



Nestlé

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Nestlé Finance International Ltd.

Half-Yearly Financial Report

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

Registered Address:
5, Place de la Gare
L-1616, 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, 2025. 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: powdered and liquid beverages, water, milk and ice cream, nutrition products, prepared dishes and cooking aids, confectionery and petcare. The Nestlé Group also manufactures and distributes nutritional science products through its globally managed business Nestlé Health Science.

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 2025

As at June 30, 2025, a total equivalent of EUR 29 098 million of loans granted to Nestlé Group companies was outstanding, compared to EUR 23 070 million as at December 31, 2024. 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, 2025.

Total assets were EUR 29 303 million and EUR 23 756 million as at June 30, 2025 and December 31, 2024, respectively. The increase results mainly from an increase in loans granted to Nestlé Group companies (by EUR 6 028 million).

Total liabilities were EUR 29 214 and EUR 23 682 million as at June 30, 2025 and December 31, 2024, respectively. Debt securities outstanding at June 30, 2025 (EUR 28 162

million) increased by EUR 5 058 million as compared to December 31, 2024 (EUR 23 104 million) mainly as a result of an increase in the issuance of commercial papers and bonds. Loans received from Nestlé Group companies outstanding at June 30, 2025 (EUR 692 million) increased by EUR 296 million as compared to December 31, 2024 (EUR 395 million).

NFI recognized a net profit of EUR 10 million and EUR 19 million for the six months ended June 30, 2025 and 2024. Net profit before tax for the six months ended June 30, 2025 and 2024 was EUR 15 million and EUR 24 million, respectively. The increase in third party interest expenses of EUR 47 million as at June 30, 2025, was partially offset by the increase in interest income from Nestlé S.A. and its affiliates (EUR 30 million). The net interest income was EUR 13 million as at June 30, 2025 (June 30, 2024: EUR 29 million). In addition to the aforementioned variances, NFI has recognized a foreign exchange gain of EUR 7 million as at June 30, 2025, resulting from various exposures to currencies other than Euro. NFI used fair value hedges to mitigate foreign currency risk.

NFI's net operating cash outflow (“net cash used in operating activities”) was EUR 5 782 million for the six months ended June 30, 2025 compared to net operating cash outflow of EUR 5 884 million for the six months ended June 30, 2024.

(B) Risks and uncertainties for the remaining six-month period from July to December 2025

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, 2024, 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, 2024.

Balance sheet as at June 30, 2025

In thousands of Euro	Notes	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		186 654	595 405
Derivative assets	3	5 065	70 156
Loans to Nestlé Group companies	7	10 018 607	4 385 350
Other assets		1 451	1 402
Total current assets		10 211 777	5 052 313
Non-current assets			
Loans to Nestlé Group companies	7	19 079 100	18 684 368
Deferred tax assets	2	12 555	19 269
Total non-current assets		19 091 655	18 703 637
Total assets		29 303 432	23 755 950
Liabilities			
Current liabilities			
Derivative liabilities	3	182 968	20
Loans from Nestlé Group companies	7	691 511	395 179
Current financial debt	6	10 385 539	4 394 626
Other liabilities		175 877	182 384
Total current liabilities		11 435 895	4 972 209
Non-current liabilities			
Derivative liabilities	3/6	2 069	—
Non-current financial debt	6	17 776 532	18 709 473
Total non-current liabilities		17 778 601	18 709 473
Total liabilities		29 214 496	23 681 682
Equity			
Share capital	4	440	440
Share premium and other premiums	4	102 000	102 000
Hedging reserve	4	5 330	350
Legal reserve	4	44	44
Other reserve	4	4 955	4 955
Accumulated losses		(23 833)	(33 521)
Total equity attributable to shareholders of the company		88 936	74 268
Total liabilities and equity		29 303 432	23 755 950

Income statement

for the six-month period ended June 30, 2025

In thousands of Euro	Notes	January-June 2025	January-June 2024
Interest income	2	272 625	242 416
Interest expense	2	(259 734)	(213 011)
Net interest income/(expense)		12 891	29 405
Net fee and commission income/(expense) from Nestlé Group companies		(3 760)	(3 276)
Expected credit loss on financial assets (increase)/decrease		(447)	(945)
Net foreign exchange gain/(loss)		6 952	(208)
Other operating income/(expense)		332	(9)
Operating profit/(loss)		15 968	24 967
Administration expense		(837)	(795)
Profit/(loss) before tax		15 131	24 172
Taxes	2	(5 444)	(5 292)
Profit/(loss) for the period attributable to shareholders of the company		9 687	18 880

Other comprehensive income for the six-month period ended June 30, 2025

In thousands of Euro	January-June 2025	January-June 2024
Profit/(loss) for the period recognized in the income statement	9 687	18 880
Adjustments on cost of hedge reserve		
Recognized in hedging reserve	6 535	(760)
Taxes on hedging reserve	(1 555)	190
Items that are or may be reclassified subsequently to the income statement	4 980	(570)
Other comprehensive income/(loss) for the period	4 980	(570)
Comprehensive income for the period attributable to shareholders of the company	14 667	18 310

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

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, 2024		440	102 000	281	44	4 955	(66 021)	41 699
Profit for the period		—	—	—	—	—	18 880	18 880
Other comprehensive income/(loss) for the period		—	—	(570)	—	—	—	(570)
Total comprehensive income/(loss) for the period		—	—	(570)	—	—	18 880	18 310
Equity as at June 30, 2024		440	102 000	(289)	44	4 955	(47 141)	60 009
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/(loss) for the period		—	—	4 980	—	—	—	4 980
Total comprehensive income/(loss) 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

Cash flow statement

for the six-month period ended June 30, 2025

In thousands of Euro	Notes	January-June 2025	January-June 2024
Operating activities			
Profit/(loss) before tax		15 131	24 173
Adjustments for non-cash transactions:			
Foreign exchange gain/(loss) for loans, debt securities and derivatives	2	(6 952)	208
Fair value of debt securities	2	(332)	83
Interest income	2	(272 625)	(242 416)
Interest expense	2	259 734	213 011
Cash flow before changes in operating assets and liabilities		(5 044)	(4 941)
Change in other assets		(47)	31
Change in other liabilities excluding accrual and deferred income		169	(175)
Other movements		—	760
Cash generated from operations		(4 922)	(4 325)
Net loans to Nestlé Group companies excluding intra group interest receivable	7	(6 081 673)	(5 634 753)
Net loans from Nestlé Group companies excluding intra group interest payable	7	296 332	(262 672)
Interest received net of withholding tax		266 954	194 632
Interest paid		(258 887)	(177 107)
Income tax received/(paid)		(65)	(161)
Operating cash flow		(5 782 261)	(5 884 386)
Financing activities			
Bonds issued	6	1 330 262	1 485 000
Commercial paper issued	6	22 625 083	23 078 934
Bonds repaid	6	—	(500 000)
Commercial paper repaid	6	(18 576 387)	(18 448 777)
Financing cash flow		5 378 958	5 615 157
Effect of the exchange rate changes on cash		(5 448)	4 195
Net increase/(decrease) in cash and cash equivalents		(408 751)	(265 034)
Net cash and cash equivalents at beginning of the period		595 405	335 461
Net cash and cash equivalents at the end of the period		186 654	70 427
Net cash and cash equivalents as per balance sheet		186 654	70 427

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, 2025. 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, 2024.

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, 2024, except for those mentioned in section 'Changes in accounting standards'.

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, 2024.

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

Changes in IFRS Accounting Standards

A number of accounting standards have been amended and are effective for reporting periods beginning on or after January 1, 2025. None of these amendments had a material impact on the Condensed Interim Financial Statements of NFI.

Changes in accounting standards that may affect NFI 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. NFI is currently evaluating the 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.

2. Operating income/(expense) and taxes

Net interest income

In thousands of Euro	January-June 2025	January-June 2024
Interest income from		
Cash and cash equivalents, short-term investments	8 012	14 530
Loans to Nestlé Group companies	264 613	227 886
Interest income	272 625	242 416
Interest expense from		
Loans from Nestlé Group companies	(10 982)	(5 015)
Debt securities issued	(248 752)	(207 996)
Interest expense	(259 734)	(213 011)
Net interest income/(expense)	12 891	29 405

Taxes

In thousands of Euro	January-June 2025	January-June 2024
Profit/(loss) for the period	9 687	18 880
Tax income/(expense)	(5 444)	(5 292)
Profit/(loss) before tax	15 131	24 172
Withholding tax on interest received	—	794
Profit/(loss) before income tax and after withholding tax	15 131	24 966
Tax income/(expense)		
Tax using NFI's domestic tax rate 23,87% (2024: 24,94%)	(6 719)	(5 838)
Net wealth tax	(285)	(59)
Withholding tax on interest received	—	794
Taxes reclassified to other comprehensive income	1 560	(189)
Total tax income/(expense)	(5 444)	(5 292)

3. Fair value hierarchy

Financial assets and liabilities

Fair value hierarchy of financial instruments

In thousands of Euro	June 30, 2025	December 31, 2024
Derivative assets	5 065	70 156
Derivative liabilities	(185 037)	(20)
Valuation techniques based on observable market data (Level 2)	(179 972)	70 136
Total financial instruments at fair value	(179 972)	70 136

There have been no significant transfers between the different hierarchy levels during the six-month period ended June 30, 2025.

There were no financial instruments within category Level 1 (prices quoted in active markets) and Level 3 (valuation techniques based on unobservable input). All 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 24, 2024, NFI decided to carry forward the 2023 result.

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

Under Luxembourg law, NFI is allowed to deduct part of the net wealth tax from the corporate income tax of the same year, provided that a reserve is created corresponding to five times the net wealth tax deducted and that this reserve is maintained for a period of five tax years following the year of deduction.

As at June 30, 2025, the net wealth tax reserve is EUR 4 955 thousand (December 31, 2024: EUR 4 955 thousand) of which EUR 2 962 thousand (December 31, 2024: EUR 2 962 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 April 15, 2025, the Board decided not to propose any dividend payment to the shareholder.

6. Debt securities

Bonds

As at June 30, 2025, the carrying amount of bonds issued is EUR 20 526 million (December 31, 2024: EUR 19 211 million), compared to a fair value of EUR 19 472 million (December 31, 2024: EUR 18 154 million). This fair value is categorized as Level 2, measured on the basis of quoted prices.

During the first six months of 2025, bonds were issued for an amount of EUR 1 330 million, no bonds was repaid during this 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 7 636 million and EUR 3 893 million, respectively as at June 30, 2025 and December 31, 2024.

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 2025 were as follows:

In thousands of Euro	January-June 2025	January-June 2024
Loans granted to Nestlé Group companies excluding accrued interest:		
Granted to the shareholder of the company	10 438 550	9 621 100
Granted to Nestlé affiliates	2 671 513	1 000 687
Repayments of loans granted to Nestlé Group companies excluding accrued interest:		
Repaid by the shareholder of the company	(5 550 000)	(3 982 000)
Repaid by Nestlé affiliates	(1 478 390)	(1 005 037)
Net loans granted/(repaid) by Nestlé Group companies	6 081 673	5 634 750
Repayments of loans received from Nestlé affiliates excluding accrued interest	296 332	262 672
Net loans received/(repaid) to Nestlé Group companies	296 332	262 672

8. Events after the balance sheet date

As at August 12, 2025, there is no subsequent events which either warrant a modification of the value of its assets and liabilities or any additional disclosure.

Responsibility Statement

Raoul Heinen, Director, Patrick Yot, Director, Hermann Beythan, Director, Martin Huber, Director and Bruno Chazard, 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, 2025, 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 12, 2025