STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Six Months Ended May 31, 2023

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, 2023 and 2022 is summarised below. The financial statements are presented in US dollars.

	For the Six Months Ended	
	May 31, 2023	**May 31, 2022**
	(in thousands, except per share)	
Operating revenue	**$ 1,430,574**	$ 1,295,273
Gross profit	**245,984**	293,480
Operating profit	**152,122**	203,685
Net profit	**108,109**	110,876
EPS attributable to SNL shareholders – diluted	**2.02**	2.07

Net results decreased by $2.8 million to a profit of $108.1 million for the first half of 2023, compared with $110.9 million for the same period in 2022. The decrease was the result of recording 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 13 in these Unaudited Condensed Consolidated Interim Financial Statements.

Excluding the *MSC Flaminia* Provision, SNL had an increase of $102.2 million in net results from the six months ended May 31, 2022. This was mainly due to improved results in Stolt Tankers, as they achieved higher freight revenues through increased rates.

	For the Six Months Ended	
	May 31, 2023	**May 31, 2022**
	(in thousands)	
Operating revenue:		
Stolt Tankers	**$ 846,255**	$ 679,919
Stolthaven Terminals	**148,237**	135,293
Stolt Tank Containers	**383,147**	423,265
Stolt Sea Farm	**52,767**	56,115
Corporate and Other	**168**	681
Total	**$ 1,430,574**	$ 1,295,273
Operating profit (loss):		
Stolt Tankers	**$ 183,983**	$ 65,787
Stolthaven Terminals	**52,923**	47,781
Stolt Tank Containers	**(75,979)**	84,781
Stolt Sea Farm	**4,706**	14,265
Stolt-Nielsen Gas	**(6,068)**	1,833
Corporate and Other	**(7,443)**	(10,762)
Total	**$ 152,122**	$ 203,685

Operating Profit

The main reasons for changes in operating profit for the first six months of 2023, compared with the same period of 2022, were:

- Stolt Tankers reported an operating profit of $184.0 million, an increase of $118.2 million. Revenues increased by $166.3 million as a result of higher spot and contracts of affreightment ("COA") rates while volumes marginally increased. The increase in revenues was partly offset by the increase in variable time charter hire to Stolt Tankers Joint Service ("STJS") participants and higher ship-owning expenses. Also the higher variable time charter hire paid to STJS participants resulted in improved joint venture equity income.

- Stolthaven Terminals reported an operating profit of $52.9 million in the six months ended May 31, 2023 compared to $47.8 million in the six months ended May 31, 2022. The increase in operating profit was mainly due to higher utilisation, throughput and storage rates as well as an increase in ancillary services. Partly offsetting these increases were higher operating expenses and lower equity income from joint ventures and associates.
- Excluding the *MSC Flaminia* Provision, Stolt Tank Containers reported an operating profit of $79.0 million, a decrease of $5.8 million due to margins starting to return to pre-Covid levels as supply chain congestion has eased, space on ships has opened up and competition has increased. This was partially offset by higher demurrage and an 8.6% increase in shipments.
- Stolt Sea Farm reported an operating profit of $4.7 million, compared with $14.3 million in 2022. The decrease of $9.6 million was due to lower turbot sales volumes and sales prices, as well as an $8.4 million fair value decrease, owing to lower turbot biomass, lower turbot sales prices and higher turbot production costs.
- Stolt-Nielsen Gas reported an operating loss of $6.1 million, compared with a $1.8 million operating profit for the six months ended May 31, 2022. The current year loss is largely due to the loss from SNL's investment in Avenir LNG Limited ("Avenir"). The prior year profit was heavily impacted by Avenir's sale of a newly delivered newbuilding in December 2021 for which SNL's share of the gain was $4.7 million.
- Corporate and Other reported an operating loss of $7.4 million in the first half of 2023, versus a $10.8 million loss for the same period in 2022. This was primarily the result of a lower profit sharing accrual due to the *MSC Flaminia* Provision recorded in 2023.

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 $846.3 million, an increase of $166.3 million or 24.5% compared with the same period in 2022. Deep-sea revenues increased by $151.7 million between the two periods, primarily due to higher freight revenue driven by higher COA and spot freight rates, with average freight rates up 30.2%. There was also a 3.3% increase in operating days resulting in 1.8% increase in volume between the periods. Partially offsetting the higher freight revenue was a $18.2 million decrease in bunker surcharge revenue as bunker prices decreased. The increase in regional revenues of $14.7 million was mainly due to an improved market and more operating days in the Caribbean trade, and a strong regional market in Europe.

The sailed-in revenue (revenue less trading expenses) per operating day for the deep-sea fleet for the first six months of 2023 was $29,975, compared to $19,797 per day in the same period of 2022, an increase of 51.4%.

Operating profit increased by $118.2 million or 180% between the first six months of 2023 versus 2022. The increase in revenues of $166.3 million and $17.1 million increase in share of profit from joint ventures was partly offset by the increase in operating expenses.

Operating expenses increased by $58.1 million, with $48.9 million of the increase due to higher variable time charter hire expenses to participants in the STJS as a result of the improved results. Bunker costs decreased by $6.3 million, as the average bunker price consumed was $597 per ton compared to $663 during the same period in 2022. Ship management costs increased by $7.4 million mainly driven by inflation and additional ships in the fleet.

Joint venture income was $25.5 million for the first six months of 2023, an increase of $17.1 million from the same period in 2022 and in line with the improvement in the deep-sea and regional results.

Stolthaven Terminals ("Stolthaven")

Stolthaven's revenues for the first half of 2023 was $148.2 million, an increase of $12.9 million, compared with $135.3 million in the first half of 2022. This increase was mainly due to 0.3% higher utilisation and 1.1% higher throughput, coupled with improved rates. Stolthaven also generated increased revenue from ancillary services, such as cleaning and wastewater revenue.

Stolthaven's first-half 2023 operating profit increased by $5.1 million to $52.9 million from $47.8 million in the same period in 2022. This increase was mainly due to the $12.9 million higher operating revenue, partially offset by $2.7 million of higher operating expenses and $0.9 million lower equity income from joint ventures and associates. Operating expenses increased as a result of normal inflationary pressures.

Stolt Tank Containers ("STC")

Stolt Tank Containers' revenues came down by $40.1 million, to $383.1 million in the first half of 2023 from $423.3 million in the first half of 2022, reflecting a decrease in freight rates on the back of the declining ocean carrier freight costs. This was partially offset by continued high demurrage revenue as a result of customers holding onto tanks longer. Shipments increased by 8.6% due to continued strong demand out of Asia and the Middle East.

Stolt Tank Containers' operating profit was $79.0 million, excluding the $155.0 million *MSC Flaminia* Provision, which was a decrease of $5.8 million compared to the same period in 2022 as transportation margins are beginning to return to pre-Covid levels after increasing in 2022 due to the supply chain congestion and high ocean freight costs. Ocean freight rates are now back down to pre-Covid levels.

Stolt Sea Farm

Stolt Sea Farm's revenues were $52.8 million in the first half of 2023 which was a decrease of $3.3 million compared with the first half of 2022, mainly due to a 7.7% decrease in turbot sales volumes due to no longer selling traded turbot, together with a 4.9% decrease in turbot sales prices. This decrease was partly offset by higher sole sales volume and prices.

Stolt Sea Farm's operating profit was $4.7 million, down from an operating profit of $14.3 million in the first half of 2022. Of the total decrease of $9.6 million, $8.4 million was due to a decrease in the fair value adjustment between the periods, owing to lower turbot biomass, lower turbot sales prices and higher turbot production costs at the end of the period. The remaining decrease is due to the lower turbot sales volumes and prices partly offset by higher sole sales volume and prices.

Stolt-Nielsen Gas

Stolt-Nielsen Gas reported an operating loss of $6.1 million, compared with a $1.8 million operating profit for the six months ended May 31, 2022. The loss is largely due to changing conditions in the LNG market at Avenir, while the prior year profit was the result of Avenir's sale of a newly delivered newbuilding in December 2021 for which SNL's share of the gain was $4.7 million.

Corporate and Other

Corporate and Other reported an operating loss of $7.4 million in the first half of 2023, versus $10.8 million loss for the same period in 2022. The decrease in the loss between periods is the result of a lower accrual for profit sharing as a result of the *MSC Flaminia* Provision.

Liquidity and Capital Resources

During the six months ended May 31, 2023, SNL met its liquidity needs through a combination of cash generated from operations, sale of equity instruments and repayments by joint ventures on long-term loans. SNL generated $326.3 million of net cash from operating activities during the first six months of 2023, which was used for capital expenditures of $142.0 million, investments in equity instruments of $11.9 million, debt repayments of $82.4 million, lease principal payments of $26.8 million and dividend payments of $120.3 million. As of May 31, 2023, the Group had cash of $115.6 million and available committed short-term credit lines of $307.8 million.

Subsequent to May 31, 2023, the Group entered into the refinancing of the Singapore terminal with a SGD 280 million ($208.4 million) term loan. The loan, which carries an interest rate of 5.3%, will be repaid over seven years with a final balloon payment of SGD 112.0 million. The net proceeds were used to repay a NOK bond (SNI09) with $132.0 million outstanding and for general corporate purposes.

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, payments of the *MSC Flaminia* Provision, 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, 2023, due to the tightening market, Stolt Tankers was able to stand firm on contract renewals and spot fixtures. The high spot rates and increase in COA rates which, for most part, became effective in the second quarter, resulted in record earnings.

Stolt Tankers expects a softening of the market in the third and fourth quarter due to an economic slowdown and fewer imports into China in the near term. For the medium and longer term, despite macroeconomic and geopolitical concerns, the outlook remains optimistic for the chemical tanker segment. This is due to a favorable supply/demand balance, as demand for chemical tankers continues to grow while the orderbook for new ships remains at its lowest point since 1996 with limited yard capacity available.

Stolthaven Terminals

In the first half of 2023, Stolthaven Terminals continued to focus on various strategic initiatives including selective expansion. Currently, ongoing projects at its wholly owned terminals include a 73,134 cbm expansion in Houston, United States, a 73,134 cbm expansion in New Orleans, United States, a 10,000 cbm expansion in Dagenham, United Kingdom, and a 16,200 cbm expansion project in Mount Maunganui, New Zealand. 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 a 97,006 cbm ongoing greenfield terminal at Stolthaven Revivegen Kaohsiung Co., Ltd., its 49% joint venture in Taiwan. Stolthaven Terminals also has a joint venture, in which Stolthaven holds a non-controlling share, 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 weakness, both in demand and pricing, with major chemical producers forecasting some improvement by the fourth quarter of 2023 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. The petroleum market remains mostly in backwardation, which has impacted the storage market.

Stolt Tank Containers

Stolt Tank Containers had an increase in the number of shipments during the first half of 2023, compared with the same period in 2022 due to space opening up on ocean carriers combined with strong demand out of Asia and the Middle East. The size of the fleet increased by 5.6%, with additional growth in the fleet planned, whilst utilisation reduced to 65.8% from 70.3% over the same period last year. Revenue per shipment decreased primarily due to the effect of declining ocean freight rates partially offset by higher demurrage revenues. Freight rates are quickly returning to lower levels with the cost of ocean freight coming down.

Stolt Tank Containers continues to manage the core fleet of tanks to best meet demand and to manage operating costs. Leased units increased by 2,055 tanks in the first six months of 2023 versus May 31, 2022. Additionally, STC increased the owned fleet by 780 tanks.

The outlook for the balance of 2023 remains stable as margins settle at lower levels, with demand east of Suez remaining firm, whilst demand west of Suez is softening. Space is available on ships now and land-side congestion has eased so tanks are being released faster by customers for continued trading. With this, we anticipate demurrage revenue to also return to lower levels.

Stolt Sea Farm

Stolt Sea Farm saw a strong sole market during the first half of 2023, although some drop off in sales volumes and sales prices was experienced for turbot. The third quarter tends to see strong seasonal demand during the summer months and customers are anticipating record tourism levels in Southern Europe, with an expectation of robust turbot and soles sales volumes and improving sales prices. 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 Risk

SNL's operations may be impacted 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 floods could result in asset loss, injuries, lost earnings, difficulty in obtaining insurance and higher costs. Further, in Sea Farm, 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 impacting operations, and violations can lead to significant fines and penalties. Future regulations could result in making SNL's assets prematurely obsolete or require costly investments. SNL is also monitoring new regulations, such as the EU Emissions Trading System, which is starting in 2024 and 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 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 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 the workforce, visitors and all other parties from the ships, terminals, depots, farms and offices.

Even so, there could be environmental and safety incidents and risks 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 clean-up 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. Further, following the introduction of international sanctions against Russia there are ships sailing in international waters that do not have adequate insurance coverage due to their trading in sanctioned areas and carrying sanctioned cargoes. A collision or other incident with one of these ships would require SNL's insurance policies to carry the cost of repairs and clean-up, which could result in the Company exceeding the limits under its policies.

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 trades are a key facet of SNL's business model. In some cases, cargoes are located in, or destined for, troubled or developing markets where there are considerable cultural, infrastructure, security or technology challenges. 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. Political and geopolitical risk includes the risk of counterparties, whether banks, customers or suppliers, being exposed to sanctions, which could impact the operations of the Group.

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 continued mostly uninterrupted, there was a delay in the performance of shore-side support operations and a 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. 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.

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, environmental, 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. Whilst 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

SNL relies on information technology (IT) systems in all of the businesses and is dependent on contractors supporting the delivery of information technology services. Given SNL’s dependence on IT systems, a successful cyber-security attack could cause significant harm to SNL and negatively impact SNL’s cash flow and financial position as well as result in a loss of productivity, intellectual property, regulatory fines and reputational damage.

To mitigate the risk of a cyber-attack, SNL continually measures, reviews and strives to improve its cyber-security capabilities. SNL has implemented preventive, protective and detective technologies and controls, including response and recovery capabilities, while adhering to industry best practices. SNL also requires training and has prepared awareness campaigns for staff. Risks are detected by actively monitoring SNL’s information systems and applying lessons learned from security incidents. To limit the duration and impact of a cyber incident, SNL has implemented and tested response and recovery procedures to recover and restore business processes and services. When external companies provide SNL with critical IT services, security is managed through contractual clauses and supplier assurance reports. In addition, remote support by third-parties is closely monitored with restricted access and time limitations

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 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, 2023 was a $5.3 million decrease in profit, compared with a $3.1 million increase in profit in the six months ended May 31, 2022. There is a risk that future fair value adjustments could also 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 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 close to 50% 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.

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.

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, 2023 and Independent Auditors' Review Report for the Six Months Ended May 31, 2023

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	Three Months Ended May 31, 2023	Three Months Ended May 31, 2022	Six Months Ended May 31, 2023	Six Months Ended May 31, 2022
		(in thousands, except for per share amounts)			
Operating revenue	4	**$ 721,924**	$ 689,065	**$ 1,430,574**	$ 1,295,273
Operating expenses		**(445,761)**	(460,163)	**(888,855)**	(863,212)
Legal claims provision	13	**(155,000)**	—	**(155,000)**	—
		121,163	228,902	**386,719**	432,061
Depreciation and amortisation	4	**(71,467)**	(70,298)	**(140,735)**	(138,581)
Gross Profit		**49,696**	158,604	**245,984**	293,480
Share of profit of joint ventures and associates	4	**17,674**	10,698	**32,682**	24,486
Administrative and general expenses		**(58,215)**	(60,245)	**(127,743)**	(118,804)
Gain on disposal of assets, net		**678**	1,039	**257**	1,789
Other operating income		**330**	1,928	**1,110**	2,900
Other operating expense		**(113)**	(149)	**(168)**	(166)
Operating Profit		**10,050**	111,875	**152,122**	203,685
Non-Operating Income (Expense)					
Finance income		**1,183**	442	**2,149**	1,294
Finance expense on lease liabilities		**(2,703)**	(2,797)	**(5,379)**	(5,012)
Loss on early extinguishment of debt		—	(11,149)	—	(11,149)
Finance expense on debt		**(27,698)**	(26,576)	**(54,592)**	(56,158)
Foreign currency exchange loss, net		**(1,244)**	(3,641)	**(2,829)**	(5,722)
Other non-operating income (expense), net		**39**	(1,095)	**3,047**	154
(Loss) Profit before Income Tax		**(20,373)**	67,059	**94,518**	127,092
Income tax benefit (expense)		**28,662**	(8,476)	**13,591**	(16,216)
Net Profit		**$ 8,289**	$ 58,583	**$ 108,109**	$ 110,876
Earnings per Share:					
Net Profit attributable to SNL shareholders					
Basic		**$ 0.15**	$ 1.09	**$ 2.02**	$ 2.07
Diluted		**$ 0.15**	$ 1.09	**$ 2.02**	$ 2.07

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, 2023	May 31, 2022	May 31, 2023	May 31, 2022
	(in thousands)			
Net profit	**$ 8,289**	$ 58,583	**$ 108,109**	$ 110,876
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit and other post-employment benefit obligations	**(2,164)**	1,567	**(2,164)**	1,567
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	**(294)**	(1,724)	**(294)**	(1,724)
Items that may be reclassified subsequently to profit or loss:				
Net loss on cash flow hedges	**(24,892)**	(2,217)	**(41,297)**	13,180
Reclassification of cash flow hedges to income statement	**19,320**	18,512	**35,416**	13,518
Net (loss) gain on cash flow hedges held by joint ventures and associates	**(2,071)**	2,448	**150**	4,157
Deferred tax adjustment on cash flow hedges	**491**	(421)	**584**	(684)
Exchange differences arising on translation of foreign operations	**4,214**	(14,665)	**7,258**	(9,697)
Deferred tax on translation of foreign operations	**—**	—	—	(885)
Exchange differences arising on translation of joint ventures and associates	**(935)**	(14,583)	**(287)**	(17,332)
Change in value of investments in equity instruments	**(15,605)**	28,841	**(17,204)**	44,412
Net (loss) profit recognised as other comprehensive income	**(21,936)**	17,758	**(17,838)**	46,512
Total comprehensive (loss) income	**$ (13,647)**	$ 76,341	**$ 90,271**	$ 157,388

See notes to the unaudited condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Notes	May 31, 2023	November 30, 2022
		(in thousands)	
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 115,644**	$ 152,141
Receivables, net		**329,029**	353,730
Insurance claim receivables	8	**145,000**	—
Inventories, net		**10,475**	10,182
Biological assets		**43,971**	46,181
Prepaid expenses		**90,406**	94,993
Derivative financial instruments	9	**6,118**	8,545
Income tax receivable		**4,908**	5,026
Other current assets		**36,859**	37,585
Total Current Assets		**782,410**	708,383
Property, plant and equipment	6	**2,831,602**	2,797,929
Right-of-use assets	6	**207,099**	216,438
Investments in and advances to joint ventures and associates		**650,160**	622,944
Investments in equity instruments	9	**114,466**	143,144
Deferred tax assets		**28,892**	5,488
Intangible assets and goodwill	6	**39,024**	35,879
Employee benefit assets		**16,601**	20,602
Derivative financial instruments	9	**4,580**	6,590
Insurance claim receivables	8	**9,857**	156,231
Other non-current assets		**15,215**	15,282
Total Non-Current Assets		**3,917,496**	4,020,527
Total Assets		**$ 4,699,906**	$ 4,728,910
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Current maturities of long-term debt	7	**$ 488,413**	$ 288,958
Current lease liabilities		**48,651**	49,017
Accounts payable		**94,009**	104,875
Accrued voyage expenses and unearned revenue		**62,565**	69,247
Accrued expenses		**206,676**	251,064
Provisions	8	**301,851**	4,743
Income tax payable		**8,761**	16,934
Dividend payable	5	—	53,591
Derivative financial instruments	9	**38,979**	2,171
Other current liabilities		**44,881**	49,407
Total Current Liabilities		**1,294,786**	890,007
Long-term debt	7	**1,369,985**	1,677,821
Long-term lease liabilities		**166,514**	174,567
Deferred tax liabilities		**89,848**	80,232
Employee benefit liabilities		**20,288**	20,342
Derivative financial instruments	9	—	5,851
Long-term provisions	8	**12,309**	157,167
Other non-current liabilities		**1,113**	1,227
Total Non-Current Liabilities		**1,660,057**	2,117,207
Total Liabilities		**2,954,843**	3,007,214
Shareholders' Equity			
Founder's shares	5	**14**	14
Common shares	5	**58,524**	58,524
Paid-in surplus		**195,466**	195,466
Retained earnings		**1,828,272**	1,787,198
Other components of equity		**(226,162)**	(208,455)
		1,856,114	1,832,747
Less – Treasury shares	5	**(111,051)**	(111,051)
Total Shareholders' Equity		**1,745,063**	1,721,696
Total Liabilities and Shareholders' Equity		**$ 4,699,906**	$ 4,728,910

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, 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 (loss) income	—	—	—	—	(157)	(27,914)	30,171	44,412	46,512
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**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**
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**

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, 2023	May 31, 2022
		(in thousands)	
Cash generated from operations	3	**$ 384,408**	$ 354,088
Interest paid		**(52,458)**	(62,449)
Debt issuance costs		**(785)**	(6,024)
Interest received		**3,874**	1,280
Income taxes paid		**(8,778)**	(11,044)
Net cash generated by operating activities		**326,261**	275,851
Cash flows from investing activities			
Capital expenditures	6	**(141,989)**	(72,978)
Purchase of intangible assets	6	**(4,382)**	(445)
Proceeds from sale of assets		**1,243**	2,523
Investment in joint ventures and associates		**(11,863)**	(1,480)
Sale (purchase) of shares in equity instruments		**11,537**	(30,692)
Repayment of advances to joint ventures and associates, net		**9,584**	1,200
Other, net		**500**	248
Net cash used in investing activities		**(135,370)**	(101,624)
Cash flows from financing activities			
Decrease in short-term bank loans	7	—	(40,000)
Proceeds from issuance of long-term debt	7	—	308,533
Repayment of long-term debt	7	**(82,374)**	(367,282)
Principal payments on leases		**(26,758)**	(24,525)
Dividends paid	5	**(120,332)**	(53,590)
Net cash used in financing activities		**(229,464)**	(176,864)
Net decrease in cash and cash equivalents		**(38,573)**	(2,637)
Effect of exchange rate changes on cash and cash equivalents		**2,076**	(5,660)
Cash and cash equivalents at beginning of the period		**152,141**	123,868
Cash and cash equivalents at the end of the period		**$ 115,644**	$ 115,571

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, 2022, to fully understand the current financial position of the Group.

Going Concern

The Group has current maturities of long-term debt of $488.4 million at May 31, 2023, which includes payment of the NOK bonds of $132.0 million due in June 2023 and $141.5 million due in February 2024. It also has capital expenditure commitments of $51.2 million, a legal claims provision in excess of insurance receivable of $155.0 million related to the 2012 incident on board the *MSC Flaminia* (“*MSC Flaminia* Provision”) and routine working capital requirements. See further discussion of the *MSC Flaminia* Provision at Note 13, Subsequent Events. At May 31, 2023, the Group had cash and cash equivalents of $115.6 million, an undrawn committed revolving credit facility for $207.8 million with an expiration date in 2028 and a $100.0 million undrawn committed revolving credit facility expiring in December 2024.

The ongoing war between Russia and Ukraine and related sanctions imposed could adversely affect global trade, as could rising interest rates on the back of inflationary pressures. However, 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, legal claims, scheduled debt repayments and committed capital expenditures for the twelve months following the date the financial statements are signed. 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, 2022. No new IFRS became effective in the six months ended May 31, 2023 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, 2023	For the Six Months Ended May 31, 2022
	(in thousands)	
Net profit	**$ 108,109**	$ 110,876
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**139,102**	136,664
Amortisation of intangible assets	**1,633**	1,917
Finance expense, net	**57,822**	71,025
Net periodic benefit expense of defined benefit pension plans	**(247)**	352
Income tax (benefit) expense	**(13,591)**	16,216
Share of profit of joint ventures and associates	**(32,682)**	(24,486)
Fair value adjustment on biological assets	**5,342**	(3,064)
Foreign currency related (gain) loss	**(1,090)**	5,722
Gain on disposal of assets, net	**(257)**	(1,789)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Decrease (increase) in receivables	**25,002**	(2,785)
(Increase) decrease in inventories	**(35)**	2,055
Increase in biological assets	**(1,987)**	(2,542)
Decrease (increase) in prepaid expenses and other current assets	**9,468**	(21,754)
Increase in accounts payable and other current liabilities	**81,372**	62,964
Contributions to defined benefit pension plans	**(906)**	(1,594)
Dividends from joint ventures and associates	**6,072**	4,339
Other, net	**1,281**	(28)
Cash generated from operations	**$ 384,408**	$ 354,088

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, 2022.

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, 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 May 31, 2023							
Investments in and advances to joint ventures and associates	**253,948**	**291,238**	**25,230**	**—**	**79,744**	**—**	**650,160**
Segment assets	**2,139,492**	**1,349,015**	**622,022**	**138,203**	**134,446**	**316,728**	**4,699,906**

(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, 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 November 30, 2022							
Investments in and advances to joint ventures and associates	234,137	281,141	25,865	—	81,801	—	622,944
Segment assets	2,114,816	1,328,731	624,689	130,247	160,944	369,483	4,728,910

(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, 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**

	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, bunker surcharge 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, bunker surcharge 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

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, 2023:		
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 2022, leaving $8.7 million available for future purchases.

Dividends

On February 23, 2023, the Company's Board of Directors recommended a final dividend for 2022 of $1.25 per Common share. The dividend was approved at the Group's Annual General Meeting for shareholders held on April 20, 2023 in Bermuda. The total amount of the dividend was $66.9 million and paid on May 10, 2023.

On November 17, 2022, 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 24, 2022. The total amount of the dividend was $53.6 million, which was classified as an interim dividend and paid on December 8, 2022.

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

During the three months ended May 31, 2023, the Group spent $90.1 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $55.3 million on tankers capital expenditures including $48.9 million on two second-hand ships, (b) $8.8 million on drydocking of ships, (c) $19.2 million on terminal capital expenditures, (d) $3.6 million on the acquisition of tank containers and construction at STC depots and (e) $2.3 million on Stolt Sea Farm capital expenditures.

During the six months ended May 31, 2023, the Group spent $142.0 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $61.0 million on tankers capital expenditures including $48.9 million on two second-hand ships, (b) $14.9 million on drydocking of ships, (c) $36.5 million on terminal capital expenditures, including $0.3 million of capitalised interest, (d) $19.7 million on the acquisition of tank containers and construction at STC depots and (e) $9.0 million on Stolt Sea Farm capital expenditures.

During the three months and six months ended May 31, 2023, $9.0 million and $8.6 million, respectively, of right-of-use assets have been capitalised, net of retirements.

During the six months ended May 31, 2023, the Group spent $4.4 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles was a gain of $0.7 million in the same period.

7. Short and Long-Term Debt

	Cashflows For the Six Months Ended	
	May 31, 2023	**May 31, 2022**
	(in thousands)	
Decrease in short-term bank loans	**$ —**	$ (40,000)
Proceeds from issuance of long-term debt	**—**	308,533
Repayment of long-term debt	**(82,374)**	(367,282)

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, 2023, the Group had available undrawn committed credit lines of $307.8 million.

Long-term debt consists of debt collateralized by mortgages on the Group's ships, tank containers and terminals, as well as $230.1 million unsecured bond financing ($273.5 million, after considering the cross-currency swap) at May 31, 2023.

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 6, 2023. See further discussion in Note 1 above.

8. Insurance Claims Receivables and Provisions

At May 31, 2023, substantially all of the current and long-term insurance claims receivables and current and long-term provisions relate to the *MSC Flaminia* Provision. See discussion in Note 13, Subsequent Events, below.

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 may 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, 2023		November 30, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	**$ 115,644**	**$ 115,644**	$ 152,141	$ 152,141
Receivables	**329,029**	**329,029**	353,730	353,730
Other current assets	**36,859**	**36,859**	37,585	37,585
Long-term receivable from joint ventures	**31,040**	**31,040**	40,037	40,037
Financial Assets (Fair Value):				
Investments in equity instruments	**114,466**	**114,466**	143,144	143,144
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value-added tax)	**87,979**	**87,979**	98,463	98,463
Accrued expenses	**269,241**	**269,241**	320,311	320,311
Dividend payable	—	—	53,591	53,591
Short and long-term debt including current maturities (excluding debt issuance costs)	**1,874,141**	**1,904,999**	1,984,221	2,032,219
Lease liabilities	**215,165**	**215,165**	223,584	223,584
Other current liabilities	**44,881**	**44,881**	49,407	49,407
Derivative Financial Instruments (Fair Value):				
Assets				
Foreign exchange forward contracts	**1,143**	**1,143**	1,065	1,065
Interest rate swaps	**9,555**	**9,555**	12,230	12,230
Cross-currency interest rate swaps	—	—	1,840	1,840
	$ 10,698	**$ 10,698**	$ 15,135	$ 15,135
Liabilities				
Foreign exchange forward contracts	**557**	**557**	692	692
Interest rate swaps	—	—	205	205
Cross-currency interest rate swaps	**38,422**	**38,422**	7,125	7,125
	$ 38,979	**$ 38,979**	$ 8,022	$ 8,022

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 $15.7 million and $17.4 million, as of May 31, 2023 and November 30, 2022, 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, 2023 and November 30, 2022, 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, 2023 and November 30, 2022, 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, 2023 and November 30, 2022, respectively.

Derivatives

The Group had derivative assets of $10.7 million and $15.1 million as of May 31, 2023 and November 30, 2022 respectively, and derivative liabilities of $39.0 million and $8.0 million as of May 31, 2023 and November 30, 2022, 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, 2023 and November 30, 2022, respectively. Derivative financial instruments are measured using inputs other than quoted values. There were no changes in the valuation techniques since November 30, 2022.

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:

(in thousands, other than per share amounts)	For the Six Months Ended May 31, 2023	 May 31, 2022	For the Six Months Ended May 31, 2023	 May 31, 2022
	Golar		**CoolCo**	
Number of equity shares	**2,673**	2,673	**–**	1,000
Percentage of outstanding shares	**2.5%**	2.5%	**–**	2.5%
Share price at end of period	**$ 20.34**	$ 25.33	**$ –**	$ 9.86
(Loss) gain on FVTOCI	**(12,642)**	36,161	**(261)**	(145)
Cumulative loss on FVTOCI	**(52,021)**	(38,685)	**–**	(145)
Value of investment	**$ 54,363**	$ 67,699	**$ –**	$ 9,855
	GBL		**Odfjell SE**	
Number of equity shares	**6,111**	6,111	**5,013**	5,013
Percentage of outstanding shares	**9.8%**	9.8%	**8.3%**	8.3%
Share price at end of period	**$ 1.85**	$ 1.60	**$ 8.28**	$ 5.12
Dividends received	**–**	–	**3,212**	–
Gain (loss) on FVTOCI	**205**	3,443	**(1,478)**	4,953
Cumulative gain on FVTOCI	**6,175**	4,787	**20,832**	4,953
Value of investment	**$ 11,278**	$ 9,749	**$ 41,524**	$ 25,645
	Kingfish		**Total**	
Number of equity shares	**9,238**	–		
Percentage of outstanding shares	**8.3%**	–		
Share price at end of period	**$ 0.79**	$ –		
Dividends received	**–**	–	**$ 3,212**	$ –
(Loss) gain on FVTOCI	**(3,028)**	–	**(17,204)**	44,412
Cumulative loss on FVTOCI	**(90)**	–	**(25,104)**	(29,090)
Value of investment	**$ 7,301**	$ –	**$ 114,466**	$ 112,948

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. CoolCo is listed on the Euronext Growth Oslo.

10. Commitments and Contingencies

As of May 31, 2023 and November 30, 2022, the Group had total capital expenditure commitments outstanding of approximately $51.2 million and $66.6 million, respectively. At May 31, 2023, the Group has committed to tanker projects of $1.8 million, terminal projects of $12.9 million, tank container projects of $30.2 million and $6.2 million in Sea Farm, all of which are expected to be paid within the next 12 months. The commitments will either be paid out of existing liquidity or through external financing.

Purchase Commitments of Joint Ventures and Associates

The Group's joint ventures and associates had $103.7 million of total capital expenditure commitments on May 31, 2023 of which $53.2 million is expected to be paid within the next 12 months. Of the total commitments, $36.1 million related to a planned expansion at the joint venture terminal in Malaysia and $53.9 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 or loans from its shareholders and 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, 2022. 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. 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, 2022. In regard to the Stolt Tank Containers B.V. civil action as a result of a July 2012 fire on the *MSC Flaminia*, see Note 13, Subsequent Events, below for further discussion of this lawsuit.

For ongoing legal proceeding other than the *MSC Flaminia* civil action, there have been no significant changes since November 30, 2022. The Group believes that these ongoing legal proceedings are unlikely to 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.

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 12, 2023, the Group refinanced its previous Stolthaven Singapore facility with a SGD 280.0 million ($208.4 million) term loan. The agreement is with DBS Bank Ltd., ING Bank N.V., KfW IPEX-Bank GmbH and Oversea-Chinese Banking Corporation Limited. The debt will be repaid over seven years with a final balloon payment of SGD 112.0 million and the interest rate has been fixed at 5.3%. The net proceeds were used to repay a NOK bond (SNI09) with $132.0 million outstanding and for general corporate purposes.

On June 29, 2023, the Group received EUR 13.2 million in proceeds from the financing of *Stolt Ludwigshafen*, a newbuilding chemical tanker/barge. The agreement is with KfW IPEX-Bank GmbH. The term loan has fixed interest of 4.97% and is for 15 years.

On June 30, 2023, the US Court of Appeals for the Second Circuit affirmed by two to one, in all material respects, the 2018 ruling on liability by the US District Court for the Southern District of New York regarding the 2012 incident on board the *MSC Flaminia*. Stolt Tank Containers BV has been found at fault together with Deltech for 45% and 55%, respectively. The Company is currently assessing its legal options in connection with the Court's decision.

The Company has recorded an additional loss provision of $155.0 million ($115 million, net of tax) to the May 31, 2023 unaudited condensed consolidated interim financial statements for the *MSC Flaminia* legal claim. This is an estimate based on arbitral awards to the owner of the *MSC Flaminia* from MSC Mediterranean Shipping Company, the operator. The final amount is subject to the future court determination and not yet known so could be different from the provision recorded.

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, 2022 to May 31, 2023 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 6, 2023

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 2023 (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 2023;
- 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, 2023 have not been subject to review.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Watford
6 July 2023