



Nestlé Good food, Good life

Nestlé Capital Corporation

Half-Yearly Financial Report

Interim Management Report
and
Condensed Interim Financial Statements
January–June 2025 – Unaudited

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Interim Management Report

Nestlé Capital Corporation (“NCC” or the “Company”) incorporated in the State of Delaware, United States, is a wholly owned subsidiary of Nestlé Holdings, Inc. (“NHI”), which is an indirect wholly owned subsidiary of Nestlé S.A., incorporated in Switzerland, which is the holding company of the Nestlé group of companies (hereinafter, referred to as the “Nestlé Group”). NHI is the holding company for Nestlé S.A.’s principal operating subsidiaries in the United States. NCC’s registered office is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States and its principal place of business is located at 1812 North Moore Street, Arlington, Virginia 22209, United States.

The principal business activity of NCC is managing the liquidity of the ‘Nestlé USA affiliate entities’, which primarily includes the USA entities of the Nestlé Group.

(A) Performance and Development

As of June 30, 2025, a total of \$46.2 billion of loans granted to parents and affiliate entities were outstanding, compared to \$44.7 billion as of December 31, 2024. These were financed mainly through the issuance of bonds and commercial paper and loans received from parent and affiliate entities. Other assets and liabilities comprise mainly of short-term investments, cash and cash equivalents, derivatives and trade and other payables. The aforementioned transactions are further detailed in the notes to the financial statements of NCC for the six months ended June 30, 2025.

Total assets were \$46.7 billion and \$45.5 billion as of June 30, 2025 and as of December 31, 2024, respectively. The change was primarily driven by a \$1.5 billion increase in loans granted to parents and affiliate entities, offset by a \$0.4 billion decrease in short-term investments.

Total liabilities were \$28.7 billion and \$27.7 billion as of June 30, 2025 and as of December 31, 2024, respectively. The increase results mainly from a \$0.6 billion increase in financial debt and a \$0.4 billion increase in loans received from parent and affiliate entities.

NCC reported net profit of \$226 million and \$207 million for six months ended June 30, 2025 and 2024, respectively. The movement was primarily due to a \$38 million increase in net interest income mainly resulting from the growth in interest on loans granted to parents and affiliate entities offset by a \$11 million rise in financial expense and a \$6 million increase in tax expense.

NCC’s net cash increase was \$33 million for the six months ended June 30, 2025, compared to a net cash decrease of \$152 million for the six months ended June 30,

2024. This change was mainly driven by a \$2.5 billion increase in operating cash flows and a \$1.2 billion increase in investing cash flows related to short-term investments, partly offset by a \$3.5 billion decrease in financing cash flows, mainly attributable to lower net inflows from bonds and commercial paper issued and repaid during the current period. The increase in net operating cash outflow of \$2.5 billion was driven by a \$2.5 billion decrease in net loans granted to parents and affiliates.

Future financial performance will depend largely on the net interest margin earned on loans and investments, funded by issuances of bonds and commercial paper and loans received from parent and affiliate entities.

(B) Risks and Uncertainties

NCC is exposed to certain risks and uncertainties: credit risk, market risk (including currency fluctuations), liquidity risk and risk of an increase in cost of capital, treasury operations and other risks that could have a material adverse impact on its financial condition and operating results. The detailed discussion of these risks and uncertainties and NCC’s objectives, policies and processes for managing these risks and uncertainties are disclosed in the notes to the Audited Financial Statements of NCC for the year ended December 31, 2024, in particular Note 9.

(C) Corporate Governance

The overall control environment, risk assessment, control and monitoring activities have been disclosed in the Audited Financial Statements of NCC for the year ended December 31, 2024.

Responsibility Statement

Mark Atkinson, Chief Financial Officer, confirms that to the best of his knowledge:

- (a) the Condensed Interim Financial Statements (Unaudited) of NCC for the six-month period ended June 30, 2025, which have been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of NCC; and
- (b) the interim management report includes a fair review of the development and performance of the business and the position of NCC for the six-month periods ended June 30, 2025 and 2024.

August 20, 2025



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Review Report of Independent Auditors

The Board of Directors
Nestlé Capital Corporation:

Results of Review of Interim Financial Information

We have reviewed the condensed financial statements of Nestlé Capital Corporation, which comprise the balance sheet as of June 30, 2025, and the related income statements, statements of comprehensive income, statements of changes in equity, and cash flow statements for the six-month periods ended June 30, 2025 and 2024, and the related notes (collectively referred to as the “interim financial information”).

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed interim financial information for it to be in accordance with International Financial Reporting Standards as adopted for use in the European Union.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information and the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of condensed interim financial information is substantially less in scope than an audit conducted in accordance with GAAS and International Standards on Auditing, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of Nestlé Capital Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the condensed interim financial information in accordance with International Financial Reporting Standards as adopted for use in the European Union and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Condensed Balance Sheet as of December 31, 2024

We have previously audited, in accordance with auditing standards generally accepted in the United States of America and the International Standards on Auditing, the balance sheet as of December 31, 2024, and the related income statement, statement of comprehensive income, statement of changes in equity, and cash flow statement for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2025. In our opinion, the accompanying condensed balance sheet of Nestlé Capital Corporation as of December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tysons, Virginia
August 20, 2025

Unaudited balance sheet as at June 30, 2025

In millions of US Dollars	Notes	June 30 2025	December 31 2024
Assets			
Current assets			
Cash and cash equivalents		139	106
Short-term investments	3	200	634
Loans to parents and affiliates	5	45 924	44 530
Total current assets		46 263	45 270
Non-current assets			
Derivative assets	3	71	—
Loans to parents and affiliates	5	314	191
Deferred tax assets		6	6
Total non-current assets		391	197
Total assets		46 654	45 467
Liabilities and equity			
Current liabilities			
Loans from parent and affiliates	5	20 219	19 843
Current income tax liabilities		273	191
Financial debt	4	513	692
Trade and other payables		85	93
Total current liabilities		21 090	20 819
Non-current liabilities			
Derivative liabilities	3	—	66
Loans from parent and affiliates	5	2 129	2 129
Financial debt	4	5 432	4 678
Total non-current liabilities		7 561	6 873
Total liabilities		28 651	27 692
Equity			
Share capital, \$100 par value. Authorized, issued and outstanding 10,000 shares		1	1
Additional paid-in capital		17 348	17 348
Other reserves		(14)	(16)
Retained earnings		668	442
Total equity attributable to shareholders of the parent		18 003	17 775
Total liabilities and equity		46 654	45 467

Unaudited income statement for the six-month period ended June 30, 2025

In millions of US Dollars	Notes	January–June 2025	January–June 2024
Interest income		828	774
Interest expense		(508)	(492)
Net interest income	2	320	282
Net fee and commission expense	2	(10)	(8)
Financial (expense)/income	2	(3)	8
Profit before taxes		307	282
Tax expense		(81)	(75)
Profit for the period		226	207

Unaudited statement of comprehensive income for the six-month period ended June 30, 2025

In millions of US Dollars	Notes	January–June 2025	January–June 2024
Profit for the period recognized in the income statement		226	207
Changes in cash flow hedge and cost of hedge reserves, net of taxes		2	(9)
Items that are or may be reclassified subsequently to the income statement		2	(9)
Other comprehensive income/(loss) for the period		2	(9)
Total comprehensive income for the period		228	198

Unaudited statement of changes in equity for the six-month period ended June 30, 2025

In millions of US Dollars

	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Total equity attributable to shareholders of the company
Equity as at January 1, 2024	1	17 348	—	3	17 352
Gains and losses					
Profit for the period	—	—	—	207	207
Other comprehensive loss for the period	—	—	(9)	—	(9)
Total comprehensive (loss)/income for the period	—	—	(9)	207	198
Equity as at June 30, 2024	1	17 348	(9)	210	17 550
Equity as at January 1, 2025	1	17 348	(16)	442	17 775
Gains and losses					
Profit for the period	—	—	—	226	226
Other comprehensive income for the period	—	—	2	—	2
Total comprehensive income for the period	—	—	2	226	228
Equity as at June 30, 2025	1	17 348	(14)	668	18 003

Unaudited cash flow statement for the six-month period ended June 30, 2025

In millions of US Dollars	Notes	January–June 2025	January–June 2024
Operating activities			
Profit before taxes		307	282
Adjustments for:			
Interest income	2	(828)	(774)
Interest expense	2	508	492
Financial expense/(income)	2	3	(8)
Change in other assets and liabilities			
Loans (to)/from parents and affiliates, net	5	(1 144)	(3 621)
Interest received		822	759
Interest paid		(523)	(425)
Income taxes paid		—	(1)
Net cash used in operating activities		(829)	(3 293)
Investing activities			
Inflow/(outflow) in short-term investments		439	(783)
Net cash from/(used in) investing activities		439	(783)
Financing activities			
Outflows from short-term financial debt		—	(59)
Inflows from bonds and other long-term financial debt	4	599	4 644
Commercial paper issued		2 493	12 787
Commercial paper repaid		(2 669)	(13 448)
Net cash from financing activities		423	3 924
Net increase/(decrease) in cash and cash equivalents		33	(152)
Cash and cash equivalents at beginning of period		106	229
Cash and cash equivalents at end of period		139	77
Supplemental disclosure of non-cash transactions:			
Settlement of intercompany loans	5	—	2 600

Notes

1. Accounting policies

Basis of preparation

These Condensed Interim Financial Statements are the unaudited Condensed Interim Financial Statements (hereafter “the Condensed Interim Financial Statements”) of Nestlé Capital Corporation (“NCC” or the “Company”) for the six-month period ended June 30, 2025. They have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting, and should be read in conjunction with the Audited Financial Statements of NCC for the year ended December 31, 2024.

The accounting conventions and accounting policies are the same as those applied in the Audited Financial Statements for the year ended December 31, 2024 (as described in Note 2 and within the relevant notes).

The preparation of the Condensed Interim Financial Statements requires Management to exercise judgment and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets, liabilities and disclosures. The key sources of estimation uncertainty within these Condensed Interim Financial Statements remain the same as those applied to the Audited Financial Statements for the year ended December 31, 2024.

Changes in IFRS Accounting Standards that may affect NCC after December 31, 2025

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard sets out requirements for the presentation and disclosure of information in financial statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027 and will apply retrospectively. NCC is currently evaluating all impacts this new standard will have on the presentation of the income statement and the Notes to the financial statements. It is too early to assess all impacts this standard will have on the financial statements.

NCC has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. Operating income / (expense)

Net interest income

In millions of US Dollars	January–June 2025	January–June 2024
Interest income from:		
Loans to parents and affiliates	821	768
Short-term investments	5	5
Cash and cash equivalents	2	—
Financial debt	—	1
Total interest income	828	774
Interest expense from:		
Loans from parent and affiliates	(372)	(397)
Financial debt	(126)	(70)
Commercial paper issued	(10)	(25)
Total interest expense	(508)	(492)
Total net interest income	320	282

Net fee and commission expense

In millions of US Dollars	January–June 2025	January–June 2024
Fee and commission expense to Nestlé Group companies	(10)	(8)
Net fee and commission expense	(10)	(8)

Financial (expense)/income

In millions of US Dollars	Notes	January–June 2025	January–June 2024
Expected credit loss on financial assets		(4)	1
Net gain in fair value through income statement		1	6
Affiliate derivative cross charge income ^(a)		—	1
Financial (expense)/income		(3)	8

(a) Refer to 'Financial instruments at fair value through profit and loss' section of Note 2 in the Audited Financial Statements for the year ended December 31, 2024 for detail on offset between 'Net gain in fair value through income statement' and 'Affiliate derivative cross charge income'

3. Fair value of financial instruments

3.1 Fair value hierarchy

In millions of US Dollars	June 30 2025	December 31 2024
Bonds and debt funds	200	634
Prices quoted in active markets (Level 1)	200	634
External derivative assets	71	—
External derivative liabilities	—	(66)
Valuation techniques based on observable market data (Level 2)	71	(66)
Total financial instruments at fair value	271	568

NCC determines the fair values of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 – the fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include financial assets such as bonds and debt funds.

Level 2 – the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters, dealer quotes for similar instruments and use of comparable arm’s length transactions. For example, the fair value of forward exchange contracts and currency swaps are determined by discounting estimated future cash flow. Derivatives are valued based on discounted contractual cash flows using risk-adjusted discount rates and relying on observable market data for interest rates and foreign exchange rates.

Level 3 – the fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

There have been no significant transfers between the different hierarchy levels in the 2025 and the 2024 interim periods.

3.2 Carrying amount and fair value

As at June 30, 2025, the carrying amount of bonds issued is \$5,432 million (December 31, 2024: \$4,678 million), compared to a fair value of \$5,486 million (December 31, 2024: \$4,630 million). This fair value is categorized as level 2, measured on the basis of quoted prices.

For all other financial assets and liabilities, the carrying amount is a reasonable approximation of the fair value.

4. Financial debt

The outstanding amounts of financial debt at June 30, 2025 and December 31, 2024 were as follows:

In millions of US Dollars	June 30 2025	December 31 2024
Bonds	5 432	4 678
Commercial paper	513	692
Total financial debt	5 945	5 370
of which due within twelve months	513	692

Bonds

In millions of US Dollars						January–June 2025
	Face value in millions	Coupon	Effective interest rates	Year of issue/ maturity	Comments	Amount ^(b)
New issues						
	AUD 400	4.55%	4.62%	2025-2030	(a)	250
	AUD 400	5.25%	5.30%	2025-2035	(a)	250
	USD 100	4.33%	4.63%	2025-2030		99
Total new issues						599

(a) Subject to derivatives that create debts in USD.

(b) The bond values represent the net proceeds received, calculated as nominal amount adjusted for premium/discount and issue costs.

5. Transactions with related parties

Financing of Nestlé USA affiliate entities

The principal business activity of NCC is managing the liquidity of the Nestlé USA affiliate entities, including their financing. This financing represents the majority of the transactions with related parties in quantity and in amounts. The majority of the loans are designated as in-house bank loans (IHBs) granted to parents and affiliate entities, which rollover at periodic intervals, where the interest rates are based on the average cost of funds of all external debt of NHI and its consolidated subsidiaries. To a lesser extent, NCC also grants term loans, generally but not exclusively for 3 years, at interest rates based on the Applicable Federal Rates (AFRs) prescribed by the IRS. The majority of outstanding balances with these related parties are expected to be settled in cash.

NCC also receives loans from parent and Nestlé Group affiliate entities, the terms of which are consistent with those discussed above, with the exception of specific IHBs received from its parent for which the interest rate is based on the average cost of funds of external debt issued by NHI.

All of NCC's loans are granted to Nestlé Group affiliate entities and therefore both the lender and borrowers in these transactions are under the control of the same parent entity, Nestlé S.A. Further, the financial and solvency ratios of the Nestlé Group affiliate entity borrowers are strongly influenced by the Nestlé Group policies regarding dividend distribution, transfer pricing, royalties and cash management. Nestlé Group has an ongoing interest in sustaining the relationships of its affiliate entities.

NCC has access to ample liquidity, including short-term debt capital markets, through NCC's own commercial paper program of up to a combined aggregate amount of \$25 billion as well as through the Nestlé Group's commercial paper programs of up to a combined aggregate amount of EUR 25 billion equivalent, enjoying the benefit of issuance with Nestlé S.A.'s AA- rated guarantee. Nestlé S.A. also has revolving credit facilities of EUR 6 billion and of USD 5.3 billion, which serve primarily as backstop liquidity to the Nestlé Group's short-term debt.

Loans with related parties and Nestlé USA affiliate entities

The following is a breakdown of loans to/from parents and affiliates split between the loan principal balance and accrued interest.

In millions of US Dollars	June 30 2025	December 31 2024
Loans to parents and affiliates:		
Loans to parents and affiliates excluding accrued interest	46 151	44 635
Accrued interest on loans to parents and affiliates	87	86
Total loans to parents and affiliates	46 238	44 721
Loans from parent and affiliates:		
Loans from parent and affiliates excluding accrued interest	22 347	21 971
Accrued interest on loans from parent and affiliates	1	1
Total loans from parent and affiliates	22 348	21 972

Grant, receipt and repayments of loans for the six months ended June 30, 2025 and the year ended December 31, 2024 were as follows:

In millions of US Dollars	June 30 2025	December 31 2024
Loans to parents:^(a)		
As at January 1	23 945	22 484
Loans granted during the period	214	1 595
Loan repayments	(748)	(134)
As at June 30 / December 31	23 411	23 945
Loans to affiliates:		
As at January 1	20 776	22 361
Loans granted during the period	2 266	3 084
Loan repayments	(215)	(2 069)
Settlement of intercompany loans	—	(2 600)
As at June 30 / December 31	22 827	20 776
Total loans to parents and affiliates	46 238	44 721
Of which current	45 924	44 530
Of which non-current	314	191
Loans from parent:^(b)		
As at January 1	17 458	19 962
Loans received during the period	473	—
Loan repayments	—	(2 504)
As at June 30 / December 31	17 931	17 458
Loans from affiliates:		
As at January 1	4 514	6 811
Loans received during the period	1 494	370
Loan repayments	(1 591)	(67)
Settlement of intercompany loans	—	(2 600)
As at June 30 / December 31	4 417	4 514
Total loans from parent and affiliates	22 348	21 972
Of which current	20 219	19 843
Of which non-current	2 129	2 129

(a) Loans to Parents cover NIMCO US, Inc. (NHI Parent), NUSHI (NIMCO Parent) and Nestlé S.A. (SPN S.A. Parent).

(b) Loans from NHI (NCC Parent).

In 2024, the Company and its affiliates settled \$2.6 billion of intercompany loans, resulting in a non-cash decrease in both loans provided and loans received.

6. Events after the balance sheet date

As at August 20, 2025, the Company has no subsequent events, which either warrant a modification of the value of its assets and liabilities or any additional disclosure.