

4<sup>th</sup> Quarter 2020



TOMRA

23.02.2021

# HIGHLIGHTS

## 4Q 2020

- All time high revenues of 2,742 MNOK (2,569 MNOK in fourth quarter 2019)  
Adjusted for currency, revenues were:
  - Up 4% for TOMRA Group
  - Up 10% in TOMRA Collection
  - Up 3% TOMRA Recycling Mining
  - Down 5% in TOMRA Food
- Gross margin 45%, up from 43% in fourth quarter 2019
  - Higher margins in both TOMRA Collection and TOMRA Recycling Mining
  - Stable margins in TOMRA Food
- Operating expenses of 716 MNOK, down 1 percent adjusted for currencies due to cost measures
- All time high EBITA of 505 MNOK (up from 408 MNOK in fourth quarter 2019)
- Order intake of 1,229 MNOK in fourth quarter, down from 1,332 MNOK same period last year
  - 364 MNOK in TOMRA Recycling Mining, down 15%
  - 865 MNOK in TOMRA Food, down 4%
- Order backlog of 1,470 MNOK in TOMRA Recycling Mining and TOMRA Food, up from 1,458 MNOK at the end of fourth quarter 2019
- All time high cash flow from operations of 890 MNOK, up from 600 MNOK in fourth quarter 2019
- The Board proposes an ordinary dividend of NOK 3.00 per share, up from NOK 2.75 last year

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THE RESOURCE  
REVOLUTION**



## CONSOLIDATED FINANCIALS

### Fourth quarter

Revenues in the fourth quarter 2020 amounted to 2,742 MNOK compared to 2,569 MNOK in fourth quarter last year. Currency adjusted revenues were up 10% in TOMRA Collection Solutions, up 3% in TOMRA Recycling Mining, and down 5% in TOMRA Food.

Gross margin was 45% in the quarter, up from 43% in fourth quarter 2019, due to improved margins in TOMRA Collection Solutions and TOMRA Recycling Mining.

Operating expenses were 716 MNOK in fourth quarter 2020, compared to 700 MNOK in fourth quarter last year - down 1% currency adjusted. The decrease is primarily the result of cost control measures offsetting increased cost related to the Circular Economy initiatives.

EBITA was 505 MNOK in fourth quarter 2020 – up from 408 MNOK in the same period last year.

The EPS increased by 18% to NOK 2.12 compared the fourth quarter of 2019.

Cash flow from operations in fourth quarter 2020 equaled 890 MNOK, compared to 600 MNOK in fourth quarter 2019.

### Full year

Revenues in 2020 amounted to 9,941 MNOK compared to 9,346 MNOK last year, up 6%. Currency adjusted revenues were down 1%.

EBITA was 1,522 MNOK in 2020 – up from 1,381 MNOK in 2019.

Cash flow from operations in 2020 equaled 1,710 MNOK, compared to 1,313 MNOK in 2019.

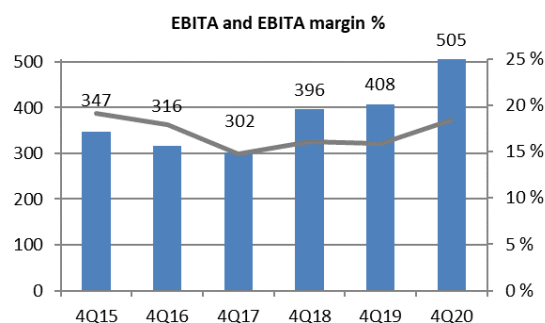
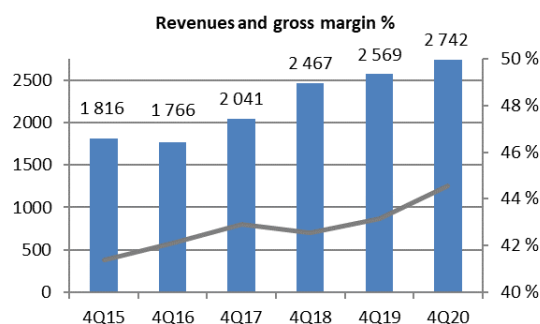
Total assets was 10,977 MNOK as of 31 December 2020, up from 10,867 MNOK one year ago. The equity ratio increased from 48% to 51% during the same period.

Net interest-bearing Debt/EBITDA (rolling 12 months' basis) decreased from 1.3x at the end of 2019 to 0.9x at the end of 2019.

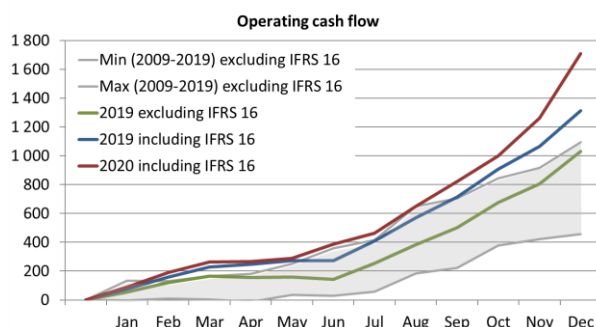
The Board proposes an ordinary dividend of NOK 3.00 per share. The ordinary dividend last year was NOK 2.75.

### TOMRA Group

(MNOK)	4Q20	4Q19	2020	2019
Revenues	2 742	2 569	9 941	9 346
Gross contribution	1 221	1 108	4 366	4 085
- in %	45 %	43 %	44 %	44 %
Operating expenses	716	700	2 844	2 704
EBITA	505	408	1 522	1 381
- in %	18 %	16 %	15 %	15 %



Liquidity was satisfactory at the end of the fourth quarter 2020, with 1.460 MNOK in unused committed credit lines. Weighted average debt maturity was 3.0 years. The Group entered in December 2020 into a new 150 MEUR 3+1+1 years credit facility, replacing the existing facility of 130 MEUR that was due in second/fourth quarter 2021.



## COVID-19 BUSINESS UPDATE

The impact of the COVID-19 pandemic has been uneven across businesses and sectors. TOMRA's diverse geographical footprint and business structure have been balancing factors when navigating the crisis.

The essential nature of the markets that TOMRA serves continues to be a strength. Despite temporary regional setbacks, the service part of the business has fared well due to close customer proximity and the trust inherent in long term business relationships. Although uncertainty remains, technology is likely to continue to be a success factor for our customers.

As governments are increasingly looking towards using fiscal policy for advancing a green agenda, TOMRA is well positioned to supply solutions for a circular economy and sustainable food production.

## DIVISION REPORTING

### TOMRA Collection Solutions

Revenues in the business area equaled 1,426 MNOK in the fourth quarter, up from 1,265 MNOK in fourth quarter last year. After adjustment for currency changes, revenues were up 10%, driven by continued growth in Northern Europe, positive effects from the Netherlands deposit expansion and stable volumes in North America.

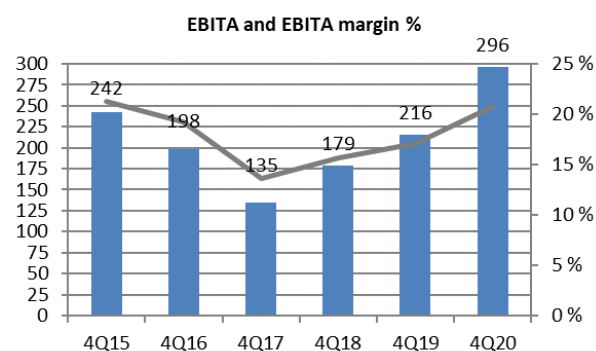
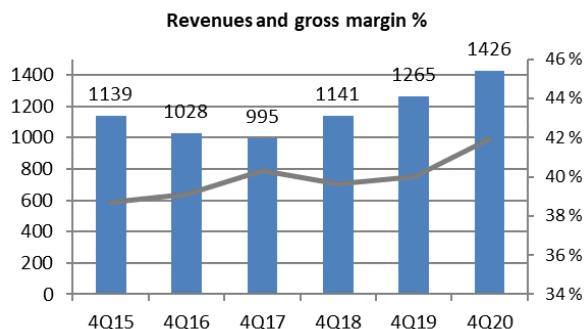
#### TOMRA Collection Solutions

(MNOK)	4Q20	4Q19	2020	2019
Revenues				
- Northern Europe	223	160	778	618
- Europe (ex Northern)	608	498	1 923	1 708
- North America	407	428	1 590	1 718
- Rest of World	188	179	645	589
<b>Total revenues</b>	<b>1 426</b>	<b>1 265</b>	<b>4 936</b>	<b>4 633</b>
Gross contribution	598	506	2 042	1 928
- in %	42 %	40 %	41 %	42 %
Operating expenses	302	290	1 161	1 120
EBITA	<b>296</b>	<b>216</b>	<b>881</b>	<b>808</b>
- in %	21 %	17 %	18 %	17 %

Gross margin increased to 42% as a result of efficiency gains and operating leverage in the fourth quarter. Operating expenses was 302 MNOK, compared to 290 MNOK last year, due to currencies and business expansion. EBITA was 296 MNOK, up from 216 MNOK last year.

By the end of the second quarter the US deposit states had resumed enforcement of bottle bill regulations. The volumes have since rebounded and are close to

normal levels. Although additional restrictions have been imposed in different markets in which TOMRA operates, they have not resulted in significant business disruptions.



### Europe

Operations in European markets have been robust. Despite COVID-19 challenges, TOMRA had significant growth in Northern Europe.

The Netherlands announced an expansion of its current deposit on large plastic bottles to also include small bottles, starting July 1<sup>st</sup>, 2021. Additionally, the decision to introduce deposit on cans from December 31<sup>st</sup>, 2022 was announced in February 2021.

In September 2020, Slovakia announced the implementation of a deposit system as of January 1<sup>st</sup>, 2022. The scheme administrator was selected in January 2021 and represents retail and beverage manufacturers.

In October 2020, Latvia approved the regulation for a deposit system commencing in February 2022 and a system operator was selected in January 2021.

Scotland approved DRS regulation in May 2020 and the commencement date of July 1<sup>st</sup>, 2022 was passed into law.

### North America

The North American business is running at close to normal levels after the disruption resulting from COVID-19 lockdowns in the second quarter. The material recovery business has been to some extent slower as a result of lower commodity prices.

### Australia (Rest of the World)

Australia has continued to grow with increased volume collection in fourth quarter 2020 compared to the same period last year.

On October 1<sup>st</sup>, TOMRA launched successfully in Western Australia with five modern depots in operation, each including approximately 10 machines, and located in the Perth area.

### TOMRA Recycling Mining

Revenues equaled 438 MNOK in fourth quarter 2020 from 413 MNOK in the same period last year, up 3% in local currencies. The waste sorting and plastics segment performed well, while the metal segment has improved although uncertainty remains.

Gross margin improved from 50% in fourth quarter 2019 to 54% in fourth quarter 2020, mainly due to product mix.

Operating expenses was 135 MNOK in fourth quarter 2020 compared to 132 MNOK in fourth quarter 2019, down 2% currency adjusted.

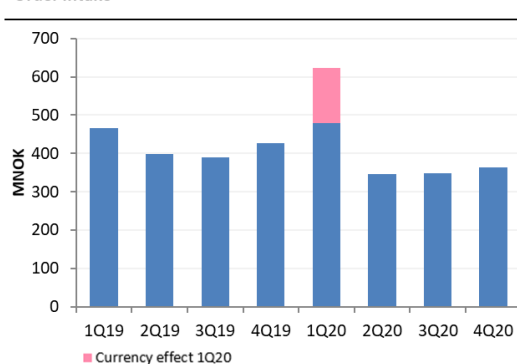
EBITA was 102 MNOK in the period, compared to 74 MNOK in fourth quarter 2019.

#### TOMRA Recycling Mining

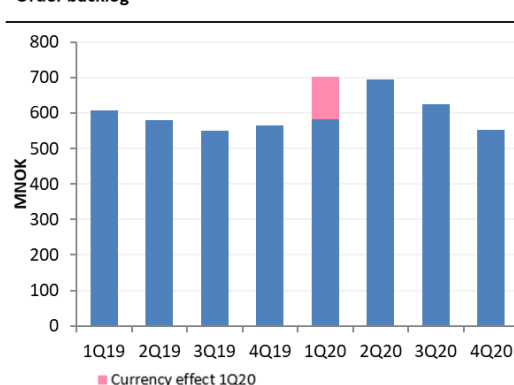
(MNOK)	4Q20	4Q19	2020	2019
Revenues				
- Europe	247	226	1 041	1 000
- North America	55	53	178	201
- South America	6	6	18	24
- Asia	79	91	289	303
- Oceania	9	7	48	49
- Africa	42	30	120	115
Total revenues	<b>438</b>	<b>413</b>	<b>1 694</b>	<b>1 692</b>
Gross contribution	237	206	910	888
- in %	54 %	50 %	54 %	52 %
Operating expenses	135	132	534	503
EBITA	<b>102</b>	<b>74</b>	<b>376</b>	<b>385</b>
- in %	23 %	18 %	22 %	23 %

Order intake was down from 428 MNOK in fourth quarter 2019 to 364 MNOK in fourth quarter 2020. The order backlog decreased from 564 MNOK at the end of fourth quarter 2019 to 552 MNOK at the end of fourth quarter 2020.

### Order Intake



### Order backlog



The waste sorting and plastic recycling business is a healthy segment driven by legislation and the push for circularity. The Metal sorting and Mining segments have been negatively impacted by lower demand and volatility in commodity prices.

### TOMRA Food Solutions

Revenues equaled 878 MNOK in fourth quarter 2020, down from 891 MNOK in the same period last year. The processed food segment has been slower, while the fresh food segment continues to have a good momentum.

Gross margin was stable at 44% compared to the same period last year.

Operating expenses was 254 MNOK in fourth quarter 2020 from 255 MNOK in fourth quarter 2019, down 5% currency adjusted.

EBITA was 132 MNOK in the period, compared to 141 MNOK in fourth quarter 2019.

The order intake for the quarter was 865 MNOK compared to 905 MNOK in fourth quarter last year. The order backlog was up from 894 MNOK at the end of fourth quarter 2019 to 918 MNOK at the end of fourth quarter 2020.

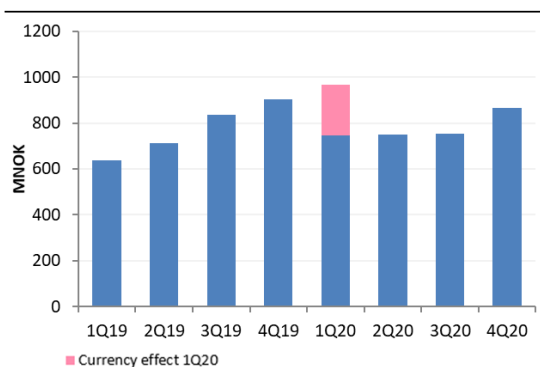
### TOMRA Food Solutions

(MNOK)	4Q20	4Q19	2020	2019
Revenues				
- Europe	194	197	875	767
- North America	268	277	1 222	1 170
- South America	137	130	299	256
- Asia	62	94	291	293
- Oceania	169	149	491	410
- Africa	48	44	133	125
Total revenues	<b>878</b>	<b>891</b>	<b>3 311</b>	<b>3 021</b>
Gross contribution	386	396	1 414	1 269
- in %	44 %	44 %	43 %	42 %
Operating expenses	254	255	1 050	991
EBITA	<b>132</b>	<b>141</b>	<b>364</b>	<b>278</b>
- in %	15 %	16 %	11 %	9 %

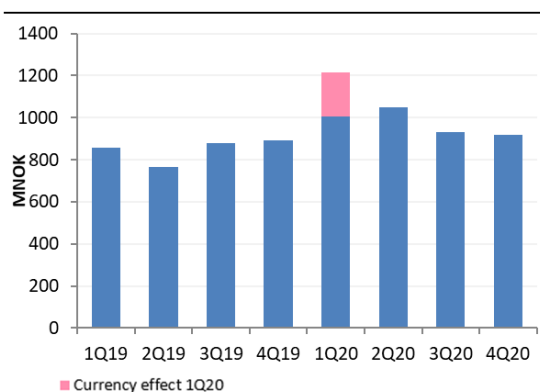
Home consumption has boosted the grocery business and sustained the good momentum in fresh food production throughout 2020. The food service sector has deployed alternative channels such as takeaway and the order intake in the potato segment has been above last year in the fourth quarter.

Travel restrictions and social distancing measures continue to be a challenge when meeting new customers.

#### Order Intake



#### Order backlog



## MARKET OUTLOOK

The long-term demand for better resource productivity is a result of megatrends such as population increase, a growing middle-class consumer base, the emergence of e-commerce and greater urbanization. TOMRA, as a leader in sensor-based solutions, is favorably positioned to capitalize on these trends.

Although the current COVID-19 pandemic is not materially stalling business, it creates uncertainties, delays and potential disruptions for our customers. As a result, some customers are temporarily delaying their investments.

While most of TOMRA's service operations still operate as usual, travel restrictions will sometimes limit the ability to perform on-site service and installations. The supply chain is currently intact, but temporary interruptions due to local virus outbreaks cannot be excluded.

Most of TOMRA's main customers, being Food Retail, Food Producers, and the Waste Management industry, are all defined as critical services that to a large extent continue to operate at levels similar to before the crisis with a sound financial position.

Due to a combination of TOMRA's customer centricity, its robust service network and production operations as well as a sound financial position, TOMRA will continue to weather the storm by handling upcoming challenges and aiming to capitalize on emerging opportunities. TOMRA's business fundamentals remain intact, and the core strategy is unchanged. TOMRA will continue to invest in future growth.

### TOMRA Collection Solutions

Good momentum in TOMRA Collection Solutions, although potential new outbreaks of COVID-19 could have negative regional impact. The expansion of the Dutch deposit system is expected to have a positive effect in the coming quarters.

### TOMRA Recycling Mining

The underlying momentum in Recycling is expected to continue. Volatile commodity prices and industrial demand are expected to continue to have a negative influence on Metals Recycling and Mining.

### TOMRA Food Solutions

There are significant regional differences, dependent upon the severity of the COVID-19 outbreak and the corresponding preventive measures implemented.

In general, the fresh food segment is assumed to continue better than the processed food segment.

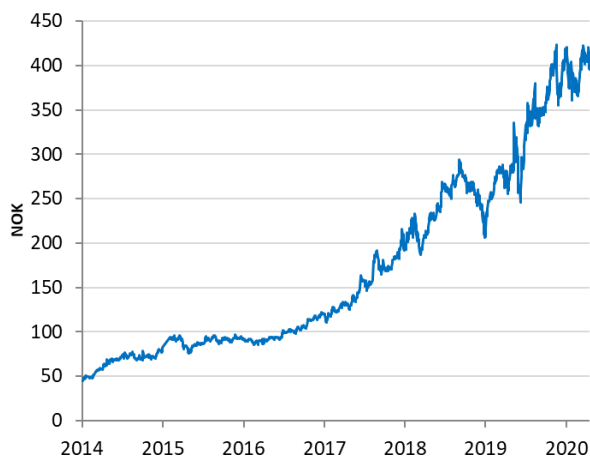
The outlook remains positive for long-term opportunities in both the fresh and processed food segments, but the pandemic continues to create short-term uncertainty.

### Currency

Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR.

### THE TOMRA SHARE

The total number of issued shares at the end of fourth quarter 2020 was 148,020,078 shares, including 400,179 treasury shares. The total number of shareholders decreased slightly from 10,430 at the end of third quarter 2020 to 10,380 at the end of fourth quarter 2020.



TOMRA's share price increased from NOK 402.10 to NOK 422.60 during fourth quarter 2020. The number of shares traded on the Oslo Stock Exchange in the period was 16 million, down from 28 million in fourth quarter 2019. Average daily turnover decreased during the same period from 110 MNOK to 101 MNOK.



Asker, 22 February 2021  
The Board of Directors  
TOMRA SYSTEMS ASA

Jan Svensson  
Chairman of the Board

Stefan Ranstrand  
President & CEO

## Condensed Consolidated interim financial statements

STATEMENT OF PROFIT AND LOSS (MNOK)		4th Quarter		Full year	
		2020	2019	2020	2019
	Note				
<b>Operating revenues</b>	(5)	<b>2 741,9</b>	<b>2 568,9</b>	<b>9 941,3</b>	<b>9 346,3</b>
Cost of goods sold		1 520,5	1 460,7	5 574,6	5 261,1
<b>Gross contribution</b>		<b>1 221,4</b>	<b>1 108,2</b>	<b>4 366,7</b>	<b>4 085,2</b>
Operating expenses		716,2	700,2	2 844,5	2 703,8
<b>EBITA</b>	(5)	<b>505,2</b>	<b>408,0</b>	<b>1 522,2</b>	<b>1 381,4</b>
Amortizations		52,8	51,3	222,0	204,1
<b>EBIT</b>	(5)	<b>452,4</b>	<b>356,7</b>	<b>1 300,2</b>	<b>1 177,3</b>
Net financial income		(9,6)	4,0	(229,8)	(46,9)
<b>Profit before tax</b>		<b>442,8</b>	<b>360,7</b>	<b>1 070,4</b>	<b>1 130,4</b>
Taxes		115,3	87,3	272,2	272,1
<b>Net profit</b>		<b>327,5</b>	<b>273,4</b>	<b>798,2</b>	<b>858,3</b>
Non-Controlling interest (Minority interest)		(13,7)	(8,3)	(23,1)	(35,9)
Earnings per share (EPS)		2,12	1,80	5,25	5,57
EBITDA (w without IFRS 16)		593,5	471,0	1 860,0	1 675,5
EBITDA (w with IFRS 16)		671,3	544,3	2 166,9	1 949,1

STATEMENT OF OTHER COMPREHENSIVE INCOME (MNOK)		4th Quarter		Full year	
		2020	2019	2020	2019
Net profit for the period		<b>327,5</b>	<b>273,4</b>	<b>798,2</b>	<b>858,3</b>
Other compreh. income that may be recl. to profit or loss					
Translation differences		(374,7)	(34,2)	72,9	6,8
Remeasurements of defined benefit liability (assets)		(2,2)	(25,8)	(2,2)	(25,8)
<b>Total comprehensive income</b>		<b>(49,4)</b>	<b>213,4</b>	<b>868,9</b>	<b>839,3</b>
Attributable to:					
Non-controlling interest		(13,7)	2,0	19,4	37,0
Shareholders of the parent company		(35,7)	211,4	849,5	802,3
<b>Total comprehensive income</b>		<b>(49,4)</b>	<b>213,4</b>	<b>868,9</b>	<b>839,3</b>

STATEMENTS OF FINANCIAL POSITION (MNOK)		31 December	
		2020	2019
<b>ASSETS</b>			
Deferred tax assets		260,4	307,3
Intangible non-current assets		3 585,5	3 480,9
Tangible non-current assets		1 337,1	1 293,2
Right of use assets		1 033,5	1 036,4
Financial non-current assets		352,7	406,1
Inventory		1 492,4	1 596,1
Receivables		2 383,1	2 287,7
Cash and cash equivalents		532,1	459,7
<b>TOTAL ASSETS</b>		<b>10 976,8</b>	<b>10 867,4</b>
<b>EQUITY &amp; LIABILITIES</b>			
Majority equity		5 428,5	5 076,4
Non-controlling interest		162,7	170,3
Deferred taxes		46,4	145,0
Lease liability		1 103,7	1 101,7
Long-term interest bearing liabilities		1 414,1	1 830,0
Short-term interest bearing liabilities		-	50,0
Accounts payables		552,8	502,4
Contract liabilities		487,0	491,8
Other liabilities		1 781,6	1 499,8
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>10 976,8</b>	<b>10 867,4</b>



## Condensed Consolidated interim financial statements (continued)

STATEMENT OF CASHFLOWS (MNOK)		4th Quarter		Full year	
		2020	2019	2020	2019
	Note				
Profit before tax		442,8	360,7	1 070,4	1 130,4
Depreciations/amortizations		218,9	187,5	866,7	771,8
Taxes paid		(102,8)	(92,5)	(273,8)	(250,1)
Change inventory		214,2	140,5	163,7	(65,3)
Change receivables		314,9	306,3	(52,6)	(44,1)
Change accounts payables		9,0	(16,8)	35,4	(128,5)
Change contract liabilities		(12,7)	(151,1)	(8,9)	(100,6)
Other operating changes		(193,9)	(134,4)	(90,7)	(1,0)
<b>Total cash flow from operations</b>		<b>890,4</b>	<b>600,2</b>	<b>1 710,2</b>	<b>1 312,6</b>
Cashflow from (purchase)/sales of subsidiaries		0,0	0,0	0,0	0,0
Other cashflow from investments		(197,9)	(218,0)	(533,6)	(594,7)
<b>Total cash flow from investments</b>		<b>(197,9)</b>	<b>(218,0)</b>	<b>(533,6)</b>	<b>(594,7)</b>
Sales/repurchase of treasury shares	(3)	0,0	(91,1)	36,8	(49,8)
Dividend paid out	(2)	(406,0)	0,0	(406,0)	(664,8)
Other cashflow from financing		(392,2)	(184,4)	(735,0)	59,4
<b>Total cash flow from financing</b>		<b>(798,2)</b>	<b>(275,5)</b>	<b>(1 104,2)</b>	<b>(655,2)</b>
<b>Total cash flow for period</b>		<b>(105,7)</b>	<b>106,7</b>	<b>72,4</b>	<b>62,7</b>
Opening cash balance		637,8	367,9	459,7	397,0
Closing cash balance		532,1	459,7	532,1	459,7

EQUITY (MNOK)	Paid in capital	Transl. reserve	Actuarial Gain / (Loss)	Retained earnings	Total majority equity	Non-controlling interest	Total equity
<b>Balance per 31 December 2019</b>	<b>1 065,8</b>	<b>719,0</b>	<b>(109,7)</b>	<b>3 401,3</b>	<b>5 076,4</b>	<b>170,3</b>	<b>5 246,7</b>
Net profit				775,1	775,1	23,1	798,2
Changes in translation difference		76,6			76,6	(3,7)	72,9
Remeasurement defined benefit liability			(2,2)		(2,2)		(2,2)
Dividend non-controlling interest				(26,3)	(26,3)	(27,0)	(53,3)
Remeasurements put/call options				(102,0)	(102,0)		(102,0)
Treasury shares sold to employees	0,1			36,7	36,8		36,8
Treasury shares purchased					0,0		0,0
Dividend to shareholders					(406,0)		(406,0)
<b>Balance per 30 December 2020</b>	<b>1 065,9</b>	<b>795,6</b>	<b>(111,9)</b>	<b>4 084,8</b>	<b>5 428,4</b>	<b>162,7</b>	<b>5 591,1</b>

MAJORITY EQUITY (MNOK)	4rd Quarter		Year to date		Full year
	2020	2019	2020	2019	2019
<b>Opening balance</b>	<b>5 972,1</b>	<b>4 972,9</b>	<b>5 076,4</b>	<b>5 076,9</b>	<b>5 076,9</b>
Change in accounting principle	0,0	0,2	0,0	(38,4)	(38,4)
<b>Opening balance</b>	<b>5 972,1</b>	<b>4 973,1</b>	<b>5 076,4</b>	<b>5 038,5</b>	<b>5 038,5</b>
Net profit	322,1	265,0	775,1	822,4	822,4
Translation difference	(355,6)	(27,9)	76,6	5,7	5,7
Remeasurement defined benefit liability	(2,2)	(25,8)	(2,2)	(25,8)	(25,8)
Dividend non-controlling interest	0,0	0,0	(26,3)	(12,9)	(12,9)
Remeasurements put/call options	(102,0)	(16,9)	(102,0)	(36,9)	(36,9)
Dividend paid	(406,0)	0,0	(406,0)	(664,8)	(664,8)
Net purchase of treasury shares	0,0	(91,1)	36,8	(49,8)	(49,8)
<b>Closing balance</b>	<b>5 428,4</b>	<b>5 076,4</b>	<b>5 428,4</b>	<b>5 076,4</b>	<b>5 076,4</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### NOTE 1 Disclosure

This interim report has been prepared in accordance with IAS34, and in accordance with the principles used in the annual accounts for 2020). The quarterly reports do not however include all information required for a full annual financial statement of the Group and should be read in conjunction with the annual financial statement for 2020. The quarterly reports have not been audited. The quarterly reports require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ending 31 December 2020.

A number of new standards, amendments to standards and interpretations were not effective for the year ended 31 December 2020 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

Amendments to IFRS 3 Business Combinations

Amendments to IAS 16 Property, plant and Equipment

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

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

**Revenue recognition:** Revenues from sales and sales-type leases of the company's products are generally recognized at the time of installation. Revenues from service contracts and operating leases of the company's products are recognized over the duration of the related agreements. Other service revenues are recognized when services are provided.

**Seasonality:** The Material Recovery operations, to some extent the US Reverse Vending operations as well as the TCS Australian operations are influenced by seasonality. The seasonality mirrors the beverage consumption pattern, which normally is higher during the summer than during the winter.

**Financial exposures:** TOMRA is exposed to currency risk, as only ~2% of its income is nominated in NOK. A strengthening/ weakening of NOK toward other currencies of 10% would normally decrease/increase operating profit by 10-15%. An increase in NIBOR and EURIBOR of 1 percentage point, would increase financial expenses by ~NOK 15 million per year.

**Segment reporting:** TOMRA is organized as three divisions; TOMRA Collection Solutions and TOMRA Recycling Mining and TOMRA Food Solutions. In addition, the corporate overhead costs are reported in a separate column. The split is based upon the risk- and return profile of the Group's different activities; also taking into consideration TOMRA's internal reporting structure.

- TOMRA Collection Solutions consists of the business streams Reverse Vending (development, production, sales and service and lease of Reverse Vending Machines and related data management systems) + Material Recovery (pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada)
- TOMRA Recycling Mining is a provider of advanced optical sorting systems to the Recycling and Mining industries.
- TOMRA Food is a provider of advanced optical sorting systems to the Food industry.
- Group Functions consists of costs related to corporate functions at TOMRA's headquarters

The reporting format has been changed from 2019, as the previous segment TOMRA Sorting Solutions has been split into two reporting segments; TOMRA Food Solutions and TOMRA Recycling Mining. As part of the split, the cost related to circular economy has been moved from Group Functions to TOMRA Recycling Mining (6 MNOK in 2019 and 50 MNOK in 2020). The 2019 figures has been restated accordingly.

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. There are no material revenues from transactions with other business areas. There were no material related party transactions in 2020.

### 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.
- **EBITA** is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortizations.
- **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
- **Net interest-bearing debt** is calculated as the difference between interest-bearing debt and cash. Interest-bearing debt includes loans from financial institutions (current and non-current loans). Cash includes cash equivalents as short-term deposits, cash funds and bank accounts.
- **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 Mining and TOMRA Food Solutions 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
- **Cost of goods sold** refers to the direct costs attributable to the production of the goods sold.
- **Gross contribution** is defined as Revenues minus Cost of goods sold
- **Gross margin** is defined as Gross contribution divided by Revenues in percent.
- **Operating expenses** is defined as Revenues minus Gross contribution minus EBITA
- **EBITA margin** is defined as EBITA divided by Revenues in percent.
- **Gearing ratio** is Net interest-bearing debt / EBITDA

### COVID-19

Tomra has been influenced by the ongoing COVID 19 pandemic, but in general more limited than other industries, as most of Tomra's customers has been classified as "essential businesses" that has continued to operate during the crises. Food retail, Food producers and Waste management represents the most important customer segments, which all has been operating with only limited interference.

Tomra's revenues and profit has therefore only been moderately impacted by the crises. There has not been identified any new impairment triggers. There are no material B/S items that are viewed as further exposed due to the crises. There are significant headroom towards the loan covenants. The liquidity reserves are good, and access the eventual additional funding is satisfactory. Tomra has only received limited government grants and support during the crises. There have not been identified any going concern topics.

## NOTE 2 Dividend paid

Paid out May 2019: (2.50 NOK + 2.00 NOK) x 147.8 million shares = NOK 664.8 million

Paid out November 2020: (2.75 NOK) x 147.7 million shares = NOK 406.0 million

## NOTE 3 Purchase of treasury shares

Net purchase of own shares	# shares	Average price		Total (MNOK)
<b>2019</b>				
Sold to employees	155 295	NOK	265,60	41,2
Bought at Oslo Stock Exchange	370 667	NOK	245,67	91,1
<b>Net 2019</b>	<b>(215 372)</b>			<b>(49,8)</b>
<b>2020</b>				
Sold to employees	99 821	NOK	368,66	36,8

## NOTE 4 Interim results

(MNOK)	4Q20	3Q20	2Q20	1Q20	4Q19
Operating revenues (MNOK)	2 742	2 578	2 319	2 302	2 569
EBITA (MNOK)	505	501	288	228	408
EBIT (MNOK)	452	447	229	172	356
Sales growth (year-on-year) (%)	7 %	8 %	-2 %	11 %	4 %
Gross margin (%)	45 %	44 %	43 %	42 %	43 %
EBITA margin (%)	15 %	14 %	10 %	10 %	16 %
EPS (NOK)	2,12	1,96	1,37	-0,20	1,80
EPS (NOK) fully diluted	2,12	1,96	1,37	-0,20	1,80

## NOTE 5 Operating segments

SEGMENT (MNOK)	Collection Solutions		Recycling Mining		Food Solutions		Group Functions		Group Total	
	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19
<b>Revenues</b>	<b>1 426</b>	<b>1 265</b>	<b>438</b>	<b>413</b>	<b>878</b>	<b>891</b>			<b>2 742</b>	<b>2 569</b>
Gross contribution	598	506	237	206	386	396			1 221	1 108
- in %	42 %	40 %	54 %	50 %	44 %	44 %			45 %	43 %
Operating expenses	302	290	135	132	254	255	25	23	716	700
<b>EBITA</b>	<b>296</b>	<b>216</b>	<b>102</b>	<b>74</b>	<b>132</b>	<b>141</b>	<b>(25)</b>	<b>(23)</b>	<b>505</b>	<b>408</b>
- in %	21 %	17 %	23 %	18 %	15 %	16 %			18 %	16 %
Amortization	29	23	3	4	21	25			53	52
<b>EBIT</b>	<b>267</b>	<b>193</b>	<b>99</b>	<b>70</b>	<b>111</b>	<b>116</b>	<b>(25)</b>	<b>(23)</b>	<b>452</b>	<b>356</b>
- in %	19 %	15 %	23 %	17 %	13 %	13 %			16 %	14 %

SEGMENT (MNOK)	Collection Solutions		Recycling Mining		Food Solutions		Group Functions		Group Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenues</b>	<b>4 936</b>	<b>4 633</b>	<b>1 694</b>	<b>1 692</b>	<b>3 311</b>	<b>3 021</b>			<b>9 941</b>	<b>9 346</b>
Gross contribution	2 042	1 928	910	888	1 414	1 269			4 366	4 085
- in %	41 %	42 %	54 %	52 %	43 %	42 %			44 %	44 %
Operating expenses	1 161	1 120	534	503	1 050	991	99	90	2 844	2 704
<b>EBITA</b>	<b>881</b>	<b>808</b>	<b>376</b>	<b>385</b>	<b>364</b>	<b>278</b>	<b>(99)</b>	<b>(90)</b>	<b>1 522</b>	<b>1 381</b>
- in %	18 %	17 %	22 %	23 %	11 %	9 %			15 %	15 %
Amortization	123	92	13	16	86	96			222	204
<b>EBIT</b>	<b>758</b>	<b>716</b>	<b>363</b>	<b>369</b>	<b>278</b>	<b>182</b>	<b>(99)</b>	<b>(90)</b>	<b>1 300</b>	<b>1 177</b>
- in %	15 %	15 %	21 %	22 %	8 %	6 %			13 %	13 %
Assets	4 462	4 371	2 890	2 787	2 832	2 942	793	767	10 977	10 867
Liabilities	1 819	1 769	426	564	1 116	948	2 025	2 340	5 386	5 621

## About TOMRA

TOMRA was founded on an innovation in 1972 that began with design, manufacturing and sale of reverse vending machines (RVMs) for automated collection of used beverage containers. Today TOMRA provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, recycling and mining industries.

TOMRA has more than 100,000 installations in over 80 markets worldwide and had total revenues of ~9.9 billion NOK in 2020. The Group employs ~4,300 globally and is publicly listed on the Oslo Stock Exchange. (OSE: TOM).

For further information about TOMRA, please see [www.TOMRA.com](http://www.TOMRA.com)

From purpose into profits and profits into progress, TOMRA is transforming what it means to be resourceful



The results announcement will be broadcasted 23<sup>rd</sup> of February 2021 08:00 CET via live webcast. Link to webcast for this and previous releases are available at <https://TOMRA.com/en/investor-relations/webcasts/>

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