Stolt-Nielsen

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended May 31, 2024

STOLT-NIELSEN LIMITED

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Consolidated Income Statement

Stolt-Nielsen Limited's (the "Company" or "SNL") unaudited consolidated financial data for the six months ended May 31, 2024 and 2023 is summarised below. The financial statements are presented in US dollars.

	For the Six Months Ended	
	May 31, 2024	**May 31, 2023**
	(in thousands, except per share)	
Operating revenue	**$ 1,448,462**	$ 1,430,574
Gross profit	**375,212**	245,984
Operating profit	**268,909**	152,122
Net profit	**204,146**	108,109
EPS attributable to SNL shareholders – diluted	**3.81**	2.02

Net results increased by $96.0 million to a profit of $204.1 million for the first half of 2024, compared with $108.1 million for the same period in 2023. The prior year included a $155.0 million ($115.0 million after tax) further legal provision, in regards to the 2012 incident on board the *MSC Flaminia* ("*MSC Flaminia* Provision") discussed in Note 29 of the Consolidated Financial Statements for the year ended November 30, 2023.

Excluding the *MSC Flaminia* provision, net profit decreased by $19.0 million from the six months ended May 31, 2023. This was the result of a return to pre-Covid transportation margins at Stolt Tank Containers and SNL's share a $7.0 million impairment at Avenir LNG Limited ("Avenir"), partially offset by improved results in Stolt Tankers' deep-sea fleet and fair value gains at Stolt Sea Farm.

	For the Six Months Ended	
	May 31, 2024	**May 31, 2023**
	(in thousands)	
Operating revenue:		
Stolt Tankers	**$ 909,076**	$ 846,255
Stolthaven Terminals	**153,217**	148,237
Stolt Tank Containers	**323,208**	383,147
Stolt Sea Farm	**62,208**	52,767
Corporate and Other	**753**	168
Total	**$ 1,448,462**	$ 1,430,574
Operating profit (loss):		
Stolt Tankers	**$ 199,553**	$ 183,983
Stolthaven Terminals	**56,748**	52,923
Stolt Tank Containers	**25,792**	(75,979)
Stolt Sea Farm	**19,127**	4,706
Stolt-Nielsen Gas	**(7,188)**	(6,068)
Corporate and Other	**(25,123)**	(7,443)
Total	**$ 268,909**	$ 152,122

Operating Profit

The main reasons for changes in operating profit for the first six months of 2024, compared with the same period of 2023, were:

- Stolt Tankers reported an operating profit of $199.6 million for the first six months of 2024, an increase of $15.6 million compared with the same period of 2023 as a result of an increase in operating profit for the deep-sea fleet of $7.5 million and regional fleets of $2.9 million, a $3.2 million improvement in its share of joint ventures results and a gain on sale of the *Stolt Facto* of $2.0 million.

- Stolthaven Terminals reported an operating profit of $56.7 million in the six months ended May 31, 2024 compared to $52.9 million in the six months ended May 31, 2023. The increase in operating profit was mainly due to higher storage rates as well as an increase in ancillary services and higher equity income from joint ventures and associates. Partly offsetting these increases were lower utilization and higher operating expenses.
- Excluding the *MSC Flaminia* Provision in 2023, Stolt Tank Containers' operating profit decreased by $53.2 million due to margins and demurrage revenue now running slightly below pre-Covid levels as the supply chain congestion has eased and competition has increased. Offsetting the reduction in margins is a 19.5% increase in shipments.
- Stolt Sea Farm reported an operating profit of $19.1 million, compared with $4.7 million in 2023. The increase was due to higher sales prices and higher sales volumes for both turbot and sole, as well as a positive $9.4 million fair value variance, owing to higher sales prices both in turbot and sole and higher turbot biomass at May 31, 2024.
- Stolt-Nielsen Gas reported an operating loss of $7.2 million, compared with a $6.1 million operating loss for the six months ended May 31, 2023 due to the losses from SNL's investment in Avenir in both periods as well as SNL's share of a $7.0 million impairment of Avenir's terminal in Sardinia in the first half of 2024.
- Corporate and Other reported an operating loss of $25.1 million in the first half of 2024, versus a $7.4 million loss for the same period in 2023. This was primarily the result of a higher profit-sharing accrual due to the impact of the *MSC Flaminia* Provision reducing profits in 2023.

Business Segment Information

This section summarises the Company's operating performance for each of the business segments for the first half of 2024 compared with the first half of 2023. The "Corporate and Other" category includes corporate-related expenses, and all other operations not reported under the other segments.

Stolt Tankers

Operating revenue for Stolt Tankers was $909.1 million, an increase of $62.8 million or 7.4% compared with the same period in 2023. Of the total revenue increase, $61.3 million was the result of the establishment of the SNAPS/ENEOS pool in October 2023. Deep-sea revenue decreased by $15.4 million, mainly from 3.2% fewer operating days and 10.8% lower volumes as a result of the exit of Tufton Shipping's eight ships and the restricted transit of both the Panama and Suez Canals. Contract of affreightment (COA) rates increased by 16.2% while spot rates were 6.0% down from 2023. Revenues in the Caribbean market also increased by $14.0 million as a result of a 22.4% increase in operating days.

The sailed-in revenue (revenue less trading expenses) per operating day for the deep-sea fleet for the first six months of 2024 was $31,402 compared to $29,975 in the same period of 2023, an increase of 4.8%.

Operating profit increased by $15.6 million or 8.5%. The increase in operating revenues of $62.8 million, a $3.2 million improvement in its share of joint ventures results and a gain on sale of the *Stolt Facto* of $2.0 million was partly offset by an increase in operating expenses of $52.0 million.

Operating expenses increased mainly due to higher variable time-charter expenses of $27.1 million and an increase in bunker costs of $18.6 million and ship management costs of $8.6 million, partially offset by $9.7 million decrease in port charges. Variable time-charter hire expenses to participants of the SNAPS/ENEOS pool were $37.8 million, up from nil, due to the establishment of the pool in late 2023. This was partly offset by a $9.7 million decrease in Stolt Tankers Joint Service ("STJS") participants as a result of the exit of Tufton Shipping's ships which was partly compensated by improved pool performance for existing participants and the inclusion of two new ships from CMB Tech Netherlands.

Bunker costs increased by $18.6 million of which $16.3 million relates to the SNAPS/ENEOS pool. The average bunker price consumed was $606 per ton compared to $597 during the same period in 2023. Ship management costs increased by $8.6 million mainly driven by inflation and salary increases, insurance provisions and tonnage events. Port expenses decreased by $9.7 million due to the restricted transit of the Red Sea and Panama Canal for most of 2024.

Joint venture income was $28.7 million for the first six months of 2024, an increase of $3.2 million from the same period in 2023 and in line with the improvement in the deep-sea results.

Stolthaven Terminals ("Stolthaven")

Stolthaven's revenues for the first half of 2024 was $153.2 million, an increase of $5.0 million, compared with $148.2 million in the first half of 2023. This increase was mainly due to improved storage rates and utility revenue. Stolthaven also generated increased revenue from ancillary services, such as truck and dock handling activities. Partially offsetting this was 2.5% lower utilisation.

Stolthaven's first-half 2024 operating profit increased by $3.8 million to $56.7 million from $52.9 million in the same period in 2023. This increase was mainly due to the $5.0 million higher operating revenue coupled with $1.5 million higher equity income from joint ventures and associates, partially offset by $1.4 million of higher operating expenses which was a result of normal inflationary pressures.

Stolt Tank Containers ("STC")

Stolt Tank Containers' revenues decreased by $59.9 million, to $323.2 million in the first half of 2024 from $383.1 million in the first half of 2023, reflecting a sharp decrease in freight rates on the back of the declining ocean carrier freight costs. This was coupled with $20.5 million lower demurrage revenue as a result of customers returning tanks faster as they normalise their inventory levels. Shipments increased by 19.5% due to continued strong demand out of the Asia, Americas and Middle East regions, partially offsetting the margin and demurrage impact.

Excluding the $155.0 million *MSC Flaminia* Provision in 2023, Stolt Tank Containers' operating profit decreased by $53.2 million compared to the same period in 2023, as transportation margins returned to pre-Covid levels after increasing during Covid due to supply chain congestion which resulted in high ocean freight costs. While the supply chain congestion has eased in 2024, lack of space on carriers out of Asia is causing some disruption in the market, which is driving up ocean freight rates in this region.

Stolt Sea Farm

Stolt Sea Farm's revenues were $62.2 million in the first half of 2024 which was an increase of $9.4 million compared with the first half of 2023, mainly due to a 16.3% increase in turbot sales prices and a 13.0% increase in sole sales prices. Sales volumes also increased by 1.7% in turbot and 4.8% in sole between the periods.

Stolt Sea Farm's operating profit was $19.1 million, up from an operating profit of $4.7 million in the first half of 2023. Of the total increase of $14.4 million, $9.4 million was due to an increase in the fair value adjustment between the periods, owing to higher sales prices both in turbot and sole and higher turbot biomass at the end of the period. The remaining increase is due to the higher sales prices and volumes for turbot and sole.

Stolt-Nielsen Gas

Stolt-Nielsen Gas reported an operating loss of $7.2 million, compared with a $6.1 million operating loss for the six months ended May 31, 2023. The losses for both periods are largely due to the liquid natural gas ("LNG") bunkering market at Avenir as well as SNL's share of a $7.0 million impairment of Avenir's terminal in Sardinia in the first half of 2024.

Corporate and Other

Corporate and Other reported an operating loss of $25.1 million in the first half of 2024, versus $7.4 million loss for the same period in 2023. The increase in the loss between periods is the result of a higher accrual for profit sharing, with the *MSC Flaminia* Provision adversely impacting profits in 2023.

Gain on fair value through other comprehensive income was $61.9 million versus a loss of $17.2 million in the first half of 2023. The increase in the first half of 2024 was primarily due to the gain in the shares of Odfjell SE of $52.1 million and Golar LNG Limited of $12.6 million due to an increase in their share price.

In the first six months of 2024, SNL acquired a further 3,226 shares of Odfjell SE shares for $35.6 million. SNL now owns 13.6% of Odfjell SE shares.

Liquidity and Capital Resources

During the six months ended May 31, 2024, SNL met its liquidity needs through a combination of cash generated from operations, sale of assets and repayments by joint ventures on long-term loans. Cash proceeds during the first six months of 2024 included $38.4 million of net cash from operating activities, $29.0 million proceeds from sale of assets and a $168.0 million drawdown of long-term debt. Cash proceeds plus cash on hand were used for capital expenditures and intangible assets of $80.2 million, newbuilding deposits of $41.3 million, investments and advances to joint ventures of $71.4 million, acquisition of Odfjell SE shares for $35.6 million, debt repayments of $174.2 million, lease principal payments of $30.6 million and dividend payments of $133.9 million. As of May 31, 2024, the Group had cash of $115.1 million and available committed credit lines of $331.4 million.

During the six months ended May 31, 2024, the Group paid $290.0 million, which included $133.0 million of insurance proceeds received in 2023, in full settlement of the *MS Flaminia* Provision. No further provision was required in 2024.

On July 9, 2024, subsequent to the end of the period, the Group refinanced a $238.8 million debt facility maturing in March 2025 through the issuance of $450 million in seven-year and ten-year notes in the US private placement market. The notes are secured by US based assets and a guarantee from Stolt-Nielsen Limited. The notes are fixed rate notes with the interest rate for both tranches fixed at just under 6%. The funding will take place on or about July 17, 2024 at which time the $238.8 million facility will be repaid.

On February 28, 2024, the Group entered into a revolver credit facility with Danske Bank A/S, Nordea Bank Abp, DNB (UK) Ltd, Swedbank AB and Skandinaviska Enskilda Banken AB for $150.0 million using Stolt Sea Farm SA shares as collateral.

On January 24, 2024, the Group signed a $37.5 million loan agreement with Nordea Bank Abp in a new four-and-a-half-year loan with semi-annual payments and a final balloon payment of $27.5 million. The loan is secured by two second-hand ships purchased in 2023. The Group fixed the interest rate at 5.74%.

On November 27, 2023, the Group issued an additional NOK 325.0 million (swapped into $31.7 million) on the 2023 Bond. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest of 7.81%. Net proceeds were for general corporate purposes. The bond proceeds were received in the first quarter of 2024.

SNL believes that its cash flows from operations, secured financing and available credit facilities will continue to provide the liquidity necessary to satisfy its working capital requirements, scheduled debt and lease repayments and committed capital expenditures for the 12 months after the date of issuance of the interim financial statements.

Outlook

Stolt Tankers

For the six months ended May 31, 2024, despite fewer operating days and lower volumes from re-routing, increased COA rates and other revenue streams resulted in record earnings. On contracts of affreightment renewals in the first half of 2024, Stolt Tankers was able to improve rates as a result of tightening ship capacity.

With the transit restrictions of the Red Sea continuing, additional ship capacity is being consumed by the longer sailing distances, supporting the current strong freight rate levels. Markets for both chemical and product tankers look firm, although Stolt Tankers has seen some more newbuilding ordering activity during the quarter, albeit not for delivery until 2027 onwards. The continued tight market and firm freight rates will be reflected in the third-quarter results when we expect the average TCE earnings to increase slightly by 2% to 4%. Stolt Tankers expects spot rates to stabilise at high levels, and reduced capacity to outweigh potentially lower demand. For the medium and longer term, despite macroeconomic and geopolitical concerns, the outlook remains optimistic for the chemical tanker segment due to a favorable supply/demand balance.

Stolthaven Terminals

In the first half of 2024, Stolthaven Terminals continued to focus on various strategic initiatives including selective expansion. The expansion projects in Dagenham (10,000 cbm) in the United Kingdom, and in Mount Maunganui (16,200 cbm) in New Zealand have been successfully completed and tanks have been leased to customers. Currently, Stolthaven Terminals' ongoing projects at its wholly owned terminals include a 73,134 cbm expansion in Houston, United States, and a 73,134 cbm expansion in New Orleans, United States. In addition to this, Stolthaven Terminals has a 67,900 cbm ongoing expansion project at Stolthaven Westport Sdn. Bhd., its 49% joint venture terminal in Malaysia and the first phase (49,600 cbm) of a greenfield terminal at Stolthaven Revivegen Kaohsiung Co., Ltd., its 49% joint venture in Taiwan. Stolthaven Terminals also has a joint venture exploring the possibility of constructing a greenfield terminal at the port of Ceyhan, Turkey. This project is subject to a final investment decision.

The chemical industry has shown signs of recovery in the first half of 2024, both in demand and pricing, with major chemical producers forecasting further improvement by the fourth quarter of 2024 and into early 2025 although this is dependent on macro-economic factors, such as interest rates, inflation and consumer demand. The storage market is expected to remain stable, although potentially with lower throughput. The European storage market is still benefiting from imported products – chemicals and bio-based feedstocks for renewable fuel production. Asia remains stable but the impact of the Chinese economy which has reported weaker than expected demand is having a negative impact on growth. The US remains stable with steady enquiries and long-term dynamics supporting the storage market.

Stolt Tank Containers

Stolt Tank Containers had an increase in the number of shipments during the first half of 2024, compared with the same period in 2023 due to space opening up on ocean carriers combined with strong demand for tanks out of Asia, South America and the Middle East. The size of the fleet increased by 6.0% whilst utilisation reduced to 64.3% from 65.8% over the same period last year. Revenue per shipment decreased primarily due to the effect of declining ocean freight rates coupled with lower demurrage and ancillary billings. Freight rates have quickly returned to lower levels with the cost of ocean freight down from 2023, although as ocean freight has been increasing out of Asia, freight rates are starting to follow suit.

The weak market conditions generally seem to have levelled off with demand remaining buoyant in most regions but at lower operating margins. Demurrage levels are down versus last year as customers are closely managing inventory levels. Stolt Tank Containers is focusing on cargo mix and balanced flows in order to optimise margins and keep repositioning costs down. Lack of space with carriers out of Asia is causing some disruption in the market, which is expected to last about three to four months. This, along with the higher shipment levels and lower costs, should help offset the impact of the reduction in demurrage and ancillary revenue.

Stolt Sea Farm

Stolt Sea Farm saw a strong market during the first half of 2024 for turbot and sole that allowed higher sales prices and volumes. The third quarter tends to see strong seasonal demand during the summer months. Longer term, a decreasing wild catch of turbot and sole will support continued growth in farmed production.

Significant Risk Factors

Each business segment considers strategic, operational and financial risks, and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The significant risks and uncertainties for the remaining six months of the financial year are discussed below.

Climate Change Risks

SNL may incur substantial costs as a result of changes in weather patterns due to climate change. Increases in the frequency, severity or duration of severe weather events such as hurricanes, typhoons, low water levels or other severe weather events could result in asset loss, injuries, lost earnings, longer transit times, difficulty in obtaining insurance and higher costs. Changes in sea water temperature can adversely impact growth rates of fish, harm the fish and lead to losses of fish. To counteract future climate changes, there have been increasingly stringent regulations, such as the requirement to use low sulphur fuels, and violations can lead to significant fines and penalties. Future regulations could result in making SNL assets prematurely obsolete, increase expenses or require costly investments. For example, the EU Emissions Trading System started in 2024 for shipping, through a phased in programme, and requires the purchase of EU allowances equivalent to a proportion of carbon emissions used. Beginning January 1, 2024, SNL has begun to acquire the required EU allowance based on carbon emissions used. This cost will drive an increase in the Company’s operating expenses and could impact the profitability and cash flow of the Company unless offset by higher revenue. In order to mitigate the cost increase, SNL has included wording in its COAs that either would allow for the recovery of these costs from its customers, or in the absence of such, would allow cancellation of the contracts if no amicable solution is found for the recovery of the added cost. In addition, SNL continues in its efforts to reduce bunker consumption and thereby reduce the anticipated cost of the EU Emissions Trading System regulation. SNL is using its expertise and strong industry relationships to investigate and explore new technologies to enable the move towards a low-carbon future.

Safety Risks

Stolt Tankers, Stolthaven and Stolt Tank Containers are engaged in the worldwide transportation, storage and distribution of bulk liquid chemicals, edible oils, acids and other specialty chemicals, some of which are hazardous if not handled correctly. SNL’s assets and procedures are designed to avoid contaminations, spills, leaks, fires and explosions, with safety equipment installed to minimise the impact of such incidents. SNL employees regularly review and test emergency response plans through safety drills, partnering with local incident response services and regulatory agencies. Drills involve the safe evacuation of the workforce, visitors and all other parties from the ships, terminals, depots, farms and offices.

Political and Geopolitical Risks

SNL has international operations, and the business, financial condition and results of operations may be adversely affected by changing economic, political and government conditions in the countries and regions where SNL's ships and tank containers are employed, and terminals, depots and farms are located.

SNL is also exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability of, and demand for, petroleum and chemical products and adversely affect SNL's ability to operate ships, terminals or tank containers. Moreover, SNL operates in a sector of the economy that is likely to be adversely affected by the impact of political instability, terrorist or other attacks and war or international hostilities, for example, the war between Ukraine and Russia and the ship attacks in the Red Sea.

For an effective and competitive global chemical shipping business, managing geopolitical risk is a strategic imperative. Cross-border expansion to facilitate corporate growth is a significant contributor to growth. In some cases, cargoes are located in, or destined for, troubled or developing markets where considerable cultural, infrastructure, security or technology challenges must be met. At the same time, economic and population growth, especially in Asia, is creating new demand for petroleum and chemical products. Sufficient supply must be in place with supporting infrastructure and distribution to meet demand in these high growth markets.

Disease Outbreaks and Pandemic Risks

SNL operations are global in nature and rely on a significant number of operational staff and third-party suppliers to run smoothly. As has been evidenced by the recent Covid-19 pandemic, disease outbreaks can put significant restrictions on the movement of people and their ability to get to their place of work as well as restrictions on the operations of SNL assets.

If the movement of people and transport operations are restricted, this could limit SNL's ability to meet commitments to customers and could impact financial results. Likewise, any outbreak onboard SNL's ships or at one of its terminals could impact operations of individual assets. The severity of the impact of such disruptions would depend on the spread and duration of the disease. To the extent possible, business continuity plans have been updated and implemented to mitigate any negative impact on the businesses from a widespread and long-lasting disease of the coronavirus type.

Tanker Industry Risk

The tanker industry is cyclical and volatile, which may lead to reductions and volatility in freight rates and ship values. Fluctuations in the rates that Stolt Tankers can charge result from changes in the supply and demand for ship capacity and changes in the supply and demand for the products carried, particularly the bulk liquids, chemicals, edible oils, acids and other specialty liquids that constitute the majority of the products that Stolt Tankers transports. Factors influencing demand include supply of products shipped, the distances that products are moved by sea, industrial production, economic growth, environmental developments and protectionist policies. Factors influencing supply include the number of new ships being built, the number of old ships being recycled, changes in regulations and availability of shipyards.

Stolt Tankers mitigates this risk by actively managing the mix of business between COA and spot while also utilising various tools to increase fleet flexibility and reduce risk. COA business tends to be less volatile than spot business, in terms of both rates and volumes. Management endeavours to increase the contract percentage and lengthen contract duration during periods of uncertainty or when management determines that market conditions are likely to deteriorate. Stolt Tankers also maintains a mix of owned and time-chartered ships. Use of time-chartered ships facilitates quicker balancing of the fleet in response to fluctuations in demand. Ships are ideally chartered prior to periods of high demand and redelivered during periods of soft demand. Within the owned fleet, Stolt Tankers endeavours to maintain a balanced age profile. Through this technique, fleet size can be managed by early retirement of older ships when demand is soft and life extension of ships during periods of strong demand.

Tank Container Industry Risk

The tank container industry is cyclical and volatile, which may lead to reductions and/or volatility in freight rates and shipment volumes. Fluctuations in the rates that Stolt Tank Containers can charge its customers result from competition attempting to aggressively grow market share combined with the supply of tank containers in the market. Stolt Tank Containers mitigates this risk by actively managing customer relationships and pricing as well as maintaining a balance of owned and leased tanks. Fleet size can easily be managed by the on-hire and off-hire of leased tank containers.

Terminal Projects Risks

Stolthaven Terminals is working on various projects at its wholly owned and joint venture terminals. The development of terminal operations and jetties involves significant upfront investment in infrastructure and there are risks inherent in such developments, including political, regulatory, currency exchange, liquidity, financial, contractual and structural risks. The occurrence of one or more of these risk factors could delay the project and result in increased project costs. Different countries carry varying degrees of risk depending on social, cultural, political and financial development and stability. Efforts are made to mitigate these risks by employing local country and regional representatives to act as liaisons with local authorities and to devise appropriate mitigating actions.

Cyber Security Risk

There is a risk that an external third party could gain unauthorised access to SNL's information technology systems for the purpose of financial gain, industrial espionage, sabotage or terrorism.

SNL has virus, spam and malware protection, an isolated environment for its business applications, firewalls and other network and data centre protection and an identity management system. As with all companies, these security measures are still vulnerable to third-party security breaches, employee error, malfeasance, faulty password management or other irregularities. For example, third parties may attempt to fraudulently induce employees or customers to disclose user names, passwords or other sensitive information, which may in turn be used to access SNL's information technology systems.

SNL devotes significant resources to network security, data encryption and other security measures to protect its systems and data, but these security measures cannot provide absolute security. To the extent SNL might experience a breach of its systems and be unable to protect sensitive data or physical assets, such a breach could negatively impact SNL's financial position.

Value of Biological Assets at Stolt Sea Farm Risk

All mature turbot and sole are held at fair value less both costs to sell and costs related to harvest. A fair value adjustment is first made at the point when juvenile turbot and sole are considered to become mature, which typically occurs when the fish reach a specified weight. Fair value is determined on the basis of market prices, and gains and losses from changes in fair value are recognised in the income statement.

The fair value of these assets fluctuates significantly based upon seasonality, competition, market conditions and existing supply, as well as the quality and condition of the fish. The fair value adjustment recognised in the six months ended May 31, 2024 was a $4.1 million increase in profit, compared with a $5.3 million decrease in profit in the six months ended May 31, 2023. Fair value adjustments have a direct impact on SNL's income statement and there is a risk that future fair value adjustments could negatively impact the income statement.

Financing Risk

The Group's businesses are capital intensive and, to the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through public or private debt to fund capital expenditures and to refinance maturing debt instruments. Adequate sources of capital may not be available when needed or may not be available at favourable terms. The Group's ability to obtain financing is dependent on various factors, such as financial market conditions for unsecured debt as well as financial institutions' appetite for secured ship, tank container or terminal financing.

The Group has a diversified debt structure and has access to a wide range of funding sources from banks, leasing companies and the Nordic bond market. The Group also maintains significant availability under its committed credit facilities, as well as cash on hand, to mitigate the risk of short-term interruptions to the financial markets.

Bunker Fuel and Freight Cost Risks

Bunker fuel constitutes one of the major operating costs of the tanker fleet and price changes can have a material impact on the results. Although efforts are made to reduce the impact of price changes by passing bunker fuel costs through to customers or through the Company's bunker hedging programme, a significant portion of increased fuel costs is carried solely by Stolt Tankers. The direct effect of changes in fuel prices affect the profitability in the case of spot contracts unless recovered through higher freight rates. Historically, spot contracts comprise approximately 30% to 40% of Stolt Tankers' volumes, although they are currently 49% of overall volume. Stolt Tankers has implemented a board-approved bunker-hedging programme, which aims to include bunker surcharge clauses in all COAs and bunker hedge financial instruments based on projected requirements. Note that in periods where bunker prices are below the agreed-upon price in the individual COA, use of bunker fuel adjustment clauses results in Stolt Tankers reimbursing customers for lower fuel prices. There are currently no bunker hedge financial instruments outstanding as bunker fuel adjustment clauses are adequate to cover bunker price exposure.

Ships are required to use marine fuels with a sulphur content of no more than 0.50% against the previous limit of 3.50%. Stolt Tankers is taking a multifaceted approach to low-sulphur fuel. Thirteen vessels have been fitted with wet hybrid scrubbers in order to reduce sulphur emission, of which three are still to be certified. The rest of the Stolt Tankers fleet has switched to marine gas oil or alternative fuels, depending on availability, usability and cost efficiency.

For Stolt Tank Containers, as in prior years, the impact of increasing freight costs due to market conditions for container ships in most major regions, as well as rising fuel and cleaning prices, can result in downward pressure on margins. In those instances, cost increases are passed on to customers when possible. Given quoted rate validity periods to customers, there is typically a negative lag on margins until rates can be increased.

Currency Risk

Most of the revenue earned by Stolt Tankers and Stolt Tank Containers is in US dollars, while a significant portion of their operating expenses is incurred in other currencies, primarily the Euro, the Singapore dollar, Philippines peso and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins.

Newbuilding Risk

SNL spends substantial sums during the construction of parcel tanker newbuildings without earning revenue and without assurance that the ships will be completed on time or at all. SNL is typically required to pay substantial amounts as progress payments during the construction of a newbuilding but does not derive any revenue from the ship until after its delivery. SNL's receipt of newbuildings can be delayed temporarily or indefinitely because of:

- quality or engineering problems;
- work stoppages or other labour disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipyard;
- backlog of orders at the shipyard;
- changes to the original ship specifications at the request of SNL; or
- shortages of, or delays in, the receipt of necessary equipment or construction materials, such as steel.

If delivery of a ship is materially delayed, it could adversely affect the business, results of operations, cash flow and financial condition. SNL manages these risks by agreeing to standard industry provisions dealing with compensation for delays and rights to terminate the newbuilding contract. Any progress or down payments made by the Company under the newbuilding contracts are secured by refund guarantees issued by commercial banks or government institutions to cover the repayment obligation by the shipyards in case of a yard default.

Forward-Looking Statements

The Interim Financial Statements contain “forward-looking statements” based on information available to SNL on the date hereof, and SNL assumes no obligation to update any such forward-looking statement. These statements may be identified by the use of words like “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “will,” “should,” “seek,” and similar terms. The forward-looking statements reflect SNL’s current views and assumptions and are subject to risks and uncertainties. SNL does not represent or warrant that actual future results, performance or achievements will be as discussed in those statements, and assumes no obligation to, and does not intend to update any of those forward-looking statements other than as may be required by applicable law.

Unaudited Condensed Consolidated Interim Financial Statements as of and for the Three and Six Months Ended May 31, 2024 and Independent Auditors’ Review Report for the Six Months Ended May 31, 2024

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	Three Months Ended May 31, 2024	Three Months Ended May 31, 2023	Six Months Ended May 31, 2024	Six Months Ended May 31, 2023
		(in thousands, except for per share amounts)			
Operating revenue	4	**$ 741,148**	$ 721,924	**$ 1,448,462**	$ 1,430,574
Operating expenses		**(473,815)**	(445,761)	**(926,766)**	(888,855)
Legal claims provision	10	**—**	(155,000)	**—**	(155,000)
		267,333	121,163	**521,696**	386,719
Depreciation and amortisation	4	**(74,019)**	(71,467)	**(146,484)**	(140,735)
Gross Profit		**193,314**	49,696	**375,212**	245,984
Share of profit of joint ventures and associates	4	**19,392**	17,674	**36,901**	32,682
Administrative and general expenses		**(78,049)**	(58,215)	**(146,101)**	(127,743)
Gain on disposal of assets, net		**2,041**	678	**2,395**	257
Other operating income		**423**	330	**1,038**	1,110
Other operating expense		**(335)**	(113)	**(536)**	(168)
Operating Profit		**136,786**	10,050	**268,909**	152,122
Non-Operating Income (Expense)					
Finance income		**2,824**	1,183	**8,508**	2,149
Finance expense on lease liabilities		**(3,040)**	(2,703)	**(6,015)**	(5,379)
Finance expense on debt		**(27,172)**	(27,698)	**(55,323)**	(54,592)
Foreign currency exchange loss, net		**(632)**	(1,244)	**(491)**	(2,829)
Other non-operating income, net		**725**	39	**6,657**	3,047
Profit (loss) before Income Tax		**109,491**	(20,373)	**222,245**	94,518
Income tax (expense) benefit		**(9,314)**	28,662	**(18,099)**	13,591
Net Profit		**$ 100,177**	$ 8,289	**$ 204,146**	$ 108,109
Earnings per Share:					
Net Profit attributable to SNL shareholders					
Basic		**$ 1.87**	$ 0.15	**$ 3.81**	$ 2.02
Diluted		**$ 1.87**	$ 0.15	**$ 3.81**	$ 2.02

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

	Three Months Ended		Six Months Ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
	(in thousands)			
Net profit	**$ 100,177**	$ 8,289	**$ 204,146**	$ 108,109
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain (loss) on pension schemes	**1,454**	(2,164)	**1,454**	(2,164)
Actuarial loss on a pension scheme of a joint venture	**(430)**	—	**(430)**	—
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	—	(294)	—	(294)
Items that may be reclassified subsequently to profit or loss:				
Net (loss) gain on cash flow hedges	**(4,129)**	(24,892)	**12,381**	(41,297)
Reclassification of cash flow hedges to income statement	**8,137**	19,320	**(8,429)**	35,416
Net gain (loss) on cash flow hedges held by joint ventures and associates	**507**	(2,071)	**340**	150
Deferred tax adjustment on cash flow hedges	**(237)**	491	**(459)**	584
Exchange differences arising on translation of foreign operations	**730**	4,214	**(1,482)**	7,258
Exchange differences arising on translation of joint ventures and associates	**(4,987)**	(935)	**(10,159)**	(287)
Change in value of investments in equity instruments	**50,122**	(15,605)	**61,927**	(17,204)
Total other comprehensive income (loss)	**51,167**	(21,936)	**55,143**	(17,838)
Total comprehensive income (loss)	**$ 151,344**	$ (13,647)	**$ 259,289**	$ 90,271

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Notes	May 31, 2024	November 30, 2023
		(in thousands)	
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 115,135**	$ 446,515
Receivables, net		**345,107**	341,319
Inventories, net		**6,618**	8,390
Biological assets		**59,534**	54,812
Prepaid expenses		**93,948**	108,727
Derivative financial instruments	8	**6,119**	6,096
Income tax receivable		**6,031**	2,029
Assets held for sale	6	**24,757**	—
Other current assets		**31,646**	47,082
Total Current Assets		**688,895**	1,014,970
Property, plant and equipment	6	**2,753,103**	2,840,502
Right-of-use assets	6	**233,633**	228,271
Deposit for newbuildings	6	**41,328**	—
Investments in and advances to joint ventures and associates		**730,760**	650,163
Investments in equity instruments	8	**231,320**	132,864
Deferred tax assets		**19,513**	19,144
Intangible assets and goodwill	6	**42,102**	40,283
Employee benefit assets		**22,962**	21,292
Derivative financial instruments	8	**7,016**	4,788
Insurance claim receivables		**13,829**	14,927
Other non-current assets		**16,044**	16,519
Total Non-Current Assets		**4,111,610**	3,968,753
Total Assets		**$ 4,800,505**	$ 4,983,723
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Current maturities of long-term debt	7	**$ 423,806**	$ 255,109
Current lease liabilities		**55,303**	55,456
Accounts payable		**103,365**	114,695
Accrued voyage expenses and unearned revenue		**67,337**	76,814
Accrued expenses		**242,750**	235,044
Provisions		**498**	302,184
Income tax payable		**21,912**	16,901
Dividend payable	5	**—**	53,591
Derivative financial instruments	8	**593**	11,940
Other current liabilities		**54,936**	55,569
Total Current Liabilities		**970,500**	1,177,303
Long-term debt	7	**1,421,798**	1,581,492
Long-term lease liabilities		**188,968**	182,751
Deferred tax liabilities		**96,126**	90,516
Employee benefit liabilities		**19,682**	19,937
Derivative financial instruments	8	**1,154**	7,656
Long-term provisions		**16,070**	17,194
Other non-current liabilities		**1,150**	820
Total Non-Current Liabilities		**1,744,948**	1,900,366
Total Liabilities		**2,715,448**	3,077,669
Shareholders' Equity			
Founder's shares	5	**14**	14
Common shares	5	**58,524**	58,524
Paid-in surplus		**195,466**	195,466
Retained earnings		**2,092,103**	1,967,219
Other components of equity		**(149,999)**	(204,118)
		2,196,108	2,017,105
Less – Treasury shares	5	**(111,051)**	(111,051)
Total Shareholders' Equity		**2,085,057**	1,906,054
Total Liabilities and Shareholders' Equity		**$ 4,800,505**	$ 4,983,723

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to Equity Holders of SNL								
	Common Shares	Founder's Shares	Paid-in Surplus	Treasury Shares	Retained Earnings	Foreign Currency	Hedging	Fair Value	Total
					(in thousands)				
Balance, December 1, 2022	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,787,198**	**$ (227,767)**	**$ 24,885**	**$ (5,573)**	**$ 1,721,696**
Comprehensive income									
Net profit	—	—	—	—	108,109	—	—	—	108,109
Other comprehensive income									
Translation adjustments, net	—	—	—	—	—	6,971	—	—	6,971
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(2,458)	—	—	—	(2,458)
Fair value adjustment on equity investments	—	—	—	—	—	—	—	(17,204)	(17,204)
Transfer related to disposal of equity investment	—	—	—	—	2,327	—	—	(2,327)	—
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	(5,147)	—	(5,147)
Total other comprehensive (loss) income	—	—	—	—	(131)	6,971	(5,147)	(19,531)	(17,838)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**107,978**	**6,971**	**(5,147)**	**(19,531)**	**90,271**
Transactions with shareholders									
Cash dividends paid - $1.25 per Common Share	—	—	—	—	(66,904)	—	—	—	(66,904)
Total transactions with shareholders	**—**	**—**	**—**	**—**	**(66,904)**	**—**	**—**	**—**	**(66,904)**
Balance, May 31, 2023	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,828,272**	**$ (220,796)**	**$ 19,738**	**$ (25,104)**	**$ 1,745,063**
Balance, December 1, 2023	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,967,219**	**$ (204,310)**	**$ 9,687**	**$ (9,495)**	**$ 1,906,054**
Comprehensive income									
Net profit	—	—	—	—	204,146	—	—	—	204,146
Other comprehensive income									
Translation adjustments, net	—	—	—	—	—	(11,641)	—	—	(11,641)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	1,024	—	—	—	1,024
Fair value adjustment on equity investments	—	—	—	—	—	—	—	61,927	61,927
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	3,833	—	3,833
Total other comprehensive income (loss)	—	—	—	—	1,024	(11,641)	3,833	61,927	55,143
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**205,170**	**(11,641)**	**3,833**	**61,927**	**259,289**
Transactions with shareholders									
Cash dividends paid - $1.50 per Common Share	—	—	—	—	(80,286)	—	—	—	(80,286)
Total transactions with shareholders	**—**	**—**	**—**	**—**	**(80,286)**	**—**	**—**	**—**	**(80,286)**
Balance, May 31, 2024	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 2,092,103**	**$ (215,951)**	**$ 13,520**	**$ 52,432**	**$ 2,085,057**

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		For the Six Months Ended	
	Notes	May 31, 2024	May 31, 2023
		(in thousands)	
Cash generated from operations	3	**$ 109,058**	$ 384,408
Interest paid		**(62,959)**	(52,458)
Debt issuance costs		**(1,489)**	(785)
Interest received		**5,684**	3,874
Income taxes paid		**(11,934)**	(8,778)
Net cash generated by operating activities		**38,360**	326,261
Cash flows from investing activities			
Capital expenditures	6	**(76,960)**	(141,989)
Purchase of intangible assets	6	**(3,217)**	(4,382)
Deposits for newbuildings	6	**(41,328)**	—
Proceeds from sale of assets		**28,993**	1,243
Investment in joint ventures and associates		**(6,270)**	(11,863)
(Purchase) sale of shares in equity instruments		**(35,600)**	11,537
Advances to joint ventures and associates		**(65,169)**	(3,398)
Repayment of advances to joint ventures and associates		**2,426**	12,982
Other, net		**456**	500
Net cash used in investing activities		**(196,669)**	(135,370)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	7	**168,000**	—
Repayment of long-term debt	7	**(174,223)**	(82,374)
Principal payments on leases		**(30,585)**	(26,758)
Dividends paid	5	**(133,876)**	(120,332)
Net cash used in financing activities		**(170,684)**	(229,464)
Net decrease in cash and cash equivalents		**(328,993)**	(38,573)
Effect of exchange rate changes on cash and cash equivalents		**(2,387)**	2,076
Cash and cash equivalents at beginning of the period		**446,515**	152,141
Cash and cash equivalents at the end of the period		**$ 115,135**	$ 115,644

See notes to the unaudited condensed consolidated interim financial statements.

1. Basis of Preparation

The unaudited condensed consolidated interim financial statements of Stolt-Nielsen Limited (the "Company" or "SNL"), a Bermuda-registered company, and its subsidiaries (collectively, the "Group") are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed consolidated interim financial statements should be reviewed in conjunction with the audited Consolidated Financial Statements for the year ended November 30, 2023, to fully understand the current financial position of the Group.

Going Concern

As part of the going concern valuation, Management considered the following large expenditures that are expected to occur from June 1, 2024 to May 31, 2025:

- Repayments of long-term debt of $423.8 million through the period which includes a $236.3 million balloon repayment on the Stolthaven Houston terminal private placement debt ("Houston debt") in March 2025,
- Investment and capital expenditure commitments of approximately $216.7 million, and
- Routine working capital requirements.

These future expenditures are mitigated by the following:

- At May 31, 2024, the Group had cash and cash equivalents of $115.1 million.
- The Group has an undrawn committed revolving credit facility for $181.4 million with an expiration date in 2028 and another for $150.0 million with an expiration in 2027.
- The Group refinanced the Houston debt on July 9, 2024 for $450.0 million. See Note 12, Subsequent events for further information.
- The ability of the Group to meet future expenditure requirements is dependent on the timing and quantum of cash flows from operations. The Group has prepared a detailed cash flow forecast for 2024 and 2025 which shows continued robust cash from operations. Cash flow forecasts are revised and reviewed by Management monthly and reviewed by the Board of Directors quarterly.
- The Group has access to alternative forms of capital such as the sale of equity instruments or other assets and the ability to reduce dividends.
- The Group has performed stress testing by considering various downside scenarios without negative results.

In the opinion of Management, the Group has adequate resources to continue to operate as a going concern for the foreseeable future and to comply with all debt covenants. If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values, in particular goodwill and other intangible assets, and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

2. Significant Accounting Policies

The accounting policies applied are consistent with those described in the Consolidated Financial Statements for the year ended November 30, 2023. No new IFRS became effective in the six months ended May 31, 2024 which had a material effect on the Group.

3. Reconciliation of Net Profit to Cash Generated from Operations

	For the Six Months Ended	
	May 31, 2024	May 31, 2023
	(in thousands)	
Net profit	**$ 204,146**	$ 108,109
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**144,593**	139,102
Amortisation of intangible assets	**1,891**	1,633
Finance expense, net	**52,830**	57,822
Net periodic expense (benefit) for defined benefit pension plans	**481**	(247)
Income tax expense (benefit)	**18,099**	(13,591)
Share of profit of joint ventures and associates	**(36,901)**	(32,682)
Fair value adjustment on biological assets	**(4,054)**	5,342
Foreign currency related loss (gain)	**1,580**	(1,090)
Gain on disposal of assets, net	**(2,395)**	(257)
Changes in assets and liabilities:		
(Increase) decrease in receivables	**(1,224)**	25,002
Decrease (increase) in inventories	**1,070**	(35)
Increase in biological assets	**(870)**	(1,987)
Decrease in prepaid expenses and other current assets	**30,111**	9,468
(Decrease) increase in accounts payable and other current liabilities	**(24,851)**	81,372
Payment of the *MSC Flaminia* provision	**(290,000)**	—
Contributions to defined benefit pension plans	**(814)**	(906)
Dividends from joint ventures and associates	**14,387**	6,072
Other, net	**979**	1,281
Cash generated from operations	**$ 109,058**	$ 384,408

4. Business Segment Information

The segment information is provided on the same basis as stated in the Consolidated Financial Statements for the year ended November 30, 2023.

The following tables show the summarised financial information, in US thousands of dollars, for each reportable segment:

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other	Total
For the three months ended May 31, 2024							
Operating revenue	$ 465,325	$ 76,403	$ 167,076	$ 31,591	$ —	$ 753	$ 741,148
Depreciation and amortisation	(40,073)	(16,027)	(14,279)	(2,301)	—	(1,339)	(74,019)
Share of profit (loss) of joint ventures and associates	16,307	7,363	670	—	(4,948)	—	19,392
Operating profit (loss)	106,534	28,232	12,509	9,146	(5,163)	(14,472)	136,786
Finance expense (a)	(17,327)	(11,996)	(4,726)	(1,184)	(1,600)	6,621	(30,212)
Finance income	27	308	115	17	—	2,357	2,824
Profit (loss) before income tax	90,013	16,561	7,081	8,053	(6,099)	(6,118)	109,491
Income tax expense	(467)	(1,880)	(2,014)	(2,026)	—	(2,927)	(9,314)
Net profit (loss)	89,546	14,681	5,067	6,027	(6,099)	(9,045)	100,177
Capital expenditures (b)	15,384	26,596	1,671	4,022	—	3,765	51,438
For the six months ended May 31, 2024							
Operating revenue	$ 909,076	$ 153,217	$ 323,208	$ 62,208	$ —	$ 753	$ 1,448,462
Depreciation and amortisation	(79,459)	(31,660)	(28,192)	(4,404)	—	(2,769)	(146,484)
Share of profit (loss) of joint ventures and associates	28,722	14,090	857	—	(6,768)	—	36,901
Operating profit (loss)	199,553	56,748	25,792	19,127	(7,188)	(25,123)	268,909
Finance expense (a)	(34,470)	(23,213)	(9,260)	(2,348)	(3,162)	11,115	(61,338)
Finance income	40	617	247	38	1	7,565	8,508
Profit (loss) before income tax	165,910	34,087	16,125	16,986	(8,981)	(1,882)	222,245
Income tax expense	(1,588)	(5,939)	(4,928)	(4,225)	—	(1,419)	(18,099)
Net profit (loss)	164,322	28,148	11,197	12,761	(8,981)	(3,301)	204,146
Capital expenditures (b)	65,280	38,076	12,060	5,053	—	5,557	126,026
As of May 31, 2024							
Investments in and advances to joint ventures and associates	301,995	307,395	27,863	—	93,507	—	730,760
Segment assets	2,142,971	1,404,014	679,419	161,376	163,856	248,869	4,800,505

(a) Interest is allocated to the business segments based on the average interest rate of the Group times a percentage of each segment's net asset base.

(b) Capital expenditures include additions to property, plant and equipment, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised right-of-use assets.

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other	Total
For the three months ended May 31, 2023							
Operating revenue	$ 430,785	$ 74,285	$ 189,254	$ 27,600	$ —	$ —	$ 721,924
Depreciation and amortisation	(39,618)	(15,846)	(12,274)	(2,308)	—	(1,421)	(71,467)
Share of profit (loss) of joint ventures and associates	12,323	7,523	460	—	(2,632)	—	17,674
Operating profit (loss)	96,849	27,817	(115,293)	1,537	(2,712)	1,852	10,050
Finance expense (a)	(15,249)	(10,245)	(3,817)	(900)	(1,514)	1,324	(30,401)
Finance income	89	68	74	—	—	952	1,183
Profit (loss) before income tax	81,749	17,644	(121,432)	659	(4,195)	5,202	(20,373)
Income tax (expense) benefit	(839)	(4,217)	34,053	(177)	—	(158)	28,662
Net profit (loss)	80,910	13,427	(87,379)	482	(4,195)	5,044	8,289
Capital expenditures (b)	62,844	17,601	3,600	2,580	—	3,806	90,431
For the six months ended May 31, 2023							
Operating revenue	$ 846,255	$ 148,237	$ 383,147	$ 52,767	$ —	$ 168	$ 1,430,574
Depreciation and amortisation	(78,048)	(31,168)	(24,487)	(4,279)	—	(2,753)	(140,735)
Share of profit (loss) of joint ventures and associates	25,510	12,601	472	—	(5,901)	—	32,682
Operating profit (loss)	183,983	52,923	(75,979)	4,706	(6,068)	(7,443)	152,122
Finance expense (a)	(30,363)	(20,025)	(7,706)	(1,770)	(3,029)	2,922	(59,971)
Finance income	241	149	250	—	—	1,509	2,149
Profit (loss) before income tax	153,303	33,152	(86,836)	2,545	(9,057)	1,411	94,518
Income tax (expense) benefit	(1,663)	(7,617)	25,449	(894)	—	(1,684)	13,591
Net profit (loss)	151,640	25,535	(61,387)	1,651	(9,057)	(273)	108,109
Capital expenditures (b)	75,948	36,062	19,061	8,878	—	4,977	144,926
As of November 30, 2023							
Investments in and advances to joint ventures and associates	237,940	308,268	27,853	—	76,102	—	650,163
Segment assets	2,117,714	1,387,962	666,447	153,711	133,889	524,000	4,983,723

(a) Interest is allocated to the business segments based on the average interest rate of the Group times a percentage of each segment's net asset base.

(b) Capital expenditures include additions to property, plant and equipment, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised right-of-use assets.

The following table sets out the key elements of the sources of revenue:

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
For the three months ended May 31, 2024						
Revenue recognised over time:						
Freight revenue	**$ 391,344**	**$ –**	**$ 129,110**	**$ –**	**$ –**	**$ 520,454**
Storage and throughput revenue	**–**	**50,438**	**–**	**–**	**–**	**50,438**
	391,344	**50,438**	**129,110**	**–**	**–**	**570,892**
Revenue recognised at a point in time:						
Demurrage, bunker surcharge and ancillary revenue	**73,981**	**–**	**37,966**	**–**	**–**	**111,947**
Turbot and sole	**–**	**–**	**–**	**31,591**	**–**	**31,591**
Rail revenue	**–**	**5,605**	**–**	**–**	**–**	**5,605**
Utility revenue	**–**	**8,408**	**–**	**–**	**–**	**8,408**
Dock, product handling and other revenue	**–**	**11,952**	**–**	**–**	**753**	**12,705**
	73,981	**25,965**	**37,966**	**31,591**	**753**	**170,256**
	$ 465,325	**$ 76,403**	**$ 167,076**	**$ 31,591**	**$ 753**	**$ 741,148**
For the six months ended May 31, 2024						
Revenue recognised over time:						
Freight revenue	**$ 761,100**	**$ –**	**$ 245,966**	**$ –**	**$ –**	**$ 1,007,066**
Storage and throughput revenue	**–**	**101,302**	**–**	**–**	**–**	**101,302**
	761,100	**101,302**	**245,966**	**–**	**–**	**1,108,368**
Revenue recognised at a point in time:						
Demurrage, bunker surcharge and ancillary revenue	**147,976**	**–**	**77,242**	**–**	**–**	**225,218**
Turbot and sole	**–**	**–**	**–**	**62,208**	**–**	**62,208**
Rail revenue	**–**	**11,167**	**–**	**–**	**–**	**11,167**
Utility revenue	**–**	**17,175**	**–**	**–**	**–**	**17,175**
Dock, product handling and other revenue	**–**	**23,573**	**–**	**–**	**753**	**24,326**
	147,976	**51,915**	**77,242**	**62,208**	**753**	**340,094**
	$ 909,076	**$ 153,217**	**$ 323,208**	**$ 62,208**	**$ 753**	**$ 1,448,462**

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
For the three months ended May 31, 2023						
Revenue recognised over time:						
Freight revenue	$ 375,678	$ –	$ 137,537	$ –	$ –	$ 513,215
Storage and throughput revenue	–	50,754	–	–	–	50,754
	375,678	50,754	137,537	–	–	563,969
Revenue recognised at a point in time:						
Demurrage, bunker surcharge and ancillary revenue	55,107	–	51,717	–	–	106,824
Turbot and sole	–	–	–	27,600	–	27,600
Rail revenue	–	5,534	–	–	–	5,534
Utility revenue	–	7,564	–	–	–	7,564
Dock, product handling and other revenue	–	10,433	–	–	–	10,433
	55,107	23,531	51,717	27,600	–	157,955
	$ 430,785	$ 74,285	$ 189,254	$ 27,600	$ –	$ 721,924
For the six months ended May 31, 2023						
Revenue recognised over time:						
Freight revenue	$ 734,111	$ –	$ 278,757	$ –	$ –	$ 1,012,868
Storage and throughput revenue	–	99,386	–	–	–	99,386
	734,111	99,386	278,757	–	–	1,112,254
Revenue recognised at a point in time:						
Demurrage, bunker surcharge and ancillary revenue	112,144	–	104,390	–	–	216,534
Turbot and sole	–	–	–	52,767	–	52,767
Rail revenue	–	11,530	–	–	–	11,530
Utility revenue	–	15,759	–	–	–	15,759
Dock, product handling and other revenue	–	21,562	–	–	168	21,730
	112,144	48,851	104,390	52,767	168	318,320
	$ 846,255	$ 148,237	$ 383,147	$ 52,767	$ 168	$ 1,430,574

5. Shareholders' Equity and Dividends

The Group's authorised share capital consists of 65,000,000 Common shares, par value of $1 per share, and 16,250,000 Founder's shares, par value of $0.001 per share.

	Founder's Shares par value $0.001 per share	Common Shares par value $1 per share
Balance at May 31, 2024:		
Shares Issued	14,630,949	58,523,796
Less Treasury Shares	(1,250,000)	(5,000,000)
Shares Outstanding	13,380,949	53,523,796

Treasury Shares

The Board has authorised the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company has utilised $21.3 million prior to 2023, leaving $8.7 million available for future purchases.

Dividends

On February 22, 2024, the Company's Board of Directors recommended a final dividend for 2023 of $1.50 per Common share. The dividend was approved at the Group's Annual General Meeting for shareholders held on April 18, 2024 in Bermuda. The total amount of the dividend was $80.3 million and paid on May 8, 2024.

On November 16, 2023, the Company's Board of Directors declared an interim dividend of $1.00 per Common share and $0.005 per Founder's share to shareholders of record as of November 23, 2023. The total amount of the dividend was $53.6 million, which was classified as an interim dividend and paid on December 7, 2023.

6. Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets

During the three months ended May 31, 2024, the Group spent $40.8 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $4.8 million on tankers capital expenditures, (b) $8.1 million on drydocking of ships, (c) $19.7 million on terminal capital expenditures, (d) $1.7 million on the acquisition of tank containers and construction at STC depots and (e) $4.0 million on Stolt Sea Farm capital expenditures.

During the six months ended May 31, 2024, the Group spent $77.0 million on property, plant and equipment. Cash spent during the period primarily reflected (a) $8.0 million on tankers capital expenditures, including $1.1 million of capitalized interest, (b) $14.0 million on drydocking of ships, (c) $35.3 million on terminal capital expenditures, (d) $12.1 million on the acquisition of tank containers and construction at STC depots and (e) $5.1 million on Stolt Sea Farm capital expenditures.

During the six months ended May 31, 2024, the Group paid deposits of $41.3 million for tanker newbuildings. See Note 9.

During the three months and six months ended May 31, 2024, $14.3 million and $17.9 million, respectively, of right-of-use assets have been capitalised, net of retirements.

During the six months ended May 31, 2024, the Group spent $3.2 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles was a gain of $0.4 million in the same period.

At May 31, 2024, the Group transferred one ship to Assets held for sale after entering into a sales agreement with an external party.

During the six months ended May 31, 2024, the Group sold the *Stolt Facto* for $29.0 million which resulted in a gain on sale of $2.0 million.

7. Short and Long-Term Debt

	Cashflows For the Six Months Ended	
	May 31, 2024	**May 31, 2023**
	(in thousands)	
Proceeds from issuance of long-term debt	**$ 168,000**	$ —
Repayment of long-term debt	**(174,223)**	(82,374)

Short-term bank loans consist of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities. Where the Group has the discretion to roll over its obligations for a period of more than 12 months and there is no expectation of settlement within 12 months, the debt is presented as long-term. As of May 31, 2024, the Group had available undrawn committed credit lines of $331.4 million and $100.0 million drawn down on its committed credit lines.

Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers and terminals, as well as $145.7 million unsecured bond financing ($142.9 million, after considering the cross-currency swap) at May 31, 2024.

On February 28, 2024, the Group entered into a revolver credit facility with Danske Bank A/S, Nordea Bank Abp, DNB (UK) Ltd, Swedbank AB and Skandinaviska Enskilda Banken AB for $150.0 million using Stolt Sea Farm SA shares as collateral.

On January 24, 2024, the Group signed a $37.5 million loan agreement with Nordea Bank Abp in a new four-and-a-half-year loan with semi-annual payments and a final balloon payment of $27.5 million. The loan is secured by two second-hand ships purchased in 2023. The Group fixed the interest rate at 5.74%.

On November 27, 2023, the Group issued an additional NOK 325.0 million (swapped into $30.5 million) on a September 2023 placement of senior unsecured bonds. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest of 7.81%. Net proceeds were for general corporate purposes. The bond proceeds were received in the first quarter of 2024.

The Group remains in compliance with all financial covenants and believes that it will be able to satisfy working capital, capital expenditures and debt requirements for at least the next 12 months from July 10, 2024. See further discussion in Note 1 above.

8. Fair Value Measurements for Financial Assets and Liabilities

The following estimated fair value amounts have been determined by the Group, using appropriate market information and valuation methodologies. Considerable judgement is required to develop these estimates of fair value, thus the estimates provided herein are not necessarily indicative of the amounts that could be realised in a current market exchange:

	May 31, 2024		November 30, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	**$ 115,135**	**$ 115,135**	$ 446,515	$ 446,515
Receivables	**345,107**	**345,107**	341,319	341,319
Other current assets	**31,646**	**31,646**	47,082	47,082
Long-term receivable from joint ventures	**88,510**	**88,510**	25,764	25,764
Financial Assets (Fair Value):				
Investments in equity instruments	**231,320**	**231,320**	132,864	132,864
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value-added tax)	**96,364**	**96,364**	107,142	107,142
Accrued expenses	**310,087**	**310,087**	311,858	311,858
Dividend payable	—	—	53,591	53,591
Short and long-term debt including current maturities (excluding debt issuance costs)	**1,861,518**	**1,907,690**	1,853,465	1,911,088
Lease liabilities	**244,271**	**244,271**	238,207	238,207
Other current liabilities	**54,936**	**54,936**	55,569	55,569
Derivative Financial Instruments (Fair Value):				
Assets				
Foreign exchange forward contracts	**538**	**538**	794	794
Interest rate swaps	**10,651**	**10,651**	10,044	10,044
Cross-currency interest rate swaps	**1,946**	**1,946**	46	46
	$ 13,135	**$ 13,135**	$ 10,884	$ 10,884
Liabilities				
Foreign exchange forward contracts	**593**	**593**	470	470
Interest rate swaps	**1,154**	**1,154**	3,876	3,876
Cross-currency interest rate swaps	—	—	15,250	15,250
	$ 1,747	**$ 1,747**	$ 19,596	$ 19,596

The carrying amounts of cash and cash equivalents, receivables, other current assets, accounts payable (excluding withholding and value-added tax payables), accrued expenses, other current liabilities, short-term bank loans and dividend payable are a reasonable estimate of their fair value, due to their short maturity. Long-term leases are exempt from disclosure of fair value measurements so fair value equals book value. Long-term debt in the table above excludes debt issuance costs of $15.9 million and $16.9 million, as of May 31, 2024 and November 30, 2023, respectively. The estimated value of the senior unsecured bond issues is based on traded values, while the value of the remaining long-term debt is based on interest rates as of May 31, 2024 and November 30, 2023, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange contracts are based on their estimated market values as of May 31, 2024 and November 30, 2023, respectively. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of May 31, 2024 and November 30, 2023, respectively.

Derivatives

The Group had derivative assets of $13.1 million and $10.9 million as of May 31, 2024 and November 30, 2023 respectively, and derivative liabilities of $1.7 million and $19.6 million as of May 31, 2024 and November 30, 2023, respectively. All the Group's derivative activities are financial instruments entered for hedging the Group's committed exposures or firm commitments with major financial credit institutions, shipbuilders and ship-repair yards. The fair values of the Group's foreign exchange contracts and cross-currency interest rate swaps are based on their estimated market values (Level one valuation method) as of May 31, 2024 and November 30, 2023, respectively. Derivative financial instruments are measured using inputs other than quoted values (Level two valuation method). There were no changes in the valuation techniques since November 30, 2023.

Investments in equity instruments

The Group's investments in Golar LNG Limited ("Golar"), Ganesh Benzoplast Limited ("GBL"), Odfjell SE, The Kingfish Company N.V. ("Kingfish") and Cool Company Limited ("CoolCo") are measured using quoted prices in an active market. A summary of changes in value of Investments in Equity Instruments designated as Fair Value Through Other Comprehensive Income ("FVTOCI") is summarised below:

	For the Six Months Ended/As of			
(in thousands, other than per share amounts)	**May 31, 2024**	**May 31, 2023**	**May 31, 2024**	**May 31, 2023**
	Golar		**CoolCo**	
Number of equity shares	**2,673**	2,673	**–**	–
Percentage of outstanding shares	**2.5%**	2.5%	**–**	–
Share price at end of period	**$ 26.29**	$ 20.34	**$ –**	$ –
Dividends received	**1,376**	–	**–**	–
Gain (loss) on FVTOCI	**12,562**	(12,642)	**–**	(261)
Cumulative loss on FVTOCI	**(36,118)**	(52,021)	**–**	–
Value of investment	**$ 70,265**	$ 54,363	**$ –**	$ –
	GBL		**Odfjell SE**	
Number of equity shares	**6,111**	6,111	**8,239**	5,013
Percentage of outstanding shares	**9.4%**	9.4%	**13.6%**	8.3%
Share price at end of period	**$ 1.71**	$ 1.85	**$ 17.20**	$ 8.28
Dividends received	**–**	–	**5,240**	3,212
(Loss) gain on FVTOCI	**(1,884)**	205	**52,144**	(1,478)
Cumulative gain on FVTOCI	**5,352**	6,175	**84,322**	20,832
Value of investment	**$ 10,461**	$ 11,278	**$ 141,676**	$ 41,524
	Kingfish		**Total**	
Number of equity shares	**9,238**	9,238		
Percentage of outstanding shares	**8.3%**	8.3%		
Share price at end of period	**$ 0.68**	$ 0.79		
Dividends received	**–**	–	**$ 6,616**	$ 3,212
(Loss) gain on FVTOCI	**(895)**	(3,028)	**61,927**	(17,204)
Cumulative (loss) gain on FVTOCI	**(1,124)**	(90)	**52,432**	(25,104)
Convertible loan	**2,652**	2,652	**2,652**	2,652
Value of investment	**$ 8,918**	$ 7,301	**$ 231,320**	$ 114,466

During the three months ended February 28, 2024, the Group acquired a further 3,225,000 shares of Odfjell SE for $35.6 million.

During the six months ended May 31, 2023, the Group disposed of its shares of CoolCo for $11.5 million, resulting in a gain on sale of $2.3 million which has been transferred from the fair value reserve to retained earnings.

9. Commitments and Contingencies

As of May 31, 2024 and November 30, 2023, the Group had total investment and capital expenditure commitments outstanding of approximately $582.5 million and $41.5 million, respectively. At May 31, 2024, the Group's purchase commitments consisted of six newbuilding contracts for tankers as discussed below, the exercise of purchase options of four second-hand ships currently under a long-term bareboat charter for $26.2 million, terminal projects of $49.8 million, tank container projects of $9.6 million and $7.3 million in Sea Farm. In addition, on May 3, 2024, the Group agreed to purchase the shares of Hassel Shipping 4 AS from its joint venture partner in early 2025. As a consequence of the transaction, Hassel Shipping 4 AS will become a wholly owned subsidiary of the Group.

Of the total, $216.7 million commitments at May 31, 2024 are expected to be paid within the next 12 months. The commitments will either be paid out of existing liquidity or through external financing.

The Group also has entered into commitments for an eight-year lease for one 33,000 deadweight tonne newbuilding and for three ten-year leases for three 26,000 deadweight tonne newbuildings. The ships are expected to be delivered during the second half of 2024. This will result in an increase in right-of-use assets and lease liabilities of approximately $118.2 million.

Newbuilding Contracts

On December 15, 2023, the Group contracted for six 38,000 deadweight tonne stainless steel parcel tankers. These ships will be built by Wuhu Shipyards with expected delivery between 2026 to 2028. The first newbuilding deposit of $41.3 million was paid in December 2023 and the total cost for the six ships is expected to be approximately $457.6 million, including site team costs and capitalised interest.

Purchase Commitments of Joint Ventures and Associates

The Group's joint ventures and associates had $505.4 million of total capital expenditure commitments on May 31, 2024 of which $59.3 million is expected to be paid within the next 12 months. Of the total commitments, $329.4 million related to newbuilding contracts for NYK Stolt Tankers S.A. and $136.0 million related to newbuilding contracts for Avenir LNG Limited, as detailed below. In addition, $13.2 million related to a planned expansion at the joint venture terminal in Malaysia and $18.6 million in a new joint venture terminal in Taiwan. The commitments will be paid out of the existing liquidity of those joint ventures, capital injections, loans from its shareholders or through external financing.

Joint Venture Newbuilding Contracts

On February 7, 2024, the Group announced that its joint venture, NYK Stolt Tankers S.A., had reached an agreement with Nantong Xiangyu Shipyard in China to build six 38,000 deadweight tonne stainless steel chemical tankers for delivery between late 2026 and 2029. The total cost to the joint venture is expected to be approximately $442.7 million, including site team costs and capitalised interest. The newbuilding deposits will be paid out of operating cash flow and shareholder loans prior to delivery.

Avenir LNG Limited entered into a shipbuilding contract on April 25, 2024 with Nantong CIMC Sinopacific Offshore & Engineering Co. Ltd ("SOE") in China for two 20,000 cbm LNG bunker and supply carriers which are scheduled for delivery in 2026 and 2027. The newbuilding downpayment was financed by the Group ("Stolt RCF") on an arm's length basis with an expiration date of the loan of November 30, 2025. The Stolt RCF is for $37.5 million which may be increased by up to $15.8 million if required to make future payments on the shipbuilding contract.

Environmental

Environmental disclosures are described in Note 27 of the Consolidated Financial Statements for the year ended November 30, 2023. There have been no significant changes that have occurred since that date.

10. Legal Proceedings

The Group is party to various legal proceedings arising in the ordinary course of business. In cases where it believes the likelihood of losses are probable and can be estimated, provisions would be recorded for those legal cases. Disclosure of legal proceedings has been described in Note 29 of the Consolidated Financial Statements for the year ended November 30, 2023.

On April 9, 2024, the Group fully settled the *MSC Flaminia* legal claim, fully utilising its existing loss provision and insurance proceeds received in 2023.

For ongoing legal proceeding other than the *MSC Flaminia* civil action, there have been no significant changes since November 30, 2023. The Group believes that these ongoing legal proceedings should not have a material adverse effect on its business or financial condition.

General

The ultimate outcome of governmental and third-party legal proceedings is inherently difficult to predict. The Group's operations are affected by international and domestic environmental protection laws and regulations. Compliance with such laws and regulations may entail considerable expense, including ship modifications and changes in operating procedures.

11. Seasonality

Sales of seafood are generally stronger in the first quarter of the year as this coincides with increased sales over the Christmas and New Year holidays. Stolt Tank Containers shipment volumes may be negatively affected in the first and third quarters by the seasonality inherent in their key customers' businesses. Stolt Tankers' results can be negatively affected in the winter months in the Northern Hemisphere, because of weather conditions such as fog, ice and winter storms that cause port delays, congestion and waiting time. There is no significant seasonality in any of the other businesses.

12. Subsequent events

On July 9, 2024, the Group refinanced a $238.8 million debt facility maturing in March 2025 through the issuance of $450.0 million in seven-year and ten-year notes in the US private placement market. The notes are secured by US based assets and a guarantee from Stolt-Nielsen Limited. The notes are fixed rate notes with the interest rate for both tranches fixed at just under 6%. The funding will take place on or about July 17, 2024 at which time the $238.8 million facility will be repaid.

STOLT-NIELSEN LIMITED

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period from December 1, 2023 to May 31, 2024 has been prepared in accordance with IAS 34 as adopted by the European Union and gives a true and fair view of the Group's financial position and profit or loss and cash flows as a whole.

The maintenance and integrity of the Stolt-Nielsen Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

London
July 10, 2024

Signed for and on behalf of the Board of Directors

Udo Lange
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer

Independent review report to the Directors of Stolt-Nielsen Limited
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Stolt-Nielsen Limited's condensed consolidated interim financial statements (the "interim financial statements") in the Unaudited Condensed Consolidated Financial Statements of Stolt-Nielsen Limited for the 6 month period ended 31 May 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

The interim financial statements comprise:

- the Unaudited Condensed Consolidated Interim Balance Sheet as at 31 May 2024;
- the Unaudited Condensed Consolidated Interim Income Statement for the period then ended;
- the Unaudited Condensed Consolidated Interim Statement of Other Comprehensive Income for the period then ended;
- the Unaudited Condensed Consolidated Interim Statement of Cash Flows for the period then ended;
- the Unaudited Condensed Consolidated Interim Statement of Changes in Shareholders' Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Unaudited Condensed Consolidated Financial Statements of Stolt-Nielsen Limited have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Unaudited Condensed Consolidated Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Unaudited Condensed Consolidated Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by the directors. In preparing the Unaudited Condensed Consolidated Financial Statements, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Unaudited Condensed Consolidated Financial Statements based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the directors of the company as a body, for management purposes, in connection with the review of the condensed consolidated financial statements and for no other purpose. Our report may not be made available to any other party without our prior written consent. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

The Unaudited Condensed Consolidated Interim Income Statement and Unaudited Condensed Consolidated Interim Statement of Other Comprehensive Income for the three-month period ended May 31, 2024 have not been subject to review.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Watford
10 July 2024