



Nomad Foods

FOURTH QUARTER 2022

Earnings Results

February 23, 2023

Disclaimer

This Presentation has been prepared and issued by Nomad Foods Limited (the “Company”). This Presentation has been provided solely for information and background. The information in this Presentation is provided as at the date of the Presentation (unless stated otherwise). This Presentation does not constitute or form part of, and should not be construed as: (i) an offer, solicitation or invitation to subscribe for, sell or issue, underwrite or otherwise acquire any securities or financial instruments, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment whatsoever with respect to such securities or financial instruments, or (ii) any form of financial opinion, recommendation or investment advice with respect to any securities or financial instruments.

Certain statements and matters discussed in this Presentation may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “aim”, “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “may”, “should”, “strategy”, “will” and words of similar meaning, including all matters that are not historical facts. This Presentation includes forward-looking statements about the Company’s: (i) future operating and financial performance, including its expectations regarding sales trends, margin recovery, capital expenditures and market share performance, its Adjusted EPS target for 2025 and its 2023 guidance with respect to revenue, revenue growth, organic revenue, organic revenue growth, volume, cash flow conversion, Adjusted EBITDA, Adjusted EPS and Adjusted EPS growth, (ii) ability to drive growth through cost management, innovation and service execution, (iii) expectations regarding cost savings and reinvestment in topline growth in 2023, (iv) expectations regarding free cash flow growth and conversion, (v) expectations regarding increasing investments in A&P, (vi) expectations regarding the Company’s future success and growth potential, (vii) expectations regarding ability to successfully counteract inflation and volume losses, and rebuild margins and cash flow through additional price increases, (viii) the strength of its supply chain and ability to adapt its supply chain to mitigate new cost and logistics challenges, (ix) ability to successfully implement its new fish strategy and make improvements to its supply chain, (x) expectations regarding its diversification into new species and geographies, (xi) expectations regarding its market share, (xii) expectations regarding future capital allocation, and (xiii) ability to return cash to shareholders and maximize the value of its portfolio. The forward-looking statements in this Presentation speak only as of the date hereof and are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control.

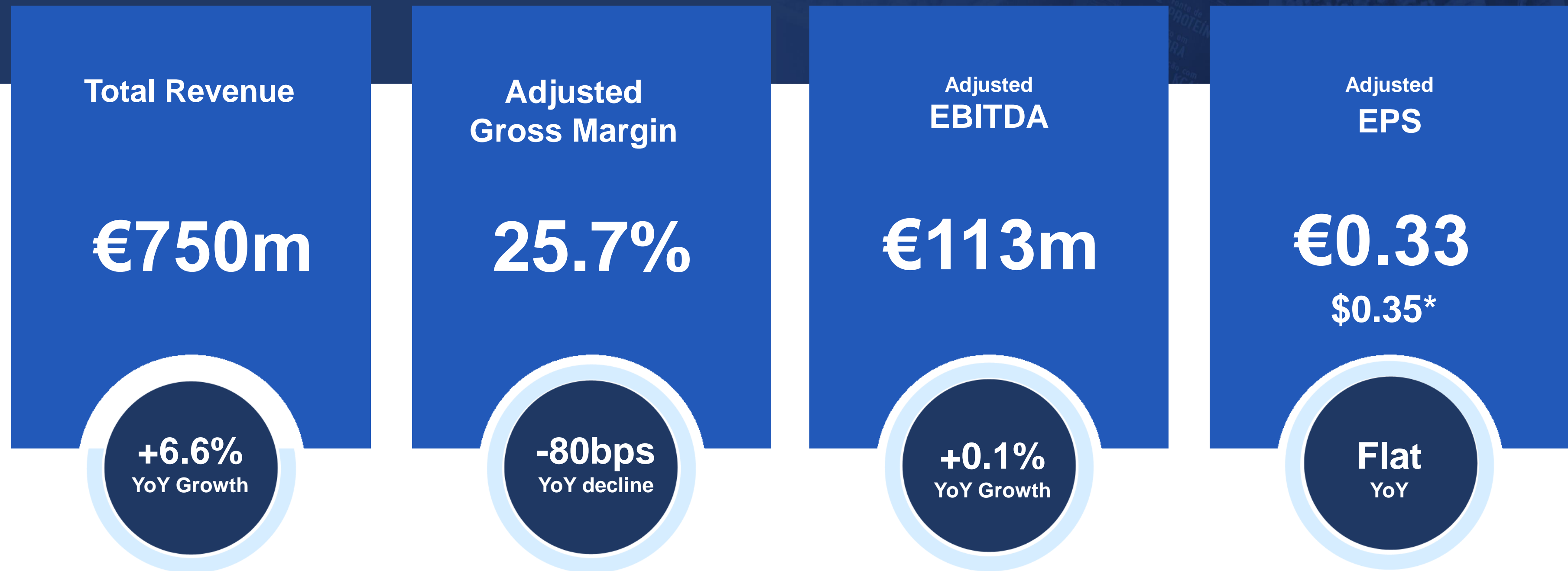
These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including: (i) the Company’s ability to effectively mitigate factors that negatively impact its supply of raw materials, including the conflict in Ukraine; (ii) the Company’s ability to successfully mitigate inflationary changes in the market, (iii) the impact of the COVID-19 pandemic on the Company’s business, suppliers, co-manufacturers, distributors, transportation or logistics providers, customers, consumers and employees; (iv) disruptions or inefficiencies in the Company’s operations or supply chain, including as a result of the COVID-19 pandemic and the conflict in Ukraine, and the Company’s ability to maintain the health and safety of its workforce; (v) the Company’s ability to successfully implement its strategies (Including its M&A strategy) or strategic initiatives and recognize the anticipated benefits of such strategic initiatives; (vi) the commercial success of the Green Cuisine brand of products, including as a result of its expansion into continental Europe, and other innovations introduced to the markets and the Company’s ability to accurately forecast the brands’ performance; (vii) the Company’s ability to effectively compete in its markets, including the ability of Green Cuisine to effectively compete in continental Europe; (viii) changes in consumer preferences, such as meat substitutes, and the Company’s failure to anticipate and respond to such changes or to successfully develop and renovate products; (ix) the effects of reputational damage from unsafe or poor quality food products; (x) increases in operating costs, including labor costs, and the Company’s ability to manage its cost structure; (xi) fluctuations in the availability of food ingredients and packaging materials that the Company uses in its products, including as a result of the conflict in Ukraine; (xii) the Company’s ability to protect its brand names and trademarks; (xiii) new regulations governing the import and export of goods between the UK and the European Union as a result of Brexit, as well as the potential adverse impact of Brexit on currency exchange rates, global economic conditions and cross-border agreements that affect the Company’s business; (xiv) the loss of any of the Company’s major customers or a decrease in demand for its products; (xv) economic conditions that may affect the Company’s future performance including exchange rate fluctuations; and (xvi) the other risks and uncertainties disclosed in the Company’s public filings and any other public disclosures by the Company.

Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company is not under any obligation and the Company and its affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This Presentation shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Presentation or that the information contained herein is correct as at any time subsequent to its date. No statement in this Presentation is intended as a profit forecast or estimate.

Unless otherwise indicated, market and competitive position data in this Presentation has been published by Nielsen or Euromonitor. Given this data has been obtained from industry publications and surveys or studies conducted by third-party sources, there are limitations with respect to the availability, accuracy, completeness and comparability of such data. The Company has not independently verified such data, can provide no assurance of its accuracy or completeness and is not under any obligation to update, complete, revise or keep current the information contained in this Presentation. Certain statements in this document regarding the market and competitive position data are based on the internal analyses of the Company, which involves certain assumptions and estimates. These internal analyses have not been verified by any independent sources and there can be no assurance that the assumptions or estimates are accurate.

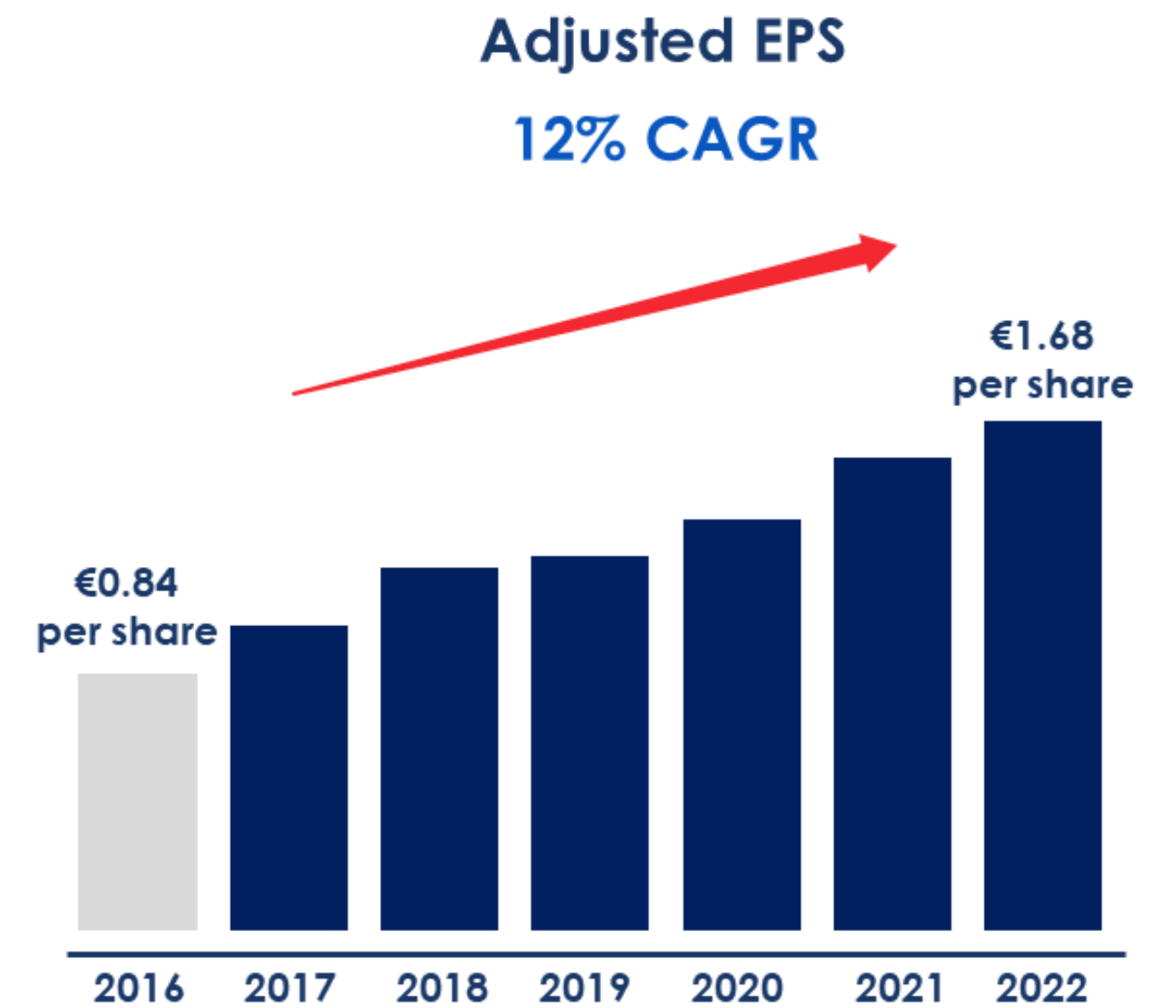
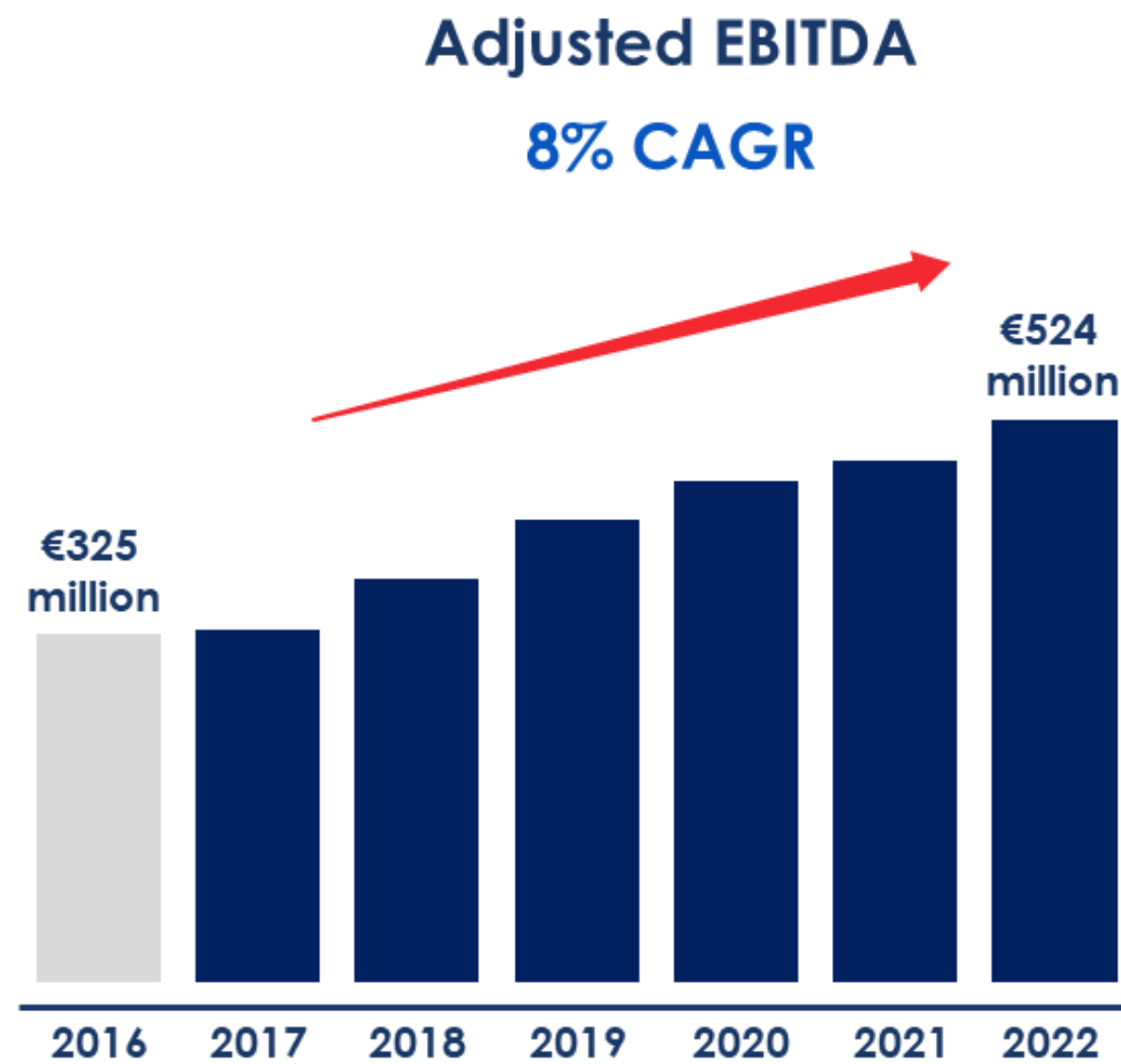
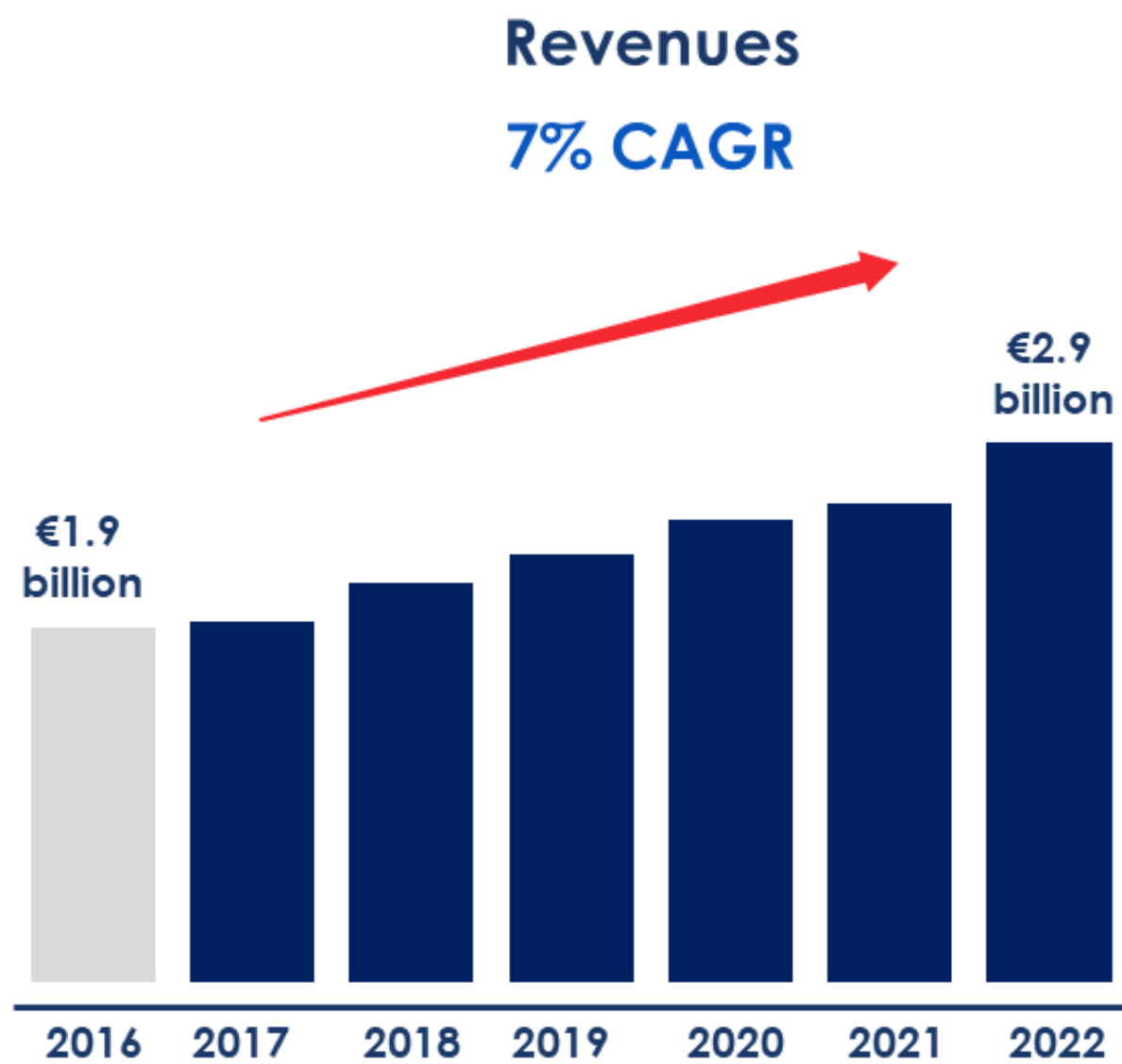
This Presentation includes certain additional key performance indicators which are considered non-IFRS financial measures including, but not limited to, organic revenue growth, Adjusted EBITDA, Adjusted EPS, Adjusted EPS growth, Adjusted EBITDA growth, Adjusted EPS growth, Adjusted Free Cash Flow and Free Cash Flow Conversion. Nomad Foods believes these non-IFRS financial measures provide an important alternative measure with which to monitor and evaluate the Company’s ongoing financial results, as well as to reflect its acquisitions. Nomad Foods’ calculation of these financial measures maybe different from the calculations used by other companies and comparability may therefore be limited. You should not consider the Company’s non-IFRS financial measures an alternative or substitute for the Company’s reported results. For a reconciliation of these non- IFRS financial measures to the most directly comparable IFRS measures, refer to the Appendix to this Presentation. The Company is unable to reconcile, without unreasonable efforts, Adjusted EBITDA and Adjusted EPS guidance to the most directly comparable IFRS measures.

Fourth Quarter 2022 Key Financial Metrics



*Q4 22 EPS converted to USD, the currency in which Nomad Foods shares trade, for illustrative purposes and based on USD/EUR FX rate of 1.07 as of February 17, 2023

Nomad Financial History - Another Record Year in 2022



Fourth Quarter Performance

- Strong Q4 revenue performance (+6.6%) in a challenging consumer environment
- Double-digit Q4 net pricing further closed the gap between price and raw material inflation
- Our supply chain delivered: 2022 service levels improved and we are more than 50% covered on raw material costs for 2023
- Q4 and 2022 Must Win Battles (MWBs) value share was down slightly across Europe
- November refinancing extended debt profile to mid-2028 to 2029
- We are establishing our 2023 Adjusted EPS guidance at €1.50 to €1.55 to reflect higher interest costs and stepped up investment

2022 Business Highlights

Fish supply: Executed diversification strategy

- Successfully diversified fish supply chain, shifting to new species, geographies, and sources
- High quality, ASC-compliant farmed sources coming on-line in early 2023

Supply chain: Leveraged to full effect

- Built strategic raw material supplies to guard against product shortages
- Improved service levels 30 bps to 96.6%
- Planning for supply chain savings to help fund topline growth in 2023

Pricing: Closed the gap with costs

- Executed multiple successful pricing actions to recoup historic cost inflation
- Significant roll-over into 2023 expected to help drive long-term margin rebuild

Fourth Quarter 2022 Key Operating Highlights

(in €m unless otherwise noted)	4Q 2022	4Q 2021	YoY Change
Revenue	€750	€704	7%
Organic revenue growth/(decline)			8%
Adjusted Gross profit	193	186	3%
Adjusted Gross margin	25.7%	26.5%	(80) bp
Adjusted operating expense	(103)	(94)	9%
Depreciation & amortization	23	21	9%
Adjusted EBITDA	€113	€113	—%
Adjusted EBITDA margin	15.1%	16.0%	(90) bp
Adjusted profit for the period	58	58	(1)%
Adjusted EPS	€0.33	€0.33	—%

Full Year 2022 Key Operating Highlights

(in €m unless otherwise noted)	FY 2022	FY 2021	YoY Change
Revenue	€2,940	€2,607	13%
Organic revenue growth/(decline)			2%
Adjusted Gross profit	815	753	8%
Adjusted Gross margin	27.7%	28.9%	(120) bp
Adjusted operating expense	(380)	(338)	12%
Depreciation & amortization	89	72	24%
Adjusted EBITDA	€524	€487	8%
Adjusted EBITDA margin	17.8%	18.7%	(90) bp
Adjusted profit for the period	293	277	6%
Adjusted EPS	€1.68	€1.55	8%

Fourth Quarter 2022 Free Cash Flow Highlights

(in €m unless otherwise noted)	Year Ended December 31, 2022	Year Ended December 31, 2021
Adjusted EBITDA	€524	€487
Change in working capital	(96)	(23)
Capital expenditures ¹	(79)	(79)
Cash taxes	(80)	(95)
Cash interest & other ²	(80)	(58)
Adjusted free cash flow	€189	€232
Adjusted profit for the period	€293	€277
Adjusted free cash flow as % adjusted profit for the period	65%	84%

¹ Calculated as the sum of purchases of property, plant & equipment and intangible non-current assets.

² Calculated as the sum of net interest paid, proceeds/payments on settlement of derivatives and lease liability payments.

Establishing 2023 Guidance

Total Revenue

Mid-single digit
Growth

Cash Flow
Conversion

90 - 95%

Adjusted EPS

€1.50 - €1.55

\$1.61 - \$1.66*

*2023 EPS guidance range converted to USD, the currency in which Nomad Foods shares trade, for illustrative purposes and based on USD/EUR FX rate of 1.07 as of February 17, 2023



Questions?



Appendix

Contents

The following tables have been included to allow users to reconcile Non-IFRS financial measures as well as Adjusted financial information included within this presentation to reported IFRS financial measures.

1. Definitions of Non-IFRS financial measures referred to in this presentation.
2. Reconciliation of reported to organic revenue growth/(decline).
3. Reconciliation of Non-IFRS financial measures.

1. Definitions of Non-IFRS financial measures referred to in this presentation

Non-IFRS financial measures should not be considered as substitutes for, or superior to, measures of financial performance prepared in accordance with IFRS. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-IFRS financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial measures. Investors are encouraged to review the reconciliation of these non-IFRS financial measures to their most directly comparable IFRS financial measures as provided in the tables accompanying this document.

Adjusted EBITDA – EBITDA is profit or loss for the period before taxation, net financing costs, depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude, when they occur, the impacts of exited markets, acquisition purchase price adjustments and exceptional items to the extent included in our financial statements such as material restructuring charges, material goodwill and intangible asset impairment charges, other material unusual or non-recurring items, as well as additional items that management deems to be exceptional and appropriate for adjustment. In addition, we exclude other adjustments such as the impact of share based payment expenses and related employer payroll taxes, and non-operating M&A related costs, because we do not believe they are indicative of our normal operating costs, can vary significantly in amount and frequency, and are unrelated to our underlying operating performance. The Company believes Adjusted EBITDA provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Adjusted Profit for the period is defined as profit for the period excluding, when they occur, the impacts of exited markets, acquisition purchase price adjustments and exceptional items such as restructuring charges, goodwill and intangible asset impairment charges, unissued preferred share dividends, as well as certain other items considered unusual or non-recurring in nature. In addition, we exclude other adjustments such as the impact of share based payment expenses and related employer payroll taxes, and non-operating M&A related costs, because we do not believe they are indicative of our normal operating costs, can vary significantly in amount and frequency, and are unrelated to our underlying operating performance. The Company believes Adjusted Profit after tax provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Adjusted EPS - Adjusted EPS is defined as basic earnings per share excluding, when they occur, the impacts of exited markets, acquisition purchase price adjustments and exceptional items to the extent included in our financial statements such as material restructuring charges, material goodwill and intangible asset impairment charges, unissued preferred share dividends, other material unusual or non-recurring items, as well as additional items that management deems to be exceptional and appropriate for adjustment. In addition, we exclude other adjustments such as the impact of share based payment expenses and related employer payroll taxes, and non-operating M&A related costs, because we do not believe they are indicative of our normal operating costs, can vary significantly in amount and frequency, and are unrelated to our underlying operating performance. The Company believes Adjusted EPS provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

Adjusted Financial Information – Adjusted financial information presented in this presentation reflects the historical reported financial statements of Nomad Foods, adjusted for share based payment charges including employer payroll taxes, exceptional items (as described above) and non-cash foreign currency translation charges/gain.

Organic Revenue Growth/(Decline) – Organic revenue growth/(decline) is an adjusted measurement of our operating results. This comparison of current and prior period performance takes into consideration only those activities that were in effect during both time periods. Organic revenue reflects reported revenue adjusted for currency translation and non-comparable trading items such as expansion, acquisitions, disposals, closures, trading day impacts or any other event that artificially impact the comparability of our results.

Adjusted Free Cash Flow – Adjusted free cash flow is the amount of cash generated from operating activities before cash flows related to exceptional items (as described above), non-operating M&A related costs and working capital movements on employer taxes associated with share based payment awards, but after capital expenditure (on property, plant and equipment and intangible assets), net interest paid, proceeds/(payments) on settlement of derivatives where hedge accounting is not applied and payments of lease liabilities. Adjusted free cash flow reflects cash flows that could be used for payment of dividends, repayment of debt or to fund acquisitions or other strategic objectives.

2. Reconciliation of reported to organic revenue growth/(decline)

Year on Year Growth - December 31, 2022 compared with December 31, 2021:

	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2022
	YoY Change	YoY Change
Reported Revenue Growth	6.6%	12.8%
Of which:		
- Organic Revenue Growth/(Decline)	7.7%	1.8%
- Acquisitions	—%	10.8%
- Translational FX (a)	(1.1)%	0.2%
Total	6.6%	12.8%

a. Translational FX is calculated by translating data of the current and comparative periods using a budget foreign exchange rate that is set once a year as part of the Company's internal annual forecast process.

3. Reconciliation of Non-IFRS Financial Measures

Adjusted Statement of Profit or Loss (unaudited)
Three Months Ended December 31, 2022

€ in millions, except per share data	As reported for the three months ended December 31, 2022	Adjustments		As adjusted for the three months ended December 31, 2022
Revenue	750.2	—		750.2
Cost of sales	(557.5)	—		(557.5)
Gross profit	192.7	—		192.7
Other operating expenses	(103.6)	1.1	(a)	(102.5)
Exceptional items	(23.5)	23.5	(b)	—
Operating profit	65.6	24.6		90.2
Finance income	2.7	(2.3)		0.4
Finance costs	(22.0)	3.1		(18.9)
Net financing costs	(19.3)	0.8	(c)	(18.5)
Profit before tax	46.3	25.4		71.7
Taxation	(9.2)	(4.8)	(d)	(14.0)
Profit for the period	37.1	20.6		57.7
Weighted average shares outstanding in millions - basic	174.2			174.2
Basic earnings per share	0.21			0.33
Weighted average shares outstanding in millions - diluted	174.2			174.2
Diluted earnings per share	0.21			0.33

- Share based payment charge including employer payroll taxes of €1.2 million and a non-operating M&A related credit of €0.1 million.
- Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (unaudited) three months ended December 31, 2022' for a detailed list of exceptional items.
- Elimination of a €2.3 million net gain from refinancing activities, €1.6 million of foreign exchange translation losses and €1.5 million of foreign exchange losses on derivatives.
- Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (unaudited)

Three months ended December 31, 2022

€ in millions	As reported for the three months ended December 31, 2022	
Profit for the period	37.1	
Taxation	9.2	
Net financing costs	19.3	
Depreciation and amortization	22.8	
Exceptional items:		
<i>Findus Switzerland integration costs</i>	<i>0.7</i>	(a)
<i>Impairment of customer relationships</i>	<i>5.8</i>	(b)
<i>Information Technology Transformation program</i>	<i>0.6</i>	(c)
<i>Business Transformation Program</i>	<i>10.9</i>	(d)
<i>Distribution network integration</i>	<i>1.6</i>	(e)
<i>Fortenova Group integration costs</i>	<i>4.0</i>	(f)
<i>Factory optimization</i>	<i>0.9</i>	(g)
<i>Settlement of legacy matters</i>	<i>(1.0)</i>	(h)
Other Adjustments:		
<i>Other add-backs</i>	<i>1.1</i>	(i)
Adjusted EBITDA (j)	113.0	

- a. Expenses associated with the integration of the Findus Switzerland business acquired on December 31, 2020.
- b. Charge for the impairment of our food service customer relationships in Sweden.
- c. Expenses associated with the Information Technology Transformation program, which are primarily professional fees.
- d. Expenses associated with the start of a multi-year, enterprise-wide transformation and optimization program. Expenses in the period consist of restructuring and transformational project costs, including business technology transformation initiative costs and related professional fees.
- e. Expenses associated with the restructuring of the sales operations in northern Italy which will complete in 2023.
- f. Expenses associated with the integration of the Fortenova Group acquired on September 30, 2021.
- g. Expenses associated with a three-year factory optimization program, initiated in 2018, to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. Due to delays in delivering the program, it was extended for an additional year and completed in 2022.
- h. Income and expenses associated with the settlement of tax and other liabilities relating to periods prior to acquisition by the Company.
- i. Represents the elimination of share based payment charge including employer payroll taxes of €1.2 million and elimination of a non-operating M&A related credit of €0.1 million.
- j. Adjusted EBITDA margin of 15.1% for the three months ended December 31, 2022 is calculated by dividing Adjusted EBITDA by Revenue of €750.2 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Three Months Ended December 31, 2021

€ in millions, except per share data	As reported for the three months ended December 31, 2021	Adjustments		As adjusted for the three months ended December 31, 2021
Revenue	704.0	—		704.0
Cost of sales	(523.7)	6.1	(a)	(517.6)
Gross profit	180.3	6.1		186.4
Other operating expenses	(98.7)	4.3	(b)	(94.4)
Exceptional items	(23.7)	23.7	(c)	—
Operating profit	57.9	34.1		92.0
Finance income	1.6	(1.5)		0.1
Finance costs	(17.2)	1.0		(16.2)
Net financing costs	(15.6)	(0.5)	(d)	(16.1)
Profit before tax	42.3	33.6		75.9
Taxation	(13.5)	(4.3)	(e)	(17.8)
Profit for the period	28.8	29.3		58.1
Weighted average shares outstanding in millions - basic	178.1			178.1
Basic earnings per share	0.16			0.33
Weighted average shares outstanding in millions - diluted	178.1			178.1
Diluted earnings per share	0.16			0.33

a. Represents non-cash fair value uplift of inventory recorded as part of the Fortenova acquisition purchase price accounting.

b. Share based payment charge including employer payroll taxes of €3.5 million and non-operating M&A related costs of €0.8 million.

c. Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (unaudited) three months ended December 31, 2021' for a detailed list of exceptional items.

d. Elimination a €1.0 million gain from the reversal of an impairment loss on a short-term investment, €0.5 million of foreign exchange translation gains and €1.0 million of foreign exchange losses on derivatives.

e. Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (unaudited)

Three months ended December 31, 2021

€ in millions	As reported for the three months ended December 31, 2021	
Profit for the period	28.8	
Taxation	13.5	
Net financing costs	15.6	
Depreciation and amortization	20.9	
Acquisition purchase price adjustments	6.1	(a)
Exceptional items:		
<i>Fortenova Group integration costs</i>	2.9	(b)
<i>Factory optimization</i>	2.6	(c)
<i>Brexit</i>	0.6	(d)
<i>Findus Switzerland integration costs</i>	2.5	(e)
<i>Business Transformation Program</i>	11.7	(f)
<i>Information Technology Transformation program</i>	4.2	(g)
<i>Settlement of legacy matters</i>	(0.8)	(h)
Other Adjustments:		
<i>Other add-backs</i>	4.3	(i)
Adjusted EBITDA (j)	112.9	

- a. Represents non-cash fair value uplift of inventory recorded as part of the Fortenova acquisition purchase price accounting
- b. Expenses associated with the integration of the Fortenova Group acquired on September 30, 2021.
- c. Expenses associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
- d. Expenses related to preparations for the impacts of the United Kingdom exiting the European Union to our supply chain, such as tariffs and delays at ports of entry and departure.
- e. Expenses associated with the integration of the Findus Switzerland business acquired on December 31, 2020.
- f. Expenses associated with the start of a multi-year, enterprise-wide transformation and optimization program. Expenses in the period consist of restructuring and transformational project costs, including business technology transformation initiative costs and related professional fees.
- g. Expenses associated with the Information Technology Transformation program, which are primarily professional fees.
- h. Income and expenses associated with tax and other liabilities relating to periods prior to acquisition by the Company.
- i. Represents the elimination of share based payment charge including employer payroll taxes of €3.5 million and elimination of non-operating M&A related costs of €0.8 million.
- j. Adjusted EBITDA margin of 16.0% for the three months ended December 31, 2021 is calculated by dividing Adjusted EBITDA by Revenue of €704.0 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Twelve Months Ended December 31, 2022

€ in millions, except per share data	As reported for the twelve months ended December 31, 2022	Adjustments		As adjusted for the twelve months ended December 31, 2022
Revenue	2,939.7	—		2,939.7
Cost of sales	(2,124.4)	—		(2,124.4)
Gross profit	815.3	—		815.3
Other operating expenses	(391.2)	11.7	(a)	(379.5)
Exceptional items	(48.7)	48.7	(b)	—
Operating profit	375.4	60.4		435.8
Finance income	12.1	(11.5)		0.6
Finance costs	(66.5)	—		(66.5)
Net financing costs	(54.4)	(11.5)	(c)	(65.9)
Profit before tax	321.0	48.9		369.9
Taxation	(71.2)	(5.3)	(d)	(76.5)
Profit for the period	249.8	43.6		293.4
Weighted average shares outstanding in millions - basic	174.3			174.3
Basic earnings per share	1.43			1.68
Weighted average shares outstanding in millions - diluted	174.3			174.3
Diluted earnings per share	1.43			1.68

- Share based payment charge including employer payroll taxes of €8.6 million and non-operating M&A related costs of €3.1 million.
- Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (unaudited) twelve months ended December 31, 2022' for a detailed list of exceptional items.
- Elimination of €2.3 million of net gain recognized as part of refinancing activities and €9.2 million of foreign exchange translation gains.
- Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)

Twelve months ended December 31, 2022

€ in millions	As reported for the twelve months ended December 31, 2022	
Profit for the period	249.8	
Taxation	71.2	
Net financing costs	54.4	
Depreciation and amortization	88.6	
Exceptional items:		
<i>Findus Switzerland integration costs</i>	8.2	(a)
<i>Impairment of customer relationships</i>	5.8	(b)
<i>Information Technology Transformation program</i>	4.4	(c)
<i>Business Transformation Program</i>	37.0	(d)
<i>Distribution network integration</i>	2.2	(e)
<i>Fortenova Group integration costs</i>	9.5	(f)
<i>Factory optimization</i>	3.5	(g)
<i>Settlement of legacy matters</i>	(28.9)	(h)
<i>Release of indemnification assets</i>	7.0	(i)
Other Adjustments:		
<i>Other add-backs</i>	11.7	(j)
Adjusted EBITDA (k)	524.4	

- a. Expenses associated with the integration of the Findus Switzerland business acquired on December 31, 2020.
- b. Charge for the impairment of our food service customer relationships in Sweden.
- c. Expenses associated with the Information Technology Transformation program, which are primarily professional fees.
- d. Expenses associated with the multi-year, enterprise-wide transformation and optimization program which began in 2020. Expenses in the period consist of restructuring and transformational project costs, including business technology transformation initiative costs and related professional fees.
- e. Expenses associated with the restructuring of the sales operations in northern Italy which will complete in 2023.
- f. Expenses associated with the integration of the Fortenova Group acquired on September 30, 2021.
- g. Expenses associated with a three-year factory optimization program, initiated in 2018, to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. Due to delays in delivering the program, it was extended for an additional year and completed in 2022.
- h. Income and expenses associated with the settlement of contingent tax receivables, tax liabilities and other liabilities relating to periods prior to acquisition by the Company.
- i. Charge for the release of shares held in escrow as part of the consideration on the acquisition of the Findus Group.
- j. Represents the elimination of share based payment charge including employer payroll taxes of €8.6 million and elimination of non-operating M&A related costs of €3.1 million.
- k. Adjusted EBITDA margin of 17.8% for the twelve months ended December 31, 2022 is calculated by dividing Adjusted EBITDA by Revenue of €2,939.7 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Twelve months Ended December 31, 2021

€ in millions, except per share data	As reported for the twelve months ended December 31, 2021	Adjustments		As adjusted for the twelve months ended December 31, 2021
Revenue	2,606.6	—		2,606.6
Cost of sales	(1,862.3)	8.4	(a)	(1,853.9)
Gross profit	744.3	8.4		752.7
Other operating expenses	(356.3)	18.7	(b)	(337.6)
Exceptional items	(45.3)	45.3	(c)	—
Operating profit	342.7	72.4		415.1
Finance income	0.1	—		0.1
Finance costs	(106.1)	41.9		(64.2)
Net financing costs	(106.0)	41.9	(d)	(64.1)
Profit before tax	236.7	114.3		351.0
Taxation	(55.7)	(18.7)	(e)	(74.4)
Profit for the period	181.0	95.6		276.6
Weighted average shares outstanding in millions - basic	178.1			178.1
Basic earnings per share	1.02			1.55
Weighted average shares outstanding in millions - diluted	178.1			178.1
Diluted earnings per share	1.02			1.55

- Represents non-cash fair value uplift of inventory recorded as part of the Findus Switzerland and Fortenova acquisition purchase price accounting.
- Share based payment charge including employer payroll taxes of €5.8 million and non-operating M&A related costs of €12.9 million.
- Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (audited) twelve months ended December 31, 2021' for a detailed list of exceptional items.
- Elimination of €17.9 million of charges recognized as part of refinancing activities, a one-time net €8.6 million loss from the impairment of a short-term investment, which was made with surplus cash as part of our cash management activities, €4.0 million of foreign exchange translation losses and €11.4 million of foreign exchange losses on derivatives.
- Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)

Twelve months ended December 31, 2021

€ in millions	As reported for the twelve months ended December 31, 2021	
Profit for the period	181.0	
Taxation	55.7	
Net financing costs	106.0	
Depreciation and amortization	71.6	
Acquisition purchase price adjustments	8.4	(a)
Exceptional items:		
<i>Findus Switzerland integration costs</i>	6.2	(b)
<i>Brexit</i>	5.3	(c)
<i>Information Technology Transformation program</i>	4.2	(d)
<i>Business Transformation Program</i>	18.8	(e)
<i>Fortenova Group integration costs</i>	3.5	(f)
<i>Factory optimization</i>	4.9	(g)
<i>Settlement of legacy matters</i>	(2.6)	(h)
<i>Release of indemnification assets</i>	5.0	(i)
Other Adjustments:		
<i>Other add-backs</i>	18.7	(j)
Adjusted EBITDA (k)	486.7	

- a. Represents non-cash fair value uplift of inventory recorded as part of the Findus Switzerland and Fortenova acquisition purchase price accounting.
- b. Expenses associated with the integration of the Findus Switzerland business acquired on December 31, 2020.
- c. Expenses related to preparations for the potential adverse impacts of the United Kingdom exiting the European Union to our supply chain, such as tariffs and delays at ports of entry and departure.
- d. Expenses associated with the Information Technology Transformation program, which are primarily professional fees.
- e. Expenses associated with the start of a multi-year, enterprise-wide transformation and optimization program. Expenses in the period consist of restructuring and transformational project costs, including business technology transformation initiative costs and related professional fees.
- f. Expenses associated with the integration of the Fortenova Group acquired on September 30, 2021.
- g. Expenses associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
- h. Income and expenses associated with tax and other liabilities relating to periods prior to acquisition by the Company.
- i. Charge for the release of shares held in escrow as part of the consideration on the acquisition of the Findus Group.
- j. Represents the elimination of share based payment charge including employer payroll taxes of €5.8 million and elimination of non-operating M&A related costs of €12.9 million.
- k. Adjusted EBITDA margin of 18.7% for the twelve months ended December 31, 2021 is calculated by dividing Adjusted EBITDA by Revenue of €2,606.6 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)
Twelve months ended December 31, 2020

€ in millions, except per share data	As reported for the twelve months ended December 31, 2020	Adjustments		As adjusted for the twelve months ended December 31, 2020
Revenue	2,515.9	—		2,515.9
Cost of sales	(1,753.4)	—		(1,753.4)
Gross profit	762.5	—		762.5
Other operating expenses	(382.7)	19.4	(a)	(363.3)
Exceptional items	(20.6)	20.6	(b)	—
Operating profit	359.2	40.0		399.2
Finance income	4.7	(4.0)		0.7
Finance costs	(68.4)	1.5		(66.9)
Net financing costs	(63.7)	(2.5)	(c)	(66.2)
Profit before tax	295.5	37.5		333.0
Taxation	(70.4)	—	(d)	(70.4)
Profit for the period	225.1	37.5		262.6
Profit attributable to:				
Equity owners of the parent	225.2	37.5		262.7
Non-controlling interests	(0.1)	—		(0.1)
	225.1	37.5		262.6
Weighted average shares outstanding in millions - basic	194.0			194.0
Basic earnings per share	1.16			1.35
Weighted average shares outstanding in millions - diluted	197.9	(3.9)	(e)	194.0
Diluted earnings per share	1.14			1.35

- Share based payment charge including employer payroll taxes of €12.1 million and non-operating M&A related costs of €7.3 million.
- Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (unaudited) twelve months ended December 31, 2020' for a detailed list of exceptional items.
- Elimination of €4.0 million of foreign exchange translation gains and €1.5 million of foreign exchange losses on derivatives.
- Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.
- Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2020 but for which shares were issued on January 4, 2021.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)
Twelve months ended December 31, 2020

€ in millions	As reported for the twelve months ended December 31, 2020	
Profit for the period	225.1	
Taxation	70.4	
Net financing costs	63.7	
Depreciation and amortization	67.6	
Exceptional items:		
<i>Brexit</i>	1.6	(a)
<i>Supply chain reconfiguration</i>	(12.5)	(b)
<i>Findus Switzerland integration costs</i>	0.3	(c)
<i>Goodfella's Pizza & Aunt Bessie's integration costs</i>	4.0	(d)
<i>Factory optimization</i>	10.0	(e)
<i>Release of indemnification assets</i>	17.8	(f)
<i>Settlement of legacy matters</i>	(2.9)	(g)
<i>Business Transformation Program</i>	2.3	(h)
Other Adjustments:		
<i>Other add-backs</i>	19.4	(i)
Adjusted EBITDA (j)	466.8	

- a. Expenses related to preparations for the potential adverse impacts of the United Kingdom exiting the European Union to our supply chain, such as tariffs and delays at ports of entry and departure.
- b. Income recognized on reaching an agreement to end the leasehold on a cold store in Sweden.
- c. Expenses associated with the integration of the Findus Switzerland business acquired on December 31, 2020.
- d. Expenses associated with the integration of the Goodfella's pizza and Aunt Bessie's businesses which were acquired in 2018.
- e. Expenses associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
- f. Charge for the release of shares held in escrow as part of the consideration on the acquisition of the Findus Group..
- g. Income and expense associated with tax and other liabilities relating to periods prior to acquisition of the Findus and Iglo Groups.
- h. Expenses associated with the start of a multi-year, enterprise-wide transformation and optimization program.
- i. Represents the elimination of share based payment charge including employer payroll taxes of €12.1 million and elimination of non-operating M&A related costs of €7.3 million.
- j. Adjusted EBITDA margin of 18.6% for the twelve months ended December 31, 2020 is calculated by dividing Adjusted EBITDA by Revenue of €2,515.9 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Twelve months ended December 31, 2019

€ in millions, except per share data	As reported for the twelve months ended December 31, 2019	Adjustments		As adjusted for the twelve months ended December 31, 2019
Revenue	2,324.3	—		2,324.3
Cost of sales	(1,626.4)	—		(1,626.4)
Gross profit	697.9	—		697.9
Other operating expenses	(359.9)	25.7	(a)	(334.2)
Exceptional items	(54.5)	54.5	(b)	—
Operating profit	283.5	80.2		363.7
Finance income	2.5	—		2.5
Finance costs	(75.7)	8.8		(66.9)
Net financing costs	(73.2)	8.8	(c)	(64.4)
Profit before tax	210.3	89.0		299.3
Taxation	(56.7)	(7.5)	(d)	(64.2)
Profit for the period	153.6	81.5		235.1
Profit attributable to:				
Equity owners of the parent	154.0	81.5		235.5
Non-controlling interests	(0.4)	—		(0.4)
	153.6	81.5		235.1
Weighted average shares outstanding in millions - basic	192.0			192.0
Basic earnings per share	0.80			1.23
Weighted average shares outstanding in millions - diluted	198.4	(6.4)	(e)	192.0
Diluted earnings per share	0.78			1.23

a. Share based payment expense including employer payroll taxes of €22.4 million and non-operating M&A related costs of €3.3 million.

b. Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (unaudited) twelve months ended December 31, 2019' for a detailed list of exceptional items.

c. Elimination of €3.9 million of foreign exchange translation losses and €4.9 million of foreign exchange losses on derivatives.

d. Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

e. Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2019 but for which shares were issued on January 2, 2020.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)

Twelve months ended December 31, 2019

€ in millions	As reported for the twelve months ended December 31, 2019	
Profit for the period	153.6	
Taxation	56.7	
Net financing costs	73.2	
Depreciation and amortization	68.3	
Exceptional items:		
<i>Brexit</i>	1.6	(a)
<i>Supply chain reconfiguration</i>	(3.6)	(b)
<i>Findus Group integration costs</i>	3.5	(c)
<i>Goodfella's Pizza & Aunt Bessie's integration costs</i>	12.5	(c)
<i>Factory optimization</i>	5.7	(d)
<i>Release of indemnification assets</i>	44.0	(e)
<i>Settlement of legacy matters</i>	(9.2)	(f)
Other Adjustments:		
<i>Other add-backs</i>	25.7	(h)
Adjusted EBITDA (i)	432.0	

- Expenses related to preparations for the potential adverse impacts of the United Kingdom exiting the European Union to our supply chain, such as tariffs and delays at ports of entry and departure.
- Supply chain reconfiguration relates to activities associated with the closure of the Bjuv manufacturing facility in Sweden which ceased production in 2017. The income relates to the sale of the agricultural land which completed in May 2019 and the finalization of consideration received for the sale of the industrial property which completed in 2018.
- Expenses related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
- Expenses associated with the integration of the Goodfella's pizza and Aunt Bessie's businesses which were acquired in 2018.
- Expenses associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories. The project was initiated in 2018.
- Charge in 2019 for the release of shares held in escrow as part of the consideration on the acquisition of the Findus Group.
- Income and expense associated with tax and other liabilities relating to periods prior to acquisition of the Findus and Iglo Groups.
- Represents the elimination of share based payment charge including employer payroll taxes of €22.4 million and elimination of non-operating M&A related costs of €3.3 million.
- Adjusted EBITDA margin of 18.6% for the twelve months ended December 31, 2019 is calculated by dividing Adjusted EBITDA by Revenue of €2,324.3 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)
Twelve months ended December 31, 2018

€ in millions, except per share data	As reported for the twelve months ended December 31, 2018	Adjustments		As adjusted for the twelve months ended December 31, 2018
Revenue	2,172.8	—		2,172.8
Cost of sales	(1,519.3)	5.7	(a)	(1,513.6)
Gross profit	653.5	5.7		659.2
Other operating expenses	(352.7)	23.6	(b)	(329.1)
Exceptional items	(17.7)	17.7	(c)	—
Operating profit	283.1	47.0		330.1
Finance income	1.6	(1.4)		0.2
Finance costs	(57.6)	(2.4)		(60.0)
Net financing costs	(56.0)	(3.8)	(d)	(59.8)
Profit before tax	227.1	43.2		270.3
Taxation	(56.6)	(4.7)	(e)	(61.3)
Profit for the period	170.5	38.5		209.0
Profit for the period attributable to equity owners of the parent	171.2	38.5		209.7
Weighted average shares outstanding in millions - basic	175.6	—		175.6
Basic earnings per share	0.97			1.19
Weighted average shares outstanding in millions - diluted	175.8	(0.2)	(f)	175.6
Diluted earnings per share	0.97			1.19

- a. Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza and Aunt Bessie's purchase price accounting.
- b. Share-based payment expense including employer payroll taxes of €14.7 million and non-operating M&A transaction costs of €8.9 million.
- c. Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (unaudited) twelve months ended December 31, 2018' for a detailed list of exceptional items.
- d. Elimination of €1.1 million of costs incurred as part of the refinancing on the May 3, 2017 and repricing on December 20, 2017, €0.3 million of realized and unrealized foreign exchange translation losses and €5.2 million of gains on foreign currency derivatives.
- e. Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.
- f. Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2018 but for which shares were issued on January 2, 2019.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)

Twelve months ended December 31, 2018

€ in millions	As reported for the twelve months ended December 31, 2018	
Profit for the period	170.5	
Taxation	56.6	
Net financing costs	56.0	
Depreciation	39.3	
Amortization	7.0	
Acquisition purchase price adjustments	5.7	(a)
Exceptional items:		
<i>Supply chain reconfiguration</i>	1.2	(b)
<i>Findus Group integration costs</i>	10.4	(c)
<i>Goodfella's Pizza & Aunt Bessie's integration costs</i>	8.3	(d)
<i>Factory optimization</i>	1.6	(e)
<i>Settlement of legacy matters</i>	(3.8)	(f)
Other Adjustments:		
<i>Other add-backs</i>	23.6	(g)
Adjusted EBITDA (h)	376.4	

- a. Non-cash fair value uplift of inventory recorded as part of the Goodfella's Pizza and Aunt Bessie's purchase price accounting.
- b. Supply chain reconfiguration costs following the closure of the factory in Bjuv, Sweden. Following the closure in 2017, the Company has incurred costs relating to the relocation of production to other factories. The costs are partially offset by income from the disposal of the remaining tangible assets.
- c. Non-recurring costs related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
- d. Non-recurring costs associated with the integration of the Goodfella's pizza business in April 2018 and the Aunt Bessie's business in July 2018.
- e. Non-recurring costs associated with a three-year factory optimization program to develop a new suite of standard manufacturing and supply chain processes, that will provide a single network of optimized factories.
- f. Non-recurring income and costs associated with liabilities relating to periods prior to acquisition of the Findus and Iglo Groups, settlements of tax audits, settlements of contingent consideration for acquisitions and other liabilities relating to periods prior to acquisition of the Findus and Iglo businesses by the Company. This includes an income of €2.7 million recognized on settlement of contingent consideration for the purchase of the La Cocinera acquisition and net income of €0.7 million associated with settlements of tax audits.
- g. Represents the elimination of share-based payment charges including employer payroll taxes of €14.7 million and elimination of non-operating M&A related costs of €8.9 million.
- h. Adjusted EBITDA margin of 17.3% for the twelve months ended December 31, 2018 is calculated by dividing Adjusted EBITDA by Adjusted revenue of €2,172.8 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)

Twelve months ended December 31, 2017

€ in millions, except per share data	As reported for the twelve months ended December 31, 2017	Adjustments		As adjusted for the twelve months ended December 31, 2017
Revenue	1,956.6	—		1,956.6
Cost of sales	(1,357.2)	—		(1,357.2)
Gross profit	599.4	—		599.4
Other operating expenses	(319.3)	5.6	(a)	(313.7)
Exceptional items	(37.2)	37.2	(b)	—
Operating profit	242.9	42.8		285.7
Finance income	7.2	(7.0)		0.2
Finance costs	(81.6)	22.0		(59.6)
Net financing costs	(74.4)	15.0	(c)	(59.4)
Profit before tax	168.5	57.8		226.3
Taxation	(32.0)	(19.1)	(d)	(51.1)
Profit for the period	136.5	38.7		175.2
Weighted average shares outstanding in millions - basic	176.1			176.1
Basic earnings per share	0.78			1.00
Weighted average shares outstanding in millions - diluted	184.8	(8.7)	(e)	176.1
Diluted earnings per share	0.74			1.00

a. Share-based payment charge

b. Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (audited) twelve months ended December 31, 2017' for a detailed list of exceptional items.

c. Elimination of €20.1 million of costs incurred as part of the refinancing on the May 3, 2017 and repricing on December 20, 2017, €3.9 million of foreign exchange translation losses and €9.0 million of foreign currency gains on derivatives.

d. Tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

e. Adjustment to eliminate the dilutive effect of the Founder Preferred Share Dividend earned as of December 31, 2017 but for which shares were issued on January 2, 2018.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)

Twelve months ended December 31, 2017

€ in millions	As reported for the twelve months ended December 31, 2017	
Profit for the period	136.5	
Taxation	32.0	
Net financing costs	74.4	
Depreciation	35.9	
Amortization	6.5	
Exceptional items:		
<i>Transactions related costs</i>	3.2	(a)
<i>Investigation and implementation of strategic opportunities</i>	18.8	(b)
<i>Supply chain reconfiguration</i>	14.0	(c)
<i>Findus Group integration costs</i>	15.1	(d)
<i>Settlement of legacy matters</i>	(5.6)	(e)
<i>Remeasurement of indemnification assets</i>	(8.3)	(f)
Other Adjustments:		
<i>Other add-backs</i>	5.6	(g)
Adjusted EBITDA (h)	328.1	

- a. Costs incurred related to enhanced control compliance procedures in territories.
- b. Costs incurred in relation to investigation and implementation of strategic opportunities considered non-recurring for the combined group following acquisitions by the Company. These costs primarily relate to changes to the organizational structure of the combined businesses.
- c. Supply chain reconfiguration costs, namely the closure of the Bjuv factory.
- d. Costs recognized by Nomad Foods relating to the integration of the Findus Group, primarily relating to the rollout of the Nomad ERP system.
- e. Non-recurring income and costs associated with liabilities relating to periods prior to acquisition of the Findus and Iglo Groups, settlements of tax audits, sale of non-operating factories acquired and other liabilities relating to periods prior to acquisition of the Findus and Iglo businesses by the Company. This includes a charge of €3.9 million associated with settlements of tax audits, offset by gains of €4.2 million from the reassessment of sales tax provisions, €1.2 million from the reassessment of interest on sales tax provisions, a €2.8 million gain on a legacy pension plan in Norway and a €1.3 million gain on disposal of a non-operational factory.
- f. Adjustment to reflect the remeasurement of the indemnification assets recognized on the acquisition of the Findus Group, which is capped at the value of shares held in escrow at the share price as at December 31, 2017. Offsetting are the release of indemnification assets associated with final settlement of indemnity claims against an affiliate of Permira Advisors LLP, which are legacy tax matters that predate the Company's acquisition of Iglo Group in 2015.
- g. Represents the elimination of share-based payment charges of €2.6 million and elimination of non-operating M&A related costs of €3.0 million.
- h. Adjusted EBITDA margin 16.8% for the twelve months ended December 31, 2017 is calculated by dividing Adjusted EBITDA by Adjusted revenue of €1,956.6 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted Statement of Profit or Loss (unaudited)
Twelve months ended December 31, 2016

€ in millions, except per share data	As reported for the twelve months ended December 31, 2016	Adjustments		As adjusted for the twelve months ended December 31, 2016
Revenue	1,927.7	—		1,927.7
Cost of sales	(1,356.7)	—		(1,356.7)
Gross profit	571.0	—		571.0
Other operating expenses	(298.4)	1.2	(a)	(297.2)
Exceptional items	(134.5)	134.5	(b)	—
Operating profit	138.1	135.7		273.8
Finance income	24.2	(18.3)		5.9
Finance costs	(86.3)	7.1		(79.2)
Net financing costs	(62.1)	(11.2)	(c)	(73.3)
Profit before tax	76.0	124.5		200.5
Taxation	(39.6)	(6.0)	(d)	(45.6)
Profit for the period	36.4	118.5		154.9
Weighted average shares outstanding in millions - basic	183.5			183.5
Basic earnings per share	0.20			0.84
Weighted average shares outstanding in millions - diluted	183.5			183.5
Diluted earnings per share	0.20			0.84

- a. Adjustment to add back share based payment charge
- b. Exceptional items which management believes will only recur over a limited number of financial periods based in most cases on the completion of the particular project or program, and do not have a continuing impact. See table 'Adjusted EBITDA (audited) twelve months ended December 31, 2016' for a detailed list of exceptional items.
- c. Adjustment to eliminate €18.3 million of non-cash foreign exchange translation gains, €4.3 million foreign exchange loss on derivatives and €2.8 million of other exceptional non-cash interest.
- d. Adjustment to reflect the tax impact of the above at the applicable tax rate for each adjustment, determined by the nature of the item and the jurisdiction in which it arises.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Adjusted EBITDA (audited)

Twelve months ended December 31, 2016

€ in millions	As reported for the twelve months ended December 31, 2016	
Profit for the period	36.4	
Taxation	39.6	
Net financing costs	62.1	
Depreciation	43.3	
Amortization	7.8	
Exceptional items:		
<i>Costs related to transactions</i>	4.8	(a)
<i>Costs related to management incentive plans</i>	1.9	(b)
<i>Investigation and implementation of strategic opportunities</i>	7.0	(c)
<i>Cisterna fire net income</i>	(4.3)	(d)
<i>Supply chain reconfiguration</i>	84.3	(e)
<i>Other restructuring costs</i>	(1.0)	(f)
<i>Findus Group integration costs</i>	29.6	(g)
<i>Settlement of legacy matters</i>	1.8	(h)
<i>Remeasurement of indemnification assets</i>	10.4	(i)
Other Adjustments:		
<i>Other add-backs</i>	1.2	(j)
Adjusted EBITDA (k)	324.9	

- a. Elimination of costs incurred in relation to completed and potential acquisitions and one-off compliance costs incurred as a result of listing on the New York Stock Exchange.
- b. Adjustment to eliminate long term management incentive scheme costs from prior ownership.
- c. Elimination of costs incurred in relation to investigation and implementation of strategic opportunities considered non-recurring for the combined group following acquisitions by the Company. These costs primarily relate to changes to the organizational structure of the combined businesses.
- d. Elimination of net insurance income offset by incremental operational costs incurred as a result of a fire in August 2014 in the Iglo Group's Italian production facility which produces Findus branded stock for sale in Italy.
- e. Elimination of supply chain reconfiguration costs, namely the closure of the Bjuv factory.
- f. Elimination of a credit on release of provisions for restructuring activities associated with operating locations.
- g. Elimination of costs recognized by Nomad Foods relating to the integration of the Findus Group.
- h. Elimination of non-recurring costs associated with settlements of tax audits and other liabilities relating to periods prior to acquisition of the Findus and Iglo businesses by the Company. These were previously classified within Investigation and implementation of strategic opportunities and other items and have been reclassified into this line for the period presented.
- i. Adjustment to reflect the remeasurement of the indemnification assets recognized on the acquisition of the Findus Group, which is capped at the value of shares held in escrow at the share price as at December 31, 2016.
- j. Other add-backs include the elimination of share-based payment charges of €1.2 million.
- k. Adjusted EBITDA margin 16.9% for the twelve months ended December 31, 2016 is calculated by dividing Adjusted EBITDA by Adjusted revenue of €1,927.7 million.

3. Reconciliation of Non-IFRS Financial Measures (continued)

Reconciliation of reported net cash flows from operating activities to Adjusted free cash flow for the year ended December 31, 2022 and the Year ended December 31, 2021.

(in €m)	Year Ended December 31, 2022	Year Ended December 31, 2021
Net Cash Flows From Operating Activities	303.8	306.3
Add back:		
Cash flows relating to exceptional items ^(a)	40.8	48.8
Employer taxes related to share based payments ^(b)	0.5	0.7
Non-operating M&A costs ^(c)	3.1	12.9
Deduct:		
Capital expenditure ^(d)	(79.1)	(79.2)
Net interest paid	(53.6)	(36.6)
Other financing cash flows	0.3	(2.0)
Payment of lease liabilities ^(e)	(26.5)	(19.4)
Adjusted free cash flow	189.3	231.5

a. Adjustment to add back cash flows related to exceptional items which are not considered to be indicative of our ongoing operating cash flows.

b. Adjustment to add back working capital movements related to employer taxes related to share based payments which are not considered to be indicative of our ongoing operating cash flows.

c. Adjustment to add back cash flows related to non-operating M&A costs which are not considered to be indicative of our ongoing operating cash flows.

d. Defined as the sum of property, plant and equipment and intangible assets purchased in the year, which are considered part of the underlying business cash flows.

e. These lease liabilities are included in Net Cash Flows from Financing Activities. We believe these payments are part of the underlying business cash flows and should be reflected in Adjusted free cash flow.