate change
The group has considered the potential impact of climate-related matters related to GHG emissions and more stringent regulations and standards in preparing its consolidated financial statements. Climate change and adaptation to climate change represent both risks and opportunities to AutoStore.

The group has identified climate-related risks in five key aspects of its operations and value chain. These were identified as physical, regulatory, market, technology and reputational risks, which were linked to AutoStore's operations, suppliers and partners.

The group considers the main regulatory risk to be the introduction of carbon pricing mechanisms, which in turn could lead to an increase in aluminum prices. The main market risks considered were energy scarcity and shifting customer behavior towards a preference for solutions with the best ESG performance. The main technology risk is linked to pressure to reduce the group's environmental footprint, both through the materials used by suppliers and transitioning to lower emissions technology in the group's products. The main reputational risk is connected to sector stigmatization linked to high emissions in the supply chain and lack of environmental focus in logistics and e-commerce.

Climate risks are assessed to have highest impact on the group's financial statements and related estimates in the event of 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 when assessing value in use amounts. However, as at 30 September 2023, 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 accounting standard, interpretation or amendment that has been issued but is not yet effective.

No amendments and interpretations that apply for the first time in 2023, are considered to have any material impact on the unaudited interim condensed consolidated financial statements of the group.

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 intangible assets (note 3.1)
- Useful life of intangible assets (note 3.1)
- Valuation of share-based payments (note 5.1)

Accounting judgments:
- Capitalization of development costs (note 3.1)
- Determination of functional currency
- Determination of performance obligations (note 2.1)
- Accounting assessment related to the settlement of all claims in the global patent dispute between AutoStore and Ocado Group (note 4.2 and 5.2)

Please see the group's annual financial statements for further descriptions.

Note 2 Operating performance

2.1 Revenue from contracts with customers

The group's revenue[1] from contracts with customers has been disaggregated and is presented in the tables below:

	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
Major products and services				
AutoStore system	144.8	149.4	468.8	437.1
Rendering of services	0.4	-0.2	1.4	0.4
Total revenue[1]	**145.2**	**149.1**	**470.2**	**437.5**
Geographic information				
Norway	2.7	4.0	12.6	13.3
Rest of Nordics	8.7	19.1	45.6	78.9
Germany	24.4	36.2	86.8	87.1
Europe, excl. Nordics and Germany	42.3	42.6	144.6	100.7
USA	50.6	24.8	120.6	114.7
Asia	7.8	13.4	28.2	29.0
Other	8.6	9.1	31.7	13.8
Total revenue[1]	**145.2**	**149.1**	**470.2**	**437.5**
Timing of revenue recognition				
Goods transferred at a point in time	139.7	147.8	459.6	429.5
Goods and services transferred over time	5.5	1.4	10.6	7.9
Total revenue[1]	**145.2**	**149.1**	**470.2**	**437.5**

[1] Excluding 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 profit and EBITDA. Total revenue is measured consistently with total revenue and other operating income in the unaudited interim condensed consolidated statement of comprehensive income, while gross profit and EBITDA are defined below.

	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
Revenue	145.2	149.1	470.2	437.5
Other operating income	-0.5	-1.8	-0.9	-1.4
Total revenue and other operating income	**144.7**	**147.4**	**469.3**	**436.0**
Cost of materials	-46.0	-67.3	-152.0	-185.0
Gross profit	**98.6**	**80.1**	**317.3**	**251.1**
Employee benefit expenses	-12.9	-12.6	-53.8	-13.9
Other operating expenses[1]	-7.7	-17.8	-294.2	-57.9
EBITDA	**78.1**	**49.7**	**-30.7**	**179.2**

Gross profit is the group's revenue and other operating income less cost of materials.

	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
Profit/loss for the period	**55.0**	**13.6**	**-73.3**	**72.9**
Income tax expense[2]	15.6	3.9	-23.6	20.8
Finance income	-21.1	-1.0	-12.9	-1.1
Finance costs	12.2	19.1	33.1	43.3
Depreciation	2.9	1.7	7.7	5.0
Amortization	13.5	12.4	38.3	38.4
EBITDA	**78.1**	**49.7**	**-30.7**	**179.2**

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.

[1] Please see note 4.2 and 5.2 for additional information regarding other operating expenses.
[2] YTD 2023 the income tax expense was a positive amount due to loss before tax, please see note 4.2 and 5.2 for additional information.

Note 3 Asset base

3.1 Intangible assets

Recognized goodwill of the group is derived from business combinations in previous years. (Please see the group's consolidated financial statements for the year ended 31 December 2022 for additional information). No additional goodwill was recognized during the nine months ended 30 September 2023.

The group recognized additions to other intangible assets of USD 25.9 million during the nine months ended 30 September 2023. Of this amount USD 21.9 million is related to internal development and the remaining USD 4.0 million is related to new patents. USD 7.7 million of internal development is ready for its intended use and have been reclassified to software and technology.

USD million	Goodwill	Trade-marks	Software and technology	Patent rights	Customer relation-ships	Internal develop-ment	Total
Cost 31 December 2022	**1,096.4**	**6.0**	**456.7**	**93.7**	**117.0**	**23.5**	**1,793.3**
Additions	-	-	-	4.0	-	21.9	**25.9**
Reclassification	-	-	7.7	-	-	-7.7	**-**
Currency translation effects	-78.3	0.0	-29.5	-4.5	-2.3	-0.3	**-114.9**
Cost 30 September 2023	**1,018.1**	**6.0**	**434.8**	**93.2**	**114.7**	**37.5**	**1,704.3**
Accumulated amortization 31 December 2022	**-**	**-**	**71.9**	**18.3**	**82.1**	**-**	**172.4**
Amortization for the period	-	-	18.2	4.4	15.6	-	**38.2**
Currency translation effects	-	-	-	-	-	-	**-**
Accumulated amortization 30 September 2023	**-**	**-**	**90.1**	**22.7**	**97.7**	**-**	**210.6**
Carrying amount 31 December 2022	**1,096.4**	**6.0**	**384.8**	**75.4**	**34.9**	**23.5**	**1,621.0**
Carrying amount 30 September 2023	**1,018.1**	**6.0**	**344.7**	**70.5**	**17.0**	**37.5**	**1,493.8**
Economic life (years)	Indefinite		5-25	13-18	5	N/A	
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 2022 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 2022.

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 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 nine months ended 30 September 2023. The group's shares traded at a Price-to-Book (P/B) level of 4.1 as at 30 September 2023.

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)	Financial position (USD million)
At 1 January 2022	3,428,540,429	0.01	34.29
At 31 December 2022	3,428,540,429	0.01	34.29
At 30 September 2023	3,428,540,429	0.01	34.29

The above-presented shares are issued and fully paid, and include a total of 72,147,193 treasury shares as at 30 September 2023. 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	U.S.	Nominee	1,316,186,571	38.4 %	38.4 %
Citibank, N.A.	Ireland	Nominee	1,133,373,367	33.1 %	33.1 %
State Street Bank and Trust Comp	U.S.	Nominee	128,477,778	3.7 %	3.7 %
Alecta Tjanestepension Omsesidigt	Luxembourg	Ordinary	93,158,350	2.7 %	2.7 %
The Bank of New York Mellon	U.S.	Nominee	82,188,943	2.4 %	2.4 %
AutoStore Holdings Ltd.	Norway	Ordinary	72,147,193	2.1 %	2.1 %
Folketrygdfondet	Norway	Ordinary	58,074,342	1.7 %	1.7 %
JPMorgan Chase Bank, N.A., London	UK	Nominee	52,709,815	1.5 %	1.5 %
Brown Brothers Harriman & Co.	U.S.	Nominee	35,290,409	1.0 %	1.0 %
Lyngneset Invest AS	Norway	Ordinary	23,183,898	0.7 %	0.7 %
State Street Bank and Trust Comp	U.S.	Nominee	22,449,577	0.7 %	0.7 %
Sumitomo Mitsui Trust Bank (U.S.A)	U.S.	Nominee	19,658,992	0.6 %	0.6 %
The Northern Trust Comp, London Br	UK	Nominee	17,206,880	0.5 %	0.5 %
JPMorgan Chase Bank, N.A., London	U.S.	Nominee	13,992,172	0.4 %	0.4 %
Credit Suisse (Luxembourg) S.A.	Ireland	Nominee	13,414,460	0.4 %	0.4 %
State Street Bank and Trust Comp	U.S.	Nominee	13,361,541	0.4 %	0.4 %
Polysys AS	Norway	Ordinary	10,800,000	0.3 %	0.3 %
Brown Brothers Harriman (Lux.) SCA	Luxembourg	Nominee	10,695,901	0.3 %	0.3 %
The Bank of New York Mellon	U.S.	Nominee	10,659,953	0.3 %	0.3 %
Citibank, N.A.	Luxembourg	Nominee	9,709,750	0.3 %	0.3 %
Other shareholders			291,800,537	8.5 %	8.5 %
At 30 September 2023			3,428,540,429	100.0 %	100.0%

The shareholder information is gathered from the VPS share register.

On 7 June 2022, the group introduced a new share purchase plan for all permanent employees. Through this program, a total of 1,816,191 shares in AutoStore were delivered to permanent employees for a purchase price of NOK 16.7. Shares purchased are subject to a two-year lock-up period. The first block of 1,402,060 shares was delivered to applicants on 9 September 2022 and the second block of 325,696 shares was delivered to applicants on 8 November 2022. The remaining 88,435 were delivered in the first quarter of 2023. The shares delivered were existing shares held in treasury by AutoStore.

In July 2022, the group introduced a share-bonus program for employees of AutoStore. In the second quarter of 2023, 362,099 shares were delivered to employees under this program. The shares delivered were existing shares held in treasury by AutoStore.

On 27 April 2023, 13,631,906 treasury shares held by AutoStore were delivered to option holders due to exercise of options under the 2019-2020 option incentive program. Please see note 5.1 for additional information.

On 14 June 2023, the group introduced a new share purchase plan for all permanent employees. Through this 2023 program, a total of 652,101 shares in AutoStore will be delivered to permanent employees for a purchase price of NOK 19.04. Shares purchased will be subject to a two-year lock-up period.

On 17 August 2023, 2,344,670 treasury shares held by AutoStore were delivered to option holders due to exercise of options under the 2019-2020 share incentive program. Please see note 5.1 for additional information.

Distribution to shareholders

The group did not pay dividends to shareholders during 2022 or the nine months of 2023. There are no proposed dividends as at the date of authorization of this interim report.

Share price information as at 30 September 2023	
Share price at 30 September 2023 (NOK)	15.14
Number of shares	3,428,540,429
Market capitalization at 30 September 2023 (NOK)	**51,890,959,393**
USD/NOK exchange rate at 30 September 2023	10.62
Market capitalization at 30 September 2023 (USD)	**4,885,004,414**

	Third quarter		YTD	
Weighted average number of shares	**2023**	**2022**	**2023**	**2022**
Weighted average number of ordinary shares for basic EPS	3,354,704,962	3,428,540,429	3,347,783,011	3,428,540,429
Weighted average number of ordinary shares adjusted for the effect of dilution	3,429,341,963	3,517,632,897	3,347,783,011	3,517,418,541

4.2 Interest-bearing liabilities

USD million	Interest rate	30 September 2023	31 December 2022
Senior Facilities: Facility B (EUR)[1]	EURIBOR+2.50%	258.7	260.2
Senior Facilities: Facility B (USD)[1]	SOFR+3.25%	167.0	167.0
Capitalized fees - Facility B		-3.9	-5.4
Total non-current interest-bearing loans and borrowings		**421.8**	**421.8**

USD million	Interest rate	30 September 2023	31 December 2022
Senior Facilities: Facility B (EUR)[1]	EURIBOR+2.50%	4.1	1.0
Senior Facilities: Facility B (USD)[1]	SOFR+3.25%	-	-
Total current interest-bearing loans and borrowings		**4.1**	**1.0**

[1] 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 revolving credit facility (RCF) which may be drawn at any time up to USD 150 million. The group has not drawn any amounts on the RCF as of 30 September 2023.

As a result of the transition from Interbank Offered Rates (IBOR) to Alternate Risk-Free Rates (RFRs), LIBOR is being phased out as a reference rate. For Facility B (USD) SOFR is used as a reference rate instead of LIBOR from 31 July 2023.

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

The Senior Facilities have a maturity until 30 July 2026.

USD million	Interest rate	30 September 2023	31 December 2022
Other non-current liabilities	SOFR+3.25%	81.2	-
Other current liabilities	SOFR+3.25%	116.4	-
Total other liabilities		**197.6**	**-**

To reflect the GBP 200 million settlement payment to Ocado Group, AutoStore has in the second quarter of 2023 recorded an operating expense of USD 239.0 million with a corresponding provision discounted using a risk-free rate. Upon the actual settlement of the lawsuit in July 2023, the company recorded a financial liability classified at amortized cost which is discounted using the prevailing market interest rate specific to that instrument/entity (i.e. risk-free rate + credit spread from the company's debt).

Of the total amount, USD 116.4 million of the liability matures within the next 12 months and is presented under other current liabilities, while the remaining amount, USD 81.2 million is presented under other non-current liabilities. AutoStore will pay Ocado Group GBP 200 million in monthly installments over 2 years. The first payment was done in July 2023.

Analysis of cash flow effects from the settlement with Ocado

	Third quarter		YTD	
USD million	2023	2022	2023	2022
Provision for settlement with corresponding entry to other operating expenses	-	-	239.0	-
Change in estimate due to reclassification from provision to liability	-7.9	-	-7.9	-
Payment to Ocado for the period	-31.4	-	-31.4	-
Finance cost (discounting effect)	3.3	-	3.3	-
Effect on cash flow from operating activities	**-36.0**	**-**	**203.0**	**-**

Finance income and costs

	Third quarter		YTD	
USD million	2023	2022	2023	2022
Finance income	21.1	1.0	12.9	1.1
Finance costs	-12.2	-19.1	-33.1	-43.3
Net finance income/cost	**8.9**	**-18.0**	**-20.2**	**-42.1**
Foreign currency gain/loss included above	19.5	-11.2	4.2	-28.3

Foreign currency gain/loss is presented net as a part of finance income/cost.

Note 5 Other disclosures

5.1 Share-based payments

	Third quarter		YTD	
USD million	2023	2022	2023	2022
Expenses arising from equity-settled share-based payment transactions	-0.5	-0.3	-1.1	-0.7
Total expense arising from share-based payment transactions	**-0.5**	**-0.3**	**-1.1**	**-0.7**

The difference between the USD 1.1 million of equity-settled share-based payment expense disclosed above and the USD 2.9 million presented in the statement of equity relates to USD 0.9 million of employee bonus shares for 2022 and USD 0.9 million of bonus shares for 2023. The bonus shares for 2022 were recognized as a liability as of 31 December 2022, however, reclassified to equity in 2023, as they were subject to equity settlement during Q2 2023.

Movements during the period

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

	YTD	
Number of and movements in share options	2023	2022
Outstanding at 1 January	**90,661,375**	**88,744,288**
Granted during the period	1,921,426	1,873,539
Exercised during the period	-18,711,639	-
Terminated during the period	-196,421	-
Outstanding at 30 September	**73,674,741**	**90,617,827**
Exercisable at 30 September	62,141,631	66,414,191

New grants

On 14 July 2023, the Remuneration Committee approved new grants under the long-term incentive plan for 2023 ("LTIP") for certain members of the company's management and other leading employees. The LTIP was first launched in 2022.

The total number of options that will be awarded under the LTIP for 2023 is 947,885, where each option will give the holder the right to acquire one AutoStore share from the company. The options under the LTIP for 2023 shall vest on 14 July 2026 and can be exercised within 36 months with a strike price of NOK 25.63 per share.

The total number PSUs that will be awarded under the LTIP for 2023 is 416,610. 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 in their sole discretion. Once vested, each PSU will award the holder with one AutoStore share.

The total number of RSUs that will be awarded under the LTIP for 2023 is 556,931. The RSUs are subject to a time based vesting and shall vest on the date falling 36 months following the date of grant.

Exercised

On 27 April 2023, 16,366,969 options under the company’s equity incentive plan from 2019-2020 were exercised. The options had a strike price of NOK 3.84351 per share. April 2023 was the first exercise window following the IPO. The exercised options were settled by delivery of 13,631,906 treasury shares held by AutoStore.

On 17 August 2023, 2,344,670 options under the company’s equity incentive plan from 2019-2022 were exercised. The option had a strike price of NOK 3.76943 per share. The exercised options were settled by delivery of 2,344,670 treasury shares held by AutoStore.

Terminated

196,421 options related to the 2022 LTI program were terminated during the first quarter of 2023 due to employees leaving the group.

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 2022.

5.2 Commitments and contingencies

Settlement of the Ocado Group litigation

On 22 July 2023, AutoStore and Ocado Group announced a global settlement which brings to an end all current litigation between the parties. This includes the litigation between the parties in the International Trade Commission (ITC), the United States District Court for the District of New Hampshire, the US Patent Trial and Appeal Board (PTAB), the Munich and Mannheim District courts in Germany, the German Patent Office, the UK High Court and the European Patent Office.

The other principle terms of the settlement are:
- All patent litigation claims withdrawn globally
- Global cross-licence of each other's pre 2020 patents
- Both companies can continue to use and market all their own existing products without challenge
- Ocado Group retains exclusive rights to the Single Space Robot
- AutoStore will pay GBP 200 million to Ocado Group in monthly installments over two years, commencing in July 2023.

Whilst the agreement gives both companies access to parts of each other's patent portfolios for them to use or develop their own products, it does not provide for collaboration or technology assistance between the companies or access to actual products. The other terms of the agreement remain confidential.

To reflect the GBP 200 million settlement payment to Ocado Group, AutoStore has in the second quarter of 2023 recorded an other operating expense of USD 239.0 million with a corresponding provision discounted using a risk free rate. Upon entering into the settlement agreement on 22 July 2023, the provision is reclassified to a financial liability measured at amortized cost, initially being discounted with the prevailing market interest rate specific to the company in accordance with IFRS 9. Reference is made to note 4.2.

Appendices

Alternative Performance Measures (APMs)

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 following APMs: adjusted EBIT, adjusted EBITDA, adjusted EBIT margin, adjusted EBITDA margin, EBIT, EBITDA, EBIT margin, EBITDA margin, simplified free cash flow and simplified free cash flow conversion, as further defined below.

The APMs presented below 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 here 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 presented APMs are commonly reported by companies in the markets in which AutoStore competes and are widely used by investors to compare performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending on accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, AutoStore discloses the APMs presented here 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 presented APMs differently, AutoStore's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The company presents these APMs because it considers them to be important supplemental measures for prospective investors to understand the overall picture of profit generation through 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 Group litigation proceedings which includes costs related to the company's use of external legal counsel and costs related to settlement of all claims between the parties, 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 Group litigation proceedings which includes costs related to the company's use of external legal counsel and costs related to settlement of all claims between the parties, 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/period before net financial income (expenses) and income tax expense.
- EBITDA is defined as the profit/(loss) for the year/period before depreciation, amortization, net financial income (expenses) and income tax expense.
- EBIT margin is defined as EBIT as a percentage of revenues.
- 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 EBITDA[2]

	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
Profit/loss for the period	**55.0**	**13.6**	**-73.3**	**72.9**
Income tax	15.6	3.9	-23.6	20.8
Net financial items	-8.9	18.0	20.2	42.1
EBIT	**61.7**	**35.5**	**-76.7**	**135.8**
Depreciation	2.9	1.7	7.7	5.0
Amortization of intangible assets	13.5	12.4	38.3	38.4
EBITDA	**78.1**	**49.7**	**-30.7**	**179.2**
Ocado Group litigation costs	-5.8	7.0	252.5	23.4
Transaction costs	-	0.1	0.0	1.4
Option costs	-3.7	-1.9	2.2	-25.5
Total adjustments	**-9.5**	**5.2**	**254.8**	**-0.7**
Adjusted EBITDA[2]	**68.6**	**54.9**	**224.1**	**178.5**
Total revenue and other operating income	144.7	147.4	469.3	436.0
EBITDA margin	**54.0 %**	**33.7 %**	**-6.5 %**	**41.1 %**
Adjusted EBITDA margin[2]	**47.4 %**	**37.2 %**	**47.7 %**	**40.9 %**

Adjusted EBIT[2]

	Third quarter		YTD	
USD million	**2023**	**2022**	**2023**	**2022**
EBIT	**61.7**	**35.5**	**-76.7**	**135.8**
Ocado Group litigation costs	-5.8	7.0	252.5	23.4
Transaction costs	-	0.1	0.0	1.4
Option costs	-3.7	-1.9	2.2	-25.5
PPA amortizations	10.1	10.8	30.3	33.6
Total adjustments	**0.6**	**16.0**	**285.1**	**32.9**
Adjusted EBIT[2]	**62.3**	**51.5**	**208.4**	**168.7**
Total revenue and other operating income	144.7	147.4	469.3	436.0
EBIT margin	**42.6 %**	**24.1 %**	**-16.3 %**	**31.1 %**
Adjusted EBIT margin[2]	**43.1 %**	**34.9 %**	**44.4 %**	**38.7 %**

[2] Please see page 24 for explanations on the APM definitions and page 26 for explanations and details on the adjustments.

Adjustments

Ocado Group litigation costs	These comprise costs incurred in connection with the Ocado Group litigation, i.e. costs linked to the company's use of external legal counsel and costs related to settlement of all claims between the parties. Adjustments only cover the litigation with Ocado Group. The company has assessed the adjustment item to be outside the normal course of the company's business, based on historical events.
Transaction costs	These 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	These comprise costs incurred in connection with the group's stock option schemes. The expenses are due to vesting and change in social security tax as a consequence of the development in the value of the underlying shares. The company has deemed these costs to constitute a special item in terms of their nature and size.
PPA amortizations	These 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
HTP	High Throughput Warehouses
IPO	Initial Public Offering
LTIP	Long-term Incentive Plan
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
PSU	Perormance Share Unit
R&D	Research and Development
ROI	Return on Investment
RSU	Restricted Stock Unit
Standard	Standard warehouses
TAM	Theoretical Addressable Market
WMS	Warehouse Management System

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