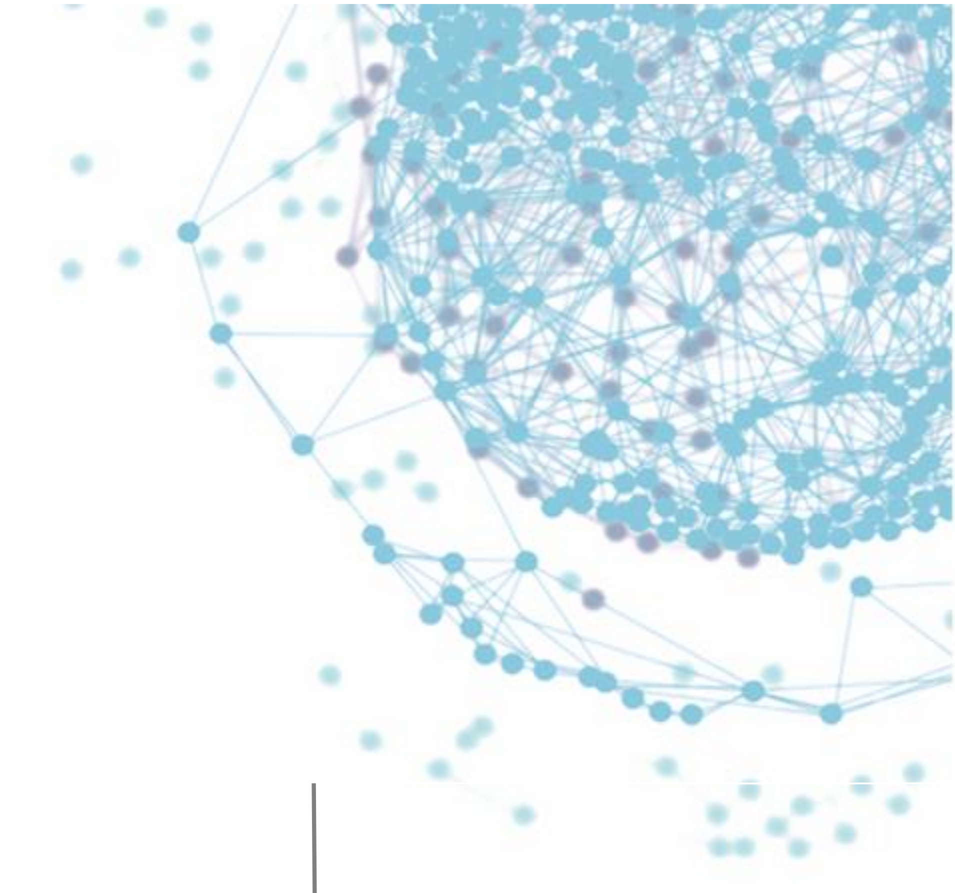


1st Quarter 2018

25.04.2018

HIGHLIGHTS

1Q 2018

- Revenues of 1,754 MNOK (1,564 MNOK in first quarter 2017), up 12%.
  Adjusted for currency and acquisitions, revenues were:
  - Up 10% for TOMRA Group
  - Up 5% in TOMRA Collection Solutions
  - Up 17% in TOMRA Sorting Solutions

- Gross margin 41%, up from 40% in first quarter 2017
  - Stable margin in TOMRA Collection Solutions
  - Improved margin in TOMRA Sorting Solutions

- Operating expenses of 580 MNOK (475 MNOK in first quarter 2017)
  - Higher activity, ramp-up New South Wales and acquisitions
  - Includes 4 MNOK in transaction cost for BBC

- EBITA of 142 MNOK (158 MNOK in first quarter 2017)

- Cash flow from operations of 120 MNOK, compared to 122 MNOK in first quarter 2017

- TOMRA Collection Solutions
  - Stable activity in both Europe and North America
  - Still good momentum in Germany, due to replacement demand
  - Ramp-up in New South Wales continues

- TOMRA Sorting Solutions
  - New Zealand-based BBC Technologies acquired, consolidated from 1 March 2018
  - All time high order intake 1,188 MNOK, compared to 826 MNOK same period last year.
  - All time high order backlog of 1,515 MNOK, up from 1,139 MNOK at the end of first quarter 2017

LEADING THE RESOURCE REVOLUTION

CONSOLIDATED FINANCIALS

Revenues in the first quarter 2018 amounted to 1,754 MNOK compared to 1,564 MNOK in first quarter last year, up 12%. Organic, currency adjusted revenues were up 5% in TOMRA Collection Solutions and up 17% in TOMRA Sorting Solutions.

Gross margin was 41% in the quarter, up from 40% in first quarter 2017. Stable margins in TOMRA Collection Solutions and improved margins in TOMRA Sorting Solutions.

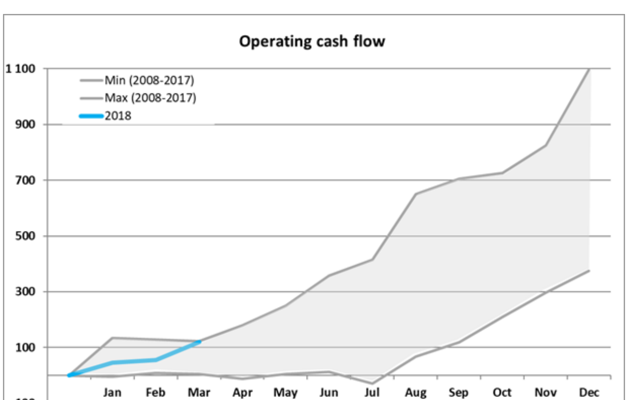
Operating expenses of 580 MNOK in first quarter, up from 475 MNOK in first quarter last year. The increase related to higher activity, ramp-up costs in New South Wales (Australia), currencies and acquisitions (three months with Compac in 2018 versus two months in 2017 + one month with BBC in 2018). Adjusted for currencies, acquisitions and ramp-up costs, operating expenses increased by 6%.

EBITA was 142 MNOK in first quarter 2018 versus 158 MNOK in first quarter 2017.

Net finance was plus 6 MNOK in the quarter, positively influenced by currency gains of 12 MNOK.

Cash flow from operations in first quarter 2018 equaled 120 MNOK, compared to 122 MNOK in first quarter 2017.

Cashflow from investments equaled negative 502 MNOK in first quarter 2018, influenced by the BBC acquisition of negative 363 MNOK and ramp-up in New South Wales.



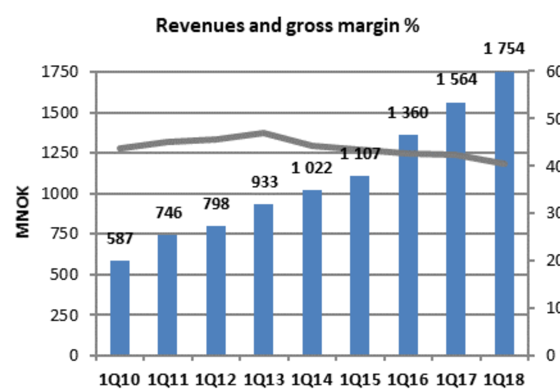
TOMRA Group

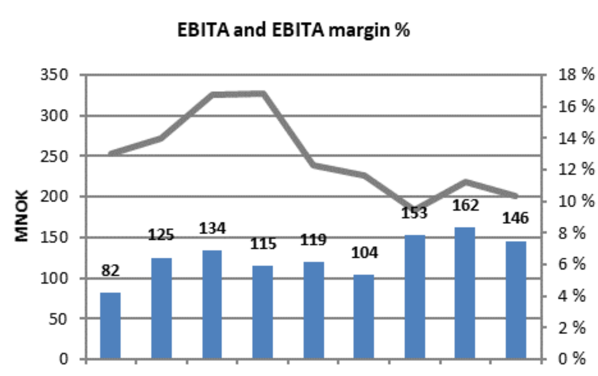
(MNOK)	1Q18	1Q17
Revenues	**1 754**	**1 564**
Gross contribution	722	633
- in %	41 %	40 %
Operating expenses	580	475
EBITA	**142**	**158**
- in %	8 %	10 %
Including one-time costs in operating expenses	4	4

Total assets were 8,808 MNOK as of 31 March 2018, up 4% from 31 December 2017. The increase is explained by the acquisition of BBC and investments in New South Wales.

The equity ratio decreased for the same reason from 56% to 53% during first quarter 2018.

Net Interest Bearing Debt / EBITDA (rolling 12 months' basis) increased from 0.5x at the end of 2017 to 0.8x at the end of first quarter 2018.





Excluding one-time cost

BUSINESS AREA REPORTING

TOMRA Collection Solutions

Revenues in the business area equaled 934 MNOK in the first quarter, up from 877 MNOK in first quarter last year. After adjustment for currency changes, revenues were up 5%.

Gross margin was 40%, unchanged from last year. Operating expenses were 253 MNOK, up from 207 MNOK last year, mainly due to ramp-up in New South Wales, higher activity and currency.

EBITA was 121 MNOK, down from 144 MNOK last year.

Europe

Currency adjusted revenues in Europe were unchanged in first quarter 2018, compared to first quarter 2017. Stable activity in all major markets.

The UK government announced in March 2018 plans for a deposit return scheme on single use drink containers in England to tackle plastic pollution. The introduction is subject to consultations that are expected to take place during 2018.

North America

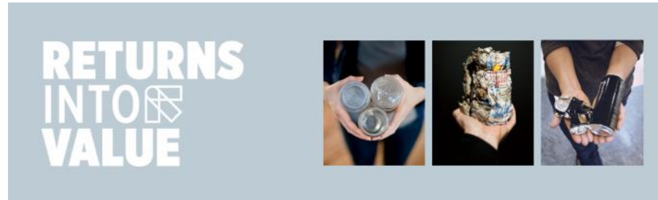
Currency adjusted revenues in North America were unchanged in first quarter 2018, compared to first quarter 2017. Both machine sales and throughput-volumes were stable.

Rest of the world

The return volumes are increasing month by month in New South Wales (Australia), as more centers are opened.

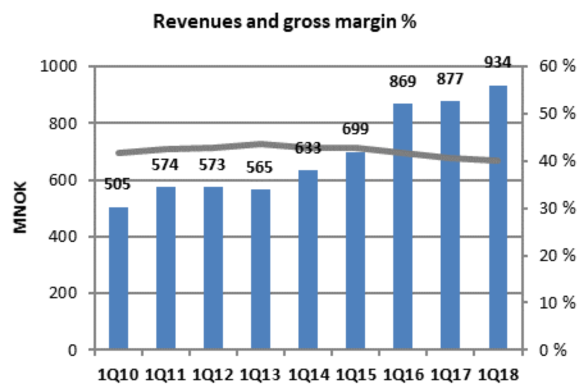
TOMRA will continue to add Collection Points during second quarter 2018 and when fully operational, there will be over 500 Collection Points across the state and more than half of these will be automated with two or four reverse vending machines. In total, over 1,000 RVMs will be installed.

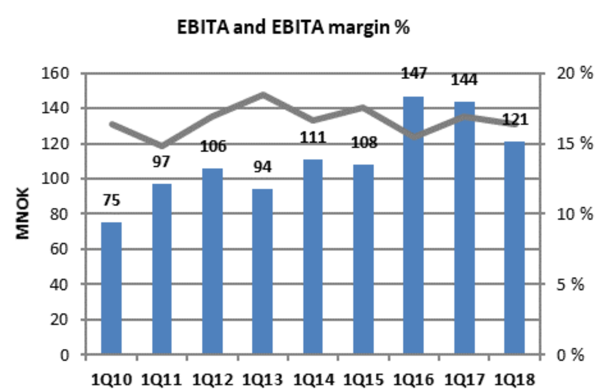
While the ramp-up continues, the New South Wales operation will have a negative influence on the financial performance.



TOMRA Collection Solutions

(MNOK)	1Q18	1Q17
Revenues		
- Northern Europe	148	139
- Europe (ex Northern)	409	383
- North America	322	342
- Rest of World	55	13
Total revenues	**934**	**877**
Gross contribution	374	351
- in %	40 %	40 %
Operating expenses	253	207
EBITA	**121**	**144**
- in %	13 %	16 %





Excluding one-time cost

BUSINESS AREA REPORTING

TOMRA Sorting Solutions

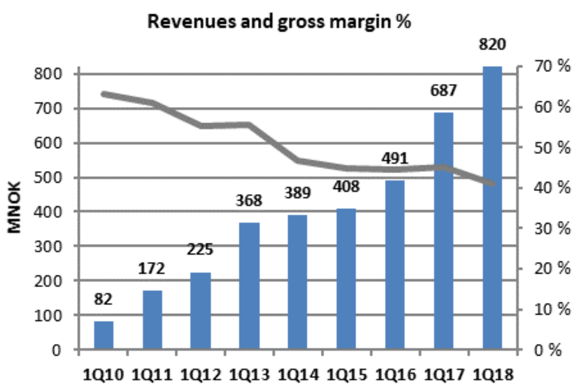
Revenues equaled 820 MNOK in first quarter 2018, up 17% in local currencies, adjusted for acquisitions. Gross margin was 42%, up from 41% same period last year due to product mix.

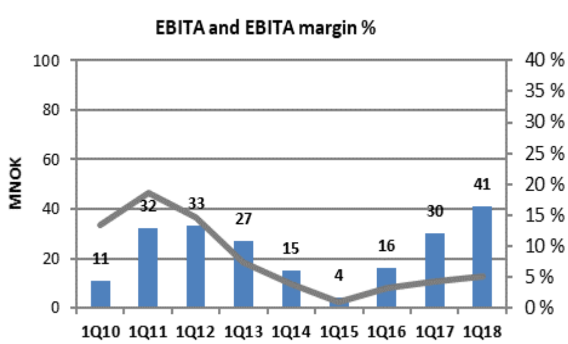
Operating expenses were up 6% (organic, currency adjusted)

EBITA increased from 30 MNOK in first quarter 2017 to 41 MNOK in first quarter 2018, positively influenced by higher revenues and higher gross margin.

The overall momentum in TOMRA Sorting has been positive, with strong increases in revenues and order intake.

With an all time high order intake, the quarter ended with an all time high order backlog of 1,515 MNOK, of which 86 MNOK was provided by BBC.





Excluding one time cost

TOMRA Sorting Solutions

(MNOK)	1Q18	1Q17
Revenues		
- Europe	256	207
- North America	282	252
- South America	29	25
- Asia	115	108
- Oceania	86	57
- Africa	52	38
Total revenues	**820**	**687**
Gross contribution	348	282
- in %	42 %	41 %
Operating expenses	307	252
EBITA	**41**	**30**
- in %	5 %	4 %

Business streams

Food

Revenues in the Food business stream were up in first quarter 2018 compared to first quarter 2017. A strong order intake in the quarter resulted in an all time high order backlog at the end of the quarter.

Recycling

Revenues in first quarter 2018 were significantly up compared to first quarter 2017, and a very strong order intake contributed to an all time high order backlog at the end of the quarter

Mining

Order intake and revenues were slightly down compared to first quarter 2017.

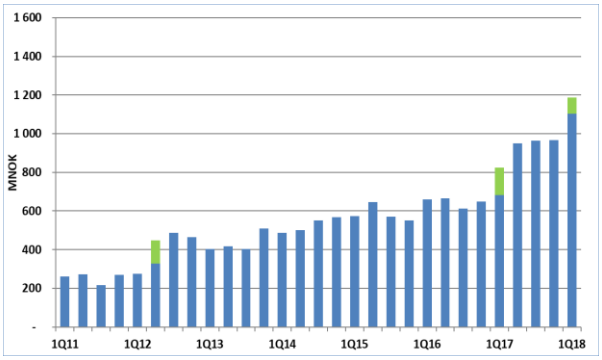
BBC Technology Inc

TOMRA signed 23 February 2018 an agreement with the owners of BBC Technologies Ltd (BBC) to acquire 100 percent of the shares in BBC.

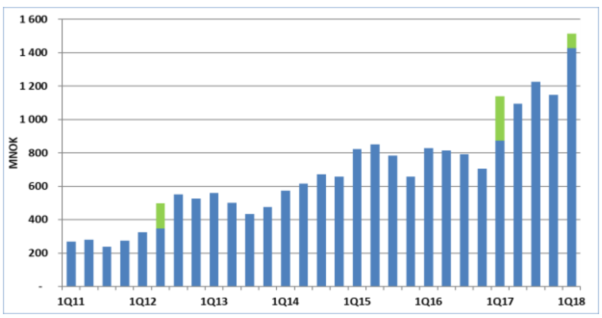
BBC is headquartered in Hamilton, New Zealand and is a leading provider of precision grading systems for blueberries and other small fruits. The company complements TOMRA's own fruit inspection and grading technology portfolio. BBC origins go back to 2000, and it currently employs around 145 people across locations in New Zealand, Chile, Europe and USA. About 2,350 BBC Technologies machines have been sold worldwide.

Closing of the transaction took place 1 March 2018, when TOMRA paid a total consideration of 363 MNOK, free of cash and interest bearing debt.

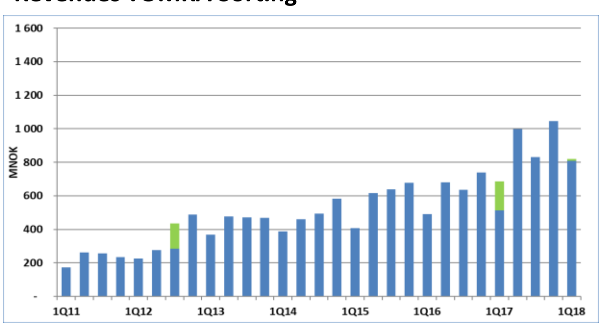
Order intake TOMRA Sorting



Order backlog TOMRA Sorting



Revenues TOMRA Sorting



■ Organic ■ Inorganic

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.

TOMRA Collection Solutions

The replacement demand in Germany is assumed to continue in 2018 and the ramp-up in New South Wales will continue during second quarter 2018.

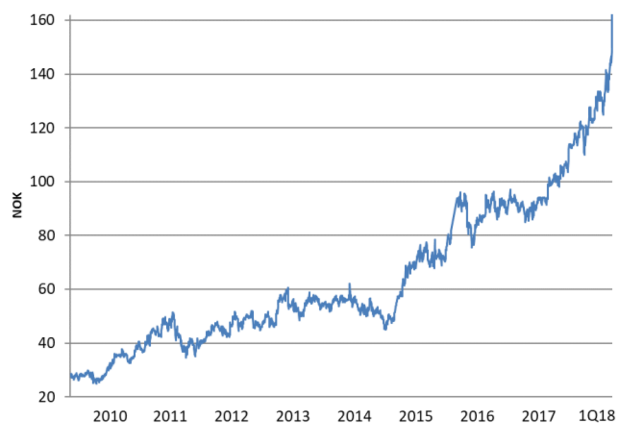
TOMRA Sorting Solutions

Currently positive momentum in all business streams.

Currency

Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR. With significant revenues in USD and costs in EUR and NZD, TOMRA Sorting is exposed to USD/EUR and USD/NZD.

THE TOMRA SHARE



The total number of issued shares at the end of first quarter 2018 was 148,020,078 shares, including 456,340 treasury shares. The total number of shareholders increased from 5,543 at the end of fourth quarter 2017 to 5,851 at the end of first quarter 2018. Norwegian residents held 21% of the shares at the end of first quarter 2018.

TOMRA's share price increased from NOK 131.50 to NOK 164.00 during first quarter 2018. The number of shares traded on the Oslo Stock Exchange in the period was 9 million, up from 7 million in first quarter 2017.

Asker, 24 April 2018

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	Note	1st Quarter		Full year
(MNOK)		2018	2017	2017
Operating revenues	**(5)**	**1 754,2**	**1 563,7**	**7 432,1**
Cost of goods sold		1 001,2	907,5	4 184,3
Depreciations/write-down		31,5	23,4	107,0
Gross contribution		**721,5**	**632,8**	**3 140,8**
Operating expenses		550,2	445,2	1 949,0
Depreciations/write-down		29,5	29,6	123,5
EBITA	**(5)**	**141,8**	**158,0**	**1 068,3**
Amortizations		40,4	34,1	152,8
EBIT	**(5)**	**101,4**	**123,9**	**915,5**
Net financial income		6,0	(3,1)	(28,4)
Profit before tax		**107,4**	**120,8**	**887,1**
Taxes		26,3	30,8	229,3
Net profit		**81,1**	**90,0**	**657,8**
Non-Controlling interest (Minority interest)		(5,2)	(5,2)	(47,1)
Earnings per share (EPS) continuing operations		0,51	0,57	4,14

STATEMENT OF OTHER COMPREHENSIVE INCOME	1st Quarter		Full year
(MNOK)	2018	2017	2017
Net profit for the period	81,1	90,0	657,8
Other comprehensive income that may be recl. to profit or loss			
Translation differences	(185,7)	23,4	138,5
Other comprehensive income that will not be recl. to profit or loss			
Remeasurements of defined benefit liability (assets)	3,6	0,0	(35,7)
Total comprehensive income	**(101,0)**	**113,4**	**760,6**
Attributable to:			
Non-controlling interest	(100,6)	4,7	39,2
Shareholders of the parent company	(0,4)	108,7	721,4
Total comprehensive income	**(101,0)**	**113,4**	**760,6**

STATEMENTS OF FINANCIAL POSITION	31 March		31 Dec
(MNOK)	2018	2017	2017
ASSETS			
Intangible non-current assets	3 672,8	3 177,3	3 412,0
Tangible non-current assets	995,7	856,3	997,9
Financial non-current assets	350,0	348,6	348,9
Inventory	1 276,4	1 210,4	1 197,2
Receivables	1 916,5	1 808,1	1 887,6
Cash and cash equivalents	596,8	526,4	593,5
TOTAL ASSETS	**8 808,2**	**7 927,1**	**8 437,1**
EQUITY & LIABILITIES			
Equity	4 493,4	4 301,0	4 594,1
Non-controlling interest	142,9	184,0	143,3
Deferred taxes	159,3	120,4	114,2
Long-term interest bearing liabilities	1 668,2	1 173,7	1 280,1
Short-term interest bearing liabilities		-	-
Other liabilities	2 344,4	2 148,0	2 305,4
TOTAL EQUITY & LIABILITIES	**8 808,2**	**7 927,1**	**8 437,1**

Condensed Consolidated interim financial statements (continued)

STATEMENT OF CASHFLOWS		1st Quarter		Full year
(MNOK)	Note	2018	2017	2017
Profit before income tax		107,4	120,8	887,1
Changes in working capital		(44,4)	35,4	60,8
Other operating changes		57,2	(34,1)	74,6
Total cash flow from operations		**120,2**	**122,1**	**1 022,5**
Cashflow from (purchase)/sales of subsidiaries		(362,8)	(411,6)	(423,6)
Other cashflow from investments		(138,8)	(78,4)	(505,9)
Total cash flow from investments		**(501,6)**	**(490,0)**	**(929,5)**
Sales/repurchase of treasury shares	(3)	0,0	0,0	(0,6)
Dividend paid out	(2)	0,0	0,0	(309,9)
Other cashflow from financing		388,8	492,0	398,6
Total cash flow from financing		**388,8**	**492,0**	**88,1**
Total cash flow for period		**7,4**	**124,1**	**181,1**
Exchange rate effect on cash		(4,1)	3,1	13,2
Opening cash balance		593,5	399,2	399,2
Closing cash balance		596,8	526,4	593,5

EQUITY (MNOK)	Paid in capital	Transl. reserve	Actuarial Gain / (Loss)	Retained earnings	Total majority equity	Minority interest
Balance per 31 December 2017	**1 065,8**	**631,0**	**(76,1)**	**2 973,4**	**4 594,1**	**143,3**
Net profit				75,9	75,9	5,2
Changes in translation difference		(180,1)			(180,1)	(5,6)
Remeasurement defined benefit liability			3,6		3,6	
Dividend non-controlling interest					0,0	
Purchase of treasury shares					0,0	
Treasury shares sold to employees					0,0	
Minority new consolidated companies					0,0	
Dividend to shareholders					0,0	
Balance per 31 March 2018	**1 065,8**	**450,9**	**(72,5)**	**3 049,3**	**4 493,5**	**142,9**

EQUITY	1st Quarter		Full year
(MNOK)	2018	2017	2017
Opening balance	**4 594,1**	**4 192,3**	**4 192,3**
Net profit	75,9	84,8	610,7
Translation difference	(180,1)	23,9	146,4
Remeasurement defined benefit liability	3,6	0,0	(35,7)
Dividend non-controlling interest	0,0	0,0	(9,0)
Dividend paid	0,0	0,0	(309,9)
Net purchase of own shares	0,0	0,0	(0,7)
Closing balance	**4 493,5**	**4 301,0**	**4 594,1**

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 2017. 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 2017. 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 2017.

A number of new standards, amendments to standards and interpretations are not effective for the year ended 31 March 2018 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 16 Leases
IFRIC 23 Uncertainty over Income Tax Treatments
Amendments to IAS 28: Long-term interests in Associates and Joint Ventures
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
Amendments to IFRS 9: Prepayment Features with Negative Compensation

TOMRA is considering the effects of the future adoption of these standards.

IFRS 16 leases was issued in January 2016 with effective date 1 January 2019. IFRS 16 specifies how to recognize, measure and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

TOMRA has completed an initial assessment of the potential impact of its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 January 2019, the composition of TOMRA's lease portfolio at that date, the latest assessment of whether it will exercise any lease renewal options and the extent to which TOMRA chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that TOMRA will recognize new assets and liabilities for its operating leases. The impact of this is that the balance sheet is estimated to increase by 10-15 percent, and also have a negative impact on key figures using total assets as a variable such as ROCE.

In addition the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

No significant impact is expected for TOMRA's finance leases.

Other Standards
The current assessment of other new and revised standards 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, and to some extent the US Reverse Vending operations, are influenced by seasonality. The seasonality mirrors the beverage consumption pattern in the US, which normally is higher during the summer (2Q and 3Q) than during the winter (1Q and 4Q).

Financial exposures: TOMRA is exposed to currency risk, as only ~4% of its income is nominated in NOK. A strengthening/ weakening of NOK toward other currencies of 10% would normally decrease/increase operating profit by 8-12%. An increase in NIBOR and EURIBOR of 1 percentage point, would increase financial expenses by ~NOK 7 million per year.

Segment reporting: TOMRA has divided its primary reporting format into two business areas: Collection Solutions and Sorting 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.

- Collection Solutions consists of the business streams Reverse Vending (development, production, sales and service 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)
- Sorting Solutions consists of the business streams Food, Recycling and Mining, all providing advanced optical sorting systems. Compac (acquired February 2017) is reported as part of Sorting Solutions (Food)
- Group Functions consists of costs related to corporate functions at TOMRA's headquarters

Assets and liabilities are distributed to the different business streams, except for cash, interest-bearing debt and tax-positions, which are allocated to Group Functions. There are no material revenues from transactions with other business areas. There were no material related party transactions in 2017.

Alternative performance measures: Alternative performance measures used in this report are defined in the following way:

- EBITA is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortization.
- Net interest bearing debt is calculated as the difference between interest-bearing debts and cash and cash equivalents. Interest-bearing debts include loans from financial institutions (current and non-current loans) and cash and cash equivalents include short-term deposits, cash funds and bank accounts.
- Currency adjusted revenues/gross margin/operating expenses/EBITA is the change in revenues/gross margin/operating expenses/EBITA, after adjusting for estimated currency effect.
- Order backlog is defined as the value of orders received within TOMRA Sorting that have not yet been delivered (and consequently not yet been taken to P/L).
- Order intake is defined as Order backlog at the end of a reporting period, minus Order backlog at the beginning of the reporting period, plus revenues record in the reporting period.

The divested Compaction business is classified as discontinued operations in the profit and loss statement.

NOTE 2 Dividend paid

Paid out May 2016:	1.75 NOK x 147.9 million shares = NOK 258.8 million
Paid out May 2017:	2.10 NOK x 147.6 million shares = NOK 309.9 million

NOTE 3 Purchase of treasury shares

Net purchase of own shares	# shares	Average price		Total (MNOK)
2017				
Sold to employees	242 606	NOK	98,67	23,9
Net purchased	**200 000**	NOK	122,80	**24,5**

NOTE 4 Interim results

(MNOK)	1Q18	4Q17	3Q17	2Q17	1Q17
Operating revenues (MNOK)	1 754	2 041	1 855	1 972	1 564
EBITA (MNOK)	142	301	303	306	158
EBIT (MNOK)	101	259	265	268	124
Sales growth (year-on-year) (%)	12 %	16 %	8 %	11 %	15 %
Gross margin (%)	41 %	43 %	43 %	42 %	40 %
EBITA margin (%)	8 %	15 %	16 %	16 %	10 %
EPS (NOK)	0,51	1,06	1,22	1,29	0,57
EPS (NOK) fully diluted	0,51	1,06	1,22	1,29	0,57

NOTE 5 Operating segments

SEGMENT	Collection Solutions		Sorting Solutions		Group Functions		Group Total	
(MNOK)	1Q18	1Q17	1Q18	1Q17	1Q18	1Q17	1Q18	1Q17
Revenues	**934**	**877**	**820**	**687**			**1 754**	**1 564**
Gross contribution	374	351	348	282			722	633
- in %	40 %	40 %	42 %	41 %			41 %	40 %
Operating expenses	253	207	307	252	20	16	580	475
EBITA	**121**	**144**	**41**	**30**	**(20)**	**(16)**	**142**	**158**
- in %	13 %	16 %	5 %	4 %			8 %	10 %
Amortization	16	12	25	22			41	34
EBIT	**105**	**132**	**16**	**8**	**(20)**	**(16)**	**101**	**124**
- in %	11 %	15 %	2 %	1 %			6 %	8 %
Assets	2 931	2 813	4 995	4 290	882	824	8 808	7 927
Liabilities	910	995	1 240	1 001	2 022	1 446	4 172	3 442

NOTE 6 BBC acquisition

On 26 February 2018, TOMRA Systems ASA, through its fully owned subsidiary TOMRA Sorting AS, signed an agreement with the owners of BBC Technologies Ltd (New Zealand) and BBC Technologies Limited (USA) (together "BBC") to acquire 100 per cent of the shares in BBC.
BBC is headquartered in Hamilton, New Zealand and is a leading provider of precision grading systems for blueberries and other small fruits. The company complements TOMRA's own fruit inspection and grading technology portfolio. The majority of BBC Technologies sales have been from the blueberry segment, but the company also offers solutions for cherries, cherry tomatoes and other small soft fruits.

BBC origins go back to 2000, currently employing around 145 people across locations in New Zealand, Chile, Europe and USA. About 2,350 BBC Technologies machines have been sold worldwide. With year-end in December the company generated a 2017 EBITDA of approximately 10 MNZD on total revenue of approximately 36 MNZD.

Closing of the transaction took place 1 March 2018, and TOMRA paid a consideration of 363 MNOK corresponding to a value of 63.8 MNZD, free of cash and interest-bearing debt. TOMRA acquisition was settled in cash, and the transaction was financed through existing drawing rights.

Accounting year ended December

Amounts in NZD million	**FY15**	**FY16**	**FY17**
Profit and loss			
Revenues	23	28	36
EBITDA	5	8	10
EBIT	**4**	**6**	**8**
Balance sheet	**FY15**	**FY16**	**FY17**
Intangible non-current assets	1	-	-
Tangible non-current assets	2	4	2
Inventory	6	7	7
Receivables	9	9	9
Cash	3	2	5
Total assets	**17**	**22**	**23**
Equity	5	8	14
Interest bearing debt	7	6	-
Other liabilities	5	8	9
Total debt and equity	**17**	**22**	**23**

Unaudited numbers. Not harmonized with TOMRA Group accounting principles

The figures are extracted from management accounts and adjusted for one-off income and expenses, and are not harmonized with TOMRA accounting principles.

TOMRA has expensed NOK 4 million in acquisition related costs in the First quarter consolidated financial statements.

Preliminary Purchase Price Allocation

NZD million	Carrying amount	Fair value adjustment	Fair value
Goodwill	-	47.1	47.1
Other intangible non-current assets	0.1	9.6	9.7
Tangible non-current assets	1.6	-	1.6
Inventories	7.7	-	7.7
Receivables	10.0	-	10.0
Non-interest-bearing liabilities	-10.3	-2.0	-12.3
Total consideration satisfied by cash	**9.1**	**54.7**	**63.8**

Net cash outflow:	
Cash consideration paid	66.9
Cash acquired	3.1
Net cash outflow	**63.8**

Total goodwill as of acquisition date equals 47.1 MNZD and is not tax deductible. The acquired goodwill is assumed to mainly relate to synergies to be realized over time, possibilities for efficiency improvements and a positive market development.

If the acquisition had occurred on 1 January 2018, revenues in 2018 for the TOMRA Group would have increased with approximately 2 MNZD and EBIT would have decreased by approximately 1 MNZD.

There is no liability for contingent consideration in the Purchase Price Allocation.

No significant gain or loss has been recognized in BBC or in TOMRA Group, related to the acquisition of BBC in 2018.

BBCs activities are reported as part of TOMRA Sorting Solutions (Food).

NOTE 7 IFRS 15 implementation

Transition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when, revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. TOMRA has adopted IFRS 15 using the modified retrospective method, with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 January 2018). IFRS 15 is applied retrospectively only to contracts that are not completed as of 1 January 2018. As a result, TOMRA will not apply the requirements of IFRS 15 to the comparative period presented, and i.e. the information for 2017 is as previously presented under IAS 18 and IAS 11. The revenues presented for Q1 2018 would have been the same if reported under IAS 18 and IAS 11.

The Group has reviewed its contracts to consider if they have any effects of changing accounting principles to IFRS 15 1 January 2018. No effects have been identified based on this review.

Significant accounting policy

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

Nature of goods and services

The following is a description of principal activities – separated by reportable segments – from which the TOMRA Group generates it revenues.

TOMRA Collection Solutions

The Collection Solutions segment principally generate revenue from sales or lease of Reverse Vending Machines (RVMs) and sales of service on the RVMs. RVMs and service may be sold separately or in bundled packages. Leasing of RVMs is considered to fall outside of IFRS 15 according to point 5.a.

For bundled packages TOMRA accounts for individual RVMs and services separately, since they are considered distinct. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices.

The Collection Solution segment also generate revenue from material recovery which consists of pick-up, transportation, processing and sales of empty beverage containers on the US East Coast and in Canada. For the material recovery revenue consists of a processing & handling fee.

The last revenue source for the Collection Solution segment is the commodity revenues. This is sale of the collected material, alumina, plastic and glass.

Sales of RVMs

For the sale of RVMs, revenue is recognized when the customer obtains control over the goods. TOMRAs assessment is that the customer obtains control over the RVM when it is delivered and revenue is recognized at that point in time.

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 service contract period, since it is considered a performance obligation satisfied over time where the customer simultaneously receives and consumes the benefits.

Processing & handling fee

The processing & handling fee is recognized as revenues at month end based on number of containers collected. The revenues are recognized when the service is performed (container has been collected and processed).

Commodity revenues

The commodity revenues are recognized when the material is sold. Then the service of selling the commodity is performed.

TOMRA Sorting Solutions

The Sorting Solutions segment principally generate revenue from sale and installation of sorters and sale of service on the sorters.

Sales of Sorters

For the sale of sorters, revenue is recognized when the customer obtains control over the goods. TOMRAs assessment is that the customer obtains control over the Sorter when it is delivered (based on agreed incoterms) and revenue is recognized at that point in time.

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 service contract period, since it is considered a performance obligation satisfied over time where the customer simultaneously receives and consumes the benefits.

Construction contracts

For some 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 we have 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. To measure progress, TOMRA uses an input method based on the time and costs incurred relative to the total expected inputs to the satisfaction of that performance obligation.

Warranty

RVMs are normally sold with a warranty period between 12 and 24 months. Sorters are normally sold with a warranty period of 12 and 24 months. Warranty is recognized as an expense and the liability accrued as TOMRA does today according to IAS 37.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographic market and major product/service. The table also includes a reconciliation of the disaggregated revenue with the Groups Business areas.

Amounts in NOK million	**Collection Solutions**	**Sorting Solutions**	**TOTAL**
Northern Europe	148		148
Europe (ex Northern)	409		409
North America	322		322
Rest of the world	55		55
Europe 1)		256	256
North America 2)		282	282
South America		29	29
Asia		115	115
Oceania		86	86
Africa		52	52
Operating revenues	**934**	**820**	**1 754**
Sales of RVMs / Sorters	307	606	913
Lease of RVMs / Sorters *	79	21	100
Service	338	193	531
Material handling	210	0	210
Operating revenues	**934**	**820**	**1 754**

* The revenue from lease of RVMs / Sorters is considered to fall outside of IFRS 15 according to point 5.a, but it included in this table to show total revenues for the TOMRA Group.

Contract balances

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

Amounts in NOK million	**31.03.2018**	**31.12.2017**
Receivables from sales/contracts, included in receivables	1 218,1	1 270,9
Contract assets	223,7	140,8
Contract liabilities	585,1	476,0

The contract assets primarily relate to the Group's right to consideration for work completed but not invoiced at the reporting date regarding service and process and handling fee.

The contract liabilities primarily relate to the advance consideration received from customers for service contracts and sale of Sorters.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

Amounts in NOK million	
Contract assets	
Opening balance 2018	140,8
Transfer from contract assets to receivables	(4,5)
Sales / service performed not yet invoiced	78,4
Business combinations	14,2
Currency effect	(5,2)
Closing balance	**223,7**

Amounts in NOK million	
Contract liability	
Opening balance 2018	476,0
Revenue recognized from contract liability	(362,9)
Cash/prepayments received, excluding amounts recognized as revenues during the period	472,2
Transfer from contract asset to contract liability	14,0
Currency effect	(14,2)
Closing balance	**585,1**

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 unsatisfied at the reporting date.

Amounts in NOK million	**2019**	**2020**	**Total**
Revenues from sale of Sorters	41,4	0	41,4

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.

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 has ~95,700 installations in over 80 markets worldwide and had total revenues of ~7.4 billion NOK in 2017.

The Group employs ~3,550 globally, and is publicly listed on the Oslo Stock Exchange. (OSE: TOM)

The TOMRA Group continues to innovate and provide cutting-edge solutions for optimal resource productivity within two main business areas: Collection Solutions (reverse vending and material recovery) and Sorting Solutions (recycling, mining and food sorting).

For further information about TOMRA, please see www.TOMRA.com

TOMRA COLLECTION SOLUTIONS

REVERSE VENDING	
Nordic	~15,100
Germany	~30,000
Other Europe	~14,600
North America	~16,000
Rest of the world	~6,300
TOTAL	**~82,000**

TOMRA SORTING SOLUTIONS

RECYCLING	
EMEA	~3,850
Americas	~800
Asia	~700
Other	~20
TOTAL	**~5,370**

MINING	
Europe	~20
US / Canada	~35
Australia	~5
South Africa	~40
Other	~40
TOTAL	**~140**

FOOD BULK	
EMEA	~3,100
Americas	~2,850
Asia	~600
TOTAL	**~6,550**

FOOD LANE	
EMEA	~435
Americas	~690
APAC	~555
TOTAL	**~1,680**

Not including machines sold on OEM agreements

The results announcement will be broadcasted 25th of April 08:00CET 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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