

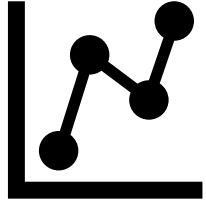


# *Accelerate Innovation Amid Disruption*

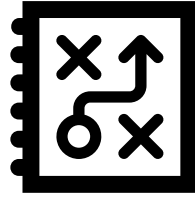
**yet2 – Innovation Leader**

**Tim Bernstein**

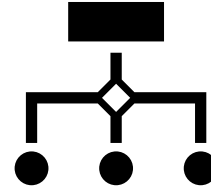
**Nov 12, 2020**



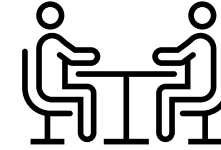
Trends



Strategy



Process



Culture

Accelerate Innovation Amid  
Disruption

yet2

## Case study – asking sustaining innovators to capitalize in times of disruption

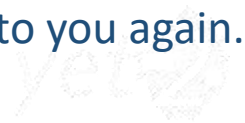
**yet2** - 30<sup>th</sup> Sept 2020

We wanted to check in with you about updates regarding the **[disruptive new feature]** and specifically [solution provider A] that you were interested in. Happy to help set up an intro call to dive deeper.

**Client Lead Product Manager** – 1<sup>st</sup> Oct 2020

We are inundated with NPD launch requests, right now I have **3 projects**, that's not including the [next new product feature] projects potentially to go with [Solution Provider B found by yet2], so **I will have to let this [disruptive opportunity] go.**

If later we come back to this topic, I will reach out to you again.



## yet2 Overview

- Formed in 1999 with original investments from Bayer, DuPont, Siemens, Honeywell, P&G, Kimberly-Clark, NTT DoCoMo
- Full range of Open Innovation (“OI”) services including technology scouting, vetting, engagement with external opportunities, and advising, on behalf of clients
- 50+ annual clients – 90% would recommend yet2 to others within their company or in non-competing industries. NPS averaging 72.
- 30+ person team worldwide and 8 global networks of solution providers
- Sophisticated targeted scouting methodologies enhanced by an established network of over 30,000 start-ups, Fortune 500, research groups, and VCs
- Oversee an average of 1-2k introductions and 10-15 deals between clients and external solution providers annually

**IGNITING  
INNOVATION**

OPEN INNOVATION &  
TECHNOLOGY SCOUTING  
CONSULTANTS





# Trends

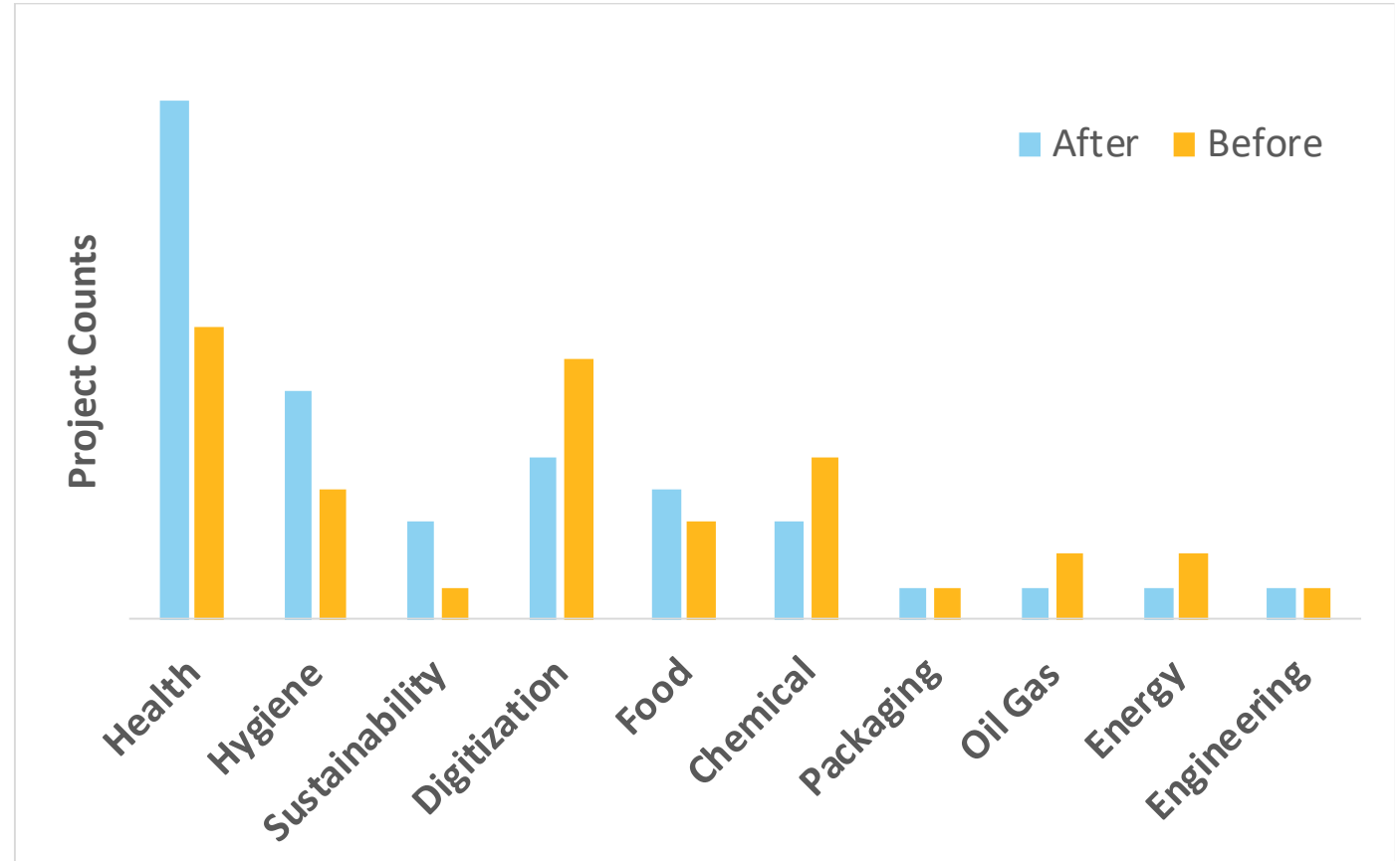
## Covid drives big shift toward Health, Hygiene, Sustainability

### Across all yet2 projects

- Increase: Health, hygiene, Tech, Sustainability
- Decrease: Chemical, Oil & Gas, Energy

### When compare each category before and after:

- Health
  - 60% increase
  - Topics: Wellness, personal care, supplements
- Hygiene
  - 75% increase
  - Topics: sanitization, home and personal cleaning products
- Sustainability
  - 2x increase
  - Topics: Recyclable and biodegradable material



\*6 months After and Before March 15<sup>th</sup> 2020



# Trends

## Health: What yet2 clients are seeking

**Project Example 1:** Enhancing the immune system helps to maintain the quality of life. Seeking “immunity-enhancing materials” that are suitable for food and beverage applications. Specifically, the material should promote Secretory Immunoglobulin A (s-IgA) production.

**Project Example 2:** This organization is seeking scientifically backed ingestibles/edibles/food supplements or product forms that provide direct or indirect (systemic) oral or skin care benefits.





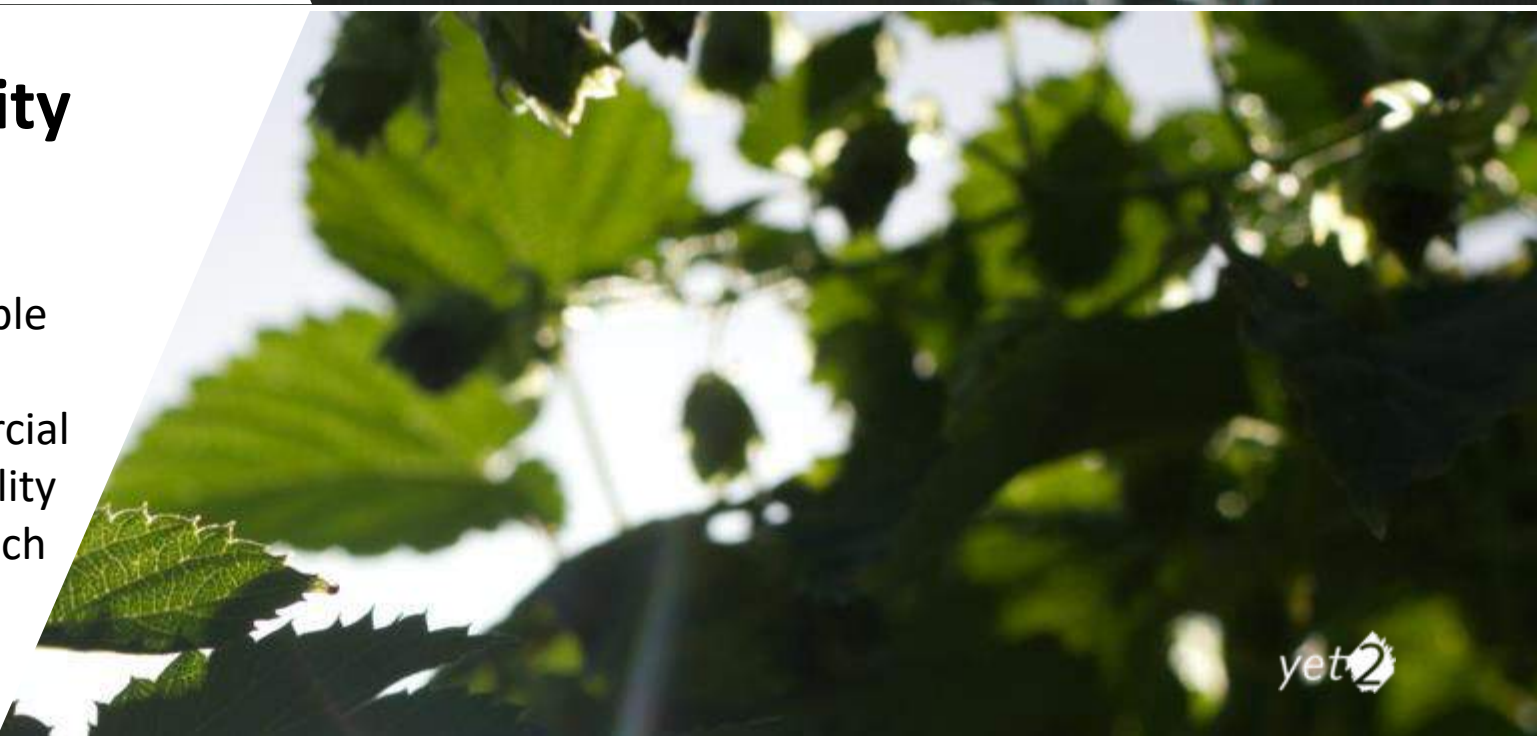
## Hygiene

A yet2 client is seeking ingredients/additives to add to a formulation to increase the volume of foam generated in use, while not affecting its performance.



## Sustainability

This organization have identified a novel material enabling biodegradable sachets, and is seeking large players that would be interested as commercial users to contribute to cost affordability at large scale, create a market for such solutions.



## Additional trend: Covid disruption unleashes a flow of Creative Approaches To Open Innovation

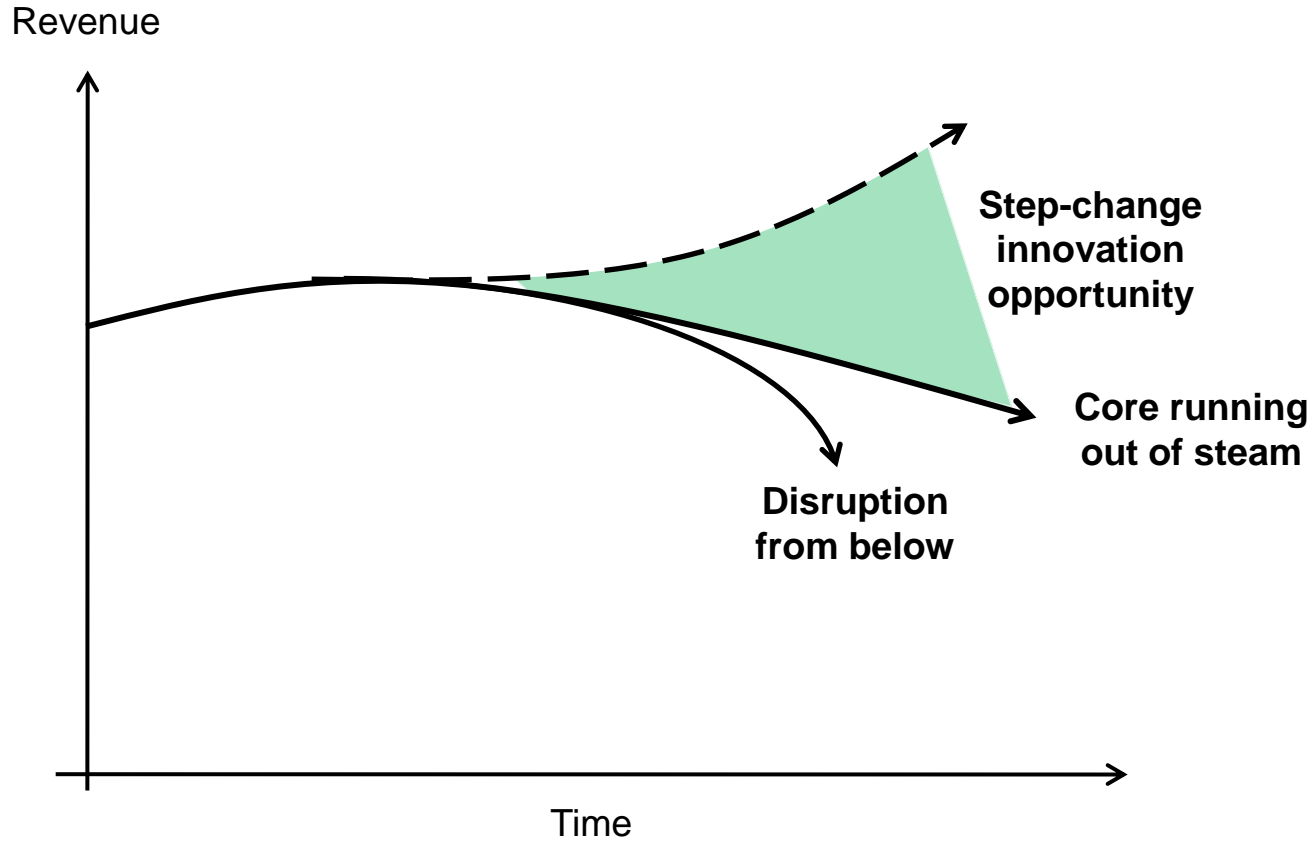
**Fast to Market:** Broad *scans* to identify promising new Covid-related products already commercial, followed by *anonymous inquiries* into openness to partnering, followed by intensive introductions / evaluations /deals / commercial rollouts

**Benchmarking,** what creative tactics are peer large-companies employing to address the Covid disruption (and senior commitment to investing in the insights)

**Covid Opportunities Early Warning System:** A yet2 Client proposed to get a jump-start on their competitors by collecting and analyzing changes in conversations broadly across the global innovation and scientific communities, in topic areas relevant to the Client

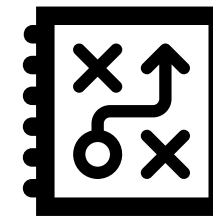
**Disruptive Threats to *our Core*:** Identify the 20 adjacent technologies/startups that could most effectively leverage Covid disruption to threaten *our core* businesses

# To disrupt or be disrupted?



## Strategy

How to generate sustained Innovation?



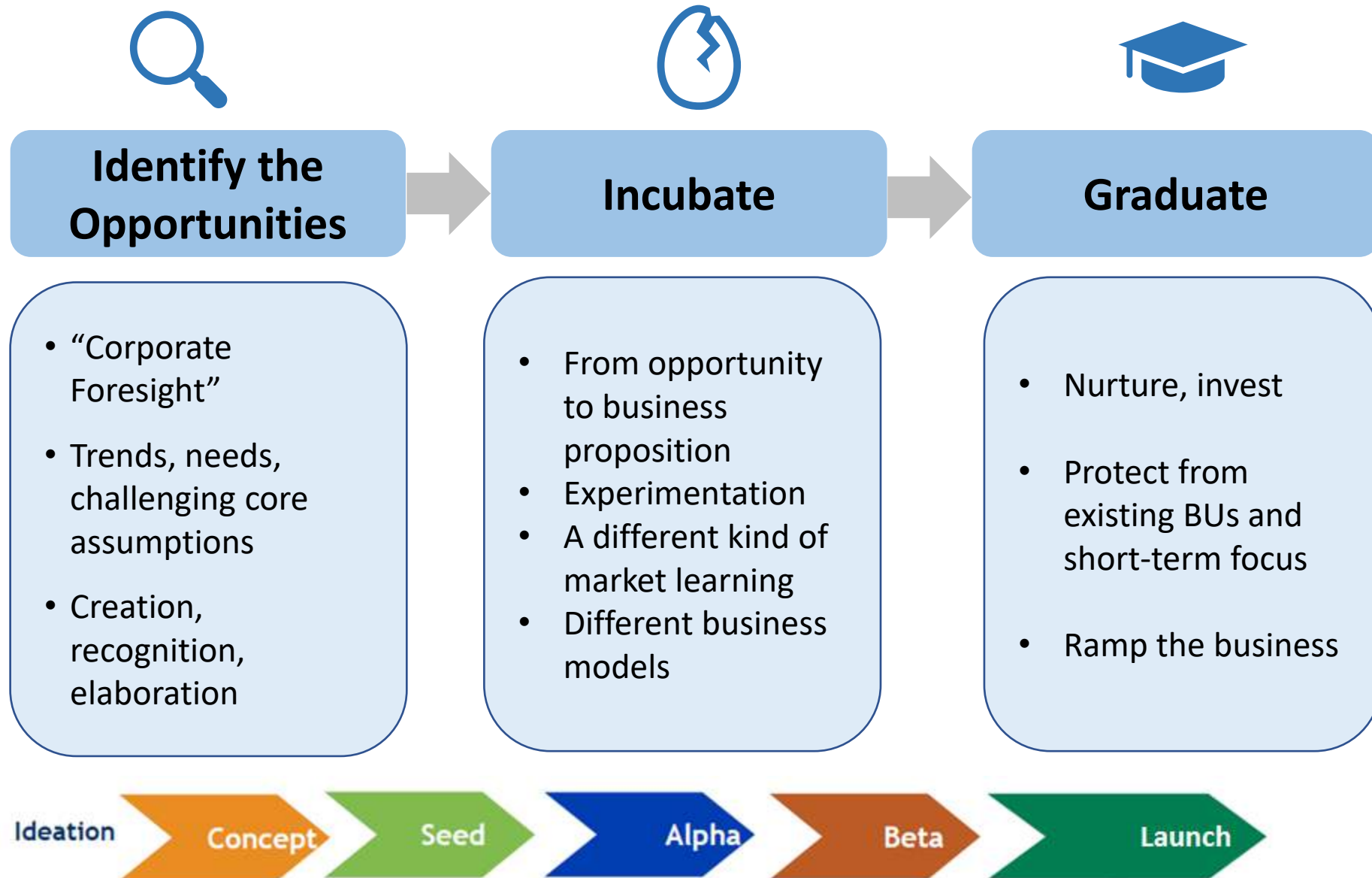
### Examples

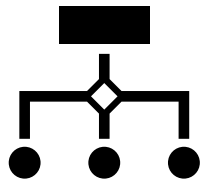
- Film Cameras & Polaroid → Digital Cameras → Smartphone
- Automotive: small cars let Honda, Nissan & others get a foothold
- Clorox trashbags prior to PG Forceflex JV

# Why Step-Change is hard for large-companies

- The Problem: Established companies are greatly challenged in attempts to develop breakthrough innovation capabilities
  - One-off projects occur sporadically
  - Maverick champions, air cover by senior sponsors
  - Work against, rather than with the organization
  - Breakthroughs require breaking rules
  - No learning across projects, people. No systems developed to leverage organization's assets
  - Missed opportunities result
  - Lack of systematic approach to managing the variety of skill sets needed
- Four Year average lifespan of internal venturing groups. Why can't companies be 'ambidextrous'?

# How Step-Change should be different – 3 functions





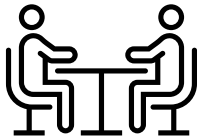
# Process Change

## Open Innovation (OI) benchmarking

yet2 has just surveyed 6 of the best OI practicing companies we know; out of that have been able to significantly optimize our advice around OI systems. Of the 5 key dimensions we surveyed, here are 2:

- **Stakeholder buy-in**
- **Handling disruptive**
  - Senior-driven, senior immersion
  - Properly resourced
  - Milestone-based
  - Assign great talent (some best practices companies won't even start without this)
  - External expertise
  - Team urgency
  - Customer-driven, fail-early, rapid iteration

# Culture



- Company Culture
- Enable Employees

Less-committed Companies	Successful OI Companies
<b>Focus/KPIs:</b>	
<ul style="list-style-type: none"><li>▪ Busy, weeks+ to follow up on leads; premium on credit, don't upset powers that be</li><li>▪ "Let's schedule for 2 weeks"</li></ul> <p><b>Closed to new opportunities:</b></p> <ul style="list-style-type: none"><li>▪ Biased against less than 10x improvements</li><li>▪ "We looked at them a while back and they're not of interest."</li><li>▪ "We can solve this ourselves"</li><li>▪ "Why didn't we come up w this?"</li></ul>	<ul style="list-style-type: none"><li>▪ Premium on speed and momentum</li><li>▪ Bi-weekly updates, timely feedback</li><li>▪ "What time can you meet today"</li><li>▪ "Who can get the answer quickest"</li></ul> <p><b>Open to opportunities:</b></p> <ul style="list-style-type: none"><li>▪ What would have to be true for this lead to be of interest.</li><li>▪ Wacky ideas for disruptive success;</li><li>▪ "What's new since [xyz] issue you couldn't address last time round?"</li><li>▪ "Don't have data in our format? What data do you have?"</li></ul>
<b>Incentives/Participation:</b>	
<ul style="list-style-type: none"><li>▪ Projects imposed by management</li><li>▪ Avoid punishment</li></ul>	<ul style="list-style-type: none"><li>▪ Equalize incentives for internally vs externally-sourced innovation; scouts participate in need defining</li><li>▪ Promote successful scouts</li></ul>

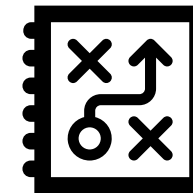
## A large diversity of companies see an opportunity – sanitizing planes

- UV players
- Sanitizing chemistry players
- CPG wipes players
- Industrial cleaning
- Airline services suppliers



## The Tragedy of the Commons

as applied to Business Strategy. A cautionary note.



*yet* **2**

*Thanks!*



# Innovation in Times of Disruption

Stella Peace - Group R&D Director

November 2020



# Disclosures



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Certain statements and matters discussed in this Presentation, as well as the accompanying oral 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 regarding the Company's (i) beliefs regarding consumer trends, including the movement towards meat-free consumption and growth in the frozen food category in Europe and beliefs regarding reasons for frozen to perform better; (ii) expectations regarding the Company's strategy to sustain its growth, including, to focus, invest, innovate, optimize and acquire; (iii) goal to create a consistent range of plant protein products that allows consumers to reduce their meat intake and increase their vegetable consumption through a wide range of options and its beliefs regarding its right to win in the meat substitutes space; (iv) expectations regarding the expansion of Green Cuisine across Western Europe in 2020, the expected impact of the Green Cuisine business on the Company's growth, the amount and timing of anticipated revenues from Green Cuisine and the anticipated use of future gross profits from Green Cuisine; beliefs regarding Green Cuisine's importance in the Company's portfolio, unique positioning in the marketplace and the use of media to advertise the brand; (v) beliefs regarding its ability to develop, produce and distribute frozen food products effectively and efficiently; (vi) expectations regarding the Company's mergers and acquisitions ("M&A") ambitions, including the Company's near-term focus, longer-term ambitions and potential acquisitions; (vii) intentions to use the Company's cash primarily for acquisitions and the nature of such acquisitions; (viii) expectations regarding the Company's transformation strategy including, introduction of "Big Bet" innovations, driving top-tier employee engagement and actively pursuing accretive M&A; (ix) expectations regarding the Company's net revenue management strategies and strategies to increase penetration in certain marketing channels; (x) expectations regarding the Company's methods to drive advertising efficiency and impact and consumer led innovation; (xi) expectations regarding outsized growth from CORE products and slower growth or even declines in the rest of products and the resulting impact on LSD% growth; (xii) expectations to strengthen the Company's partnerships through more collaborative and strategic joint business plans; (xiii) expectations regarding inflation in 2020 and the contributing factors and expectations that gross margin and EBITDA margins will be roughly flat in 2020; (xiv) expectations regarding a greater balance between price and volume in 2020; (xv) the Company's long term growth algorithm with respect to organic revenue growth, Adjusted EBITDA, Total Shareholder Return, Free Cash Flow productivity, and acquisitions and synergies; and (xvi) expectations regarding the preliminary fourth quarter and full year, and future operating and financial performance of the Company, including the Company's preliminary fourth quarter and full year 2019 and 2020 guidance with respect to organic revenue growth, Adjusted EBITDA and Adjusted EPS, as applicable.

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 that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including (i) the risk that the Company's actual financial results for the fourth quarter and full year 2019 may differ materially from those set forth in this press release as a result of the completion of year-end closing procedures, final adjustments, or other developments arising between now and the time that our financial results are finalized; (ii) the Company's ability to successfully implement its strategies or strategic initiatives and recognize the anticipated benefits of such strategic initiatives; (iii) the Company's ability to accurately predict the performance of its Green Cuisine brand and its impact on the Company's growth; (iv) the Company's ability to effectively compete in its markets, including the ability of Green Cuisine to effectively compete in Western Europe; (v) 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; (vi) the effects of reputational damage from unsafe or poor quality food products; (vii) the Company's ability to successfully execute its M&A ambitions, including its ability to identify suitable acquisition targets and successfully complete acquisitions; (viii) the adequacy of the Company's cash resources to achieve its anticipated growth agenda; (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 UK and the EU 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) loss of the Company's financial arrangements with respect to receivables factoring; (xv) the loss of any of the Company's major customers or a decrease in demand for its products; (xvi) economic conditions that may affect the Company's future performance including exchange rate fluctuations; (xvii) the Company's ability to successfully interpret and respond to key industry trends and to realize the expected benefits of its responsive actions; (xviii) the Company's failure to comply with, and liabilities related to, environmental, health and safety laws and regulations; (xix) changes in applicable laws or regulations; and (xx) the other risks and uncertainties disclosed in the Company's public filings and any other public disclosures by the Company. In addition, these forward-looking statements and the information in this Presentation are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 28, 2019. 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.

This Presentation includes certain additional key performance indicators which are considered non-IFRS financial measures including, but not limited to, organic revenue growth and Adjusted EBITDA. Nomad Foods believe 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 may be 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.

# Nomad Foods

Serving the world with better food



## Agenda

- **Who are Nomad Foods?**
- **Approach to Innovation**
- **“Big Bet” Innovation**



# Nomad Foods is Europe's Leading Frozen Food Company

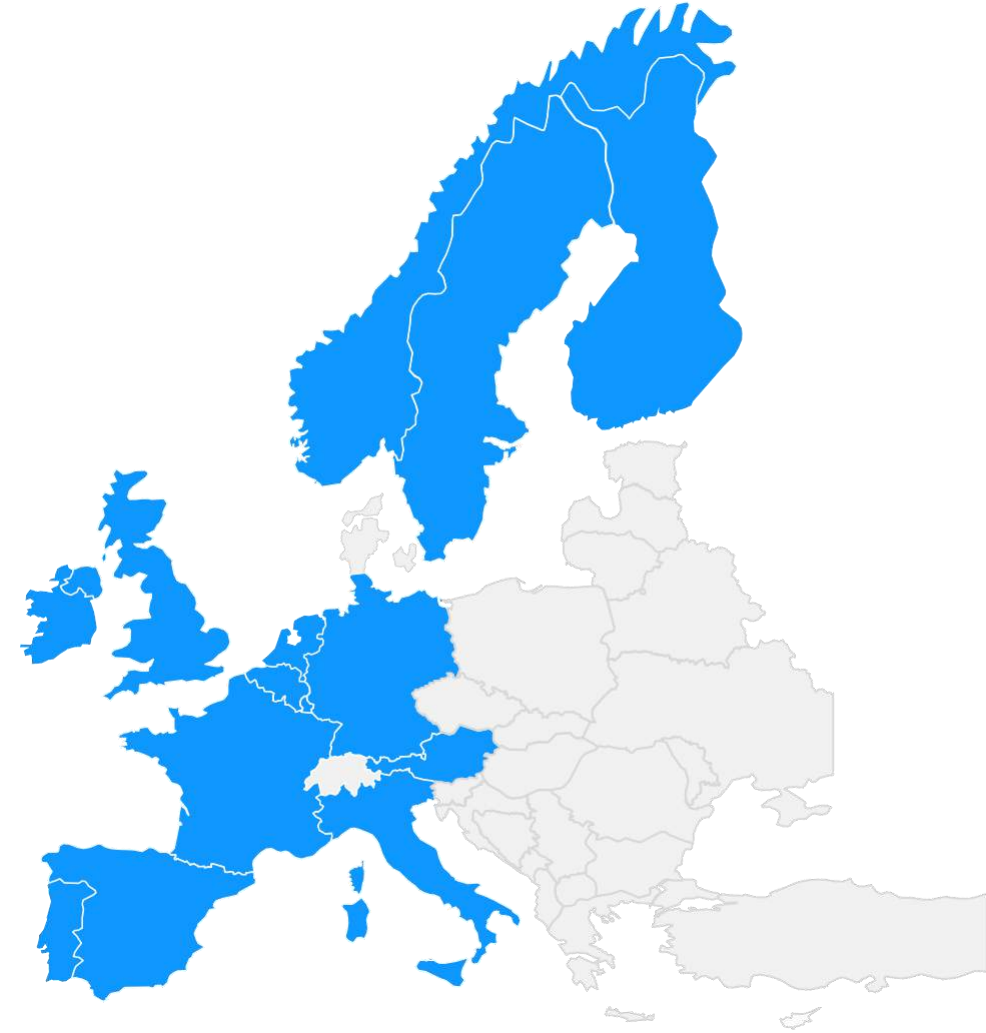
**€2.3B**  
Net Revenues

**#1**

In Western Europe's

**€26B**

Savory  
Frozen Food Category



**13**

Primary Countries  
Across Western Europe

**4,800**

Company  
Employees

**3**

Consecutive years of  
organic revenue growth

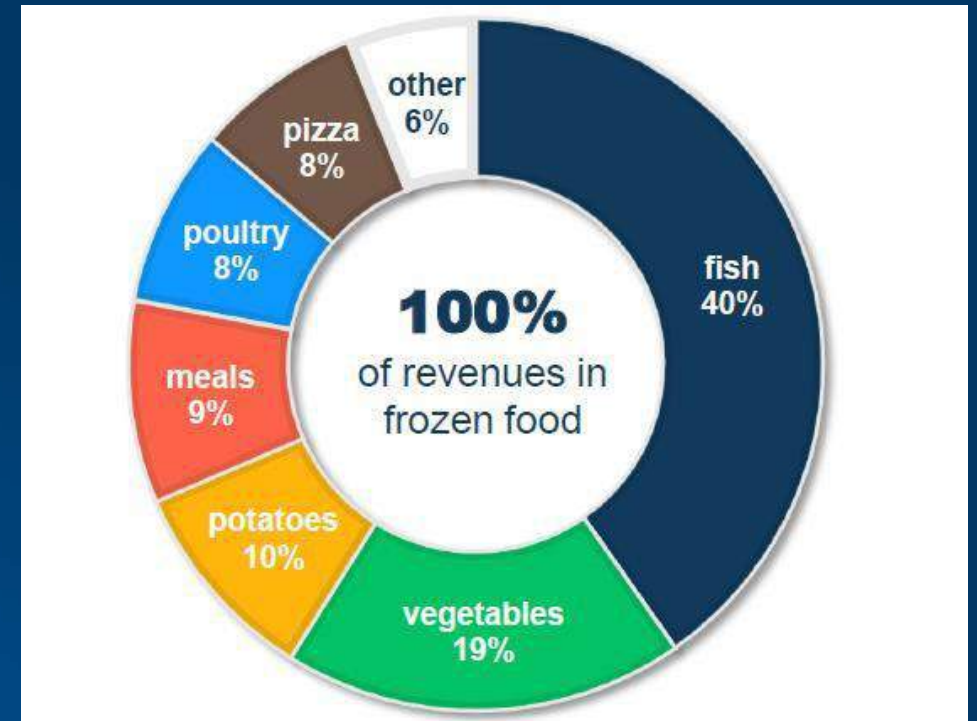


# Nomad is a significant global player with a diverse portfolio

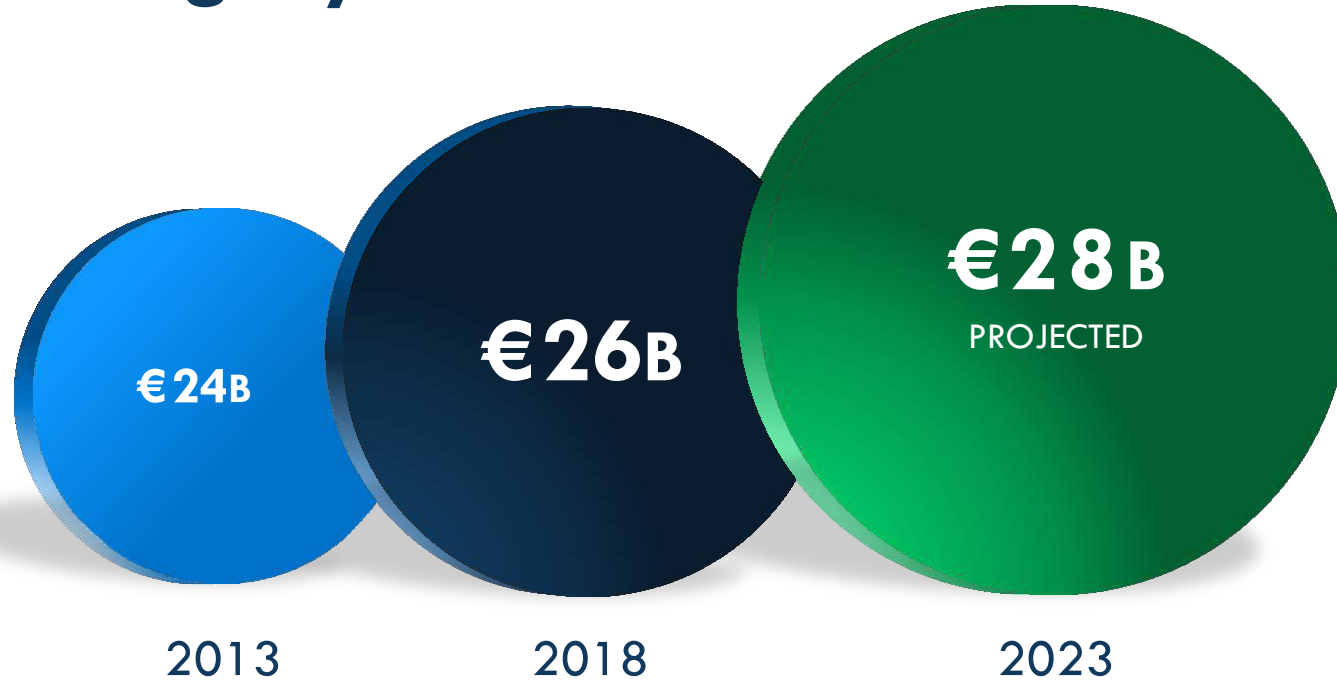


Nomad Foods

## Revenue by Category



# Frozen Food is a Category in Growth



# Our Strategy



**Focus**



**Invest**



**Innovate**



**Optimize**



**Acquire**

# Driving Successful Innovations

## THE FORMULA TO WIN IS THE SAME

**GOOD INNOVATION**

THAT SOLVES A JOB FOR CONSUMERS & HAS A ROLE IN YOUR BUSINESS



**GOOD ACTIVATION**

THAT MAXIMIZES THE POTENTIAL OF YOUR PRODUCT



**PORTFOLIO  
WIN**

# Clear Guidelines for Innovation

We have defined 5 innovation roles – this role then dictates the required support model



We have built a tailored support model for each NPD tier



## The Innovation Success Model

### 3 Principles for Success



#### Start with the objective and strategy

All innovation needs to have a clear long and short term role to grow the category and Nomad



#### Develop the consumer-led proposition

A great support model comes from a great idea, delivered well – across the flywheel levers



#### Define and Deliver the support plan

Must maximise physical and mental availability – don't 'hope' you'll be found in store. Fewer, Bigger, Better helps us to maximise our impact

### Why it's important

*Define* Gold / Silver/ Bronze

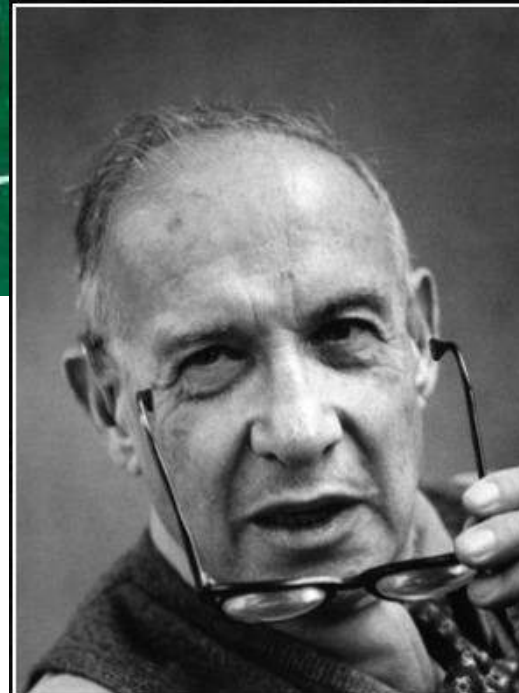
*What* we need to communicate

*How* we deliver in-market success



# Areas of Focus

'Fewer. Bigger. Better.'



If you want it, measure it. If you can't measure it, forget it.

— Peter Drucker —

AZ QUOTES

# Sustainable Eating is leading to “Flexitarians”



Enjoy family meal time



Awareness of Sustainability



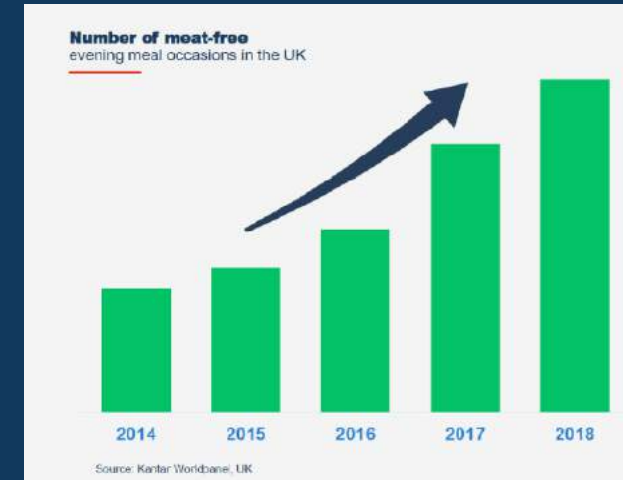
Eat out less



Better awareness of nutrition

## Behaviour Change

Existing Consumer Trends have accelerated



Nearly **one third** of evening meal occasions in the UK are meat free

92% of plant-based meals are eaten by **non-vegans**

# Green Cuisine – uniquely position in the market

## A Great TASTING Product



Consumer taste tests beating competition



## Focused on SUSTAINABILITY



Sourced from sustainable crops such a pea protein

## Delivering on NUTRITION



Short ingredient list low in sat fat, high in fibre, source of iron



# GREEN CUISINE – INNOVATION AT THE HEART



**Birds Eye**  
**Green Cuisine**  
powered by plants

**MEAT-FREE**

**NEW**

Chicken-Free Southern Fried  
**STRIPS**

source of PROTEIN source of FIBRE

VEGAN

Per 100g strips over baked provides:

Energy	Fat	Saturated	Sugars	Salt
2470	14g	1.6g	0.7g	0.97g
227kcal	19%	20%	3%	36%

Reference intake of an average adult (8400kJ / 2000kcal). Average values per 100g (Energy) 1146kJ / 273kcal.

Per serving (100g)

**Birds Eye**  
**Green Cuisine**  
powered by plants

**MEAT-FREE**

**NEW**

Chicken-Free  
**DIPPERS**

source of PROTEIN

VEGAN

Per 100g dippers over baked provides:

Energy	Fat	Saturated	Sugars	Salt
1840	15g	1.1g	0.6g	1.0g
183kcal	19%	21%	7%	17%

Reference intake of an average adult (8400kJ / 2000kcal). Average values per 100g (Energy) 1146kJ / 273kcal.

Per serving (100g)

**Birds Eye**  
**Green Cuisine**  
powered by plants

**MEAT-FREE**

**NEW**

Chicken-Free  
**NUGGETS**

source of PROTEIN source of FIBRE

VEGAN

Per 100g nuggets over baked provides:

Energy	Fat	Saturated	Sugars	Salt
1740	16g	1.2g	<0.5g	1.1g
173kcal	14%	23%	6%	<1%

Reference intake of an average adult (8400kJ / 2000kcal). Average values per 100g (Energy) 1146kJ / 273kcal.

Per serving (100g)

**iglo**  
**Green Cuisine**  
100% pflanzlich

VEGETARISCHES HACK

VEGAN PROTEIN FIBRE

**NEW**

**iglo**  
**Green Cuisine**  
100% pflanzlich

PULLED BBQ STREIFEN

VEGAN PROTEIN FIBRE

**NEW**

**iglo**  
**Green Cuisine**  
100% pflanzlich

10 FINGERS

VEGAN PROTEIN FIBRE

**NOVO**

**Findus**  
**Green Cuisine**  
100% pflanzlich

PAVE VEGETAL | x6

VEGAN PROTEIN FIBRE

**NOUVEAU**

**iglo**  
**Green Cuisine**  
100% pflanzlich

VEG BURGERS

VEGAN PROTEIN FIBRE

**Birds Eye**  
**Green Cuisine**  
powered by plants

CHILLI MIX

VEGAN PROTEIN FIBRE

**Birds Eye**  
**Green Cuisine**  
powered by plants

BOLOGNESE MIX

VEGAN PROTEIN FIBRE

**NEW**

**Birds Eye**  
**Green Cuisine**  
powered by plants

MEXICAN-STYLE MIX

VEGAN PROTEIN FIBRE

**NEW**

**iglo**  
**Green Cuisine**  
100% pflanzlich

LINGUINE BOLOGNESE

VEGAN PROTEIN FIBRE

**NEW**

**iglo**  
**Green Cuisine**  
100% pflanzlich

CHILI SIN CARN

VEGAN PROTEIN FIBRE

**NEW**

**iglo**  
**Green Cuisine**  
100% pflanzlich

LASAGNE

VEGAN PROTEIN FIBRE

**iglo**  
**Green Cuisine**  
100% pflanzlich

PASTA IN RAHMSAUCE

VEGAN PROTEIN FIBRE

**NEW**



# INNOVATIVE AT EVERY STEP

Product & Pack  
Development

Consumer Insights  
& Testing

Sourcing &  
Production

Multi Media  
Communication

# Fuelling our Future Big Bets



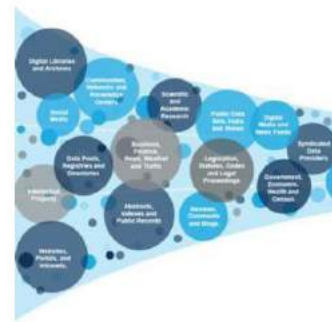
Future Proteins  
New Sources &



Next Generation  
Packaging

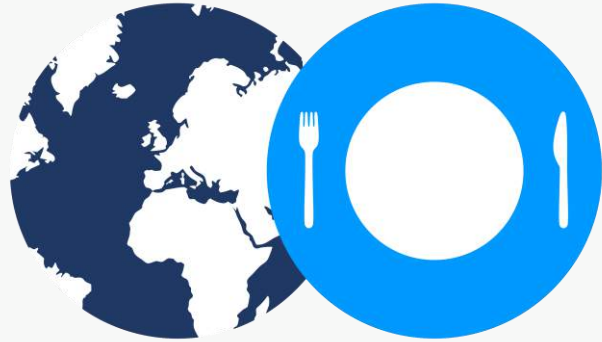
# “Outside In” Mindset

## Web Listening



# Nomad Foods

Serving the world with better food



- The Frozen Food Category is growing
- Innovation is critical to winning with consumers
- We're building a pipeline to fuel future Big Bets



**To discover better ways of doing things one must question existent methods and practices and be courageous enough to gamble on something new or something different**

*Clarence Birdseye*

[Nomad Foods](#)

