Prospectus Supplement dated 4 March 2021 to the Prospectus dated 29 May 2020

Nestlé Holdings, Inc.

(incorporated in the State of Delaware with limited liability)

and

Nestlé Finance International Ltd.

(incorporated in Luxembourg with limited liability)

Debt Issuance Programme

Notes issued by Nestlé Finance International Ltd.
and by Nestlé Holdings, Inc. will be guaranteed by

Nestlé S.A.

(incorporated in Switzerland with limited liability)

This Prospectus Supplement (the "**Prospectus Supplement**"), to the Prospectus dated 29 May 2020, as supplemented by the Prospectus Supplement dated 28 August 2020 (as so supplemented, the "**Prospectus**"), which comprises a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") for each of Nestlé Holdings, Inc., a corporation with unlimited duration, incorporated and domiciled in Delaware, United States with its registered office at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States and registered under registration number 833330118 ("**NHI**" and the "**NHI Base Prospectus**", respectively) and Nestlé Finance International Ltd., a public limited company (*société anonyme*) organised under the laws of the Grand Duchy of Luxembourg with its registered office at 7, rue Nicolas Bové, L-1253 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-136737 ("**NFI**" and the "**NFI Base Prospectus**", respectively, and NHI and NFI together, the "**Issuers**" and each an "**Issuer**"), constitutes a prospectus supplement for the purposes of Article 23(1) of the Prospectus Regulation in relation to NHI with respect to the NHI Base Prospectus and NFI with respect to the NFI Base Prospectus, and is prepared in connection with the Debt Issuance Programme (the "**Programme**") established by the Issuers. The *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 on prospectuses for securities, has approved this Prospectus Supplement.

The purpose of this Prospectus Supplement is to (i) incorporate by reference Nestlé S.A.'s, the ultimate parent company of the Issuers, audited annual financial statements and the consolidated financial statements of the Nestlé Group, in respect of the financial year ended 31 December 2020 into the Prospectus; (ii) update Nestlé S.A.'s no significant change, no material adverse change, and trend information statements; (iii) update and replace the disclosure with respect to certain financial performance measures; (iv) include certain legends relating to the product governance regime under the FCA Handbook Product Intervention and Product Governance Sourcebook in the Prospectus, including in the Forms of Final Terms; (vi) update certain legends and the selling restriction relating to Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") and include certain legends and a selling restriction relating to the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**UK PRIIPs Regulation**") in the Prospectus, including in the Forms of Final Terms; and (v) update the selling restrictions titled "*The Netherlands*"; "*Issues of Notes with a Specified Denomination of less than €100,000 (or its equivalent) to be admitted to trading on an EEA or UK regulated market and/or offered on an exempt basis in the EEA or in the UK*" and "*Public Offers in certain EEA Jurisdictions or in the UK*".

This Prospectus Supplement is supplemental to, and should be read in conjunction with, the Prospectus issued by the Issuers or any Issuer and Nestlé S.A. Any statement contained in the Prospectus or in a document which is incorporated by reference in the Prospectus shall be deemed to be modified or superseded for the purpose of the

Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference in the Prospectus by way of a supplement (including this Prospectus Supplement) prepared in accordance with Article 23(1) of the Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus. Terms defined in the Prospectus have the same meaning when used in this Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement or any statement incorporated by reference into the Prospectus by this Prospectus Supplement and (b) any other statement in or incorporated in the Prospectus, the statements in (a) will prevail.

Except as disclosed in this Prospectus Supplement there has been no significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus which may affect the assessment of Notes issued under the Programme since the publication of the Prospectus.

This Prospectus Supplement includes all information contained within this Prospectus Supplement together with all documents which are deemed to be incorporated by reference herein.

The Issuers and Nestlé S.A. accept responsibility for the information contained in this Prospectus Supplement together with all documents incorporated by reference herein. Each of the Issuers and Nestlé S.A. confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement and in the documents which are deemed to be incorporated by reference herein is, to the best of its knowledge and belief, in accordance with the facts and makes no omission likely to affect its import.

No Dealer has separately verified the information contained in this Prospectus Supplement. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated in this Prospectus Supplement.

None of the Prospectus, this Prospectus Supplement, any other supplements to the Prospectus or any Final Terms constitutes an offer of, or an invitation by or on behalf of any of the Issuers, Nestlé S.A. or any Dealer to any person to subscribe for, or purchase, any Notes.

The distribution of the Prospectus, this Prospectus Supplement, any other supplements to the Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Prospectus, this Prospectus Supplement, any other supplements to the Prospectus or any Final Terms come are required by the Issuers, Nestlé S.A. and the Dealers to inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of the Prospectus, this Prospectus Supplement, any other supplements to the Prospectus, any Final Terms and other information in relation to the Issuers, Nestlé S.A. and the Notes, and the offer or sale of Notes in the United States, United Kingdom, Australia, New Zealand, the People's Republic of China (which for the purposes of this Prospectus, excludes the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), the Macao Special Administrative Region of the People's Republic of China and Taiwan), Hong Kong, Japan, Singapore, Switzerland and the European Economic Area (including Belgium, Luxembourg and the Netherlands). For a further description of these restrictions, see "*Subscription and Sale*" in the Prospectus. The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, (see "*Subscription and Sale*" in the Prospectus).

Investors should be aware of their rights under the Prospectus Regulation. In accordance with Article 23(2) of the Prospectus Regulation, investors who have agreed to purchase or subscribe for securities before this Prospectus Supplement is published, and where such securities had not yet been delivered to the investors at the time when any significant new factor, material mistake or material inaccuracy addressed in this Prospectus Supplement arose or was noted, have the right, exercisable within two working days after the publication of this Prospectus

Supplement to withdraw their acceptances. This right to withdraw will expire by close of business on 8 March 2021. Investors who wish to withdraw their acceptances should contact their broker.

This Prospectus Supplement and the document incorporated by reference by virtue of this Prospectus Supplement have been filed with the CSSF and will be available on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

NESTLÉ S.A. – FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

On 18 February 2021, Nestlé S.A., the ultimate parent company of the Issuers, published its audited annual financial statements and the audited consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2020 (the "**Financial Information**"). By virtue of this Prospectus Supplement, the Financial Information, excluding all information incorporated by reference therein either expressly or implicitly, which has previously been published or is provided simultaneously with this Prospectus Supplement and has been approved by each of the FCA and the CSSF or filed with it shall be deemed to be incorporated in, and to form part of, the Prospectus including:

(a) Consolidated	
Consolidated income statement	Page 68
Consolidated statement of comprehensive income	Page 69
Consolidated balance sheet	Pages 70-71
Consolidated cash flow statement	Page 72
Consolidated statement of changes in equity	Page 73
Notes to the consolidated financial statements	Pages 75-151
Statutory auditor's report on the Audit of the Consolidated Financial Statements	Pages 152-160
Companies of the Nestlé Group, joint arrangements and associates	Page 164-180
(b) Non-consolidated	
Income statement	Page 185
Balance sheet	Page 186
Notes to the annual accounts	Pages 187-195
Report of the statutory auditor on the financial statements	Pages 198-199

Any information which is not contained within the page numbers of the document specified above is not incorporated by reference into the Prospectus and is either not relevant to investors or is covered elsewhere in the Prospectus.

A copy of the Financial Information, which is incorporated herein by reference, is available at https://www.nestle.com/sites/default/files/2021-02/2020-financial-statements-en.pdf.

There has been no significant change in the financial performance or financial position of Nestlé S.A. and its consolidated subsidiaries (considered as a whole) since 31 December 2020, the date of the most recently published financial statements of Nestlé S.A. and there has been no material adverse change in the prospects of Nestlé S.A. since 31 December 2020, the date of the most recently published audited financial statements of Nestlé S.A.

The global business environment remained challenging in 2020 and continues to be challenging in 2021. Nestlé Group is well positioned with strong, high quality brands, which are valued by the consumer but any adverse developments in the global economy and in particular the global COVID-19 pandemic may negatively impact consumer demand.

The known effects of the pandemic have been reflected in Nestlé S.A.'s audited annual consolidated financial statements for the financial year ended 31 December 2020 (See note 21, pages 149-151 of Nestlé S.A.'s audited annual consolidated financial statements for the financial year ended 31 December 2020 incorporated in, and forming part of, the Prospectus for more details). Due to the uncertainty of the outcome of the current events, Nestlé S.A. cannot reasonably estimate the impact these events will have on Nestlé S.A.'s financial position, results of operations or cash flows in the future.

The disclosure beginning at the third paragraph on page 70, and all of the disclosure on pages 71-77, of the Prospectus relating to financial performance measures is replaced by the following:

"Nestlé S.A.'s Annual Review of the Nestlé group of companies ("**Nestlé Group**") for the financial year ended 31 December 2019 incorporated in, and forming part of, the Prospectus and the Financial Information each contain certain financial performance measures, that are not defined by IFRS, that are used by Nestlé S.A. to assess the financial and operational performance of the Nestlé Group. Nestlé S.A. believes that these non-IFRS financial performance measures provide useful information regarding the Nestlé Group's business, and Nestlé Group's management considers these measures when analysing Nestlé Group's financial and operating performance. However, these measures should not be considered indications of, or alternatives to, corresponding measures determined in accordance with IFRS. In addition, such measures may not be comparable to similar measures presented by other companies. Such measures are disclosed, explained and/or reconciled with Nestlé S.A.'s IFRS measures (Consolidated Financial Statements and/or Condensed Interim Financial Statements) as appropriate.

"**Organic Growth**" combines Real Internal Growth and Pricing and represents the growth of the business of Nestlé Group after removing the impact of acquisitions and divestitures and other changes in the Nestlé Group's scope of activity, and exchange rate movements. This provides a "like-for-like" comparison with the previous year, in constant scope and constant currency, enabling a deeper understanding of the business dynamics which contributed to the Evolution of sales from one year to another.

In order to limit the distorting effect of hyperinflation, pricing in excess of around 2 per cent. per month (the level at which hyperinflation generally occurs) are excluded from Organic Growth calculations in hyperinflationary economies, with a corresponding adjustment in changes in exchange rates. The exception to this is Venezuela, which the Nestlé Group excludes completely from Real Internal Growth, Pricing and Organic Growth to eliminate the volatility due to this extreme business environment.

For the purposes of calculating Organic Growth (a) the sales of an acquired business are excluded for the 12 months following the business combination, but incremental sales generated by post-acquisition expansion of the business are generally included; and (b) sales of a divested business are removed from comparatives for the 12 months prior to the divestiture. Supply agreements related to a divested business are included in acquisitions and divestitures during a transitory period. The pricing impact of changes in the way that a business is transacted in an entire country (for example, establishing a local operating company instead of exporting to a distributor, or vice versa) are included in acquisitions and divestitures, respectively.

The effects of changes in foreign exchange rates are calculated as the current year's sales values converted at the current year's exchange rates, less the current year's sales converted at the prior year's exchange rates, respectively.

"**Real Internal Growth**" represents the impact on sales of volume increases or decreases, weighted by the relative value per unit sold. It is calculated at the level of the individual product reference (stock-keeping unit) per distribution channel, by comparing the weighted sales (this year's volumes valued at the prior year's prices in local currency) to the prior year's sales respectively. At the product level, it is therefore primarily driven by changes in volume, while when aggregated at Operating segments or Nestlé Group level, it embeds the impact of the evolution of the product mix.

Sales of newly launched products are included from the moment of launch which tends to increase the Real Internal Growth, while products which are discontinued have a negative impact on Real Internal Growth since the historical sales continue to be included in the prior year comparatives. This reflects in a balanced way the impacts of renovation and innovation and the impact on sales coming from ongoing product rationalisation efforts. In hyperinflationary economies, the sales of newly launched products are deflated to the price level of the prior year.

As Real Internal Growth is a component of Organic Growth, it excludes the impact of acquisitions and divestitures, and exchange rates.

"**Pricing**" is part of Organic Growth and represents the portion of sales growth caused by changes in prices over the period. It excludes the impact of Real Internal Growth, as well as the impact of acquisitions and divestitures, and exchange rates.

Analysing Pricing allows Nestlé Group's management to assess the degree to which inflationary (but not hyperinflation, see Organic Growth above) or deflationary factors have contributed to sales evolution, and the degree to which cost changes have been passed to customers.

"**Evolution of sales**" Nestlé Group uses Organic Growth (including Real Internal Growth and Pricing), exchange rate impacts, and the effects of acquisitions and divestitures in order to understand the Evolution of sales from one year to the prior year (either the increase or the decrease in the current year's sales compared with the prior year's sales, respectively, expressed as a percentage).

Total Nestlé Group	**2020**	**2019**
Sales (CHF in millions)	84,343	92,568
Evolution of sales (as a percentage comparison to the prior year's sales)	-8.9%	+1.2%

The reconciliation between Organic Growth (including Real Internal Growth and Pricing) to Evolution of sales is as follows:

Total Nestlé Group	**2020 vs 2019**	**2019 vs 2018**
	(%)	**(%)**
Real Internal Growth	+3.2	+2.9
Pricing	+0.4	+0.6
Organic Growth	**+3.6**	**+3.5**
Effect of exchange rates	-7.9	-1.5
Effect of acquisitions, divestitures and other changes in Nestlé Group scope of activity	-4.6	-0.8
Evolution of sales	-8.9	**+1.2**

"**Underlying Trading operating profit margin**" is when Underlying Trading operating profit is calculated as a percentage of sales. Underlying Trading operating profit is Trading operating profit before the impact of Other trading expenses and Other trading income (mainly restructuring costs, impairment of property, plant and equipment, and litigation and onerous contracts). See note 4, page 94 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2020 incorporated in, and forming part of, the Prospectus for more details of Other trading expenses and Other trading income.

The exclusion of these items allows tracking and better understanding and prediction of the results due to the day-to-day trading activities under the control of the operational management in the business units. It excludes the impacts of decisions (such as factory closures, disposal of a piece of real estate, or restructuring plans) made in conjunction with management, or litigation and disputes or events which distort the underlying performance due to their frequency or the unpredictability of the outcome.

The reconciliation of Underlying Trading operating profit to Trading operating profit is as follows:

Total Nestlé Group (CHF in millions, except for Underlying Trading operating profit margin)	**2020**	**2019**
Trading operating profit	14,233	13,674
Add:		
Other trading income	(238)	(163)
Other trading expenses	908	2,749
Underlying Trading operating profit	**14,903**	**16,260**
Sales	**84,343**	**92,568**
Underlying Trading operating profit margin	**17.7%**	**17.6%**

"**Trading operating profit margin**" is when Trading operating profit is calculated as a percentage of Sales. Trading operating profit is a sub-total in the Nestlé Group's consolidated income statement, appearing above Operating profit. It excludes Other operating income and Other operating expenses. The items excluded from Trading operating profit represent the results of transactions and decisions taken at Nestlé Group level and are largely out of control of management of the operating segments (such as acquisitions, disposals or strategic alliances), or the impacts of events which are irregular in nature and difficult to predict (such as wars or natural disasters).

"**Profit margins in constant currency**" such as "Underlying trading operating profit margin in constant currency" and "Trading operating profit margin in constant currency" are calculated as the ratio between profits and Sales, adjusted to eliminate the impact of changes in exchange rates.

When comparing the year-on-year change in profit margins, it is useful to eliminate the impact of changes in exchange rates in order to isolate the results generated by business operations from the effect of translation of these results into Swiss francs. This is done by converting both Sales and profits of the current year at the exchange rate of the prior year. The resulting profit margins can therefore be compared with the reported profit margins of the prior year to understand fundamental business trends.

The reconciliation of profit margins in constant currency is as follows:

Total Nestlé Group (CHF in millions, except for Underlying Trading operating profit margin and Trading operating profit margin)	**2020**	**2019**
Sales	**84,343**	**92,568**
Retranslation at prior year rates	6,664	1,057
Sales in constant currency	**91,007**	**93,625**
Underlying Trading operating profit	**14,903**	**16,260**
Retranslation at prior year rates	1,278	171
Underlying Trading operating profit in constant currency	**16,181**	**16,431**
Underlying Trading operating profit margin (as reported)	**17.7%**	**17.6%**
Reported evolution (in basis points)	+10 bps	+60 bps
Underlying Trading operating profit margin in constant currency	**17.8%**	**17.6%**
Evolution in basis points compared to prior year as reported Underling Trading operating profit margin	+20 bps	+60 bps

Total Nestlé Group (CHF in millions, except for Underlying Trading operating profit margin and Trading operating profit margin)	**2020**	**2019**
Trading operating profit	**14,233**	**13,674**
Retranslation at prior year rates	1,214	130
Trading operating profit in constant currency	**15,447**	**13,804**
Trading operating profit margin (as reported)	**16.9%**	**14.8%**
Reported evolution (in basis points)	+210 bps	-30 bps
Trading operating profit margin in constant currency	**17.0%**	**14.7%**
Evolution in basis points compared to prior year as reported Trading operating profit margin	+220 bps	-40 bps

"**Underlying earnings per share**" is calculated by adjusting Net profit attributable to shareholders of the parent to remove the effects of Other trading income and Other trading expenses, Other operating income and Other operating expenses, and related tax effects. An adjustment is also made to eliminate Other trading income and Other trading expenses and Other operating income and Other operating expenses included in the Income from associates and joint ventures. Underlying earnings per share reflects the underlying earnings from trading operations for each share of Nestlé S.A.

"**Underlying earnings per share in constant currency**" is used when comparing the year-on-year change in Underlying earnings per share to eliminate the impact of changes in exchange rates in order to isolate the results generated by business operations from the effect of translation of these results into Swiss francs. This is done by converting the Underlying earnings per share of the current year at the exchange rate of the prior year. The resulting figure can therefore be compared with the Underlying earnings per share of the prior year to understand fundamental business trends.

The reconciliation of Net profit and Underlying earnings per share to Underlying earnings per share in constant currency is as follows:

Total Nestlé Group (CHF in millions, except for data per share or number of shares and Evolution)	**2020**	**2019**
Net profit attributable to shareholders of the parent	**12,232**	**12,609**
Add:		
Restructuring costs	220	553
Impairment of property, plant and equipment, goodwill and intangible assets	711	2,336
Net result of disposal of businesses	(1,678)	(3,416)
Other adjustments in net other income/(expenses)	854	710
Adjustment for income from associates and joint ventures	(577)	285
Tax effect on above items and adjustment of one-off tax items	400	(135)
Adjustment in non-controlling interests	(179)	(20)
Underlying net profit	**11,983**	**12,922**
Retranslation at prior year rates	1,007	155

Total Nestlé Group (CHF in millions, except for data per share or number of shares and Evolution)	**2020**	**2019**
Underlying net profit in constant currency	**12,990**	**13,077**
Weighted average number of shares outstanding (in millions of shares)	2,845	2,929
Underlying earnings per share (as reported)	**4.21**	**4.41**
Underlying earnings per share in constant currency	**4.57**	**4.46**
Evolution in % compared to prior year as reported Underlying earnings per share (unrounded)	+3.5%	+11.1%

"**Net financial debt**" represents the net level of financial debt contracted by the Nestlé Group with external parties (for example, bonds, commercial paper) after considering cash and investments readily convertible into cash. As per the table below, it is composed of the current and non-current financial debt, derivatives hedging financial debt and liquid assets less cash and cash equivalent and short-term investments.

The composition of the Net financial debt is as follows:

Total Nestlé Group (CHF in millions)	**2020**	**2019**
Current financial debt	(12,019)	(14,032)
Non-current financial debt	(27,928)	(23,132)
Derivatives [(a)]	19	(237)
Cash and cash equivalents	5,235	7,469
Short-term investments	3,374	2,794
Net financial debt	**(31,319)**	**(27,138)**

(a) Related to Net debt and included in the derivatives hedging financial debt component of Derivative assets and Derivative liabilities balances of the Consolidated balance sheet.

See note 16.5, page 141 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2020 incorporated in, and forming part of, the Prospectus for more details on the composition of the Net financial debt and a reconciliation of the year-on-year Net financial debt evolution. See note 12.2e, page 133 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2020 incorporated in, and forming part of, the Prospectus for more details on the monitoring of the Net financial debt.

"**Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation**" ("**Adjusted EBITDA**") is used as a measure of the ability of the Nestlé Group to generate enough cash from earnings to repay its net financial debt. It is computed as follows:

Total Nestlé Group (CHF in millions)	**2020**	**2019**
Trading operating profit	**14,233**	**13,674**
Add:		
Net other trading income/(expenses)	670	2,586
Depreciation and amortisation	3,465	3,713

Total Nestlé Group (CHF in millions)	**2020**	**2019**
Trading operating profit	**14,233**	**13,674**
Adjusted EBITDA	**18,368**	**19,973**

When Net financial debt is divided by Adjusted EBITDA, this yields a ratio which is used to monitor the Nestlé Group's financing capacity.

"**Free cash flow**" represents the cash generating capability of the Nestlé Group to pay dividends, repay providers of capital, or carry out acquisitions, if any. As per the table below, it equals Operating cash flow less capital expenditure, expenditure on intangible assets and other investing activities.

Reconciliation of Operating cash flow to Free cash flow for the year is as follows:

Total Nestlé Group (CHF in millions)	**2020**	**2019**
Operating cash flow	14,377	15,850
Capital expenditure	(4,076)	(3,695)
Expenditure on intangible assets	(288)	(516)
Other investing activities	232	295
Free cash flow	**10,245**	**11,934**

"**Working capital**" is the sum of trade net working capital, composed of Inventories, Trade receivables and Trade payables, and other components such as some Other receivables and Other payables, some prepayments and accrued income, and some accruals and deferred income. The Nestlé Group monitors average Working capital to evaluate how efficient it is at managing its operating cash conversion cycle. The average of Working capital for the last five quarters (that is, from the end of the prior year through each calendar quarter to the end of the current year) is divided by sales for the 12 months preceding the reporting date to determine the average Working capital as a percentage of sales.

The average Working capital as a percentage of sales is determined as follows:

Total Nestlé Group (CHF in millions)	**5-quarters average 2020**	**5-quarters average 2019**
Trade receivables	8,694	9,798
Inventories	10,091	10,099
Trade payables	(13,413)	(13,588)
Average Trade Working capital	**5,372**	**6,309**
Other receivables	2,475	2,268
Other payables	(4,081)	(4,309)
Other elements of Working capital[a]	(3,750)	(3,680)
Average of other elements of Working capital	**(5,356)**	**(5,721)**
Average of Working capital	**16**	**588**

Total Nestlé Group (CHF in millions)	**5-quarters average 2020**	**5-quarters average 2019**
Sales	**84,343**	**92,568**
Average Working capital as a % of Sales	**0.0%**	**0.6%**

(a) Mainly composed of prepayments and accrued income (assets) and accruals and deferred income (liabilities).

"**Return on invested capital**" is a measure of performance which integrates both measures of profitability and measures of capital efficiency. The numerator is Trading operating profit before litigation and miscellaneous trading income/(expenses), net of tax. This figure is divided by average Invested capital during the year. Invested capital is a measure of the operational assets used to generate the results of the business, excluding financing, tax and cash-management activities. Further details of the definition of Invested capital can be found in Note 3, page 86 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2020 incorporated in, and forming part of, the Prospectus.

"**Return on invested capital before Goodwill ("GW") and Intangible Assets ("IA")**" is used to eliminate the distortions caused by the different treatments of goodwill in the past and internally and externally generated intangible assets. This removes from the analysis the impact of varying acquisition activities over time. This measure is calculated by removing the average goodwill and intangible assets value from the average invested capital (see above).

The calculation of Return on invested capital is shown below:

Total Nestlé Group (CHF in millions)	**2020**		**2019**	
	Before GW & IA	**After GW & IA**	**Before GW & IA**	**After GW & IA**
Trading operating profit	14,233	14,233	13,674	13,674
Add:				
Net other trading income/(expenses)	670	670	2,586	2,586
Underlying Trading operating profit	**14,903**	**14,903**	**16,260**	**16,260**
Less:				
Impairment of property, plant and equipment	(302)	(302)	(783)	(783)
Restructuring costs	(220)	(220)	(553)	(553)
Impairment of intangible assets (excluding goodwill and non-commercialised intangible assets)		(1)		(774)
Impairment of goodwill and non-commercialised intangible assets		(408)		(779)
Trading operating profit before litigation and miscellaneous trading income/(expenses)	**14,381**	**13,972**	**14,924**	**13,371**
Tax rate[(a)]	(3,034)	(2,948)	(3,224)	(2,888)

Total Nestlé Group (CHF in millions)	**2020**		**2019**	
	Before GW & IA	**After GW & IA**	**Before GW & IA**	**After GW & IA**
Trading operating profit before litigation and miscellaneous trading income/(expenses), net of tax..................	**11,347**	**11,024**	**11,700**	**10,483**
Average Invested capital (Note 3.2)...........	27,585	27,585	30,179	30,179
Average goodwill and intangible assets (Note 3.2)..		47,163		55,346
Average Invested capital, goodwill and intangible assets.......................................		74,748		85,525
Return on invested capital.....................	**41.1%**	**14.7%**	**38.8%**	**12.3%**

[a] Based on the Nestlé Group Underlying Tax Rate of 21.1% (2019: 21.6%)."

UK MiFIR PRODUCT GOVERNANCE AND TARGET MARKET

The following wording shall be deemed to be inserted immediately after the paragraph entitled "*MiFID II product governance / target market*" on page 11 of the Prospectus:

"**UK MiFIR product governance / target market** – The applicable Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules."

Each of the sections entitled "FORM OF FINAL TERMS" starting on pages 133 and 145 of the Prospectus, respectively, shall be amended by the insertion of the following wording as new paragraphs immediately after the paragraph entitled "*MiFID II product governance / Professional investors and ECPs only target market*":

"[**UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]"

PRIIPS REGULATIONS AND RETAIL INVESTORS

In the paragraph entitled "*PRIIPs Regulation / IMPORTANT – EEA AND UK RETAIL INVESTORS*" on page 11 of the Prospectus, the words "*and UK*" and "*or in the UK*" shall be deemed to be deleted.

The following wording shall be deemed to be inserted immediately before the paragraph entitled "*Singapore SFA Product Classification*" on page 12 of the Prospectus:

"**UK PRIIPs Regulation / IMPORTANT – UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation."

In the paragraphs entitled "*PRIIPs Regulation / Prospectus Regulation / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS*" on pages 133 and 145, respectively, of the Prospectus, the words "or in the United Kingdom ("UK")", "*and UK*" and "*or in the UK*" shall be deemed to be deleted.

The following wording shall be deemed to be inserted immediately before the paragraphs entitled "[Singapore SFA Product Classification" on pages 133 and 145, respectively, of the Prospectus:

"**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA . Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation."

In the paragraph entitled "*Prohibition of Sales to EEA and UK Retail Investors*" on page 188 of the Prospectus, the words "*and UK*", "or in the United Kingdom ("UK")" and "and the UK" shall be deemed to be deleted.

The following wording shall be deemed to be inserted immediately before the paragraph entitled "*United Kingdom*" on page 189 of the Prospectus:

"**Prohibition of sales to UK Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes."

In paragraph 8(vii) entitled "Distribution" on page 143 of the Prospectus, the words "and UK" shall be deemed to be deleted.

In paragraph 7(v) entitled "Distribution" on page 154 of the Prospectus, the words "and UK" shall be deemed to be deleted.

In the paragraph entitled "The Netherlands" on page 189 of the Prospectus, the words "*and UK*" shall be deemed to be deleted.

In the paragraph entitled *"Issues of Notes with a Specified Denomination of less than €100,000 (or its equivalent) to be admitted to trading on an EEA or UK regulated market and/or offered on an exempt basis in the EEA or in the UK*" on page 193 of the Prospectus, the words "*or UK*", "*and UK*", and "*or in the UK*" shall be deemed to be deleted.

In the paragraph entitled "*Public Offers in certain EEA Jurisdictions or in the UK*" on page 194 of the Prospectus, the words "*or UK*", "a*nd UK*", "*or in the UK*" and "*together with the United Kingdom,*" shall be deemed to be deleted.