Nestlé Good food, Good life

Nestlé Finance International Ltd.

Half-Yearly Financial Report

Interim Management Report
and
Condensed Interim Financial Statements

January–June 2026 – Unaudited

Registered Address:
40, Avenue Monterey
L-2163, Luxembourg
Grand Duchy of Luxembourg
RCS No B136737
Subscribed capital: EUR 440 000

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Management Report

Nestlé Finance International Ltd. (“NFI” or the “Company”) presents its half-yearly financial report for the six-month period ended June 30, 2026. NFI is a public limited company (société anonyme) organized under the laws of Luxembourg and is a wholly-owned subsidiary of Nestlé S.A. which is the holding company of the Nestlé Group of companies (the “Nestlé Group” or the “Group”). NFI is established for an unlimited duration. The Nestlé Group manufactures and distributes food and beverages products in the following categories: Coffee, Petcare, Nutrition, Food & Snacks. The Nestlé Group also produces and distributes Waters & Premium Beverages.

The principal activity of NFI is to finance the Nestlé Group companies, including the sale, exchange, issuance, transfer, or any other means, as well as the acquisition by purchase, subscription, or by any other means, of shares, bonds, any other debt securities, or other financial instruments or any other instruments representing such securities and derivative contracts related to these securities. NFI may further assist the members of the Nestlé Group, in particular by granting them loans, facilities or guarantees in any form and for any term whatsoever and provide any of them with advice and assistance in any form whatsoever.

(A) Important events that have occurred during the six-month period from January to June 2026

As at June 30, 2026, a total equivalent of EUR 29 009 million of loans granted to Nestlé Group companies was outstanding, compared to EUR 22 790 million as at December 31, 2025. These were financed mainly through the issuance of bonds, commercial papers and loans received from Nestlé Group companies. Other assets and liabilities comprise mainly derivatives, cash and cash equivalents (consisting of cash balances and deposits at banks) and short-term investments. The aforementioned transactions are further detailed in the notes to the unaudited financial statements of NFI for the six-month period ended June 30, 2026.

Total assets were EUR 29 285 million and EUR 23 423 million as at June 30, 2026 and December 31, 2025, respectively. The increase results mainly from an increase in loans granted to Nestlé Group companies (by EUR 6 219 million).

Total liabilities were EUR 29 178 million and EUR 23 327 million as at June 30, 2026 and December 31, 2025, respectively. Debt securities outstanding at June 30, 2026 (EUR 27 382 million) increased by EUR 5 010 million as compared to December 31, 2025 (EUR 22 372 million) mainly as a result of an increase in the issuance of commercial papers. Loans received from Nestlé Group companies outstanding at June 30, 2026 (EUR 1 594 million) increased by EUR 870 million as compared to December 31, 2025 (EUR 724 million).

NFI recognized a net profit of EUR 6 million and EUR 10 million for the six months ended June 30, 2026 and 2025. Net profit before tax for the six months ended June 30, 2026 and 2025 was EUR 9 million and EUR 15 million, respectively. The increase in third party interest expenses of EUR 9 million as at June 30, 2026, was fully offset by the increase in interest income from Nestlé S.A. and its affiliates (EUR 10 million). The net interest income was EUR 14 million as at June 30, 2026 (June 30, 2025: EUR 13 million). In addition to the aforementioned variances, foreign exchange results were not significant during the six-month period ended June 30, 2026. NFI continued to use fair value hedges to manage foreign currency risk.

NFI’s net operating cash outflow (“net cash used in operating activities”) was EUR 5 330 million for the six months ended June 30, 2026 compared to net operating cash outflow of EUR 5 782 million for the six months ended June 30, 2025.

(B) Risks and uncertainties for the remaining six-month period from July to December 2026

NFI is exposed to certain risks and uncertainties: credit risk, market risk, 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 description of these risks and uncertainties and NFI’s objectives, policies and processes for managing these risks and uncertainties are disclosed in the notes to the audited financial statements of NFI for the year ended December 31, 2025, in particular in Note 12. NFI is engaged in hedging activities to limit its exposure to risk.

(C) Other items

NFI has no research and development costs nor any treasury shares or branches.

(D) Corporate governance status

The overall control environment, risk assessment, control and monitoring activities have been disclosed in the audited financial statements of NFI for the year ended December 31, 2025.

Balance sheet as at June 30, 2026

In thousands of Euro	Notes	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		145 450	236 701
Short term investments		—	314 704
Derivative assets	3	97 736	66 328
Loans to Nestlé Group companies	7	8 909 239	2 556 152
Other assets		1 576	1 848
Total current assets		**9 154 001**	**3 175 733**
Non-current assets			
Derivative assets	3	25 316	3 351
Loans to Nestlé Group companies	7	20 099 344	20 233 734
Deferred tax assets	2	6 603	10 243
Total non-current assets		**20 131 263**	**20 247 328**
Total assets		**29 285 264**	**23 423 061**
Liabilities			
Current liabilities			
Derivative liabilities	3	392	—
Loans from Nestlé Group companies	7	1 594 370	724 488
Current financial debt	6	9 081 018	3 500 322
Other liabilities		200 582	229 882
Total current liabilities		**10 876 362**	**4 454 692**
Non-current liabilities			
Non-current financial debt	6	18 301 417	18 872 058
Total non-current liabilities		**18 301 417**	**18 872 058**
Total liabilities		**29 177 779**	**23 326 750**
Equity			
Share capital	4	440	440
Share premium and other premiums	4	102 000	102 000
Hedging reserve	4	10 786	5 957
Legal reserve	4	44	44
Other reserve	4	4 955	4 955
Accumulated losses		(10 740)	(17 085)
Total equity attributable to shareholders of the company		**107 485**	**96 311**
Total liabilities and equity		**29 285 264**	**23 423 061**

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

In thousands of Euro	Notes	January-June 2026	January-June 2025
Interest income	2	283 003	272 625
Interest expense	2	(268 948)	(259 734)
Net interest income/(expense)		**14 055**	**12 891**
Net fee and commission income/(expense) from Nestlé Group companies		(3 795)	(3 760)
Expected credit loss on financial assets (increase)/decrease		(386)	(447)
Net foreign exchange gain/(loss)		(185)	6 952
Other operating income/(expense)		195	332
Operating profit		**9 884**	**15 968**
Administration expense		(973)	(837)
Profit before tax		**8 911**	**15 131**
Taxes	2	(2 566)	(5 444)
Profit for the period attributable to shareholders of the company		**6 345**	**9 687**

Other comprehensive income
for the six-month period ended June 30, 2026

In thousands of Euro	January-June 2026	January-June 2025
Profit for the period recognized in the income statement	6 345	9 687
Adjustments on cost of hedge reserve		
Recognized in hedging reserve	6 343	6 535
Taxes on hedging reserve	(1 514)	(1 555)
Items that are or may be reclassified subsequently to the income statement	4 829	4 980
Other comprehensive income for the period	**4 829**	**4 980**
Comprehensive income for the period attributable to shareholders of the company	**11 174**	**14 667**

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

In thousands of Euro

	Notes	Share capital	Share premium and other premiums	Hedging reserve	Legal reserve	Other reserve	Accumulated losses	**Total equity attributable to shareholders of the company**
Equity as at January 1, 2025		**440**	**102 000**	**350**	**44**	**4 955**	**(33 521)**	**74 268**
Profit for the period		—	—	—	—	—	9 687	**9 687**
Other comprehensive income for the period		—	—	4 980	—	—	—	**4 980**
Total comprehensive income for the period		—	—	4 980	—	—	9 687	**14 667**
Equity as at June 30, 2025		**440**	**102 000**	**5 330**	**44**	**4 955**	**(23 833)**	**88 936**
Equity as at January 1, 2026		**440**	**102 000**	**5 957**	**44**	**4 955**	**(17 085)**	**96 311**
Profit for the period		—	—	—	—	—	6 345	**6 345**
Other comprehensive income for the period		—	—	4 829	—	—	—	**4 829**
Total comprehensive income for the period		—	—	4 829	—	—	6 345	**11 174**
Equity as at June 30, 2026		**440**	**102 000**	**10 786**	**44**	**4 955**	**(10 740)**	**107 485**

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

In thousands of Euro	Notes	January-June 2026	January-June 2025
Operating activities			
Profit before tax		8 911	15 131
Adjustments for non-cash transactions:			
Foreign exchange gain/(loss) for loans, debt securities and derivatives	2	185	(6 952)
Fair value of debt securities	2	(195)	(332)
Interest income	2	(283 003)	(272 625)
Interest expense	2	268 948	259 734
Cash flow before changes in operating assets and liabilities		**(5 154)**	**(5 044)**
Change in other assets		(33)	(47)
Change in other liabilities excluding accrual and deferred income		40	169
Other movements		(1)	—
Cash generated from operations		**(5 148)**	**(4 922)**
Net loans to Nestlé Group companies excluding intra group interest receivable	7	(6 173 114)	(6 081 673)
Net loans from Nestlé Group companies excluding intra group interest payable	7	869 882	296 332
Interest received net of withholding tax		255 898	266 954
Interest paid		(277 602)	(258 887)
Income tax paid		(71)	(65)
Operating cash flow		**(5 330 155)**	**(5 782 261)**
Financing activities			
Bonds issued	6	—	1 330 262
Commercial paper issued	6	24 468 257	22 625 083
Bonds repaid	6	(2 250 000)	—
Commercial paper repaid	6	(17 294 597)	(18 576 387)
Financing cash flow		**4 923 660**	**5 378 958**
Effect of the exchange rate changes on cash		540	(5 448)
Net increase/(decrease) in cash and cash equivalents		**(405 955)**	**(408 751)**
Net cash and cash equivalents at beginning of the period		551 405	595 405
Net cash and cash equivalents at the end of the period		**145 450**	**186 654**
Net cash and cash equivalents as per balance sheet		**145 450**	**186 654**

Notes

1. Accounting policies

Basis of preparation
These financial statements are the unaudited Condensed Interim Financial Statements of NFI for the six-month period ended June 30, 2026. They have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting as adopted by the European Union as well as with the laws and regulations in force in the Grand Duchy of Luxembourg and should be read in conjunction with the audited Financial Statements of NFI for the year ended December 31, 2025.

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

The preparation of the unaudited Condensed Interim Financial Statements of NFI requires NFI's management to exercise judgment and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. The key sources of estimation uncertainty within these unaudited Condensed Interim Financial Statements of NFI remain the same as those applied to the audited Financial Statements of NFI for the period ended December 31, 2025.

NFI is included in the Consolidated Financial Statement of Nestlé S.A., Avenue Nestlé 55, 1800 Vevey, Switzerland.

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 of NFI.

Changes in accounting standards that may affect NFI 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 NFI'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 NFI'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 NFI will continue to monitor industry practice and additional guidance, including IFRS Interpretation Committee agenda decisions, over the course of 2026. At this stage, NFI does not anticipate IFRS 18 will significantly change its key performance indicators or reported profit figures.

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

2. Operating income/(expense) and taxes

Net interest income

In thousands of Euro	January-June 2026	January-June 2025
Interest income from		
Cash and cash equivalents, short-term investments	10 604	8 012
Loans to Nestlé Group companies	272 399	264 613
Interest income	**283 003**	**272 625**
Interest expense from		
Loans from Nestlé Group companies	(6 721)	(10 982)
Debt securities issued	(262 227)	(248 752)
Interest expense	**(268 948)**	**(259 734)**
Net interest income/(expense)	**14 055**	**12 891**

Taxes

In thousands of Euro	January-June 2026	January-June 2025
Profit for the period	6 345	9 687
Tax expense	(2 566)	(5 444)
Profit before tax	**8 911**	**15 131**
Tax expense		
Tax using NFI's domestic tax rate 23,87% (2025: 23,87%)	(3 640)	(6 719)
Net wealth tax	(440)	(285)
Taxes reclassified to other comprehensive income	1 514	1 560
Total tax expense	**(2 566)**	**(5 444)**

3. Fair value hierarchy

Financial assets and liabilities

Fair value hierarchy of financial instruments

In thousands of Euro	June 30, 2026	December 31, 2025
Short term investments	—	314 704
Prices quotes in active markets (Level 1)	**—**	**314 704**
Derivative assets	123 052	69 679
Derivative liabilities	(392)	—
Valuation techniques based on observable market data (Level 2)	**122 660**	**69 679**
Total financial instruments at fair value	**122 660**	**384 383**

There have been no significant transfers between the different hierarchy levels during the six-month period ended June 30, 2026.

There were no financial instruments within category Level 3 (valuation techniques based on unobservable input). As at June 30, 2026, there were no financial instruments within category Level 1 (prices quoted in active markets) (December 31, 2025: EUR 315 million of short-term investments). All other financial instruments are within Level 2 category.

The fair values categorized in Level 2 above were determined as follows: 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.

4. Share capital, other reserves and legal reserves

Share capital is set at EUR 440 thousand represented by 220 thousand shares with a nominal value of EUR 2 each and is authorised, issued and fully paid.

At the Annual General meeting of NFI held on April 15, 2025, NFI decided to carry forward the 2024 result.

At the Annual General meeting of NFI held on March 19, 2026, NFI decided to carry forward the 2025 result.

Under Luxembourg tax law, corporate income tax may be credited against net wealth tax, subject to the creation of a reserve equal to five times the amount of the net wealth tax reduction and the maintenance of such reserve for five subsequent tax years.

As at June 30, 2026, the net wealth tax reserve is EUR 4 955 thousand (December 31, 2025: EUR 4 955 thousand) of which EUR 4 955 thousand (December 31, 2025: EUR 4 955 thousand) is distributable to the shareholder.

Under Luxembourg law, NFI is required to appropriate annually at least 5% of its statutory net profit to a non-distributable legal reserve until the aggregate reserve reaches 10% of the subscribed capital. The reserve is fully constituted for EUR 44 thousand.

5. Dividends

Dividends payable are not accounted for until they have been ratified at the Annual General Meeting of NFI. At the Board of Directors Meeting of NFI held on March 19, 2026, the Board decided not to propose any dividend payment to the shareholder.

6. Debt securities

Bonds

As at June 30, 2026, the carrying amount of bonds issued is EUR 18 901 million (December 31, 2025: EUR 21 122 million), compared to a fair value of EUR 17 845 million (December 31, 2025: EUR 20 010 million). This fair value is categorized as Level 2, measured on the basis of quoted prices.

During the first six months of 2026, two series of bonds were repaid at maturity for a total amount of EUR 2 250 million (December 31, 2025: EUR 500 million). No new bonds were issued during the period. Some bonds issued are subject to derivatives to create debt in the presentation currency of NFI.

Commercial Paper

The outstanding amounts of commercial paper are EUR 8 481 million and EUR 1 250 million, respectively as at June 30, 2026 and December 31, 2025.

The carrying amount is a reasonable approximation of their fair value based on observable market data.

7. Transactions with related parties

Grant, receipt and repayments of loans with Nestlé Group companies for the first six months of 2026 were as follows:

In thousands of Euro	January-June 2026	January-June 2025
Loans granted to Nestlé Group companies excluding accrued interest:		
Granted to the shareholder of the company	10 285 583	10 438 550
Granted to Nestlé affiliates	1 726 150	2 671 513
Repayments of loans granted to Nestlé Group companies excluding accrued interest:		
Repaid by the shareholder of the company	(4 236 000)	(5 550 000)
Repaid by Nestlé affiliates	(1 602 619)	(1 478 390)
Net loans granted/(repaid) by Nestlé Group companies	**6 173 114**	**6 081 673**
Repayments of loans received from Nestlé affiliates excluding accrued interest	869 882	296 332
Net loans received/(repaid) to Nestlé Group companies	**869 882**	**296 332**

8. Events after the balance sheet date

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

Responsibility Statement

Martin Huber, Director, Bruno Chazard, Director, and Umberto Cirri, Director confirm that to the best of their knowledge:

(a) the Condensed Interim Financial Statements (Unaudited) of NFI 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 as well as with the laws and regulations in force in the Grand Duchy of Luxembourg, give a true and fair view of the assets, liabilities, financial position and profit or loss of NFI as required by DTR 4.2.4 R and under article 4 (3) of the Luxembourg law of 11 January 2008 on transparency requirements for issuers, as amended (the "Transparency Law"); and
(b) the interim management report includes a fair review of the information required by DTR 4.2.7 R and under article 4 (4) of the Transparency Law.

August 20, 2026