



TOMRA

Accelerating toward a circular future

Annual Report
2022

Table of contents

Key Figures	3
Chief Executive Officer's Review	4
Business Overview	6
Executive Leadership Team	8
Corporate Sustainability Report	10
Corporate Governance Report	32
2022 Summary and Highlights	38
Board of Directors	40
Directors' Report	42
Financial Statements TOMRA Group	54
Notes TOMRA Group	62
Directors' Responsibility Statement	88
Financial Statements TOMRA Systems ASA	90
Notes TOMRA Systems ASA	96
Independent Auditor's Report	110
Alternative Performance Measures	116

KEY FIGURES		2022	2021	2020	2019	2018
Operating revenues	NOK million	12,188	10,909	9,941	9,346	8,596
EBITA	NOK million	1,625	1,769	1,522	1,381	1,253
Operating profit (EBIT)	NOK million	1,450	1,552	1,300	1,177	1,078
Profit before taxes	NOK million	1,401	1,524	1,070	1,130	1,033
Net profit (profit for the period)	NOK million	1,068	1,133	798	858	779
Total assets	NOK million	13,932	11,589	10,977	10,867	9,595
Equity	NOK million	6,380	5,993	5,429	5,076	5,077
Return on equity	%	16,6	19,1	14,8	16,2	15,3
Return on total assets before tax	%	11,8	14,4	11,9	11,8	12,0
Earnings per share	NOK	3,48	3,70	2,63	2,78	2,50
Earnings per share fully diluted	NOK	3,48	3,70	2,63	2,78	2,50
Net cash flow from operating activities	NOK million	1,150	1,779	1,710	1,313	1,025
Number of employees as of 31 December		5,015	4,610	4,307	4,328	4,025
Female employees	%	23	22	21	21	20
Female managers (of all managers)	%	25	24	24	23	22
Number of reportable injuries		147	101	71	142	113
Carbon dioxide emissions	Metric tons	39,720	33,920	32,400	36,200	33,000



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Additional information about TOMRA's organization is available at www.tomra.com.
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An obligation to grow



The world’s population reached 8 billion in 2022, adding one billion people during the last 12 years. Decoupling growth and resource use is an obvious and urgent imperative. For TOMRA, 2022 marked 50 years since the invention of the first reverse vending machine to solve bottle return in Norway. Today we are proud of having built a broad, global, and highly relevant business platform, while keeping a strong entrepreneurial spirit.

After the pandemic

2022 started on an optimistic note with the end of the pandemic in sight for most countries. However, a new crisis soon unfolded with Russia’s invasion of Ukraine, followed by economic sanctions, instability in energy markets and inflation levels not seen in decades at a global level.

But 2022 was also a year of resilience. Supply chains stabilized towards the end of the year, businesses adjusted and found alternatives, and investment in technology remained high on the agenda. The circular economy has continued to grow and become the new desired standard. Significant investment is being employed in recycling technologies and better systems for collecting and recovering valuable materials from waste streams. The food supply chain has experienced challenges from weather events, soaring input costs, and geopolitical tensions, among others. However, technology and automation have continued to play an important role in improving the efficiency and resilience of the food supply chain.

In 2022, we have increased our installed base of reverse vending machines from 81,000 to 82,000 and are today collecting in a clean loop approximately 45 billion containers. Two new markets rolled out successful deposit systems during 2022: Slovakia on January 1st, and Latvia on February 1st. More effective collection systems are urgently needed to reduce environmental harm, plastic in our oceans and waterways, and wasteful use of resources.

According to Circle Economy, a global circular economy will allow us to fulfill people’s needs with only 70% of the materials we now extract and use. We have seen significant investments taking place in Recycling in 2022. Our order book reached record levels growing by 37% in 2022 compared to the year before. But despite important steps taken towards more recycling, our progress as a global community towards circularity stays slow. According to the same study, the world has become less circular, estimated now at 7.2%, compared to 8.6% in 2020, the negative trend being attributed to rising material extraction.

The global food demand is projected to rise significantly as well. The food industry needs to quickly adapt to climate challenges and the prospect of producing increasingly higher quality food for an additional 2 billion more people by 2050. This will require significant investment and reliance on technology to both improve yields and to reduce waste. In 2022, our order intake grew by 7%, mainly driven by the food service segment gaining traction in most countries.

In 1972 the first reverse vending machine was invented in Norway. 2022 marked our 50th anniversary, a unique moment celebrated together with the TOMRA founders, Petter and Tore Planke, and our 5,000 resource revolutionaries around the world.

2022 in brief

In 2021 we initiated the TOMRA Safe program with the conviction that all accidents are preventable and an aim to ensure that a safety mindset is instilled in every employee and that our safety culture is actively lived and shared. As a group, our total reportable injuries increased to 147 from 101 last year, where injuries resulting in lost time were at the same level as in 2021, whereas the number of injuries not resulting in lost time increased, attributable to improved reporting practices.

We have launched a Diversity, Equity, and Inclusion strategy, as well as initiatives aimed at promoting inclusion, working cross-culturally, leadership development and robust hiring processes.

The demand for our solutions and technologies continued to grow in 2022. Group revenues were NOK 12,188 million in the year, representing a growth of 12% from 2021. A challenging supply situation and increased sourcing costs impacted earnings negatively, and EBITA ended at NOK 1,625 million in 2022, a decrease of 8% from 2021. Cash flow from operations was NOK 1,150 million in 2022, compared to NOK 1,779 million in the previous year, the result of

lower operating profit and higher working capital. We end 2022 with a solid balance sheet and a leverage level at 1.2x NIBD/EBITDA. We have been rated A- by Scope Ratings during 2022 and we plan to maintain an investment grade status going forward.

A sustainable future

In June 2022 we launched our ambitions and strategic priorities for the next five years. We target to double our business in five years through accelerating growth in our core business while developing new adjacent opportunities.

Well-designed deposit systems have proven to be an effective way of improving circularity for beverage containers. Several countries are in the process of evaluating and implementing deposit systems in the next five years. At the same time, investments in recycling capacity are essential to achieve sustainable waste management practices and reduce the dependency on virgin materials. Increased regulatory requirements weigh favorably on the market environment for circular solutions. Labor shortages and an increased need for automating the food value chain create opportunities in the food sorting business. Overall, we view the current market environment as providing good organic opportunities. Sustainable and profitable growth in core business is the foundation of our strategy.

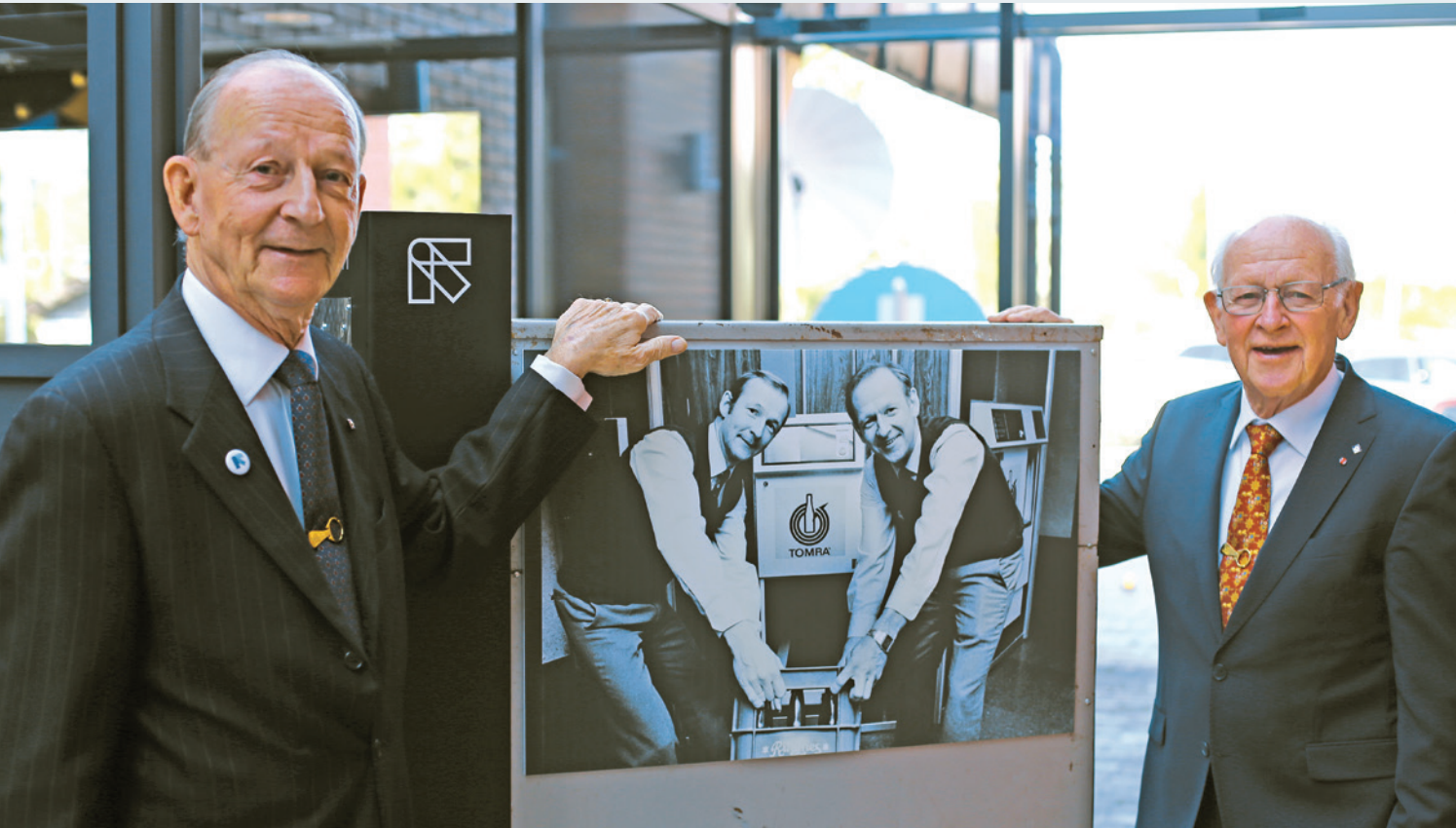
Our profitability has been negatively impacted in 2022 and we need to do better. We aim to lift profitability levels in the medium term, while continuing to invest in future-oriented activities to capture growth opportunities and reinforce our competitiveness in the long term.

Our strategic position today provides interesting opportunities for developing adjacent businesses and innovate on more dimensions. One such initiative which we initiated in 2022 consists of leveraging our sorting expertise and investing in plastic feedstock sorting. By providing a high-quality plastic fraction to recyclers, we help close a quantity and quality gap in the market, and upgrade material that would have otherwise been lost to landfill or incineration.

In 2022 we launched our updated sustainability strategy, with an ambition to double our impact while being safe, fair, and inclusive. To be successful we are employing a holistic approach and have set targets and measurement points for the areas that are most material to our business. We have committed to science-based targets that will guide us in our path to reaching net-zero emissions.

After 50 years in the business, we stand highly relevant and have built a culture of openness, learning, and entrepreneurship. We are privileged to have motivated and engaged employees that live our purpose and values every day. And every day brings additional reasons for decoupling growth from resource use. Significantly more needs to be done. We are stepping up and are committed to building a strong and sustainable business that we can continue to be proud of.

Tove Andersen
President and CEO TOMRA Systems ASA



Leading the resource revolution

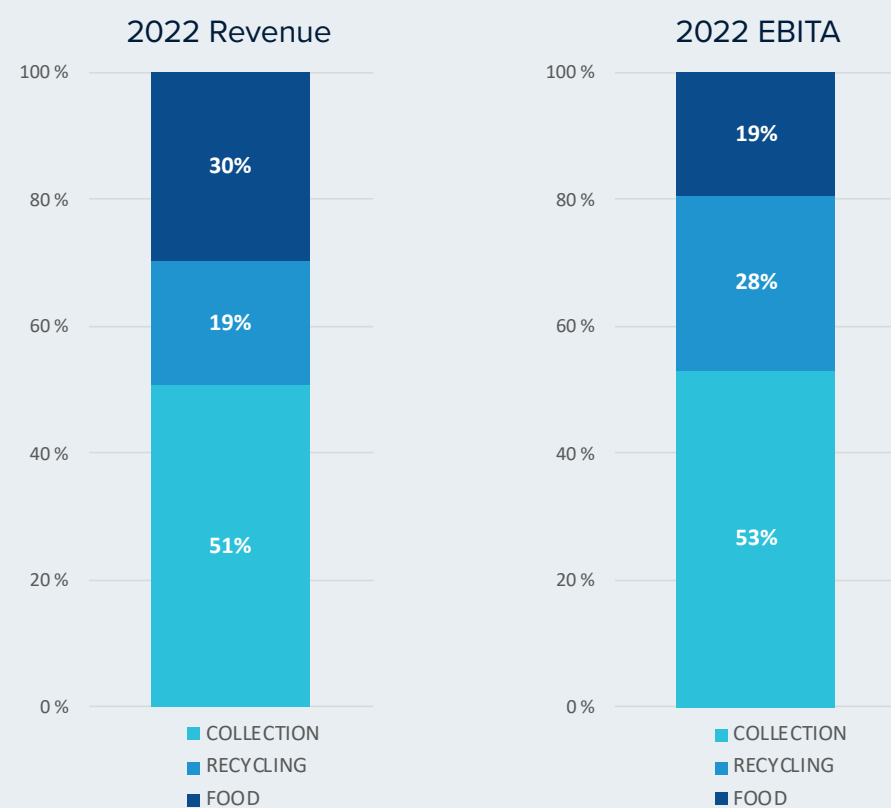
TOMRA's vision of leading the resource revolution is about transforming how we obtain, use and reuse our world's resources.

TOMRA was founded on an innovation in 1972 that began with the design, manufacturing and sale of reverse vending machines for automated collection of used beverage containers. Today TOMRA provides technology-led solutions that optimize resource use and recovery in the food, recycling, and ore sorting industries.

5,000+
EMPLOYEES

12.2
BILLION NOK REVENUES IN 2022

Creating value through three divisions:



TOMRA Collection



TOMRA Recycling



TOMRA Food



Executive Leadership Team



TOVE ANDERSEN (B. 1970)
President and CEO of TOMRA Group

MBA from the BI Norwegian Business School (1997); Master of Science Degree in Physics and Mathematics from the Norwegian University of Science and Technology NTNU (1994).

Career history: 2021: joined TOMRA as President and CEO; 1997-2021 Yara International ASA; Executive Vice President Europe (2020-2021), EVP Production (2018-2020), EVP Supply Chain (2016-2018), as well as diverse management roles with responsibility for marketing, business development and finance.

Number of TOMRA shares held: 12,772 shares and 20,000 share options.

Board memberships: Publicly listed: Equinor ASA (member), Borregaard ASA (member).

EVA SAGEMO (B. 1975)
Chief Financial Officer of TOMRA Group

Executive Master of Management with specialization in tax law, BI Norwegian Business School (2021) and Bachelor's degree in Audit, Oslo Metropolitan University (2000).

Career history: 2022: appointed CFO of TOMRA; 2012-2022 TOMRA Systems ASA; Group Controller TOMRA Group (2018-2022), Group Controller TOMRA Sorting (2012-2018), as well as various financial roles in BDO, Aibel, and Fugro.

Number of TOMRA shares held: 3,594.

Board memberships: none.

LARS KVERSØY ENGE (B. 1984)
Executive Vice President, Head of Group Strategy

MSc in Industrial Economics and Technology Management from the Norwegian University of Science and Technology NTNU (2009).

Career history: 2022: joined TOMRA as EVP Group Strategy; 2014-2022 Yara International ASA; CFO Yara Europe (2020-2022), VP Corporate Performance and Risk (2018-2020), CFO Yara Industrial (2016-2018), Project Leader and later Head of Group M&A at Yara (2014-2016), as well as experience from McKinsey & Company (2009-2014).

Number of TOMRA shares held: 1,462.

Board memberships: none.



HARALD HENRIKSEN (B. 1963)
Executive Vice President, Head of TOMRA Collection

B.Sc. Electronics, University of Salford, Manchester (1985).

Career history: 2016: appointed EVP Head of TOMRA Collection; 2004-2016 TOMRA Systems ASA as CEO and President TOMRA North America (2011-2016) and SVP Technology TOMRA (2004-2011); VP Business Unit Tactical Radio at Kongsberg Defense and Communications AS (2000-2004), VP Product Management and VP R&D at Kongsberg Ericsson Communications ANS (1997-2000); Technical management and project management NFT-Ericsson ANS (1990-1997).

Number of TOMRA shares held: 87,366.

Board memberships: Non-listed: Jets Vacuum AS (member).

VOLKER REHRMANN (B. 1961)
Executive Vice President, Head of TOMRA Recycling

PhD in Computer Science, University of Koblenz, Master's in Computer Science, University of Paderborn.

Career history: 2019: appointed EVP Head of Tomra Recycling; 2004-2019 TOMRA Systems ASA as Chief Technology Officer and Head of Business Area Sorting Solutions; prior to joining TOMRA through the acquisition of TITECH in 2004, he was founder and Managing Director of Real Vision Systems GmbH from (1998-2002).

Number of TOMRA shares held: 28,058.

Board memberships: none.

MICHEL PICANDET (B. 1967)
Executive Vice President, Head of TOMRA Food

Master's in Management, ESCP Business School and Bachelor's in Engineering, University of Clermont-Ferrand.

Career history: 2020: joined TOMRA as EVP Head of TOMRA Food; 2013-2020 Tetra Pak as Global Director (2018-2020) and Managing Director France (2013-2018); 1998-2013 Sidel as EVP Global Life Cycle Management (2008-2013), VP Asia Pacific (2004-2008) and VP Sales North America (1998-2004).

Number of TOMRA shares held: 9,048.

Board memberships: none.

Corporate sustainability report 2022

Sustainability is deeply embedded in TOMRA's vision, mission, and company culture. All our products deliver environmental benefits through better resource utilization and diverting waste from ending up in nature. The positive impact that our solutions have on the environment and the world around us gives a strong sense of purpose to our people.

TOMRA is well positioned with regards to key megatrends affecting the global economy today and into the foreseeable future. Our solutions can help address sustainability challenges related to resource scarcity and depletion, unsustainable consumption, climate change, urbanization, and waste in nature. At the same time, new business opportunities for TOMRA arise with the increasing global focus on circular economy, low-carbon transition, food safety and food security. For us, sustainability is about maximizing the positive impact that we can enable through our solutions, while reducing any negative environmental and social impacts from our operations or value chains.

We wholeheartedly welcome the fast-evolving regulatory landscape surrounding corporate sustainability and increasing

stakeholder expectations. Corporations need to be leading the way into a greener and more sustainable economy. We believe that our responsibility to continuously improve the sustainability performance of our operations also brings opportunities. Evolving standards for transparency, sustainability governance and reporting, and risk management are driving innovation and progress across industries.

2022 was a landmark year for TOMRA. As we celebrated 50 years of enabling resource efficiency with world leading technology, we also took a major step on our sustainability journey. We unveiled our new sustainability strategy for delivering long-term value and sustainable growth, including our commitment to setting science-based targets. In our vision and strategy for growth at TOMRA, profitability and sustainability go hand-in-hand, as we believe both are mutually reinforcing.

Corporate sustainability is a competitive necessity for us to continue our leading position, to attract and retain talent, and to deliver the best solutions for enabling better resource productivity across a range of industries.

“With an inherently sustainable business model - enabling better use of resources through our products - our sustainability challenge at TOMRA lies in ensuring that we also operate and do business in a truly sustainable way. To that respect, I am proud of the commitments we have made and ambitions set this year to continue leading on impact and push ourselves to become even better on sustainability management.”

Nicolai Prytz – Director Sustainability & Strategy
TOMRA Group



Life Cycle Assessments conducted for core products in each division, benchmarking lifecycle emissions and hotspots, informing development of eco-design principles and circularity strategies.

1st green bond issue of NOK 1 billion Senior Unsecured Green Bonds. Framework received 3rd party rating Dark Green by CICERO, and governance score Good.

New sustainability strategy launched with ambitious targets for material focus areas.

Commitment to setting science-based climate targets and a pathway for Net Zero emissions by 2050.

Launched three new business ventures addressing major environmental challenges; TOMRA Feedstock, TOMRA Reuse, and TOMRA Textiles.

EcoVadis Gold Medal awarded to production and R&D facility for TOMRA Recycling and TOMRA Food.

Our sustainability strategy

Our ambition and targets

TOMRA launched an updated sustainability strategy in conjunction with our 50-year anniversary at our Capital Markets Day in June 2022. As part of this, we set out a new sustainability ambition with defined strategic focus area and targets. The ambition sets the direction for our long-term vision of TOMRA, while action areas and targets set the agenda for our near and medium-term priorities along both social and environmental axes on the path toward achieving our overarching objectives.

Our three-fold ambition is to lead the resource revolution, while becoming a fully circular business, and being safe, fair, and inclusive. In other words, TOMRA's ambition is to maximize our positive contribution of optimizing the use of the planet's resources (our handprint), while minimizing our environmental footprint through stewardship and innovation. We will continue to pursue social sustainability and ensure that our employees' well-being and ability to thrive at TOMRA remains the cornerstone of our business.

To make this ambition a reality, we have defined a set of bold targets, recognizing that the journey to achieving these will require taking the first steps without knowing necessarily where the subsequent steps will lead us. Even with uncertainty regarding the efforts required to meet our targets and ambition, we are convinced that this is the direction we must move in to ensure sustainable growth for TOMRA. Our targets are all linked to strategic focus areas that reflect material topics for TOMRA from our materiality assessment.

Our three-fold ambition is to be leading the resource revolution, while becoming a fully circular business, and being safe, fair, and inclusive.



- Resource productivity:**
Sustainability impact enabled from TOMRA products in use (our "handprint")
- Climate impact:**
Carbon footprint of our operations and entire value chain
- Sustainable product design:**
Product circularity and environmental impact of TOMRA products across their life cycle
- Employee value proposition:**
Social impact through being an employer of choice and making our people thrive
- Supply chain sustainability:**
Engagement with suppliers to positively influence more sustainability and reduce ESG risk

The metrics and targets of the five action areas are subject to regular evaluation and updates as we progress with implementation, build competency, and improve our data in the coming years.

Strategic approach

TOMRA's sustainability strategy, including our ambition, strategic focus areas and targets for each of these, builds on insights gained from the materiality assessment conducted in 2020 (see page 16). This exercise helped us to better understand which environmental, social, and governance (ESG) issues are most important to TOMRA, taking into consideration both business impact and stakeholder expectations. Regular updates are part of the process to identify and update material topics that should be elevated in business strategy and reporting.

This process is conducted with a three-step approach:

1. Value chain impact mapping
2. Stakeholder engagement
3. Materiality

1. Value chain impacts
Mapping our value chain impacts is a process of identifying all relevant sustainability impacts, including both risks and opportunities, across the value chains in each of our divisions. The graphic below provides a summary of the ESG issues considered across TOMRA's value chain. It informs our growing understanding of the potential business impacts across a range of areas such as climate change, resource use, and human rights, and generally in terms of how our operations may affect the world around us.

Product design	Supply chain	Production	Logistics	Sales, marketing & administration	Customer use phase (incl. end of life)
• Sustainable material selection • Product circularity • Design for repairability and recyclability • Design for operational resource efficiency	• Human rights • Labor rights • Health and safety • Supply chain GHG emissions (Scope 3) • Anti-corruption and bribery • Business integrity	• Human and labor rights • Health and safety • Operational GHG emissions (Scope 1+2) • Energy use • Waste generation • Overstocking/obsolete parts • Sustainable packaging	• GHG emissions from transport and distribution (Scope 3) • Anti-corruption and bribery • Business integrity	• Diversity & inclusion, attracting and retaining talent • Office sustainability • Emissions from business travel and commuting (Scope 3) • "Walking the talk"	• Resource productivity • Product energy use • Product safety • End-of-life product management

“2022 marked a significant step forward for TOMRA, setting targets for material areas on environmental and social sustainability, including commitment to setting science-based targets and a strong focus on Diversity and Inclusion. With the confidence of the Board and enthusiasm of the people at TOMRA, the organization has now laid the groundwork, preparing for important next milestones. Evolving regulatory landscape, reporting and transparency requirements, and the need to innovate all ties into the ambition for sustainable growth that will drive improvements and successes for TOMRA in the years to come. I look forward to following this journey and the progress in the years to come. It is rewarding to be part of a company where sustainability is such a fundamental part of the business model.”

Bodil Sonesson – President and CEO at Fagerhult, Chair of TOMRA Sustainability Committee



2. Stakeholder engagement

Dialogue and collaboration with our key stakeholders are imperative to understanding and improving TOMRA's sustainability impact. Engaging with stakeholders enables us to consider concerns and expectations toward TOMRA regarding relevant sustainability impacts.

Maintaining contact with our various stakeholders is an important means of building trust in TOMRA, as well as understanding the role that our company plays in local communities and society at large. We are regularly in dialogue with key stakeholders to understand what sustainability-related concerns they have, discuss important topics that relate to TOMRA's business, and find solutions in partnership. Inclusive collaboration enables much greater impact than what TOMRA as an organization can achieve on its own.

As a basis for the materiality assessment and to continuously inform our sustainability work, TOMRA surveys the groups, organizations and individuals that are either impacted by the company's operations or which, in a variety of ways, have an impact on the company's strategy and goal achievement. The stakeholder groups, key interactions and material topics for each group in 2022 are summarized in the table below.

Suppliers & partners	Investors	Employees	Customers	Public opinion & governments
How we bonded/interacted • Supplier commitment to Group Principles for Suppliers and Partners, and to Code of Conduct • Sustainability provisions supplier self-assessment questionnaire • Regular dialogue with strategic suppliers • Recycling division third party assessment through EcoVadis • Ongoing engagement to understand and reduce emissions	• TOMRA Capital Markets Day • Responding to selected rating agency questionnaires • Dedicated ESG calls and inquiries • General ESG information provided on request	• Gallup Employee Engagement Survey • Launch of Employee Resource Groups, each sponsored by member of Executive Leadership Team • CEO and Executive Leadership Team communication with employees (town halls and information campaigns)	• Industry association networks • Regular customer communication • Exhibitions and industry trade shows (e.g., IFAT, The K, Fruit Logistica, ~200 total for the Group) • Engagement of major customers on material topics • Direct contact with sales, supply chain, sustainability and management	• Participation in global trade associations (WBCSD, GAA - Equitable Livelihoods, EMF, Friends of Champion 12.3, and business leaders networks) • Member and signatory of Business Coalition for a Global Plastics Treaty • Dialogue with public authorities on material issues for TOMRA and our ecosystem • Publication of thought leadership pieces in industry communications
High materiality aspects • Fair and safe working conditions • Compliance • Environmental protection • Supply chain sustainability • Ethics & anti-corruption • Sustainable logistics • Sustainable packaging	• Long-term financial performance • ESG risk management • Transparency and reporting • Sustainable products and services • Strong focus on governance, transparency and innovation	• Employee engagement and wellbeing • Occupational purpose • ‘Walking the talk’ • Health & Safety • Diversity, Equity & Inclusion • Community Engagement	• Resource productivity • Product safety • Climate impact • Supply chain transparency and sustainability • Product circularity • Product innovation • Supply chain disruptions	• Business ethics • Human & labour rights • Transparency & reporting • Diversity, Equity & inclusion • Resource productivity • Sustainable product design • Climate & energy smart solutions • Food security • Circular economy
Stakeholder's expectations • Collaboration and guidance on sustainability provisions • Long-term perspectives and strategies • Scope 3 emission reductions • Innovation to accelerate reducing climate impact of products	• Rapid evolution of sustainability reporting frameworks the ESRS and CSRD • Engagement with ESG rating providers and own ESG teams in evaluating the company's ESG profile • Consistent disclosure of ESG metrics • Remuneration linked to sustainability	• Engagement on DEI topics • Engagement on sustainability topics from top management • Strong focus on HSE • Leadership and talent development	• Increasing number of Collection (B2C) customers express need for innovative solutions for increase consumer convenience • Collaboration on technology development and innovation • Solutions that enable operational and sustainability ambitions	• Acceleration of actions to reduce greenhouse gas emissions and address climate change • Introduction of metrics to describe progress on sustainability strategic targets • Contribute with thought leadership and best practice on circular economy and food security • Stakeholder collaboration
Our responses • Engagement and dialogue with strategic suppliers and partners on sustainability provisions with long-term perspective (a large share of suppliers in Recycling division invited to EcoVadis assessment in 2022) • Onboarding program for all new suppliers, including IDD processes • Annual physical audits of strategic suppliers	• Announced commitment to setting Science Based Targets and Net Zero ambition by 2050 • Announced sustainability strategy with targets for 2030 • Partial ESG metrics • EU taxonomy assessments	• DE&I physical workshops and online trainings • TOMRA Safe program: Safe Place, Safe People and Safe Processes • Individual development plans and leadership development framework • Global hybrid working principles	• Production site in Slovakia (combined with Food and Recycling divisions) won an EcoVadis Gold Medal • EcoVadis assessment invitation to strategic suppliers for Food & Recycling • Preparedness for compliance with Norwegian Transparency Act • Launch of sustainability strategy and targets for supply chain and product sustainability • Procurement compliant with REACH and RoHS	• Participation in Policy Working Group for Global Plastics Treaty, core team joined INC1 in Uruguay • Publication of white papers: EPR Unpacked: A Policy Framework for a Circular Economy and Advanced mechanical recycling: Enabling true circularity for plastics, now • Resources on industry thought leadership publicly available at website Circular Economy Resource Hub, including podcast TOMRA Talks

As a member of the UN Global Compact (UNGC), TOMRA aims to consistently support doing business responsibly and implement the principles of the UNGC. This report forms part of our annual Communication on Progress to the UNGC. This report is structured and inspired by the Global Reporting Initiative's (GRI) sustainability reporting framework and guidance. We are following closely the evolution of regulatory requirements in the EU regarding new standards for corporate sustainability reporting, and are preparing for reporting in compliance with the new ESRS as of FY2024 reporting.

monitoring and reviewing TOMRA's practices and policies on sustainability matters, including regular reviews of progress. It is the role of the Board of Directors to ensure that the Group's corporate governance, environmental, social, and ethical practices are adequate. Efforts to identify, assess, and manage sustainability-related risks and opportunities are largely integrated in the company-wide risk management process and strategic planning at group and business unit levels.

TOMRA also has a group-wide Sustainability Network where colleagues inspire and learn from each other, and regularly communicate on various sustainability topics. The goal is to empower local sustainability champions through sharing important strategy updates, and support development and implementation of local initiatives to further sustainability through local action. This network is open to all colleagues who wish to join.

TOMRA's Commitment to the UN Sustainable Development Goals

TOMRA is fully committed to delivering on the UN Sustainable Development Goals (SDGs). As "leaders of the Resource Revolution," sustainable development is at the core of our business model and strategy. TOMRA is a solutions provider in the necessary transition to a resource-efficient, low-carbon economy. With increasing demand for sustainable products and solutions there are opportunities for us to deliver significant positive impacts across several of the SDGs. An assessment of our activities reveals one SDG in particular where our contribution delivers the most impact: SDG 12 - **Responsible consumption and production**.

Other SDGs where TOMRA delivers positive impact through our products and services include:

SDG 11: Sorting solutions for sustainable waste management.

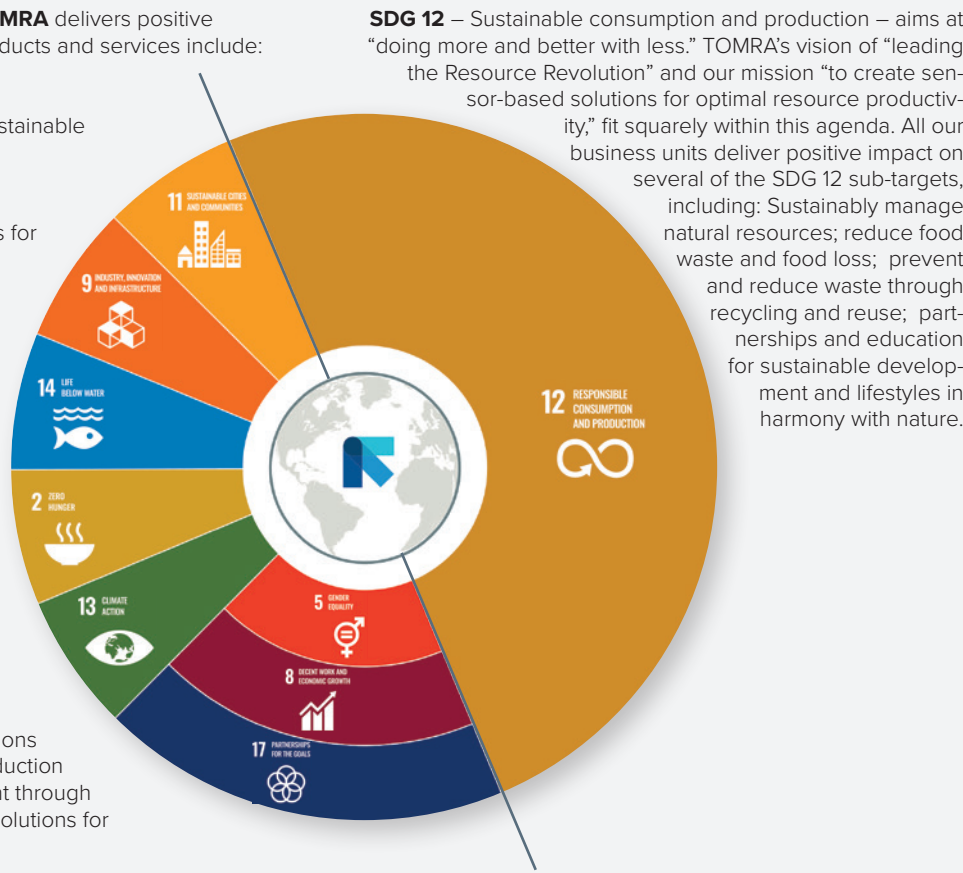
SDG 9: Technology innovations for resource productivity.

SDG 14: Turning off the tap on land for plastic pollution through collection systems and closed loop recycling.

SDG 2: Food sorting solutions that increase agricultural yield and reduce food loss along production and supply chains.

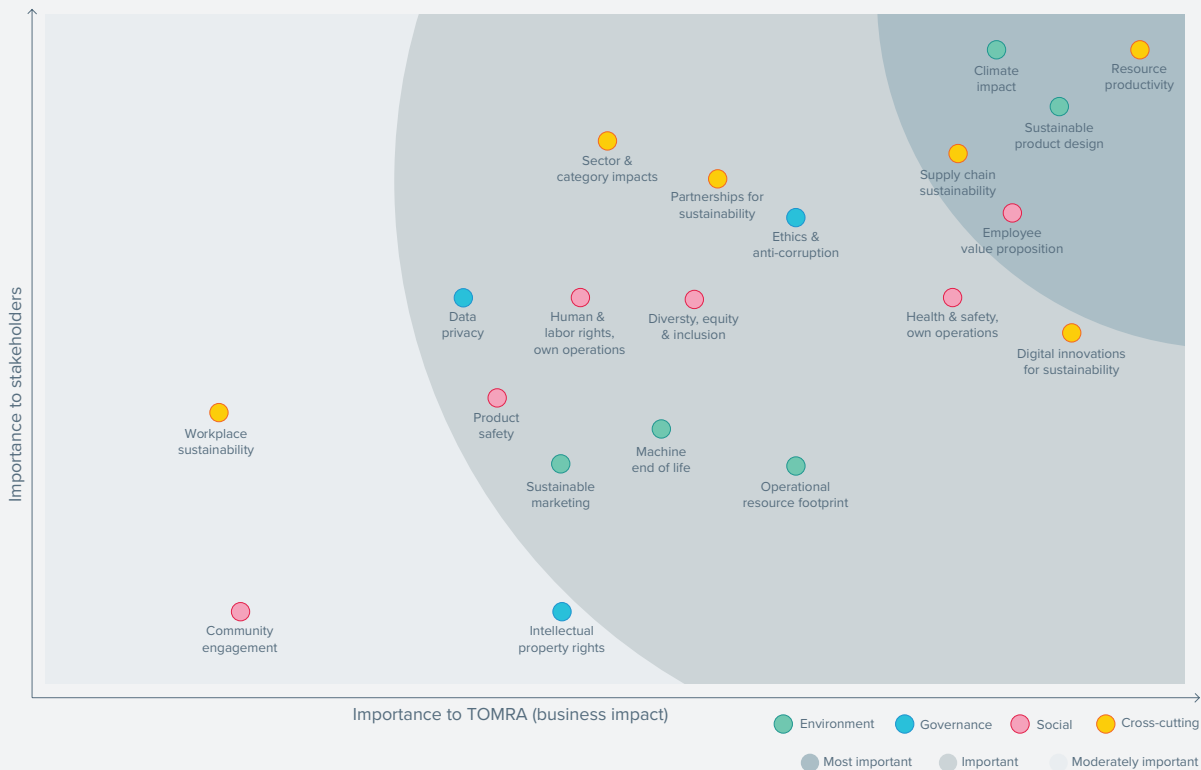
SDG 13: Avoiding carbon emissions from both material production and waste management through collection and sorting solutions for recycling.

SDGs 5, 8 and 17: are supporting, crosscutting goals where we strive to have a positive impact through the way that we work. At TOMRA, we consider delivering on these SDGs as part of our "license to operate."



3. Materiality

Insights from the materiality assessment serve to guide our strategic prioritization of sustainability efforts and resources at TOMRA, identifying our most material issues, both from business and stakeholder perspective. This assessment enables us to focus our sustainability agenda and actions where they matter most. It serves as the basis for our five strategic focus areas (in the dark area of matrix below) where we are now planning and executing actions that will continuously improve our impact for a more sustainable TOMRA.



Sustainability Governance

In TOMRA, we define corporate sustainability as the management of business relevant **environmental (E), social (S) and corporate governance (G)** issues. With the recognition that relevant ESG issues occur across business functions and can have impact on various parts of the organization, we have taken an integrated approach to sustainability management, anchored in the Group Strategy function. This structure ensures that sustainability is fully integrated in our strategy development and implementation processes, and we have introduced quarterly internal reporting on sustainability KPIs – People, Planet, Profit.

The Group Sustainability function works closely with dedicated sustainability teams from each division, representing both strategy, business development and operations. Delivering on the sustainability strategy is an integrated part of the operational responsibility, and it is the responsibility of TOMRA's Group Sustainability team to guide and support operational teams with implementing and embedding sustainability considerations in decision-making. Furthermore, it is the responsibility of the Group Sustainability function to coordinate sustainability reporting and communication. It is the responsibility of the divisional sustainability teams to cascade Group targets, to lead development and

execution of strategy within their division, and drive implementation efforts.

Cross-divisional collaboration is an important element of our approach. In 2022 additional resources were added with new roles assigned for sustainability in the divisions, and sustainability governance structures have been updated. Two new governance bodies have come into effect in 2022: TOMRA Sustainability Council, and Sustainability Working Group. First, the Sustainability Council consists of representatives from Business Development, Group Finance, Strategy and Group Sustainability, including the Group CFO. The Council acts as steering group for larger sustainability projects, provides Group-wide direction and decisions for sustainability management and strategy execution, as well as reviewing performance reporting across the TOMRA Group.

Second, the Working Group is a cross-divisional team of sustainability leads and selected experts, that is tasked with coordination and collaboration to share best practises of strategy implementation and projects across divisions.

For oversight, we have a Corporate Sustainability Board Committee, which assists the Board by

Leading the resource revolution

Our handprint - Sustainability impact enabled from TOMRA products in use

At TOMRA, our vision is to be Leading the Resource Revolution. Our mission is to transform how we all obtain, use, and reuse the planet's resources to enable a world without waste. Optimal resource productivity is a key lever across industries to reduce adverse environmental impacts, waste less, and maximize value creation. Each of TOMRA's divisions add significant value towards resource productivity with their products and services.

The urgent need for transitioning towards a resource-efficient, low-carbon economy opens new business opportunities for TOMRA, as a solutions provider in this space. Environmental policy intended to increase recycling and reduce waste can be a catalyst for growth and for innovation at TOMRA.

This chapter describes how our technology and solutions in use enable positive sustainability impact and emission reductions.

Resource Productivity

The common denominator for all TOMRA products is that they enable better resource productivity, which means that they are improving the value and use of the resources that are extracted from our planet, in turn enabling positive climate and nature impacts. Our solutions can help address the negative consequences of global challenges like resource scarcity and depletion, unsustainable consumption, food security, climate change and waste in nature. We are committed to maximizing the positive social and environmental impact and sustainable value creation that we can deliver and enable through our solutions.

Resource productivity is a material focus area for TOMRA. In 2022 we decided to expand our sustainability impact by building new business ventures that address some of the most important environmental challenges our planet is facing where TOMRA can have a positive impact.

 **We have set a 2030 target to double the emissions avoided enabled by TOMRA products in use,** with supporting targets for each division as described below.

Recycling

TOMRA Recycling develops sorting technology for recycling and ore sorting that enables recovery of valuable materials by extracting higher-purity fractions from waste streams, to maximize both yields and profits. Innovating for design and manufacturing of smart sorting technology to recover valuable materials from waste and metal stream are important enablers of the transition towards a circular economy. This is because it maintains optimal material use and value, before coming back into circular value chains as useful resources through collection, sorting and recycling. The applications range from polymers, metals, to wood and paper and many more. Our Recycling solutions enable the creation of high-quality mono-fractions that support meeting the increasingly stringent quality requirements (e.g., regulations on recycled content in products).

Within the ore sorting industry, TOMRA sorting technology helps maximize the recovery of valuable material and minimize the ecological footprint of ore sorting operations. This is achieved by separating valuable mineral ores from waste rock, and by extracting valuable product from previously discarded material. Ore sorting solutions enables reduction of up to 3-4 m3 water per ton ore, potential for substantial reduction in use of chemicals, and a reduction of energy consumption by up to 50%.

 **The resource productivity target is by 2030, to enable a global rate of plastic packaging collected for recycling to reach 40% and 30% closed loop recycling.**

Collection

TOMRA Collection provides reverse vending technology that ensures efficient collection of beverage containers for Clean Loop Recycling and reuse, so they can be continually recycled back into new beverage containers, often as part of deposit return systems. Kept in a closed loop, this helps reduce the impact of litter in our streets, oceans, and landfills, and it helps reduce reliance on virgin materials for producing new containers, which in turn enables positive climate impact.

When bottles and cans don't end up in the right place, they can cause pollution in the sea or waste in landfills that can take hundreds of years to break down. Research estimates that at least eight million tons of plastic ends up in the oceans every year. Today only two percent of plastic package globally is recycled in a closed loop, and 1.4 trillion drink containers are produced each year. TOMRA machines collected more than 45 billion containers last year.

 **The long term ambition is to collect 500 billion used beverage containers for recycling every year.**

Food

TOMRA Food offers sensor-based sorting solutions and integrated post-harvest solutions. Food sorters can detect and eject unwanted materials from manufacturing and processing lines according to their color, shape, size, structure, and even their biological characteristics. Our solutions are setting high standards in food safety and product quality, while significantly reducing food loss at the production stage with integrated post-harvest solutions for the food industry.

The United Nations Food and Agriculture Organization (FAO)¹ warns that by 2050 global food demand will increase by about 50%, yet only 20% more land can be brought into productive use. This means existing food resources must be used much more effectively. Reducing food loss and food waste is critical in order to reduce production costs and increase the efficiency of the food system, to improve food security and access to nutrition, and to reduce adverse environmental impacts.

Food loss occurs along the food value chain starting from post-harvest losses on the farm up to but not including the retail stage. This is where TOMRA Food solutions can enable positive impact – during the stages of the food value chain where food loss occurs, by sorting and grading foods to enhance yields and profits from crops grown.

 **The resource productivity target for TOMRA Food is to enable a post-harvest food loss reduction of 50% by 2030.**

TOMRA Horizon

During 2022, TOMRA decided to broaden its business to also build new business ventures that are adjacent to our three core divisions. We call this platform TOMRA Horizon. Each new business venture initiated under TOMRA Horizon will be focused on solving a problem our planet is facing and build a profitable business while doing so. Furthermore, the business ventures we initiate will build on and complement the knowledge and technology developed in TOMRA's core divisions over decades. In 2022, we initiated three new business ventures: TOMRA Feedstock, TOMRA Reuse and TOMRA Textiles.

1) <https://www.fao.org/3/CA1553EN/ca1553en.pdf>

- **TOMRA Feedstock** seeks to close the gap in plastics by enabling the recovery of plastics from incinerators and operating large scale sorting plants. The recovered and sorted plastics will then be of a quality that enables recycling into new products.
- **TOMRA Reuse** seeks to facilitate a shift from single-use packaging to reusable packaging in cities through building a "Circularity-as-a-Service" solution for the restaurant, café, and takeaway food segment.
- **TOMRA Textiles** seeks to close the gap in fiber-2-fiber circularity in the textile industry by applying TOMRA's leading sorting solution capabilities in the value chain for textile waste.

Through both our collection and sorting solutions, TOMRA solutions recover and collect materials at high volumes, in turn enabling the avoidance of greenhouse gas emissions. When more materials like plastics or metals are recycled it significantly reduces their embedded carbon intensity, both at production stage (less virgin/raw material input) and in waste management (diverted from landfill or incineration). In 2022, the avoided carbon emissions enabled from TOMRA products in use by customers was just over 21.1 million tonnes of CO2 equivalents, representing an 8,7% increase from 2021. The total avoided emissions compare to about 35% of Norway's greenhouse gas emissions in 2021.

Partnerships

TOMRA Food became a member of the World Business Council for Sustainable Development (WBCSD) in November 2020. The WBCSD is a global CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. TOMRA Food is an active member of the Global Agribusiness Action for Equitable Livelihoods project, which brings together companies across the food and agribusiness value chain to generate business value and social impact. In 2022 TOMRA Food continued its efforts on inclusive innovation and technology that addresses hotspots such as decreasing farm sizes, automation, digitization, and mechanization.

“ We feel a strong sense of purpose working with farmers and food producers. We see the need to continuously innovate in order to be part of the solution so that our food systems can promote food security and improved nutrition, both for the present and future generations.

Stefaan Kennis – Director of Strategy, Market Intelligence & Sustainability, TOMRA Food



Becoming fully circular

Our environmental footprint

TOMRA is committed to operating responsibly and minimizing any negative impacts we might cause, through internalizing social and environmental considerations in the way that we do business. We believe that our responsibility to continuously improve the sustainability performance of our operations also brings opportunities. We have set ambitious targets in our sustainability strategy, including also for our contribution to reducing impacts related to climate change. This chapter describes how we work to improve and manage the environmental impacts from our operations in material focus areas, including our ISO certifications.

Climate impact and risks

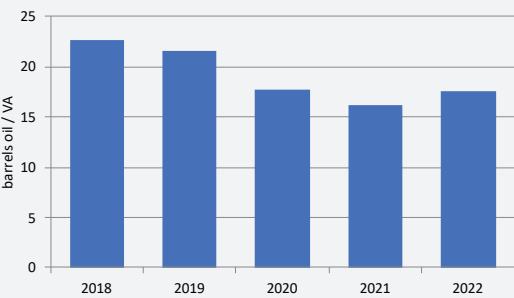
Climate change is one of the defining issues of the 21st century. Approaching 1.5° C warming, the IPCC's sixth assessment report stresses the need for swift and substantial emissions reductions to meet the targets of the Paris Agreement. The window of opportunity for changing the trajectories of climate change is rapidly reducing, as global emissions are reported to have fully bounced back to close to record highs after the drop seen due to COVID. As companies, we have a responsibility and an opportunity to help deliver on the critical 1.5-degree pathway – and all companies must decarbonize over the coming decades, irrespective of what sector they are in.

The impacts of climate change on business materialize not only as physical climate risks (damages related to extreme weather and climate events), but also as transition risk (regulatory and market changes) and liability risk (legal responsibility towards those who are adversely affected by climate change). As any global company, TOMRA is exposed to some level of physical risk in terms of severe climate events that could damage business facilities or disrupt supply chains, or risk of drought and chronic heatwaves that could regionally affect agricultural viability and as such have impact on the customer base for TOMRA Food. Although the general level of climate risk for TOMRA (both physical, transition, and liability) is considered relatively low, we did see in 2022 that extreme and irregular regional weather events had a negative impact on our business.

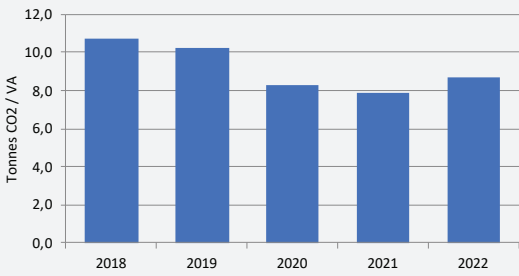
Severe floods in Australia hit blueberry orchards, impacting both crops and pollinators on farms, reducing production resilience. In New Zealand both blueberry and kiwi crops were destroyed by an unseasonably heavy frost late in the year, significantly impacting parts of TOMRA Food's customer base. In Australia, the prolonged La Niña events which brought record rainfalls and devastating floods had an impact on the Collection business. Weather conditions are linked to seasonal variations of volumes of beverage containers consumed and returned. These fluctuations have direct impact on the Collection markets where TOMRA is remunerated on a per container basis, especially relevant for our business in the USA, Australia, and the Baltics. The never seen before floods and rainfall in the Australian Collection market affected our collection volumes negatively in 2022.

In line with our ambition to be leading the resource revolution by increasing the positive climate impact of our technologies in use, we also need to reduce our operational emissions. In 2022, we announced TOMRA's commitment to setting science-based emissions reduction targets that align with the Paris Agreement of well below 2 °C warming, pursuing 1.5 °C. This includes to target net zero greenhouse gas emissions for the TOMRA Group no later than 2050. As part of the process of joining SBTi we will work to develop roadmaps for these targets and establish a Group-wide baseline for Scope 3 indirect emissions. As we are getting started with this work,

Energy consumption per unit of value added



Greenhouse gas emissions from operations per unit of value added



we have already set two targets for Scope 1 and 2 emissions reductions in pertinent areas of our operations.

 **>80% reduction in operational transport emissions by 2030 (Scope 1)**

 **100% renewable electricity by 2030 (Scope 2)**

TOMRA's greenhouse gas account for 2022 shows an 17% increase in total direct emissions from 2021. Scope 1 emissions increased by nearly 10%, while Scope 2 emissions remained largely stable. The largest increase was from scope 3 emissions that we classify as direct emissions (employee-owned vehicles and employee air travel). This trend of increased direct emissions can be attributed to three main contributing factors. Firstly, we have made significant improvements in data capture and quality over the past year, for the benefit of reporting purposes, strategy implementation, and tracking progress on KPIs. Improved quality and completeness partly explain why we see higher emissions compared to previous year.

Secondly, we saw an increase this year in emissions from business travel and transportation – a trend significantly influenced by changes in travel regulations and restrictions from those during the height of the Covid pandemic the two previous years. We see a decrease in domestic travel, but an upswing in international and inter-continental travel paired with increased transportation by employee-owned vehicles. Thirdly, TOMRA has grown significantly in 2022, increasing our number of employees by almost 9% and our revenues by 12%. This growth has increased the footprint of our operations including our emissions. The eco-intensity of TOMRA's operations (our emissions divided by value added to society) shows a 6% increase, which reflects the increase of direct emissions as well as the overall growth of the organization. See climate change account on pages 30-31 for more details.

In 2023 we will continue establishing our full scope 3 baseline and develop science-based emission reduction targets, seeking target validation by the Science-Based Target Initiative in 2024.



Sustainable Product Design

In line with optimizing the environmental impact of our solutions, sustainable product design is one of TOMRA's material focus areas. To deliver on the ambition for TOMRA to become a fully circular business, we need to manage and reduce any negative environmental impacts from TOMRA products across their lifecycle. Our 2030 targets for sustainable product design are:

-  **Use at least 90% sustainable materials and components in all new products**
-  **Ensure that at least 50% of our products are circular at their end of life**

To achieve this, we need to manage impacts throughout product value chains until end of life, establish baselines of environmental impact, and embed sustainability requirements in product design and development processes. As a global manufacturer of high-technology industrial products, we rely on collaboration across division and business functions to harmonize implementation in product development and management that spans geographies and product categories.

Therefore, in 2022, two Group-wide projects were conducted. First, a Life Cycle Assessment (LCA) of one core TOMRA products from each division was conducted, to benchmark environmental emissions and analyze product lifecycle hotspots (areas identified with highest environmental impact). This provided us with valuable insights on the carbon footprint of some of our complex products, which will be instrumental for TOMRA to effectively implement

“Innovating to improve the way we design, manufacture, and manage the lifecycle of our products is a challenge and also a catalyst for change throughout TOMRA Collection. It inspires our people because it is an important part of our culture to enable a more resource efficient world, while at the same time it opens up new opportunities for us.”

Christina Ek - Project Manager, TOMRA Collection



actions, evaluate environmental consequences of design adjustments, and measure progress going forward. The insights from these LCAs will be integrated into design principles and product decision making.

Second, a project to develop a fit-to-purpose management approach was conducted to support on integration of holistic sustainability requirements in TOMRA's product development. Through thorough review of our product development processes and engagement of a wide group of internal stakeholders, this project identified relevant measures to reduce the environmental impact of our products. Going forward, these recommendations will ensure that both eco-design and circular design principles are considered from early on in product strategies, to further support our journey towards becoming a fully circular business.

Supply Chain Sustainability

Despite a challenging supply chain environment in 2022, we continued our journey on improving our value chain performance. Supply chain governance is imperative for any business that wishes to safeguard fair and safe working conditions, human rights, and environmental protection in their value chain. Supply chain sustainability is one of TOMRA's material focus areas. As part of our updated sustainability strategy, we continue our work on integrating more sophisticated ESG considerations into our supply chain management. Targets and metrics for this material focus area will be announced in 2023.

TOMRA Group's Business Principles for Suppliers and Partners includes clear expectations towards suppliers on sustainability matters, including fair and safe working conditions, human rights, compliance, and environmental protection.

All TOMRA's divisions include sustainability criteria in their supplier qualification processes and ongoing supplier engagement. Notwithstanding, this is an area where we will continue the work to harmonize efforts across the Group. Given the variation in portfolios of products that each division offers, supply chains and suppliers also vary to an extent across divisions.

TOMRA Collection

This year, TOMRA Collection evaluated and refined their Supplier Self-Assessment questionnaire designed to capture important sustainability considerations and engage with our strategic suppliers to leverage synergies and collaboration. This procedure ensures that our suppliers and subcontractors share our commitment to social and sustainability matters. The expectation is also that these provisions apply to sub-suppliers, subcontractors, and partners that our suppliers work with to deliver goods and services to TOMRA. Environmental provisions include, for example, that TOMRA Collection encourages all suppliers and partners to reduce waste from their processes and to handle any remaining production waste to minimize negative environmental impacts from production, with the expectation that suppliers also avoid unnecessary packaging or use two-way packaging where feasible for shipments.

Additionally in 2022, TOMRA Collection initiated a project on ERP management systems integration to facilitate a future data-driven approach to emission reduction actions throughout our supply chain, which will be instrumental for successful mitigation of TOMRA's environmental impacts. Collaborating closely with the Compliance function, work to improve procedures for human rights and environmental assessments for high-risk suppliers was initiated in 2022. As part of TOMRA's preparedness for the Norwegian Transparency Act, this remains high on the agenda also for the year to come.

TOMRA Recycling and TOMRA Food

TOMRA Food and TOMRA Recycling have an established practice of evaluating important sustainability considerations in supplier self-assessments during early stages of procurement process. In addition to conducting due diligence on the supplier entity, audits are conducted prior to engaging with potential suppliers and selected entities are made part of annual audit plans. For both TOMRA Food and Recycling, the General Terms & Conditions attached with all purchase orders and global framework agreements include sustainability provisions. These measures, combined with internal management procedures, once more earned our production site in Slovakia (combined site for the



Food and Recycling divisions) an EcoVadis Gold Medal rating in recognition of quality in sustainability management.

In 2022, building on learnings from previous years as well as leveraging shared practices, TOMRA Recycling improved their supplier engagement. Previously, a self-assessment questionnaire designed to capture important sustainability considerations has been shared with all strategic suppliers, for the purpose of due diligence. This year, for the purpose of engaging with supplier entities on managing material topics as part of our updated sustainability strategy, TOMRA Recycling partnered with EcoVadis, elevating our assessment practices and collaboration with key strategic suppliers. The top strategic suppliers invited to participate in the assessment makes up close to 50% of total spend for the division, with a target of including more next year.

Management systems (ISO certifications)

TOMRA recognizes the importance and advantages of certifying to international standards. Standards are a key element of our quality and environmental management systems and help us manage risks and opportunities in a systematic way. Our certifications improve our ability to match our customers' needs and expectations, and to set clear goals and targets for quality and environmental aspects in our operations.

TOMRA's quality and environmental management systems are based on the international management systems standards ISO 9001:2015 and ISO 14001:2015. TOMRA was first certified according to ISO 9001 in 1994, following with ISO 14001 in 1999. Today, our primary R&D and production units have all been certified according to ISO 9001. Together, these account for more than 80% of our operations. The R&D and production sites in Poland, Germany and Norway are also ISO 14001 certified. Furthermore, the sites in Poland and Germany are as of 2022 certified according to ISO 45001, the standard for occupational health and safety that has replaced OHSAS 18001. Also new in 2022 is certification of the TOMRA head office in Asker, Norway according to ISO 27001:2013 on Information Security Management Systems.

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At TOMRA Recycling, we care about the positive contribution of our solutions to closing material loops. Reflecting the world around us, we are also committed to a transformation process in which data access is one of the important challenges. Together with suppliers, we are engaged in developing innovative solutions for reducing the impact of our product lifecycle.”

Marine Savy - Sustainability Manager, TOMRA Recycling

Being safe, fair, and inclusive

TOMRA has a value-driven culture, and we strive to provide learning programs and information to employees and business partners that support our expectations of fair and ethical behavior from all. Robust management of compliance and corporate governance is important to ensure transparency, continued improvement, and enable TOMRA employees to conduct their work according to the highest standards. Our success as a company depends on the commitment, engagement, and skills of our most valuable resource: our people. Fostering growth and showing care have been important guides for our approach over the past few years.

We recognize the importance of creating an environment that supports our people's well-being and ensures they have a safe working environment every day. We take action to promote a work environment that embraces cultural diversity, equity, and inclusiveness.

Compliance

TOMRA's culture is based on ethical behaviour and expects all our employees and partners to act in the same way. As we continuously work to advance our Compliance Program, we have made strides in improving along several axes in the past year. These include further increasing the accessibility of our Code of Conduct by translating it to 20 different languages. In addition, we have delivered Compliance face-to-face training and engagement sessions across business operations. Through mandatory training for all employees, we continue to increase the awareness of key compliance issues throughout our organization.

To further improve our governance of compliance, we implemented a new analysis tool in 2022 to support us with ensuring Integrity Due Diligence procedures into our business processes for all new customers, suppliers, and partners. Furthermore, we introduced new and updated key policies and procedures such as Business Principles for Suppliers and Partners, Competition Law, Conflict of Interest, and market entry procedures, setting the Group standards and expectations for the whole organization. In 2023, we will further bolster the Compliance function with investment towards increasing the size and capacity of the department.

During the past year, 96% of all TOMRA employees completed training on our Code of Conduct through an e-learning course, and six new e-learning courses have been introduced, covering Anti-Bribery & Corruption, Competition Law & Antitrust, Confidential Information & IP and Anti-Money Laundering. Two new advanced courses on Anti-Bribery and Competition law were introduced during 2022.

TOMRA continues to work to ensure that Compliance clauses are part of standard terms and conditions for all contracts with customers and partners in all TOMRA subsidiaries including references to the Code of Conduct and Business Principles for Suppliers & Partners where relevant. In June 2021, The Norwegian Parliament passed the Transparency Act requiring

large and mid-sized companies to conduct human rights and decent work due diligence throughout business relationships in their value chain. TOMRA will publish a stand-alone report for its management of human rights risk in its supply chain in compliance with the Norwegian Transparency Act.

At TOMRA, we continue to promote openness and transparency in all our activities. All employees and business partners are encouraged to report any violations of TOMRA's Code of Conduct or other policies. Since launching our new notification web portal in 2022, we have seen an increase in cases that are reported to the Compliance team, as a likely result of the efforts made to increase awareness and accessibility of important policies to all TOMRA employees. This portal for reporting, in addition to the email ethics@tomra.com, is also available externally and it is possible to remain anonymous in reporting.

Health & safety

Health and safety is a top priority, and at TOMRA we never compromise on safety and wellness. Last year, we elevated our commitment to occupational health and safety by identifying this as one of TOMRA's material focus areas, and we reinforced our divisional safety teams.

To ensure that we have the necessary capabilities in place in all divisions to follow through on our renewed emphasis on health and safety, we launched the TOMRA Safe program. Building on this foundation, we have strengthened our health and safety activities across the TOMRA Group over the course of 2022. With concerted effort from all three divisions, we have made important steps towards harmonization of our Health and Safety processes. By developing and implementing our first Group-wide annual plan for Health and Safety action, we have also set the benchmark against which we strive to improve continuously.



 **Our target for occupational health and safety is to strive for zero work-related injuries and illness in providing a safe place for people and the environment.**

This target is not bound by the 2030 timeline, as other sustainability targets.

To ensure that a safety culture is actively lived and shared throughout our organization, we launched in 2022 our own Safety Day in April - placing safety awareness firmly on our agenda. In line with our strategic sustainability target, we have extended the mission of "Safe Place, Safe People" to include also "Safe Processes" – integrating safety into everything we do. In conjunction, we have obtained new ISO certifications (as described on page 23 under Management Systems), effectively merging coverage of production sites for both the Recycling and the Food division under one common HSE management system.

In parallel to corrective actions taken to improve the conditions for people at work for TOMRA as part of "Safe Place," we improved on safety information dissemination. In addition to being a core part of our introduction program for new colleagues, our safety training e-learning program has been rolled out in 12 languages to facilitate integration of the safety culture throughout our global organization. Additional communication tools were implemented in

2022 to support this same goal, including an internal information platform with reporting insights and policies.

Furthermore, as part of the TOMRA Safe program, KPIs were harmonized across all divisions in 2022. This enables monthly internal reporting on leading and lagging indicators on both Group level and for each of the three divisions. We had 79 medical treatment incidents (MTI) and a total of 147 lost time incidents (LTI) in 2022, up from 33 and 101 respectively in 2021. This increase is significantly influenced by improved reporting on incidents, elevated awareness of the importance of reporting throughout the organization, and by organizational growth, as apparent through the decline in frequency rate for total reported incidents (TRI).

Through our TOMRA Safe program, we ran internal campaigns on how to take proactive measures and established a leading KPI on hazard reporting. This resulted in an increase of hazards identified and reported from 1,066 in 2021, to 2,324 in 2022. Previous years, we reported similar situations as part of 'near miss or unsafe situations', with the same intent behind our reporting but with a different classification. This classification did not speak to the positive and preventative effects of reporting of hazards that could have potential for becoming

	2021	FR	2022	FR
Severe accident & fatality (SIF)	0	0.00	4	0.31
Total recordable injuries (MTI + LTI)	101	12.44	147	11.46
Lost time incident (LTI)	68	8.37	68	5.30
Medical treatment incident (MTI)	33	4.06	79	6.16
First aid incident (FAI)	220		209	
Near miss incident (NMI)	197		171	
Hazards identified/reported	1,066		2,324	

Frequency Rates (FR) are measured in 1,000,000 work hours.

incidents if left unattended. As such, the increase in reporting is a highly positive contribution and preventative measure. We strive to reduce the injury rate and will continue taking comprehensive preventative actions in 2023.

In 2022, we regrettably had four severe incidents. Two of these involved employees working for TOMRA Food. One incident caused long-term impairment due to multiple injuries sustained following a severe car accident. A second incident also caused long-term impairment from lacerations caused by entanglement in a conveyor system. One severe incident in Collection resulted in amputation of a fingertip caused by getting caught in pulley system. The final severe incident caused partial to full loss of eyesight in one eye due to a small flying object during installation. All employees have received treatment and are in recovery or have fully recovered. We strive for zero work-related injuries and are taking corrective action following these two incidents.

People at TOMRA

With around 5,000 employees engaging with operations in 96 countries, we have the privilege of working across diverse cultures and geographies, within a wide range of sectors. Our business exposes us to a multifaceted customer base - ranging from the local farmer, the municipal waste treatment plant, to large multinational corporations. For us to successfully bring to life our vision of Leading the Resource Revolution, we are guided by our core values, and by our commitment to ensuring a safe, fair, and inclusive workplace for everyone working for TOMRA. TOMRA's core values are viewed as one of the most critical aspects of our global company culture, reflecting the expectations for how we conduct ourselves and our work. Our shared success depends on the commitment and ability of our people throughout the widespread TOMRA operations to live **our values of innovation, passion, and responsibility.**

People are our most important resource to be able to deliver on our new strategy and the industry leadership this requires. Through our culture, we strive to engage the passion of all by living our values, showing model leadership, and being innovative in leading the resource revolution while supporting the value of diverse perspectives.

Diversity, Equity & inclusion

TOMRA is an equal opportunity employer and committed to treating all existing and future employees fairly and with respect. Cultivating an inclusive and diverse work environment is key to ensuring that we maximize the advantages of a diverse workforce and address any practices that may lead to inequitable treatment. We continue to conduct regular reviews of our processes and capabilities to ensure this.

Our Employee Value Proposition is a material topic for TOMRA, and we have two new targets for being fair and inclusive:



To sustain growth, TOMRA will attract diverse talents, with a goal of 50% women and men joining annually.



TOMRA will grow female representation in senior management to >30%

Driving inclusion and diversity

In 2022, we have continued the focus of listening to our employees in order to improve our work with Diversity, Equity and Inclusion (DEI). We have done this through employee engagement surveys, employee check-ins, development conversations, talent reviews, and exit interviews. These data and insights have informed our new DEI strategy that we launched in 2022.

Our strategy for DEI is to unite resource revolutionaries with unique perspectives, preferences, abilities, and background, promoting the growth of all. We will secure this growth for all through equitable and inclusive processes, development programs, employee resource groups, conscious recruitment practices, and building a culture of education on DEI that supports awareness and safe spaces for all our employees.

Research shows that underrepresented groups face unique challenges in their careers, impacting experiences and opportunities in the workplace. To help us address the unique challenges that underrepresented talent at TOMRA may face, we launched an Inclusive Individual Development Program, called INCLUDE. This is specifically developed to drive careers and development

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Representation matters, and our people are our most valuable resource. Unpacking biases and lived experiences can be hard work, but it is important work to make room for diverse perspectives that can make us more inclusive, more innovative, and more resilient as an organization.”

Kristine Berg – Sustainability Manager, TOMRA Group



opportunities of underrepresented groups across TOMRA, offering coaching and community-based learning over a six-month period. Applications for cycles of the program are open to everyone at TOMRA.

In 2022, we established our first Employee Resource Groups (ERGs). These groups build respectful and caring communities that support each other, providing a space to share experiences and receive support from peers and mentors. They are led by and participated in by employees who share a characteristic, whether it's gender, ethnicity, lifestyle, or interest. Each group is sponsored by a member of TOMRA's Executive Leadership. In 2022, we launched ERGs for *LGBTQ+*, *Women*, and *Roots* across TOMRA. TOMRA Food rolled out DEI trainings to all 1,500 colleagues in the division, covering pathways from talent acquisition and allyship, to off-boarding, including trainings tailored specifically to managers. At the head office in Norway, TOMRA Collection facilitated mandatory DEI workshops for all employees.

We are proud of the many positive local initiatives in 2022 to strengthen TOMRA's ability to welcome all. Our Australian Collection entity has continued to expand on their efforts to offer equal/equitable opportunities through their disability program and working with local organizations that support and advocate for underrepresented groups. They have provided employment opportunities to disadvantaged youth through partnering with Yourtown, a charity organisation supporting young people, and they joined a project dedicated to creating a work environment that is welcoming and inclusive to members of the LGBTQIA+ community. The Australian entity also supported their first indigenous trainee completing their degree through this program.

Increasing female representation

Improving gender distribution and balance is an important step towards a more diverse, equitable and inclusive organization. To drive our commitment, we have set a target for at least 30% female representation in senior leadership roles by 2030.

We actively monitor female participation in the workforce. In 2022, women made up 23% of the workforce at TOMRA, reflecting a 1% increase from

2021. The representation of women in our new hires in 2022 remained stable at 27%. We did see a positive evolution of female representation among all managers at TOMRA (anyone with a direct report), going up to 25%, reflecting a 1% increase from 2021. The percentage of women in the TOMRA Executive Leadership Team remained stable at 33%.



Our target for 2030 is to grow female representation in senior management to >30%

Wage gap

In 2022, TOMRA reported an average gender wage gap -3% across the group, for our workforce. The gap is the smallest in both our European operations (-0.1%) and our North American operations (-1.4%), where we combined have almost 80% of employees. The wage gap is higher in Oceania (-5.1%) and rest of the world (14.8%). These regional differences are partly driven by lower female representation at senior levels in certain geographical regions.

TOMRA's compensation processes are tailored to ensure equal pay for work of equal value, regardless of personal beliefs or any individual characteristics. We make our compensation decisions supported by external market references linked to geography, market dynamics, scarcity of competencies, combined with performance to narrow the gap.

To close the wage gap coming from access to senior management roles, we have select equity efforts linked to accelerating the evolution of our female talent through enhanced training. In parallel, we invest in education for all our people and run intensive training for our leadership community on what DEI means to TOMRA and what they can personally do to foster a safe, fair, and inclusive environment. We maintain our commitment towards becoming a more diverse, equitable, and inclusive TOMRA.

Recruiting & onboarding

TOMRA has maintained targeted efforts for attracting and retaining resource revolutionaries across the world for the unique perspectives and personalities that they bring. To accommodate the growth and geographical expansion of our business in line with our commitment to our value-driven culture, it is important that we are able to effectively welcome and onboard new hires, give them the tools they need to

succeed, and provide them with equal opportunities. In 2022, we welcomed a record number of over 1,400 new colleagues.

Over the course of the year, we have introduced a range of improvements to local recruiting and onboarding practices. We acknowledge that each candidate contact is a potential future customer or colleague, and we strive to ensure that all are treated equally, are valued, and respected. We conducted a group-wide harmonization of our Employer Branding Guidelines to enhance consistency in communication with prospective candidates. The German Collection entity is supporting new hires with a monthly newsletter in addition to their primary onboarding practices. TOMRA Food has implemented a structured survey cycle for certain regions of their operations to harness feedback about onboarding practices and trainings, including job satisfaction measures and review of job expectations. In addition, trainings on a range of aspects of recruitment and onboarding, including interview experiences and best practices for hiring that promotes DEI, has been rolled out to all hiring managers in the Food division.

Talent & development

As a growing organization, leadership and investing in the development of our people is an important enabler for our strategy execution. In 2022 we

have structured and started the roll-out of a set of leadership development frameworks to ensure new managers as well as senior managers have the tools and awareness to create the best conditions for learning and personal growth. We continue to leverage our talent review process and succession management processes across the organization as a vehicle to support managers and employees.

The talent reviews provide a deeper understanding of our employees' development needs, and how to fast track their growth. Insights from these discussions are used to develop individual development plans. In 2022, we also kicked-off a pilot project to define a Career Level Framework for TOMRA. The objective of this project is to introduce a job structure supporting simplified benchmarking and talent management as foundation of our P&O processes.

With a large and geographically dispersed organization, online trainings continue to be a cornerstone of our learning efforts. We have therefore continued to invest in developing and expanding our e-learning platform, TOMRA Learn, in 2022. In addition to these interactive courses, our operations around the world conduct a series of regional and local training activities. These include mandatory trainings on HESQ, leadership development, equal opportunity & inclusion, supplemented with activities as per specific local or regional needs.

Employee engagement

Providing a working environment that enables our people to perform their best is essential to our success. We believe that having engaged employees, equipped to excel in their work, is fundamental. We actively listen to our employees, we measure engagement, and take action to ensure that our people thrive. Investing in our people and their individual career paths has been an important topic on this agenda for 2022.

Connecting

Our Global Hybrid Working Principles supports flexible work arrangements, while emphasizing the importance of personal interaction to foster teamwork, engagement, and innovation. We encourage team members to discuss openly, share new ideas, voice concerns, and together shape the future of our workplace. As our people work across 96 countries, it is important that we stay connected with respect and understanding of cultural differences. As one local initiative in 2022, TOMRA China expanded their Cross-Culture Excellence program with a local ERG for employees working remotely. This is an online community meeting at regular intervals to disseminate important information and to facilitate a space to connect outside of daily tasks.

Measuring engagement

We regularly monitor employee engagement to understand what is important to our employees, and how we can progress. Using the Global Engagement Survey, Be Heard, based on the Gallup employee engagement model, we receive feedback on how the organization is doing, which in turn informs action. Employee satisfaction and engagement is a material topic for TOMRA.

 Our target is to improve employee satisfaction and engagement score.

In 2022, 90% of employees across the Group were surveyed for employee engagement. While there were some geographical differences, we improved our engagement score from 3.84 last year to 3.94 in 2022. This is lower than our target score, but we acknowledge it is a step in the right direction. The overall feedback was that we need to work on engagement and on supporting development of our people. Throughout our organization, divisions and regions have taken targeted action to improve based on insights from the survey, through measures including trainings, regular engagement reviews, and improved communication.

In 2022, we refined our reporting practices for KPIs pertaining to People and Organization, resulting in increased precision and quality of certain data. Our employee turnover considers our permanent employees, calculated by comparing annual number of leavers compared to average headcount of the year.

The improvements in data processing means that specific positions in TOMRA Collection are excluded from the calculations that are not representative for the workforce due to the nature of the seasonal tasks performed.

1) Excluding hourly redemption centers and seasonal workers.



Turnover remained an area of concern in 2022, with a global turnover of just above 13%. This represents a 0,1% decrease compared to restated numbers for 2021 of just over 13%. Turnover varies significantly from regions and between the divisions.

Employee wellbeing

Post-pandemic changes to the way we work has presented us with new challenges as well as opportunities with regards to safeguarding the wellness of our people. In acknowledgement of World Mental Health Day TOMRA ran an internal campaign throughout October, offering resources, trainings, and webinars on mental wellbeing to all TOMRA employees. In TOMRA Food, the North American region ran community events, wellbeing webinars and a preventative care challenge for mental health. The People & Origination team covering our Chinese business region piloted an Employee Assistance Program, offering one dedicated resource available to all divisions under HSE for the region, to support mental wellbeing and mental health for employees affected by Covid restrictions and challenges. Additionally, a working group with representatives from all divisions and from HSE community has been established to continue the important work of supporting mental health initiatives throughout the year.

Community Engagement

Employees around the world also this year participated in our annual global cleanup effort to pick up litter in their local communities throughout the whole month of September. TOMRA allocates a half day for community service for our employees, which many spent participating in the cleanup either with an individual effort, by joining a locally organized event during work hours, or creating their own event with local community groups or schools. Logging items picked up in an app, our colleagues picked up close to 100,000 pieces – both on land and this year also underwater. By partnering with local dive clubs in a few locations, certified TOMRA divers were able to take the cleanup below sea level.

Although it's clear that cleanups are necessary for creating action, awareness, and serves an educational purpose, TOMRA is working towards a world where these resources will not be wasted, and cleanups are no longer required.



TOMRA Environmental Report 2022

CARBON DIOXIDE EMISSIONS FROM OPERATIONS TONNES CARBON DIOXIDE		2022	2021
Emission from stationary sources	(Scope 1)	2 400	2 200
Heating oil		0	0
Natural gas		2 200	2 000 *
Propane		200	200
Market-based emission from electricity	(Scope 2)	9 200	9 000
Location-based emission	(Scope 2)	5 700	5 700
Emission from transportation		28 120	22 720
Petrol vehicles	(Scope 1)	3 500	4 300
Diesel vehicles	(Scope 1)	14 200	11 800
CNG vehicles	(Scope 1)	20	20 *
Third party vehicles	(Scope 3)	4 100	2 900
Air travel	(Scope 3)	6 300	3 700
Total direct emissions (tonnes CO2)		39 720	33 920
Emission from products during use-phase ⁽⁶⁾	(Scope 3)	927 200	878 300
RVMs owned and operated by TOMRA and customers		116 500	114 800 *
Sorters owned by customers		810 700	763 500 *
Total direct and indirect emissions		966 920	912 220

AVOIDED CARBON DIOXIDE EMISSIONS THROUGH PRODUCT USE TONNES CARBON DIOXIDE		2022	2021
Beverage container collection through RVMs ⁽¹⁾		3 977 000	3 632 000
Plastic bottles		1 393 000	1 272 000
Glass bottles		349 000	319 000
Aluminium cans		2 191 000	2 001 000
Steel cans		44 000	40 000
Packaging material transport and handling ⁽²⁾		891 500	911 500
Glass bottles		60 000	70 000
Aluminium cans		730 000	740 000
Plastic bottles, PET		100 000	100 000
Other		1 500	1 500
Material sorted for recycling from mixed sources ⁽³⁾		16 270 000	14 900 000
Glass		130 000	130 000
Aluminium		6 540 000	5 950 000
PET		4 030 000	3 670 000
HDPE		690 000	630 000
Fiber		380 000	360 000
Non-ferrous metal		1 670 000	1 540 000
Other		2 830 000	2 620 000
Total emission avoidance		21 140 000	19 440 000
Net carbon dioxide emission/(avoidance)		(20 170 000)	(18 530 000)

NOTES

Emissions have been calculated using the GHG Protocol calculation tools (www.ghgprotocol.org). Calculations are based on actual and estimated consumption.

Data fields marked with an asterisk(*) have been restated from the Annual Report 2021. For Scope 1 and 2 this is due to increased data collection within the Tomra Group.

The provision of information on carbon dioxide emission avoidance is illustrative only, and intended solely as an aid to illustrate the benefit to society generated by TOMRA Group installations in use by its customers. The above information does not constitute a full Life Cycle Analysis.

1. Beverage container collection through RVMs, TOMRA Collection (Reverse Vending)

Calculated carbon dioxide savings based on the total number of beverage containers collected through TOMRA's 82.000 RVM installations; more than 45 billion units annually.

All glass beverage containers are assumed to be non-refillable, giving significantly lower assumed weight. Split between packaging types is based on beverage consumption data and TOMRA estimates. The full benefit of collecting and recycling the beverage containers into new material, versus landfill, is included in the calculation.

ENERGY CONSUMPTION IN MANUFACTURING, SALES, SERVICE AND OPERATIONAL PROCESSES BARRELS OIL EQUIVALENT		2022	2021
Energy consumption, stationary sources	(Scope 1)	7 500	6 800
Heating oil		0	0
Natural gas		7 000	6 300 *
Propane		500	500
Energy consumption, purchased grid electricity	(Scope 2)	12 900	12 400
Energy consumption, transportation		60 000	50 100
Petrol vehicles	(Scope 1)	8 600	10 500
Diesel vehicles	(Scope 1)	33 000	27 600
CNG vehicles	(Scope 1)	100	100 *
Third party vehicles	(Scope 3)	7 600	5 400
Air travel	(Scope 3)	10 700	6 500
Total direct energy consumption		80 400	69 300
Energy consumption, products during use-phase	(Scope 3)	1 285 300	1 217 400
RVMs owned and operated by TOMRA and customers		158 300	158 300 *
Sorters owned by customers		1 127 000	1 059 100 *
Total direct and indirect energy consumption		1 365 700	1 286 700

WASTE GENERATION FROM MANUFACTURING, SALES, SERVICE AND OPERATIONS TONNES WASTE		2022	2021
Waste generation ⁽⁴⁾		3 115	3 090
Paper, recycled		130	220
Plastics, recycled		1 700	1 300
Wood, recycled		240	230
Electric and electronic waste, recycled		20	140
Metal scrap, recycled		580	660
Hazardous waste, recycled		5	0
Glass, recycled		130	130
Unsorted		310	410

WATER USED BY MANUFACTURING, SALES, SERVICE AND OPERATIONS CUBIC METRES WATER		2022	2021
Water consumed ⁽⁵⁾		25 300	21 400
Europe		14 200	12 900
North America		5 100	4 400
Rest of World		6 000	4 100

2. Packaging material transport and handling, TOMRA Collection (Material Handling)

Carbon dioxide saving based on the tonnage of beverage container material transported and handled by TOMRA in USA, Canada and Australia. The full benefit of collecting and recycling beverage containers into new material, as opposed to landfill, is included in the calculation, meaning that some of the saving is also included under "Beverage container collection through RVMs."

3. Material sorted for recycling from mixed sources, TOMRA Sorting (Recycling)

Estimated material throughput in TOMRA Recycling installations is used in the calculation of avoided carbon dioxide emissions. The full benefit of sorting materials and recycling into new is included in the calculation.

4. Waste Generation

Data excludes material collected from recycling centers.

5. Water consumption

Includes estimates for locations where data is unavailable.

6. Emission from products during use-phase

When calculating emissions from use-phase we have used market-based emissions factors per country to calculate tCO2e for both 2022 and 2021. We have also during 2022 performed a life cycle assessment of the electricity use of some selected TOMRA machines which lead to a restatement in energy consumption and tCO2e.

Corporate governance report

Corporate governance is important to align the interests of shareholders, management, employees, customers, and suppliers, and forms the basis for a healthy corporate culture at TOMRA. The Board of Directors is responsible for corporate governance.

Implementation and reporting of corporate governance

TOMRA is subject to the requirements of §3-3b of the Norwegian Accounting Act, the Norwegian Code of Practice for Corporate Governance and the Continuing Obligations of Stock Exchange Listed Companies, which are available at www.lovdato.no, nues.no and www.euronext.com, respectively.

This report follows the system used in the Code of Practice of 14 October 2021. The only known deviation from the Code is described under "General Meetings" below.

At TOMRA, corporate governance is defined as the processes and control features that have been established to protect the interests of TOMRA's shareholders and other stakeholders such as employees, suppliers, and customers.

TOMRA's Corporate Governance Policy has been approved by the Board of Directors and is available on TOMRA's corporate website (www.tomra.com).

Our values are described in the corporate vision, mission, core values and policies, which can be found on the TOMRA website. We aim to lead the resource revolution, enabling better utilization of the world's natural resources, and we are committed to doing business ethically and with zero tolerance for corruption. The Board of Directors will ensure that the company complies with the requirements of the applicable laws and regulations. To support these aims, we have developed and implemented a Code of Conduct. This and further information on our sustainability strategy can be found under "About TOMRA / Corporate Governance" on the TOMRA website.

Business description

TOMRA is a leading global supplier of sensor-based solutions for optimal resource productivity within the business areas reverse vending, material recovery, recycling, ore sorting, and food. The Directors' Report describes the Group's activities in more detail, including goals and main strategies.

Board of Directors' defines clear objectives, strategies, and risk profiles for the company's business activities. The company's compliance with these objectives, risks profile and strategy, as well as

the adjustments of them, are monitored by the Board of Directors throughout the year.

The Articles of Association are published on www.tomra.com.

Equity and dividends

As of 31 December 2022, Group equity totaled NOK 6,572 million, up NOK 408 million from last year, with an equity ratio of 47 percent. TOMRA's policy is to distribute between 40 to 60 percent of the Group's earnings per share as dividend while maintaining investment grade. When deciding the annual dividend level, the Board of Directors takes into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. For 2021, an ordinary dividend of NOK 1.65 and an extraordinary dividend of NOK 1.35 was paid out per share. For 2022, the Board of Directors has proposed an ordinary dividend of NOK 1.80 per share.

The Board of Directors' authorizations to increase share capital and to buy back shares are limited to specific purposes and are granted for a period no longer than to the next general meeting. The authorization is given by the Annual General Meeting. At the 2022 Annual General Meeting, the Board of Directors was granted the right to acquire and dispose of up to 1 million treasury shares, for the purpose of fulfilling the employee share purchase program. In addition, the Board of Directors was granted the right to issue up to 29.61 million shares in connection with any mergers and acquisitions. The authorizations are shown as number of shares after the share split 27th May 2022. These authorizations are valid until the Annual General Meeting in 2023.

Equal treatment of shareholders and transactions with close associates

TOMRA has only one class of shares and each share entitles the holder to one vote. The nominal value is NOK 0.5.

Transactions in treasury shares have taken place on the market at stock exchange prices, according to good stock exchange practice in Norway. Related party transactions are covered by TOMRA's Code of Conduct, which also applies to Board members. Any member of the Board of Directors or



The Board of Directors defines clear objectives, strategies, and risk profiles for the company's business activities.

Executive Leadership Team should immediately notify Group compliance if a potential conflict of interest occurs. There were no material transactions between the company and related parties that required a third-party evaluation during 2022.

Freely traded shares

The shares of TOMRA Systems ASA are listed on the Oslo Stock Exchange and all of the shares confer equal rights and are freely negotiable. There are no provisions in the Articles of Association restricting the free negotiability of shares as long as the insider regulations are adhered to.

TOMRA's Long-Term Incentive Plan (LTIP) requires participants to purchase TOMRA shares equal to 25 percent of the gross amount and restricting the sale of such shares for three years following the purchase.

General meetings

In accordance with TOMRA's Articles of Association, the Annual General Meeting shall be held no later than the end of June each year, with at least 21 days written notice given to each shareholder. The 2022 General Meeting was held on the 28th of April as a hybrid meeting where shareholders could participate either physically or digitally.

The General Meeting notice is sent to all shareholders with a known address and is also available on TOMRA's website no later than 21 days before the Annual General Meeting. The meeting notice includes information regarding shareholders' rights and guidelines for meeting registration and voting.

Documents regarding matters to be considered at the General Meeting are made available in the General Meeting notice and on TOMRA's website.

Shareholders have the right to cast votes for the number of shares owned and registered in Verdpapirsentralen five working days prior to the General Meeting.

Shareholders unable to attend the General Meeting may either appoint a proxy or submit a vote in advance. The deadline for registration of physical attendance, advance votes, proxies and instructions is two working days prior to the Annual General Meeting.

Shareholders have the right to have matters dealt with by the General Meeting. The matters have to be reported in writing to the Board of Directors at the latest 28 days before the General Meeting.

The Chair of the Board, the President and CEO, the external auditor and the Chair of the Nomination Committee will be present at the General Meeting to the extent the agenda items make such attendance relevant.

In line with the Code of Practice, the General Meeting elects an independent person to chair the meeting.

TOMRA does not follow the Code's recommendation to vote separately on each candidate nominated for election to the Board of Directors. This choice is based on the Nomination Committee's process being focused on the combined qualifications and experience of the proposed members of the Board of Directors and the Committees, and the voting should therefore also be combined. In addition, according to Norwegian law, the Board of Directors must comprise of at least 40 percent female members.

Nomination committee

According to the Articles of Association TOMRA shall have a Nomination Committee consisting of two to four members elected for one year at a time by the General Meeting. The charter for the Nomination Committee is approved by the General Meeting.

The Nomination Committee consists of four members, each elected for one year, i.e., until the General Meeting in 2023. The composition meets the Code's requirements for independence of the majority of the members. None of the members of the Nomination Committee are members of the Board of Directors, nor does the Nomination Committee include the company's President and CEO or any other executive personnel.

The Nomination Committee proposes candidates for shareholder-elected Board members and its Chair, candidates for members of the Nomination Committee and its Chair, and remuneration for the Board of Directors, the Nomination Committee, and the Board Committees.

are independent of the Executive Leadership Team.

Internal evaluation by the Board of Directors
The Board of Directors and each of its committees conduct an annual self-performance evaluation to determine whether the Board of Directors and each of its committees are functioning effectively. The review is discussed with the full Board of Directors once a year.

Risk management and internal control
The Board of Directors oversees the company's internal control and overall risk management and assurance, and through the Audit Committee, reviews and monitors the effectiveness of the company's policies and practices in such regard. Responsibility for individual areas of control has been delegated through the CEO down to the respective members of the Executive Leadership Team.

Risk Management
The Board of Directors is responsible for approving the Group's strategy, its principal markets, and the level of acceptable risk. Risk management shall ensure that risks relevant to TOMRA's objectives are identified, analyzed, and managed. A sound risk culture is a prerequisite for a successful risk management process. The Board of Directors and its committees monitor and assess risks including environmental, social, strategic, financial, legal and operational risks and the associated control measures put in place to manage them.

The Board of Directors conducts a review of the Group's most important risk exposures and internal control systems at least annually. The risk assessment is consolidated and reviewed by the Executive Leadership Team before being submitted to the Board of Directors.

Control Environment
TOMRA risk management system is designed to ensure that business activities are conducted in compliance with external and internal standards and requirements, and in a safe and secure manner. The aim is to avoid unwanted incidents while creating value. The Board of Directors and the Executive Leadership Team recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance that the desired control objectives will be achieved, and that it cannot provide absolute assurance that no control issues will remain undetected.

TOMRA's Code of Conduct is an important part of the internal control systems. The Code of Conduct and other internal policies are made available for all TOMRA employees. TOMRA also runs mandatory global employee training programs. Integrity Due Diligence process, which covers both existing and new business partners and activities, is integrated as part of our internal control procedures.

A Chart of Authority describes each level of authority throughout the organization. TOMRA has a dual control principle for approvals, and our ERP systems

TOMRA's risk management system is designed to ensure that business activities are conducted in compliance with external and internal standards and requirements, and in a safe and secure manner.

The Board of Directors has established an annual cycle which includes all planned meetings and a regular agenda. The annual cycle covers strategic work, commercial issues and governance. The Board of Directors meets at least four times a year. In 2022, six board meetings were held, and the attendance at the meetings was 95 percent.

The Board of Directors has established three permanent subcommittees, the Audit Committee, the Sustainability Committee, and the Compensation & Organizational Development Committee. The Board committees consist of members of TOMRA's Board of Directors, chosen by the Board of Directors to reflect a balance of abilities and interests. Charters for each of the Board committees have been prepared and duly approved by the relevant body.

Audit Committee
The Audit Committee supports the Board of Directors in supervision of financial reporting, internal accounting controls, compliance, and audit matters. The Audit Committee also evaluates the performance of the internal audit function.

The committee is chaired by Pierre Couderc with Hege Skryseth as a member. Hege fulfills the formal requirements linked to financial expertise in the committee. The composition of the committee complies with the requirements in the Code of Practice for independence and competence.

The Audit Committee held four meetings during 2022. The participation rate in the meetings was 88 percent.

Sustainability Committee
The Sustainability committee supports the Board of Directors in supervision of sustainability ambitions and targets. The committee ensures sustainability is embedded in all strategy planning for future growth and reviews the sustainability reporting.

The committee is chaired by Bodil Sonesson with David Williamson and Gigi Portela as members. The Sustainability Committee met twice during 2022 and had a participation rate of 100 percent.

Compensation & Organizational Development Committee
The Compensation & Organizational Development Committee supports the Board of Directors in reviewing the performance and remuneration of the President and CEO, CFO and Executive Leadership Team. The committee determines TOMRA's compensation policy and any share option programs, bonus programs and relevant pension programs for senior leadership team. The committee evaluates the remuneration and other incentive plans for the Executive Leadership Team and monitor leadership, development, and succession planning.

The committee is chaired by Johan Hjertonsson with Bjørn Matre as a member. The committee held three meetings during the year with 83 percent participation. The composition of the committee complies with the Code of Practice and all members

Hjertonsson, who is President and CEO of Latour AB, TOMRA's largest shareholder.

The Annual Report provides information about Board members' qualifications, background, share ownership, and how long they have been members of the Board of Directors' of TOMRA.

The Articles of Association do not require members of the Board of Directors to own shares in the company. However, the General Meeting has decided that external board members are required to invest in TOMRA shares equal to 20% of their annual gross board fee. The requirement no longer applies once the value of the shareholding exceeds the gross annual board fee.

The work of the board of directors
The Board of Directors has prepared instructions which define the responsibilities and obligations of the Board of Directors and that comply with the duties stated in the Public Limited Liability Companies Act.

Board members and the President and CEO cannot participate in considerations or decisions of matters of such specific importance to them personally or to their close associates, where they are considered to have a direct or indirect personal or financial interest in the matter. In case of a conflict of interest, the Board member needs to alert the Chair of the Board and not take part in addressing that issue.

The Nomination Committee meets with the Chair of the Board, Board members and the President and CEO and CFO to evaluate the work and composition of the Board of Directors. The membership of the committee and details of how to submit proposals for new board members are available on www.tomra.com under "About TOMRA – Board of Directors."

Board of directors
The shareholder elected Board members are proposed by the Nomination Committee based on a number of criteria with the aim of safeguarding the interests of the shareholders and the company's need for competence, capacity and diversity. All shareholder elected Board members and the Chair of the Board are ultimately selected by the shareholders at the Annual General Meeting. The Board of Directors and the Chair are all elected for one year at a time (employee-elected members for two years at a time).

The Board of Directors consists of five shareholders-elected members, and two members elected amongst and by the employees in Norway. At the Annual General Meeting 2023 the number of employee-elected members will be increased to three. The composition of the Board of Directors meets statutory requirements and the Code of Practice. The majority of the shareholder-elected members are independent of the company's management, main shareholders and important business associates. The exception is Johan

TOMRA has established whistleblowing channels where any unethical behavior or other breach of the Code of Conduct can be reported.

shareholders. In order to give the public a good basis for making adequate decisions related to valuation and trade of the TOMRA share, TOMRA shall provide accurate, comprehensive and timely information.

TOMRA's accounting procedures are transparent and comply with the International Financial Reporting Standards (IFRS). The Audit Committee monitors the company's reporting on behalf of the Board of Directors.

TOMRA's annual and quarterly reports contain information on the various aspects of the company's activities. This information is available to interested parties in the "Investor Relations" section of the TOMRA website along with the financial calendar for 2023.

The President and CEO, the CFO and Group's Investor Relations maintain regular contact with shareholders, potential investors, analysts, and other financial market stakeholders.

Takeovers

The Board of Directors will not seek to hinder or obstruct any takeover bids. In the event of such bids, the Board of Directors will comply with relevant legislation and regulations. The Board of Directors will seek to comply with recommendations in the Code of Practice, including obtaining a valuation from an independent expert and making a recommendation to TOMRA's shareholders regarding acceptance of the bid.

Auditor

The independent auditor is elected by the General Meeting and is responsible for auditing the Group accounts.

The Board of Directors has delegated to the Audit Committee to monitor the external auditor, and the Audit Committee reports the outcome of this work to the Board of Directors. The external auditor meets with the Board of Directors annually to present the assessment of risk, internal control, and the quality of financial reporting. This also includes a session without the presence of TOMRA senior management.

The external auditor participates in all Audit Committee meetings, and presents the audit plan for the year, a review of TOMRA's internal control procedures, any potential weaknesses identified and proposed improvements. Annually, the external auditor also confirms its independence.

TOMRA has guidelines for management's use of the external auditor for advisory services, tax services, and other services outside the ordinary audit scope. The Audit Committee has delegated a pre-approval right of NOK 2.5 million to the Group CFO for non-audit services on a yearly basis. The external auditor regularly reports such services to the Audit Committee.



the internal controls. Internal audit reports functionally to the Audit Committee and administratively to the CFO. The internal audit team has no direct operational responsibility or authority over any of the activities it reviews. While performing internal audits the team has unrestricted access to all records, personnel, and property of the company to collect such information as is necessary for the performance of its tasks.

The external auditor presents the main elements in the audit and observations on TOMRA's internal controls related to the financial reporting process to the Audit Committee.

The Audit Committee, on behalf of the Board of Directors, has reviewed effectiveness of the TOMRA's systems of internal control for 2022 and the period leading up to the presentation of the 2022 financial statements.

Remuneration to members of the board

The General Meeting approves the Board of Director's annual remuneration based on a proposal from the Nomination Committee. The Board of Director's remuneration is based on comparable international entities of TOMRA's size and complexity and is not dependent on the company's financial results. No share options are granted to the Board of Directors, however the shareholder-elected Board members are required to purchase TOMRA shares. See above under Board of Directors for more details.

No members of the Board of Directors have taken on any assignments for TOMRA besides the Board membership, and no remuneration for such additional services has been received.

Further information on remuneration to Board members is provided in note 4 and in the Remuneration Report 2022, available on TOMRA's website (Annual General Meeting documentation).

Senior executive remuneration

The Compensation & Organizational Development Committee monitors decisions and matters regarding remuneration and terms and conditions for senior executives. The Board of Directors annually assesses the President and CEO's remuneration.

The TOMRA guidelines for remuneration of senior executives have been approved by the Board of Directors and contribute to achieving TOMRA's long-term goals. The guidelines are available on the TOMRA website.

Further information on remuneration to senior executives is provided in note 4 and in the Remuneration Report 2022, available on TOMRA's website (Annual General Meeting documentation).

Both the guidelines and remuneration report are subject to approval at the General Meeting.

Information and communication

Communication with financial markets is based on the principles of openness and equal treatment of all

enforce this principle. Matters reserved for the Board of Directors are clearly defined and appropriate authorization limits and reporting procedures are implemented.

TOMRA's internal control framework has been tailored to the requirements of its individual business activities. Controls for areas possessing particularly high inherent risk include clear guidelines for delegation of authority, segregation of duties, and requirements for regular reporting and reviews.

Internal systems and procedures related to sustainability and quality are implemented and described in more detail in TOMRA's Sustainability report on pages 10-31.

TOMRA has established whistleblowing channels where any unethical behavior or other breach of the Code of Conduct can be reported. Concerns can be reported through an online portal, e-mail and phone. Whistleblowers have full confidentiality, are protected against retaliation, and may request anonymity. Such requests will always be respected.

Control Activities

Legal entities submit various reports into the consolidation system every month. The reports are then reviewed in monthly meetings. The input from these meetings forms the basis for the monthly and quarterly reporting to the Board of Directors. The Board of Directors reviews the monthly reports and follows up with management on any actions to be taken to address identified weaknesses.

TOMRA's Group Accounting department is responsible for the preparation of the Financial Statement and to ensure reporting is carried out according to applicable laws and regulations and in accordance with adopted accounting principles.

The Audit Committee assists the Board of Directors in monitoring the process for identifying, evaluating, and managing risks. The Audit Committee reviews the Financial Statement, audit plans for both external and internal audits, reporting of any identified weaknesses, and the Compliance program and plans.

The Audit Committee includes two board members, and all Board members receive minutes from each Audit Committee meeting.

Information and communication

All internal policies and procedures are made available to employees on our TOMRA SharePoint site. The policies are regularly updated and communicated.

Monitoring Systems

Line management is responsible for monitoring the internal control routines and for assessing the need for corrective actions within their responsibility.

The internal audit team performs independent audits of subsidiaries, as well as reviews of specific themes, including assessments of risk and the adequacy of

2022 summary and highlights

Revenues in 2022 of NOK 12,188 million represent a growth of 12% compared to 2021. Adjusted for currency, revenues were:

- Up 8% in TOMRA Group
- Up 4% in Collection
- Up 26% in Recycling
- Up 5% in Food.

EBITA margin decreased to 13.3% in 2022 from 16.2% in 2021.

- Negatively impacted by cost inflation in all divisions.

EBITA was NOK 1,625 million in 2022, down from NOK 1,769 million in 2021.

EPS was NOK 3.48 in 2022 compared to NOK 3.70 in 2021, a decrease of 6%.

Cash flow from operations equaled NOK 1,150 million in 2022, down from NOK 1,779 million in 2021.

- Negatively impacted by lower operating profit and higher working capital.

Collection

- Good revenue development in existing markets, highlighting the extension of the Network Operator agreement in New South Wales, Australia, with 4 additional years until 2026.
- Implementation of deposit systems in new markets materialized into business opportunities (Slovakia, Latvia, and Romania), which contributed to top line growth in 2022.
- Successful bid for providing reverse vending technology for the upcoming deposit system in Hungary.

Recycling

- Order intake was NOK 2.639 million in 2022, up 30% from NOK 2,032 million in 2021.
- Order backlog increased to NOK 965 million in 2022 from NOK 702 million in 2021, up 37%.
- Positive development driven by legislation, market demand for recycled material and high commodity prices.

Food

- Order intake was NOK 3,658 million in 2022, up 7% from NOK 3,420 million in 2021.
- Order backlog increased to NOK 1,083 million in 2022 from NOK 1,045 million in 2021, up 4%.
- Sustained investments in automation in both the fresh food and processed food segments.

Share price decreased during 2022 to NOK 165.60 from NOK 315.50.

- Adjusted for dividend, the TOMRA stock provided a negative shareholder return of -47 percent in 2022, following a return of 50 percent in 2021 and 53 percent in 2020.
- The share was split 1:2 on 27 May 2022.
- 132 million shares traded at Oslo Stock Exchange in 2022, up from 100 million in 2021.

The Group ended 2022 with a strong balance sheet and a solid foundation for further growth.

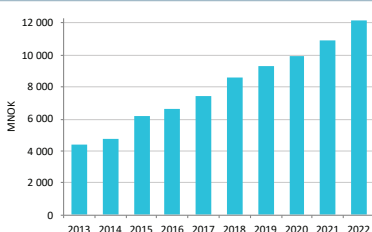
- 47% equity ratio.
- 1.2x Net Interest-Bearing Debt / EBITDA
- The Board proposed an ordinary dividend of NOK 1.80 per share; the dividend for 2021 was NOK 1.65 per share ordinary dividend and NOK 1.35 per share extraordinary dividend, in total NOK 3.00 per share.



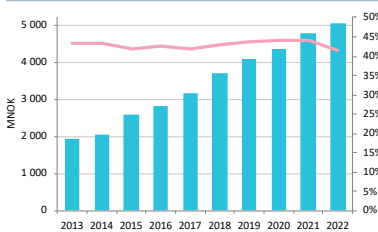
Revenues amounted to NOK 12,188 million in 2022, growing by 12 percent compared to 2021.

TOMRA Group financial figures

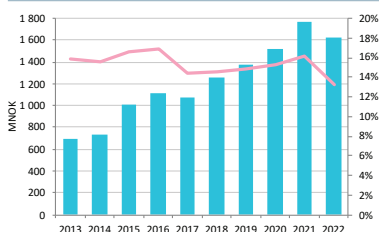
Revenues



Gross contribution and margin



EBITA and margin



TOMRA Board of Directors



JOHAN HJERTONSSON (B. 1968)
Chair

Chair of the Board of TOMRA Systems ASA since 2022.

B.Sc in Economics and Business Administration, University of Lund, 1993.

Johan Hjertonsson is President and CEO of Investment AB Latour since 2019.

Previous experience: CEO of Fagerhult between 2009-2018, CEO of Lammhults Design Group between 2007-2009 and various management positions within The Electrolux Group between 1990 and 2007.

Number of TOMRA shares held: 7,000.

Other board memberships: Publicly listed: Alimak Group (chair), ASSA ABLOY AB (member), Sweco AB (member), Investment AB Latour (member).



BODIL SONESSON (B. 1968)
Director

Board member of TOMRA Systems ASA since 2013.

Master's Degree in International Finance, University of Lund and Konstanz University.

Bodil Sonesson is President & CEO of AB Fagerhult.

Previous experience: VP Global Sales at Axis Communications and employment with Lars Weibull AB.

Number of TOMRA shares held: 3,082.

Other board memberships: Non-listed: The Swedish Chamber of Commerce in Paris (member).



DAVID WILLIAMSON (B. 1959)
Employee Elected Director

Board member of TOMRA Systems ASA since 2008.

David Williamson is Production Technician – Robotics, TOMRA.

Previous experience: 2E Ellgard Equipment and Automatic Systems at Håndverkerskolen Sønderborg in Denmark.

Qualified Automatic Systems Technician.

Number of TOMRA shares held: 3,664.

Other board memberships: None.



GILBIA «GIGI» PORTELA (B. 1983)
Employee Elected Director

Board member of TOMRA Systems ASA since 2021.

Gigi Portela is Product Manager, TOMRA.

Previous experience: roles in marketing communication, sustainability management, and corporate social responsibility in companies in Norway and Brazil such as Equinor, ArcelorMittal and Vale.

Master's Degree in Sustainability from the University of Oslo in Norway and an MBA in Project Management from the Getulio Vargas Foundation in Brazil.

Number of TOMRA shares held: 0.

Other board memberships: None.



PIERRE COUDERC (B. 1959)
Director

Board member of TOMRA Systems ASA since 2014.

Engineering degree, Ecole Nationale Supérieure des Mines de Paris, 1982.

Pierre Couderc is Managing Director Trouw Nutrition Iberia.

Previous experience: CEO and Chair of Executive Committee, Groupe Euralis between 2009-2020 and several management positions within the Danone Group (1987 to 2008) including General Manager Asia Pacific (2005-08), General Manager Danone Mexico (2004-05), and General Manager Danone Argentina (2002-04). Executive General Manager at Jose Cuervo (2008-09).

Number of TOMRA shares held: 3,120.

Other board memberships: none.



BJØRN MATRE (B. 1960)
Director

Board member of TOMRA Systems ASA since 2019.

M.Sc. in Economics and Business Administration from NHH Norwegian School of Economics (1981), and a Master of Laws from UiB University of Bergen (1982) with Bar Exam.

Bjørn Matre is Owner and Chair of Lille Oslo Eiendom AS and subsidiaries.

Previous experience: Senior Partner at the Boston Consulting Group (BCG) and Chair of BCG Europe, Middle East and Africa. Various leadership roles in the Nordic financial services industry, prior to working for BCG from 1989-2018.

Number of TOMRA shares held: 5,192.

Other board memberships: Non-listed Fritzøe Skoger AS (member).



HEGE SKRYSETH (B. 1967)
Director

Board member of TOMRA Systems ASA since 2019.

MBA from NHH Norwegian School of Economics, Bachelor from BI and College graduate NITH.

Hege Skryseth is Executive Vice President of Technology, Digitization and Innovation at Equinor.

Previous experience: Executive Vice President of Kongsberg and President of Kongsberg atech companies such as Kongsberg, Microsoft Norway and Geodata (ESRI).

Number of TOMRA shares held: 3,060.

Other board memberships: Publicly listed: Autostore System (member) and Netcompany (member).



DIRECTORS' REPORT 2022

Strategic highlights

A key factor in low-carbon growth will be a decoupling from resource use. The resource-efficient economy will need a shift in mindset when it comes to the planet's scarce resources: nothing is wasted and natural resources are managed sustainably, with biodiversity being protected, valued, and restored in ways that enhance society's resilience. As a company that can clearly define its role in a low-carbon economy, TOMRA is in a robust strategic position. The shift requires innovation, investment, and partnerships.

TOMRA's strategy is focused on profitable growth with minimal emissions footprint, while being safe, fair, and inclusive. We believe there are significant growth opportunities in our core business, driven by regulatory support for circular economy practices, sustainability expectations from consumers, as well as the need for automating and reducing dependency on labor. In addition, dedicated teams are working on identifying growth opportunities in adjacent areas where we can leverage our strategic position and expertise to build new businesses.

We have set an ambition to achieve double-digit profitable growth in the next five years, maintain a strong balance sheet position and return on capital, and continue to distribute dividends.

Financial Performance

In 2022 we achieved new yearly highs in our revenues and order intake, with the demand for Recycling solutions being especially strong in the year. Despite supply challenges, we have been able to deliver reliably to our customers and avoided an adverse impact on sales. Component shortages and cost increases have affected the margins of all business divisions. Pricing and cost control have been strong focus areas, however these efforts have not offset the additional supply expenses and cost increases.

Group revenues amounted to NOK 12,188 million in 2022, an increase of 12% compared to 2021. Adjusted for currency effects, revenues were up 8% in TOMRA Group, up 4% in Collection, up 26% in Recycling and up 5% in Food.

EBITA was NOK 1,625 million in 2022, down 8% from NOK 1,769 million in 2021. The EBITA margin decreased to 13.3% in 2022 from 16.2% in 2021.

Net financial items were negative NOK 95 million in 2022, compared to negative NOK 94 million in 2021.

Taxes were down in 2022 compared to 2021 at NOK 334 million, due to lower operating profit and a lower tax rate. The Group's average tax rate decreased by 1.9 percentage points, to 23.8% in 2022 from 25.7% in 2021.

EPS was NOK 3.48 in 2022 compared to NOK 3.70 in 2021, a decrease of 6%.

Cash flow from operations equaled NOK 1,150 million in 2022, compared to NOK 1,779 million in 2021. The lower operating cash flow was mainly driven by the reduction in operating profit and higher working capital. Preparations for equipment roll-out in new deposit markets and supply volatility drove higher inventory levels, while receivables increased as a result of business expansion. Cash flow from investments was negative NOK 759 million in 2022, compared to negative NOK 433 million in 2021, a significant investment being the installed base of reverse vending machines in Latvia. Cash flow from financing was negative NOK 198 million compared to negative NOK 1,261 million, explained by increase in interest-bearing debt and dividend payments of NOK 952 million.

Total assets as of 31 December 2022 were NOK 13,932 million, compared to NOK 11,589 million as of 31 December 2021. The equity ratio decreased to 47% in 2022 from 53% in 2021.

Net Interest-Bearing Debt / EBITDA (rolling 12 months' basis) was 1.2x at the end of 2022 compared to 0.6x at the end of 2021.

Dividend

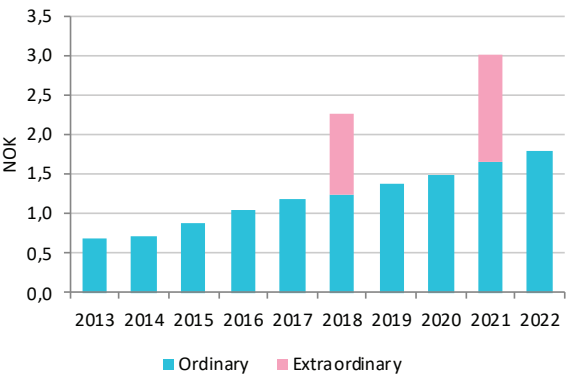
TOMRA aims to distribute 40 percent to 60 percent of the Group's earnings per share. When proposing the annual dividend level, the Board of Directors has taken into consideration expected cash flows, investment plans, financing requirements and the need for appropriate financial flexibility.

The Board of Directors recommends an ordinary dividend of NOK 1.80 per share for 2022. The dividend for 2021 was NOK 1.65 per share ordinary dividend and NOK 1.35 per share extraordinary dividend, in total NOK 3.00 per share.

TOMRA Systems ASA

Reverse Vending Machines (RVMs) are developed in Norway and mainly produced by third parties in Poland and at the wholly owned subsidiary Tomra Production AS in Norway. The machines are sold via the parent company to subsidiaries and distributors, primarily in Europe, North America, and Australia.

Dividend



The resource-efficient economy will need a shift in mindset when it comes to the planet's scarce resources.



Activity within the parent company reflects therefore the level of sales of machines and parts to end-customers within the RVM segment. The number of RVMs sold in 2022 decreased compared to 2021.

TOMRA Systems ASA reported revenues of NOK 2,127 million in 2022 compared to NOK 2,181 million in 2021.

Operating profit in TOMRA Systems ASA decreased from NOK 299 million in 2021 to NOK 87 million in 2022, mainly due to lower revenues and higher costs.

Net financial items amounted to positive NOK 853 million in 2022, up from positive NOK 453 million in 2021, explained by higher dividends from subsidiaries.

Profit after taxes was NOK 936 million in 2022, compared to NOK 673 million in 2021.

The 2022 net profit should be allocated as follows:

Dividend:	NOK	531.4 million
To retained earnings:	NOK	405.0 million
Profit after tax:	NOK	936.4 million

The Board of Directors believes that there is no reasonable cause to question the ability of TOMRA Group and the parent company to continue its operations in the foreseeable future and hence confirms that the accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU for TOMRA Group and Norwegian accounting principles (NGAAP) for Tomra Systems ASA, and that the Group, after the dividend payment, has sufficient equity and liquidity to fulfill both its short term and long term obligations.

Collection

TOMRA's activities within this business area include the development, production, sale, lease, and service of automated collection systems, including data structures that monitor the volume of collected materials and associated transactions.

TOMRA is the technology leader in the reverse vending business. Every year, TOMRA facilitates the collection of more than 45 billion empty cans and bottles and provides an effective and efficient way of collecting, sorting, and processing these containers.

TOMRA's customers within this segment are primarily in the retail industry in Europe and North America. This is an industry that is relatively robust to financial downturns as the consumption of food and beverages usually remains stable through economic cycles. Food retail chains in general consider a well-functioning container return system to be an important competitive advantage, as consumers tend to choose the store they visit based on the convenience and reliability of a store's return facilities. This applies both in times of economic upturn and downturn. With almost 50 percent of the segment's revenues originating from service, and a significant part of new machine sales being replacements, the

year over year change in activities will normally be limited.

While the traditional models have historically been focused on the sale and servicing of equipment, deposit models introduced in Lithuania, New South Wales, Queensland, Western Australia, and more recently, Latvia, invite the technology supplier into the system. In these models, the machine providers act as an operator that invests and maintains the ownership in the machine park and receives a fee for the volume collected through the installed infrastructure. This entails an investment for TOMRA in equipment and generates a recurring topline when the infrastructure is ramped up.

Financial performance

Revenues in 2022 amounted to NOK 6,192 million, up 8% from NOK 5,738 million in 2021. Adjusted for currency changes, revenues increased by 4%, mainly driven by the rollout of reverse vending equipment for the upcoming deposit system in Romania.

EBITA was NOK 946 million in 2022, compared to NOK 1,117 million in 2021. The EBITA margin decreased to 15.3% in 2022 from 19.5% in 2021.

Europe

Northern Europe has had solid performance, with good sales development in all countries and stable through-put volumes in Lithuania.

On February 1st, 2022, Latvia went live with a container deposit system for one-way beverage containers. TOMRA is the equipment provider for the Latvian system, which is set up as a through-put model. Volumes in Latvia ramped up during the first half of 2022 and reached a satisfactory level at the end of the year.

In Germany, the number of machines installed normalized after a strong year in 2021, when equipment replacements accelerated due to renewed requirements on security mark reading, as well as deposit expansion to include alcoholic beverages, juices, and milk-based mixed drinks sold in one-way plastic packaging and cans.

In The Netherlands we increased the installed base in 2021 after the deposit system was extended to include small plastic bottles as of July 1st, 2021. During 2022, the activity level normalized and accelerated towards the end of the year driven by the upcoming extension to include cans as of January 1st, 2023.

Slovakia went live with the deposit system on January 1st, 2022. Most of the infrastructure was installed in 2021, but equipment sales continued to have a positive effect during the first quarter of 2022.

Romania has committed to implementing a deposit system as of November 30th, 2023. During 2022, the retailers have been preparing for the system introduction and made investments. For TOMRA, new equipment sales from Romania contributed positively to revenue growth throughout 2022.

North America

Within reverse vending, TOMRA operates with two business models in North America. One is a sales model, where machines are sold to the food retail stores in the same way as in Europe; the other is the through-put lease model, where TOMRA maintains ownership of the installed machines and receives payment based on the number of containers handled by the machines. In addition to the reverse vending business, TOMRA picks up, transports, processes, and sells used beverage containers on behalf of beverage producers in North-eastern United States and Canada (Material Recovery).

Volumes were stable in North America overall, at levels comparable with 2021. The USD strengthening against NOK had a positive impact on reported performance.

Australia

In 2017, the TOMRA Cleanaway joint venture secured a state-wide operator role in New South Wales. The contract had a duration of five years with an option to extend for another four years. In May 2022 the contract has been extended for four years, ending in late 2026. Under the extension, TOMRA Cleanaway will continue expanding the return network with approximately 50 return point locations and increase coverage across New South Wales.

In addition to New South Wales, TOMRA has operations in the states of Queensland and Western Australia as of 2018 and 2021, respectively. Through-put container volumes were stable during 2022 in the three Australian states, however somewhat negatively impacted by heavy rainfall during the year.

New markets

The implementation of new deposit systems is a fundamental driver for growth in Collection. The creation of new systems, and changes to existing ones, will consequently impact TOMRA's performance significantly. In recent years, an emerging driver for the discussion around deposit schemes has been the public-driven push to see reduced littering.

Increased marine littering has been a concern that is currently driving several initiatives, like the EU Single Use Plastic Directive, which sets a collection target of 77% on beverage containers made of plastic by 2025, increasing to 90% in 2029. As a response to the collection targets, several EU members are evaluating deposit introduction as deposit systems are viewed as the most efficient way to significantly increase collection rates.

Among the potential markets for deposit schemes, Scotland has approved deposit system regulations with the implementation set to August 16th, 2023.

Hungary plans to launch its deposit system during 2024 and the scheme operator has selected TOMRA as one of the technology providers for the system. The scope of the agreement is between 2,000 and 2,500 reverse vending machines for medium and large collection points.

In November 2021, Ireland published the regulations for the upcoming deposit return system, and during 2022 the implementation date has been set to February 1st, 2024.

Austria amended its Waste Management Law to transpose the EU Single Use Plastic Directive and introduce a deposit system on single-use beverage containers, with the go-live date set to January 1st, 2025.

The state of Quebec in Canada has approved regulations for the expansion and modernization of its current deposit system to cover most containers, as well as increasing and simplifying deposit values. The commencement date is planned for November 2023.

The states of Victoria and Tasmania in Australia have announced the preferred deposit system to be a split-responsibility model and stated their commitment to implement the scheme during 2023-2024.

TOMRA is assessing the commercial opportunities in these markets along with the development of the regulatory frameworks.

Technology highlights

In 2019, we launched the TOMRA R1, a multi-feed reverse vending machine allowing consumers to pour in entire bags of containers in one go and offering an up to five times faster recycling experience. The R1 machines have received an enthusiastic response from both consumers and retailers in Northern Europe, Germany and The Netherlands.

In August 2022, we launched the smallest reverse vending machine on the market that can recognize, sort and store glass, plastic, and aluminum beverage containers in one machine, the M1. The affordable and compact RVM was developed to fit with the shallower shelf space of convenience/small stores, given that several new and upcoming deposit return systems have included smaller retailers as return points for drink containers.

TOMRA continues to invest in building a digital ecosystem around the RVMs, using the data collected through the installed infrastructure and enabling a set of digital services. In 2022, TOMRA has further developed the API offering to enable third party development and accelerate the digitalization of the customer experience.

Recycling

TOMRA designs, develops, and customizes sensor-based sorting solutions that enable the recovery of valuable materials from waste streams. Such materials are primarily plastics, non-ferrous metals, paper, organics, e-waste, wood, textiles, and other recyclables. Further, sorting is another important step in upgrading recovered materials to homogenous and high-quality fractions for recycling. Sensor-based technology is also employed in the sorting of ores from waste rock, thus increasing the efficiency and lifetime of mines.

Waste generation rates are influenced primarily by economic development and the degree of industrialization and urbanization. Generally, the higher the economic development and rate of urbanization, the greater the amount of waste produced. According to researchers from the World Bank, global solid waste generation is expected to increase by 70% from 2.0 billion tons in 2016 to 3.4 billion tons in 2050.

Legislative measures focusing on waste reduction and reuse of resources continue to be implemented. In addition, market demand for high-quality recycled material has been fueled by commitments from brand owners to fulfill their sustainability goals. The momentum in recycling has been increasingly positive. The waste sorting and plastic recycling business is a healthy segment driven by legislation and the push for circularity. The metal and ore sorting segments have been positively supported by high commodity prices and industrial demand.

Financial performance

Revenues in 2022 amounted to NOK 2,376 million, up 26% from NOK 1,881 million in 2021. Currency effects were not significant and revenue growth adjusted for currency changes is also 26%. The growth was driven by good momentum across all segments and most geographies as well.

EBITA was NOK 493 million in 2022, compared to NOK 414 million in 2021. The EBITA margin decreased to 20.8% in 2022 from 22.0% in 2021.

The order intake was NOK 2,639 million in 2022, up 30% from NOK 2,032 million in 2021. This resulted in an all-time high year-end order backlog of NOK 965 million, up 37% compared to the end of 2021.

Technology highlights

For over 15 years, TOMRA Recycling has been the leader in advancing aluminum recycling and processing. In 2022, we launched the new X-TRACT™ machine for precise x-ray sorting of aluminum from heavy metals, setting a new standard in sensor-based aluminum sorting. The combination of high precision sensors, robust mechanics, and software features allowed the ability to handle composite materials and overlapping objects, as well as enabling operators to prioritize sorting for high recovery or high purity yields. As the industrial sector is increasing its focus

on producing circular metals for a low-carbon future, the new X-TRACT innovation provides a solution for recovering high-value materials from complex material streams and producing high purity, furnace-ready aluminum fractions.

Food

TOMRA Food designs and manufactures sensor-based sorting equipment and integrated post-harvest solutions for the food industry. The technology is utilized to sort and grade food produce based on quality, size, and other characteristics, as well as identifying and removing foreign material. The use of advanced analytical technology for fresh whole products and processed food increases productivity, maximizes output, and minimizes food waste.

TOMRA has a leading position built on the broadest and deepest technology base, the widest range of categories and applications, and a comprehensive geographic reach. This gives the scale needed to lead the development of new technologies and digital solutions, combined with the local presence to support customers where they are.

TOMRA Food's market is that of high-capacity sorting and grading solutions in the following food categories: potatoes, nuts and dried fruit, vegetables and fresh cut, protein, seeds and grains, citrus, blueberries, apples, kiwifruit, cherries, and avocados. The market is a global one, with exposure to North America, Europe, and Oceania.

Financial performance

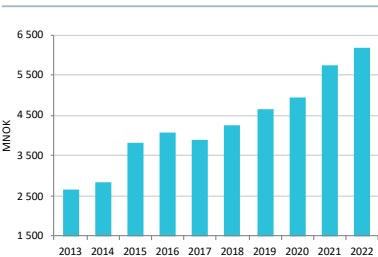
Revenues in 2022 amounted to NOK 3,620 million, up 10% from NOK 3,290 million in 2021. Adjusted for currency changes, revenues increased by 5%, mainly driven by the potatoes category in the processed food segment, as well as good demand in the citrus category for the fresh food segment.

EBITA was NOK 344 million in 2022, compared to NOK 360 million in 2021. The EBITA margin decreased to 9.5% in 2022 from 10.9% in 2021.

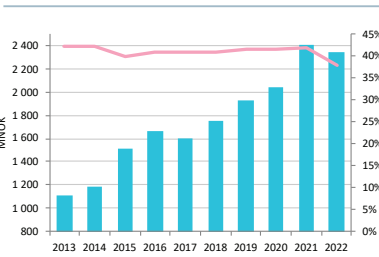
The order intake was NOK 3,658 million in 2022, up 7% from NOK 3,420 million in 2021. The order backlog at the end of 2022 was NOK 1,083 million, up 4% from the end of 2021. Currency changes had a positive effect on reported performance.

TOMRA Collection financial figures

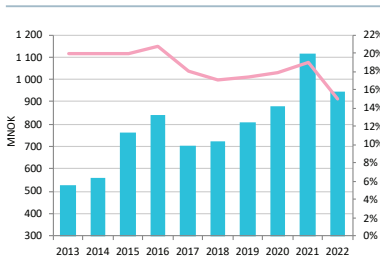
Revenues



Gross contribution and margin

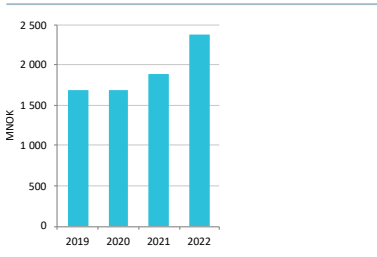


EBITA and margin

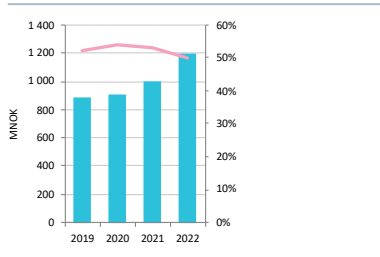


TOMRA Recycling financial figures

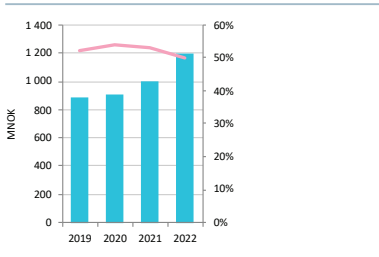
Revenues



Gross contribution and margin

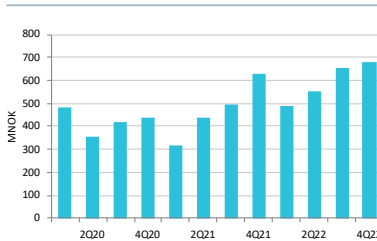


EBITA and margin

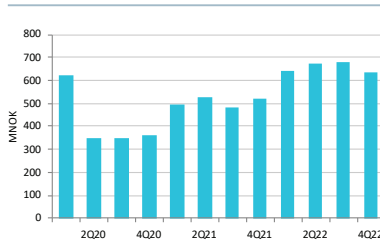


TOMRA Recycling quarterly figures

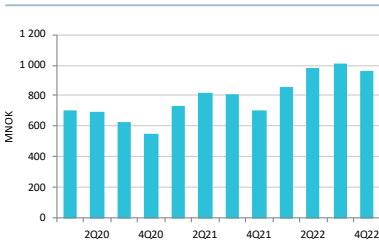
Revenues



Order intake



Order backlog



Technology highlights

TOMRA Food's technology and solution development is focused on our core categories. In 2022 we have further strengthened our collaboration with customers, partners, and industry experts to deliver the most value-adding solutions to the market.

The TOMRA 5C was introduced in June 2022 to Japan and other markets in the Asia Pacific region after first being rolled out across Europe and the USA. The machine delivers a high sorting accuracy by combining industry-leading sensors and high-resolution lasers with TOMRA's unique Biometric Signature Identification (BSI+) technology, AI machine learning, and big-data analysis. With BSI+, every object passing down the processing line is assessed for color, shape, and biological characteristics. By looking inside materials with next-generation spectral imaging, BSI+ contrasts good and bad materials and can detect smaller defects than conventional spectral technology. The TOMRA 5C optical sorter won the Japan Food Journal Awards in 2022 on the basis of setting new industry standards in accuracy, efficiency, and ease of use by employing digital tools and AI technology.

Research and development activities

Research and development activities are a high priority at TOMRA. R&D has a central role in the development of the individual technology units and is closely connected to the local markets to ensure that we maintain our technological lead.

Recycling and Food share core R&D and the digital platform TOMRA Insight. The digital portfolio is an important building block of TOMRA's success and allows for the generation of valuable information for customers, the value chain, and the business alike. During 2022, the installed base of connected sorters

increased by over 30%, albeit from a relatively low starting point. We aim to lead this transformation and deeply integrate digital approaches in core business to improve productivity and customer experience.

Financial risk

The Board of Directors is focused on ensuring that there is a systematic and considered approach to managing risk within all segments of the corporation, and views this as a prerequisite for long-term value creation for the company's shareholders, employees, and other stakeholders. Opportunities for growth shall always be assessed against the associated risks. TOMRA faces normal business risks related to contractual agreements with, for example, customers and suppliers. In addition, there are several macro trends that can affect the industry in which TOMRA operates. A reduction in recycling targets and ambitions, as well as falling material commodity prices, would negatively influence TOMRA as the need for advanced recycling technology would become less obvious.

TOMRA's operations are also influenced by political decisions, specifically regarding deposit legislation. Although we are not aware of deposit systems being abolished in the past, if a country or state decides to remove an existing deposit system, there will be limited incentives for TOMRA's customers to maintain current or invest in new TOMRA equipment. On the other hand, the implementation or expansion of deposit systems in a country or state would create new growth opportunities for TOMRA.

TOMRA relies on the efficient and uninterrupted operation of information technology systems and networks to operate its business. Disruptions to TOMRA's systems or networks, such as computer viruses, security breaches, cyber-attacks, intentional

and unintentional acts, natural disasters, war, telecommunication failures, energy blackouts could adversely impact the Group.

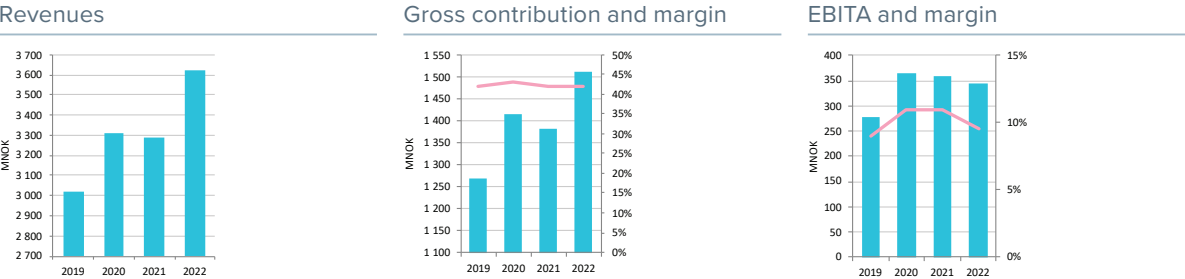
Climate change in a business-as-usual scenario poses increased physical risks for TOMRA's operations, customers, and supply chain. The growth in emissions leads to long-lasting changes in and irreversible impacts for people and ecosystems. Water scarcity, flooding, extreme weather events, or climate-related conflicts could impact TOMRA's operations and value chain.

Responsibility for financing, cash management and financial risk management is handled by Group Finance. Historically, TOMRA has seldom experienced losses on accounts receivable, and the company's routines concerning credit approval are considered satisfactory.

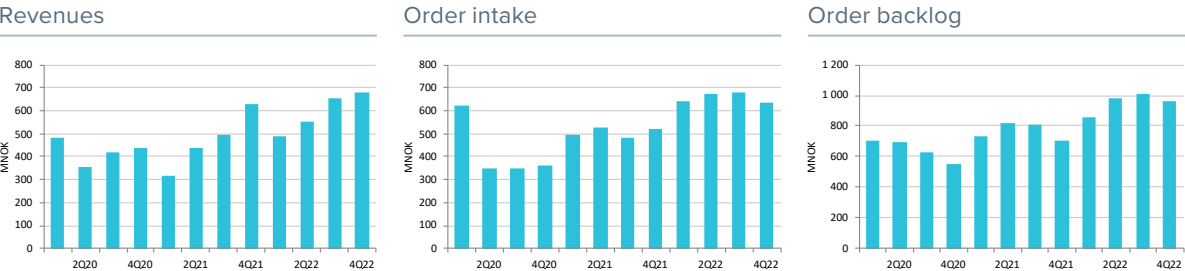
TOMRA is exposed to fluctuations in currency exchange rates. With more than 95 percent of its income in foreign currencies, a strengthening of NOK will lead to reduced earnings for the Group when measured in this currency. Most of the risk is connected to fluctuations in EUR and USD. TOMRA takes advantage of forward exchange contracts to hedge future cash flows in foreign currencies.

With approximately 90 percent of the balance sheet denominated in foreign currencies, TOMRA's equity will also be exposed to changes in currency exchange rates. To partly offset this effect, TOMRA aims to place external bank debt in the same currencies. In addition, TOMRA has implemented the financial risk management systems one would expect given the size and complexity of the company's operations. A more extensive description of TOMRA's internal control procedures and systems for evaluating financial risk is provided on pages 32-37 in this report.

TOMRA Food financial figures



TOMRA Food quarterly figures



Sustainability

TOMRA makes a significant contribution to a cleaner and more sustainable world. Our vision and activities fit well within the framework of the UN Sustainable Development Goals (SDGs), and our solutions contribute towards several of the global goals. The Board of Directors supports TOMRA's membership of the UN Global Compact, which provides a recognized framework for integrating sustainability principles into operations and strategies. This annual report forms the basis of TOMRA's Communication on Progress, required annually by the UN Global Compact.

TOMRA has been measuring and reporting on environmental performance since 1998. In 2022, we launched an updated, holistic sustainability strategy and committed to science-based targets for emission reduction. Further details of TOMRA's sustainability program and environmental impact are presented in our Sustainability report on pages 10-31 of this report.

The TOMRA Group complies with the Norwegian Transparency Act that came into effect July 1st, 2022. The Act requires companies to make sure human rights and decent working conditions are respected in their operations and supply chains. The Group entities work with suppliers and sub-suppliers with a risk-based approach to address potential violations of human rights and labor conditions. For further information on the work and assessments performed please refer to TOMRA Group's website www.tomra.com.

EU Taxonomy

TOMRA has conducted an internal assessment of the eligibility of its activities in the context of the EU taxonomy regulation. Based on the currently published screening criteria, TOMRA estimates that approximately 64% of activities are taxonomy-eligible, measured as a share of revenues. Activities included consist of collection of post-consumer beverage

The TOMRA Group complies with the Norwegian Transparency Act that came into effect July 1st, 2022.



containers, material pick up and processing operations, and the majority of the recycling business. Not included so far are the food sorting and ore-sorting sectors. Although the remaining business is seen as having an important contribution to sustainable practices, it is currently not covered by the EU taxonomy regulation and consequently not included in the share of eligible activities.

Organization, health, and safety

TOMRA facilitates equal opportunity for professional and personal development for all employees and does not discriminate on the basis of age, gender identity or expression, color, religion, political affiliation, ancestry, disability, medical condition, sexual orientation, or any other characteristic protected by applicable laws. TOMRA will not tolerate any form of harassment or any action, conduct or behaviour which is humiliating, intimidating, offensive or hostile. We adhere to these principles in all aspects of employment, including recruitment, training, compensation, promotion, benefits and working conditions, and the opportunity to combine work with family life. These are important principles that are firmly anchored in the company's Code of Conduct.

The number of employees in the TOMRA Group was 5,015 at the end of 2022, up from 4,610 at the end of 2021. In Norway the number of employees increased to 426 at the end of 2022, from 356 at the end of 2021.

Female employees made up 23% of TOMRA's workforce and held 25% of management positions at the end of 2022, from 22 and 24 percent respectively in 2021. The share of female employees in the Executive Leadership Team remained stable at 33%. Three out of TOMRA's seven board members are women. Further details of TOMRA's program to promote diversity, equity, and inclusion are presented in TOMRA's Corporate Sustainability report on pages 10-31 of this report.

The number of job-related injuries in TOMRA requiring medical attention beyond basic first aid was 147, compared to 101 in 2021. The increase from 2021 to 2022 can likely be attributed to higher activity levels and improved reporting practices. TOMRA continuously strives to reduce the injury rate and has implemented further preventative measures.

The absence rate due to illness in TOMRA Systems ASA increased to 4.00% in 2022 from 2.85% percent in 2021, mostly the result of influenza and Covid-19 cases. Further details of TOMRA's program to ensure health and safety are presented in TOMRA's Corporate Sustainability report on pages 10-31 of this report.

TOMRA is continuously taking measures to further strengthen the management of compliance matters. The Compliance department has, since 2019, significantly revised the Code of Conduct, the Business Principles for Suppliers, Counterparty Due Diligence and Conflict of Interest policies. The revised policies have been communicated to all employees and include a systematic training program.

A more extensive description of TOMRA's compliance framework is provided in TOMRA's Corporate Sustainability report on pages 10-31.

TOMRA's quality and environmental management systems are based on the international ISO 9001:2015 and ISO ISO 14001:2015 management systems standards. Primary R&D and production units, accounting for over 80% of the operations, have been certified according to ISO 9001. The R&D and production sites in Poland, Germany and Norway are ISO 14001 certified in addition to the ISO 9001 certification. TOMRA also applies an internal management system that incorporates goal- and result-orientation throughout the entire organization, including performance and leadership evaluation. Additional details are available in TOMRA's Sustainability report on pages 10-31.

Corporate governance - Board developments

TOMRA defines corporate governance as those processes and control structures that have been established to protect the interests of the company's shareholders and other stakeholder groups. TOMRA's guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company. These guidelines include the role of the Board of Directors and its various committees, requirements concerning the impartiality of its Board members, and Board compensation.

TOMRA Systems ASA and its subsidiaries have insurance that covers directors and officers. The insurance covers direct financial loss suffered by the insured resulting from dishonest acts by permanent or temporary employees of the insured, or by an external third party.

TOMRA's corporate governance report can be found on pages 32-37 in this report. TOMRA's corporate governance policy can be found on www.tomra.com.

At the ordinary general meeting on 28 April 2022, Johan Hjertonsson was elected as new Chair of the Board, replacing Jan Svensson. All other board members were re-elected.

The Board of Directors held six Board meetings in 2022 and the attendance at the meetings was 95 percent. Four meetings were physical meetings and two in digital format. In addition, the Audit Committee held four meetings (attendance 88%), the Sustainability Committee held two meetings (attendance 100%), and the Compensation & Organizational Development Committee held three meetings (attendance 83%).

Prospects for the future

A growing global population, which is getting wealthier and more urbanized, demands more food and more convenience. Waste generation rates are expected to increase rapidly over the next decades. The amount of mismanaged plastic waste that ends up in the oceans is projected to triple by 2040 in a business-as-usual scenario. The path to low-carbon

growth requires a decoupling from resource use and investment in innovation and technology. TOMRA has secured a strategic position in highly relevant sectors and invests approximately one tenth of revenues in technology and activities targeting future growth.

On the back of a focused expansion, the Group's operations today are more diversified and robust and hence less dependent on individual markets than in the past. Even if short-run fluctuations in the demand for TOMRA's solutions may occur, the company will in the long run be able to benefit from favorable macro trends in the food value chain, enforcing the need for automation and technology, and in the recycling universe, where excess waste and pressure on resources is accelerating the need for processing and innovation.

Collection

Almost all supermarkets in the established deposit markets have automated their return of bottles and cans. These markets therefore represent mainly replacement opportunities and after-markets for service. The installed base of approximately 82,000 machines generates a steady income stream with a high percentage of recurring revenues. Generally, deposit markets are viewed as infrastructure and to date no deposit market has been abolished after introduction. In addition, new markets introducing deposit schemes will from time to time materialize. Timing is however difficult to predict, as new markets are heavily dependent upon the outcome of political processes.

Material growth is consequently driven by new deposit markets. There are currently several processes ongoing and deposit introduction is being discussed in many markets. Which markets finally materialize, and what role TOMRA can play in each market is uncertain. As the market leader within reverse vending, TOMRA should however be in a good position to monetize on the opportunities, when they arise. In preparation for these opportunities, TOMRA will need to invest in people and capabilities, and this could in the short run have a negative effect on profitability.

Recycling

Recycling has previously been somewhat cyclical and dependent on commodity risk. During the COVID-19 pandemic, the waste sorting, and high-quality plastics segments, representing the majority of the business, have shown good resilience. The increased focus on plastic pollution, better waste handling and circular economy can reduce the volatility by fueling long term investment into the recycling industry. The momentum in metals and ore-sorting segments tends to move in sync with commodity prices and be more dependent on single orders, something which we expect will continue to be the case.

Based on the current activity level and market sentiment, the Board of Directors consequently assumes that TOMRA should be in a good position to see growth in revenues in the coming years.

Food

The demand for food and higher quality and safety is relatively stable through economic cycles, and the food supply chains have shown resilience during the COVID-19 pandemic. Macroeconomic conditions may impact customers' investment sentiment. The long-term outlook is positive, driven by food safety and quality requirements, consumption of more packaged food products, and availability of labor. TOMRA continues to strengthen its market position with a deeper category focus, optimized go-to-market strategy, and a more efficient product development process and operations.

Based on the current activity level and market sentiment, the Board of Directors assumes that TOMRA should be in a good position to continue to see growth in revenues in the coming years.

Adjacent opportunities

TOMRA seeks to capture opportunities adjacent to its current business as part of its strategy for the coming years.

Starting from 2019, TOMRA has worked on developing the concept of high-quality sorting of both separate source and mixed waste plastic at a demo facility in Germany. By bringing together innovative but existing technologies and processes, TOMRA showed that high-quality, market-ready recycle production was possible, regardless of the source of input material.

In December 2022, the Board of Directors made a positive investment decision for the construction of a sorting facility for post-consumer plastic material. TOMRA seeks to enable closing the quantity and quality gaps in plastic recycling by producing high quality plastic fractions out of plastic waste that is typically lost to incineration and landfill. The output material can be used by recyclers to produce flakes and pellets for applications such as packaging material.

TOMRA will initiate an investment of EUR 50-60 million in building a mid-scale plant in Germany, which is expected to be operational between 2024 and 2025 and have a yearly capacity of 80,000 tons.

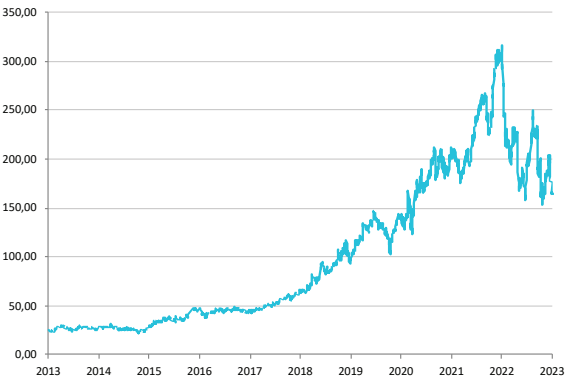
Currency

A stronger NOK is negative for TOMRA, both because the Group has significant activities abroad that are denominated in foreign currencies and appears therefore less profitable measured in NOK, and because TOMRA has a certain cost base in NOK tied to development activities and headquarter functions. For TOMRA Food, a weaker USD is negative, due to significant revenues nominated in USD, and with a cost base more nominated in EUR and NZD. For a broader review of currency sensitivities, refer to note 20.

The TOMRA share

The number of TOMRA shareholders increased to 12,287 at the end of 2022, from 10,731 at the end of 2021. The number of shares held by Norwegian residents at the end of 2022 was 16%, down from 18% in 2021.

TOMRA share price



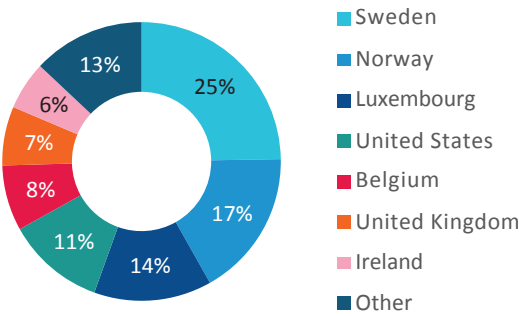
On April 28th, 2022, the Annual General Meeting resolved on a share split where upon each share is divided into two shares. The record date for the share split was May 27th, 2022.

The TOMRA share price decreased to NOK 165.60 at the end of 2022 from NOK 315.50 at the end of 2021. Adjusting for the dividend of NOK 3.00 per share paid out in May 2022, the total return on the TOMRA share was -47% percent in 2022, following a 50% return in 2021 and 53% in 2020. In comparison, the return on the Oslo Stock Exchange (OSEBX) in 2022 amounted to -1%.

A total of 132 million TOMRA shares were traded on the Oslo Stock Exchange in 2022, up from 100 million shares the year before. TOMRA's largest shareholder, Investment AB Latour held 21.1% of the shares at the end of 2022, unchanged from 2021.

TOMRA aims to provide timely, relevant, and accurate information to the capital market to provide a basis for

Shareholders by country
(nominee accounts)



trading and fair pricing of the TOMRA share. TOMRA values a good dialogue with the capital market and has repeatedly in recent years been named the best Nordic and/or Norwegian IR-company in its class in the annual awards presented by REGI. The ranking is based on interviews with sell side analysts.

The nominal value of each share is NOK 0.5. The total number of outstanding shares at year-end 2022 was 296,040,156 shares, including 800,000 treasury shares held by TOMRA. The Board of Directors wishes to encourage the company's employees to invest in the company's shares and a share purchase program was therefore established in 2008 that offers employees the opportunity to buy shares at current market rates, and for every five shares held for at least one year, one share is given free of charge.

The Board of Directors will recommend at the general assembly that the program should be continued, limited to a total of 1,000,000 shares per year.



Financing

On October 26th, 2022, TOMRA successfully issued a total of NOK 1 billion in new senior unsecured green bonds split between two tenors:

- 3Y FRN, NOK 500 million with coupon 3 months NIBOR + 1.42% p.a.
- 5Y FRN, NOK 500 million with coupon 3 months NIBOR + 1.67% p.a.

TOMRA's new green bond framework has obtained a "Dark Green" shading and governance score "Good" from Cicero Shades of Green.

Prior to the bond issue, on June 23rd, 2022, Scope Ratings GmbH assigned a first-time issuer rating of A-/Stable to TOMRA Systems ASA. Scope has also assigned first-time ratings of A- to senior unsecured debt issued by TOMRA Systems ASA and S-1 to short-term debt. The rating reflects positive industry dynamics, strong market positions in key segments and markets, strong profitability, and low financial leverage.

At year-end TOMRA had committed credit lines of NOK 3,177 million, of which NOK 2,167 million was utilized.

Taking the company's relatively stable cash flow, solid balance sheet and unrealized credit facility into consideration, it is the Board of Directors opinion that the company has the necessary financial flexibility to take advantage of possible growth opportunities.



Asker, 23 February 2023

Johan Hjertonsson
Chair

Hege Skryseth
Board member

Bodil Sonesson
Board member

David Williamson
Employee elected

Pierre Couderc
Board member

Gigi Portela
Employee elected

Bjørn Matre
Board member

Tove Andersen
President & CEO

Financial statements TOMRA Group

Income Statement

Amounts in NOK million	Note	2022	2021
Operating revenues	1,2	12,188.0	10,908.7
Raw materials and consumables used	3	5,056.2	4,343.8
Employee benefits expenses	4	3,844.5	3,376.0
Ordinary depreciation, amortization and impairment	7,8,9	911.1	854.8
Other operating expenses	4	926.3	781.6
Total operating expenses		10,738.1	9,356.2
Operating profit		1,449.9	1,552.5
Financial income	5	14.8	11.6
Financial expenses	5	110.1	105.9
Net financial items	5	(95.3)	(94.3)
Profit from associates	10	46.7	65.3
Profit before taxes		1,401.3	1,523.5
Taxes	6	333.7	391.0
Profit for the period		1,067.6	1,132.5
Attributable to:			
Shareholders of the parent		1,028.8	1,091.5
Non-controlling interest		38.8	41.0
Profit for the period		1,067.6	1,132.5
Earnings per share, basic (NOK) ¹⁾	14	3.48	3.70
Earnings per share, diluted (NOK) ¹⁾	14	3.48	3.70

1) A share split of 1:2 has been executed with effect from 27 May 2022. Following completion of the share split, the new number of issued underlying shares of TOMRA Systems ASA was 296,040,156, each with a par value of NOK 0.50 per share (before the split NOK 1.00 per share). The calculation of basic and diluted earnings per share for 2021 have been adjusted retrospectively.

Other comprehensive income

Amounts in NOK million	2022	2021
Profit for the period	1,067.6	1,132.5
Other comprehensive income that may be reclassified to profit or loss		
Hedging of net investment in foreign operations	(66.9)	45.4
Tax on hedging of net investment in foreign operations	14.7	(10.0)
Foreign exchange translation differences	435.2	(99.4)
Other comprehensive income that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability	(4.4)	0.8
Tax on remeasurements of defined benefit liability	1.0	(0.5)
Total comprehensive income for the period	1,447.2	1,068.8
Attributable to:		
Shareholders of the parent company	1,389.6	1,023.0
Non-controlling interest	57.6	45.8
Total comprehensive income for the period	1,447.2	1,068.8

Balance sheet as of 31 December

Amounts in NOK million	Note	2022	2021
Deferred tax assets	6	347.1	242.6
Goodwill	7	3,115.3	2,968.6
Development costs	7	318.8	215.1
Other intangible assets	7	71.9	105.4
Software	7	279.4	258.4
Total intangible non-current assets		3,785.4	3,547.5
Property, plant and equipment	8	960.2	861.5
Leasing equipment	8	478.6	392.9
Right of Use assets	9	1,232.3	942.9
Total tangible non-current assets		2,671.1	2,197.3
Investment in associates	10	76.1	29.8
Other investments		0.8	1.4
Long term receivables	11	370.8	315.7
Total financial non-current assets		447.7	346.9
Total non-current assets		7,251.3	6,334.3
Inventory	3	2,369.7	1,883.4
Contract assets	2	113.4	38.2
Trade receivables		2,757.4	2,149.7
Other short-term receivables		689.0	521.6
Total receivables	12	3,446.4	2,671.3
Derivatives	19	1.9	30.1
Cash and cash equivalents	13	749.6	631.6
Total current assets		6,681.0	5,254.6
Total assets		13,932.3	11,588.9

Amounts in NOK million	Note	2022	2021
Share capital		148.0	148.0
Treasury shares		(0.4)	(0.3)
Share premium reserve		918.3	918.3
Paid-in capital		1,066.0	1,066.0
Retained earnings		5,313.9	4,926.9
Non-controlling interest		191.9	171.3
Total equity		6,571.8	6,164.2
Deferred tax liabilities	6	68.4	47.1
Pension liabilities	17	235.9	233.9
Interest-bearing liabilities	18	2,173.5	603.7
Long-term lease liabilities	9,18	1,010.1	748.4
Other long-term liabilities	20	349.6	306.6
Total non-current liabilities		3,837.5	1,939.7
Contract liabilities	2	819.2	577.1
Derivatives	19	68.7	13.5
Interest-bearing liabilities	18	0.0	400.0
Short-term lease liabilities	9,18	286.9	266.8
Trade payables		656.8	644.2
Income tax payable	6	170.6	203.8
Provisions	21	183.5	169.4
Other current liabilities	22	1,337.3	1,210.2
Total current liabilities		3,523.0	3,485.0
Total liabilities		7,360.5	5,424.7
Total liabilities and equity		13,932.3	11,588.9

Asker, 23 February 2023

Johan Hjertonsson
Chair

Bodil Sonesson
Board member

Pierre Couderc
Board member

Bjørn Matre
Board member

Hege Skryseth
Board member

David Williamson
Employee elected

Gigi Portela
Employee elected

Tove Andersen
President & CEO

Consolidated statement of changes in equity

Amounts in NOK million	Paid-in capital	Translation reserve	Remeasurements of defined benefit liability (asset)	Retained earnings	Total equity attributable to the owners of the company	Non-controlling Interest	Total Equity
Balance per 1 January 2022	1,066.0	726.8	(111.6)	4,311.7	5,992.9	171.3	6,164.2
Profit for the period				1,028.8	1,028.8	38.8	1,067.6
Changes in translation differences		364.2			364.2	18.8	383.0
Remeasurements of defined benefit liability (assets)			(3.4)		(3.4)		(3.4)
Total comprehensive income for the period	0.0	364.2	(3.4)	1,028.8	1,389.6	57.6	1,447.2
Transactions with shareholders							
Dividend non-controlling interest				(28.6)	(28.6)	(37.0)	(65.6)
Purchase of own shares	(0.2)			(127.7)	(127.9)		(127.9)
Own shares sold to employees	0.2			53.1	53.3		53.3
Change in estimate of put/call option				(13.0)	(13.0)		(13.0)
Dividend to shareholders ¹⁾				(886.4)	(886.4)		(886.4)
Total transactions with shareholders	0.0	0.0	0.0	(1,002.6)	(1,002.6)	(37.0)	(1,039.6)
Balance per 31 December 2022	1,066.0	1,091.0	(115.0)	4,337.9	6,379.9	191.9	6,571.8
Balance per 1 January 2021	1,065.9	795.6	(111.9)	3,678.9	5,428.5	162.7	5,591.2
Profit for the period				1,091.5	1,091.5	41.0	1,132.5
Changes in translation differences		(68.8)			(68.8)	4.8	(64.0)
Remeasurements of defined benefit liability (assets)			0.3		0.3		0.3
Total comprehensive income for the period	0.0	(68.8)	0.3	1,091.5	1,023.0	45.8	1,068.8
Transactions with shareholders							
Dividend non-controlling interest				(17.9)	(17.9)	(37.2)	(55.1)
Purchase of own shares					0.0		0.0
Own shares sold to employees	0.1			45.1	45.2		45.2
Change in estimate of put/call option				(43.0)	(43.0)		(43.0)
Dividend to shareholders				(442.9)	(442.9)		(442.9)
Total transactions with shareholders	0.1	0.0	0.0	(458.7)	(458.6)	(37.2)	(495.8)
Balance per 31 December 2021	1,066.0	726.8	(111.6)	4,311.7	5,992.9	171.3	6,164.2

1) Dividend payment was NOK 3 per share in 2022, as proposed in the 2021 financial statements. The dividend for 2021 has been adjusted for the share split that was executed in May 2022.

Cash flow statement

Accounting principle

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that can immediately, and with no material exchange rate exposure, be exchanged for cash.

Amounts in NOK million	Note	2022	2021 ¹⁾
CASH FLOW FROM OPERATING ACTIVITIES			
Ordinary profit/(loss) before taxes		1,401.3	1,523.5
Income taxes paid		(438.5)	(311.6)
(Gains)/losses from sales of fixed assets		(1.2)	(13.5)
Depreciation / Amortisation	7,8	598.7	583.2
Depreciation / Amortisations lease contracts	9	312.0	268.3
Write-down non-current assets	7,8	0.3	3.3
Net change in inventory		(377.3)	(435.5)
Net change in receivables		(733.2)	(402.7)
Net change in payables		185.6	180.5
Difference between pension expense and pension contribution paid		(22.4)	15.0
Exchange rate effects		(17.4)	102.5
Profit before tax from associated companies	10	(46.7)	(65.3)
Changes in other balance sheet items		180.7	277.8
Lease interests		38.9	34.8
Interest expense		34.4	18.5
Net cash flow from operating activities		1,150.0	1,778.8
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sales of non-current assets		70.6	67.7
Proceeds from sale of associate		-	92.8
Dividend from associated companies	10	4.7	15.3
Acquisition of associates / capital infusion		(3.0)	(8.2)
Acquisition of subsidiary, net of cash acquired		-	(8.8)
Investment in non-current assets		(831.4)	(592.2)
Net cash flow from investing activities		(759.1)	(433.4)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long-term loans		-	(1,895.5)
Proceeds from issuance of long term debt		1,030.7	1,485.2
Net change in revolving credit facility		567.0	-
Net repayment of short-term loans		(403.0)	(79.7)
Installments on lease liabilities	9	(293.1)	(265.1)
Dividend non-controlling interest	14	(65.6)	(55.1)
Purchase of treasury shares	14	(127.9)	-
Sale of treasury shares	14	53.3	45.2
Lease interest	9	(38.9)	(34.8)
Interest paid		(34.4)	(18.4)
Dividend paid	14	(886.4)	(442.9)
Net cash flow from financing activities	18	(198.3)	(1,261.1)
Currency effect on cash		(74.6)	15.2
Net change in cash and cash equivalents		118.0	99.5
Cash and cash equivalents per 1 January	13	631.6	532.1
Cash and cash equivalents per 31 December	13	749.6	631.6

1) 2021 figures have been adjusted for comparison purposes

Consolidation and accounting principles
TOMRA Group - IFRS

GENERAL

Business concept and customers

TOMRA Systems ASA (the “Company”) is a public company domiciled in Asker, Norway. The registered office is Drengsrudhagen 2, Asker.

TOMRA’s mission is to transform how we all obtain, use and reuse the planet’s resources to enable a world without waste. We create lasting social and environmental value through our products and services, driving increased resource productivity in all sectors that we serve.

The company creates and delivers sensor-based solutions that contribute to optimal resource productivity, and that make sustainable resource use financially profitable in the business areas of packaging, collection, compaction, recycling, ore sorting and food production.

TOMRA’s customers are located in all continents.

General

The consolidated financial statements of the Company for the year ended 31 December 2022 comprise the Company and its subsidiaries and joint ventures (together referred to as the “Group”) and the Group’s interest in associates. The financial statements consist of the income statement, other comprehensive income, balance sheet, cash flow statement, consolidated statement of changes in equity and notes to the accounts.

The financial statements were authorized for issue by the Board of Directors on 23 February 2023 and will be presented for final approval at the Annual General Meeting on 27 April 2023. Until the final approval by the general meeting, the board can authorize changes to the financial statements.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, and the additional disclosure requirements of the Norwegian accounting act as at 31 December 2022.

Basis of preparation

The financial statements are presented in million NOK, rounded to the nearest one hundred thousand.

The financial statements are prepared based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss.
- Defined benefit obligation recognized as the net total of the plan assets and the present value of the defined benefit obligation.
- Financial liabilities recognized due to anticipated acquisitions at the present value of the expected redemption amount.

The financial statements are prepared on a going concern basis.

The accounting policies have been applied consistently by each Group entity to all periods presented in these consolidated financial statements.

Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The area that is most influenced by estimates and management judgement is the annual impairment test of goodwill. Reference is made to note 7 for additional information.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations were not effective for the year ended 31 December 2022 and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 12 Income Taxes

TOMRA is considering the effects of the future adoption of these standards. The current assessment is that TOMRA does not expect any material effects on the financial statements from the new standards.

Consolidated companies

The consolidated accounts include the parent company TOMRA Systems ASA and companies in which the parent company has control. Refer to note 23 Composition of the Group.

Climate Risk

In preparing the financial statements, the Directors have considered the impact of climate change. There has been no material impact identified on the going concern assessment and viability of the Group and the financial reporting judgements and estimates. Whilst there is currently no medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group’s financial statements.



NOTES

NOTE 1 SEGMENT INFORMATION

TOMRA has three operating segments; TOMRA Collection, TOMRA Recycling and TOMRA Food reporting to the Chief operating decision maker which is the CEO.

TOMRA Collection:
Reverse Vending is a provider of Reverse Vending Machines (RVMs) and related data management systems.
Material Recovery is a provider of pick-up, transportation and processing services of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. In addition the segment generates commodity revenues from the sale of collected materials.

Reverse vending and Material recovery are separate activities within the operating segment TOMRA Collection. The reporting to the chief operating decision maker is at the level of TOMRA Collection.

TOMRA Recycling is a provider of advanced optical sorting systems to the Recycling industry.
TOMRA Food is a provider of advanced optical sorting systems to the Food industry.
Group Functions consists of corporate functions at TOMRA Group.

Segment information	2022				TOTAL
Amounts in NOK million	Collection	Recycling	Food	Group functions	
Northern Europe	926.6	89.9	60.5		1,077.0
Rest of Europe ¹⁾	2,530.8	1,342.5	854.5		4,727.8
North America ²⁾	1,944.0	360.4	1,482.5		3,786.9
South America	8.7	54.4	279.5		342.6
Asia	101.9	317.9	369.2		789.0
Oceania	679.8	85.0	441.3		1,206.1
Africa	0.0	125.9	132.7		258.6
Operating revenues ³⁾	6,191.8	2,376.0	3,620.2	0.0	12,188.0
Depreciation and impairment	519.9	84.4	131.6		735.9
Other operating expenses ⁴⁾	4,725.9	1,798.5	3,144.5	158.1	9,827.0
EBITA	946.0	493.1	344.1	(158.1)	1,625.1
- in %	15 %	21 %	10 %		13 %
Amortizations	89.5	21.4	64.3		175.2
EBIT (operating profit)	856.5	471.7	279.9	(158.1)	1,449.9
- in %	14 %	20 %	8 %		12 %
Assets ⁵⁾	5,885.9	3,395.4	3,554.3	1,096.7	13,932.3
Liabilities	2,411.2	693.9	1,424.5	2,830.9	7,360.5
Investments in joint ventures and associates	76.1	-	-	-	76.1
Share of profit of joint ventures and associates	46.7	-	-	-	46.7
Investments	568.7	104.9	157.8	-	831.4

NOTE 1 SEGMENT INFORMATION CONT.

Segment information	2021				TOTAL
Amounts in NOK million	Collection	Recycling	Food	Group functions	
Northern Europe	802.6	23.5	41.4		867.5
Rest of Europe ¹⁾	2,616.0	1,127.5	869.7		4,613.2
North America ²⁾	1,671.7	249.3	1,108.1		3,029.1
South America	1.1	31.4	260.6		293.1
Asia	31.6	289.8	352.0		673.4
Oceania	614.9	72.8	479.7		1,167.4
Africa	-	86.6	178.4		265.0
Operating revenues ³⁾	5,737.9	1,880.9	3,289.9	0.0	10,908.7
Depreciation and impairment	448.6	75.3	114.1		638.0
Other operating expenses ⁴⁾	4,172.2	1,391.5	2,815.7	122.0	8,501.4
EBITA	1,117.1	414.1	360.1	(122.0)	1,769.3
- in %	19 %	22 %	11 %		16 %
Amortizations	109.4	16.2	91.2		216.8
EBIT (operating profit)	1,007.7	397.9	268.9	(122.0)	1,552.5
- in %	18 %	21 %	8 %		14 %
Assets ⁵⁾	4,804.7	2,939.1	2,971.0	874.1	11,588.9
Liabilities	2,075.6	558.1	1,216.4	1,574.6	5,424.7
Investments in joint ventures and associates	29.8	-	-	-	29.8
Share of profit of joint ventures and associates	65.3	-	-	-	65.3
Investments	421.7	88.0	118.0	-	627.7

1) Includes revenues from Germany of NOK 1,869 million in 2022 (NOK 1,966 million in 2021). The Group has no customers which individually contribute 10% or more of the Group's revenues.

2) Includes revenues from USA of NOK 3,244 million in 2022 (NOK 2,574 million in 2021).

3) There is no material segment revenue from transactions between the business areas.

4) There are no significant non-cash expenses.

5) NOK 1,120 million of the assets was located in Norway in 2022 (NOK 1,419 million in 2021). Assets and liabilities are distributed to the different reporting segments. Cash, tax positions, and interest-bearing debt (not including IFRS 16 lease liabilities) are allocated to Group Functions.

NOTE 2 REVENUES

Accounting principle

Revenue is measured based on the consideration specified in the contract with a customer. TOMRA Group recognizes revenue when it transfers control over a product or service to a customer.

The Group comprises four revenue streams and operates on all continents. Payment terms differ both between and within the business streams as well as geographically, and include prepayments, progress payments and credit payments (normally not longer than 90 days).

TOMRA Collection principally generates revenue from the sale or lease of Reverse Vending Machines (RVMs) including installation and sale of service on the RVMs. TOMRA Food and TOMRA Recycling principally generate revenue from sale and installation of sorters and sale of service on the sorters.

Sales and installation of RVMs and Sorters

Sale of the machine and service may be sold separately or in bundled packages. If the sale of the machine, freight, installation, and service are sold as one contract, the transaction price is allocated to the performance obligation sale of the machine, incl freight and installation. The sale of the service contract is considered a separate performance obligation and the consideration is allocated based on their stand-alone selling prices. Any discounts are allocated between the different performance obligations if they are not specified in the contract.

For the sale and installation of RVMs and Sorters, revenue is recognized when the customer obtains control over the goods. TOMRA’s assessment is that the customer obtains control over the RVM/Sorter when it is delivered, and revenue is recognized at that point in time.

For some Recycling and Food projects machines are built to a specific customer order or built only for one specific customer to use. These machines have no alternative use for TOMRA and there is an enforceable right to payment (incl. mark-up) for performance completed to date. The revenue is recognized over time as the performance obligation is satisfied. TOMRA uses an input method by measuring the value to the customer transferred to date. The progress is assessed by reference to work performed and cost incurred relative to expected total production costs.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit and loss.

Rendering of service

TOMRA sells both ad-hoc service and service contracts. For ad-hoc service, revenue is recognized at a point in time when the service is performed. For service contracts, revenue is recognized over the contract period, since it is considered a performance obligation satisfied over time where the customer simultaneously receives and consumes the benefits.

Lease revenues

Leases where TOMRA Group is a lessor are classified as either financial or operational lease.

Lease contracts where TOMRA Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Rental income is then recognized as revenue on a straight-line basis over the lease term or another systematic basis in the Income statement. For throughput leases, revenue is recognized based on actual throughput every month.

Lease contracts where substantially all the risks and rewards are transferred are classified as financial lease. Revenue is then recognized at a point in time when the customer obtains control of the goods along with the accompanying receivable. The cost of the RVM/sorter is then derecognized from inventory and recognized as Costs of goods sold.

Loss on lease contracts is assessed in the same way as trade receivables.

Material recovery

Revenue from material recovery consists of pick-up, transportation and processing of empty beverage containers on the East Coast of the United States and in Canada. Revenue recognized from processing and handling is based on the number of containers collected and processed.

Commodity revenues consist of the sale of collected materials including alumina, plastic, and glass. Commodity revenues are recognized when the materials are sold, and the customer obtains control over the goods.

Financing component

Very few contracts are sold with payments terms exceeding one year, and the finance component of these contracts is considered immaterial.

TOMRA has no other material obligations for returns, refunds or similar.

NOTE 2 REVENUES CONT.

Disaggregated revenues Amounts in NOK million	2022			TOTAL
	Collection	Recycling	Food	
Sale of RVMs / Sorters	2,439.2	1,931.3	2,721.1	7,091.6
Service	1,335.5	419.8	846.4	2,601.7
Throughput revenues and lease of RVMs / Sorters	1,225.5	24.9	52.7	1,303.1
Material Recovery	1,191.6	-	-	1,191.6
Operating revenues	6,191.8	2,376.0	3,620.2	12,188.0

Disaggregated revenues Amounts in NOK million	2021			TOTAL
	Collection	Recycling	Food	
Sale of RVMs / Sorters	2,388.7	1,511.7	2,515.4	6,415.8
Service	1,270.2	334.4	717.9	2,322.5
Throughput revenues and lease of RVMs / Sorters	1,051.9	34.8	56.6	1,143.3
Material Recovery	1,027.1	-	-	1,027.1
Operating revenues	5,737.9	1,880.9	3,289.9	10,908.7

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Amounts in NOK million	2022	2021
Receivables from sales/contracts, included in receivables	2,548.3	1,960.3
Contract assets	113.4	38.2
Contract liabilities	819.2	577.1

Contract assets are limited and refer mainly to sorting equipment developed and manufactured to order with revenue recognition over time in accordance with the percentage of completion method. The balance shows the Group’s right to consideration for work completed but not invoiced at the reporting date. The opening balance is normally transferred to receivables during the year and contract assets are increased by new contracts.

The contract liabilities primarily relate to the advance consideration received from customers for service contracts and sale of sorters where prepayments up front is common practice. The opening balance is normally transferred to revenues during the year and contract liabilities is increased by new advances from customers.

Transaction price allocated to the remaining performance obligations

The following table includes revenues expected to be recognized in the future related to performance obligations that are not satisfied at the reporting date.

Amounts in NOK million	2023	2024	2025	Total
Revenues from sale of Sorters	1,471.2	159.2	119.9	1,750.3

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTE 3 INVENTORY/RAW MATERIALS AND CONSUMABLES USED

Accounting principle
Inventory

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and consumables used Amounts in NOK million	2022	2021
Raw materials and consumables used, gross	5,542.5	4,734.8
Change in inventory	(486.3)	(391.0)
Total raw materials and consumables used, net	5,056.2	4,343.8

Cost of goods sold includes adjustment of inventory obsolescence of NOK 41.9 million (2021: NOK-4.3 million).

Inventory Amounts in NOK million	2022	2021
Raw materials	911.9	621.0
Commodities	1.6	1.6
Work in progress	100.9	61.1
Finished goods	636.4	431.0
Spare parts	718.9	768.7
Total inventory	2,369.7	1,883.4

Inventories are not subject to retention of title clauses.

NOTE 4 EMPLOYEE BENEFITS EXPENSES / REMUNERATION OF EXECUTIVE MANAGEMENT AND THE BOARD / AUDITOR'S REMUNERATION

Accounting principle

Salaries and other personnel expenses represent expenses associated with the remuneration of personnel employed by the Group.

Employee benefits expenses Amounts in NOK million	2022	2021
Salaries	3,059.2	2,664.3
Social security tax	372.6	332.0
Pension- Defined benefit plan	17.5	10.5
Pension- Defined contribution plan	87.8	91.1
Other labor cost ¹⁾	307.4	278.1
Total employee benefits expenses	3,844.5	3,376.0
Number of man-years	4,898	4,401

1) Other labor cost mainly consist of social expenses, meetings, training, recruiting and similar.

NOTE 4 EMPLOYEE BENEFITS EXPENSES / REMUNERATION OF EXECUTIVE MANAGEMENT AND THE BOARD / AUDITOR'S REMUNERATION CONT.

Executive Leadership remuneration and Board of Directors compensation

Amounts in NOK million	CEO ¹⁾		Other members of the Executive Leadership Team		Total	
	2022	2021	2022	2021	2022	2021
Salary	4,843	7,839	18,448	15,051	23,291	22,890
Variable salary	-	3,888	2,656	6,227	2,656	10,115
Pension Premiums	1,020	1,230	3,339	2,530	4,359	3,760
Other benefits	258	2,059	4,587	3,110	4,845	5,169
Total	6,121	15,016	29,030	26,918	35,151	41,934

1) Tove Anderson replaced Stefan Ranstrand as CEO 16 August 2021. Remuneration for 2021 for CEO includes remuneration for both Tove Anderson and Stefan Ranstrand.

Amounts in NOK million	2022	2021
Fees to Board of Directors	4,110	3,837

Further information on Remuneration to Executive Leadership and Board members is provided in the Remuneration report 2022, available on TOMRA's website (Annual General Meeting documentation).

Auditors' remuneration Amounts in NOK million	2022	2021
Statutory audit	16.0	12.2
Other attestation services	0.7	-
Tax consulting	9.9	6.9
Other services	3.5	0.9
Total	30.1	20.0

In 2022 TOMRA paid PwC NOK 9.1 million in audit fees, NOK 1.8 million in tax consulting and NOK 0.7 million for other services.

NOTE 5 FINANCIAL ITEMS

Accounting principle

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement.

Net financial items Amounts in NOK million	2022	2021
Interest income	14.8	11.6
Total financial income	14.8	11.6
Interest expenses	34.4	18.5
Interest leasing contracts	38.9	34.8
Other financial expenses	22.1	17.4
Foreign exchange loss	14.7	35.2
Total financial expenses	110.1	105.8
Net financial items	(95.3)	(94.3)

NOTE 6 TAXES

Accounting principle

The tax charge in the income statement includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year’s activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative timing differences and losses carried forward under the liability method.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Tax expense Amounts in NOK million	2022		2021	
Taxes payable	399.7		385.8	
Tax effect of OCI items	15.7		(10.5)	
Net change in deferred taxes	(81.7)		15.7	
Tax expense	333.7		391.0	
Effective tax rate				
Taxes based upon Norwegian tax rates	308.3	22.0 %	335.2	22.0 %
Taxes based upon deviation between local and Norwegian tax rates	19.1	1.4 %	33.3	2.2 %
Tax effect from permanent differences	6.3	0.4 %	22.5	1.5 %
Actual tax expense	333.7	23.8 %	391.0	25.7 %

Deferred tax assets and liabilities

Deferred tax assets and liabilities are presented net of their respective tax effect using tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or taxes payable and consist of the following as of 31 December.

Amounts in NOK million	Inventory	Other current assets	Intangible non- current assets	Tangible non- current assets	Other	Total
Balance at 1 January 2022	157.1	48.6	(53.9)	(51.8)	95.5	195.5
Changes in deferred tax in the income statement	31.7	12.8	11.2	(15.7)	41.7	81.7
Changes in deferred tax related to items in OCI	-	-	-	-	-	0.0
Currency translation differences	2.3	5.6	(3.3)	(7.4)	4.3	1.5
Balance at 31 December 2022	191.1	67.0	(46.0)	(74.9)	141.5	278.7
Balance at 1 January 2021	166.1	53.2	(61.2)	(39.6)	95.6	214.0
Changes in deferred tax in the income statement	(8.0)	(5.9)	8.0	(10.2)	0.5	(15.7)
Changes in deferred tax related to items in OCI	-	-	-	-	-	0.0
Currency translation differences	(1.0)	1.4	(0.7)	(2.0)	(0.6)	(2.8)
Balance at 31 December 2021	157.1	48.7	(53.9)	(51.8)	95.5	195.5
Of which presented as deferred tax assets 31 December 2022						347.1
Of which presented as deferred tax liability 31 December 2022						68.4
Of which presented as deferred tax assets 31 December 2021						242.6
Of which presented as deferred tax liability 31 December 2021						47.1

Negative and positive timing differences, which reverse or may reverse in the same period, are offset. Deferred taxes are calculated on the basis of timing differences and losses carried forward that are offset. Timing differences between different subsidiaries have not been offset. During the period that these differences reverse, the companies will have a taxable net income that is sufficient to realize the deferred tax allowance. The losses carried forward are all in countries where future taxable profits are expected.

NOTE 7 INTANGIBLE ASSETS

Accounting principle

Intangible assets are stated at cost less accumulated amortization and impairment losses.

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Development costs

Development costs comprise mainly salaries to engineers and parts utilized in development projects related to new sorters and reverse vending machines.

Other intangibles

Other intangibles comprises purchase price allocations from acquisitions (including customer relations, agent network and trademarks) and patents.

Software

Software consists of investments in ERP and CRM systems.

Intangible assets Amounts in NOK million	Goodwill	Development costs ¹⁾	Other	Software	Total
Cost					
Balance at 1 January 2022	3,157.9	880.8	704.2	731.9	5,474.8
Other acquisitions / internally developed	-	156.4	2.1	91.8	250.3
Disposals	-	(1.0)	(18.9)	(1.2)	(21.1)
Effect of movements in foreign exchange	160.1	5.7	48.4	26.7	240.9
Balance at 31 December 2022	3,318.0	1,041.9	735.8	849.2	5,944.9
Balance at 1 January 2021	3,219.9	790.1	791.8	618.2	5,420.0
Acquisitions through business combinations ²⁾	31.5	0.5	3.6	-	35.6
Other acquisitions / internally developed	-	103.1	16.5	110.1	229.7
Disposals	-	-	(94.3)	(2.4)	(96.7)
Effect of movements in foreign exchange	(93.5)	(12.9)	(13.4)	6.0	(113.8)
Balance at 31 December 2021	3,157.9	880.8	704.2	731.9	5,474.8
Amortization and impairment losses					
Balance at 1 January 2022	189.3	665.6	598.9	473.5	1,927.4
Amortization charge for the year ³⁾	-	58.9	38.8	77.4	175.1
Impairment losses	-	-	0.2	-	0.2
Disposals	-	(1.0)	(14.5)	(0.6)	(16.1)
Effect of movements in foreign exchange	13.4	(0.4)	40.5	19.5	73.0
Balance at 31 December 2022	202.7	723.1	663.9	569.8	2,159.5
Balance at 1 January 2021	185.6	613.8	645.0	390.1	1,834.5
Amortization charge for the year ³⁾	-	60.6	59.7	93.1	213.4
Impairment losses	-	-	3.0	-	3.0
Disposals	-	-	(95.4)	(0.1)	(95.5)
Effect of movements in foreign exchange	3.7	(8.7)	(13.5)	(9.6)	(28.1)
Balance at 31 December 2021	189.3	665.7	598.8	473.5	1,927.3
Depreciation rate ⁴⁾	0 %	14-33%	5-33%	10-33%	
Useful life	Indefinite	5-7 yrs	3-20 yrs	3-10 yrs	
Carrying amounts					
31 December 2022	3,115.3	318.8	71.9	279.4	3,785.4
31 December 2021	2,968.6	215.1	105.4	258.4	3,547.5

NOTE 7 INTANGIBLE ASSETS CONT.

- 1) Capitalized development costs comprises mainly salaries to engineers and parts utilized in development projects related to new sorters and reverse vending machines. The carrying amount at 31 December 2022 was NOK 111.5 million for TOMRA Food, NOK 31.3 million for TOMRA Recycling and NOK 175.9 million for TOMRA Collection.
- 2) Acquisition through business combinations in 2021 is mainly purchase of Tomra Collection France. The total consideration paid for the acquisition of Tomra Collection France is 450,000 EUR in addition to a possible earn-out of 1,750,000 EUR. The acquisitions are considered immaterial both separate and combined, and therefore no further information is given.
- 3) Amortization of intangible assets is included in the line item Ordinary depreciation, amortization and impairment in the profit and loss statement.
- 4) All depreciation plans are linear except for customer relations and technology from the purchase price allocation of BEST that have a declining depreciation profile.

Research and development expense

Research and development cost of NOK 464.4 million has been recognized as an expense (2021: NOK 412.0 million) and NOK 156.4 million has been capitalized (2021: NOK 103.6 million). The research and development cost consist of time and material consumed on R&D projects in addition to an estimated overhead. The Group has not received any material government grants related to R&D.

Impairment tests for cash-generating units containing goodwill

The following units have significant carrying amounts of goodwill (each area comprises several CGU, impairment tests are performed at CGU level):

Amounts in NOK million	2022	2021
TOMRA Collection	409.3	381.6
TOMRA Recycling	1,653.4	1,577.2
TOMRA Food		
- Processed Food	391.5	373.4
- Fresh Food	661.1	636.4
Total	3,115.3	2,968.6

TOMRA tests goodwill and other intangible assets with indefinite useful life annually or more frequently if there are impairment indicators. As of 31 December 2022, the Group had no intangible assets with indefinite useful life, other than goodwill. The recoverable amount of the cash-generating units (CGUs) is based on value in use calculations. These calculations use cash flow projections based on actual operating results (EBITA) and a five-year business plan including a residual value.

Significant assumptions

Based on an overall assessment, TOMRA has identified the following assumptions as most sensitive to the value in use calculations.

Growth rate

TOMRA has experienced significant growth for several years, and revenues have grown organically by on average 10 percent per year over the last 5 years, excluding acquisitions. In prediction of cash flows, management has utilized a conservative approach whereby the growth used in the impairment tests is significantly lower than those experienced historically and those that have been utilized in the strategic plan. The growth in the terminal year is set to be between 1.0 and 2.0 percent in the analysis.

Operating profit (EBITA)

The future operating profit is dependent on a number of factors, but primarily volumes/market growth, and operating expenses/cost of production. In the impairment tests, TOMRA has estimated EBITA based on management’s experience, expectations of future market development and the implemented cost saving initiatives.

Discount rates

The discount rates are based on the Weighted Average Cost of Capital (WACC) formula derived from the CAPM model. The WACC has been calculated individually for each CGU and rates of 7.7 percent to 8.7 percent after tax have been applied for the different CGUs.

Capital expenditure and capital employed

Capital employed is generally assumed to develop in line with revenues, and sales prices are in general assumed to be stable, following inflation. Capital expenditure is generally equal to depreciation and amortization in the calculation of terminal value as it is assumed depreciation and amortization equal capital expenditure in the long run.

The exchange rates used reflect the actual exchange rate at the balance sheet date.

NOTE 7 INTANGIBLE ASSETS CONT.

Below is a description of the different cash generating units and considerations around the impairment tests.

TOMRA Collection

Reverse Vending

The business stream comprises the development, production, sales and service of reverse vending machines and related data management systems in deposit markets mainly in Europa, USA and Australia. The main customer group is food retail chains. With a high market share and significant service business, the business stream represents a steady recurring cashflow, with limited risk, as TOMRA has been the global market leader in this business stream for more than 40 years. CGUs are identified on a country-by-country basis. Terminal growth rate is assumed to be 1.5 percent, and a WACC of 7.7 percent has been utilized.

Material Recovery

The business stream comprises the pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. The activity in the business stream mirrors the drinking consumption in the US deposit states, which is usually stable year over year. TOMRA is the market leader in this business stream in regions where it is present, and has been so for over 20 years. CGUs are identified on a country-by-country basis. Terminal growth rate is assumed to be 1.0 percent, and a WACC of 7.7 percent has been utilized.

TOMRA Food

The business area comprises the development, production, sale and service of sorting and processing technology for different customer segments.

In the Food division, the customers are the fresh and processed food industries. TOMRA is the global market leader in sorting mid-sized objects. With main customers being food producing companies, the cyclicality in the business stream is low, due to the global dependency on a steady stream of food. Recurring revenue is however low (as for all sorting entities), as the installed base is rather new (less replacement sales) and service only accounts for a smaller fraction of revenues. The business has however been growing for many years, and has significant untapped potential, as many sorting tasks are still performed manually and new technology enables sorting of fragments / sorting with a quality that previously was not possible.

TOMRA Food consist of two CGUs, one for Fresh Food and one for Processed Food. CGU’s for BBC and Compac have been merged for 2022 into CGU TOMRA Fresh Food as the two organizations are merging and products are converging.

A terminal growth of 2.0 percent and a WACC of 8.2 percent has been used for TOMRA Processed Food. For TOMRA Fresh Food a WACC of 8.7 percent has been applied and a terminal growth of 2.0 percent.

TOMRA Recycling

The business stream comprises the development, production, sale and service of sorting and processing technology for different customer segments in the recycling and ore sorting industry.

In the recycling segment, the customers are waste management companies or plant builders operating on behalf of them, where TOMRA provides sorting systems for waste and metal material streams. TOMRA is the global market leader in the business stream and has been so for more than 10 years. The positive momentum is expected to continue, fueled by consumer awareness, regulatory requirements, and sustainability commitments from the industry. The business stream experiences some cyclicality due to fluctuations in material prices.

In the ore sorting segment, the customers are mining companies, where TOMRA provides ore sorting systems. Current penetration in the ore sorting industry is more limited, but with significant potential, as the acceptance of optical sorting solutions is increasing within the industry.

TOMRA Recycling consist of one CGU. A terminal growth of 2.0 percent and a WACC of 8.2 percent has been applied for TOMRA Recycling.

Sensitivity analysis

In connection with the impairment testing of CGU’s containing goodwill, a sensitivity analysis has been performed. A reasonably possible change in key assumptions on which management has based its determination of the unit’s recoverable amount would not cause the unit’s carrying amount to exceed its recoverable amount.

Neither an interest rate increase of 2 percentage points, nor a reduction in forecasted cashflow of 10 percent would trigger a write-down of goodwill.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Accounting principle

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment Amounts in NOK million	Land & Buildings ¹⁾	Machinery & Fixtures	Vehicles	Leasing Equipment	Total
Cost					
Balance at 1 January 2022	520.4	1,319.5	252.5	1,175.2	3,267.6
Other acquisitions	55.8	225.7	18.1	269.2	568.8
Disposals ²⁾	(2.6)	(80.2)	(5.5)	(79.9)	(168.2)
Effect of movements in foreign exchange	35.0	88.7	28.4	117.7	269.8
Balance at 31 December 2022	608.6	1,553.7	293.5	1,482.2	3,938.0
Balance at 1 January 2021	535.3	1,197.5	235.4	1,113.0	3,081.2
Other acquisitions	11.1	154.6	18.4	178.3	362.4
Disposals ²⁾	(14.3)	(19.8)	(5.2)	(105.6)	(144.9)
Effect of movements in foreign exchange	(11.7)	(12.8)	3.9	(10.5)	(31.1)
Balance at 31 December 2021	520.4	1,319.5	252.5	1,175.2	3,267.6
Depreciation and impairment losses					
Balance at 1 January 2022	262.4	813.5	155.0	782.3	2,013.2
Depreciation charge for the year	39.6	145.7	27.0	211.4	423.7
Write-down	-	-	-	0.2	0.2
Disposals ²⁾	(2.6)	(36.4)	(3.5)	(58.4)	(100.9)
Effect of movements in foreign exchange	18.6	58.0	18.3	68.0	162.9
Balance at 31 December 2022	318.0	980.8	196.8	1,003.6	2,499.2
Balance at 1 January 2021	237.4	691.6	131.1	684.0	1,744.1
Depreciation charge for the year	35.6	129.0	24.0	181.2	369.8
Write-down	-	0.3	-	-	0.3
Disposals ²⁾	(4.7)	(3.3)	(2.7)	(80.9)	(91.6)
Effect of movements in foreign exchange	(5.9)	(4.1)	2.7	(2.0)	(9.4)
Balance at 31 December 2021	262.4	813.5	155.0	782.3	2,013.2
Depreciation rate ³⁾	2-4%	10-33%	15-33%	10-20%	
Useful life	25-50 yrs	3-10 yrs	3-7 yrs	5-10 yrs	
Carrying amounts					
31 December 2022	290.6	572.9	96.7	478.6	1,438.8
31 December 2021	258.0	506.0	97.5	392.9	1,254.4

1) Including land of NOK 38.9 million as of 31 December 2022.

2) Disposals includes machines either sold, scrapped or transferred to inventory.

3) All depreciation plans are linear.

Leasing equipment

The companies within TOMRA Group had 5,966 reverse vending machines and 223 sorters leased to customers at the end of 2022. The table below shows the minimum leasing income from today's lease portfolio. In addition to this income, TOMRA will receive income from material handling, service contracts etc.

Minimum lease income from operating leasing equipment	2022	2021
Less than 1 year	139.9	169.3
1-2 years	106.1	119.3
2-3 years	77.6	77.7
3-4 years	48.6	41.3
4-5 years	29.7	22.1
Over 5 years	7.0	8.7

Income from Collection Australia, Estonia and Lithuania is not included, since this is considered throughput revenues and not leasing of RVMs.

NOTE 9 LEASING

Accounting principle**Short-term leases and leases of low-value assets**

TOMRA Group does not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. For identifying items of low value, USD 5,000 has been used as a starting point. Small items such as coffee machines, laptops and small items of office furniture have also been excluded. TOMRA Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The TOMRA Group mainly leases properties, land and cars. Rental contracts are typically made for fixed periods of 1 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. For lease of vehicles TOMRA have used the practical expedient to not separate non-lease components like service of the vehicles from lease components.

The lease discounting rates are based on currency swap rates at year end for 3, 5, 7 and 10 years for all currencies. A credit spread of 0.25% is added for the 3 year swap rates, and an additional spread of 0.25% is added for each consecutive 2-year and 3-year period.

Right of use assets Amounts in NOK million	Land & Buildings	Vehicles	Machinery & fixtures	Total
Cost				
Balance at 1 January 2022	1,167.9	352.6	6.3	1,526.8
Additions during the year	403.6	175.0	-	578.6
Lease contracts terminated	(63.0)	(123.9)	(2.5)	(189.4)
Effect of movement in foreign exchange	66.7	28.0	0.3	95.0
Balance 31 December 2022	1,575.2	431.7	4.1	2,011.0
Balance at 1 January 2021	1,098.5	338.5	7.0	1,444.0
Additions during the year	126.9	94.5	0.5	221.9
Lease contracts terminated	(36.6)	(75.0)	(1.1)	(112.7)
Effect of movement in foreign exchange	(20.9)	(5.4)	(0.1)	(26.4)
Balance 31 December 2021	1,167.9	352.6	6.3	1,526.8
Depreciation and impairment losses				
Balance at 1 January 2022	410.8	169.0	4.1	583.9
Depreciation charge for the year	203.0	107.9	1.1	312.0
Lease contracts terminated	(47.4)	(106.6)	(2.5)	(156.5)
Effect of movement in foreign exchange	24.9	14.2	0.2	39.3
Balance 31 December 2022	591.3	184.5	2.9	778.7
Balance at 1 January 2021	272.2	134.7	3.6	410.5
Depreciation charge for the year	169.0	97.6	1.7	268.3
Lease contracts terminated	(25.7)	(60.9)	(1.1)	(87.7)
Effect of movement in foreign exchange	(4.7)	(2.4)	(0.1)	(7.2)
Balance 31 December 2021	410.8	169.0	4.1	583.9
Carrying amounts				
Balance 31 December 2022	983.9	247.2	1.2	1,232.3
Balance 31 December 2021	757.1	183.6	2.2	942.9

NOTE 9 LEASING CONT.

Lease liability Amounts in NOK million	2022	2021
Balance at 1 January	1,015.2	1,103.7
New lease contracts	566.3	221.9
Lease contracts terminated	(36.0)	(25.1)
Lease payments	(332.0)	(299.9)
Interest expense	38.9	34.8
Effect of movement in foreign exchange	44.6	(20.2)
Balance at 31 December	1,297.0	1,015.2

Maturity analysis Amounts in NOK million	2022	2021
Less than 6 months	129.0	119.3
6-12 months	157.9	147.5
1-2 years	232.2	178.0
2-3 years	189.9	124.2
3-4 years	159.3	95.1
4-5 years	114.2	78.1
Over 5 years	314.5	272.9
Total lease liabilities at 31 December	1,297.0	1,015.2

See note 19 for maturity analysis of undiscounted values of lease liability.
The Group has no material lease contract not yet commenced.

Amounts recognized in Income Statement Amounts in NOK million	2022	2021
Lease expenses		
Expenses relating to short-term leases	9.6	27.9
Expenses relating to leases of low-value assets	0.8	0.7
Other lease expenses	0.0	0.2
Depreciation of right-of-use assets	312.0	268.3
Interest expense on lease liabilities	38.9	34.8

Group as Lessor
See note 8 for more information about machines where TOMRA is a lessor.

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Accounting principle
When the Group’s share of losses equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.
An investment in a joint venture or an associate is impaired if circumstances exist which necessitate a lower valuation and which cannot be regarded as of a temporary nature.

Investments in joint ventures and associates	Ultr- PET	Tomra Cleanaway Pty Ltd.	Tomra Japan Ltd	Other	Total
Amounts in NOK million					
2022					
Book value 1 January 2022	-	24.9	-	4.9	29.8
Profit 2022	-	11.3	32.5	2.9	46.7
Capital infusion	-	-	-	3.0	3.0
Dividend	-	-	-	(4.7)	(4.7)
Currency translation difference	-	1.2	0.2	(0.1)	1.3
Book value 31 December 2022	0.0	37.4	32.7	6.0	76.1
2021					
Book value 1 January 2021	48.5	10.0	-	6.3	64.8
Profit 2021 ¹⁾	54.5	7.2	-	3.6	65.3
Sale of associates	(92.8)	-	-	-	(92.8)
Capital infusion	-	8.2	-	-	8.2
Dividend	(10.2)	-	-	(5.1)	(15.3)
Currency translation difference	-	(0.5)	-	0.1	(0.4)
Book value 31 December 2021	0.0	24.9	0.0	4.9	29.8
Equity at date of acquisition	41.0	-	-		
Country	USA	Australia	Japan		
Year of acquisition	1999	2017	2008		
Vote and share ownership	0%	50%	50%		

1) The profit in 2021 consist of profit from the sale of UltrPET of NOK 59.4 million and NOK 5.0 million in currency translation loss recorded in equity previous years.

Summary financial information for joint ventures and associates on 100% basis:

	Ultr- PET	Tomra Cleanaway Pty Ltd.	Tomra Japan Ltd.	Other	Total
Amounts in NOK million					
2022					
Assets	-	281.0	203.3	32.3	516.6
Liabilities	-	206.2	137.9	2.1	346.2
Equity	-	74.8	65.4	30.2	170.4
Revenues	-	1,376.7	186.2	53.7	1,616.6
Profit/(loss)	-	22.6	45.1	6.1	73.8
2021					
Assets	-	272.6	127.5	28.4	428.5
Liabilities	-	222.8	107.6	1.0	331.4
Equity	-	49.8	19.9	27.4	97.1
Revenues	209.5	1,245.1	141.6	52.9	1,649.1
Profit/(loss)	19.6	14.5	5.0	9.2	48.3

NOTE 11 LONG TERM RECEIVABLES

Accounting principle

Classification of receivables

Receivables with due dates more than one year after the balance date are reported as non-current assets.

Long term receivables Amounts in NOK million	2022	2021
Deposits	18.5	13.1
Financial lease ¹⁾	170.0	121.6
Loans to employees	1.5	1.6
Investment related to SERP ²⁾	126.3	125.3
Other long term receivables	54.5	54.1
Total receivables	370.8	315.7

1) Financial lease relates to machines (mainly RVMs in USA and Canada) leased to customers on financial lease contracts.

2) See note 17 for more information about the SERP (Supplemental Executive Retirement Plan).

NOTE 12 SHORT TERM RECEIVABLES

Short-term receivables Amounts in NOK million	2022	2021
Trade receivables from sales contracts, gross	2,635.7	2,042.3
Other trade receivables	209.0	189.4
Other short-term receivables	689.0	521.6
Provision for bad debt	(87.3)	(82.0)
Total receivables	3,446.4	2,671.3
Provision for bad debt per 1 January	82.0	77.7
Provisions made during the year	22.0	16.7
Provisions used during the year	(16.7)	(12.4)
Provision for bad debt per 31 December	87.3	82.0

Bad debt written-off and changes in provision for bad debt are reported as other operating expenses.

Trade receivables fall due: Amounts in NOK million	2022			
	Allowance in %	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Not due yet	0 %	2,161.9	6.9	2,155.0
1- 30 days	0 %	345.0	0.7	344.3
31- 60 days	2 %	97.3	2.0	95.3
61- 90 days	16 %	42.4	6.8	35.6
Older than 90 days	36 %	198.1	70.9	127.2
Total trade receivables	3 %	2,844.7	87.3	2,757.4

Trade receivables fall due: Amounts in NOK million	2021			
	Allowance in %	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Not due yet	0 %	1,654.6	4.7	1,649.9
0- 30 days	1 %	284.0	1.5	282.5
31- 60 days	5 %	108.1	5.4	102.8
61- 90 days	14 %	22.9	3.3	19.6
Older than 90 days	41 %	162.1	67.1	95.0
Total trade receivables	4 %	2,231.7	82.0	2,149.7

TOMRA Group uses an allowance matrix taking into consideration historical provision, current and forward-looking estimates that reflect current and forecast credit conditions.

For further information about credit risk, see note 19.

NOTE 13 CASH AND CASH EQUIVALENTS

Accounting principle

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

Cash and cash equivalents Amounts in NOK million	2022	2021
Cash and cash equivalents ¹⁾	749.6	631.6
Cash and cash equivalents in the statement of cash flows	749.6	631.6

1) Includes restricted bank deposits totaling NOK 10.2 million (2021: NOK 7.1 million) for the Group.

TOMRA Systems ASA and its fully owned subsidiaries participate in an international multi-currency cash-pool, and zero-balancing cash pools for AUD, CAD, NZD, SGD, and USD. Subsidiaries deposit and withdraw funds through the cash pool agreements as an intra-group receivable/payable against TOMRA Systems ASA, and the transactions are classified as such in the financial statements.

NOTE 14 EQUITY / EARNINGS PER SHARE

Earnings per share	2022	2021 ¹⁾
Average number of shares ¹⁾	296,040,156	296,040,156
Average number of shares, adjusted for own shares	295,240,156	295,371,214
Average number of shares, adjusted for own shares, fully diluted	295,240,156	295,371,214
Majority equity 31 December (MNOK)	6,379.9	5,992.9
Equity per share (NOK)	21.61	20.29
Net profit attributable to the shareholders of the parent (MNOK)	1,028.8	1,091.5
Earnings per share	3.48	3.70
Earnings per share, fully diluted	3.48	3.70

1) A share split of 1:2 has been executed with effect from 27 May 2022. Following completion of the share split, the new number of issued underlying shares of TOMRA Systems ASA is 296,040,156, each with a par value of NOK 0.50 per share (was NOK 1.00 per share). The calculation of basic and diluted earnings per share for 2021 have been adjusted retrospectively.

Purchase of own shares

TOMRA was granted authority to acquire treasury shares at the annual general meeting 28 April 2022, limited to a total of 500,000 shares i.e. 1,000,000 shares after the split 27 May 2022. The buy back program of 531,432 own shares was initiated on 9 August and completed on 17 August 2022. The average value of the shares was NOK 240.73 and the total transaction value was NOK 127.9 million. Following the buy back program, TOMRA owns a total of 800,000 own shares, representing 0.27 % of TOMRA's share capital.

Dividends

After the balance sheet date the following dividends were proposed by the directors:

Amounts in NOK million	2022	2021
NOK 1.80 in ordinary dividend per qualifying share (2021: NOK 1.65 in ordinary dividend and NOK 1.35 in extraordinary dividend)	531.4	886.4

The dividend has not yet been provided for and there are no income tax consequences. The dividend for 2021 has been adjusted for the share split that was executed in May 2022.

NOTE 15 SHAREHOLDERS

The amounts shown are based upon information from Verdipapirsentralen (VPS) and IPREO.
On nominee accounts, information regarding beneficial ownership has been collected and presented where possible.

Largest shareholder registered at 31 December 2022		Number of shares	Ownership
1	Investment AB Latour	62,400,000	21.08 %
2	Folketrygdfondet	19,738,040	6.67 %
3	BlackRock	14,461,568	4.89 %
4	APG Asset Management	14,220,630	4.80 %
5	Candriam	12,265,935	4.14 %
6	Handelsbanken	9,534,039	3.22 %
7	Swedbank Robur Fonder	7,762,005	2.62 %
8	Vanguard	7,036,234	2.38 %
9	AllianceBernstein	6,306,358	2.13 %
10	Impax Asset Management	5,207,880	1.76 %
11	Nordea Investment Management	4,738,515	1.60 %
12	Storebrand Asset Management	3,629,671	1.23 %
13	DNB Asset Management	3,481,120	1.18 %
14	DNCA Finance	3,254,918	1.10 %
15	Templeton Investment Counsel	3,153,014	1.07 %
16	Danske Asset Management	3,039,419	1.03 %
17	Raiffeisen	3,026,943	1.02 %
18	NN Investment Partners	2,500,852	0.84 %
19	Alfred Berg Kapitalforvaltning	2,394,660	0.81 %
20	Credit Suisse Asset Management.	2,357,022	0.80 %
Total 20 largest shareholders		190,508,823	64.35 %
Other, shareholders		105,531,333	35.65 %
Total (12.287 shareholders)		296,040,156	100.00 %
Shares owned by Norwegian residents		46,475,153	15.70 %
Shares owned by others		249,565,003	84.30 %
Total		296,040,156	100.00 %

NOTE 16 SHARE BASED PAYMENTS

Share Purchase Program

In 2008 TOMRA established a share purchase program for permanent employees. In this program, TOMRA invites employees to buy shares in TOMRA at market price and receive one bonus share per five shares invested, provided the shares are kept for at least one year and the employee is still employed by TOMRA. The employee can buy shares up to a maximum of 30 percent of his/her gross salary. The share purchase program uses treasury shares acquired by TOMRA as authorized by the Annual General Meeting. The shares are purchased on the Oslo Stock Exchange.

	2022	2021
Number of shares purchased by employees	136,185	95,821
Share price (closing market share price, the day before the allotment date) ¹⁾	342.00	407.90
Share price (closing market share price, the day before the allotment date) ¹⁾		428.20
Number of bonus shares, distributed one year after investment	19,415	14,473
Total expenses recognized	4.3 million	9.2 million

1) The Share Purchase program was executed on 11 May 2022 with 136,185 shares and 19,415 bonus shares at price NOK 342.00. In 2021 the Share Purchase Program was executed in two rounds.

NOTE 17 PENSION AND PENSION OBLIGATIONS

Accounting principle

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. TOMRA Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Pension expenses and liability

Amounts in NOK million

	2022	2021
Employee benefits expenses defined benefit plan	17.5	10.5
Employee benefits expenses defined contribution plan	87.8	91.1
Total employee benefits expenses	105.3	101.6
Norwegian plans	(1.6)	8.7
US plans	-	-
Belgium plans	6.0	(9.5)
Taxes	(1.0)	0.5
Net pension costs in Other Comprehensive Income	3.4	(0.3)
Norwegian plans	37.7	45.8
US plans	188.9	181.5
Belgium plans	9.3	6.6
Total Pension liability	235.9	233.9

The Metro-plan

Tomra North America Inc participates in a multi-employer pension plan, the "Metro-plan". The plan is a Defined Benefit plan (DB) under IAS 19. As there was limited financial information available for the plan, TOMRA applied Defined Contribution plan (DC) accounting for the plan up until 31 December 2012. The Metro plan comprises 44 TOMRA employees. In 2013 the Metro-plan was restructured, and the fund provided TOMRA with information about TOMRA's net liabilities under the plan. TOMRA entered into an agreement with the fund to settle the underfunding in the plan through annual payments of USD 0.2 million per year over 25 years period. Consequently, a net pension liability of USD 3.5 million (net present value) was recognized in other comprehensive income as a change in estimate in 2013. The agreement with the fund also included a re-entry into the restructured DB-plan based on direct attribution, where TOMRA is responsible for funding of liabilities directly attributable to TOMRA employees only. The premium paid under this plan was USD 221,904 in 2021 and USD 235,252 in 2022. In December 2021, TOMRA entered into a similar direct attribution plan for 13 participants in Massachussets. The premium paid under this plan in 2022 was USD 53,485.

SERP

Tomra North America Inc offers in addition to a regular 401 (k) plan, a non-qualified, defined contribution, Supplemental Executive Retirement Plan (SERP) for selected executives only. The company's contribution to this Plan is contingent on the

eligible executive also making a minimum elective contribution to the Plan, and is limited up to certain thresholds. The SERP is fully financed with corporate-owned life insurance and comprises 21 executives. The plan is reflected gross in the balance sheet, with 126.3 MNOK recorded as long term receivables (ref disclosure note 11), and a corresponding figure under pension liabilities.

Norway

TOMRA has one defined benefit plan which is structured as a retirement net agreement in that it guarantees a supplement to the State benefits. There have not been any agreements for compensation of reductions in State benefits. The plan gives a right to defined future benefits (defined benefit plan). The benefit is mainly dependent upon years within the plan, salary at date of retirement and compensation from the State. The obligations are covered through Storebrand insurance company. The plan should ensure that the employees would get a pension of about 65 percent of salary, if they had full contribution time, limited upwards to 12G. The plan was closed in 2007, and all new employees after that have been included in the defined contribution plan. The plan included 65 employees and 65 retirees at year-end 2022. TOMRA's best estimate of contributions expected to be paid into the plan for 2023 is NOK 14.0 million.

NOTE 18 INTEREST BEARING LIABILITIES

Accounting principle

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis.

Interest bearing liabilities

Amounts in NOK million	2022	2021
Non-current liabilities		
Bonds long term ¹⁾	1,600.0	600.0
Unsecured bank loans ²⁾	573.5	3.7
Total non-current interest-bearing liabilities	2,173.5	603.7
Current liabilities		
Bonds short term ¹⁾	-	400.0
Total current interest-bearing liabilities	0.0	400.0

1) TOMRA has a NOK 600 million senior unsecured bond, with a coupon of 3 months NIBOR + 0,75 % that matures in November 2024. In November 2022 TOMRA issued two new green bonds, one tranche of NOK 500 million with 3 months NIBOR + 1,42 % that matures in November 2025, and a second tranche of NOK 500 million with 3 months NIBOR + 1,67 % that matures in November 2027. The bonds meet the requirements set by Nordic Trustee and are listed on the Oslo Stock Exchange. The loans have floating interest and negative pledge commitments.

2) TOMRA Systems ASA has an EUR 150 million revolving credit facility established in December 2020 with tenor 3+1+1 years. The facility was extended with two years and final maturity is December 2025. NOK 567 million was drawn on as of 31 December 2022. Optional Currencies are NOK, EUR, USD and GBP. Interest is payable at a rate of IBOR and a margin for loans in NOK and EUR. For loans in USD interest is payable at a rate of SOFR, a credit adjustment spread and a margin, and for loans in GBP interest is payable at a rate of SONIA, a credit adjustment spread and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. TOMRA is in compliance with the covenants as of 31 December 2022.

For further information about interest bearing liabilities related to leases, see note 9.

Reconciliation of changes in liabilities arising from financing activities

Amounts in NOK million	Interest-bearing liabilities	Lease liabilities	Total
Liabilities 31 December 2021	1,003.7	1,015.2	2,018.9
Net change in revolving credit facility	567.0		567.0
Proceeds from issuance of long term debt	1,030.7		1,030.7
Net repayment of short-term loans	(403.0)		(403.0)
Installments on lease liabilities		(293.1)	(293.1)
Lease interest		(38.9)	(38.9)
Interest paid	(34.4)		(34.4)
Transactions with cash effect	1,160.3	(332.0)	828.3
Exchange rate fluctuations	2.8	44.6	47.4
New lease contracts		566.3	566.3
Lease contracts terminated		(36.0)	(36.0)
Other transactions without cash effect	(27.7)		(27.7)
Lease interest		38.9	38.9
Interest accrued	34.4		34.4
Transactions without cash effect	9.5	613.8	623.3
Liabilities 31 December 2022	2,173.5	1,297.0	3,470.5
Total liabilities consist of:			
Interest-bearing liabilities non-current	2,173.5		
Interest-bearing liabilities current	-		
Long-term lease liabilities		1,010.1	
Short-term lease liabilities		286.9	
Total liabilities 31 December 2022	2,173.5	1,297.0	

NOTE 18 INTEREST BEARING LIABILITIES CONT.

Amounts in NOK million	Interest-bearing liabilities	Lease liabilities	Total
Liabilities 31 December 2020	1,414.1	1,103.7	
Repayment of long-term loans	(1,895.5)		(1,895.5)
Proceeds from issuance of long term debt	1,485.2		1,485.2
Net repayment of short-term loans	(79.7)		(79.7)
Installments on lease liabilities		(265.1)	(265.1)
Lease interest		(34.8)	(34.8)
Interest expensed	(18.4)		(18.4)
Transactions with cash effect	(508.4)	(299.9)	(808.3)
Exchange rate fluctuations	1.5	(20.2)	(18.7)
New lease contracts		221.9	221.9
Lease contracts terminated		(25.1)	(25.1)
Other transactions without cash effect	78.1		78.1
Lease interest		34.8	34.8
Interest expensed	18.4		18.4
Transactions without cash effect	98.0	211.4	(309.5)
Liabilities 31 December 2021	1,003.7	1,015.2	2,018.9
Total liabilities consist of:			
Interest-bearing liabilities non-current	603.7		
Interest-bearing liabilities current	400.0		
Long-term lease liabilities		748.4	
Short-term lease liabilities		266.8	
Total liabilities 31 December 2021	1,003.7	1,015.2	



NOTE 19 FINANCIAL INSTRUMENTS

Financial risk

TOMRA Group operates globally and is exposed to financial risks such as foreign currency risk, interest rate risk, credit risk, and liquidity risk. Responsibility for managing financial risk in TOMRA Group is split between the business divisions which manage risk related to business processes, and Group Treasury department and Group CFO which manage risk related to funding, cash management and financial risk management.

Overview of financial assets and liabilities - carrying and fair values:

For amortized cost assets and liabilities carrying value are assumed to be a reasonable approximation to fair value. Fair value of the derivative financial instruments are based on level 2 inputs according to the fair value hierarchy in IFRS 13.

Financial assets - carrying and fair values	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Amounts in NOK million				
Meassured at amortized cost:				
Long-term receivables	370.8	370.8	315.7	315.7
Receivables	2,757.4	2,757.4	2,149.7	2,149.7
Cash and cash equivalents	749.6	749.6	631.6	631.6
Measured at Fair Value through Profit and Loss:				
Forward exchange contracts	1.9	1.9	20.5	20.5
Measured at Fair Value through OCI:				
Cross Currency Interest Rate Swaps ¹⁾	0.0	0.0	9.6	10.1
Total	3,879.7	3,879.7	3,127.1	3,127.6

1) The swaps are designated as hedge instrument of net investment in European subsidiaries

Financial liabilities - carrying and fair values	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Amounts in NOK million				
Meassured at amortized cost:				
Payables	656.8	656.8	644.2	644.2
Other current liabilities	77.3	77.3	97.6	97.6
Lease liabilities	1,297.0	1,297.0	1,015.2	1,015.2
Other non-current liabilities	301.6	301.6	279.1	279.1
Senior unsecured bonds	1,600.0	1,600.0	1,000.0	1,000.0
Unsecured bank facilities	573.5	573.5	3.7	3.7
Measured at Fair Value through Profit and Loss:				
Forward exchange contracts	1.8	1.8	13.5	13.5
Measured at Fair Value through OCI:				
Cross Currency Interest Rate Swaps ¹⁾	66.9	47.7	0.0	0.0
Total	4,574.9	4,555.7	3,053.3	3,053.3

1) The swaps are designated as hedge instrument of net investment in European subsidiaries

Foreign currency risk

Transaction risk and translation risk from monetary items

Foreign currency risk arises from transactions denominated in foreign currencies and net investment in foreign operations. TOMRA Group is exposed to changes in the value of NOK relative to other currencies, as NOK is the presentation currency of the Group. With most transactions being in foreign currencies, predominantly EUR and USD, a strengthening of NOK will lead to reduced earnings for the Group when measured in NOK. In accordance with the financial strategy, TOMRA Group can hedge balance sheet items and expected future net cash flow up to 12 months. In addition to derivatives that are designated and qualify for hedge accounting, the Group also holds certain derivatives as economic hedges. TOMRA primarily uses forward contracts as economic hedges to hedge future cash flow and balance sheet items. Some entities also have derivatives that is held for the purpose of hedging future sales and purchase transactions, but the volume of these derivatives is limited. Net foreign exchange gains and losses in the financial statements are most sensitive to changes in the NOK/USD exchange rate, where a strengthening of NOK of 5% would decrease reported profit after tax with approximately NOK 18 million. Changes of 5% in other exchange rates would only have immaterial effects on profit after tax.

Fair value of the forward exchange contracts are disclosed in the table above, and information about net recognised foreign exchange gains and losses is disclosed in note 5.

NOTE 19 FINANCIAL INSTRUMENTS CONT.

Derivative instruments designated as net investment hedging

TOMRA Group has foreign subsidiaries. When translating net asset and goodwill related to these entities from the entities functional currency to NOK, changes in the FX rate creates equity volatility in the consolidated financial statemens. TOMRA has decided to reduce some of the volatility that is generated from subsidiaries in the EUR zone, by entering into EUR/NOK Cross Currency Interest Rate Swaps (CCIRS). TOMRA has designated these CCIRS contracts as hedging instruments in a net investment hedge. The changes in fair value of the hedging instrument is expected to be highly effective in reducing in equity volatility caused by currency translation of foreign subsidiaries with EUR as functional currency. Since both the NOK and EUR interest legs in the CCIRS contracts have a floating interest, changes in fair value of the derivatives caused by interest rate movements will be limited. The effective portion of changes in fair value of the hedging instrument are recognized in other comprehensive income, while the ineffective portion is recognized immediately in the income statement. Gains and losses previously recognized in other comprehensive income are reclassified to the income statement on the disposal, or partly disposal, of the foreign operation.

During 2022 one of the CCIRS previously designated as hedging instruments expired, and two new CCIRS contracts were entered into and designated as hedging instruments.

Outstanding cross currency interest rate swaps

Amount forward (sold) / bought (in millions)	2022		
	Notional amount EUR millions	Exchange rate	Due date
EUR/NOK	(59.4)	10.095	2024
EUR/NOK	(48.6)	10.293	2025
EUR/NOK	(48.7)	10.267	2027

Amount forward (sold) / bought (in millions)	2021		
	Notional amount EUR millions	Exchange rate	Due date
EUR/NOK	(39.7)	10.085	2022
EUR/NOK	(59.4)	10.095	2024

TOMRA received NOK 28.9 million (2021: NOK 10.8 million) in interest from cross currency interest rate swaps, and paid an interest in EUR equaling NOK 9.4million (2021: NOK 1.2 million).

Movement in the Group's hedging reserves

Amounts in NOK million	2022		
	Fair value derivative	Deferred tax	Hedging reserve
Opening balance 2022	9.6	(2.1)	7.5
Change in fair value effective portion	(76.5)	16.8	(59.7)
Closing balance 2022	(66.9)	14.7	(52.2)

Amounts in NOK million	2021		
	Fair value derivative	Deferred tax	Hedging reserve
Opening balance 2022	(34.8)	7.7	(27.1)
Change in fair value effective portion	44.4	(9.8)	34.6
Closing balance 2021	9.6	(2.1)	7.5

NOTE 19 FINANCIAL INSTRUMENTS CONT.

Interest rate risk

TOMRA Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to primarily follow a floating interest strategy. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in NOK and some in EUR.

The reference rate for the bond loans are three months NIBOR, while the reference rate for the revolving credit facility depends on which currencies and durations are utilized (optional currencies are NOK, EUR, USD and GBP). In addition the interest rate on the revolving credit facility is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. As of 31 December 2022 a NOK equivalent of 567 million was drawn of which 33 million in EUR and 220 million in NOK.

A change in the interest rate of 100 basis points, calculated on the loan amount as per 31 December 2022, increases annual financial costs by NOK 21.7 million or decreases annual financial costs by NOK 21.7 million.

Credit risk

TOMRA Group has limited exposure to credit risk relating to accounts receivable balances. The Group expensed NOK 3.6 million in bad debt in 2022 (NOK 11.6 million in 2021). TOMRA Group's customers include the largest retail chains in the world, as well as large scrap material processors and food producers, where outstanding receivables globally can be significant. In a situation where one of these systems collapses, TOMRA Group could be exposed. Credit risk also arises from derivative financial instruments and deposits with banks and financial institutions. However, counterparts are limited to financial institutions with high creditworthiness. The maximum exposure to credit risk at year-end equaled total receivables on the balance sheet plus any unrealized gain or loss on financial contracts. Reference is made to note 12 for loss allowance on accounts receivable.

Liquidity risk

Liquidity risk is the risk that TOMRA is not able to meet its payment obligations. This risk is managed centrally, but in close cooperation with affected subsidiaries. TOMRA initiates measures necessary to maintain a strong liquidity, and cash flow from operations is managed operationally at TOMRA Group level. The liquidity reserve, cash and unused credit lines, was NOK 2,059.7 million per 31 December 2022.

The debt profile as per 31 December 2022 is presented below (nominal values).

Amounts in NOK million 2022	Carrying amount	2023	2024	2025	2026	2027+
Unsecured bank facilities	573.5	567.0				6.5
Senior unsecured bonds	1,600.0		600.0	500.0		500.0
Lease liabilities ¹⁾	1,297.0	311.8	258.6	215.7	182.5	513.0
Other current liabilities	77.3	77.3				
Payables	656.8	656.8				
Total	4,204.6	1,612.9	858.6	715.7	182.5	1,019.5
Interest payments bonds and loans		89.7	79.0	50.0	25.9	23.0
Total including interest payments	4,204.6	1,702.6	937.6	765.7	208.4	1,042.5
Forward exchange contracts	1.8	1.8				
-Inflow		(3.0)				
-Outflow		0.4				
Cross Currency Interest Rate Swaps	66.9		24.9	10.8		12.0
-Inflow		(72.1)	(79.0)	(50.0)	(25.9)	(23.0)
-Outflow		51.0	54.8	40.4	23.4	21.6
Total including derivative financial instruments	4,273.3	1,680.7	938.3	766.8	205.9	1,053.1

Amounts in NOK million 2021	Carrying amount	2022	2023	2024	2025	2026+
Senior unsecured bonds	1,003.7	400.0		600.0		3.7
Lease liabilities ¹⁾	1,015.2	266.8	124.2	178.0	95.1	351.0
Other current liabilities	97.6	97.6				
Payables	644.2	644.2				
Total	2,760.7	1,408.6	124.2	778.0	95.1	354.7
Interest payments bonds and loans		21.1	24.1	25.9	0.0	0.0
Total including interest payments	2,760.7	1,429.7	148.3	803.9	95.1	354.7
Forward exchange contracts	13.5	13.5				
-Inflow		(3.6)				
-Outflow		0.8				
Cross Currency Interest Rate Swaps	(9.6)	(3.8)		(6.3)		
-Inflow		(21.1)	(24.1)	(25.9)		
-Outflow		4.3	16.2	19.9		
Total including derivative financial instruments	2,774.2	1,419.9	140.4	791.6	95.1	354.7

1) Carrying amount at discounted value, and future amount at undiscounted values for lease liability.

NOTE 20 OTHER LONG TERM LIABILITIES

Accounting principle**Options**

TOMRA owns 80 % of Tomra Collection Australia Pty Ltd (Australia), 57.5 % of Tomra Holding OÜ (Baltics), 60% of Tomra Collection Holding OÜ and 51% of Tomra Collection France. The minority owners in the respective companies hold rights to sell their shares to TOMRA (put options) and TOMRA holds the right to buy their shares (call options).

Options can be exercised from June 2022 til June 2023 for Tomra Collection Australia Pty Ltd, from 2024 for Tomra Holding OÜ (Baltics) and from 2025 for Tomra Collection Holding OÜ. For Tomra Collection France the put/call option can be exercised for the period up to one month after the commencement date of the DRS in France. The sales price is determined based upon the performance of the companies.

The anticipated acquisition method is used in presenting these subsidiaries and the respective obligation, even though still legally being non-controlling interests. Under this method, the interest subject to the option is deemed to have been acquired at the date of acquisition. Accordingly, the financial liability arising from the option is included in the consideration transferred. Under the anticipated acquisition method, the interests of the non-controlling shareholders that hold the options are derecognized when the financial liability is recognized. The financial liability is recognized at the present value of the expected redemption amount. Changes in the carrying amount of the liability will be recognized within equity. If the option expires unexercised, then the liability is derecognized and NCI are recognized, consistent with a decrease in ownership interests in a subsidiary while retaining control.

Other long-term liabilities**Amounts in NOK million**

	2022	2021
Put/call options	267.9	254.0
Make good accruals	48.0	27.5
Other	33.7	25.1
Total other long-term liabilities	349.6	306.6

Contingent liabilities**Guarantees**

TOMRA Group has guarantee liabilities of NOK 261.4 million (2021: NOK 275.3 million).

The guarantees are mainly TOMRA's guarantees towards guarantee institutions, where the guarantee institutions has issued guarantees toward TOMRA's business relations like customers and landlords for proper fulfillment of TOMRA's obligations.

Claims and litigations

The Group has normally some claims and litigations ongoing, as might be expected in a corporation of TOMRA's size and complexity. Most of the cases against TOMRA are assumed to be without merit or covered by insurance, and none of them are assumed to be material.

NOTE 21 PROVISIONS

Accounting principle
Warranty

RVMs and Sorters are normally sold with a warranty period between 12 and 24 months. Warranty is recognized as an expense and the liability is accrued for. A general provision has been made for future warranty costs based on previous year’s turnover in all Group companies.

Provisions			
Amounts in NOK million	Warranty	Other	Total
Balance at 1 January 2022	157.3	12.1	169.4
Provisions made during the year	106.7	5.5	112.2
Provisions used during the year	(38.9)	(0.7)	(39.6)
Provisions reversed during the year	(55.8)	(2.7)	(58.5)
Balance at 31 December 2022	169.3	14.2	183.5

Other provisions comprise mainly WEEE (Waste of Electrical and Electronic Equipment) provisions.

NOTE 22 OTHER CURRENT LIABILITIES

Accounting principle
Classification of liabilities

Liabilities with due date within one year from the balance date are classified as current liabilities.

Other current liabilities		
Amounts in NOK million	2022	2021
Salary, bonus, tax deductions, social security taxes	604.6	555.3
Goods received, not invoiced	107.7	110.4
Accrued commisions	109.4	81.3
VAT & sales tax	86.5	98.5
Accrued expenses	351.8	267.1
Other non-interest bearing debt	77.3	97.6
Total other current liabilities	1,337.3	1,210.2

NOTE 23 COMPOSITION OF THE GROUP

The Group’s consolidated amounts comprise the following units:

TOMRA Systems ASA

Subsidiaries

Europe

Tomra Europe AS (NO)
Tomra Butikksystemer AS (NO)
Tomra Systems AB (SE)
OY Tomra AB (FI)
Tomra Systems AS (DK)
Tomra Holding OÜ (EE)
Tomra Service OÜ (EE)
Tomra Systems UAB (LT)
Tomra Collection Holding OÜ (EE)
Tomra Collection Latvia SIA (LV)
Tomra Systems BV (NL)
Tomra Systems GmbH (DE)
Retail Services GmbH (DE)
Tomra Leergutssysteme GmbH (AT)
Tomra Systems SAS (FR)
Tomra Systems NV (BE)
Tomra Collection Ltd. (UK)
Tomra Production AS (NO)
Tomra Collection Slovakia s.r.o. (SK)
Tomra Collection France (FR)
Tomra Collection Romania s.r.l. (RO)
Tomra Collection Portugal, Unipessoal LDA (PT)
Tomra Sorting AS (NO)
Tomra Sorting GmbH (DE)
Tomra Sorting S.L. (ES)
Tomra Sorting Ltd. (UK)
Tomra Sorting Sp. Z.o.o. (PL)
Tomra Sorting S.a.r.l. (FR)
Tomra Sorting SRO (SK)
Tomra Sorting Ltd (IE)
Tomra Sorting SRL (IT)
Odenberg Engineering BV (NL)
Tomra Sorting NV (BE)
Tomra Sorting BV (NL)
Best Vastgoed (NL)
Belgian Sorting Turkey Mak. San. Tic. A.S. (TR)
Tomra Sorting Greece Single Member private Company IKE (GR)
Compac Sorting Eq. Europe (UK)
BBC Technologies BV (NL)
Tomra Collection Bulgaria EOOD (BG)
Tomra Collection d.o.o. Beograd (RS)
Tomra Collection Hungary Kft. (HU)
Tomra Feedstock GmbH (DE)
Tomra Collection Poland Sp.zo.o (PL)
Tomra Collection Turkey Mak. Teknoloji San. ve Tic. A.S. (TR)
Tomra Collection Ireland Ltd (IE)
Tomra Food (Valencia) SL (ES)

North-America

Tomra of North America Inc. (DE)
Tomra of North America Finance Company LLC (DE)
Tomra Metro LLC (CT)
Western NY Bottle & Can Retrieval Center LLC (NY)
Upstate NY Bottle & Can Retrieval Center LLC (NY)
Farmington Redemption LLC (NY)
Tomra Canada Inc. (CA)
Returnable Services LLC (DE)

Tomra Commercial Software Solutions LLC (DE)
Clean Loop Recycling LLC (DE)
Tomra Sorting, Inc. (US)
Compac Sorting Eq. Ltd. (US)
BBC Technologies Ltd. (CA)
BBC Technologies LLC (US)

Rest of the world

Tomra Sorting Japan KK (JP)
Tomra Sorting Co, Ltd. (KR)
Tomra Sorting (Pty) Ltd. (ZA)
Tomra Sorting (Pty) Ltd. (AU)
Tomra Sorting Technology (Xiamen) Co. Ltd. (CN)
Tomra (Xiamen) Imp. & Exp. Co. Ltd. (CN)
Tomra Brasil Solucoes EM segregacao LTDA (BR)
Tomra Sorting DMCC (AE)
Tomra Sorting Chile SpA (CL)
Tomra Sorting India Private Limited (IN)
Tomra Sorting LLC (RU)
Best Hong Kong Int. Ltd. (HK)
Tomra Collection Pty Ltd (AU)
Tomra Sorting Singapore PTE Ltd. (SG)
Compac Holding Ltd. (NZ)
Compac International Ltd. (NZ)
Lenz Equipment Ltd. (NZ)
Compac Sorting Eq. Ltd. (NZ)
Compac Sorting Eq. Ltd. (AU)
Compac Sorting Eq. Ltd. (CN)
Compac Sorting Eq. Latin America (CL)
Compac Tech Ltd. (NZ)
Compac Sorting Equipment (Kunshan) Co. Ltd. (CN)
Compac International Trade (Kunshan) Co. Ltd. (CN)
Taste Tech Ltd. (NZ)
Taste Tech Install Ltd. (NZ)
Tastemark Ltd. (NZ)
BBC Technologies Ltd. (NZ)
BBC Technologies Agricola SPA (CL)
Tomra Peru SAC (PE)

Non-wholly owned subsidiaries

Tomra New York Recycling LLC (74%) (NY)
Tomra Systems D.O.O (HR) (70%)
Western New York Beverage Industry Collection and Sorting LP (74%) (NY)
Upstate Tomra LLC (54%) (NY)
Tomra Mass. (55%) (MA)
Synergistics LLC (51%) (MI)
Bottlecycler Australia Pty Ltd (60%) (AU)
Tomra Recycling Technology (Xiamen) Co. Ltd (51%) (CN)
UBCR (51%) (MI)
Tomra Collection Solutions Taiwan (51%) (TW)

Joint ventures and associated companies

Tomra Cleanaway Pty Ltd (50%) (AU)
Tomra Japan Ltd. (50%) (JP)
Incom Tomra Recycling Technology (Beijing) Co. Ltd (49%) (CN)
Recycling Lottery International AS (33%)
Tomra s.r.o (CZ) (40 %)

Tomra Collection Hungary Kft. (HU), Tomra Collection Turkey Makine Teknoloji Sanayi ve Ticaret Anonim Sirketi (TR), Tomra Feedstock GmbH (DE), Tomra Collection Bulgaria EOOD (BG), Tomra Collection d.o.o. Beograd (RS), Tomra Collection Poland Sp.zo.o (PL), Tomra Collection Ireland Ltd (IE) and Tomra Food (Valencia) SL (ES) were founded in 2022.
Odenberg Engineering BV (NL) was liquidated during 2022.



Directors’ Responsibility Statement

Today, the Chief Executive Officer and the Board of Directors reviewed and approved the Board of Directors’ Report and the consolidated and separate annual financial statements for Tomra Systems ASA as of 31 December 2022 (annual report 2022).

To the best of our knowledge;

- the consolidated financial statements are prepared in accordance with IFRS and IFRIC as adopted by the EU and additional Norwegian disclosure requirements in the Norwegian Accounting act, that were effective as of 31 December 2022.
- the separate financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2022.
- the Board of Directors’ Report for the Group and the Parent Company is in accordance with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as of 31 December 2022.
- the consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and results for the period as a whole as of 31 December 2022 for the Group and the Parent Company.
- the Board of Directors’ Report for the Group and the Parent Company includes a true and fair view of;
 - the development and performance of the business and the financial position of the Group and the Parent Company.
 - the principal risks and uncertainties the Group and the Parent Company face.

Asker, 23 February 2023

Johan Hjertonsson
Chair

Hege Skryseth
Board member

Bodil Sonesson
Board member

David Williamson
Employee elected

Pierre Couderc
Board member

Gigi Portela
Employee elected

Bjørn Matre
Board member

Tove Andersen
President & CEO



FINANCIAL STATEMENTS TOMRA SYSTEMS ASA

Income Statement

Amounts in NOK million	Note	2022	2021
Operating revenues	1	2,127.4	2,180.5
Cost of goods sold	2	1,322.7	1,242.7
Employee benefits expenses	3	459.2	384.7
Ordinary depreciation	6,7	56.1	60.1
Other operating expenses	3	202.3	194.5
Total operating expenses		2,040.3	1,882.0
Operating profit		87.1	298.5
Dividend from subsidiaries		931.8	400.0
Financial income		47.9	84.0
Financial expenses		127.0	31.5
Net financial items	4	852.7	452.5
Profit before taxes		939.8	751.0
Taxes	5	3.4	78.2
Profit for the period		936.4	672.8
Allocated as follows:	11		
Dividend		531.4	886.4
Other equity		405.0	(213.6)
Total allocated		936.4	672.8

Balance sheet as of 31 December

Amounts in NOK million	Note	2022	2021
Deferred tax assets	5	78.0	46.2
Software	6	91.1	111.1
Total intangible non-current assets		91.1	111.1
Property, plant and equipment	7	55.2	49.1
Total tangible non-current assets		55.2	49.1
Investment in subsidiaries	8	3,368.7	3,368.7
Loans to subsidiaries	16	942.6	1,084.7
Investment in associates	8	15.6	12.6
Long term receivables		22.5	1.5
Total financial non-current assets		4,349.4	4,467.5
Total non-current assets		4,573.7	4,673.9
Inventory	2	27.5	24.9
Trade receivables		20.2	7.6
Intra-group receivables	16	1,453.7	710.7
Other short-term receivables		182.6	130.1
Total receivables	9	1,656.5	848.4
Derivatives	13	1.9	30.1
Cash and cash equivalents	10	289.4	170.4
Total current assets		1,975.3	1,073.8
Total assets		6,549.0	5,747.7

Amounts in NOK million	Note	2022	2021
Share capital		148.0	148.0
Treasury shares		(0.4)	(0.3)
Share premium reserve		918.3	918.3
Paid-in capital		1,066.0	1,066.0
Retained earnings		622.5	290.8
Total equity	11	1,688.5	1,356.8
Pension liabilities	12	37.7	45.8
Interest-bearing liabilities	13	2,167.0	600.0
Loans from subsidiaries	16	553.4	496.6
Total non-current liabilities		2,758.1	1,142.4
Derivatives	13	68.7	13.5
Interest-bearing liabilities	13	0.0	400.0
Trade payables		102.6	97.0
Intra-group payables	16	1,187.4	1,606.8
Income tax payables	5	35.6	68.7
Provisions	14	11.0	14.6
Other current liabilities	15	697.1	1,047.9
Total current liabilities		2,102.4	3,248.5
Total liabilities		4,860.5	4,390.9
Total liabilities and equity		6,549.0	5,747.7

Asker, 23 February 2023

Johan Hjertonsson Chair	Bodil Sonesson Board member	Pierre Couderc Board member	Bjørn Matre Board member
Hege Skryseth Board member	David Williamson Employee elected	Gigi Portela Employee elected	Tove Andersen President & CEO

Cash flow statement

Accounting principles

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding three months that can immediately, and with no material exchange rate exposure, be exchanged for cash.

Amounts in NOK million	Note	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Ordinary profit/(loss) before taxes		939.8	751.0
Income taxes paid		(68.7)	(19.9)
Depreciation	6,7	56.1	60.1
Net change in inventory		(2.6)	(13.8)
Net change in receivables		(58.0)	(32.6)
Net change in payables		5.6	45.6
Difference between pension expense and pension contribution paid		(6.5)	(12.1)
Changes in other balance sheet items		55.8	(46.5)
Interest expense	4	37.7	22.8
Net cash flow from operating activities		959.2	754.6
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of associates / capital infusion		(3.0)	-
Investment in non-current assets	6,7	(42.2)	(48.1)
Net cash flow from investing activities		(45.2)	(48.1)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan payments (to)/from subsidiaries		(963.3)	270.5
Repayment of long-term loans		-	(1,864.1)
Proceeds from issuance of long term debt		1,000.0	1,450.0
Net change in revolving credit facility		567.0	-
Net repayment of short-term loans		(400.0)	-
Purchase of treasury shares	11	(127.9)	-
Sale of treasury shares	11	53.3	45.2
Interest paid		(37.7)	(22.8)
Dividend paid	11	(886.4)	(443.1)
Net cash flow from financing activities		(795.0)	(564.3)
Net change in cash and cash equivalents		119.0	142.2
Cash and cash equivalents per 1 January	10	170.4	28.2
Cash and cash equivalents per 31 December	10	289.4	170.4

Accounting principles
Tomra Systems ASA - NGAAP

General

TOMRA Systems ASA is the ultimate parent company of TOMRA Group.

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles, consist of the income statement, balance sheet, cash flow statement and notes to the accounts.

Estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period, are prepared by management based upon their best knowledge at reporting date. Actual results may differ from those estimates.

Basis of preparation

The financial statements are presented in million NOK, rounded to the nearest one hundred thousand.

The financial statements are prepared based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss
- Defined benefit obligation recognized as the net total of the plan assets and the present value of the defined benefit obligation.

Transactions, receivables and liabilities in foreign currencies

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet. Transactions in profit and loss are booked at monthly average exchange rates.

NOTES

NOTE 1 REVENUES

Accounting principle

Revenues for machines and parts are recognized when risk is transferred to the customer. Other service revenue is recognized when services are provided.

Revenues mainly consists of sales of RVMs, spare parts and service manuals/support to subsidiaries.

Geographical split of revenues Amounts in NOK million	2022	2021
Geographical split of revenues		
Northern Europe	362.8	319.0
Rest of Europe	1,313.1	1,524.6
North America	211.1	174.3
South America	1.2	0.8
Asia	52.3	17.0
Oceania	186.9	144.7
Operating revenues	2,127.4	2,180.5

For an overview of intercompany sales refer to note 16.

NOTE 2 INVENTORY/RAW MATERIALS AND CONSUMABLES USED

Accounting principle

Inventory

Inventories of raw materials are valued at the lower of cost of acquisition and fair value. Work in progress and finished products are valued at the lower of cost to manufacture or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Spare parts and parts held by service agents are valued at cost. A deduction is made for obsolescence where necessary.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and consumables used Amounts in NOK million	2022	2021
Raw materials and consumables used, gross	1,325.3	1,256.4
Change in inventory	(2.6)	(13.7)
Total raw materials and consumables used, net	1,322.7	1,242.7
Inventory Amounts in NOK million	2022	2021
Finished goods	19.2	17.6
Spare parts	8.3	7.3
Total inventory	27.5	24.9

Inventories are not subject to retention of title clauses.

NOTE 3 EMPLOYEE BENEFITS EXPENSES / AUDITOR'S REMUNERATION

Accounting principle

Salaries and other personnel expenses represent expenses associated with the remuneration of personnel employed by TOMRA Systems ASA.

Employee benefits expenses Amounts in NOK million	2022	2021
Salaries	372.8	311.7
Social security tax	40.0	34.4
Pension- Defined benefit plan	10.8	10.5
Pension- Defined contribution plan	13.8	11.8
Other labor cost ¹⁾	21.8	16.3
Total employee benefits expenses ²⁾	459.2	384.7
Number of man-years	253	212

- 1) Other labor cost mainly consist of social expenses, meetings, training, recruiting and similar.
2) NOK 7.2 million of total employee benefits for TOMRA Systems ASA was charged to subsidiaries in 2022 (2021: NOK 6.4 million)

TOMRA Systems ASA uses bank guarantee instead of restricted bank accounts for employee tax deductions.

With regard to salary and remuneration to the executive leadership team members employed by TOMRA System ASA and remuneration to Board members, reference is made to Note 4 in the consolidated financial statements and the “Remuneration report 2022”.

Auditors' fees Amounts in NOK million	2022	2021
Statutory audit	2.9	2.5
Other attestation services	0.1	-
Tax consulting	0.1	1.0
Other services	0.6	0.7
Total	3.7	4.2

NOTE 4 FINANCIAL ITEMS

Accounting principle

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement.

Interest income is recognized in the income statement as it accrues, using the effective interest method. Dividend income is recognized in the income statement when the entity’s right to receive payments is established.

Net financial items Amounts in NOK million	2022	2021
Dividend from subsidiaries	931.8	400.0
Dividend from subsidiaries	931.8	400.0
Interest income ¹⁾	47.9	43.2
Foreign exchange gain	-	40.8
Total financial income	47.9	84.0
Interest expenses ²⁾	37.7	22.8
Other financial expenses	12.3	8.7
Foreign exchange loss	77.0	-
Total financial expenses	127.0	31.5
Net financial items	852.7	452.5

1) Interest income include interest income from subsidiaries of NOK 23.4 million (2021: NOK 23.3 million). Interest income from cash-pools was NOK 4.6 million (2021: NOK 8.3 million).

2) Net interest expense on bonds was NOK 28.7 million, after subtraction of NOK 19.5 million through Cross Currency Interest Rates Swaps that converted the NOK bond loans to EUR loans. In addition interest on other loans was NOK 9.0 million.

NOTE 5 TAXES

Accounting principle

The tax charge in the profit and loss account includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year’s activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative and positive timing differences which reverse or may reverse in the same period.

Taxes Amounts in NOK million	2022	2021
Tax basis		
Profit before taxes	939.8	751.0
Dividend from subsidiaries	(931.8)	(400.0)
Permanent differences	8.8	(4.4)
Change in temporary differences	144.4	(34.2)
Basis for taxes payable	161.2	312.4
Tax expense		
Taxes payable	35.5	68.7
Tax effect of equity transactions	(0.3)	2.0
Net change in deferred taxes	(31.8)	7.5
Total tax expense	3.4	78.2
Deferred tax assets		
Other current assets	14.7	(3.3)
Intangible non-current assets	42.1	26.2
Tangible non-current assets	0.8	1.3
Financial non-current assets	3.9	3.5
Provisions	2.4	3.2
Other current liabilities	5.8	5.2
Pension reserves	8.3	10.1
Total deferred tax assets	78.0	46.2

Deferred tax assets are presented net of their respective tax effect using applicable tax rate applied to amounts representing future tax deductions or taxes payable.

NOTE 6 INTANGIBLE ASSETS

Accounting principle

Intangible assets are stated at cost less accumulated amortization and impairment losses. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Straight-line depreciation is applied over the economic life of the asset.

Intangible assets Amounts in NOK million	Software	Patents	Total
Cost			
Balance at 1 January 2022	270.7	5.1	275.8
Other acquisitions-internally developed	22.1	-	22.1
Balance at 31 December 2022	292.8	5.1	297.9
Balance at 1 January 2021	238.5	4.4	242.9
Other acquisitions-internally developed	32.2	0.7	32.9
Balance at 31 December 2021	270.7	5.1	275.8
Amortization and impairment losses			
Balance at 1 January 2022	160.3	4.4	164.7
Amortization charge for the year	42.0	0.1	42.0
Balance at 31 December 2022	202.3	4.5	206.8
Balance at 1 January 2021	112.9	4.4	117.3
Amortization charge for the year	47.5	-	47.5
Disposals	(0.1)	-	(0.1)
Balance at 31 December 2021	160.3	4.4	164.7
Depreciation rate	20 %	20 %	
Useful life	5 yrs	5 yrs	
Carrying amounts			
31 December 2022	90.5	0.6	91.1
31 December 2021	110.4	0.7	111.1

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

Accounting principle

Fixed assets are stated at cost less accumulated amortization and impairment losses. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Straight-line depreciation is applied over the economic life of the asset.

Property, plant and equipment Amounts in NOK million	Machinery & Fixtures	Vehicles	Total
Cost			
Balance at 1 January 2022	118.6	1.9	120.5
Acquisitions	19.6	0.6	20.2
Disposals	-	(0.9)	(0.9)
Balance at 31 December 2022	138.2	1.6	139.8
Balance at 1 January 2021	103.6	1.9	105.5
Acquisitions	15.0	-	15.0
Balance at 31 December 2021	118.6	1.9	120.5
Depreciation and impairment losses			
Balance at 1 January 2022	69.9	1.5	71.4
Depreciation charge for the year	13.9	0.2	14.1
Disposals	-	(0.9)	(0.9)
Balance at 31 December 2022	83.8	0.8	84.6
Balance at 1 January 2021	57.6	1.2	58.8
Depreciation charge for the year	12.3	0.3	12.6
Balance at 31 December 2021	69.9	1.5	71.4
Depreciation rate	10-33%	15-33%	
Useful life	3-10 yrs	3-7 yrs	
Carrying amounts			
31 December 2022	54.4	0.8	55.2
31 December 2021	48.7	0.4	49.1

NOTE 8 SHARES AND INVESTMENTS

Accounting principle

Shares intended for long-term ownership are classified as long-term investments. These are valued at acquisition cost unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

Shares and investments

Amounts in NOK million	Country	Year of acquisition	Vote and owner share	Result for the year	Equity at 31.12	Book value
Tomra North America Inc	USA	1992	100.0 %	88.1	1,988.6	1,166.2
Tomra Europe AS	Norway	1998	100.0 %	87.3	375.9	10.0
Tomra Production AS	Norway	1998	100.0 %	43.6	206.4	15.0
Tomra Canada Inc	Canada	2000	100.0 %	21.6	156.7	79.8
Tomra Sorting Japan KK	Japan	2000	100.0 %	0.6	20.8	7.0
Tomra Sorting AS	Norway	2004	100.0 %	440.0	3,006.6	1,817.6
Tomra Sorting Technology (Xiamen) Co. Ltd.	China	2010	100.0 %	5.5	125.3	81.4
Tomra Collection Pty Ltd.	Australia	2017	80.0 %	25.0	243.8	191.7
Total shares in subsidiaries						3,368.7
Tomra Japan Ltd.	Japan	2008	50.0 %	45.1	65.4	9.6
Recycling Lottery International AS	Norway	2019	33.3 %	(2.6)	12.0	6.0
Total shares in associates						15.6

NOTE 9 SHORT TERM RECEIVABLES

Accounting principle

Receivables with due date within one year from the balance date are classified as current assets.

Short-term receivables

Amounts in NOK million	2022	2021
Trade receivables from sales contracts, gross	21.7	9.1
Intra group short-term receivables	1,453.7	710.7
Other short-term receivables	182.6	130.1
Provision for bad debt	(1.5)	(1.5)
Total receivables	1,656.5	848.4
Provision for bad debt per 1 January	1.5	1.5
Provisions made during the year	-	-
Provisions used during the year	-	-
Provision for bad debt per 31 December	1.5	1.5

Bad debt written-off and changes in provision for bad debt are reported as other operating expenses.

NOTE 10 CASH AND CASH EQUIVALENTS

Accounting principle

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

Cash and cash equivalents

Amounts in NOK million	2022	2021
Cash and cash equivalents ¹⁾	289.4	170.4
Cash and cash equivalents in the statement of cash flows	289.4	170.4

1) Includes restricted bank deposits totaling NOK 8.4 million.

TOMRA Systems ASA and its fully owned subsidiaries participate in an international multi-currency cash-pool, and zero-balancing cash pools for AUD, CAD, NZD, SGD, and USD. Subsidiaries deposit and withdraw funds through the cash pool agreements as an intra-group receivable/payable against TOMRA Systems ASA, and the transactions are classified as such in the financial statements.

NOTE 11 EQUITY

Amounts in NOK million	Share capital	Treasury shares	Share premium	Paid-in capital	Retained earnings	Total equity	Number of shares ¹⁾
Balance per 1 January 2022	148.0	(0.3)	918.3	1,066.0	290.8	1,356.8	148,020,078
Profit for the period					936.4	936.4	
Pensions				1.3	1.3		
Purchase of own shares		(0.2)		(0.2)	(127.7)	(127.9)	
Own shares sold to employees		0.2		0.2	53.1	53.3	
Dividend to shareholders					(531.4)	(531.4)	
Balance per 31 December 2022	148.0	(0.4)	918.3	1,066.0	622.5	1,688.5	296,040,156
Balance per 1 January 2021	148.0	(0.4)	918.3	1,065.9	466.1	1,532.0	148,020,078
Profit for the period					672.8	672.8	
Pensions				(6.8)	(6.8)		
Own shares sold to employees		0.1		0.1	45.1	45.2	
Dividend to shareholders					(886.4)	(886.4)	
Balance per 31 December 2021	148.0	(0.3)	918.3	1,066.0	290.8	1,356.8	148,020,078

1) A share split of 1:2 has been executed with effect from 27 May 2022. Following completion of the share split, the new number of issued underlying shares of TOMRA Systems ASA is 296,040,156, each with a par value of NOK 0.50 per share (was NOK 1.00 per share).

Treasury shares

Total shareholding of treasury shares was 800,000 as of year end 2022, representing 0,27% of TOMRA Systems ASA’s share capital.

Dividends

After the balance sheet date the following dividends were proposed by the directors:

Amounts in NOK million	2022	2021
NOK 1.80 in ordinary dividend per qualifying share (2021: NOK 1.65* in ordinary dividend and NOK 1.35* in extraordinary dividend).	531.4	886.4

* The calculation of the dividend for 2021 has been adjusted for the share split that was executed in May 2022.

Purchase of own shares

TOMRA was granted authority to acquire treasury shares at the Annual General Meeting 28 April 2022. At the end of 2022, 531,432 shares for a total value of NOK 127.9 million had been purchased under this proxy.

Shareholder information

A list of the largest shareholders in TOMRA Systems ASA is presented in Note 15 of the consolidated financial statements.

Share purchase program

Reference is made to Note 16 of the consolidated financial statemetns.

NOTE 12 PENSION AND PENSION OBLIGATIONS

Accounting principle

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

Defined benefit plans

The defined benefit pension plan has been treated for accounting purposes in accordance with IAS 19. TOMRA Systems ASA's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to TOMRA Systems ASA, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Equity. TOMRA Systems ASA determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. TOMRA Systems ASA recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

TOMRA Systems ASA is obliged to have a pension plan for its employees in compliance with Norway's Mandatory Occupational Pensions Act (Lov om obligatorisk tjenestepensjon), and its pension plan meets this requirement.

Other information on TOMRA's pension plans

Defined benefit plans

TOMRA has one defined benefit plan which is structured as a retirement net agreement in that it guarantees a supplement to the State benefits. There have not been any agreements for compensation of reductions in State benefits. The plan gives a right to defined future benefits (defined benefit plan). The benefit is mainly dependent upon years within the plan, salary at date of retirement and compensation from the State. The obligations are covered through Storebrand insurance company. The plan should ensure that the employees would get a pension of about 65 percent of salary, if they had full contribution time, limited upwards to 12G. The plan was closed in 2007, and all new employees after that are included in the defined contribution plan.

The defined benefit plan, which also covers employees in Tomra Butikksystemer AS, Tomra Production AS and Tomra Sorting AS, includes 65 employees and 65 retirees at year-end 2022.

The discount rate is in accordance with guidelines from Norsk Regnskapsstiftelse at 31 August 2022, which was the best estimate of the rate at the time the basis for the calculation was set in September 2022.

Actual return on plan assets was NOK 8.5 million in 2022 (NOK 9.6 million in 2021)

TOMRA's best estimate of contributions expected to be paid into the plan for 2023 is NOK 14.0 million.

Sensitivity analysis

Sensitivity analysis has been performed on actuarial assumptions, holding other assumptions constant, and the calculations show no material changes in calculated amounts. Performed sensitivity calculations include discount rate (+/- 0,5%), wage increase (+/- 0,5%) and pension regulation (+0,5%).

Defined contribution plans

Under the defined contribution plan TOMRA contributes 6% of salary between 0 and 7.1G and 16 % of salary between 7.1 and 12G. In addition TOMRA has a separate pension plan for benefits over 12G, with the same coverage as the plan up to 12G.

NOTE 12 PENSION AND PENSION OBLIGATIONS CONT.

Amounts in NOK million	2022	2021
Expense recognized in the income statement		
Current service cost	8.9	8.6
Interest cost (income)	0.6	0.6
Social security tax included in pension cost	1.3	1.3
Net pension costs in Income Statement	10.8	10.5
The expense is recognized in the following line item in the income statement		
Employee benefits expenses defined benefit plan	10.8	10.5
Employee benefits expenses defined contribution plan	13.8	11.8
Total employee benefits expenses ¹⁾	24.6	22.3
Expense recognized in other comprehensive income		
Actuarial loss (gain)- change in discount rate	(67.1)	-
Actuarial loss (gain)- change in other financial assumptions	54.9	8.5
Actuarial loss (gain)- experience DBO	(4.9)	0.9
Loss (gain)- experience Assets	12.7	(4.6)
Investment management cost	3.0	2.8
Social security tax included in pension cost	(0.2)	1.1
Net pension costs in Other Comprehensive Income	(1.6)	8.7
Financial status as of 31 December		
Present value of funded pension obligations	264.9	274.4
Fair value of plan assets	(227.2)	(228.6)
Pension liability	37.7	45.8
Basis for calculation		
Discount rate	3.20 %	1.50 %
Expected wage increase	3.75 %	2.50 %
Expected increase of base amount	3.50 %	2.25 %
Expected return on plan assets 31 December	3.20 %	1.50 %
Average remaining service period	8.71 yrs	9 yrs
Movements in net liability for defined benefit obligations as recognized in the balance sheet		
Net liability at 1 January	45.8	49.3
Contributions received	(17.3)	(22.7)
Remeasurement recognized in Other Comprehensive Income	(1.6)	8.7
Expense recognized in the Income Statement	10.8	10.5
Net liability at 31 December	37.7	45.8

1) NOK 7.2 million of total employee benefits for TOMRA Systems ASA was charged to subsidiaries in 2022 (2021: NOK 6.4 million), and the interest of NOK 0.6 million is classified as employee benefits.

NOTE 13 INTEREST-BEARING LIABILITIES

Accounting principle

Liabilities with due date more than one year after the balance date are classified as non-current liabilities.

The bond loans are in NOK, and a cross currency interest rate swap (CCIRS) has been used to swap it to EUR. The changes in fair value resulting from changes in the spot rate are recorded in profit and loss.

Interest-bearing liabilities Amounts in NOK million	2022	2021
Non-current liabilities		
Bonds Long term ¹⁾	1,600.0	600.0
Unsecured bank loans ²⁾	567.0	-
Total non-current interest-bearing liabilities	2,167.0	600.0
Current liabilities		
Current portion of Bonds ¹⁾	-	400.0
Total current interest-bearing liabilities	-	400.0

2) TOMRA has a NOK 600 million senior unsecured bond, with a coupon of 3 months NIBOR + 0,75 % that matures in November 2024. In November 2022 TOMRA issued two new green bonds, one tranche of NOK 500 million with 3 months NIBOR + 1,42 % that matures in November 2025, and a second tranche of NOK 500 million with 3 months NIBOR + 1,67 % that matures in November 2027. The bonds meet the requirements set by Nordic Trustee and are listed on the Oslo Stock Exchange. The loans have floating interest and negative pledge commitments.

2) TOMRA Systems ASA has an EUR 150 million revolving credit facility established in December 2020 with tenor 3+1+1 years. The facility was extended with two years and final maturity is December 2025. NOK 567 million was drawn as of 31 December 2022. Optional Currencies are NOK, EUR, USD and GBP. Interest is payable at a rate of IBOR and a margin for loans in NOK and EUR. For loans in USD interest is payable at a rate of SOFR, a credit adjustment spread and a margin, and for loans in GBP interest is payable at a rate of SONIA, a credit adjustment spread and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. TOMRA is in compliance with the covenants as of 31 December 2022.

For disclosures on Risk management and Derivative financial instruments reference is made to note 19 of the consolidated financial statements.

NOTE 14 PROVISIONS

Accounting principle

A provision is recognized in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions Amounts in NOK million	Warranty
Balance at 1 January 2022	14.6
Provisions made during the year	0.0
Provisions used during the year	(0.7)
Provisions reversed during the year	(2.9)
Balance at 31 December 2022	11.0

Warranty provisions relate to accruals for service expenses on sold machines assumed to occur during the period covered by warranties given to the customer. RVMs are normally sold with a warranty period between 12 and 24 months.

NOTE 15 OTHER CURRENT LIABILITIES

Accounting principle

Liabilities with due date within one year from the balance date are classified as current liabilities.

Other current liabilities Amounts in NOK million	2022	2021
Salary, bonus, tax deductions, social security taxes	102.6	109.6
Goods received, not invoiced	0.3	6.1
Accrued expenses	62.8	45.8
Dividend accruals	531.4	886.4
Total other current liabilities	697.1	1,047.9

Contingent liabilities

TOMRA Systems ASA has guarantee liabilities of NOK 213.3 million (2021: NOK 241.9 million).

NOTE 16 RELATED PARTIES

Transactions with related parties

TOMRA Systems ASA has several transactions with related parties. All transactions are performed as part of ordinary business and executed at arms’ length principles.

Significant transactions are as follows:

Sales of RVMs, spare parts and service manuals/support of NOK 2,056 million in 2022 (NOK 2,133 million in 2021) to:

- Tomra Butikksystemer AS
- Tomra Systems AB
- Tomra Systems AS
- OY Tomra AB
- Tomra Systems GmbH
- Tomra Systems BV
- Tomra Sorting Technology (Xiamen) Co. Ltd.
- Tomra Leergutsysteme GmbH
- Tomra of North America Inc.
- Tomra Canada Inc
- Tomra Service OÜ
- Tomra Systems NV
- Tomra Systems SA
- Tomra Systems UAB
- Tomra Systems d.o.o
- Tomra Collection Pty Ltd
- Tomra Collection Ltd
- Tomra Collection Latvia SIA
- Tomra Collection Slovakia s.r.o.
- Tomra Collection Romania S.R.L
- Tomra Collection Solution Taiwan
- Tomra Collection d.o.o. Beograd
- Tomra Collection Bulgaria EOOD
- Tomra Collection Turkey Makine Teknoloji Sanayi ve Ticaret Anonim Sirketi
- Tomra Collection Poland Sp.zo.o
- Tomra Collection Hungary Kft.
- Tomra Collection Portugal, Unipessoal LDA
- Tomra Singapore PTE. LTD.
- Tomra Collection France

Purchase of RVMs and spare parts from Tomra Production AS of NOK 644.5 million in 2022 (NOK 623.0 million in 2021).

Management fee of NOK 17.6 million in 2022 (NOK 12.9 million in 2021).

For intra-Group loans,including interest income, and expense; see disclosure note 4.

The Balance sheet includes the following amounts from transactions with related parties:

Amounts in NOK million	2022	2021
Loans to subsidiaries	942.6	1,084.7
Intra-group receivables	1,453.7	710.7
Loans from subsidiaries	(553.4)	(496.6)
Intra-group payables	(1,187.4)	(1,606.8)
Total	655.5	(308.0)





To the General Meeting of TOMRA Systems ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TOMRA Systems ASA, which comprise:

- the financial statements of the parent company TOMRA Systems ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of TOMRA Systems ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 3 years from the election by the general meeting of the shareholders on 4 May 2020 for the accounting year 2020 with a renewed election on the 4 May 2021.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførselskap



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business and operations have been stable in 2022 compared to the prior year. There have not been any significant regulatory changes, transactions, or events with material impact on the financial statements for 2022. Furthermore, *Valuation of Goodwill*, has the same characteristics and risks as in prior years, and therefore continues to be an area of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
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Valuation of Goodwill

At the balance sheet date, the book value of goodwill was NOK 3 115,3 million distributed between several different cash generating units (CGU's). The values involved are significant and constitute a major part of the Group's total assets in the balance sheet.

We focused on valuation of goodwill because of the inherent uncertainty of whether future cash flows will support the carrying value of goodwill. The presumption that future cash flow will support goodwill rests on several assumptions that are judgmental in nature, specifically the size and timing of cash flows, and the different elements of the discount rate.

Management's assessment concluded that no impairment was necessary for 2022.

Refer to note 7 to the consolidated financial statements for further information on management's impairment assessment, including the applied assumptions.

We evaluated the appropriateness of management's allocation of goodwill and intangible assets to CGU's, and the Group's controls over the impairment assessment.

Our procedures in relations to management's impairment assessment included challenging management on the suitability of the impairment model and the reasonableness of the assumptions as well as a test of the mathematical accuracy of the model.

We assessed the reliability of management's cash flow forecasts through a comparison of actual performance in previous years to previous year's forecasts. We obtained explanations from management on material deviations.

We compared estimates on future cash flows to long term plans approved by the Board of Directors. Further, we challenged management's expectations on future growth by comparing these expectations with historic results for the different CGU's, and considered the potential effect of climate risk. We also compared the growth assumptions with relevant external sources.

We assessed the discount rates by comparing the key components used with external market data where possible. We considered that the discount rates for the different CGU's were within an appropriate range. We considered the appropriateness of the related disclosures, including the sensitivities provided for the discount rate and growth expectations.

Based on our testing and considerations, we found that management's assumptions were reasonable.

We also assessed the information in the relevant notes against relevant accounting principles and found it appropriate.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of TOMRA Systems ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name TOMRA_Annual_Report_2022_ESEF.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with



the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 February 2023

PricewaterhouseCoopers AS

Elvind Nilsen

State Authorised Public Accountant

Alternative performance measures

Alternative performance measures

Alternative performance measures used in this report are defined in the following way:

- **EBITDA** is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses, (iii) amortizations and (iv) depreciations. ¹⁾
- **EBITA** is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortizations. ²⁾
- **EBIT** is the calculated profit (loss) for the period before (i) income tax expenses and (ii) finance income and expenses.
- **Depreciations** is the allocated cost of tangible assets over its useful life + write downs related to the same assets
- **Amortizations** is the allocated cost of intangible assets over its useful life + impairment losses related to the same assets
- **Interest-bearing debt** includes loans from financial institutions (current and non-current loans), lease liabilities (current and non-current) and net derivative financial instruments.
- **Currency adjusted revenues/gross contribution/operating expenses/EBITA** is the revised revenues/gross contribution/ operating expenses/EBITA after adjusting for estimated currency effect.
- **Order backlog** is defined as the value of firm orders received within TOMRA Recycling and TOMRA Food, that has not yet been delivered (and consequently not yet taken to P/L).
- **Order intake** is defined as Order backlog at the end of a period minus Order backlog at the beginning of a period plus revenues for the relevant period
- **EBITA margin** is defined as EBITA divided by Revenues in percent.
- **Return on equity** is Profit for the period divided by the average of opening and closing balance majority equity ⁴⁾
- **Return on total assets before tax** is Profit before tax and interest expenses divided by the average of opening and closing balance total assets ⁵⁾
- **Gearing ratio** is Net interest bearing debt divided by EBITDA ⁶⁾

1) $EBITDA = 1,449.9 + 911.1 = 2,361.0$
2) $EBITA = 1,449.9 + 175.2 = 1,625.1$
3) $Net\ interest\ -bearing\ debt = 2,173.5 + 1,010.1 + 286.9 + 68.7 - 1.9 - 749.6 = 2,787.7$
4) $Return\ on\ equity = (1,067.6 - 38.8) / ((6,164.2 - 171.3 + 6,571.8 - 191.9) / 2) = 16.6\%$
5) $Return\ on\ total\ assets\ before\ tax = (1,449.9 + 14.8 + 46.7) / ((13,932.3 + 11,588.9) / 2) = 11.8\%$
6) $Gearing\ ratio = 2,787.7 / 2,361.0 = 1.2$

Accelerating toward
a circular future

Annual Report
2022



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