STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

For the Three and Six Months Ended May 31, 2022

STOLT-NIELSEN LIMITED

TABLE OF CONTENTS

Interim Operational and Financial Review

Consolidated Income Statement

Stolt-Nielsen Limited's (the "Company" or "SNL") unaudited consolidated financial data for the six months ended May 31, 2022 and 2021 is summarised below. The financial statements are presented in US dollars.

	For the Six Months Ended	
	May 31, 2022	**May 31, 2021**
	(in thousands, except per share)	
Operating revenue	**$ 1,295,273**	$ 1,007,083
Gross profit	**293,480**	165,426
Operating profit	**203,685**	77,351
Net profit	**110,876**	10,323
EPS attributable to SNL shareholders – diluted	**2.07**	0.19

Net results increased to a profit of $110.9 million for the first half of 2022, compared with $10.3 million for the same period in 2021. All of the businesses' operations improved between the periods with STC generating record earnings as a result of strong market conditions. Partially offsetting the increase from operations was an $11.1 million loss from the early extinguishment of long-term debt. SNL incurred break costs and expensed debt issuance costs and hedging losses related to the refinancing of a loan with Export-Import Bank of China and Standard Chartered Bank (CEXIM). The refinancing will result in lower future finance expense and increase operational flexibility.

	For the Six Months Ended	
	May 31, 2022	**May 31, 2021**
	(in thousands)	
Operating revenue:		
Stolt Tankers	**$ 679,919**	$ 547,811
Stolthaven Terminals	**135,293**	118,589
Stolt Tank Containers	**423,265**	296,560
Stolt Sea Farm	**56,115**	43,942
Corporate and Other	**681**	181
Total	**$ 1,295,273**	$ 1,007,083
Operating profit (loss):		
Stolt Tankers	**$ 65,787**	$ 25,549
Stolthaven Terminals	**47,781**	34,036
Stolt Tank Containers	**84,781**	20,498
Stolt Sea Farm	**14,265**	341
Stolt-Nielsen Gas	**1,833**	96
Corporate and Other	**(10,762)**	(3,169)
Total	**$ 203,685**	$ 77,351

Operating Profit

The main reasons for changes in operating profit for the first six months of 2022, compared with the same period of 2021, were:

- Stolt Tankers reported an operating profit of $65.8 million, an increase of $40.2 million. Higher freight revenues and lower ship owning costs and depreciation were only partially offset by higher bunker costs as a result of higher bunker prices. The increase in freight revenues was due to more ship operating days and tonnage invoiced, higher bunker surcharge revenue and improved spot freight rates.

- Stolthaven Terminals reported an operating profit of $47.8 million in the six months ended May 31, 2022 compared to $34.0 million in the six months ended May 31, 2021. The increase in operating profit was mainly due to a higher utilisation and storage rates, an increase in ancillary services, a no-claims insurance bonus and a gain on the sale of the Port Alma assets in Australia. Partly offsetting these increases in operating profit were an addition to a claim accrual in Moerdijk and lower equity income.
- Stolt Tank Containers reported an increase of $64.3 million due to higher freight margins as a result of strong market conditions and continued supply chain congestion. Strong demand combined with a shortage of available space on ships have led to increased freight rates as well as a significant increase in demurrage and other ancillary revenue.
- Stolt Sea Farm reported an operating profit of $14.3 million, compared with $0.3 million in 2021. The increase of $14.0 million was due to higher turbot and sole sales prices and higher sole sales volumes as well as $1.0 million from fair value variance mainly coming from higher turbot biomass inventory and higher sales prices in both species at the period end.
- Stolt-Nielsen Gas reported an operating profit of $1.8 million, compared with $0.1 million for the six months ended May 31, 2021. Avenir LNG Limited (Avenir) sold a newly delivered newbuilding in December 2021 for which SNL's share of the gain was $4.7 million, offsetting underlying losses reported in the period.
- Corporate and Other reported an operating loss of $10.8 million in the first half of 2022, versus $3.2 million for the same period in 2021. This was primarily the result of a higher profit sharing accrual due to SNL's improved results.

Business Segment Information

This section summarises the Company's operating performance for each of the business segments. 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 $679.9 million, an increase of $132.1 million or 24.1% compared with the same period in 2021. Deep-sea revenues increased by $117.9 million between the two periods, primarily due to higher freight revenue driven by an 11.9% increase in operating days resulting in more cargo carried and higher spot freight rates, as well as higher bunker surcharge revenue of $37.8 million on the back of rapidly rising bunker prices. Volume was up 7.2% between the two periods, while average freight rates were 10.0% higher. The increase in regional revenues of $14.2 million was mainly due to additional capacity entered into the Caribbean trade, and strong regional markets in Asia.

The Sailed-In Time-Charter Index is a measure of the daily sailed-in rate for the Stolt Tankers Joint Service ("STJS") indexed to the rate for the fleet in the first quarter of 1996. The average Sailed-In Time-Charter Index for the first six months of 2022 was 0.54, corresponding to a sailed-in revenue of $19,797 per day. While for the comparative period of 2021 it was 0.52 or $18,419 per day.

Operating profit increased by $40.2 million or 157.5% between the first six months of 2022 versus 2021. The increase in revenues was only partly offset by the increase in operating expenses. Bunker cost (net of bunker surcharge revenue) increased by $22.8 million during the first six months of 2022 as the average bunker price consumed was $663 per ton compared to $416 during the same period in 2021. Time charter expense increased by $32.8 million from the inclusion of eight Tufton ships in the STJS during latter half of 2021, and port charges by $11.2 million in line with the increase in operating days.

Ship management cost decreased by $1.6 million mainly as a result of lower manning cost, partly due to lower mustering and transportation cost as Covid-19 restrictions have been easing, and lower maintenance and repair cost. In addition, depreciation expense was $9.8 million lower due to an increase in residual values following an increase in scrap metal prices towards the end of 2021.

Joint venture income was $8.5 million for the first six months of 2022, an increase of $5.6 million from the same period in 2021 and in line with the improvement in the deep-sea and regional results.

Stolthaven Terminals (“Stolthaven”)

Stolthaven’s revenues for the first half of 2022 increased by $16.7 million to $135.3 million compared with $118.6 million in the first half of 2021. This increase was mainly due to 8.3% higher utilization and 10.2% higher throughput, coupled with improved rates. Stolthaven also generated revenue from higher ancillary services, such as steam, nitrogen and heating revenue.

Stolthaven’s first-half 2022 operating profit increased by $13.8 million to $47.8 million from $34.0 million in the same period in 2021. This increase was mainly due to higher operating revenue while operating expenses remained stable, a no-claims insurance bonus in the US and a gain on the sale of the Port Alma assets in Australia with the release of a related environmental liability. Partly offsetting this increase in operating profit were an addition to a claim accrual in Moerdijk and lower equity income from joint ventures. The latter decreased by $1.8 million for the six months ended May 31, 2022, to $13.4 million from $15.2 million driven by the strengthening of the US Dollar.

Stolt Tank Containers (“STC”)

Stolt Tank Containers’ revenues were up by $126.7 million, to $423.3 million in the first half of 2022 from $296.6 million in the first half of 2021, reflecting an increase in freight rates on the back of the rising ocean carrier freight costs. This was combined with high demurrage and ancillary revenues as a result of congestion in supply chains globally. Shipments decreased 12.4% due to lack of available space on ocean carriers combined with longer transit times.

Stolt Tank Containers’ operating profit was $84.8 million, which was an increase of $64.3 million compared to the same period in 2021 as the higher revenues were only partly offset by higher ocean and other freight expenses as well as rising fixed costs. While transportation margin per shipment has increased, this was partially offset by increased fixed costs as the fleet has grown to meet demand amidst the longer shipment times caused by port congestion.

Stolt Sea Farm

Stolt Sea Farm’s revenues increased by $12.2 million in the first half of 2022 compared with the first half of 2021, mainly due to the 32.2% increase in turbot sales prices, together with a 57.8% increase in sole sales volumes and 29.5% increase in average sole sales prices.

Stolt Sea Farm’s operating profit was $14.3 million, up from an operating profit of $0.3 million in the first half of 2021. The increase of $14.0 million was due to the $9.6 million higher turbot operating profit mainly coming from higher sales prices, $3.2 million higher sole operating profit as a result of higher sales volumes and sales prices and $1.0 million from the fair value variance from higher turbot biomass inventory and higher sales prices in both species at the end of May 2022.

Stolt-Nielsen Gas

Stolt-Nielsen Gas reported an operating profit of $1.8 million, compared with $0.1 million for the six months ended May 31, 2021. Avenir sold a newly delivered newbuilding in December 2021, offsetting underlying losses reported in the period.

Corporate and Other

Corporate and Other reported an operating loss of $10.8 million in the first half of 2022, versus $3.2 million for the same period in 2021. The increase in the loss between periods is the result of a higher accrual for profit sharing as a result of SNL’s improved results.

Liquidity and Capital Resources

During the six months ended May 31, 2022, SNL met its liquidity needs through a combination of cash generated from operations, collateralised borrowings and commercial borrowings. SNL generated $275.9 million of net cash from operating activities during the first six months of 2022, which, along with a $308.5 million drawdown of long-term debt was used for capital expenditures of $73.0 million, investments in equity instruments of $30.7 million, debt payments of $367.3 million, lease payments of $24.5 million and dividend payments of $53.6 million. As of May 31, 2022, the Group had cash of $115.6 million and available committed short-term credit lines of $334.1 million.

During the first half of 2022, the Group entered into a sustainability-linked secured loan agreement for $415.0 million, consisting of a term loan of $180.9 million and a revolving credit line of $234.1 million. The loan syndication was with 14 banks and led by three bookrunners: Nordea Bank Abp, Danske Bank A/S and DNB

(UK) Limited. It expires on February 16, 2028 and is secured by 19 ships. The Group drew down on the term loan on March 15, 2022 to fully repay the loan with CEXIM.

During the first half of 2022, the Group signed and drew down on a $128.0 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and one-quarter years. There are 26 equal payments with a balloon payment at maturity.

For the six months ended May 31, 2022, $367.3 million of debt was repaid, including the full repayment of the CEXIM debt and balloon payment on the 2016 tank container financing. In addition amounts outstanding under secured and unsecured credit lines were reduced by $40.0 million during the period.

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 next 12 to 18 months, Stolt Tankers expects a continued steady recovery of the chemical tanker markets, building on the economic recovery during 2021 that followed the worldwide economic downturn caused by Covid-19. Although there are concerns around the macroeconomic impact of rising interest rates on the back of rapidly rising inflation, the outlook remains optimistic for the chemical tanker segment due to a favourable supply/demand balance, as demand for chemical tankers continues to grow while the orderbook for new ships remains at an all-time low with limited yard capacity available in the near to medium future.

Stolt Tankers is standing firm on contract renewals and spot fixtures to capitalize on the tightening market. However, considering the historically low levels and weak returns that the chemical tanker industry has seen for many years, there is still a long way to go until the returns through the cycle are sufficient to attract long-term capital for further investments in newbuildings.

Stolthaven Terminals

In the first half of 2022, Stolthaven Terminals continued to focus on various strategic initiatives including selective expansion. Stolthaven Terminals currently has a 78,200 cbm ongoing expansion project at Jeongil Stolthaven Ulsan Co. Ltd, its 50% joint venture terminal in South Korea and a 24,000 cbm ongoing expansion project at Stolthaven Westport Sdn. Bhd., its 49% joint venture terminal in Malaysia. In the first half of 2022 Stolthaven Terminals has also acquired a 12% stake in an entity that seeks to construct a greenfield terminal in the port of Kaoshing, Taiwan and a 50% stake in an entity exploring the construction of a greenfield terminal in the port of Ceyhan, Turkey. Both projects are subject to final investment decisions. During the period, the Port Alma assets were sold (23,043 cbm).

The main indicators for the chemical industry remain positive both on demand and pricing, although signs of a potential slowdown are evident due to inflationary and geo-political issues. Supply chain related issues, including the global container shipping disruptions and US trucking and railcar services, could continue to negatively impact movements of product. The storage market is expected to remain stable, and in some markets recent enquiries indicate a strengthening in the market on the back of growing demand for raw materials for biofuels production and edible oils to replace lost production from Ukraine. The petroleum market remains mostly in backwardation, which has impacted the storage market.

Stolt Tank Containers

Stolt Tank Containers had a reduction in the number of shipments during the first half of 2022, compared with the same period in 2021 due to challenges of getting space on ocean carriers. The size of the fleet increased by 6.2% and utilisation reduced slightly to 70.3% from 71.0% over the same period last year with additional growth in the fleet planned. Revenue per shipment increased primarily due to the rising ocean freight rates and increased demurrage and ancillary revenues. STC successfully passed on the increasing operating expenses such as ocean freight costs to customers.

Stolt Tank Containers continues to manage the core fleet of tanks to best meet demand and to manage operating costs. Leased units increased by 2,581 tanks in the first six months of 2022 versus May 31, 2021. At the same time, older underutilised tank containers were retired with most being recycled. Subsequent to May 31, 2021, STC placed an order for 1,000 tank containers, most of which have now been delivered.

The outlook for the balance of 2022 is positive as current market conditions are expected to continue, at least in the near-term. There are signs that additional space is coming available on the ocean carriers, which will free up tank supply. Land-side congestion will continue, though, so current demurrage and ancillary charges are expected to remain relatively high for the balance of 2022. There is also significant uncertainty around a pending recession in some regions and the related impact on shipment demand.

Stolt Sea Farm

Stolt Sea Farm saw a strong market during the first half of 2022, although some drop off in volume was experienced for turbot at the end of the second quarter as high prices and limited consumer purchasing capacity on the back of rising inflation hampered sales. The sole market has stayed strong throughout the first half of 2022. The third quarter tends to see strong seasonal demand during the summer months with expectation for robust turbot sales volumes and steady to improving prices.

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 Risk

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 or other severe weather events could result in asset loss, injuries, lost earnings, 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 or require costly investments. SNL is also monitoring new regulations, such as the EU Emissions Trading System, which starting in either 2023 or 2024 will require the purchase of carbon-offset credits. This will drive an increase in the Company's operating expenses and could impact the profitability and cash flow of the Group unless offset by higher revenue. In order to mitigate the cost increase, SNL is including wording in its Contracts of affreightment (COA) that 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 cost of the EU Emissions Trading System regulation.

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 ships, terminals, depots, farms and offices. SNL is also using its expertise and strong industry relationships to investigate and explore new technologies to enable the move towards a low-carbon future.

Safety and Environmental Risks

Safety for people and the environment are a top priorities and core values of SNL and its operating units. The Company manages its activities to reduce incidents, minimise risk and promote excellence in operational performance. Incidents can affect the Company's "license to Operate" and therefore constitute the highest potential business risk.

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. The Safety, Health and Environmental policies, procedures and practices of SNL, combined with rigorous training and the implementation of industry best practices, are aimed at maximising safety and minimising risk. 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 our workforce, visitors and all other parties from the ships, terminals, depots, farms and offices.

Even so, there could be environmental incidents in the form of spills, resulting in damage to marine life or animal habitat. The consequence of such environmental damage could be significant costs related to the cleanup of spills, salvage costs and fines, as well as costs related to reputational damage. Although SNL carries insurance against such eventualities, the full cost could exceed the coverage afforded by the insurance.

Political and Geopolitical Risk

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.

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. Although SNL's ship operations have continued mostly uninterrupted, there has been a delay in the performance of shore-side support operations and delay in transferring crew to and from the ships as well as an increased cost of these activities. Tank containers are dependent on SNL container depots for cleaning and pre-load preparations, and the depots are reliant on the employees being able to come to work, and third party truckers and rail lines being able to transport the containers. During the Covid-19 pandemic, Stolt Sea Farm's sales suffered as demand for turbot decreased drastically during lockdown as a large percent of their sales are to the hotel, restaurant and catering sectors.

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. In general, Stolt Tankers maintains a relatively high percentage of contract business. 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 new competition attempting to aggressively grow market share combined with an over-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 tanks.

Risk to Terminal Projects

Stolthaven Terminals is at various stages of designing and building tanks and jetties at some of its existing terminal locations. The development of terminal operations and jetties involves significant up-front investments in infrastructure and there are certain risks inherent to such developments, including political, regulatory, currency exchange, environmental, liquidity, financial and contractual risks. Different countries carry varying degrees of risk depending on social, cultural, political and financial development and stability. Stolthaven Terminals attempts to mitigate these risks by employing local country and regional representatives to act as liaisons with local authorities. While customer commitments are usually secured in advance for new capacity, securing such commitments is currently challenging. Experienced and dedicated commercial teams are in place globally, regionally and locally to focus on marketing new capacity.

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

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 also 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, 2022 was a $3.1 million increase in profit, compared with a $2.1 million increase in profit in the six months ended May 31, 2021. 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 Costs

Bunker fuel constitutes the single largest component of operating costs of the tanker fleet and increasing prices can have a material impact on the results. Although Stolt Tankers has successfully reduced the impact of price increases through bunker fuel adjustment clauses with contract customers, a significant portion of increased fuel costs is incurred solely by Stolt Tankers. Historically the direct effect of changes in fuel prices affect profitability in the case of spot contracts, which typically comprise approximately 30% to 40% of Stolt Tankers' volumes. In 2022, however, the majority of spot contracts contain a bunker fuel clause reducing the impact of bunker fuel price increases due to the rising prices. In addition, 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. Subsequent to December 2020, there are no bunker hedge financial instruments outstanding.

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, the Japanese yen, 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 expends 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.

The Company has one barge newbuilding on order.

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, 2022 and Independent Auditors’ Review Report for the Six Months Ended May 31, 2022

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
		(in thousands, except for per share amounts)			
Operating revenue	4	**$ 689,065**	$ 526,922	**$ 1,295,273**	$ 1,007,083
Operating expenses		**(460,163)**	(367,326)	**(863,212)**	(694,900)
		228,902	159,596	**432,061**	312,183
Depreciation and amortisation	4	**(70,298)**	(74,726)	**(138,581)**	(146,757)
Gross Profit		**158,604**	84,870	**293,480**	165,426
Share of profit of joint ventures and associates	4	**10,698**	9,771	**24,486**	18,780
Administrative and general expenses		**(60,245)**	(53,926)	**(118,804)**	(107,859)
Gain on disposal of assets, net		**1,039**	219	**1,789**	281
Other operating income		**1,928**	750	**2,900**	1,084
Other operating expense		**(149)**	(316)	**(166)**	(361)
Operating Profit		**111,875**	41,368	**203,685**	77,351
Non-Operating Income (Expense)					
Finance income		**442**	475	**1,294**	1,092
Finance expense on lease liabilities		**(2,797)**	(2,733)	**(5,012)**	(5,504)
Loss on early extinguishment of debt		**(11,149)**	—	**(11,149)**	—
Finance expense on debt		**(26,576)**	(29,317)	**(56,158)**	(59,690)
Foreign currency exchange (loss) gain, net		**(3,641)**	858	**(5,722)**	2,042
Other non-operating (expense) income, net		**(1,095)**	(24)	**154**	34
Profit before Income Tax		**67,059**	10,627	**127,092**	15,325
Income tax expense		**(8,476)**	(2,807)	**(16,216)**	(5,002)
Net Profit		**$ 58,583**	$ 7,820	**$ 110,876**	$ 10,323
Earnings per Share:					
Net Profit attributable to SNL shareholders					
Basic		**$ 1.09**	$ 0.15	**$ 2.07**	$ 0.19
Diluted		**$ 1.09**	$ 0.15	**$ 2.07**	$ 0.19

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, 2022	May 31, 2021	May 31, 2022	May 31, 2021
	(in thousands)			
Net profit	**$ 58,583**	$ 7,820	**$ 110,876**	$ 10,323
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit and other post-employment benefit obligations	**1,567**	14,609	**1,567**	14,609
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	**(1,724)**	(3,018)	**(1,724)**	(3,018)
Items that may be reclassified subsequently to profit or loss:				
Net (loss) gain on cash flow hedges	**(2,217)**	9,653	**13,180**	26,012
Reclassification of cash flow hedges to income statement	**18,512**	(6,364)	**13,518**	(13,520)
Net gain on cash flow hedges held by joint ventures and associates	**2,448**	534	**4,157**	2,111
Deferred tax adjustment on cash flow hedges	**(421)**	(45)	**(684)**	(361)
Exchange differences arising on translation of foreign operations	**(14,665)**	9,633	**(9,697)**	21,190
Deferred tax on translation of foreign operations	**—**	(173)	**(885)**	(63)
Exchange differences arising on translation of joint ventures and associates	**(14,583)**	4,567	**(17,332)**	5,618
Change in value of investments in equity instruments	**28,841**	3,546	**44,412**	10,640
Net profit recognised as other comprehensive income	**17,758**	32,942	**46,512**	63,218
Total comprehensive income	**$ 76,341**	$ 40,762	**$ 157,388**	$ 73,541

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Notes	May 31, 2022	November 30, 2021
		(in thousands)	
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 115,571**	$ 123,868
Restricted cash		**105**	6,096
Receivables		**346,212**	285,749
Insurance claim receivables		**—**	58,598
Inventories		**4,844**	6,986
Biological assets		**53,400**	50,344
Prepaid expenses		**106,575**	76,645
Derivative financial instruments	9	**1,656**	589
Income tax receivable		**4,465**	987
Other current assets		**43,674**	54,351
Total Current Assets		**676,502**	664,213
Property, plant and equipment	6	**2,807,601**	2,856,137
Right-of-use assets	6	**211,942**	203,048
Investments in and advances to joint ventures and associates		**626,320**	611,906
Investments in equity instruments	9	**112,948**	37,873
Deferred tax assets		**5,272**	9,238
Intangible assets and goodwill	6	**36,336**	38,967
Employee benefit assets		**19,481**	25,370
Derivative financial instruments	9	**7,962**	6,868
Insurance claim receivables	8	**157,364**	162,887
Other non-current assets		**20,261**	19,702
Total Non-Current Assets		**4,005,487**	3,971,996
Total Assets		**$ 4,681,989**	$ 4,636,209
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Short-term bank loans	7	**$ —**	$ 40,000
Current maturities of long-term debt	7	**385,090**	490,502
Current lease liabilities		**48,288**	43,473
Accounts payable		**129,169**	114,607
Accrued voyage expenses		**61,320**	51,328
Accrued expenses		**221,745**	197,904
Provisions		**4,592**	2,968
Income tax payable		**13,596**	12,534
Dividend payable	5	**—**	26,829
Derivative financial instruments	9	**3,165**	10,239
Other current liabilities		**47,869**	37,543
Total Current Liabilities		**914,834**	1,027,927
Long-term debt	7	**1,735,468**	1,695,142
Long-term lease liabilities		**171,025**	166,977
Deferred tax liabilities		**74,665**	68,025
Employee benefit obligations		**23,072**	31,720
Derivative financial instruments	9	**—**	7,938
Long-term provisions	8	**158,114**	164,126
Other non-current liabilities		**1,256**	1,425
Total Non-Current Liabilities		**2,163,600**	2,135,353
Total Liabilities		**3,078,434**	3,163,280
Shareholders' Equity			
Founder's shares	5	**14**	14
Common shares	5	**58,524**	58,524
Paid-in surplus		**195,466**	195,466
Retained earnings		**1,668,935**	1,584,978
Other components of equity		**(208,333)**	(255,002)
		1,714,606	1,583,980
Less – Treasury shares	5	**(111,051)**	(111,051)
Total Shareholders' Equity		**1,603,555**	1,472,929
Total Liabilities and Shareholders' Equity		**$ 4,681,989**	$ 4,636,209

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
Balance, December 1, 2020	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,532,060**	**$ (132,623)**	**$ (41,560)**	**$ (82,183)**	**$ 1,418,647**
Comprehensive income									
Net profit	—	—	—	—	10,323	—	—	—	10,323
Other comprehensive income									
Translation adjustments, net	—	—	—	—	—	26,745	—	—	26,745
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	11,591	—	—	—	11,591
Fair value adjustment on equity investments	—	—	—	—	—	—	—	10,640	10,640
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	14,242	—	14,242
Total other comprehensive income	—	—	—	—	11,591	26,745	14,242	10,640	63,218
Total comprehensive income	**—**	**—**	**—**	**—**	**21,914**	**26,745**	**14,242**	**10,640**	**73,541**
Transactions with shareholders									
Cash dividends paid - $0.25 per Common Share	—	—	—	—	(13,381)	—	—	—	(13,381)
Total transactions with shareholders	—	—	—	—	(13,381)	—	—	—	(13,381)
Balance, May 31, 2021	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,540,593**	**$ (105,878)**	**$ (27,318)**	**$ (71,543)**	**$ 1,478,807**
Balance, December 1, 2021	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,584,978**	**$ (162,757)**	**$ (18,743)**	**$ (73,502)**	**$ 1,472,929**
Comprehensive income									
Net profit	—	—	—	—	110,876	—	—	—	110,876
Other comprehensive income									
Translation adjustments, net	—	—	—	—	—	(27,914)	—	—	(27,914)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(157)	—	—	—	(157)
Fair value adjustment on equity investments	—	—	—	—	—	—	—	44,412	44,412
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	30,171	—	30,171
Total other comprehensive income	—	—	—	—	(157)	(27,914)	30,171	44,412	46,512
Total comprehensive income	**—**	**—**	**—**	**—**	**110,719**	**(27,914)**	**30,171**	**44,412**	**157,388**
Transactions with shareholders									
Cash dividends paid - $0.50 per Common Share	—	—	—	—	(26,762)	—	—	—	(26,762)
Total transactions with shareholders	—	—	—	—	(26,762)	—	—	—	(26,762)
Balance, May 31, 2022	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,668,935**	**$ (190,671)**	**$ 11,428**	**$ (29,090)**	**$ 1,603,555**

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Notes	For the Six Months Ended May 31, 2022	May 31, 2021
		(in thousands)	
Cash generated from operations	3	**$ 354,088**	$ 185,347
Interest paid		**(62,449)**	(61,411)
Debt issuance costs		**(6,024)**	(2,688)
Interest received		**1,280**	1,109
Income taxes (paid) received		**(11,044)**	1,244
Net cash generated by operating activities		**275,851**	123,601
Cash flows from investing activities			
Capital expenditures	6	**(72,978)**	(129,846)
Purchase of intangible assets	6	**(445)**	(1,635)
Proceeds from sale of assets		**2,523**	1,187
Investment in joint venture and associate		**(1,480)**	(21,173)
Purchase of shares in equity instruments		**(30,692)**	(3,000)
Repayment of advances to joint ventures and associates, net		**1,200**	2,682
Other, net		**248**	558
Net cash used in investing activities		**(101,624)**	(151,227)
Cash flows from financing activities			
(Decrease) increase in short-term bank loans	7	**(40,000)**	25,500
Proceeds from issuance of long-term debt	7	**308,533**	212,824
Repayment of long-term debt	7	**(367,282)**	(232,183)
Principal payments on leases		**(24,525)**	(20,465)
Dividends paid	5	**(53,590)**	(26,829)
Net cash used in financing activities		**(176,864)**	(41,153)
Net decrease in cash and cash equivalents		**(2,637)**	(68,779)
Effect of exchange rate changes on cash		**(5,660)**	3,369
Cash and cash equivalents at beginning of the period		**123,868**	187,767
Cash and cash equivalents at the end of the period		**$ 115,571**	$ 122,357

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 financial statements should be reviewed in conjunction with the audited Consolidated Financial Statements for the year ended November 30, 2021, to fully understand the current financial position of the Group.

Going Concern

The Group has current debt of $385.1 million at May 31, 2022, which includes a USD bond of $175.0 million due in September 2022 and balloon payment on a tank container financing of $60.9 million in November 2022. It also has capital expenditure commitments of $107.4 million and working capital requirements. At May 31, 2022, the Group had cash on hand of $115.6 million, an undrawn revolving credit facility for $234.1 million with an expiration date in 2028 and a $100.0 million undrawn committed revolving credit facility expiring in December 2022. Also, subsequent to May 31, 2022, the Group entered into a $110.0 million floating-rate borrowing agreement using a group of tank containers as collateral, which is expected to be drawn in November 2022.

The Covid-19 pandemic has resulted in significant disruptions in global economic activities, causing the operations of the Group, its customers, suppliers and other stakeholders to be impacted. The Group has attempted to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees in mind.

The recent ongoing war between Russia and Ukraine and related sanctions imposed could adversely affect global trade, including for products that the Group ships and stores. The higher oil prices have resulted in increased bunker prices, a key cost component for Stolt Tankers. The Group employs crew and officers from both countries, and their availability is being impacted by the war.

Management is of the opinion, after considering its cash requirements and various downside scenarios, that the Company's cash flows from operations, available credit facilities and other available sources of liquidity will continue to provide the cash necessary to satisfy the Company's working capital requirements, scheduled debt repayments and committed capital expenditures for the next twelve months. Therefore, the Group continues to adopt the going concern basis in preparing 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, 2021. No new IFRS became effective in the six months ended May 31, 2022 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, 2022	May 31, 2021
	(in thousands)	
Net profit	**$ 110,876**	$ 10,323
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**136,664**	144,533
Amortisation of intangible assets	**1,917**	2,224
Finance expense, net	**71,025**	64,102
Net periodic benefit expense of defined benefit pension plans	**352**	1,060
Income tax expense	**16,216**	5,002
Share of profit of joint ventures and associates	**(24,486)**	(18,780)
Fair value adjustment on biological assets	**(3,064)**	(2,124)
Foreign currency related loss (gain)	**5,722**	(2,042)
Unrealised bunker hedge gain	—	(251)
Gain on disposal of assets, net	**(1,789)**	(281)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(2,785)**	(30,779)
Decrease in inventories	**2,055**	570
Increase in biological assets	**(2,542)**	(3,955)
Increase in prepaid expenses and other current assets	**(21,754)**	(10,269)
Increase in accounts payable and other current liabilities	**62,964**	19,612
Contributions to defined benefit pension plans	**(1,594)**	(902)
Dividends from joint ventures and associates	**4,339**	8,387
Other, net	**(28)**	(1,083)
Cash generated from operations	**$ 354,088**	$ 185,347

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, 2021.

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, 2022							
Operating revenue	$ **365,391**	$ **69,214**	$ **228,003**	$ **26,109**	$ **—**	$ **348**	$ **689,065**
Depreciation and amortisation	**(39,490)**	**(15,373)**	**(11,830)**	**(2,131)**	**—**	**(1,474)**	**(70,298)**
Share of profit (loss) of joint ventures and associates	**4,969**	**7,017**	**474**	**—**	**(1,762)**	**—**	**10,698**
Operating profit (loss)	**40,814**	**25,735**	**44,742**	**8,409**	**(1,795)**	**(6,030)**	**111,875**
Finance expense (a)	**(14,208)**	**(9,308)**	**(3,289)**	**(886)**	**(1,409)**	**(11,422)**	**(40,522)**
Finance income	**68**	**82**	**100**	**—**	**—**	**192**	**442**
Profit (loss) before income tax	**26,280**	**15,953**	**41,288**	**7,899**	**(3,181)**	**(21,180)**	**67,059**
Income tax expense	**(387)**	**(1,345)**	**(3,708)**	**(2,233)**	**—**	**(803)**	**(8,476)**
Net profit (loss)	**25,893**	**14,608**	**37,580**	**5,666**	**(3,181)**	**(21,983)**	**58,583**
Capital expenditures (b)	**15,243**	**17,116**	**12,841**	**362**	**—**	**1,843**	**47,405**
For the six months ended May 31, 2022							
Operating revenue	**$ 679,919**	**$ 135,293**	**$ 423,265**	**$ 56,115**	**$ —**	**$ 681**	**$ 1,295,273**
Depreciation and amortisation	**(77,966)**	**(30,588)**	**(22,992)**	**(4,098)**	**—**	**(2,937)**	**(138,581)**
Share of profit of joint ventures and associates	**8,459**	**13,366**	**628**	**—**	**2,033**	**—**	**24,486**
Operating profit (loss)	**65,787**	**47,781**	**84,781**	**14,265**	**1,833**	**(10,762)**	**203,685**
Finance expense (a)	**(28,255)**	**(18,600)**	**(6,801)**	**(1,774)**	**(2,819)**	**(14,070)**	**(72,319)**
Finance income	**118**	**162**	**230**	**—**	**—**	**784**	**1,294**
Profit (loss) before income tax	**36,652**	**28,557**	**77,444**	**13,218**	**(970)**	**(27,809)**	**127,092**
Income tax expense	**(1,038)**	**(3,738)**	**(6,004)**	**(3,643)**	**—**	**(1,793)**	**(16,216)**
Net profit (loss)	**35,614**	**24,819**	**71,440**	**9,575**	**(970)**	**(29,602)**	**110,876**
Capital expenditures (b)	**20,659**	**31,053**	**18,223**	**911**	**—**	**2,921**	**73,767**
As of May 31, 2022							
Investments in and advances to joint ventures and associates	**242,817**	**270,574**	**25,964**	**—**	**86,965**	**—**	**626,320**
Segment assets	**2,113,792**	**1,304,310**	**634,309**	**136,406**	**163,204**	**329,968**	**4,681,989**

(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. It includes the Loss on early extinguishment of debt.

(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, 2021							
Operating revenue	$ 287,041	$ 60,621	$ 157,708	$ 21,420	$ —	$ 132	$ 526,922
Depreciation and amortisation	(44,738)	(15,622)	(11,013)	(1,683)	—	(1,670)	(74,726)
Share of profit of joint ventures and associates	1,375	8,355	261	—	(219)	(1)	9,771
Operating profit (loss)	12,630	18,306	12,497	(614)	(495)	(956)	41,368
Finance expense (a)	(15,907)	(9,859)	(3,809)	(753)	(1,320)	(402)	(32,050)
Finance income	58	68	101	—	—	248	475
(Loss) profit before income tax	(3,631)	8,743	8,539	(980)	(1,827)	(217)	10,627
Income tax expense	(336)	(173)	(323)	(150)	—	(1,825)	(2,807)
Net (loss) profit	(3,967)	8,570	8,216	(1,130)	(1,827)	(2,042)	7,820
Capital expenditures (b)	$ 13,385	$ 10,854	$ 2,162	$ 1,387	$ —	$ 770	$ 28,558
For the six months ended May 31, 2021							
Operating revenue	$ 547,811	$ 118,589	$ 296,560	$ 43,942	$ —	$ 181	$ 1,007,083
Depreciation, amortisation and impairment	(87,737)	(30,950)	(21,324)	(3,348)	—	(3,398)	(146,757)
Share of profit (loss) of joint ventures and associates	2,875	15,189	(33)	—	749	—	18,780
Operating profit (loss)	25,549	34,036	20,498	341	96	(3,169)	77,351
Finance expense (a)	(31,954)	(19,817)	(7,500)	(1,500)	(2,640)	(1,783)	(65,194)
Finance income	124	148	243	—	—	577	1,092
(Loss) profit from continuing operations before income tax	(6,625)	14,664	13,223	(429)	(2,683)	(2,825)	15,325
Income tax expense	(626)	(277)	(573)	(506)	—	(3,020)	(5,002)
Net (loss) profit	(7,251)	14,387	12,650	(935)	(2,683)	(5,845)	10,323
Capital expenditures (b)	103,205	20,867	4,911	2,737	—	1,388	133,108
As of November 30, 2021							
Investments in and advances to joint ventures and associates	233,184	273,913	25,312	—	79,497	—	611,906
Segment assets	2,247,553	1,308,142	590,411	143,800	113,690	232,613	4,636,209

(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.

STOLT-NIELSEN LIMITED

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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, 2022						
Revenue recognised over time:						
Freight revenue	**$ 293,129**	**$ –**	**$ 177,385**	**$ –**	**$ –**	**$ 470,514**
Storage and throughput revenue	**–**	**45,578**	**–**	**–**	**–**	**45,578**
	293,129	**45,578**	**177,385**	**–**	**–**	**516,092**
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	**72,262**	**–**	**50,618**	**–**	**–**	**122,880**
Turbot and sole	**–**	**–**	**–**	**26,109**	**–**	**26,109**
Rail revenue	**–**	**6,377**	**–**	**–**	**–**	**6,377**
Utility revenue	**–**	**6,799**	**–**	**–**	**–**	**6,799**
Dock, product handling and other revenue	**–**	**10,460**	**–**	**–**	**348**	**10,808**
	72,262	**23,636**	**50,618**	**26,109**	**348**	**172,973**
	$ 365,391	**$ 69,214**	**$ 228,003**	**$ 26,109**	**$ 348**	**$ 689,065**
For the six months ended May 31, 2022						
Revenue recognised over time:						
Freight revenue	**$ 559,805**	**$ –**	**$ 327,606**	**$ –**	**$ –**	**$ 887,411**
Storage and throughput revenue	**–**	**89,625**	**–**	**–**	**–**	**89,625**
	559,805	**89,625**	**327,606**	**–**	**–**	**977,036**
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	**120,114**	**–**	**95,659**	**–**	**–**	**215,773**
Turbot and sole	**–**	**–**	**–**	**56,115**	**–**	**56,115**
Rail revenue	**–**	**12,112**	**–**	**–**	**–**	**12,112**
Utility revenue	**–**	**14,006**	**–**	**–**	**–**	**14,006**
Dock, product handling and other revenue	**–**	**19,550**	**–**	**–**	**681**	**20,231**
	120,114	**45,668**	**95,659**	**56,115**	**681**	**318,237**
	$ 679,919	**$ 135,293**	**$ 423,265**	**$ 56,115**	**$ 681**	**$ 1,295,273**

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
For the three months ended May 31, 2021						
Revenue recognised over time:						
Freight revenue	$ 250,070	$ –	$ 128,090	$ –	$ –	$ 378,160
Storage and throughput revenue	–	39,891	–	–	–	39,891
	250,070	39,891	128,090	–	–	418,051
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	36,971	–	29,618	–	–	66,589
Turbot and sole	–	–	–	21,420	–	21,420
Rail revenue	–	5,028	–	–	–	5,028
Utility revenue	–	6,252	–	–	–	6,252
Dock, product handling and other revenue	–	9,450	–	–	132	9,582
	36,971	20,730	29,618	21,420	132	108,871
	$ 287,041	$ 60,621	$ 157,708	$ 21,420	$ 132	$ 526,922
For the six months ended May 31, 2021						
Revenue recognised over time:						
Freight revenue	$ 482,846	$ –	$ 239,004	$ –	$ –	$ 721,850
Storage and throughput revenue	–	78,860	–	–	–	78,860
	482,846	78,860	239,004	–	–	800,710
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	64,965	–	57,556	–	–	122,521
Turbot and sole	–	–	–	43,942	–	43,942
Rail revenue	–	9,486	–	–	–	9,486
Utility revenue	–	12,701	–	–	–	12,701
Dock, product handling and other revenue	–	17,542	–	–	181	17,723
	64,965	39,729	57,556	43,942	181	206,373
	$ 547,811	$ 118,589	$ 296,560	$ 43,942	$ 181	$ 1,007,083

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, 2022:		
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 2021, leaving $8.7 million available for future purchases.

Dividends

On February 24, 2022, the Group's Board of Directors recommended a final dividend for 2021 of $0.50 per Common share payable on May 11, 2022 to shareholders of record as of April 27, 2022. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 21, 2022 in Bermuda. The total amount of the dividend was $26.8 million and paid on May 11, 2022.

On November 3, 2021, the Group's Board of Directors declared an interim dividend of $0.50 per Common share and $0.005 per Founder's share to shareholders of record as of November 10, 2021. The total amount of the dividend was $26.8 million, which was classified as an interim dividend and paid on December 2, 2021.

On February 11, 2021, the Group's Board of Directors recommended a final dividend for 2020 of $0.25 per Common share payable on May 5, 2021 to shareholders of record as of April 22, 2021. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 15, 2021 in Bermuda. The total amount of the dividend was $13.4 million and paid on May 5, 2021.

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

During the three months ended May 31, 2022, the Group spent $49.4 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $11.1 million on tankers capital expenditures, (b) $3.4 million on drydocking of ships, (c) $18.5 million on terminal capital expenditures, (d) $12.8 million on the acquisition of tank containers and construction at STC depots and (e) $0.5 million on Stolt Sea Farm capital expenditures.

During the six months ended May 31, 2022, the Group spent $73.0 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $13.9 million on tankers capital expenditures, (b) $7.7 million on drydocking of ships, (c) $29.4 million on terminal capital expenditures, including $0.1 million of capitalised interest, (d) $18.2 million on the acquisition of tank containers and construction at STC depots and (e) $1.3 million on Stolt Sea Farm capital expenditures.

During the three months and six months ended May 31, 2022, $24.6 million and $35.7 million, respectively, of right-of-use assets have been capitalised, net of retirements.

During the six months ended May 31, 2022, the Group spent $0.4 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles was a loss of $1.5 million in the same period.

7. Short and Long-Term Debt

	Cashflows For the Six Months Ended	
	May 31, 2022	**May 31, 2021**
	(in thousands)	
(Decrease) increase in short-term bank loans	**$ (40,000)**	$ 25,500
Proceeds from issuance of long-term debt	**308,533**	212,824
Repayment of long-term debt	**(367,282)**	(232,183)

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, 2022, the Group had available undrawn committed credit lines of $334.1 million.

Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers and terminals, as well as $446.8 million unsecured bond financing at May 31, 2022.

On February 16, 2022, the Group entered into a sustainability-linked secured loan agreement for $415.0 million, consisting of a term loan of $180.9 million and a revolving credit line of $234.1 million. The loan syndication was with 14 banks and led by three bookrunners: Nordea Bank Abp, Danske Bank A/S and DNB (UK) Limited. It expires on February 16, 2028 and is secured by 19 ships. On March 15, 2022, the Group drew $180.9 million on the term loan to fully repay the loan with Export-Import Bank of China and Standard Chartered Bank ("CEXIM"). At the same time, the Group swapped the floating interest of the term loan into a fixed rate. With the repayment of the CEXIM loan, the Group incurred break costs and expensed debt issuance costs and hedging losses of $11.1 million. The new loan is a four and one-half year term loan with semi-annual payments.

On March 2, 2022, the Group signed a $128.0 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and one-quarter years. There are 26 equal payments, with a balloon payment at maturity. Cash was drawn on the new facility subsequent to the May 2022 balloon payment of the May 2016 tank container financing.

In addition, the Group repaid the $30.5 million term loan secured by the *Stolt Groenland* in the first quarter of 2022. This was the result of the Group settling with its hull and machinery insurers for claims on the *Stolt Groenland*, which had an explosion onboard in 2019.

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 June 30, 2022. See further discussion in Note 1 above.

8. Long-term Insurance Claims Receivables and Provisions

At May 31, 2022, substantially all of the Long-term insurance claims receivables and Long-term provisions relate to the civil action as a result of the fire on the *MSC Flaminia*.

All of the Group's insurance policies are subject to coverage limits, exclusions and deductible levels. While the Group believes that the estimated accrued claims reserves are adequate, the ultimate losses can differ.

9. 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, 2022		November 30, 2021	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	**$ 115,571**	**$ 115,571**	$ 123,868	$ 123,868
Restricted cash	**105**	**105**	6,096	6,096
Receivables	**346,212**	**346,212**	344,347	344,347
Other current assets	**43,674**	**43,674**	54,351	54,351
Long-term receivable from joint ventures	**40,644**	**40,644**	34,725	34,725
Financial Assets (Fair Value):				
Investments in equity instruments	**112,948**	**112,948**	37,873	37,873
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value-added tax)	**118,358**	**118,358**	102,704	102,704
Accrued expenses	**283,065**	**283,065**	249,232	249,232
Dividend payable	—	—	26,829	26,829
Short and long-term debt including current maturities (excluding debt issuance costs)	**2,138,503**	**2,236,953**	2,249,803	2,386,211
Lease liabilities	**219,313**	**219,313**	210,450	210,450
Derivative Financial Instruments (Fair Value):				
Assets				
Foreign exchange forward contracts	—	—	6	6
Interest rate swaps	**4,820**	**4,820**	—	—
Cross-currency interest rate swaps	**4,798**	**4,798**	7,451	7,451
	$ 9,618	**$ 9,618**	$ 7,457	$ 7,457
Liabilities				
Foreign exchange forward contracts	**2,760**	**2,760**	2,649	2,649
Interest rate swaps	**405**	**405**	14,556	14,556
Cross-currency interest rate swaps	—	—	972	972
	$ 3,165	**$ 3,165**	$ 18,177	$ 18,177

The carrying amount of cash and cash equivalents, restricted cash, receivables, other current assets, accounts payable (excluding withholding and value-added tax payables), accrued expenses, 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 $17.9 million and $24.2 million, as of May 31, 2022 and November 30, 2021, 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, 2022 and November 30, 2021, 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, 2022 and November 30, 2021, 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, 2022 and November 30, 2021, respectively.

Derivatives

The Group had derivative assets of $9.6 million and $7.5 million as of May 31, 2022 and November 30, 2021 respectively, and derivative liabilities of $3.2 million and $18.2 million as of May 31, 2022 and November 30, 2021, 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 as of May 31, 2022 and November 30, 2021, respectively. Derivative financial instruments are measured using inputs other than quoted values. There were no changes in the valuation techniques since November 30, 2021.

Investments in equity instruments

The Group's investments in Golar LNG Limited ("Golar"), Ganesh Benzoplast Limited ("GBL"), Odfjell SE 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		For the Six Months Ended	
(in thousands)	May 31, 2022	May 31, 2021	May 31, 2022	May 31, 2021
	Golar		**CoolCo**	
Number of equity shares	**2,673**	2,673	**1,000**	–
Percentage of shareholding	**2.5%**	2.5%	**2.5%**	–
Share price at end of period	**$25.33**	$12.70	**$9.86**	–
Gain (loss) on FVTOCI	**$ 36,161**	$ 9,742	**$ (145)**	$ –
Cumulative loss on FVTOCI	**(38,685)**	(72,441)	**(145)**	–
Value of investment	**$ 67,699**	$ 33,943	**$ 9,855**	$ –
	GBL		**Odfjell SE**	
Number of equity shares	**6,111**	6,111	**5,013**	–
Percentage of shareholding	**9.8%**	9.8%	**8.3%**	–
Share price at end of period	**$1.60**	$1.00	**$5.12**	–
Gain on FVTOCI	**$ 3,443**	$ 898	**$ 4,953**	$ –
Cumulative gain on FVTOCI	**4,787**	898	**4,953**	–
Value of investment	**$ 9,749**	$ 6,083	**$ 25,645**	$ –
			Total	
Gain on FVTOCI			**$ 44,412**	$ 10,640
Cumulative loss on FVTOCI			**(29,090)**	(71,543)
Value of investment			**$ 112,948**	$ 40,026

On February 1, 2022, the Group acquired 1.0 million shares or 2.5% of CoolCo for $10.0 million. CoolCo is listed on the Euronext Growth Oslo.

During March and April 2022, the Group acquired 5.0 million shares or 8.3% of Odfjell SE. Odfjell SE is listed on the Oslo Stock Exchange.

10. Commitments and Contingencies

As of May 31, 2022 and November 30, 2021, the Group had total capital expenditure commitments outstanding of approximately $107.4 million and $75.7 million, respectively. At May 31, 2022, $47.1 million of the total was related to remaining installments on two second-hand parcel tankers. In addition, the Group has committed to other tankers projects of $12.3 million, terminal projects of $36.0 million and tank container projects of $10.9 million. Of the total purchase commitments at May 31, 2022, $96.8 million are expected to be paid over the next 12 months. The commitments will either be paid out of the existing liquidity or through external financing, which is in the process of being raised.

Purchase Commitments of Joint Ventures and Associates

The Group's joint ventures and associates had $39.6 million of total capital expenditure commitments on May 31, 2022 . Of the total purchase commitments at May 31, 2022 for joint ventures and associates, $39.1 million is expected to be paid over the next 12 months. The commitments will either be paid out of the existing liquidity of those joint ventures or through external financing, which is in the process of being raised.

Environmental

Environmental disclosures are described in Note 27 of the Consolidated Financial Statements for the year ended November 30, 2021. There have been no significant changes that have occurred since that date.

11. Legal Proceedings

The Group is party to various legal proceedings arising in the ordinary course of business and 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, 2021. There have been no significant changes to any ongoing legal proceedings since that time, except as discussed below. The Group believes that the ongoing legal proceedings are unlikely to have a material adverse effect on its business or financial condition.

In regard to the Stolt Tank Containers B.V. civil action as a result of a July 2012 fire on the MSC Flaminia, there have been no significant changes.

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.

12. 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.

13. Subsequent events

On June 21, 2022, the Group signed a $110.0 million floating-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for seven and three-quarter years. There are 33 equal payments, with a balloon payment at maturity. Cash will be drawn on the new facility subsequent to the November 2022 balloon payment of the November 2015 tank container financing.

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, 2021 to May 31, 2022 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
June 30, 2022

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
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 2022 (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 Condensed Consolidated Interim Balance Sheet as at 31 May 2022;
- the Condensed Consolidated Interim Income Statement for the period then ended;
- the Condensed Consolidated Interim Statement of Other Comprehensive Income for the period then ended;
- the Condensed Consolidated Interim Statement of Cash Flows for the period then ended;
- the 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. 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 this ISRE. 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 their review of the interim 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 Condensed Consolidated Interim Income Statement and Condensed Consolidated Interim Statement of Other Comprehensive Income for the three-month period ended May 31, 2022 have not been subject to review.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Watford
30 June 2022