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Nestlé Capital Corporation

Half-Yearly Financial Report

Interim Management Report
and
Condensed Interim Financial Statements

January–June 2026 – Unaudited

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 include the USA entities of the Nestlé Group.

(A) Performance and Development

As of June 30, 2026, a total of $37.6 billion of loans granted to parents and affiliate entities were outstanding, compared to $43.2 billion as of December 31, 2025. These were financed mainly through the issuance of bonds and commercial paper and loans received from parent and affiliate entities. Other assets and liabilities consist 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, 2026.

Total assets were $38.1 billion and $43.3 billion as of June 30, 2026 and as of December 31, 2025, respectively. The change was primarily driven by a $5.6 billion decrease in loans granted to parents and affiliate entities, partially offset by a $0.4 billion increase in short-term investments.

Total liabilities were $19.6 billion and $25.1 billion as of June 30, 2026 and as of December 31, 2025, respectively. The decrease resulted mainly from an $8.6 billion decrease in loans received from parent and affiliate entities, partially offset by a $3 billion increase in financial debt.

NCC reported net profit of $252 million and $226 million for the six months ended June 30, 2026 and June 30, 2025, respectively. The movement was mainly driven by a $44 million increase in net interest income, largely reflecting a significant reduction in borrowing costs on intercompany loans received, and was partly offset by an associated $11 million increase in tax expense and a $9 million increase in net fee and commission expense paid to Nestlé Group companies.

NCC's net cash balance remained unchanged for the six months ended June 30, 2026, compared with an increase in net cash balance of $33 million occurred during the six months ended June 30, 2025. The nil net cash flow movement in six months ended June 30, 2026 primarily resulted from a $1.8 billion decrease in operating cash flows coupled with a $0.8 billion decrease in investing cash flows related to short-term investments, partly offset by a $2.6 billion increase in financing cash flows, mainly attributable to higher net inflows from bonds and commercial paper issued during the current period. The $1.8 billion decrease in operating cash flow was mainly driven by a $1.9 billion increase in net cash outflows from 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, 2025, in particular Note 8.

(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, 2025.

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, 2026, 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, 2026 and 2025.

August 20, 2026

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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, 2026, 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, 2026 and 2025, 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, 2025

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, 2025, 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 26, 2026. In our opinion, the accompanying condensed balance sheet of Nestlé Capital Corporation as of December 31, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ernst & Young LLP

Tysons, Virginia
August 20, 2026

Unaudited balance sheet as at June 30, 2026

In millions of US Dollars	Notes	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		29	29
Short-term investments	3	350	—
Loans to parents and affiliates	5	37 427	43 023
Total current assets		**37 806**	**43 052**
Non-current assets			
Derivative assets	3	88	67
Loans to parents and affiliates	5	191	191
Deferred tax assets		4	16
Total non-current assets		**283**	**274**
Total assets		**38 089**	**43 326**
Liabilities and equity			
Current liabilities			
Loans from parent and affiliates	5	8 257	16 878
Current income tax liabilities		261	169
Financial debt	4	3 517	2 515
Trade and other payables		107	105
Total current liabilities		**12 142**	**19 667**
Non-current liabilities			
Derivative liabilities	3	5	15
Financial debt	4	7 454	5 441
Total non-current liabilities		**7 459**	**5 456**
Total liabilities		**19 601**	**25 123**
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		(20)	(53)
Retained earnings		1 159	907
Total equity attributable to shareholders of the parent		**18 488**	**18 203**
Total liabilities and equity		**38 089**	**43 326**

Unaudited income statement for the six-month period ended June 30, 2026

In millions of US Dollars	Notes	January–June 2026	January–June 2025
Interest income		749	828
Interest expense		(385)	(508)
Net interest income	2	**364**	**320**
Net fee and commission expense	2	(19)	(10)
Financial expense	2	(1)	(3)
Operating profit		**344**	**307**
Profit before taxes		**344**	**307**
Income taxes		(92)	(81)
Profit for the period		**252**	**226**

Unaudited statement of comprehensive income for the six-month period ended June 30, 2026

In millions of US Dollars	Notes	January–June 2026	January–June 2025
Profit for the period recognized in the income statement		**252**	**226**
Changes in cash flow hedge and cost of hedge reserves, net of taxes		33	2
Items that are or may be reclassified subsequently to the income statement		33	2
Other comprehensive income for the period		**33**	**2**
Total comprehensive income for the period		**285**	**228**

Unaudited statement of changes in equity for the six-month period ended June 30, 2026

In millions of US Dollars

	Share capital	Additional paid-in capital	Other reserves	Retained earnings	**Total equity attributable to shareholders of the parent**
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**
Equity as at January 1, 2026	**1**	**17 348**	**(53)**	**907**	**18 203**
Gains and losses					
Profit for the period	—	—		252	**252**
Other comprehensive income for the period	—	—	33	—	**33**
Total comprehensive income for the period	**—**	**—**	**33**	**252**	**285**
Equity as at June 30, 2026	**1**	**17 348**	**(20)**	**1 159**	**18 488**

Unaudited cash flow statement for the six-month period ended June 30, 2026

In millions of US Dollars	Notes	January–June 2026	January–June 2025
Operating activities			
Operating profit		344	307
Adjustments for:			
Interest income	2	(749)	(828)
Interest expense	2	385	508
Financial expense	2	1	3
Change in other assets and liabilities		37	26
Loans (to)/from parents and affiliates, net	5	(3 025)	(1 144)
Interest received		751	822
Interest paid		(381)	(523)
Operating cash flow		**(2 637)**	**(829)**
Investing activities			
Inflow/(outflow) in short-term investments		(349)	439
Investing cash flow		**(349)**	**439**
Financing activities			
Inflows from bonds and other long-term financial debt	4	1 991	599
Commercial paper issued		31 670	2 493
Commercial paper repaid		(30 675)	(2 669)
Financing cash flow		**2 986**	**423**
Net increase in cash and cash equivalents		**—**	**33**
Cash and cash equivalents at beginning of period		29	106
Cash and cash equivalents at end of period		**29**	**139**

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, 2026. 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, 2025.

The accounting conventions and accounting policies are the same as those applied in the Audited Financial Statements for the year ended December 31, 2025 (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, 2025.

Changes in IFRS Accounting Standards
The following amendments became effective in 2026: Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, Annual Improvements to IFRS Accounting Standards – Volume 11, Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7. The initial application of these amendments did not have a material impact on the Condensed Interim Financial Statements.

Changes in IFRS Accounting Standards that may affect NCC after December 31, 2026
In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. The new standard will be effective for annual periods from January 1, 2027, and will apply retrospectively with 2026 restated comparative figures.

IFRS 18 will introduce some changes to how the Company's financial statements are presented. The new standard mainly focuses on the income statement, defining new operating, investing and financing categories for income and expenses in addition to the existing income taxes and discontinued operations, and requiring the presentation of two new subtotals, Operating profit and Profit before financing and income taxes, on the face of the income statement. It also mandates additional disclosures and reconciliations of management-defined performance measures (MPMs) used by the Company to explain its performance. These changes will not affect the Company's net result or net cash flow, but will modify the presentation of certain line items and subtotals in both the income statement and the statement of cash flow.

A requirement of the new standard is to classify and present expenses in a useful structured summary, aggregating and disaggregating line items based on shared characteristics. Overall, the mandatory IFRS 18 subtotal Operating profit for the Company is expected to remain broadly consistent with the current Operating profit figure.

IFRS 18 also brings amendments to IAS 7 Statement of Cash Flows which affect the starting point of the cash flows determination and the classification of certain items.

The analysis of the standard's impact is ongoing, and the Company will continue to monitor industry practice and additional guidance, including IFRS Interpretation Committee agenda decisions, over the course of 2026. At this stage, the Company does not anticipate IFRS 18 will significantly change the Company's key performance indicators or reported profit figures.

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 2026	January–June 2025
Interest income from:		
Loans to parents and affiliates	748	821
Short-term investments	1	5
Cash and cash equivalents	—	2
Interest income	**749**	**828**
Interest expense from:		
Loans from parent and affiliates	(168)	(372)
Financial debt	(156)	(126)
Commercial paper issued	(61)	(10)
Interest expense	**(385)**	**(508)**
Net interest income	**364**	**320**

Net fee and commission expense

In millions of US Dollars	January–June 2026	January–June 2025
Fee and commission expense to Nestlé Group companies	(19)	(10)
Net fee and commission expense	**(19)**	**(10)**

Financial expense

In millions of US Dollars	Notes	January–June 2026	January–June 2025
Net (loss)/gain in fair value through the income statement [(a)]		(3)	1
Expected credit loss on financial assets		2	(4)
Financial expense		**(1)**	**(3)**

(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, 2025 for detail on 'Net (loss)/gain in fair value through the income statement'.

3. Fair value of financial instruments

3.1 Fair value hierarchy

In millions of US Dollars	June 30, 2026	December 31, 2025
Bonds and debt funds	350	—
Prices quoted in active markets (Level 1)	**350**	**—**
External derivative assets	88	67
External derivative liabilities	(5)	(15)
Valuation techniques based on observable market data (Level 2)	**83**	**52**
Total financial instruments at fair value	**433**	**52**

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 2026 and the 2025 interim periods.

3.2 Carrying amount and fair value

As at June 30, 2026, the carrying amount of bonds issued is $7 454 million (December 31, 2025: $5 441 million), compared to a fair value of $7 403 million (December 31, 2025: $5 490 million). This fair value is categorized as level 2, measured on the basis of quoted prices in markets that are not considered active.

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, 2026 and December 31, 2025 were as follows:

In millions of US Dollars	June 30, 2026	December 31, 2025
Bonds	7 454	5 441
Commercial paper	3 517	2 515
Total financial debt	**10 971**	**7 956**
of which due within twelve months	3 517	2 515

Bonds

New issuances of bonds during the period were as follows:

In millions of US Dollars						January–June 2026
	Face value	Coupon	Effective interest rate	Years of issue/ maturity	Comments	Amount [(a)]
New issues						
	USD 750	4.20%	4.28%	2026-2031		747
	USD 500	4.50%	4.58%	2026-2033		498
	USD 750	4.80%	4.87%	2026-2036		746
Total new issues						**1 991**

(a) 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 roll over 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 three 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, benefiting of issuance with Nestlé S.A.'s AA-rated guarantee. Nestlé S.A. also has revolving credit facilities of EUR 7.1 billion and USD 6.9 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, 2026	December 31, 2025
Loans to parents and affiliates:		
Loans to parents and affiliates excluding accrued interest	37 535	43 128
Accrued interest on loans to parents and affiliates	83	86
Total loans to parents and affiliates	**37 618**	**43 214**
Loans from parent and affiliates:		
Loans from parent and affiliates excluding accrued interest	8 257	16 877
Accrued interest on loans from parent and affiliates	—	1
Total loans from parent and affiliates	**8 257**	**16 878**

Grant, receipt and repayments of loans for the six months ended June 30, 2026 and the year ended December 31, 2025 were as follows:

In millions of US Dollars	June 30, 2026	December 31, 2025
Loans to parents: [a]		
As at January 1	22 252	23 945
Loans granted during period	615	—
Loan repayments	—	(1 693)
As at June 30 / December 31	**22 867**	**22 252**
Loans to affiliates:		
As at January 1	20 962	20 776
Loans granted during period	1 104	1 088
Loan repayments	(7 315)	(902)
As at June 30 / December 31	**14 751**	**20 962**
Total loans to parents and affiliates	**37 618**	**43 214**
Of which current	37 427	43 023
Of which non-current	191	191
Loans from parent: [b]		
As at January 1	12 876	17 458
Loan repayments	(6 948)	(4 582)
As at June 30 / December 31	**5 928**	**12 876**
Loans from affiliates:		
As at January 1	4 002	4 514
Loans received during period	2 140	1 611
Loan repayments	(3 813)	(2 123)
As at June 30 / December 31	**2 329**	**4 002**
Total loans from parent and affiliates	**8 257**	**16 878**
Of which current	8 257	16 878

(a) Loans to Parents cover NIMCO US, Inc. (NHI Parent) and Nestlé US Holdco, Inc. (NIMCO Parent).
(b) Loans from NHI (NCC Parent).

6. Events after the balance sheet date

As at August 20, 2026, the Company has no subsequent events, which either warrant a modification of the value of its assets and liabilities or any additional disclosure.