

# Nōmad Foods

FOURTH QUARTER 2021

## Earnings Results

February 24, 2022



# Disclaimer

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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 of the Company, including the Company's 2022 preliminary guidance with respect to organic revenue growth, Adjusted EBITDA growth, Adjusted EPS and Adjusted EPS growth, (ii) expectations regarding the Company's ability to reduce greenhouse gas emissions, (iii) expectations regarding free cash flow growth and conversion, (iv) expectations regarding Fortenova's future operating performance, (v) intentions to invest significantly in the Fortenova business in 2022, (vi) expectations regarding the company's M&A strategy, (vii) ability to successfully counteract inflation through a number of pricing waves throughout 2022 and, (viii) expectations regarding the effects of the EU Unfair Trading Practice Directive on the Company. 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 impact of the COVID-19 pandemic on the Company's business, suppliers, co-manufacturers, distributors, transportation or logistics providers, customers, consumers and employees; (ii) disruptions or inefficiencies in the Company's operations or supply chain, including as a result of the COVID-19 pandemic, and the Company's ability to maintain the health and safety of its workforce; (iii) the duration, spread and intensity of the pandemic and related government restrictions and other government responses; (iv) 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; (v) 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; (vi) the Company's ability to effectively compete in its markets, including the ability of Green Cuisine to effectively compete in continental Europe; (vii) 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; (viii) the effects of reputational damage from unsafe or poor quality food products; (ix) increases in operating costs, including labor costs, and the Company's ability to manage its cost structure; (x) fluctuations in the availability of food ingredients and packaging materials that the Company uses in its products; (xi) the Company's ability to effectively mitigate factors that negatively impact its supply of raw materials; (xii) the Company's ability to protect its brand names and trademarks; (xiii) uncertainty about the terms of the trade agreement between the United Kingdom and the European Union associated with 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. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

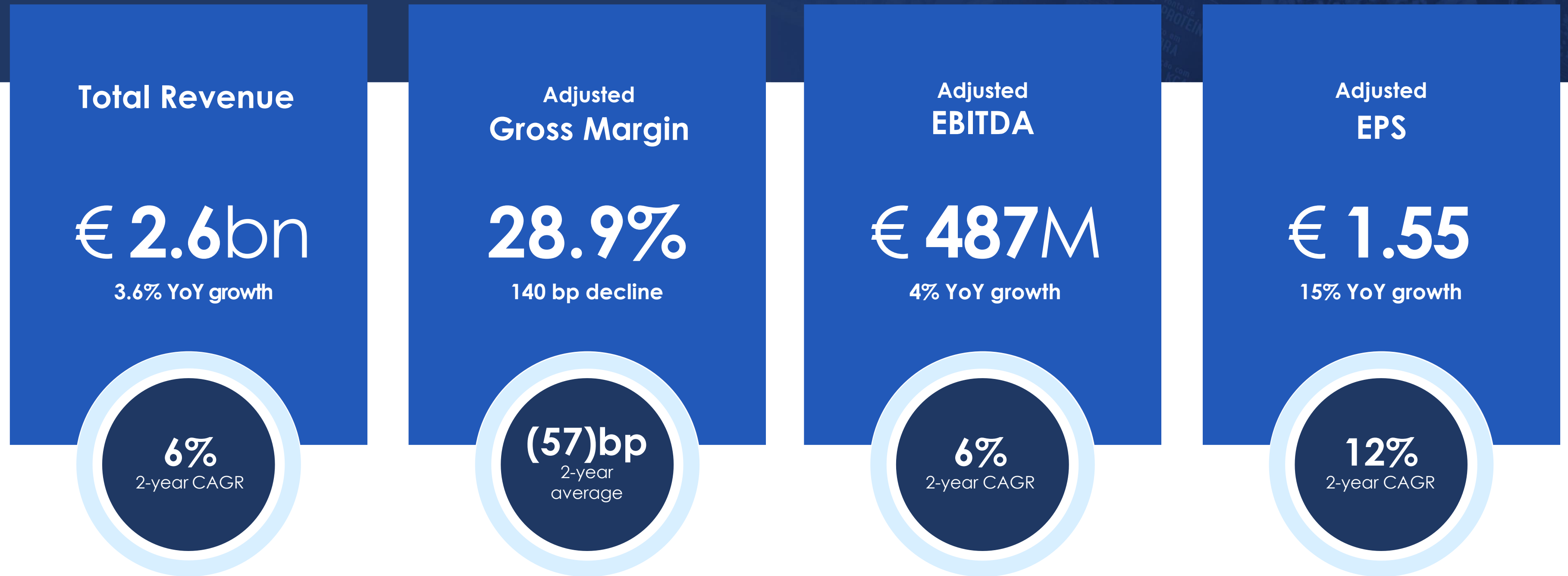
Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Other than in accordance with its legal or regulatory obligations, the Company is not under any obligation and the Company and its affiliates expressly disclaim any intention, 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.

The audit of the financial information included in this Presentation has not been completed. As a result, such financial information is preliminary, constitutes forward-looking statements and is subject to adjustment based on completion of the audit process, which adjustments may be material. The Company expects to file its audited financial results in early March.

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.

# 2021 Full Year Key Financial Metrics



**2021 FULL YEAR ADJUSTED EPS of €1.55 IS AT THE TOP END OF GUIDANCE RANGE OF €1.50-€1.55**

# Full Year 2021 Highlights

- Fifth consecutive year of record business growth across revenue, Adjusted EBITDA and Adjusted EPS
- 2021 a year of consolidation following exceptional market growth in 2020, with European consumer demand structurally shifting to greater focus on food-at-home
- Good progress in our supply chain with improved service levels through the second half despite industry-wide supply chain and inflation challenges
- Adjusted free cash flow of €232 million driven by solid EBITDA delivery and working capital management, including a higher level of capital investment as we support future growth projects
- Successfully integrating two significant acquisitions totaling €725m across nine countries

# 2021 was a Year of Numerous Sustainability Milestones



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**Added to Dow Jones  
Sustainability Europe Index**  
Achieved a score of 100% in Health  
and Wellbeing



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**Joined the Race to Zero**



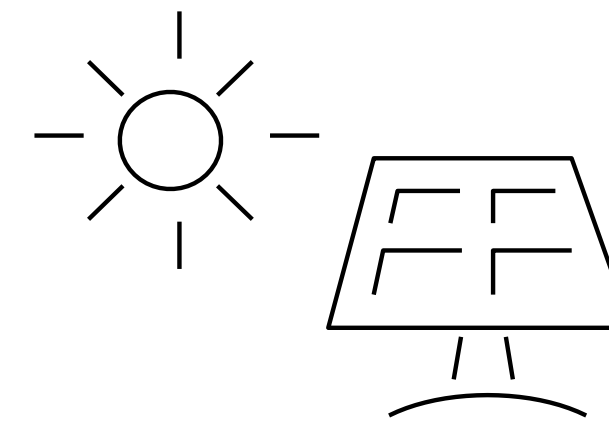
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**Partnered with WWF**

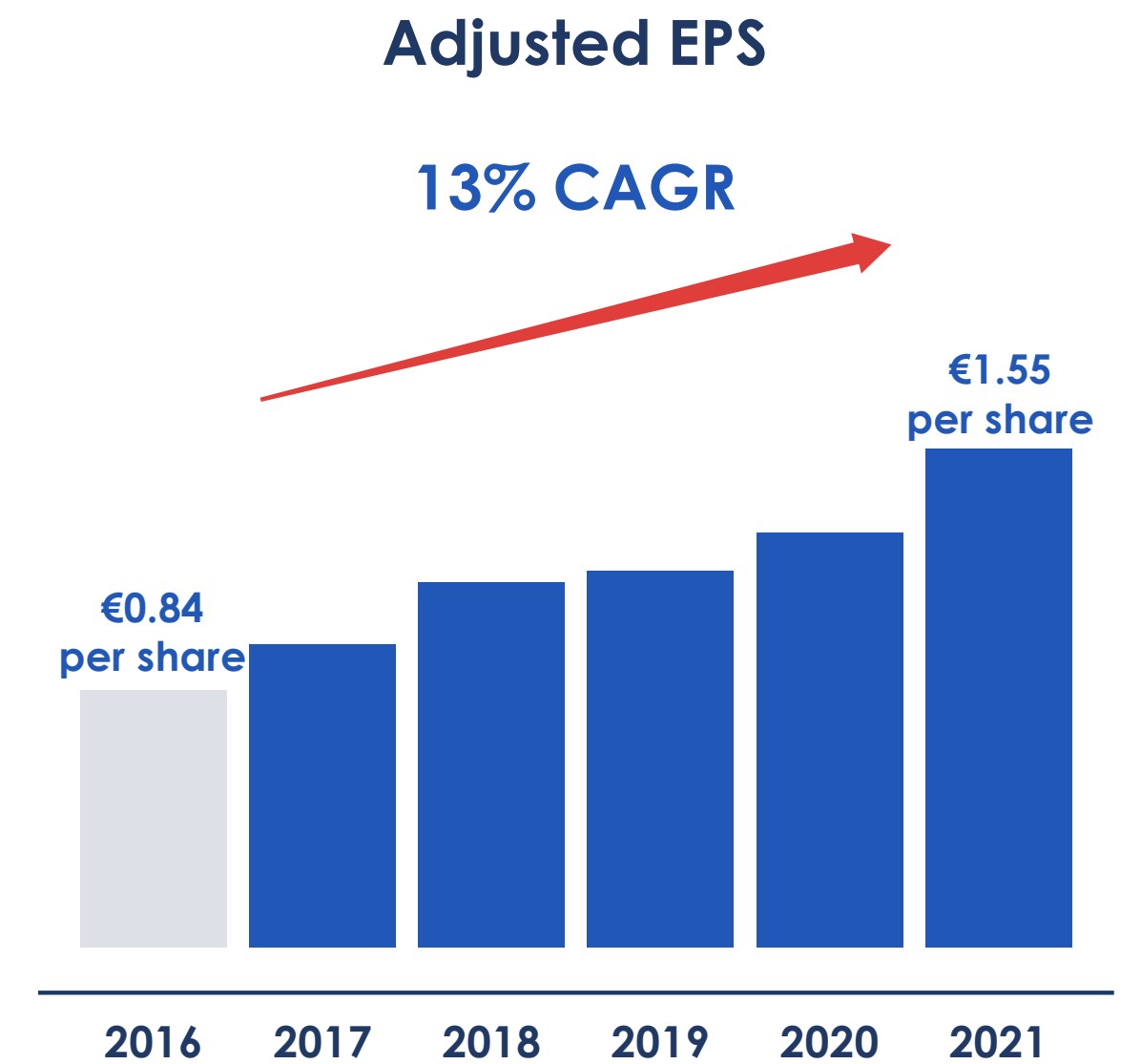
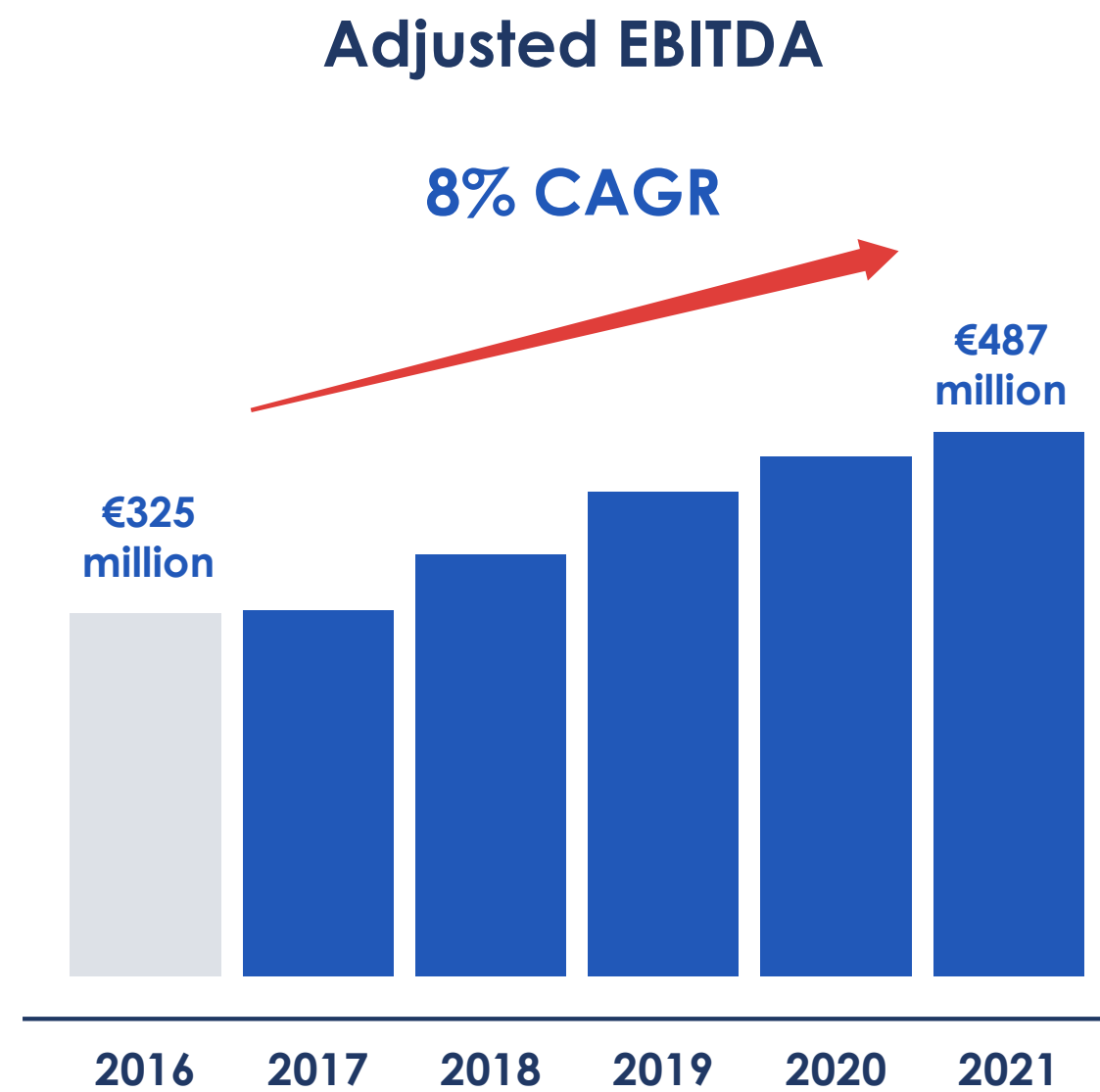
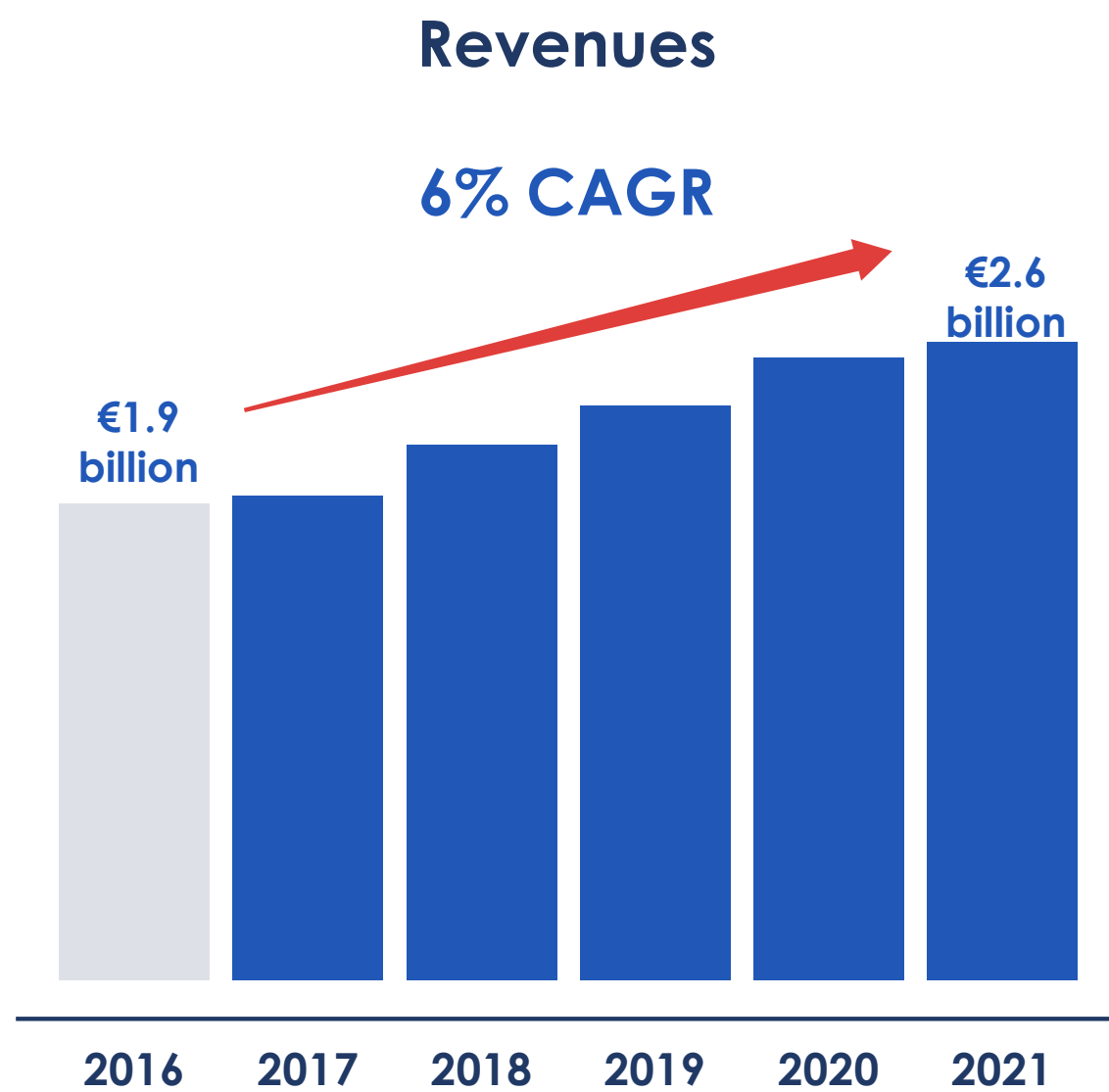


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**Achieved 100% Renewable Electricity  
in all base business manufacturing \***



# 2021 Marks the Fifth Consecutive Year of Record Financial Performance



# Fourth Quarter 2021 Key Operating Highlights

(in €m unless otherwise noted)	4Q 2021	4Q 2020	YoY Change
<b>Revenue</b>	<b>€704</b>	<b>€658</b>	<b>7.0%</b>
Organic revenue growth/(decline)			(4.5)%
Adjusted Gross profit	186	207	(10)%
Adjusted Gross margin	26.5%	31.5%	(500) bp
Adjusted operating expense	(94)	(104)	(9)%
Depreciation & amortization	21	16	31%
<b>Adjusted EBITDA</b>	<b>€113</b>	<b>€119</b>	<b>(5)%</b>
Adjusted EBITDA margin	16.0%	18.2%	(220) bp
Adjusted profit for the period	<b>€58</b>	<b>€68</b>	<b>(15)%</b>
<b>Adjusted EPS</b>	<b>€0.33</b>	<b>€0.38</b>	<b>(13%)</b>

# Full Year 2021 Free Cash Flow Highlights

(in €m unless otherwise noted)	12 months ended December 31, 2021	12 months ended December 30, 2020
<b>Adjusted EBITDA</b>	<b>487</b>	<b>467</b>
Change in working capital	(23)	96
Capital expenditures <sup>1</sup>	(79)	(59)
Cash taxes	(95)	(83)
Cash interest & other <sup>2</sup>	(58)	(76)
<b>Adjusted free cash flow</b>	<b>€232</b>	<b>€345</b>
Adjusted profit for the period	<b>€277</b>	<b>€263</b>
<b>Adjusted free cash flow as % adjusted profit for the period</b>	<b>84%</b>	<b>131%</b>

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

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



## Strong free cashflows of €1.55bn since 2016 underpinning long term capital allocation strategy

Robust capital structure with 4.9 years maturity at average cost of 2.3%

Average Free cashflow conversion of 90-100% over the medium term

Net debt / EBITDA target range of 3 - 4 times EBITDA

Active M&A pipeline and opportunistic buy backs to drive in organic growth

Capex at 3-4% of sales as we invest in capacity growth and cost reduction projects

# Initiating 2022 Guidance

**Total Revenue**  
Growth

**High-single digit**  
growth

**Organic Revenue**  
Growth

**Low-single digit**  
growth

**Adjusted EPS**  
Growth

**Double digit**  
Growth

Adjusted EPS  
€1.71 - 1.75



**Questions?**

A photograph of a white plate filled with several round cookies, set against a dark blue background. The cookies are arranged in a circular pattern on the plate. The lighting is soft, highlighting the texture of the cookies. The word "Appendix" is overlaid in white text in the center of the image.

# 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, chart of account ("CoA") alignments 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, chart of account ("CoA") alignments 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, chart of account ("CoA") alignments 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 – Organic revenue growth 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, chart of account ("CoA") alignments, trading day impacts or any other event that artificially impact the comparability of our results.

Adjusted Gross Profit - Adjusted gross profit and adjusted gross margin exclude acquisition purchase price adjustments within cost of goods sold.

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, 2021 compared to December 31, 2020

	Three months ended December 31, 2021	Twelve months ended December 31, 2021
	<b>YoY Growth</b>	<b>YoY Growth</b>
<b>Reported Revenue Growth</b>	<b>7.0%</b>	<b>3.6%</b>
<i>Of which:</i>		
- Organic Revenue Growth (Decline)	(4.5)%	(2.1)%
- Acquisitions	9.3%	4.6%
- Leap Year (a)	—%	(0.3)%
- Translational FX (b)	2.2%	1.4%
<b>Total</b>	<b>7.0%</b>	<b>3.6%</b>

a. Driven by an extra day in February 2020 due to a leap year.

b. 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, 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)
<b>Gross profit</b>	<b>180.3</b>	<b>6.1</b>		<b>186.4</b>
Other operating expenses	(98.7)	4.3	(b)	(94.4)
Exceptional items	(23.7)	23.7	(c)	—
<b>Operating profit</b>	<b>57.9</b>	<b>34.1</b>		<b>92.0</b>
Finance income	1.6	(1.5)		0.1
Finance costs	(17.2)	1.0		(16.2)
<b>Net financing costs</b>	<b>(15.6)</b>	<b>(0.5)</b>	(d)	<b>(16.1)</b>
<b>Profit before tax</b>	<b>42.3</b>	<b>33.6</b>		<b>75.9</b>
Taxation	(13.5)	(4.3)	(e)	(17.8)
<b>Profit for the period</b>	<b>28.8</b>	<b>29.3</b>		<b>58.1</b>
Weighted average shares outstanding in millions - basic	178.1	—		178.1
<b>Basic earnings per share</b>	<b>0.16</b>			<b>0.33</b>
Weighted average shares outstanding in millions - diluted	178.1	—		178.1
<b>Diluted earnings per share</b>	<b>0.16</b>			<b>0.33</b>

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 are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) three months ended December 31, 2021' for a detailed list of exceptional items

d. Elimination of 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

EBITDA and Adjusted EBITDA (unaudited)  
Three months ended December 31, 2021

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

- 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 of the Findus and Iglo Groups.
- 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)  
Three months ended December 31, 2020

€ in millions, except per share data	As reported for the three months ended December 31, 2020	Adjustments		As adjusted for the three months ended December 31, 2020
Revenue	657.7	—		657.7
Cost of sales	(450.6)	—		(450.6)
<b>Gross profit</b>	<b>207.1</b>	<b>—</b>		<b>207.1</b>
Other operating expenses	(113.9)	10.2	(a)	(103.7)
Exceptional items	6.7	(6.7)	(b)	—
<b>Operating profit</b>	<b>99.9</b>	<b>3.5</b>		<b>103.4</b>
Finance income	0.1	—		0.1
Finance costs	(19.6)	2.8		(16.8)
<b>Net financing costs</b>	<b>19.5</b>	<b>2.8</b>	(c)	<b>(16.7)</b>
<b>Profit before tax</b>	<b>80.4</b>	<b>6.3</b>		<b>86.7</b>
Taxation	(21.7)	3.1	(d)	(18.6)
<b>Profit for the period</b>	<b>58.7</b>	<b>9.4</b>		<b>68.1</b>
Weighted average shares outstanding in millions - basic	179.4			179.4
<b>Basic earnings per share</b>	<b>0.33</b>			<b>0.38</b>
Weighted average shares outstanding in millions - diluted	183.2	(3.8)	(e)	179.4
<b>Diluted earnings per share</b>	<b>0.32</b>			<b>0.38</b>

a. Share based payment expense including employer payroll taxes of €4.5 million and non-operating M&A related costs of €5.7 million.

b. Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) three months ended December 31, 2020' for a detailed list of exceptional items.

c. Elimination of €1.7 million of foreign exchange translation losses and €1.1 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, 2020 but for which shares were issued on January 4, 2021.

### 3. Reconciliation of Non-IFRS Financial Measures

EBITDA and Adjusted EBITDA (audited)  
Three months ended December 31, 2020

€ in millions	As reported for the three months ended December 31, 2020	
<b>Profit for the period</b>	<b>58.7</b>	
Taxation	21.7	
Net financing costs	19.5	
Depreciation and amortization	16.0	
Exceptional items:		
Brexite	0.7	(a)
Findus Switzerland integration costs	0.3	(b)
Goodfella's Pizza & Aunt Bessie's integration costs	0.3	(c)
Factory optimization	2.4	(d)
Supply chain reconfiguration	(12.5)	(e)
Business Transformation Program	2.3	(f)
Settlement of legacy matters	(0.2)	(g)
Other Adjustments:		
Other add-backs	10.2	(h)
<b>Adjusted EBITDA (i)</b>	<b>119.4</b>	

- 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. Expenses associated with the integration of the Findus Switzerland business acquired on December 31, 2020.
- c. Expenses associated with the integration of the Goodfella's pizza and Aunt Bessie's businesses which were acquired in 2018.
- d. 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.
- e. Income recognized on reaching an agreement to end the leasehold on a cold store in Sweden.
- f. Expenses associated with the start of a multi-year, enterprise-wide transformation and optimization program.
- g. Income and expenses associated with tax and other liabilities relating to periods prior to acquisition of the Findus and Iglo Groups.
- h. Represents the elimination of share based payment charge including employer payroll taxes of €4.5 million and elimination of non-operating M&A related costs of €5.7 million.
- i. Adjusted EBITDA margin of 18.2% for the three months ended December 31, 2020 is calculated by dividing Adjusted EBITDA by Revenue of €657.7 million.

### 3. Reconciliation of Non-IFRS Financial Measures

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)
<b>Gross profit</b>	<b>744.3</b>	<b>8.4</b>		<b>752.7</b>
Other operating expenses	(356.3)	18.7	(b)	(337.6)
Exceptional items	(45.3)	45.3	(c)	—
<b>Operating profit</b>	<b>342.7</b>	<b>72.4</b>		<b>415.1</b>
Finance income	0.1	—		0.1
Finance costs	(106.1)	41.9		(64.2)
<b>Net financing costs</b>	<b>(106.0)</b>	<b>41.9</b>	(d)	<b>(64.1)</b>
<b>Profit before tax</b>	<b>236.7</b>	<b>114.3</b>		<b>351.0</b>
Taxation	(55.7)	(18.7)	(e)	(74.4)
<b>Profit for the period</b>	<b>181.0</b>	<b>95.6</b>		<b>276.6</b>
Weighted average shares outstanding in millions - basic	178.1	—		178.1
<b>Basic earnings per share</b>	<b>1.02</b>			<b>1.55</b>
Weighted average shares outstanding in millions - diluted	178.1	—		178.1
<b>Diluted earnings per share</b>	<b>1.02</b>			<b>1.55</b>

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

b. Share based payment charge including employer payroll taxes of €5.8 million and non-operating M&A related costs of €12.9 million.

c. Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) twelve months ended December 31, 2021' for a detailed list of exceptional items.

d. 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..

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

EBITDA and Adjusted EBITDA (unaudited)  
Twelve months ended December 31, 2021

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

- 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 of the Findus and Iglo Groups.
- 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)
<b>Gross profit</b>	<b>762.5</b>	<b>—</b>		<b>762.5</b>
Other operating expenses	(382.7)	19.4	(a)	(363.3)
Exceptional items	(20.6)	20.6	(b)	—
<b>Operating profit</b>	<b>359.2</b>	<b>40.0</b>		<b>399.2</b>
Finance income	4.7	(4.0)		0.7
Finance costs	(68.4)	1.5		(66.9)
<b>Net financing costs</b>	<b>(63.7)</b>	<b>(2.5)</b>	(c)	<b>(66.2)</b>
<b>Profit before tax</b>	<b>295.5</b>	<b>37.5</b>		<b>333.0</b>
Taxation	(70.4)	—	(d)	(70.4)
<b>Profit for the period</b>	<b>225.1</b>	<b>37.5</b>		<b>262.6</b>
<b>Profit attributable to:</b>				
Equity owners of the parent	225.2	37.5		262.7
Non-controlling interests	(0.1)	—		(0.1)
	<b>225.1</b>	<b>37.5</b>		<b>262.6</b>
Weighted average shares outstanding in millions - basic	194.0			194.0
<b>Basic earnings per share</b>	<b>1.16</b>			<b>1.35</b>
Weighted average shares outstanding in millions - diluted	197.9	(3.9)	(e)	194.0
<b>Diluted earnings per share</b>	<b>1.14</b>			<b>1.35</b>

a. Share based payment charge including employer payroll taxes of €12.1 million and non-operating M&A related costs of €7.3 million.

b. Exceptional items which management believes are non-recurring and do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) twelve months ended December 31, 2020' for a detailed list of exceptional items.

c. Elimination of €4.0 million of foreign exchange translation gains and €1.5 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, 2020 but for which shares were issued on January 4, 2021.

### 3. Reconciliation of Non-IFRS Financial Measures

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

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

- 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 are non-recurring and do not have a continuing impact. See table 'EBITDA and 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)

EBITDA and 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	
<b>EBITDA</b>	<b>351.8</b>	
Exceptional items:		
Brexit	1.6	(a)
Supply chain reconfiguration	(3.6)	(b)
Findus Group integration costs	3.5	(c)
Goodfella's Pizza & Aunt Bessie's integration costs	12.5	(c)
Factory optimization	5.7	(d)
Release of indemnification assets	44.0	(e)
Settlement of legacy matters	(9.2)	(f)
Other Adjustments:		
Other add-backs	25.7	(h)
<b>Adjusted EBITDA(i)</b>	<b>432.0</b>	

- 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. 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.
- c. Expenses related to the roll-out of the Nomad ERP system following the acquisition of the Findus Group in November 2015.
- 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 in 2019 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. 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.
- i. 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 are non-recurring and do not have a continuing impact. See table 'EBITDA and 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)

EBITDA and 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	
<b>EBITDA</b>	<b>329.4</b>	
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 &amp; 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)
<b>Adjusted EBITDA (h)</b>	<b>376.4</b>	

- 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 do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) 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)

EBITDA and 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	
<b>EBITDA</b>	<b>285.3</b>	
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)
<b>Adjusted EBITDA (h)</b>	<b>328.1</b>	

- 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. Adjustment to add back exceptional items which management believes do not have a continuing impact. See table 'EBITDA and Adjusted EBITDA (unaudited) 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)

EBITDA and 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	
<b>EBITDA</b>	<b>189.2</b>	
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)
<b>Adjusted EBITDA(k)</b>	<b>324.9</b>	

- 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 Twelve months ended December 30, 2021 and the Twelve months ended December 30, 2020

€ in millions	Twelve months ended December 30, 2021	Twelve months ended December 30, 2020	
<b>Net Cash Flows From Operating Activities</b>	<b>306.3</b>	<b>457.0</b>	
Add back:			
Cash flows relating to exceptional items	48.8	12.1	(a)
Employer taxes related to share based payments	0.7	3.1	(b)
Non-operating M&A costs	12.9	7.3	(c)
Deduct:			
Capital expenditure	(79.2)	(58.7)	(d)
Net interest paid	(36.6)	(49.5)	
Payments on settlement of derivatives	(2.0)	(6.1)	
Payment of lease liabilities	(19.4)	(20.3)	(e)
<b>Adjusted free cash flow</b>	<b>231.5</b>	<b>344.9</b>	

- 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.



### 3. Reconciliation of reported net cash flows from operating activities to Adjusted free cash flow

Reconciliation of reported net cash flows from operating activities to Adjusted free cash flow for the Twelve months ended December 30, 2019, 2018, 2017 & 2016

(in €m)	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
<b>Net Cash Flows From Operating Activities</b>	<b>315.4</b>	<b>321.3</b>	<b>193.8</b>	<b>282.1</b>
Add back:				
Cash flows relating to exceptional items (a)	15.9	43.4	99.5	49.2
Legacy tax payments (b)	—	—	27.3	—
Employer taxes related to share based payments (c)	7.5	1.7	—	—
Non-operating M&A costs (d)	3.3	8.9	3.0	—
Deduct:				
Capital expenditure (e)	(47.3)	(41.6)	(42.6)	(42.4)
Net interest paid	(46.0)	(45.1)	(48.5)	(63.0)
(Payments)/proceeds on settlement of derivatives	0.7	(2.8)	1.6	(4.0)
Payment of lease liabilities (f)	(21.8)	—	(1.6)	(0.7)
<b>Adjusted free cash flow</b>	<b>227.7</b>	<b>285.8</b>	<b>232.5</b>	<b>221.2</b>
Adjusted free cash flow as % adjusted profit for the period	<b>97%</b>	<b>137%</b>	<b>133%</b>	<b>143%</b>
Adjusted Profit for the period	<b>235.0</b>	<b>209.0</b>	<b>175.2</b>	<b>154.9</b>

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) Tax paid relating to open tax audits for pre-Nomad periods which are considered one-off in nature

c) 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.

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

e) 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.

f) 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.