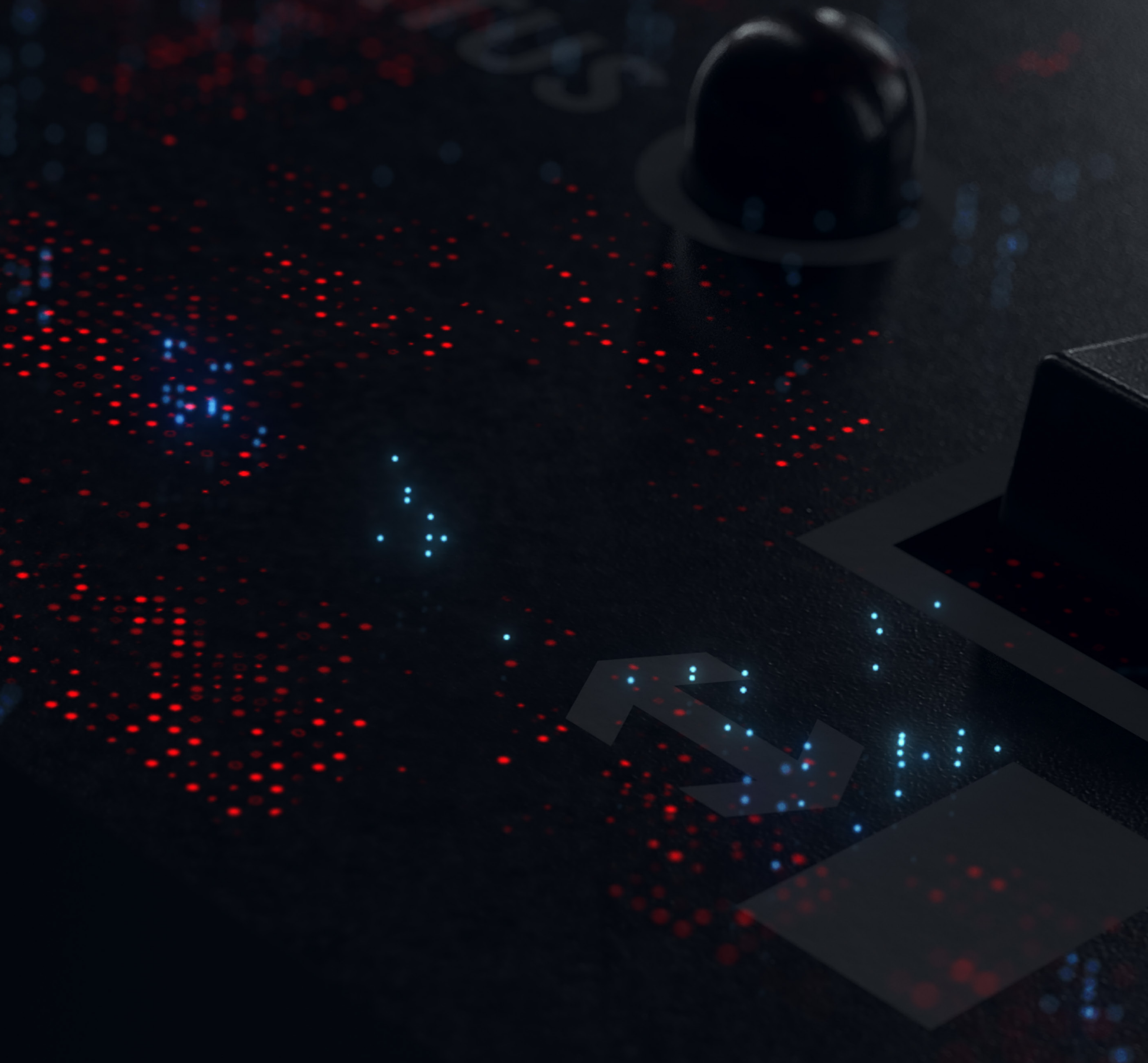
AutoStore

Quarterly Report

Q4 2021



Highlights for the Fourth Quarter

Financial Highlights for the Fourth Quarter of 2021

● AutoStore Holdings Ltd. (AutoStore) reported revenue of USD 93.2 million (58.9), representing a growth of 58.3%.
● Reported EBIT was USD 5.0 million (11.3), influenced by IPO related costs, provisions for social security tax on management options, Ocado litigation costs and PPA amortizations.
● Adjusted EBITDA* was USD 41.1 million (31.8), corresponding to an adjusted EBITDA margin* of 44.1% (53.9%). The decrease in the adjusted EBITDA margin* was primarily related to increased price pressure on raw materials following global supply chain issues. In addition, the group invested significantly in organizational growth initiatives, such as MFC[1].
● Adjusted EBIT* was USD 39.0 million (30.1), corresponding to an adjusted EBIT margin* of 41.8% (51.2%).
● Simplified free cash flow* was USD 30.1 million (24.1), resulting in a cash flow conversion of 73.3% (75.9%).
● Order intake[2] was USD 198.4 million (87.9), representing a growth of 125.9%. Order backlog[3] was USD 456.5 million (159.1) per the fourth quarter of 2021, representing a year-over-year growth of 186.9%.
● AutoStore repaid in full the Second Lien facility of USD 183.6 million and partially repaid the First Lien Facility B EUR loan of EUR 290 million, where a total of EUR 46.1 million of the loan was repaid.

Financial Highlights for FY2021

● Reported revenue was USD 327.6 million (182.1), representing a growth of 79.8%.
● Full year adjusted EBITDA* ended at USD 158.4 million (93.5), representing an adjusted EBITDA margin* of 48.4% (51.3%). The decrease in margin year-over-year is to a large extent driven by increased price pressure on raw materials following global supply chain issues.
● Order intake reached USD 620.9 million, representing a growth of 158.6% compared to 2020.

Corporate Developments

● Initial ITC determination to maintain status quo in the patent case against Ocado. In February 2022, German courts stayed cases against AutoStore because Ocado IP may be invalid.
● Continued to scale the organization for further growth by hiring 230 new colleagues in 2021. In addition, a new Chief Operating Officer, General Counsel and Investor Relations Officer were hired, all commencing their positions in the start of 2022.

Operational Highlights

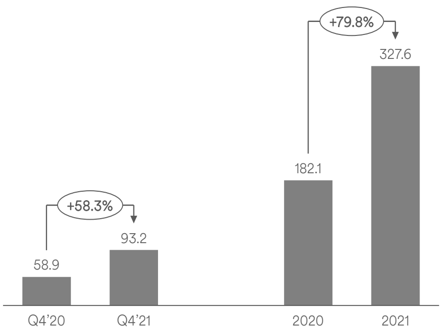
● On 20 October, AutoStore successfully listed on Oslo Børs under the ticker “AUTO.”
● Announced a price increase of 7.5% on AutoStore products, effective on new orders from 1 December 2021.

Subsequent Events

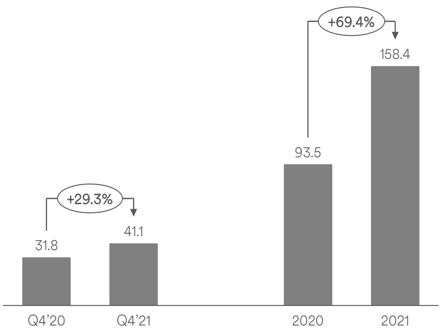
● AutoStore unveiled the R5+ Robot, expanding bin-handling capabilities to meet the needs of rapidly evolving warehouses.
● AutoStore announced Element Logic as a global partner and SmartLog as distribution partner for Latin America, providing additional capacity to a global market with massive growth potential from underlying megatrends.
● AutoStore increases the 2022 revenue guidance from over USD 500 million to USD 550-600 million.

	Fourth quarter			Year		
USD million	2021	2020	Δ in %	2021	2020	Δ in %
Revenue	93.2	58.9	58.3 %	327.6	182.1	79.8 %
EBIT	5.0	11.3	-55.5 %	-37.5	24.6	-252.9 %
Adjusted EBITDA*	41.1	31.8	29.3 %	158.4	93.5	69.4 %
Adjusted EBITDA margin* (%)	44.1 %	53.9 %	-9.8 pp.	48.4 %	51.3 %	-2.9 pp.
Adjusted EBIT*	39.0	30.1	29.2 %	149.4	88.7	68.5 %
Adjusted EBIT margin* (%)	41.8 %	51.2 %	-9.4 pp.	45.6 %	48.7 %	-3.1 pp.
Simplified free cash flow*	30.1	24.1	24.9 %	127.5	74.3	71.7 %
Cash flow conversion* (%)	73.3 %	75.9 %	-2.6 pp.	80.5 %	79.4 %	1.1 pp.
Order intake	198.4	87.9	125.9 %	620.9	240.1	158.6 %

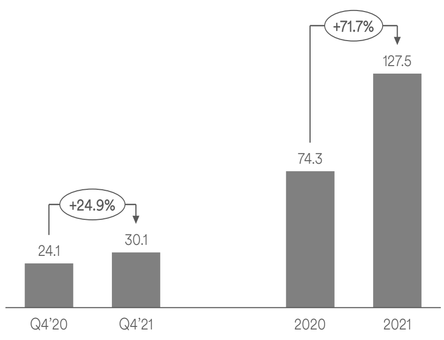
Revenue



Adjusted EBITDA*



Simplified FCF*



*Please refer to APM section for further details and definitions on APM measures.
[1]Micro-Fulfillment Centers.
[2]Order intake is defined as 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 projects where a distribution partner or AutoStore has received a purchase order or verbal confirmation but the ordered goods have not yet been shipped.

Letter from the CEO

"AutoStore delivered another strong quarter with a revenue growth of 58.3%, an adjusted EBITDA margin of 44.1%, and an impressive order intake of USD 198.4 million, bringing our order backlog to exceed USD 450 million.

This impressive performance by our team and partners brings our 2021 revenue to USD 327.6 million, well above our target of approximately USD 300 million in 2021.

The development proves that AutoStore continues to benefit from a huge, underpenetrated market with high expected growth rates for fast cubic storage. Drivers for the development are a strong macro backdrop of pressure on warehouse costs and productivity, acceleration in e-commerce growth, and labor shortages. We made significant progress in the quarter to further penetrate and grow this USD 230 billion addressable market for automated storage and retrieval systems, as we increased our market access in important regions, continued to gain market shares in the attractive markets within Micro-Fulfillment Centers and High Throughput, and further developed our technological leadership.

To support our rapid growth and the increasing demand for AutoStore solutions across regions, we announced Element Logic as a global partner. This gives the partner rights to sell and implement our technology across the world. Meanwhile, with an increasing demand for AutoStore in Latin America, we also had the pleasure to announce a territory expansion of AutoStore in this region with SmartLog. Both Element Logic and SmartLog will bring necessary capacity to a global market with rapid growth from underlying megatrends.

We also continued to scale the organization for further growth. In 2021, we welcomed 230 new colleagues, bringing the team to 585 persons. In addition, I want to welcome Israel Losada Salvador as our new Chief Operating Officer, Jenny Sveen Hovda as our new General Counsel, and Hiva Ghiri as our new Investor Relations Officer.

Our commitment to innovation was underlined by the announcement of the R5+ Robot, which expands our total addressable market of Red Line, while reducing the supply chain risk. The newest addition to the AutoStore robot fleet offers a more cost-efficient solution enabling warehouses to manage larger items, thanks to R5+'s ability to handle bins up to 425 mm, the tallest bins available in the AutoStore system. Until now, this has been a premium feature possible only with AutoStore B1 Robot installations. The R5+ is available for operations globally. Moreover, offering the R5+ allows us to reduce the risk of long lead times, as we will now rely on a supply chain that is more mature.

The order intake of USD 198.4 million in the quarter, representing a growth of close to 130% year-over-year, brings the order book to over USD 450 million. The growth and performance in the fourth quarter of 2021 highlight the momentum for AutoStore, with strong demand across regions, end markets, and warehouse categories.

We are confident in our ability to deliver solutions to sustain the revenue growth, despite the current tight market situation for certain parts and materials we are facing. This situation will have some short-term impact on margins.

With the 2021 performance as tailwind on top of our proven expansion strategy, we see significant opportunities for growth acceleration going forward. Consequently, we increase our 2022 revenue guidance from over USD 500 million to USD 550-600 million. And the best has yet to come: The journey has just begun."

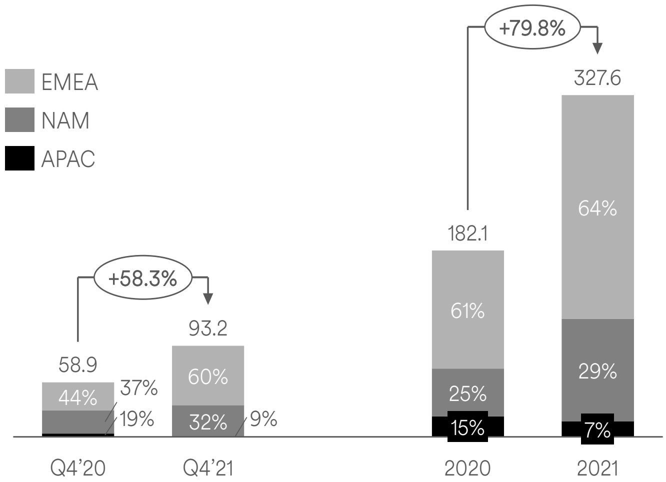
Karl Johan Lier

Karl Johan Lier,
CEO AutoStore

Other Metrics

USD million

Revenue Breakdown* per Region

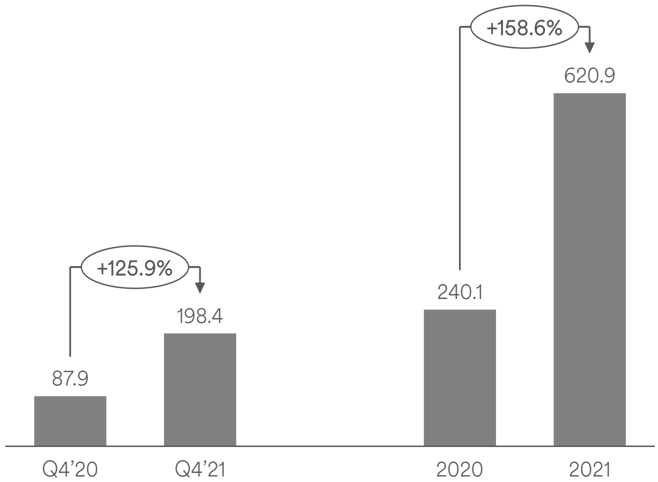


Revenue in EMEA[1] increased from USD 26.0 million in the fourth quarter of 2020 to USD 55.7 million in the same period in 2021, representing a growth of 114.0%. FY2021 revenue in EMEA was USD 209.3 million, compared to USD 110.3 million in FY2020, representing a growth of 89.7%.

The group continued its North American expansion efforts in 2021 and increased its revenue in the fourth quarter of 2021 from USD 21.9 million to USD 29.5 million, corresponding to a growth of 34.7%. FY2021 revenue in North America was USD 95.7 million, compared to USD 44.8 million in FY2020, representing a growth of 113.5%.

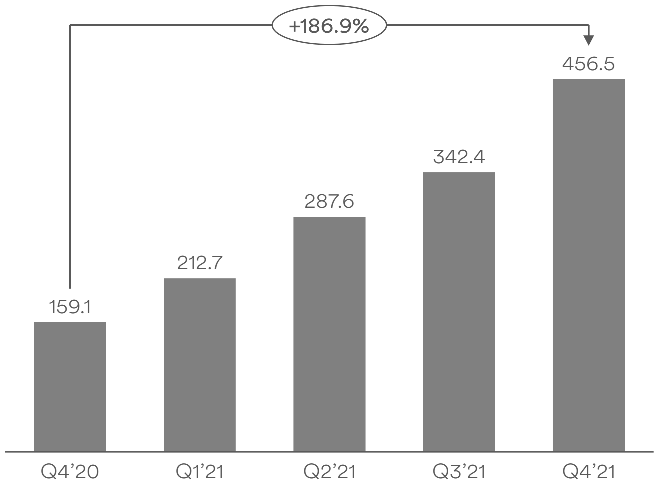
Revenue in APAC[3] decreased by 27.0% to USD 8.0 million in the fourth quarter of 2021, from USD 10.9 million in the corresponding period of 2020. FY2021 revenue in APAC was USD 22.6 million, compared to USD 27.0 million in FY2020, representing a decrease of 16.4%. The activity in APAC has been impacted by strict COVID-19 regulations throughout 2021. Revenue in APAC is expected to grow strongly in 2022, supported by backlog and new partners added in 2021.

Order Intake



Order intake increased by 125.9% from USD 87.9 million to a record-high order intake of USD 198.4 million in the fourth quarter of 2021. Order intake in FY2021 was USD 620.9 million, compared to USD 240.1 million in FY2020, corresponding to a growth of 158.6%. The significant growth in order intake is to a large extent driven by a shift and acceleration in the e-commerce penetration, which has increased the demand for efficient and automated logistic solutions, only expected to further develop with a USD 230 billion addressable market for automated storage and retrieval systems.

Backlog Development



Order backlog increased to USD 456.5 million at the end of the fourth quarter of 2021, compared to USD 159.1 million at the end of the corresponding period in 2020, representing a year-over-year growth of 186.9%.

*Includes total revenue, incl. operating income.

[1]EMEA: Europe, the Middle East and Africa. Also includes a minor share of Latin America.

[2]NAM: North America.

[3]APAC: Asia-Pacific.

Fourth Quarter 2021** Financial Development

AutoStore reported total revenue (including operating income) of USD 93.2 million (58.9) in the fourth quarter of 2021. This represents a growth of 58.3% following acceleration in the e-commerce market driving demand for efficient logistics and automation.

FY2021 revenue increased by 79.8% year-over-year, and ended at USD 327.6 million. The majority of total revenue resulted from sale of AutoStore systems. Please refer to page 4 for further details on revenue breakdown per region.

Revenue and operating income	Fourth quarter		Year	
USD million	2021	2020	2021	2020
EMEA	55.7	26.0	209.3	110.3
NAM	29.5	21.9	95.7	44.8
APAC	8.0	10.9	22.6	27.0
Total revenue and operating income	**93.2**	**58.9**	**327.6**	**182.1**

Cost of materials increased to USD 31.6 million (16.3) in the fourth quarter of 2021, following the increased sales volume as well as increased price pressure on raw materials continuing in the last quarter of 2021. Overall, cost of materials increased from USD 52.1 million in FY2020 to USD 107.8 million in FY2021. The trend follows the same development as in the fourth quarter of 2021 of higher sales volumes and increased price pressure on raw materials primarily in the second half of the year.

Employee benefit expenses increased to USD 21.9 million (7.5) in the fourth quarter of 2021, primarily due to the group's growth from 355 to 585 employees between December 2020 and December 2021. In addition, the increase is mainly related to provision and payables on social security tax on management options of USD 6.8 million (1.3) due to the increased value of the company's shares as per 31 December 2021. In total, provision and payables on social security tax on management options were USD 62.3 million (7.5) in FY2021. The expense is considered by the company to be an adjustment item. Please refer to APM section on page 30 for further details.

Other operating expenses increased to USD 20.4 million (10.0) in the fourth quarter of 2021. The increase was mainly due to litigation costs of USD 7.7 million (4.8) related to the Ocado IP infringement case and transaction costs of USD 7.2 million (0.1) following the IPO completed in October 2021. Other operating expenses increased by USD 67.7 million in FY2021, significantly driven by litigation costs related to the Ocado IP infringement case, transaction costs related to the IPO completed in October 2021, and fees related to an advisory services agreement terminated at IPO. These costs are considered by the company to be adjustment items (please refer to APM section on page 30 for further details).

EBITDA for the fourth quarter of 2021 was USD 19.3 million (25.1), while the adjusted EBITDA*/adjusted EBITDA margin*, taking the adjustment items outlined above into account, was USD 41.1 million (31.8)/44.1% (53.9%). In FY2021, the adjusted EBITDA* margin ended at 48.4% compared to 51.3% in FY2020. The decrease in the adjusted EBITDA margin* in the fourth quarter of 2021 was primarily related to increased price pressure on raw materials following global supply chain issues. In addition, the group invested significantly in organizational growth initiatives, such as MFC.

The adjustment items in the fourth quarter of 2021 are in all material respects due to litigation costs related to the Ocado IP infringement case, transaction costs related to the IPO completed in October 2021, and provision of social security tax on management options due to the increased value of the company's shares as per 31 December 2021. In FY2021, the adjustment items also included fees related to an advisory services agreement terminated at IPO. Costs related to the Ocado IP infringement case are assessed as being of a non-operational and extraordinary nature not expected to occur in the same amount in a long-term perspective. Please refer to APM section on page 30 for further details on the adjusted EBITDA* and for complete APM definitions.

AutoStore reported USD 1.2 million (1.0) in depreciation and USD 13.0 million (12.7) million in amortization of intangible assets in the fourth quarter of 2021. Amortization of intangible assets primarily relates to the purchase price allocation connected to the THL acquisition of the group in 2019. EBIT for the fourth quarter of 2021 was USD 5.0 million (11.3), whereas adjusted EBIT* was USD 39.0 million (30.1). EBIT in FY2021 was USD -37.5 million (24.6) and adjusted EBIT* for the year was USD 149.4 million (88.7). Development in adjusted EBIT* follows adjustments for adjusted EBITDA*, together with adjustments for amortization of certain PPA values.

*Please refer to APM section for further details and definitions on APM measures.

**The Interim Condensed Consolidated Financial Statements have not been subject to audit or review.

EBIT	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Revenue	93.2	58.9	327.6	182.1
Cost of materials	-31.6	-16.3	-107.8	-52.1
Employee benefit expenses	-21.9	-7.5	-102.3	-26.2
Other operating expenses	-20.4	-10.0	-96.9	-29.2
EBITDA	**19.3**	**25.1**	**20.6**	**74.7**
Adjusted EBITDA*	**41.1**	**31.8**	**158.4**	**93.5**
Depreciation	-1.2	-1.0	-4.5	-3.3
Amortization of intangible assets	-13.0	-12.7	-53.7	-46.8
EBIT	**5.0**	**11.3**	**-37.5**	**24.6**
Adjusted EBIT*	**39.0**	**30.1**	**149.4**	**88.7**

Net financial items for the fourth quarter of 2021 was USD 1.2 (34.2), and USD -22.0 million in FY2021 (-51.1). Changes mainly relate to foreign exchange exposure on the group's long-term loans in currencies other than the functional currency.

The profit before tax in the fourth quarter of 2021 was USD 6.3 million (45.5), while the profit after tax was USD 2.0 million (36.1). In total, FY2021 ended with a loss before tax of USD 59.5 million (26.6), and a loss after tax of USD 51.6 million (21.1).

Net profit/loss	Fourth quarter		Year	
USD million	2021	2020	2021	2020
EBIT	**5.0**	**11.3**	**-37.5**	**24.6**
Adjusted EBIT*	**39.0**	**30.1**	**149.4**	**88.7**
Finance income	16.2	44.1	19.2	0.1
Finance costs	-15.0	-9.9	-41.2	-51.2
Profit/loss before tax	**6.3**	**45.5**	**-59.5**	**-26.6**
Income tax expense	-4.3	-9.4	7.9	5.5
Profit/loss for the period	**2.0**	**36.1**	**-51.6**	**-21.1**

AutoStore had a cash flow from operating activities of USD 33.3 million in the fourth quarter of 2021, an increase from USD 5.0 million in the corresponding quarter of 2020. Cash flow from operating activities increased as a result of increase in sales and timing of incoming cash from accounts receivables, partly offset by increase in inventory. In addition, there were significant movements in working capital items related to costs incurred in connection with the IPO and the option program.

Cash flow from investing activities was USD -11.0 million in the fourth quarter of 2021, compared to USD -7.7 million in the corresponding period of 2020, driven by R&D investments. The majority of the group's investments relate to R&D, which is classified as development expenditures in the cash flow statement.

Cash flow from financing activities of USD 71.7 million (-8.1) in the fourth quarter of 2021 increased as a result of proceeds from the IPO, offset by repayment of long-term debt.

Cash reserves increased from USD 50.1 million to USD 146.9 million between the fourth quarters of 2020 and 2021.

Cash flow	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Cash flow from operating activities	33.3	5.0	80.7	83.5
Cash flow from investing activities	-11.0	-7.7	-35.9	-19.3
Cash flow from financing activities	71.7	-8.1	56.4	-40.1
Net change in cash and cash equivalents	**94.1**	**-10.8**	**101.2**	**24.1**
Cash and cash equivalents, beginning of period	56.4	56.1	50.1	22.5
Effect of change in exchange rate	-3.6	0.7	-4.4	-0.7
Translation effect from change in currency from EUR to USD	-	4.1	-	4.1
Cash and cash equivalents, end of period	**146.9**	**50.1**	**146.9**	**50.1**

The group's total assets per 31 December 2021 was USD 2,113.9 million (2,054.2), of which intangible assets and goodwill represented USD 604.0 million (644.1) and USD 1,224.2 million (1,256.0), respectively. Inventory grew to USD 51.4 million (29.1), while trade receivables and other receivables ended at USD 46.4 million (43.8) and USD 14.6 million (6.0), respectively. Cash and cash equivalents were USD 146.9 million at the end of the fourth quarter 2021, up from USD 50.1 million at the end of 2020.

Equity increased from USD 1,157.1 million at the end of 2020 to USD 1,390.6 million per 31 December 2021, mainly related to the sale of shares in the IPO completed in October 2021.

Current liabilities increased to USD 144.5 million (46.7), impacted by the provision and payables of social security tax on management options as well as the provision for Ocado litigation costs.

Non-current liabilities decreased from USD 850.4 million to USD 578.9 million from 31 December 2020 to 31 December 2021, mainly due to the repayment of the group's long-term debt using IPO proceeds. AutoStore repaid in full the Second Lien facility of USD 183.6 million and partially repaid the First Lien Facility B EUR loan of EUR 290 million. A total of EUR 46.1 million of the loan was repaid.

USD million	31 December 2021	31 December 2020
Goodwill	1 224.2	1 256.0
Intangible assets	604.0	644.1
Other non-current assets	26.4	25.0
Total non-current assets	**1 854.6**	**1 925.1**
Total current assets	**259.3**	**129.0**
Total assets	**2 113.9**	**2 054.2**
Total equity	**1 390.6**	**1 157.1**
Non-current interest-bearing liabilities	435.6	692.2
Other non-current liabilities	143.4	158.2
Current interest-bearing liabilities	0.7	2.8
Other current liabilities	143.7	43.8
Total liabilities	**723.4**	**897.0**
Total equity and liabilities	**2 113.9**	**2 054.2**

Fourth Quarter 2021 Corporate Developments

Ocado litigation

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).

This initial determination recommends to the full Commission that Ocado may continue to import the Ocado Smart Platform ("OSP") into the US, maintaining the status quo. The decision has no impact on AutoStore's ability to sell its product in the US or globally.

The initial determination found that certain AutoStore patents were invalid based on a narrow legal issue. AutoStore intends to challenge the non-final decision before the full Commission, which will review the findings and is expected to issue a final determination in April 2022.

Early in February 2022, all Ocado's claims against AutoStore in Germany were 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.

This follows Ocado's agreement to a stay of the second of its claims in the Mannheim District Court for an order blocking the sale of the B1 Robot in Germany. 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. Those actions have been stayed as follows:

- The Munich District Court issued a stay order on 27 January 2022 in relation to both Ocado's actions in that Court.
- The Mannheim District Court issued a stay order in relation to one of Ocado's claims on 28 January 2022.

Ocado agreed to a stay on the other action in the Mannheim District Court. AutoStore has consistently maintained that the Ocado utility models in Germany are invalid, and the company commenced proceedings last year in the GPO to invalidate them.

Organizational growth

AutoStore continued to scale the organization for further growth by welcoming 230 new colleagues in 2021. Following the retirement of long-serving Chief Operating Officer Jone Gjerde, AutoStore announced his successor Israel Losada Salvador. In addition, AutoStore has appointed Jenny Sveen Hovda as General Counsel and Hiva Ghiri as Investor Relations Officer.

Fourth Quarter 2021 Operational Highlights

Listing on Oslo Børs

AutoStore successfully listed on Oslo Børs under the ticker “AUTO” on 20 October 2021.

Price increase

AutoStore announced a price increase of 7.5% on AutoStore products, effective on new orders from 1 December 2021.

Subsequent Events

Unveiling of the R5+ Robot

The newest addition to the AutoStore Robot fleet launched in January 2022 will enable warehouses to manage larger items, thanks to the R5+’s ability to handle bins up to 425 mm, the tallest bins available in the AutoStore system. Until now, this has been a premium feature possible only with AutoStore B1 Robot installations. The R5+ is available for operations globally.

Partner network expanded

AutoStore announced Element Logic as global partner and SmartLog as distribution partner for Latin-America, providing additional capacity to a global market with massive growth potential from underlying megatrends.

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements for the fourth quarter of 2021, 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 specified in Section 5-6, fourth paragraph, of the Norwegian Securities Trading Act.

Outlook

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

AutoStore develops warehouse solutions for the future while enabling space saving, increasing performance, and reducing labor and energy costs for customers. For more information about the company strategy and sustainability at AutoStore, please see pages 26-28.

AutoStore is in a strong position to leverage global megatrends within e-commerce and automation. Rapid growth, changing consumer demand, the emergence of MFCs, and overall need for more sustainable and efficient solutions provide a strong platform for growth acceleration.

The growth and performance highlight the momentum for AutoStore. The company is confident in the ability to deliver solutions to sustain revenue growth expectations, despite the current tight market situation for certain parts and materials AutoStore is facing. This situation will have some short-term impact on margins.

The record-high order intake and order book provides the company with a significant revenue visibility, and AutoStore increases the 2022 revenue guidance from over USD 500 million to USD 550-600 million. The medium-term growth rate of ~40 percent is reiterated.

Oslo, 16 February 2022

The Board of Directors of AutoStore Holdings Ltd.

James C. Carlisle
Chair

Kristin Skogen Lund
Board member

Hege Skryseth
Board member

Viveka Ekberg
Board member

Andreas Hansson
Board member

Michael K. Kaczmarek
Board member

Nils Magnus Tornling
Board member

Samuel Merksamer
Board member

Ram Trichur
Board member

Karl Johan Lier
CEO

Interim Condensed Consolidated Financial Information

Interim Condensed Consolidated Statement of Comprehensive Income

		Fourth quarter		Year	
USD million	Notes	2021	2020*	2021	2020*
Revenue	2.1	93.6	58.4	325.8	180.6
Other operating income		-0.4	0.5	1.8	1.6
Total revenue and other operating income		**93.2**	**58.9**	**327.6**	**182.1**
Cost of materials		-31.6	-16.3	-107.8	-52.1
Employee benefit expenses	5.2	-21.9	-7.5	-102.3	-26.2
Other operating expenses	5.4	-20.4	-10.0	-96.9	-29.2
Depreciation		-1.2	-1.0	-4.5	-3.3
Amortization of intangible assets	3.1	-13.0	-12.7	-53.7	-46.8
Operating profit/loss		**5.0**	**11.3**	**-37.5**	**24.6**
Finance income	4.2	16.2	44.1	19.2	0.1
Finance costs	4.2	-15.0	-9.9	-41.2	-51.2
Profit/loss before tax		**6.3**	**45.5**	**-59.5**	**-26.6**
Income tax expense		-4.3	-9.4	7.9	5.5
Profit/loss for the period		**2.0**	**36.1**	**-51.6**	**-21.1**
Other comprehensive income/loss					
Items that subsequently will not be reclassified to profit or loss:					
Exchange differences on translation of parent company	4.2	-16.5	-	-16.5	-
Total items that will not be reclassified to profit or loss		**-16.5**	**-**	**-16.5**	**-**
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	4.2	-4.4	117.8	-40.4	30.9
Total items that may be reclassified to profit or loss		-4.4	117.8	-40.4	30.9
Other comprehensive income/loss for the period		**-20.9**	**117.8**	**-56.8**	**30.9**
Total comprehensive income/loss for the period		**-18.9**	**153.9**	**-108.4**	**9.8**
Profit/loss attributable to:					
Equity holders of the parent		2.0	36.1	-51.6	-21.1
Total comprehensive income/loss attributable to:					
Equity holders of the parent		-18.9	153.9	-108.4	9.8
Earnings per share					
Basic earnings per share (USD)		0.001	0.011	-0.016	-0.007
Diluted earnings per share (USD)		0.001	0.011	-0.016	-0.007

*Restated to reflect the change in presentation currency from EUR to USD (note 1.2).

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 2021	31 December 2020*
ASSETS			
Non-current assets			
Property, plant and equipment		11.2	10.4
Right-of-use assets		11.6	13.2
Goodwill	3.1	1 224.2	1 256.0
Intangible assets	3.1	604.0	644.1
Deferred tax assets		2.1	1.2
Other non-current assets		1.5	0.2
Total non-current assets		**1 854.6**	**1 925.1**
Current assets			
Inventories		51.4	29.1
Trade receivables		46.4	43.8
Other receivables		14.6	6.0
Cash and cash equivalents		146.9	50.1
Total current assets		**259.3**	**129.0**
TOTAL ASSETS		**2 113.9**	**2 054.2**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	34.3	35.2
Share premium		1 154.6	1 139.1
Treasury shares		-0.9	-
Other equity		202.6	-17.2
Total equity		**1 390.6**	**1 157.1**
Non-current liabilities			
Non-current interest-bearing liabilities	4.2	435.6	692.2
Non-current lease liabilities		12.9	14.7
Deferred tax liabilities		120.4	134.2
Non-current provisions	5.2	10.0	9.3
Total non-current liabilities		**578.9**	**850.4**
Current liabilities			
Trade and other payables		88.4	28.5
Interest-bearing liabilities	4.2	0.7	2.8
Lease liabilities		3.6	3.7
Income tax payable		0.2	0.1
Provisions	5.2	51.5	11.5
Total current liabilities		**144.5**	**46.7**
Total liabilities		**723.4**	**897.0**
TOTAL EQUITY AND LIABILITIES		**2 113.9**	**2 054.2**

*Restated to reflect the change in presentation currency from EUR to USD (note 1.2).

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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 2021*	**35.2**	**1 139.1**	**-**	**4.3**	**20.9**	**-42.4**	**1 157.1**
Loss for the period	-	-	-	-	-	-51.6	-51.6
Other comprehensive loss	-	-	-	-	-56.8	-	-56.8
Total comprehensive loss	**-**	**-**	**-**	**-**	**-56.8**	**-51.6**	**-108.4**
Issue of share capital*** January (note 4.1)	0.2	10.7	-	-	-	-	11.0
Exercise of share options 13 April (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**	**-35.9**	**231.6**	**1 390.6**

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 2020*	**35.2**	**1 139.1**	**-**	**-**	**-10.0**	**-21.4**	**1 143.0**
Loss for the period	-	-	-	-	-	-21.1	-21.1
Other comprehensive loss	-	-	-	-	30.9	-	30.9
Total comprehensive loss	**-**	**-**	**-**	**-**	**30.9**	**-21.1**	**9.8**
Issue of share capital (note 4.1)	0.0	0.1	-	-	-	-	0.1
Share-based payments	-	-	-	4.3	-	-	4.3
Balance at 31 December 2020*	**35.2**	**1 139.1**	**-**	**4.3**	**20.9**	**-42.4**	**1 157.1**

*Restated to reflect the change in presentation currency from EUR to USD (note 1.2).
**The legal structure of the group was changed in October 2021. A new company, AutoStore Holdings Ltd., was established to serve as the parent company of the group subsequent to an internal reorganization. The pre-IPO shareholders of the group contributed all its shares in Automate Holdings S.à r.l to AutoStore Holdings Ltd. in exchange for newly issued shares in AutoStore Holdings Ltd. As a result, AutoStore Holdings Ltd. was the new parent company of the group from this date. Retained earnings of the group has been reclassified against share capital. See note 1.1 for more information.

***Issue of share capital in Automate Holdings S.à r.l.
****Issue of share capital in AutoStore Holdings Ltd.

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Interim Condensed Consolidated Statement of Cash Flow

		Fourth quarter		Year	
USD million	Notes	2021	2020*	2021	2020*
Cash flow from operating activities					
Profit/loss before tax		6.3	45.5	-59.5	-26.6
Adjustments to reconcile loss before tax to net cash flow:					
Depreciation and amortization		14.2	13.6	58.1	50.1
Share-based payment expense	5.2	0.2	0.6	2.7	4.0
Finance income	4.2	-16.2	-44.1	-19.2	-0.1
Finance costs	4.2	15.0	9.9	41.2	51.2
Working capital adjustments:					
Changes in inventories		-16.9	1.5	-22.3	-4.6
Changes in trade and other receivables		-9.2	-20.7	-12.5	20.8
Changes in trade and other payables		60.1	10.5	59.9	5.8
Changes in provisions and other liabilities		-15.4	-1.2	41.6	-1.5
Other items					
Tax paid		-4.8	-10.6	-9.2	-15.6
Net cash flow from operating activities		**33.3**	**5.0**	**80.7**	**83.5**
Cash flow from investing activities					
Purchase of property, plant and equipment		-0.8	-1.8	-2.8	-6.0
Proceed from sale of property, plant and equipment		-	0.2	-	0.2
Purchase of shares in subsidiaries, net of cash	5.1	-	-	-5.0	-
Development expenditures	3.1	-10.2	-6.1	-28.2	-13.6
Interest received		0.1	0.0	0.1	0.1
Net cash flow from investing activities		**-11.0**	**-7.7**	**-35.9**	**-19.3**
Cash flow from financing activities					
Proceeds from issuance of equity		329.0	-	340.0	0.1
Transaction costs on issue of shares		-8.5	-	-8.5	-
Repayment of long-term debt	4.2	-236.9	-	-236.9	-
Repayment of short-term debt		-	-	-	-3.7
Payments of principal for the lease liability		-0.7	-1.2	-2.8	-2.1
Payments of interest for the lease liability		-0.2	-0.3	-0.9	-0.8
Interest paid	4.2	-9.2	-6.5	-32.7	-33.7
Other financial expenses	4.2	-1.8	-	-1.8	-
Net cash flow from financing activities		**71.7**	**-8.1**	**56.4**	**-40.1**
Net change in cash and cash equivalents		94.1	-10.8	101.2	24.1
Effect of change in exchange rate		-3.6	0.7	-4.4	-0.7
Cash and cash equivalents, beginning of period		56.4	56.1	50.1	22.5
Translation effect from change in currency from EUR to USD		-	4.1	-	4.1
Cash and cash equivalents, end of period		**146.9**	**50.1**	**146.9**	**50.1**

*Restated to reflect the change in presentation currency from EUR to USD (note 1.2).

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 AutoStore Group ("the group") is an innovative robotic and software technology provider, and a pioneer of cubic storage automation. The group operates in the rapidly growing warehouse automation industry, and in the even faster growing cube storage segment. AutoStore develops warehouse solutions for the future and helps its customers to enable space saving and increase performance, while reducing labor and energy costs.

The parent company of the group is AutoStore Holdings Ltd., a public limited liability company listed on Oslo Børs on 20 October 2021, with the ticker symbol AUTO. The shares of AutoStore Holdings Ltd. were priced at NOK 31 per share in the offering. The price implied a market capitalization of approximately NOK 103.5 billion, making AutoStore the biggest Norwegian IPO for the past 20 years. AutoStore sold 87,096,774 treasury shares in connection with the offering, raising an amount of NOK 2.7 billion (see note 4.1 for more information).

AutoStore Holdings Ltd. was incorporated in Bermuda on 31 August 2021, and became the parent company of the group, as a consequence of an internal reorganization prior to the listing of the group. The company's registered office is located at Park Place, 55 Par La Ville Road, Third Floor, Hamilton HM11, Bermuda. The group's corporate headquarters are located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway.

The internal reorganization resulting in AutoStore Holdings Ltd. being the new parent company of the group took place in October 2021, through the former shareholders of Automate Holdings S.à r.l contributing their shares in the former parent in exchange for the same number of shares in AutoStore Holdings Ltd. The group has accounted for the reorganization as a continuity, which means that AutoStore Holdings Ltd.'s consolidated accounts incorporates the assets and liabilities of the existing group at their precombination carrying amounts. Thus, comparative information is based on historical figures for the Automate Holdings S.à r.l group.

Reference is made to note 6.1 in the group's consolidated financial statements for the year ended 31 December 2020 for a list of subsidiaries, where the largest entity is AutoStore AS, which is registered in Norway. In Q1 2021, the group incorporated a subsidiary in Spain and acquired Locai Solutions in the U.S. Further, in Q2 2021, the group incorporated a new branch in Italy.

The unaudited interim condensed consolidated financial statements of Automate Holdings Ltd. for the three and twelve months ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 16 February 2022.

1.2 Basis of preparation

The unaudited interim condensed consolidated financial statements for the three and twelve months ended 31 December 2021 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 2020 (the Automate Holdings S.à r.l consolidated financial statements).

In 2021, the group has changed its presentation currency from EUR to USD to provide the primary users of the financial statements with more convenient information. The change has been accounted for fully retrospectively as a change in accounting policies. Income and expenses as well as other comprehensive income were translated to USD at the respective average exchange rates (EUR/USD) prevailing for the relevant period. Assets, liabilities and total equity were translated at closing exchange rates (EUR/USD) prevailing on the balance sheet date. Share capital and share premium were translated with historical rates.

The functional currency of AutoStore Holdings Ltd. is NOK, while the former parent company Automate Holdings S.à r.l had EUR as its functional currency. With the exception of the change in presentation currency, the accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's consolidated financial statements for the year ended 31 December 2020. The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations apply for the first time in 2021 but do not have a material impact on the unaudited interim condensed consolidated financial statements of the group:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2
- Amendments to IFRS 4: Deferral of IFRS 9

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:

Estimates and assumptions:
- Impairment testing of goodwill and trademarks (note 3.1)
- Useful lives of intangible assets (note 3.1)
- Share-based payments (note 5.2)

Accounting judgments:
- Capitalization of development costs (note 3.1)
- Accounting for group internal reorganization pre-IPO (note 1.1)
- Accounting for IPO-related expenses (note 4.1)

Further, the group has not experienced any significant impact on its business due to COVID-19. Despite the pandemic situation, sales are growing and the group continues to have a strong liquidity situation.

Note 2 Operating performance

2.1 Revenue from contracts with customers

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

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Major products and services				
AutoStore system	93.4	59.0	325.3	178.6
Rendering of services	0.1	-0.6	0.4	2.0
Total revenue	**93.6**	**58.4**	**325.8**	**180.6**
Geographic information				
Nordics	25.2	4.4	73.6	31.3
Germany	19.7	11.3	69.6	35.5
Europe, excl. Nordics and Germany	11.0	10.1	65.0	42.7
US	28.4	21.7	92.4	43.9
Asia	8.0	10.8	22.5	26.8
Other	1.3	0.0	2.7	0.5
Total revenue	**93.6**	**58.4**	**325.8**	**180.6**
Timing of revenue recognition				
Goods transferred at a point in time*	91.8	58.1	318.5	174.9
Goods and services transferred over time*	1.8	0.3	7.2	5.7
Total revenue	**93.6**	**58.4**	**325.8**	**180.6**

*Starting on 1 January 2021, recurring license fees are presented as part of "goods and services transferred over time" while previously presented as "goods transferred at a point in time". USD 0.93 million in Q4 2020 and USD 3.71 million in FY2020 have been correspondingly adjusted. This is only a presentational change and total revenue recognized for all periods presented remains unchanged.

2.2 Segment information

The chief operating decision maker (CODM) of the AutoStore group, which is defined as the Board, monitors the operating results of the group as one business unit for the purpose of making decisions about resource allocation and performance assessment, hence only one segment is reported. Segment performance is evaluated with main focus based on total revenue, gross margin and EBITDA. Total revenue is measured consistently with the total of revenue and other operating income in the unaudited interim condensed consolidated statement of comprehensive income, while gross margin and EBITDA are defined below.

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Revenue	93.6	58.4	325.8	180.6
Other operating income	-0.4	0.5	1.8	1.6
Total revenues	**93.2**	**58.9**	**327.6**	**182.1**
Cost of materials	-31.6	-16.3	-107.8	-52.1
Gross margin	**61.6**	**42.5**	**219.7**	**130.0**
Employee benefit expenses	-21.9	-7.5	-102.3	-26.2
Other operating expenses	-20.4	-10.0	-96.9	-29.2
EBITDA	**19.3**	**25.1**	**20.6**	**74.7**

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

Other operating expenses significantly increased in Q4 and FY2021 compared to Q4 and FY2020 mainly due to costs related to the Ocado IP infringement case (note 5.3) and IPO transaction costs and fees (note 5.4). Employee benefit expenses significantly increased in Q4 and FY2021 compared to Q4 and FY2020 due to increase in headcount and increased social security tax payments and provisions related to the group's share-based payment program as a result of the IPO and increased underlying share price at year-end (note 5.2).

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Profit/loss for the period	**2.0**	**36.1**	**-51.6**	**-21.1**
Income tax expense	4.3	9.4	-7.9	-5.5
Finance income	-16.2	-44.1	-19.2	-0.1
Finance costs	15.0	9.9	41.2	51.2
Depreciation	1.2	1.0	4.5	3.3
Amortization of intangible assets	13.0	12.7	53.7	46.8
EBITDA	**19.3**	**25.1**	**20.6**	**74.7**

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

Note 3 Asset base

3.1 Intangible assets

Recognized goodwill of the group is derived from the business combination of AutoStore in 2019 (please refer to the group's consolidated financial statements for the year ended 31 December 2020 for more information). Additionally, USD 9.2 million of new goodwill was recognized in Q1 2021 from the acquisition of Locai (note 5.1). There was no further goodwill recognized during the twelve months ended 31 December 2021.

At the acquisition of AutoStore in 2019, the group recognized intangible assets for: Technology, trademarks, patents and customer relations. Subsequently, the group has recognized intangible assets comprising of internal development projects related to the AutoStore system. New additions recognized during the twelve months ended 31 December 2021 relate to USD 28.2 million of internal development costs (of these, USD 10.2 million from Q4) and USD 3.6 million of software and technology related to the Locai acquisition in Q1 2021 (note 5.1).

USD million	Goodwill	Trade-marks	Software and tech-nology	Patent rights	Customer relation-ships	Internal devel-opment	Total
Acquisition cost 31 December 2020	**1 256.0**	**6.9**	**470.4**	**90.2**	**125.6**	**19.4**	**1 968.5**
Additions through acquisitions	9.2	-	3.6	-	-	-	12.7
Additions	-	-	-	-	-	28.2	28.2
Currency translation effects	-41.0	-0.2	-14.2	-2.6	-2.4	0.8	-59.6
Acquisition cost 31 December 2021	**1 224.2**	**6.7**	**459.8**	**87.5**	**123.2**	**48.4**	**1 949.9**
Accumulated amortization 31 December 2020	**-**	**-**	**25.5**	**6.8**	**34.3**	**1.7**	**68.4**
Amortization for the period	-	-	18.7	5.0	25.3	4.6	53.6
Currency translation effects	-	-	-0.1	-0.0	-0.1	-0.2	-0.4
Accumulated amortization 31 December 2021	**-**	**-**	**44.2**	**11.8**	**59.6**	**6.1**	**121.6**
Carrying amount 31 December 2020	**1 256.0**	**6.9**	**444.9**	**83.4**	**91.3**	**17.7**	**1 900.2**
Carrying amount 31 December 2021	**1 224.2**	**6.7**	**415.6**	**75.8**	**63.7**	**42.3**	**1 828.2**
Economic life (years)	Indefinite		25	13-18	5	5	
Amortization plan	N/A		Straight-line				

The group performed its annual impairment test for goodwill and intangible assets with indefinite lives as at 31 December 2021 and no impairments were made. The group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine recoverable amount are the same as those disclosed in the group's consolidated financial statements for the year ended 31 December 2020. Goodwill is allocated to only one CGU, and the result of the annual impairment test is further evidenced by a P/B-level of 9.7 on traded shares as at 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 to 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 with finite useful lives as at 31 December 2021.

Note 4 Financial instruments and equity

4.1 Share capital and shareholder information

Issued capital and reserves:

Share capital in AutoStore Holdings Ltd..	Number of shares issued and fully paid	Par value per share (USD)*	Financial position (USD)
At 1 January 2020	**3 162 987 200**	**0.01**	**35 241 911**
Share issue at 3 January 2020	330 000	0.01	1 672
At 31 December 2020	**3 163 317 200**	**0.01**	**35 243 583**
At 1 January 2021	**3 163 317 200**	**0.01**	**35 243 583**
Share issue at 4 January 2021	9 279 444	0.01	114 100
Share issue at 22 January 2021	9 810 000	0.01	119 270
Share issue at 13 April 2021 (exercise of share options)	41 113 780	0.01	489 090
Share issue at 12 October	6 220 005	0.01	71 872
Cancellation of shares at 13 October	-1 200 000	0.01	-13 874
Capital reorganization 14 October	-	-	-3 738 636
Share issue at 14 October (treasury shares)	200 000 000	0.01	2 000 000
At 31 December 2021	**3 428 540 429**	**0.01**	**34 285 404**

*Par value per share of Automate Holdings S.à r.l. was 0.01 EUR, while par value per share of AutoStore Holdings Ltd. is 0.01 USD.

The table above presents the shares in Automate Holdings S.à r.l. until the reorganization at 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 90,547,342 treasury shares as of 31 December 2021. The authorized share capital of AutoStore Holdings Ltd. is USD 42,500,000, consisting of 4,250,000,000 shares.

On 20 October 2021, AutoStore Holdings Ltd. announced the successful completion of its initial public offering (IPO) on Oslo Børs. AutoStore sold 87,096,774 treasury shares in connection with the offering, raising an amount of NOK 2.7 billion.

Reconciliation of the group's equity is presented in the Statement of Changes in Equity.

The Group's largest shareholders:

Shareholders of the group (Automate Holdings S.à r.l.)	Total shares	Ownership	Voting rights
THL Fund VIII	2 742 630 900	87 %	87%
Other shareholders	420 686 300	13 %	13%
At 31 December 2020	**3 163 317 200**	**100 %**	**100%**

The Group's largest shareholders:

Shareholders of the group (AutoStore Holdings Ltd.)	Country	Account type	Total shares	Ownership	Voting rights
The Bank of New York Mellon	United States	Nominee	1 321 295 717	38.5 %	38.5 %
Bank of America, N.A.	United States	Nominee	1 133 350 367	33.1 %	33.1 %
State Street Bank and Trust Comp.	United States	Nominee	142 163 541	4.1 %	4.1 %
Terminator Holding S.à r.l	Luxembourg	Ordinary	123 970 423	3.6 %	3.6 %
AutoStore Holdings Ltd.	Norway	Ordinary	90 547 342	2.6 %	2.6 %
JP Morgan Chase Bank, N.A., London	United Kingdom	Nominee	67 832 799	2.0 %	2.0 %
Alecta Pensionsforsakring	United Kingdom	Ordinary	63 085 161	1.8 %	1.8 %
Citibank, N.A.	Ireland	Nominee	28 214 710	0.8 %	0.8 %
Lyngneset Invest AS	Norway	Ordinary	23 122 055	0.7 %	0.7 %
State Street Bank and Trust Comp	United States	Nominee	22 192 409	0.6 %	0.6 %
Brown Brothers Harriman & Co.	United States	Nominee	18 411 700	0.5 %	0.5 %
RBC Investor Services Trust	Ireland	Nominee	16 466 937	0.5 %	0.5 %
State Street Bank and Trust Comp	United States	Nominee	15 048 929	0.4 %	0.4 %
Automate Investment II AS	Norway	Ordinary	14 482 166	0.4 %	0.4 %
Jakob Hatteland Holding AS	Norway	Ordinary	10 950 000	0.3 %	0.3 %
Polysys AS	Norway	Ordinary	10 800 000	0.3 %	0.3 %
JP Morgan Bank Luxembourg S.A.	Luxembourg	Nominee	10 688 371	0.3 %	0.3 %
Credit Suisse (Luxembourg) S.A.	Ireland	Nominee	10 209 869	0.3 %	0.3 %
State Street Bank and Trust Comp	United States	Nominee	9 963 779	0.3 %	0.3 %
The Northern Trust Comp, London Br	United Kingdom	Nominee	9 400 000	0.3 %	0.3 %
Other shareholders			286 344 154	8.4 %	8.4 %
At 31 December 2021			**3 428 540 429**	**100%**	**100%**

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

Distribution to shareholders

The group did not pay dividends to shareholders during the twelve month period ended 31 December 2021 or the twelve month period ended 31 December 2020. There are no proposed dividends as at the date of authorization of this interim report.

Share price information at 31 December 2021	
Share price 31 December 2021 (NOK)	34.78
Number of shares	3 428 540 429
Market capitalization 31 December 2021 (NOK)	**119 244 636 121**
USD/NOK exchange rate at 31 December 2021	8.82
Market capitalization 31 December 2021 (USD)	**13 519 524 381**

Weighted average number of shares	Fourth quarter 2021	Fourth quarter 2020	Year 2021	Year 2020
Weighted average number of ordinary shares for basic EPS	3 313 557 291	3 163 317 200	3 235 271 383	3 163 314 495
Weighted average number of ordinary shares adjusted for the effect of dilution	3 407 672 614	3 326 298 365	3 235 271 383	3 163 314 495

4.2 Interest-bearing liabilities

USD million	Interest rate	31 December 2021	31 December 2020
Senior Facilities: Facility B (EUR)*	EURIBOR+2.50%	276.3	355.9
Senior Facilities: Facility B (USD)*	LIBOR+3.25%	167.0	167.0
Facilities: Second Lien (SL) Facility*	LIBOR+7.75%	-	183.6
Capitalized fees - Facility B + SL Facility		-7.7	-14.2
Total non-current interest-bearing loans and borrowings		**435.6**	**692.2**

*The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

On 8 November 2021, the group repaid in full the Second Lien Facility of USD 183.6 million with use of the IPO proceeds.

On 8 November, the group also partially repaid the First Lien Facility B EUR loan of EUR 290 million with use of proceeds from the IPO. A total of EUR 46.1 million of the loan was repaid. Capitalized fees of approximately USD 4.6 million related to the repaid loans have been expensed during Q4 2021 as well as a termination fee of USD 1.1 million. Due to the successful completion of the IPO and reduced leverage for the group, the margins on both First Lien / Facility B loans have been reduced in Q4 2021 according to the loan agreement.

The Senior Facilities: Facility B is due at 30 July 2026 and Facilities: Second Lien was originally due at 30 July 2027.

USD million	Interest rate	31 December 2021	31 December 2020
Senior Facilities: Facility B (EUR)*	EURIBOR+2.50%	0.7	0.9
Senior Facilities: Facility B (USD)*	LIBOR+3.25%	-	0.6
Facilities: Second Lien Facility*	LIBOR+7.75%	-	1.3
Total current interest-bearing loans and borrowings		**0.7**	**2.8**

*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 150 USD 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 2021.

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	2021	2020	2021	2020
Finance income	16.2	44.1	19.2	0.1
Finance costs	-15.0	-9.9	-41.2	-51.2
Net finance income/cost	**1.2**	**34.2**	**-22.0**	**-51.1**
Foreign currency gain/loss included above	16.2	44.0	19.2	-11.9

Net finance income/cost for Q4 2021 was USD 1.2 million (FY2021 USD -22.0 million) compared to USD 34.2 million in Q4 2020 (FY2020 USD -51.1 million). The main differences relate to changes in foreign exhange gain/loss on the group's long-term loans in currencies other than the functional currency.

Interest costs decreased in Q4 2021 compared to Q4 2020 due to the repayment of the Second Lien Facility of USD 183.6 million, however the reduction has been offset by the 4.6 million expense of capitalized fees and USD 1.1 million in early repayment fee related to the repaid Second Lien Facility in Q4 2021 (see above).

The exchange differences relate to the translation of results and financial position of subsidiaries as well as the parent company with functional currencies different than USD to the presentation currency. As the group has large net investments in subsidiaries with NOK functional currency, the depreciation of NOK compared to USD has resulted in negative translation differences being recognized both in Q4 2021 (USD -20.9 million) and FY2021 (USD -56.8 million).

Translation differences related to 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.

Note 5 Other disclosures

5.1 Business combinations

Name	Acquisition date	% of voting equity instruments acquired	Fair value of consideration (USD million)
Locai Solutions, Inc	25 January 2021	100%	12.0

On 25 January 2021, the group signed an agreement to acquire all shares in Locai Solutions Inc. through its subsidiary AutoStore Systems Inc. Locai is a software company located in Delaware, US, providing digital commerce platforms to the grocery market based on AI and machine learning technology. The acquisition of Locai broadens AutoStore's offerings to include order fulfillment and warehouse management software for stand-alone AutoStore solutions. The acquisition was accounted for as a business combination under IFRS 3.

The consideration comprise of shares issued by the company of USD 7.0 million and 5.0 million in cash. As per the PPA, the group has recognized USD 3.6 million in software and technology, USD 9.2 million in goodwill and USD 0.8 million in deferred taxes. Goodwill includes the value of expected synergies arising from the acquisition and assembled workforce, which are not separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

Transaction costs of USD 0.6 million were expensed and are included in other operating expenses.

5.2 Share-based payments

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Expense arising from equity-settled share-based payment transactions	-0.2	-0.6	-2.7	-3.9
Total expense arising from share-based payment transactions	**-0.2**	**-0.6**	**-2.7**	**-3.9**

The group recognized USD 6.2 million of social security tax (SST) expenses in Q4 2021. In FY2021, the group has recognized SST expenses of USD 60.1 million related to the option program, of which USD 12.2 millon were paid in May 2021 and USD 10.4 million were paid in January 2022 related to options exercised as part of the IPO on 20 October 2021.

Movements during the period

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

	Year	
Number of and movements in share options	2021 Number	2020 Number
Outstanding at 1 January	**163 071 600**	**146 431 641**
Granted during the period	310 077	18 303 955
Forfeited during the period	-	1 663 996
Exercised during the period*	74 637 389	-
Expired during the period	-	-
Outstanding at 31 December	**88 744 288**	**163 071 600**
Exercisable at 31 December	58 247 282	31 283 110

*The exercised options all had a strike price of EUR 0.33 and the share price on the date of exercise was EUR 1.8 for the 49,887,080 options exercised on 13 April 2021. As part of the listing on 20 October 2021, an additional number of 24,750,309 options were exercised, at a share price of EUR 3.05/NOK 31. The outstanding options at 31 December was 88,744,288, of which 66% are fully vested.

For more information on the share option program, reference is made to the group’s consolidated financial statements for the year ended 31 December 2020.

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

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

5.3 Commitments and contingencies

In October 2020, AutoStore filed patent infringement lawsuits in the United States and the United Kingdom against Ocado Group Plc. and certain affiliates. AutoStore is seeking court orders barring Ocado and its partner, Tharsus Group, from manufacturing, importing, using or selling technology that infringes AutoStore's patents, as well as monetary damages. In early 2021, Ocado filed counterclaims against AutoStore in the United States, the United Kingdom and Germany.

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 Holdings Ltd. brought in October 2020 against Ocado Group Plc. and certain of its affiliates. This initial determination recommends to the full Commission that Ocado may continue to import the Ocado Smart Platform (“OSP”) into the US, maintaining the status quo. The decision has no impact on AutoStore’s ability to sell its product in the US or globally. The initial determination found that certain of AutoStore’s patents were invalid based on a narrow legal issue. AutoStore filed a petition for review of the non-final decision on 30 December 2021, which is under review by the full Commission. A final determination by the Commission is expected no later than April 2022.

Early in February 2022, all Ocado's claims against AutoStore in Germany were 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. This follows Ocado's agreement to a stay of the second of its two claims in the Mannheim District Court for an order blocking the sale of AutoStore's B1 robot in Germany. 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. Those actions have been stayed as follows:

- The Munich District Court issued a stay order on 27 January 2022 in relation to both Ocado's actions in that Court.
- The Mannheim District Court issued a stay order in relation to one of Ocado's claims on 28 January 2022.

Ocado agreed to a stay on the other action in the Mannheim District Court and the Court issued a stay order on 3 February 2022.

5.4 Related parties transactions

The table below provides the total amount of transactions that have been entered into with related parties (outside the group) for the relevant periods. The transactions relate to management fee paid to majority owners for advisory services to the group. The agreement was terminated in connection with the IPO , and the group recognized a termination fee in Q3 2021 in accordance with the contract.

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Total management fee	-0.2	-0.5	-13.2	-2.3

5.5 Subsequent events

Ocado litigation

Please refer to note 5.3 for subsequent events related to the Ocado case.

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 90% of such work is currently done manually. Over the course of 25 years of dedicated research and development of standardized modular products, AutoStore has developed proprietary technology incorporating advanced concepts in artificial intelligence, mobility, navigation and storage to build what it believes to be industry-leading cube storage solutions. AutoStore's current suite of products for both its Red Line and Black Line systems comprise a complete goods-to-person system and forms the core of AutoStore's product offering. In addition to revenue generated by installations of AutoStore's systems to new customers, the company generates repeat revenue from the sale of additional systems to existing customers, extension of systems to existing sites, licensing of AutoStore's proprietary technology, sale of spare parts and the provision of consulting services to customers seeking to maximize the benefits of their AutoStore systems.

The company believes the AutoStore system provides a significant 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 the framework for it to achieve strong growth over the coming years. The company intends to rapidly invent, design, market and support innovative technologies and software that will expand the usage of the AutoStore system in existing and newly addressable markets. AutoStore expects that these strategies will bring further growth capacity, shorter delivery times and increased supplier diversification. Key elements of the company's strategy to achieve these objectives include:

Penetrate new markets – including MFCs

The company is focused on strengthening its micro fulfillment offering, which represents a central area of growth in the industry the company serves. AutoStore believes its technology is well-suited for these fulfillment centers given that its systems significantly increase the storage area and reduce retrieval times involved with each delivery, offering a full end-to-end solution. The company believes that its WMS software provides the best solution particularly for customers in the grocery MFC segment, including multi warehouse management and integration of MFCs with centralized fulfillment operations.

For example, under AutoStore's systems, associates can consolidate e-commerce orders in less than ten minutes and decide to put them back in the system for customers to collect them at any time. AutoStore's offering also provides fully customizable solutions based on standard blocks, helps maximize inventory at hand while saving floor space, increases display of fresh products and reduces the need for aisles even though it allows for an increased assortment of products.

As a result, AutoStore believes it is well positioned to capitalize on the growth of the micro fulfillment offering, and is taking active steps to strengthen its MFCs contribution of revenue. AutoStore is focused on further development of its automated solutions, including with respect to efficient storage of pre-picked orders and customer facing ports for self-collection of online orders. In addition, the company has invested R&D resources in WMS feature development. Further to its innovation and development efforts, the company has increased its numbers of BDMs in order to address specific commercial capacity needs and expertise required to solve problems unique to the MFC segment. Finally, in further efforts to strengthen its MFC offering, the company has created a separate MFC business unit to allow for end-to-end customer journey as well as established dedicated client managers who will continue to maintain customer relationships post-sale as an integral part of the MFC offering. AutoStore expects that as its MFC customer base increases, revenue from existing customers will also grow.

AutoStore believes its ability to expand in the MFC market, is supported by its established track-record, as well as its current strategy, of innovation.

Expand in APAC and North America
AutoStore is rapidly growing throughout Asia-Pacific and North America regions, and plans to pursue a continued expansion of its operations and customer base within these regions.

In each region, AutoStore is focused on right sizing of the local go-to-market strategy as well as adding local supply capacity. The growth experienced by the company has been driven by the increasing number of partners and BDMs. In addition to increasing the number of distribution partners, the company continues to strengthen its BDM program.

AutoStore also benefits from its relationship with SoftBank, one of its largest shareholders. SoftBank has over 200 portfolio companies and has a strong presence in the APAC region. The company's relationship with SoftBank provides a significant opportunity to increase access to Asia-Pacific customers. In addition, SoftBank Robotics is a leading service robotics company and the company's global partnership with this company presents an opportunity for significant synergies on robotic products and AI/ML solutions. To allow for further growth in North America and APAC, the company intends to leverage a diversified base of suppliers and its asset-light assembly model, which requires limited investment to increase capacity, to expand its local assembly footprints, increase purchase capacity of aluminum and bins, and grow its local supplier base in targeted regions.

AutoStore believes its expansion in these regions is firmly underpinned by the same structural trends that drive the need for automation and AutoStore's solutions in other markets where the company has an established presence.

New product innovation
In addition to geographic expansion, the company plans to continue expanding its R&D operations in order to further develop and optimize new product innovation, and desires to provide world-class solutions. The company believes that continuous product development and innovation has been central to AutoStore's historical growth and will continue to be essential in the future. For example, the company's focus on R&D has driven the Red Line to now be in its 5th generation, and has led to various software breakthroughs, such as the AutoStore Router, the Cloud Simulator, and the expansion of WMS capabilities.

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 for 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.

Increase WMS revenue
The company believes that its WMS provides users with market-leading capabilities. AutoStore's WMS provides users with a cloud native, multi-tenant platform, modern and scalable application programming interface-driven architecture and order consolidation, inventory and labor management tools. AutoStore's WMS, in combination with AutoStore's cubic storage solution, provides the best end-to-end user experience and functionality.

The company also believes that the AutoStore WMS can result in several benefits, including opening up access to additional data to allow for further innovation, further increasing customer stickiness and layering in additional recurring revenues. The company intends to start by focusing on WMS for grocery MFC first, given it is the fastest growing segment, as well as the most nuanced markets in order to make AutoStore WMS the industry standard across all end-markets.

Increase offerings through M&A (software/ product additions)
For proprietary products that the company cannot, or has yet to, produce on its own, the company believes that strategic acquisitions serve as a method of improving its product offering and expanding its TAM. The company assesses M&A opportunities based on a set of M&A criteria, which includes whether (i) such opportunity expands TAM and use-cases or strengthens its existing proposition, (ii) it integrates with its existing offering and (iii) the in-house development of such product would be more costly and time-consuming. The company continually assesses the market for innovative players and services, and will seek to enhance innovation through the purchase of desirable software and technologies, or businesses that own the rights to those technologies. The company anticipates any horizontal expansion to be for both software and hardware technology for AutoStore AS/RS systems or AutoStore WMS. Additionally, the company believes that a vertical expansion would mainly be for software, or potentially hardware products that are not currently part of its systems and can provide differentiation.

Sustainability at AutoStore

AutoStore is dedicated to improving sustainability and working conditions for customers across any industry as ESG is engrained in AutoStore's DNA. AutoStore is continuously working towards improving sustainability and is focused on providing environmentally friendly and energy efficient solutions.

The company's ESG initiatives are also focused on employee wellbeing, health and safety, and ensuring AutoStore's corporate governance encapsulates its core values of integrity and responsibility.

The company is continuously working to reduce the overall environmental footprint of both itself and its customers. AutoStore's systems are highly energy efficient, and the bins and materials from the AutoStore systems are all recyclable at the end of life. Additionally, the density of AutoStore's products allows up to a 75% reduction in storage space, reducing emissions from electricity, 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 continuously looking for ways to improve its environmental impact. AutoStore intends to further develop the energy efficiency of its products and solutions and reduce the environmental footprint of its office locations. The company also hopes to make itself accountable for energy consumption that occurs outside of the organization, and thus enable itself to report on energy consuming activities occurring up- and downstream. Finally, AutoStore plans to initiate climate accounting on direct and indirect emissions, and source sustainable materials for AutoStore production to further minimize waste and material use. The company is also focused on providing a welcoming and productive working environment for its employees, as AutoStore employees are key to delivering excellent results. AutoStore utilizes a Working Environment Committee (WEC), which is responsible for ensuring satisfactory health, safety and environment working conditions and employee welfare. The company also issues an annual workforce environment survey in order to continuously monitor and improve working conditions. A 2021 AutoStore Employee Engagement Survey found AutoStore employees to be highly satisfied and driven. This survey was set on a scale of 1-6, and produced scores ranging from 4.95 to 5.42, for work environment aspects such as job satisfaction, growth and belonging, control of work environment, and management. The results of this survey also produced an overall “Excellent” (Net Promoter Score) score of 79 (on a scale of 1-100), indicating AutoStore is highly promoted by engaged and motivated employees.

The company also dedicates itself to knowing and understanding the health and safety status of its employees and customers by setting and diligently following up on yearly targets. Finally, AutoStore is actively working towards emphasizing diversity and non-discrimination in its work environment.

AutoStore works to incorporate its core values of responsibility and integrity into its corporate governance. The company has a clear and dedicated focus on mitigating indirect and direct ethical risks throughout its global operations. AutoStore is enabled by a strong corporate culture, combined with awareness training and good governance mechanisms. To ensure its governing structure is as updated and effective as possible, the company regularly monitors good corporate governance, anti-corruption policies, and human and labor rights. The company aims to create a clear allocation of responsibility across its organization. AutoStore’s corporate executive management is responsible for AutoStore’s strategy, development and day-to-day work, as well as compliance with legislation and regulations and AutoStore’s Code of Conduct (the “Code of Conduct”). Managing directors are responsible for implementing and enforcing the Code of Conduct in their respective companies. Department managers are responsible for implementing and enforcing the Code of Conduct in their respective departments.

The company has set key business ethics and anti-corruption targets. AutoStore plans to set up regular e-learning with respect to its Code of Conduct for both new and existing employees. The company intends to communicate its anti-bribery policy to distribution partners and suppliers more proactively, and ensure such information is included in contracts with new suppliers. In addition, AutoStore intends to establish an anonymous and external whistle-blowing channel to further its goal of promoting a safe working environment. The company is also dedicated to ensuring its ESG reporting is in accordance with the Global Reporting Initiative (GRI) standard.

Risks and Uncertainty Factors

AutoStore is exposed to risk and uncertainty factors, which may affect some or all the group’s activities. AutoStore is exposed to financial, market and operational risk. In addition, there is risk related to technology, implementation and operations of installed systems. There are no significant changes in the risks and uncertainty factors described in the prospectus related to the IPO completed in October 2021.

Alternative Performance Measures (APMs)

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

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

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

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

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

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

Alternative Performance Measures (APMs)

Adjusted EBIT*

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
EBIT	**5.0**	**11.3**	**-37.5**	**24.6**
Ocado litigation costs	7.7	4.8	34.0	8.2
Transaction costs	7.2	0.1	28.4	0.2
Option costs	6.8	1.3	62.3	7.5
Management fees related to previous ownership structure	0.2	0.5	13.2	2.3
Refinancing costs	-	-	-	0.6
PPA amortizations	12.1	12.1	49.1	45.3
Total adjustments	**33.9**	**18.8**	**186.9**	**64.1**
Adjusted EBIT*	**39.0**	**30.1**	**149.4**	**88.7**
Total revenue	93.2	58.9	327.6	182.1
EBIT margin	**5.4 %**	**19.3 %**	**-11.5 %**	**13.5 %**
Adjusted EBIT margin*	**41.8 %**	**51.2 %**	**45.6 %**	**48.7 %**

Adjusted EBITDA*

	Fourth quarter		Year	
USD million	2021	2020	2021	2020
Profit/loss for the period	**2.0**	**36.1**	**-51.6**	**-21.1**
Income tax	4.3	9.4	-7.9	-5.5
Net financial items	-1.2	-34.2	22.0	51.1
EBIT	**5.0**	**11.3**	**-37.5**	**24.6**
Depreciation	1.2	1.0	4.5	3.3
Amortization of intangible assets	13.0	12.7	53.7	46.8
EBITDA	**19.3**	**25.1**	**20.6**	**74.7**
Ocado litigation costs	7.7	4.8	34.0	8.2
Transaction costs	7.2	0.1	28.4	0.2
Option costs	6.8	1.3	62.3	7.5
Management fees related to previous ownership structure	0.2	0.5	13.2	2.3
Refinancing costs	-	-	-	0.6
Total adjustments	**21.8**	**6.7**	**137.8**	**18.8**
Adjusted EBITDA*	**41.1**	**31.8**	**158.4**	**93.5**
Total revenue	93.2	58.9	327.6	182.1
EBITDA margin	**20.7 %**	**42.6 %**	**6.3 %**	**41.0 %**
Adjusted EBITDA margin*	**44.1 %**	**53.9 %**	**48.4 %**	**51.3 %**

*Please refer to page 29 for APM definitions and page 31 for further details on the adjustments.

Adjustments

Ocado litigation costs	Comprise costs incurred in connection with the Ocado litigation proceedings, costs which are due to the company's use of external legal counsel. Adjustments only include the litigation with Ocado, hence no other legal costs are included in adjusted numbers. The nature of the adjustment item has been assessed by the company to reduce the comparability between historic and future periods, and outside the normal course of the company's business, based on historical events.
Transaction costs	Comprise of external costs incurred in connection with sale and purchase of the group's shares, including the IPO. The nature of these costs have been assessed by the company as special items, as the costs are outside the company's normal course of business.
Option costs	Comprise costs incurred in connection with the group's stock option scheme. The expenses in the fourth quarter and FY2021 are due to accelerated vesting and social security tax as a consequence of increase in value of the underlying shares related to the IPO. The nature and the size of the costs has been assessed by the company as a special item.
Management fees related to previous ownership structure	Comprise fees of an advisory services agreement regarding strategic and growth initiatives related to previous ownership structure. The agreement was terminated at the IPO, 20 October 2021, and there will be no further costs related to this item.
Refinancing costs	Comprise external legal costs incurred in connection with the refinancing of the group's debt facilities. The nature of this cost has been assessed by the company as a special item.
PPA amortizations	Represents amortization of assets recognized as part of the purchase price allocation made when THL acquired the group from EQT. The nature of the transaction has been assessed by the company as a special item, as it resulted from a change of ownership structure and hence no acquisitions were made by the company itself. PPA amortizations resulting from acquisitions through the company are not adjusted for.

Definitions

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

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