AutoStore

Quarterly report
Q4 2022

Highlights

Financial highlights for the fourth quarter of 2022
● Revenue totaled USD 147.5 million (93.2), representing growth of 58.3% compared to the corresponding quarter of 2021.
● Reported EBIT were USD 31.2 million, compared to USD 5.0 million in the fourth quarter of 2021.
● Adjusted EBITDA[1] amounted to USD 59.0 million (41.1), with two adjustments being made: the provision for social security tax on management options attributable to the development of the share price during the quarter and costs related to the Ocado IP infringement case.
● The corresponding adjusted EBITDA margin[1] was 40.0% (44.1%). The decline was primarily attributable to continued cost inflation for key components resulting from global supply chain challenges in 2022. However, the margin in Q4 improved by 2.8 pp. compared to Q3 2022, as mitigating actions including the price increase started to have a positive contribution. The price increase and temporary aluminum surcharge are expected to bring margins gradually and further back to historical levels in 2023, as projects move from backlog to recognized revenue.
● Adjusted EBIT[1] totaled USD 55.1 million (39.0), corresponding to an adjusted EBIT margin[1] of 37.4% (41.8%). The EBIT margin[1] is influenced by the same factors as the adjusted EBITDA margin[1].
● Simplified free cash flow[1] was USD 45.2 million (30.1), resulting in a cash flow conversion[1] of 76.7% (73.3%).
● The order intake[2] ended at USD 152.8 million (198.4). The reduction was partly driven by reduced lead times providing increased flexibility for customers, a general price increase from 1 December 2021 driving customers to place orders ahead, as well as an elongated decision-making cycle among some customers.
● The order backlog[3] was USD 475.7 million as at quarter-end (456.5), representing year-on-year growth of 4.2%. With the reduced lead times compared to last year, the order backlog represents a solid basis for the guided revenues of 2023.

Financial highlights for the full year of 2022
● Revenue amounted to USD 583.5 million (327.6), representing growth of 78.1% compared to the corresponding period in 2021.
● Reported EBIT were USD 167.0 million (-37.5).
● Adjusted EBITDA[1] ended at USD 237.5 million (158.4), representing an adjusted EBITDA margin[1] of 40.7% (48.4%). The year-on-year margin decline is primarily linked to continued cost inflation for key components resulting from global supply chain issues in 2022.
● Adjusted EBIT[1] totaled USD 223.9 million (149.4), and the adjusted EBIT margin[1] for the period ended at 38.4% (45.6%).
● The order intake[2] increased by 1.4% year-on-year, from USD 620.9 million to USD 629.9 million.

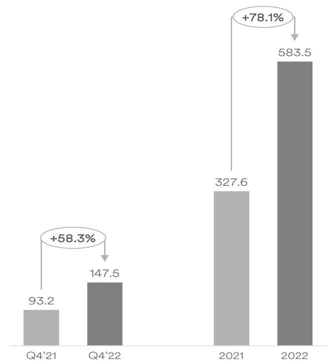
Corporate developments
● Announced the appointment of Chief Revenue Officer (CRO) Mats Hovland Vikse as Chief Executive Officer (CEO), effective from 1 January 2023.
● Announced the transition of current Chief Financial Officer (CFO) Bent Skisaker. A global search for a new CFO has been initiated.

Operational highlights
● Previously reported as subsequent events in the Q3 2022 report:
– Implemented a recurring revenue model with a pay-per-pick structure.
– Received the first order for a new grid technology with multiple temperature zones, including frozen, to expand access in the grocery segment.
– Launched PickUpPort, enabling in-store pick-up directly from the AutoStore system.
– Released Unify Analytics, a cloud-based service and data platform that automates the collection and analysis of real-time AutoStore data.
– AutoStore reached a new milestone: 1,000 systems sold globally, including over 100 systems sold in APAC.
– The company expanded the distribution reach of several partners, including StrongPoint, Fives Group and SmartLog.

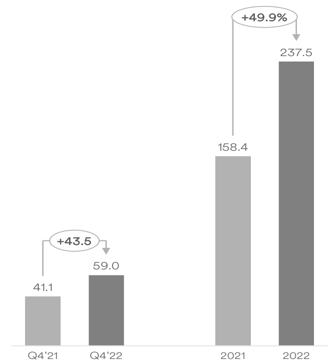
Subsequent events
● Signed a pay-per-pick partnership with a new global partner, THG Ingenuity.

	Fourth quarter			Year		
USD million	**2022**	**2021**	**Δ in %**	**2022**	**2021**	**Δ in %**
Revenue[4]	147.5	93.2	58.3 %	583.5	327.6	78.1 %
Gross profit	89.7	61.6	45.6 %	340.8	219.7	55.0 %
Gross margin	60.8 %	66.1 %	-5.3 pp.	58.4 %	67.1 %	-8.7 pp.
EBIT	31.2	5.0	524.2 %	167.0	-37.5	n.a.
Adjusted EBITDA[1]	59.0	41.1	43.5 %	237.5	158.4	49.9 %
Adjusted EBITDA margin[1] (%)	40.0 %	44.1 %	-4.1 pp.	40.7 %	48.4 %	-7.7 pp.
Adjusted EBIT[1]	55.1	39.0	41.3 %	223.9	149.4	49.8 %
Adjusted EBIT margin[1] (%)	37.4 %	41.8 %	-4.4 pp.	38.4 %	45.6 %	-7.2 pp.
Simplified free cash flow[1]	45.2	30.1	50.2 %	194.4	127.5	52.5 %
Cash flow conversion[1] (%)	76.7 %	73.3 %	3.4 pp.	81.9 %	80.5 %	1.4 pp.
Order intake[2]	152.8	198.4	-23.0 %	629.9	620.9	1.4 %

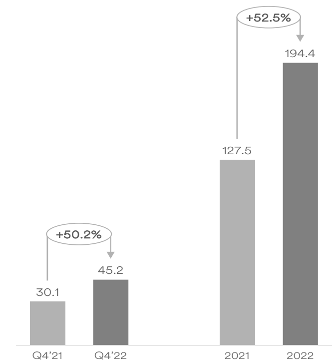
Revenue[4]



Adjusted EBITDA[1]



Simplified FCF[1]



[1] Please refer to APM section for further explanations and details on APM measures.
[2] 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.
[3] Order backlog is defined as the total value of order intake not yet shipped and for which revenue has not yet been recognized.
[4] Revenue and other operating income.

Letter from the CEO

AutoStore grew revenue by 58% year-on-year and achieved an adjusted EBITDA margin of 40% in the fourth quarter of 2022, representing substantial margin improvement of 280 bps since the last quarter. This demonstrates the continued strength of the business in a challenging macroeconomic environment and ability to drive margins sequentially higher toward historical levels, as we are seeing the results of strategic pricing actions and expect to continue to drive improvements in coming quarters. The AutoStore team had another outstanding year, generating revenue of USD 584 million, up 78% from 2021, and thereby achieving our ambitious growth goal for the year. Adjusted EBITDA amounted to USD 238 million – up 50% from 2021. A robust quarterly order intake of USD 153 million brought the order backlog to USD 476 million at year-end, leaving us well-positioned for a successful 2023.

Leadership transition
I am proud to have been a member of AutoStore's senior management team for the last 6 years, playing a significant role as Chief Revenue Officer in growing our revenue from USD 78 million in 2017 to now USD 584 million, a CAGR of 50% over that period. I am honored to have taken on the role of CEO since 1 January 2023 and would like to emphasize my tremendous excitement and optimism for the future of the group.

AutoStore is a pioneer and global leader in cubic storage automation, and our differentiated technology portfolio means that we are well-positioned in this large and rapidly growing segment. Our focus remains on established strategic growth priorities and executing our strategy while adapting to changing operational conditions. We will continue to grow profitably and with strong cash-flow generation, delivering value for customers and shareholders.

Long-term fundamentals remain intact, supported by product innovation
AutoStore continues to benefit from a huge, under-penetrated market with high demand for the efficiencies offered by fast, automated cubic storage. Despite current macroeconomic challenges, we anticipate further adoption of automation in response to changing customer demand, labor shortages, a growing need for energy efficiency and demand for high-density warehousing. These macro-developments are driving demand for AutoStore's high return-on-investment (ROI) solutions. Our ongoing innovation program continues to produce innovative technologies for customers, such as micro-fulfillment centers for the grocery end-market, high-throughput installations for omnichannel and e-commerce customers, the pay-per-pick model, and multi-temperature installations featuring ambient, chilled and frozen environments.

At the same time, we continue to grow globally, not least through recent salesforce expansions in Australia, Japan, South Korea and Singapore. In addition, our new assembly facility in Thailand is expected to become operational in the second half of 2023.

Resilient business model
Although the fourth quarter was impacted by heightened macroeconomic uncertainty and tougher market conditions, demand was solid across our operating regions, end markets and warehouse categories. That said, our ongoing dialogue with customers has revealed general market uncertainty and an increased focus on capital expenditure budgets and ROI. While some larger customers are maintaining adopted investment plans and positioning themselves for future growth, others are extending decision-making cycles or even holding back investment decisions.

Fortunately, the AutoStore system is ideally suited to enable customers to lower warehouse costs while increasing competitiveness by increasing execution speed and efficiency. Moreover, we believe that the short payback period of just one to three years makes investing in AutoStore solutions attractive in today's environment, as evidenced by the order intake in the fourth quarter of 2022. In addition to the macroeconomic uncertainty, the lag in the realization of our recent price increases combined with the higher cost of aluminum grids resulted in lower EBITDA margins in 2022. In 2023 however, we expect these impacts to reverse, with higher prices and lower grid costs contributing to significantly higher EBITDA margins of around historical levels.

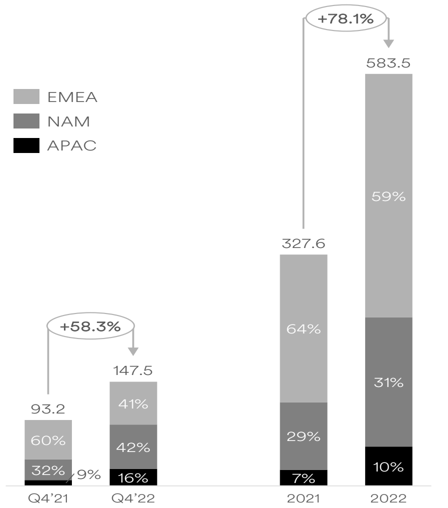
On track to achieve target growth in 2023
AutoStore's robust order backlog of USD 476 million provides us with good visibility for 2023. Our geographic revenue diversification, and particularly our continued strength in the North American (NAM) and Asian-Pacific (APAC) regions, which increased revenue by 91% and 146%, respectively, makes us confident about our growth opportunities. Our updated revenue guidance for 2023 is USD 700-750 million, indicating a growth rate of 20-30% for the year. In the medium term, we are positioned to grow revenues by two to three times the broader warehouse automation market given our strong competitive position and growing market reach. Assuming current market growth estimates, this implies a CAGR for AutoStore of approximately 40%.

Mats Hovland Vikse
Mats Hovland Vikse,
CEO

Other metrics

USD million

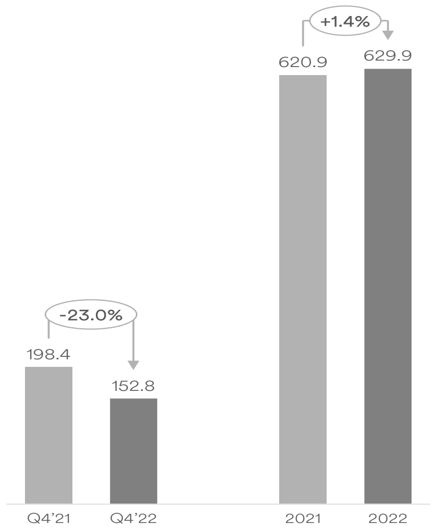
Revenue breakdown[4]



Fourth quarter of 2022
Revenue totaled USD 147.5 million in the fourth quarter of 2022, representing year-on-year growth of 58.3%. The EMEA[1] region achieved revenue of USD 60.9 million (55.7), while revenue in the NAM[2] region grew by 112.5% to USD 62.7 million (29.5). The APAC[3] region reported revenue of USD 24.0 million in the fourth quarter of 2022, compared to USD 8.0 million in the same period in 2021.

Full year 2022
Revenue increased by 78.1% in 2022, from USD 327.6 million to USD 583.5 million. Revenue growth was evident in all regions, with the EMEA region achieving growth of 64.8% compared to the corresponding period in 2021 and the NAM region boosting revenue by 91.3%. Finally, the APAC region achieved revenue growth of 146.0%, from USD 22.6 million to USD 55.6 million.

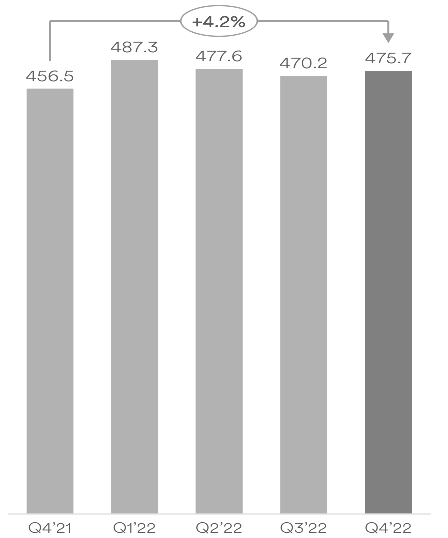
Order intake



Fourth quarter of 2022
The quarterly order intake ended at USD 152.8 million (198.4), representing a year-on-year reduction of 23.0%. By comparison, the order intake in the fourth quarter of 2021 was record-high for AutoStore, partly resulting from the price increase effective from 1 December 2021, with customers placing orders prior to this. In addition, current market conditions and the transitional effects of reduced lead times are allowing customers to place orders closer to delivery.

Full year 2022
Order intake in 2022 was USD 629.9 million, stable from the order intake in 2021 of USD 620.9 million.

Backlog development



The order backlog amounted to USD 475.7 million at the end of the fourth quarter of 2022, up 4.2% compared to the same period last year. The rather stable development in 2022 is driven by the same factors as described for order intake, including current market conditions and reduced lead times.

[1] EMEA: Europe, the Middle East and Africa. Also includes a minor share of Latin America.
[2] NAM: North America.
[3] APAC: Asia-Pacific.
[4] Revenue and other operating income.

Financial developments[2,3]

Results for the period

Fourth quarter of 2022

AutoStore reported total revenue (including other operating income) of USD 147.5 million (93.2), representing year-on-year growth of 58.3%. The group's continued growth is attributable to increased demand for efficient and automated logistics solutions, primarily driven by changing customer demand, labor shortages, a growing need for energy efficiency and demand for high-density warehousing. The majority of total revenue is attributable to sales of AutoStore systems. Please see page 4 for a more detailed revenue breakdown.

Cost of materials increased to USD 57.8 million (31.6) as a result of increased sales volume and continued pressure on raw material prices.

Employee benefit expenses increased compared to the same period in 2021, from USD 21.9 million to USD 25.5 million. Both periods were impacted by the provision for social security tax on management options in response to developments in the company's share price (increased cost due to increase in the company's share price during the quarter). AutoStore treats option costs as an adjustment item, and the related adjustment for management option costs totaled USD 8.1 million in the fourth quarter of 2022, compared to USD 6.8 million in the same period in 2021. Please see the APM section on page 28 for further details. Excluding adjustment items, employee benefit expenses amounted to USD 17.3 million in the fourth quarter of 2022 compared to USD 15.1 million in the corresponding period in 2021.

Other operating expenses totaled USD 18.7 million, down from USD 20.4 million in the same period in 2021. The decrease is mainly attributable to transaction costs related to completion of the IPO in October 2021. In total, transaction costs amounted to USD 7.2 million in Q4 2021 (compared to USD 0 in Q4 2022). Further, costs related to the Ocado IP infringement case were USD 7.7 million in Q4 2021, compared to USD 5.3 million in Q4 2022. The company treats transaction costs and Ocado litigation costs as adjustment items. Please see the APM section on page 28 for further details. Excluding the adjustment items, other operating expenses increased to USD 13.4 million in the fourth quarter of 2022, reflecting the group's growth strategy and capacity expansion.

Reported EBITDA were USD 45.5 million (19.3), corresponding to an EBITDA margin of 30.9% (20.7%). Adjusted EBITDA[1] and the adjusted EBITDA margin[1] were USD 59.0 million (41.1) and 40.0% (44.1%), respectively. The decrease in the adjusted EBITDA margin is primarily attributable to continued price pressure for key components, particularly grid parts. However, in the fourth quarter, margins improved by 2.8 pp. compared to the third quarter, as AutoStore started to see some effects of its mitigating actions implemented in 2022. Furthermore, price increases and a temporary aluminum surcharge are expected to continue to improve margins gradually and bring back margins to historical levels in 2023, as projects move from backlog to recognized revenue.

AutoStore reported USD 1.6 million (1.2) in depreciation and USD 12.7 million (13.0) in amortization of intangible assets. Amortization of intangible assets relates primarily to the purchase price allocation made when THL acquired the group.

Reported EBIT ended the fourth quarter at USD 31.2 million (5.0), while adjusted EBIT[1] totaled USD 55.1 million (39.0).

Finance income was USD 10.1 million (16.2), while finance costs were USD 7.8 million (15.0).

The profit before tax was USD 33.6 million (6.3), while the profit after tax was USD 26.2 million (3.4).

Full year 2022

Total revenue (including other operating income) was USD 583.5 million (327.6), representing year-on-year growth of 78.1%.

Cost of materials totaled USD 242.8 million (107.8), reflecting increased sales volume and continued pressure on raw material prices.

AutoStore's employee benefit expenses amounted to USD 39.4 million (102.3) for the full year 2022. The year-on-year reduction is attributable to the provision made for and payables linked to management option costs, which totaled USD 62.3 million in 2021 (negative effect of USD 17.3 million in 2022). Excluding the adjustment item in respect of option costs, employee benefit expenses were USD 56.7 million in 2022, compared to USD 40.0 million in 2021. This development reflects the group's growth strategy and capacity expansion, which also brought the number of employees to 881 at the end of 2022, compared to 585 at year-end 2021.

Other operating expenses amounted to USD 76.6 million (96.9), where the figure for 2021 included consultancy and transaction costs related to the SoftBank and IPO transactions completed in April and October 2021, respectively, as well as management fees terminated upon IPO completion. These cost items totaled USD 41.6 million in 2021, compared to USD 1.4 million in 2022. Further, litigation costs linked to the Ocado IP infringement case amounted to USD 28.8 million (34.0) for the full year 2022. Excluding these adjustment items, other operating expenses amounted to USD 46.5 million in 2022 (21.3) and were driven by measures taken to promote the company's growth. AutoStore treats transaction costs, management fees and Ocado litigation costs as adjustment items. Please see the APM section on page 28 for further details.

Reported EBITDA ended at USD 224.7 million (20.6) with an EBITDA margin of 38.5% (6.3%), while adjusted EBITDA[1] and the adjusted EBITDA margin[1] were USD 237.5 (158.4) and 40.7% (48.4%), respectively. The year-on-year reduction in the adjusted EBITDA margin was primarily driven by continued price pressure for key components, particularly grid parts, resulting from global supply chain issues in 2022.

[1] Please refer to APM section for further explanations and details on APM measures.

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

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

Depreciation amounted to USD 6.6 million (4.5), while amortization of intangible assets totaled USD 51.1 million (53.7).

Finance income was USD 4.2 million (19.2), while finance costs totaled USD 44.0 million (41.2). Of net financial items totaling USD -39.8 million (-22.0), USD -21.2 million (19.2) were related to foreign currency losses (gains) (mainly attributable to accounting treatment with no cash effect as well as translation of cash held in other currencies than USD).

The profit before tax was USD 127.2 million (-59.5), while the profit after tax was USD 99.1 million (-50.1).

Profit/loss for the period	Fourth quarter		Year	
USD million	**2022**	**2021**	**2022**	**2021**
Revenue and other operating income	147.5	93.2	583.5	327.6
Cost of materials	-57.8	-31.6	-242.8	-107.8
Employee benefit expenses	-25.5	-21.9	-39.4	-102.3
Other operating expenses	-18.7	-20.4	-76.6	-96.9
EBITDA	**45.5**	**19.3**	**224.7**	**20.6**
Adjusted EBITDA[1]	**59.0**	**41.1**	**237.5**	**158.4**
Depreciation	-1.6	-1.2	-6.6	-4.5
Amortization of intangible assets	-12.7	-13.0	-51.1	-53.7
EBIT	**31.2**	**5.0**	**167.0**	**-37.5**
Adjusted EBIT[1]	**55.1**	**39.0**	**223.9**	**149.4**
Finance income	10.1	16.2	4.2	19.2
Finance costs	-7.8	-15.0	-44.0	-41.2
Profit/loss before tax	**33.6**	**6.3**	**127.2**	**-59.5**
Income tax expense	-7.4	-2.9	-28.1	9.4
Profit/loss for the period	**26.2**	**3.4**	**99.1**	**-50.1**

Cash flow

Fourth quarter of 2022

AutoStore generated a positive cash flow of USD 34.8 million from operating activities in the fourth quarter of 2022, stable from the corresponding period of 2021 (USD 33.3 million). The cash flows for both periods were attributable to the positive EBITDA contributions. In addition, the cash flow from operating activities in the fourth quarter of 2021 was impacted by significant movements in working capital items related to costs incurred in connection with the IPO and the option program (build-up of payables), whereas movements in working capital items in the fourth quarter of 2022 were more normalized in nature.

Cash outflow from investing activities amounted to USD 11.5 million (11.0), and mainly comprised 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 outflow from financing activities was USD 5.4 million (71.7). Cash outflows mainly comprised interest of USD 4.2 million (9.2) on the group's long-term debt. In addition, Q4 2021 was highly impacted by the equity issue made as part of the IPO, offset by the repayment of long-term debt.

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

Full year 2022

Cash flow from operating activities totaled USD 101.4 million in 2022 (80.7). The contribution made by increased EBITDA was somewhat offset by changes in working capital items linked to higher build-up of working capital due to the company's growth. In addition, the figure for 2022 was impacted by significant payments related to transaction costs arising from the IPO in October 2021, including withholding tax and social security tax on management options.

Cash outflow linked to investing activities amounted to USD 38.9 million (35.9), and mainly reflects R&D investments.

Cash flow from financing activities was USD -17.7 million (56.4), including paid interest of USD 15.2 million. Interest paid in the same period in 2021 amounted to USD 32.7 million, with the reduction being attributable to the repayment of long-term debt. 2021 was also impacted by cash inflow of USD 340.0 million stemming from the equity issue made as part of the IPO. In 2022, the company sold treasury shares as part of the share purchase program for employees (USD 2.5 million).

The group held USD 174.8 million in cash as at 31 December 2022, up from USD 146.9 million at the end of 2021.

For a more detailed cash flow statement, please see page 14.

[1] Please refer to APM section for further explanations and details on APM measures.

Cash flow	Fourth quarter		Year	
USD million	**2022**	**2021**	**2022**	**2021**
Cash flow from operating activities	34.8	33.3	101.4	80.7
Cash flow from investing activities	-11.5	-11.0	-38.9	-35.9
Cash flow from financing activities	-5.4	71.7	-17.7	56.4
Net change in cash and cash equivalents	**18.0**	**94.1**	**44.8**	**101.2**
Cash and cash equivalents, beginning of period	147.3	56.4	146.9	50.1
Effect of change in exchange rate	9.6	-3.6	-16.8	-4.4
Cash and cash equivalents, end of period	**174.8**	**146.9**	**174.8**	**146.9**

Financial position

The group's total assets as at 31 December 2022 totaled USD 2,047.6 million, down from USD 2,129.0 million as at 31 December 2021. Intangible assets and goodwill amounted to USD 524.6 million (604.0) and USD 1,096.4 million (1,224.2), respectively. The reduction in goodwill is attributable to currency translation effects. Inventory grew to USD 83.5 million (51.4), while trade receivables and other receivables ended at USD 90.0 million (46.5) and USD 20.0 million (21.5), respectively. The increase in trade receivables is linked to revenue growth.

Equity decreased from USD 1,391.2 million as at 31 December 2021 to USD 1,347.2 million as at 31 December 2022. The reduction primarily reflects 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 decreased to USD 112.3 million as at 31 December 2022, from USD 152.3 million as at year-end 2021. The reduction reflects payments under the management option program and IPO-related transaction costs (paid in the first quarter of 2022), as well as a reduction in the provision for social security tax on management options.

Total non-current liabilities had a stable development from 31 December 2021 to 31 December 2022 – from USD 585.6 million to USD 588.2 million. The majority of the non-current liabilities consist of the company's senior facilities. In addition, lease liabilities increased to USD 28.9 million (12.9) as a result of additional lease facilities added during the year.

USD million	**31 December 2022**	**31 December 2021**
Goodwill	1,096.4	1,224.2
Intangible assets	524.6	604.0
Other non-current assets	58.4	34.6
Total non-current assets	**1,679.3**	**1,862.8**
Total current assets	**368.3**	**266.2**
Total assets	**2,047.6**	**2,129.0**
Total equity	**1,347.2**	**1,391.2**
Non-current interest-bearing liabilities	421.8	435.6
Other non-current liabilities	166.4	150.0
Current liabilities	112.3	152.3
Total liabilities	**700.5**	**737.8**
Total equity and liabilities	**2,047.6**	**2,129.0**

Corporate developments

New CEO announced

AutoStore announced the appointment of Chief Revenue Officer (CRO) Mats Hovland Vikse as Chief Executive Officer (CEO), effective from January 1, 2023. The outgoing CEO, Karl Johan Lier, will retire as part of an orderly and planned transition. Mr. Lier will be employed by AutoStore until March 2023.

CFO transition

AutoStore announced the transition of current Chief Financial Officer (CFO) Bent Skisaker. A global search for a new CFO has been initiated.

Ocado litigation

For the updated information on the Ocado IP infringement case, please see note 5.2 on page 23.

Operational highlights

New commercial offerings

AutoStore launched several new commercial offerings in the fourth quarter of 2022:

- The company launched a new recurring revenue model with a pay-per-pick structure.
- AutoStore received its first order through its distribution partner StrongPoint for its new multiple-temperature-zone grid technology, thus expanding the group's access to the grocery segment. This development promises excellent growth opportunities, primarily in the groceries sector.
- The company also launched PickUpPort, which enables in-store pick-up directly from the AutoStore system. This innovative public-facing technology allows customers to pick up online purchases quickly with the help of robots.
- Finally, AutoStore launced Unify Analytics, which automates the traditional way of collecting and analyzing real-time AutoStore data.

Sales milestones

In the fourth quarter of 2022, AutoStore reached the milestone of 1,000 systems sold globally. In comparison, the company had sold around 500 systems globally by the end of 2020. AutoStore also reached over 100 systems sold in the Asia-Pacific (APAC) region in the same period, underlining the company's expansion strategy in the region.

Expanded partner distribution reach

The company expanded the distribution reach of its partners StrongPoint (Nordics, Baltics and now also UK and Ireland), Fives Group (southern Europe and now also Japan) and SmartLog (now including the Middle East and Latin America).

Subsequent events

AutoStore onboarded a new global partner, THG Ingenuity, to operate on the introduced pay-per-pick model.

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, including price increases and a temporary aluminum surcharge. These mitigating actions are expected to lift margins back towards historical levels in 2023, as projects with more favorable cost and pricing levels move from backlog to realized revenue. In the fourth quarter of 2022, the company started to benefit from the implemented price increase and more favorable grid costs, as evidenced by higher margins compared to the previous quarter.

Despite current macroeconomic challenges and an evolving e-commerce landscape, AutoStore anticipates further adoption of automation in response to changing customer demand, labor shortages, a growing need for energy efficiency and demand for high-density warehousing. The company continues to expand globally and gain market share in the attractive micro-fulfillment center and high throughput markets, further highlighting AutoStore's technological leadership.

AutoStore's business has seen a limited direct impact of Russia's invasion of Ukraine and subsequent sanctions. The direct impact of high energy prices is relatively muted for AutoStore. However, additional macro-level complexity and implications may have negative impacts going forward.

AutoStore's updated revenue guidance for 2023 is USD 700-750 million, indicating a growth rate of 20-30% for the year. In the medium term, the company is positioned to grow revenues by two to three times the broader warehouse automation market given its strong competitive position and growing market reach. Assuming current market growth estimates, this implies a CAGR for AutoStore of approximately 40%.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements for the fourth 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, 15 February 2023

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*	Andreas Hansson *Board member*	Mats Hovland Vikse *CEO*

Interim condensed consolidated financial information

Interim condensed consolidated statement of comprehensive income

		Fourth quarter		Year	
USD million	Notes	2022	2021	2022	2021
Revenue	2.1	147.6	93.6	585.0	325.8
Other operating income		-0.1	-0.4	-1.5	1.8
Total revenue and other operating income		**147.5**	**93.2**	**583.5**	**327.6**
Cost of materials		-57.8	-31.6	-242.8	-107.8
Employee benefit expenses	2.2, 5.1	-25.5	-21.9	-39.4	-102.3
Other operating expenses	2.2	-18.7	-20.4	-76.6	-96.9
Depreciation		-1.6	-1.2	-6.6	-4.5
Amortization of intangible assets	3.1	-12.7	-13.0	-51.1	-53.7
Operating profit/loss		**31.2**	**5.0**	**167.0**	**-37.5**
Finance income	4.2	10.1	16.2	4.2	19.2
Finance costs	4.2	-7.8	-15.0	-44.0	-41.2
Profit/loss before tax		**33.6**	**6.3**	**127.2**	**-59.5**
Income tax expense		-7.4	-2.9	-28.1	9.4
Profit/loss for the period		**26.2**	**3.4**	**99.1**	**-50.1**
Other comprehensive income/loss					
Items that subsequently will not be reclassified to profit or loss:					
Exchange differences on translation of parent company	4.2	24.7	-16.5	-31.7	-16.5
Total items that will not be reclassified to profit or loss		**24.7**	**-16.5**	**-31.7**	**-16.5**
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	4.2	100.6	-5.2	-114.9	-41.2
Total items that may be reclassified to profit or loss		100.6	-5.2	-114.9	-41.2
Other comprehensive income/loss for the period		**125.3**	**-21.7**	**-146.5**	**-57.7**
Total comprehensive income/loss for the period		**151.5**	**-18.3**	**-47.4**	**-107.8**
Profit/loss attributable to:					
Equity holders of the parent		26.2	3.4	99.1	-50.1
Total comprehensive income/loss attributable to:					
Equity holders of the parent		151.5	-18.3	-47.4	-107.8
Earnings per share					
Basic earnings per share (USD)		0.008	0.002	0.030	-0.015
Diluted earnings per share (USD)		0.008	0.002	0.029	-0.015

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	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment		17.3	11.2
Right-of-use assets		31.3	11.6
Goodwill	3.1	1,096.4	1,224.2
Intangible assets	3.1	524.6	604.0
Deferred tax assets		8.2	8.7
Other non-current assets		1.6	3.0
Total non-current assets		**1,679.3**	**1,862.8**
Current assets			
Inventories		83.5	51.4
Trade receivables		90.0	46.5
Other receivables		20.0	21.5
Cash and cash equivalents		174.8	146.9
Total current assets		**368.3**	**266.2**
TOTAL ASSETS		2,047.6	2,129.0
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	34.3	34.3
Share premium		1,154.6	1,154.6
Treasury shares		-0.7	-0.9
Other equity		159.2	203.2
Total equity		**1,347.2**	**1,391.2**
Non-current liabilities			
Non-current interest-bearing liabilities	4.2	421.8	435.6
Non-current lease liabilities		28.9	12.9
Deferred tax liabilities		131.5	127.1
Non-current provisions	5.1	6.0	10.0
Total non-current liabilities		**588.2**	**585.6**
Current liabilities			
Trade and other payables		51.5	95.8
Interest-bearing liabilities	4.2	1.0	0.7
Lease liabilities		6.8	3.6
Income tax payable		4.2	0.7
Provisions		48.9	51.5
Total current liabilities		**112.3**	**152.3**
Total liabilities		**700.5**	**737.8**
TOTAL EQUITY AND LIABILITIES		2,047.6	2,129.0

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 2022	**34.3**	**1,154.6**	**-0.9**	**7.0**	**-36.7**	**233.1**	**1,391.2**
Profit for the period	-	-	-	-	-	99.1	99.1
Other comprehensive loss for the period	-	-	-	-	-146.5	-	-146.5
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-146.5**	**99.1**	**-47.4**
Share-based payments (note 5.1)	-	-	-	1.0	-	-	1.0
Purchase/sale of treasury shares	-	-	0.0	–	-	2.5	2.5
Balance at 31 December 2022	**34.3**	**1,154.6**	**-0.9**	**7.9**	**-183.2**	**334.7**	**1,347.2**

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 2021	**35.2**	**1,139.1**	**-**	**4.3**	**20.9**	**-42.4**	**1,157.1**
Loss for the period	-	-	-	-	-	-50.1	-50.1
Other comprehensive loss for the period	-	-	-	-	-57.7	-	-57.7
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-57.7**	**-50.1**	**-107.8**
Issue of share capital (note 4.1)	0.2	10.7	-	-	-	-	11.0
Exercise of share options (note 4.1)	0.5	-	-	-	-	-	0.5
Issue of share capital 12 October (note 4.1)	0.1	13.2	-	-	-	-	13.2
Cancellation of shares 13 October (note 4.1)	-0.0	-	-	-	-	-	-0.0
Capital reorganization	-3.7	-	-	-	-	3.7	-
Issue of treasury shares 14 October (note 4.1)	2.0	-	-2.0	-	-	-	-
Sale of treasury shares 20 October (note 4.1)	-	-	0.9	-	-	321.8	322.7
Exercise of share options 20 October	-	-	0.2	-	-	-	0.2
Transaction costs	-	-8.5	-	-	-	-	-8.5
Share-based payments	-	-	-	2.7	-	-	2.7
Balance at 31 December 2021	**34.3**	**1,154.6**	**-0.9**	**7.0**	**-36.7**	**233.1**	**1,391.2**

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 functional currency, the depreciation of NOK compared to USD has resulted in negative translation differences being recognized in 2022 of USD 146.5 million (USD -57.7 million in 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.

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

		Fourth quarter		Year	
USD million	Notes	2022	2021	2022	2021
Cash flow from operating activities					
Profit/loss before tax		33.6	6.3	127.2	-59.5
Adjustments to reconcile profit/loss before tax to net cash flow:					
Depreciation and amortization		14.3	14.2	57.7	58.1
Share-based payment expense	5.1	0.3	0.2	1.0	2.7
Finance income	4.2	-10.1	-16.2	-4.2	-19.2
Finance costs	4.2	7.8	15.0	44.0	41.2
Working capital adjustments:					
Changes in inventories		-19.1	-16.9	-32.1	-22.3
Changes in trade and other receivables		-4.2	-17.6	-39.6	-21.0
Changes in trade and other payables		-1.6	67.5	-42.2	67.3
Changes in provisions and other liabilities		16.3	-14.4	-4.7	42.6
Other items					
Tax paid		-2.4	-4.8	-5.8	-9.2
Net cash flow from operating activities		**34.8**	**33.3**	**101.4**	**80.7**
Cash flow from investing activities					
Purchase of property, plant and equipment		-3.4	-0.8	-9.0	-2.8
Purchase of shares in subsidiaries, net of cash	3.1	-	-	-	-5.0
Development expenditures		-10.4	-10.2	-34.1	-28.2
Interest received		2.3	0.1	4.2	0.1
Net cash flow from investing activities		**-11.5**	**-11.0**	**-38.9**	**-35.9**
Cash flow from financing activities					
Proceeds from issuance of equity		-	329.0	-	340.0
Proceeds from sale of treasury shares	4.1	0.2	-	2.5	-
Transaction costs on issue of shares		-	-8.5	-	-8.5
Repayment of long-term debt		-	-236.9	-	-236.9
Payments of principal for the lease liability		-0.9	-0.7	-3.8	-2.8
Payments of interest for the lease liability		-0.5	-0.2	-1.2	-0.9
Interest paid	4.2	-4.2	-9.2	-15.2	-32.7
Other financial expenses	4.2	-	-1.8	-	-1.8
Net cash flow from financing activities		**-5.4**	**71.7**	**-17.7**	**56.4**
Net change in cash and cash equivalents		18.0	94.1	44.8	101.2
Effect of change in exchange rate		9.6	-3.6	-16.8	-4.4
Cash and cash equivalents, beginning of period		147.3	56.4	146.9	50.1
Cash and cash equivalents, end of period		**174.8**	**146.9**	**174.8**	**146.9**

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 twelve months ended 31 December 2022 were authorized for issue by the Board of Directors on 15 February 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.

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 31 December 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 ending 31 December 2021. Comparable figures presented as of Q4 2021 are based on the final figures presented in the annual report for 2021. Changes between figures presented in the Q4 2021 interim report and the annual report 2021 were mainly related to an updated tax calculation and some minor and immaterial reclassifications in the balance sheet.

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 in Ukraine, 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 when assessing value-in-use amounts. However, as of 31 December 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 accounting 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[2] from contracts with customers has been disaggregated and is presented in the tables below:

	Fourth quarter		Year	
USD million	**2022**	**2021**	**2022**	**2021**
Major products and services				
AutoStore system	147.4	93.4	584.5	325.3
Rendering of services	0.2	0.1	0.6	0.4
Total revenue[2]	**147.6**	**93.6**	**585.0**	**325.8**
Geographic information				
Norway	4.4	3.2	17.7	16.5
Rest of Nordics	15.9	22.0	94.8	57.1
Germany	20.0	19.7	107.1	69.6
Europe, excl. Nordics and Germany	24.5	11.0	125.2	65.0
USA	54.8	28.4	169.4	92.4
Asia	17.0	8.0	45.9	22.5
Other	11.0	1.3	24.8	2.7
Total revenue[2]	**147.6**	**93.6**	**585.0**	**325.8**
Timing of revenue recognition				
Goods transferred at a point in time	146.1	91.8	575.7	318.5
Goods and services transferred over time	1.4	1.8	9.3	7.2
Total revenue[2]	**147.6**	**93.6**	**585.0**	**325.8**

[2] 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 the total of revenue and other operating income in the unaudited interim condensed consolidated statement of comprehensive income, while gross profit and EBITDA are defined below.

	Fourth quarter		Year	
USD million	2022	2021	2022	2021
Revenue	147.6	93.6	585.0	325.8
Other operating income	-0.1	-0.4	-1.5	1.8
Total revenue and other operating income	147.5	93.2	583.5	327.6
Cost of materials	-57.8	-31.6	-242.8	-107.8
Gross profit	89.7	61.6	340.8	219.7
Employee benefit expenses	-25.5	-21.9	-39.4	-102.3
Other operating expenses	-18.7	-20.4	-76.6	-96.9
EBITDA	45.5	19.3	224.7	20.6

Employee benefit expenses and other operating expenses significantly decreased in full-year 2022 compared to full-year 2021. The major reason for the decrease is that the group had significant share-based payment-related costs, consulting fees and transaction costs in 2021 as a result of the IPO.

	Fourth quarter		Year	
USD million	2022	2021	2022	2021
Profit/loss for the period	26.2	2.0	99.1	-51.6
Income tax expense	7.4	4.3	28.1	-7.9
Finance income	-10.1	-16.2	-4.2	-19.2
Finance costs	7.8	15.0	44.0	41.2
Depreciation	1.6	1.2	6.6	4.5
Amortization of intangible assets	12.7	13.0	51.1	53.7
EBITDA	45.5	19.3	224.7	20.6

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).

No additional goodwill was recognized during the twelve months ended 31 December 2022.

The group has recognized additions of USD 34.1 million during the twelve months ended 31 December 2022. USD 18.7 million was reclassified to technology and USD 5.6 million was reclassified to patents.

USD million	Goodwill	Trade-marks	Software and technology	Patent rights	Customer relation-ships	Internal develop-ment	Total
Acquisition cost 31 December 2021	**1,224.2**	**7.2**	**486.1**	**95.4**	**123.2**	**13.9**	**1,950.0**
Additions through acquisitions	-	-	-	-	-	-	-
Additions	-	-	-	-	-	34.1	34.1
Reclassification	-	-	18.7	5.6	-	-24.3	-
Currency translation effects	-127.8	-1.2	-48.0	-7.3	-6.2	-0.3	-190.8
Acquisition cost 31 December 2022	**1,096.4**	**6.0**	**456.7**	**93.7**	**117.0**	**23.5**	**1,793.3**
Accumulated amortization 31 December 2021	**-**	**-**	**49.3**	**12.8**	**59.6**	**-**	**121.7**
Amortization for the period	-	-	22.8	5.6	22.7	-	51.1
Currency translation effects	-	-	-0.2	-0.1	-0.1	-	-0.4
Accumulated amortization 31 December 2022	**-**	**-**	**71.9**	**18.3**	**82.1**	**-**	**172.4**
Carrying amount 31 December 2021	**1,224.2**	**7.2**	**436.7**	**82.7**	**63.7**	**13.9**	**1,828.2**
Carrying amount 31 December 2022	**1,096.4**	**6.0**	**384.8**	**75.4**	**34.9**	**23.5**	**1,621.0**
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 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 twelve months ended 31 December 2022. The group's shares traded at a Price-to-Book (P/B) level of 4.6 as of 31 December 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)[1]	Financial position (USD million)
At 1 January 2021	**3,163,317,200**	**0.01**	**35.24**
Share issue at 4 January 2021	9,279,444	0.01	0.11
Share issue at 22 January 2021	9,810,000	0.01	0.12
Share issue at 13 April 2021 (exercise of share options)	41,113,780	0.01	0.49
Share issue at 12 October 2021	6,220,005	0.01	0.07
Cancellation of shares at 13 October 2021	-1,200,000	0.01	-0.01
Capital reorganization 14 October 2021	-	-	-3.74
Share issue at 14 October 2021 (treasury shares)	200,000,000	0.01	2.00
At 31 December 2021	**3,428,540,429**	**0.01**	**34.29**
At 31 December 2022	**3,428,540,429**	**0.01**	**34.29**

[1] 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 89,392,501 treasury shares as of 31 December 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	1,316,409,731	38.4 %	38.4 %
Citibank, N.A.	Ireland	Nominee	1,133,373,367	33.1 %	33.1 %
State Street Bank and Trust Comp	United States	Nominee	128,792,039	3.8 %	3.8 %
Alecta Tjanstepension Omsesidigt	Luxembourg	Ordinary	90,928,350	2.7 %	2.7 %
AutoStore Holdings Ltd.	Norway	Ordinary	89,392,501	2.6 %	2.6 %
The Bank of New York Mellon	United States	Nominee	85,404,717	2.5 %	2.5 %
JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	65,003,480	1.9 %	1.9 %
Folketrygdfondet	Norway	Ordinary	52,327,053	1.5 %	1.5 %
State Street Bank and Trust Comp	United States	Nominee	30,747,612	0.9 %	0.9 %
Lyngneset Invest AS	Norway	Ordinary	23,183,898	0.7 %	0.7 %
Sumitomo Mitsui Trust Bank (U.S.A)	United States	Nominee	20,482,771	0.6 %	0.6 %
Citibank, N.A.	Ireland	Nominee	13,951,446	0.4 %	0.4 %
The Bank of New York Mellon	United States	Nominee	12,844,341	0.4 %	0.4 %
Brown Brothers Harriman & Co.	United States	Nominee	12,580,978	0.4 %	0.4 %
The Northern Trust Comp, London Br	United Kingdom	Nominee	11,763,522	0.3 %	0.3 %
Jakob Hatteland Holding AS	Norway	Ordinary	10,950,000	0.3 %	0.3 %
Polysys AS	Norway	Ordinary	10,800,000	0.3 %	0.3 %
State Street Bank and Trust Comp	United States	Nominee	10,316,264	0.3 %	0.3 %
J.P. Morgan SE	Luxembourg	Nominee	10,072,047	0.3 %	0.3 %
Brown Brothers Harriman & Co.	United States	Nominee	7,842,569	0.2 %	0.2 %
Other shareholders			291,373,743	8.5 %	8.5 %
At 31 December 2022			**3,428,540,429**	**100.0 %**	**100.0%**

The shareholder information is gathered from the VPS share register. The account of The Bank of New York Mellon (38.4%) is held by Alpha LP, part of SoftBank Group Corp. The account of Citibank (33.1%) is held by THL Fund VIII.

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 will be delivered to permanent employees for a purchase price of NOK 16.7. Shares purchased will be 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 will be delivered in 2023. The shares delivered were existing shares held in treasury by AutoStore.

Distribution to shareholders

The group did not pay dividends to shareholders during 2021 or the twelve-month period ended 31 December 2022. There are no proposed dividends as of the date of authorization of this interim report.

Share price information as of 31 December 2022	
Share price at 31 December 2022 (NOK)	17.93
Number of shares	3,428,540,429
Market capitalization at 31 December (NOK)	**61,456,587,190**
USD/NOK exchange rate at 31 December 2022	9.86
Market capitalization at 31 December 2022 (USD)	**6,234,146,766**

	Fourth quarter		Year	
Weighted average number of shares	2022	2021	2022	2021
Weighted average number of ordinary shares for basic EPS	3,338,943,779	3,313,557,291	3,338,023,633	3,235,271,383
Weighted average number of ordinary shares adjusted for the effect of dilution	3,429,565,867	3,407,672,614	3,427,677,533	3,235,271,383

4.2 Interest-bearing liabilities

USD million	Interest rate	31 December 2022	31 December 2021
Senior Facilities: Facility B (EUR)[1]	EURIBOR+2.50%	260.2	276.3
Senior Facilities: Facility B (USD)[1]	LIBOR+3.25%	167.0	167.0
Capitalized fees - Facility B		-5.4	-7.7
Total non-current interest-bearing loans and borrowings		421.8	435.6

[1] 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	31 December 2022	31 December 2021
Senior Facilities: Facility B (EUR)[1]	EURIBOR+2.50%	1.0	0.7
Senior Facilities: Facility B (USD)[1]	LIBOR+3.25%	-	-
Total current interest-bearing loans and borrowings		1.0	0.7

[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 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 31 December 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

	Fourth quarter		Year	
USD million	2022	2021	2022	2021
Finance income	10.1	16.2	4.2	19.2
Finance costs	-7.8	-15.0	-44.0	-41.2
Net finance income/cost	2.3	1.2	-39.8	-22.0
Foreign currency gain/loss included above	7.1	16.2	-21.2	19.2

Foreign currency income/cost for the twelve-month period ended 31 December 2022 are presented net.

Note 5 Other disclosures

5.1 Share-based payments

USD million	Fourth quarter 2022	Fourth quarter 2021	Year 2022	Year 2021
Expense arising from equity-settled share-based payment transactions	-0.3	-0.2	-1.0	-2.7
Total expense arising from share-based payment transactions	**-0.3**	**-0.2**	**-1.0**	**-2.7**

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 18.8 million (reduction in cost) from 31 December 2021 to 31 December 2022 as a result of a decrease in the company's underlying share price.

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.

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	Year 2022	Year 2021
Outstanding at 1 January	**88,744,288**	**163,071,600**
Granted during the period	1,917,087	310,077
Forfeited during the period	-	-
Exercised during the period	-	74,637,389
Expired during the period	-	-
Outstanding at 31 December	**90,661,375**	**88,744,288**
Exercisable at 31 December	69,136,494	58,247,282

New share options of 43,548 were granted during Q4 2022 as restricted stock units ("RSUs") to external members of the Board of Directors of Autostore Holdings Ltd., who are partly compensated through option instruments.

Share options of 1,873,539 were granted in Q3 2022 in connection with the group's new long-term incentive plan ("LTIP") for certain members of the company's management and other leading employees, which was introduced on 7 July 2022. Under the LTIP, the executives are awarded a conditional grant of share options, performance share units ("PSUs") and/or restricted stock units ("RSUs").

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.

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 trial is currently scheduled for 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. AutoStore filed petitions for Inter Partes Review against three of Ocado's patents asserted in the District of New Hampshire: United States Patent Nos. 9,796,080 ("'080"), 10,913,602 ("'602"), and 10,961,051 ("'051"). The PTAB declined to institute proceedings for the '080 patent on October 8, 2021, and declined to institute proceedings for the '602 patent on July 20, 2022. The PTAB began proceedings against Ocado's '051 patent on September 14, 2022, which remain ongoing.

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 first half of 2023. As AutoStore sharpened its infringement action, it also asserted two additional patents against Ocado which will be subject to a separate trial currently stayed by the mutual consent of the parties.

European Patent Office proceedings

There are ongoing proceedings at various stages in the European Patent Office ("EPO") concerning the respective validity of certain Ocado and AutoStore patents. Three Central Cavity Patents, which are at issue in the first substantive trial of AutoStore's patent infringement claim against Ocado in the UK High Court, are due to be considered by the EPO's Technical Boards of Appeal ("TBA") on 27 and 28 February 2023, and at a further hearing yet to be scheduled. The EPO has already ruled at first instance that two of these Central Cavity Patents are valid and one invalid on a narrow technical point. These first instance decisions are subject to final determination by the TBA.

Appendices

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 ~85% 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 and operators' 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 Business Development Managers (BDMs), and further growth in these key parameters remain a priority.

AutoStore is also benefiting from its relationship with SoftBank, its largest shareholder. 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 strives 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' requirement 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 2021 sustainability report 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, EBIT margin, 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.
- 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 EBIT[1]

	Fourth quarter		Year	
USD million	2022	2021	2022	2021
EBIT	**31.2**	**5.0**	**167.0**	**-37.5**
Ocado litigation costs	5.3	7.7	28.8	34.0
Transaction costs	-	7.2	1.4	28.4
Option costs	8.1	6.8	-17.3	62.3
Management fees related to previous ownership structure	-	0.2	-	13.2
PPA amortizations	10.5	12.1	44.1	49.1
Total adjustments	**23.9**	**33.9**	**56.8**	**186.9**
Adjusted EBIT[1]	**55.1**	**39.0**	**223.9**	**149.4**
Total revenue and other operating income	147.5	93.2	583.5	327.6
EBIT margin	**21.2 %**	**5.4 %**	**28.6 %**	**-11.5 %**
Adjusted EBIT margin[1]	**37.4 %**	**41.8 %**	**38.4 %**	**45.6 %**

Adjusted EBITDA[1]

	Fourth quarter		Year	
USD million	2022	2021	2022	2021
Profit/loss for the period	**26.2**	**3.4**	**99.1**	**-50.1**
Income tax	7.4	2.9	28.1	-9.4
Net financial items	-2.3	-1.2	39.8	22.0
EBIT	**31.2**	**5.0**	**167.0**	**-37.5**
Depreciation	1.6	1.2	6.6	4.5
Amortization of intangible assets	12.7	13.0	51.1	53.7
EBITDA	**45.5**	**19.3**	**224.7**	**20.6**
Ocado litigation costs	5.3	7.7	28.8	34.0
Transaction costs	-	7.2	1.4	28.4
Option costs	8.1	6.8	-17.3	62.3
Management fees related to previous ownership structure	-	0.2	-	13.2
Total adjustments	**13.5**	**21.8**	**12.8**	**137.8**
Adjusted EBITDA[1]	**59.0**	**41.1**	**237.5**	**158.4**
Total revenue and other operating income	147.5	93.2	583.5	327.6
EBITDA margin	**30.9 %**	**20.7 %**	**38.5 %**	**6.3 %**
Adjusted EBITDA margin[1]	**40.0 %**	**44.1 %**	**40.7 %**	**48.4 %**

[1] Please refer to page 28 for explanations on the APM definitions and page 30 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 on 20 October 2021. 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 (THL) 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	Theoretical Adressable Market
WMS	Warehouse Management System

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