Stolt-Nielsen

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended August 31, 2020

STOLT-NIELSEN LIMITED

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STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Notes	Three Months Ended August 31, 2020	Three Months Ended August 31, 2019	Nine Months Ended August 31, 2020	Nine Months Ended August 31, 2019
		(in thousands)			
Operating revenue	4	**$ 474,002**	$ 517,825	**$ 1,474,541**	$ 1,536,186
Operating expenses		**(295,302)**	(367,356)	**(998,489)**	(1,077,133)
		178,700	150,469	**476,052**	459,053
Depreciation and amortisation	4	**(72,665)**	(64,237)	**(220,555)**	(190,242)
Gross Profit		**106,035**	86,232	**255,497**	268,811
Share of profit of joint ventures and associates	4	**10,031**	6,599	**23,571**	18,149
Administrative and general expenses		**(42,066)**	(51,450)	**(138,751)**	(156,848)
(Loss) gain on disposal of assets, net		**(561)**	2,137	**(507)**	2,866
Other operating income		**513**	601	**1,223**	1,781
Other operating expense		**(140)**	(118)	**(244)**	(669)
Operating Profit		**73,812**	44,001	**140,789**	134,090
Non-Operating Income (Expense)					
Finance income		**2,029**	708	**3,313**	1,973
Finance expense – finance leases		**(2,518)**	—	**(7,022)**	—
Finance expense – debt and other		**(34,679)**	(35,412)	**(99,805)**	(103,723)
Foreign currency exchange loss, net		**(3,317)**	(1,924)	**(5,093)**	(3,168)
Other non-operating (expense) income, net		**(260)**	80	**(1,213)**	1,177
Profit from Continuing Operations before Income Tax		**35,067**	7,453	**30,969**	30,349
Income tax expense		**(4,600)**	(3,173)	**(7,461)**	(10,983)
Profit from Continuing Operations		**30,467**	4,280	**23,508**	19,366
Loss from Discontinued Operations attributable to SNL Shareholders	11	**(1,308)**	(878)	**(11,582)**	(5,840)
Net Profit		**$ 29,159**	$ 3,402	**$ 11,926**	$ 13,526
***Attributable to*:**					
Equity holders of SNL		**29,169**	3,671	**12,853**	15,178
Non-controlling interests		**(10)**	(269)	**(927)**	(1,652)
		$ 29,159	$ 3,402	**$ 11,926**	$ 13,526
Earnings per Share:					
Profit from Continuing Operations attributable to SNL shareholders					
Basic		**$ 0.48**	$ 0.07	**$ 0.38**	$ 0.32
Diluted		**$ 0.48**	$ 0.07	**$ 0.38**	$ 0.32
Net Profit attributable to SNL shareholders					
Basic		**$ 0.46**	$ 0.06	**$ 0.21**	$ 0.25
Diluted		**$ 0.46**	$ 0.06	**$ 0.21**	$ 0.25

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	August 31, 2020	August 31, 2019	August 31, 2020	August 31, 2019
	(in thousands)			
Net profit for the period	**$ 29,159**	$ 3,402	**$ 11,926**	$ 13,526
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit and other post-employment benefit obligations	–	–	**(4,953)**	(10,729)
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	–	–	**1,618**	2,429
Items that may be reclassified subsequently to profit or loss:				
Net gain (loss) on cash flow hedges	**63,811**	(29,025)	**16,141**	(62,123)
Reclassification of cash flow hedges to income statement	**(54,665)**	17,429	**(33,562)**	31,462
Net gain (loss) on cash flow hedges held by joint ventures and associates	**295**	(3,241)	**(2,689)**	(6,246)
Deferred tax adjustment on cash flow hedges	**(139)**	280	**630**	658
Exchange differences arising on translation of foreign operations	**41,771**	(11,163)	**20,267**	(21,315)
Deferred tax on translation of foreign operations	**71**	(153)	**623**	(478)
Exchange differences arising on translation of joint ventures and associates	**14,325**	(4,632)	**9,111**	(12,700)
Change in value of investments in equity instruments	**5,639**	(9,094)	**(6,220)**	(27,556)
Net profit (loss) recognised as other comprehensive income	**71,108**	(39,599)	**966**	(106,598)
Total comprehensive income (loss)	**$ 100,267**	$ (36,197)	**$ 12,892**	$ (93,072)
Attributable to:				
Equity holders of SNL	**$ 100,277**	$ (35,928)	**$ 13,819**	$ (91,420)
Non-controlling interests	**(10)**	(269)	**(927)**	(1,652)
	$ 100,267	$ (36,197)	**$ 12,892**	$ (93,072)

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	Notes	August 31, 2020	November 30, 2019
		(in thousands)	
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 183,783**	$ 136,151
Restricted cash		**121**	189
Receivables		**218,408**	217,909
Inventories		**9,304**	8,093
Biological assets		**27,432**	42,198
Prepaid expenses		**62,133**	73,936
Derivative financial instruments	10	**186**	143
Income tax receivable		**4,899**	8,599
Assets held for sale	11	**7,834**	389
Other current assets		**32,920**	30,568
Total Current Assets		**547,020**	518,175
Property, plant and equipment	6	**3,230,651**	3,139,125
Investments in and advances to joint ventures and associates	4	**574,014**	542,528
Investments in equity instruments	10	**24,114**	30,334
Deferred tax assets		**12,857**	10,320
Intangible assets and goodwill	6	**54,034**	49,591
Employee benefit assets		**11,653**	9,694
Derivative financial instruments	10	**14,293**	—
Insurance claims receivable	9	**192,359**	207,771
Other non-current assets		**13,120**	15,548
Total Non-Current Assets		**4,127,095**	4,004,911
Total Assets		**$ 4,674,115**	$ 4,523,086
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Current maturities of long-term debt	8	**$ 256,862**	$ 287,006
Current lease liabilities	2	**41,441**	—
Accounts payable		**81,822**	94,158
Accrued voyage expenses		**52,344**	53,544
Accrued expenses		**165,877**	153,273
Provisions		**8,457**	5,119
Income tax payable		**9,036**	13,651
Dividend payable	5	—	13,457
Liabilities held for sale	11	**2,626**	—
Derivative financial instruments	10	**62,268**	35,133
Other current liabilities		**38,007**	33,095
Total Current Liabilities		**718,740**	688,436
Long-term debt	8	**2,104,722**	2,058,520
Long-term lease liabilities	2	**137,383**	—
Deferred tax liabilities		**52,388**	47,521
Employee benefit obligations		**48,606**	43,508
Derivative financial instruments	10	**24,624**	87,980
Long-term provisions	9	**193,674**	209,386
Other non-current liabilities		**3,089**	11,070
Total Non-Current Liabilities		**2,564,486**	2,457,985
Total Liabilities		**3,283,226**	3,146,421
Shareholders' Equity			
Founder's shares	5	**16**	16
Common shares	5	**64,134**	64,134
Paid-in surplus		**101,891**	149,808
Retained earnings		**1,518,370**	1,507,520
Other components of equity		**(270,434)**	(274,735)
		1,413,977	1,446,743
Less – Treasury shares	5	**(23,088)**	(71,005)
Equity Attributable to Equity Holders of SNL		**1,390,889**	1,375,738
Non-controlling interests		—	927
Total Shareholders' Equity		**1,390,889**	1,376,665
Total Liabilities and Shareholders' Equity		**$ 4,674,115**	$ 4,523,086

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

	Attributable to Equity Holders of SNL										
	Common Shares	Founder's Shares	Paid-in Surplus	Treasury Shares	Retained Earnings	Foreign Currency	Hedging	Fair Value	Total	Non-Controlling Interests	Shareholders' Equity Total
					(in thousands, except for share data)						
Balance, November 30, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (66,638)**	**$ 1,514,851**	**$ (151,065)**	**$ 6,596**	**$ (44,234)**	**$ 1,473,768**	**$ 1,889**	**$ 1,475,657**
Adjustment on transition to IFRS 15	—	—	—	—	(2,284)	—	—	—	(2,284)	—	(2,284)
Adjusted balance, November 30, 2018	**64,134**	**16**	**150,108**	**(66,638)**	**1,512,567**	**(151,065)**	**6,596**	**(44,234)**	**1,471,484**	**1,889**	**1,473,373**
Comprehensive income (loss)											
Net profit (loss)	—	—	—	—	15,178	—	—	—	15,178	(1,652)	13,526
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	(34,493)	—	—	(34,493)	—	(34,493)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(8,300)	—	—	—	(8,300)	—	(8,300)
Fair value adjustment equity investments	—	—	—	—	—	—	—	(27,556)	(27,556)	—	(27,556)
Net loss on cash flow hedge and reclassifications to income statement, net of taxes	—	—	—	—	—	—	(36,249)	—	(36,249)	—	(36,249)
Total other comprehensive loss	—	—	—	—	(8,300)	(34,493)	(36,249)	(27,556)	(106,598)	—	(106,598)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**6,878**	**(34,493)**	**(36,249)**	**(27,556)**	**(91,420)**	**(1,652)**	**(93,072)**
Transactions with shareholders											
Cash dividend paid - $0.25 per Common Share	—	—	—	—	(13,380)	—	—	—	(13,380)	—	(13,380)
Transactions with shareholders	—	—	(300)	—	—	—	—	—	(300)	—	(300)
Purchase of own shares	—	—	—	(4,367)	—	—	—	—	(4,367)	—	(4,367)
Total transactions with shareholders	**—**	**—**	**(300)**	**(4,367)**	**(13,380)**	**—**	**—**	**—**	**(18,047)**	—	**(18,047)**
Balance, August 31, 2019	**$ 64,134**	**$ 16**	**$ 149,808**	**$ (71,005)**	**$ 1,506,065**	**$ (185,558)**	**$ (29,653)**	**$ (71,790)**	**$ 1,362,017**	**$ 237**	**$ 1,362,254**
Balance, November 30, 2019	**$ 64,134**	**$ 16**	**$ 149,808**	**$ (71,005)**	**$ 1,507,520**	**$ (177,217)**	**$ (24,468)**	**$ (73,050)**	**$ 1,375,738**	**$ 927**	**$ 1,376,665**
Comprehensive income (loss)											
Net profit (loss)	—	—	—	—	12,853	—	—	—	12,853	(927)	11,926
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	30,001	—	—	30,001	—	30,001
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(3,335)	—	—	—	(3,335)	—	(3,335)
Fair value adjustment on equity investments	—	—	—	—	—	—	—	(6,220)	(6,220)	—	(6,220)
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	(19,480)	—	(19,480)	—	(19,480)
Total other comprehensive (loss) income	—	—	—	—	(3,335)	30,001	(19,480)	(6,220)	966	—	966
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**9,518**	**30,001**	**(19,480)**	**(6,220)**	**13,819**	**(927)**	**12,892**
Transactions with shareholders											
Forgiveness of subsidiary's loan by non-controlling interest	—	—	—	—	1,332	—	—	—	1,332	—	1,332
Transfer of treasury shares	—	—	(47,917)	47,917	—	—	—	—	—	—	—
Total transactions with shareholders	**—**	**—**	**(47,917)**	**47,917**	**1,332**	**—**	**—**	**—**	**1,332**	—	**1,332**
Balance, August 31, 2020	**$ 64,134**	**$ 16**	**$ 101,891**	**$ (23,088)**	**$ 1,518,370**	**$ (147,216)**	**$ (43,948)**	**$ (79,270)**	**$ 1,390,889**	**$ —**	**$ 1,390,889**

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

	Notes	For the Nine Months Ended August 31, 2020	August 31, 2019
		(in thousands)	
Cash generated from continuing operations	3	**$ 370,312**	$ 312,958
Interest paid		**(89,404)**	(89,751)
Debt issuance costs		**(3,220)**	(7,394)
Interest received		**1,991**	2,212
Income taxes paid		**(2,996)**	(7,803)
Net cash generated by operating activities – Continuing operations		**276,683**	210,222
Net cash used for operating activities – Discontinuing operations	11	**(1,559)**	(1,413)
Cash flows from investing activities			
Capital expenditures	6	**(116,837)**	(116,344)
Purchase of intangible assets	6	**(4,531)**	(4,501)
Proceeds from sale of assets	6	**12,024**	12,324
Purchase of shares of affiliate		**(15,000)**	—
Repayment of joint ventures and associates, net		**3,917**	2,300
Other, net		**(183)**	(19)
Net cash used in investing activities – Continuing operations		**(120,610)**	(106,240)
Net cash used in investing activities – Discontinuing operations	11	**(45)**	(485)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	8	**288,530**	684,914
Repayment of long-term debt	8	**(351,016)**	(670,921)
Principal payments on leases		**(30,807)**	—
Purchase of treasury shares	5	—	(4,367)
Dividends paid	5	**(13,457)**	(26,929)
Net cash used in financing activities		**(106,750)**	(17,303)
Net increase in cash and cash equivalents		**47,719**	84,781
Effect of exchange rate changes on cash		**(87)**	(6,130)
Cash and cash equivalents at beginning of the period		**136,151**	64,529
Cash and cash equivalents at the end of the period		**$ 183,783**	$ 143,180

See notes to the condensed consolidated interim financial statements.

1. Basis of Preparation

The 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, 2019, to fully understand the current financial position of the Group.

Going Concern

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. In addition, measures are being taken to reduce costs (for example, by eliminating dividends, instigating a hiring freeze and reducing professional fees and the hiring of contractors).

The effects of the pandemic have been experienced by the Stolt Sea Farm business segment, with revenues falling by 43% between the first and second quarters. This was a result of a decrease in volumes and prices due to the closure of restaurants and hotels in Southern Europe which are the main markets of turbot.

The Group has considered Covid-19's impact on the Group's liquidity in connection with the use of a going concern basis of presentation in the preparation of the financial statements. While the scale and duration, as well as the impact of Covid-19, remain uncertain, having considered various downside scenarios, Management is of the opinion that the Company's cash flows from operations, secured financing and available credit facilities will continue to provide the cash necessary to satisfy the Company's working capital requirements, scheduled debt repayments and committed capital expenditures for twelve months from October 8, 2020.

2. Significant Accounting Policies

The accounting policies applied are consistent with those described in the Consolidated Financial Statements for the year ended November 30, 2019, with the exception of income taxes, which for the purpose of interim financial statements are calculated based on the expected effective tax rate for the full year and those required for adoption of new IFRS that became effective in the nine months ended August 31, 2020, as noted below.

Accounting standards that became effective during the year

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") requires lessees to recognise assets and liabilities for most leases as "right-of-use" assets.

IFRS 16 became effective at December 1, 2019 for the Group. The modified retrospective approach was used, under which the cumulative effect of initially applying IFRS 16 was recognised at December 1, 2019. Accordingly, the comparative information presented for the nine months ended August 31, 2019 and at November 30, 2019 has not been restated. It remains, as previously reported, under IAS 17, Leases ("IAS 17") and related interpretations.

IFRS 16 has had a material impact on the Financial Statements of the Group owing to the nature, number and complexity of lease contracts to which the Group was committed at transition. IFRS 16 removes the distinction between operating and financing leases and requires recognition of a right-of-use asset and a financial liability to pay rentals for virtually all lease contracts. IFRS 16 primarily affects the accounting by lessees and has resulted in the recognition of almost all leases on the balance sheet. The Group has utilised the available exemptions for short-term and low-value leases. On an ongoing basis, lessees recognise interest expense on the lease liability and a depreciation charge on the right-of-use asset.

The key impacts on the financial statements are as follows:

- The use of the effective interest method on the lease liability and straight-lined depreciation method on the right-of-use assets results in total expenses being higher in the earlier years of a lease and lower in later years.
- Key metrics like Earnings before interest, taxes, depreciation and amortisation ("EBITDA") will increase, though operating expenses will reduce.
- While IFRS 16 does not change net cash flows, operating cash flows are higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continue to be presented as operating cash flows.
- Right-of-use assets and financial liabilities increase since all leases will be reported on the balance sheet, with the exception of leases less than one year and leases of low value assets.

The following table illustrates the impact of IFRS 16 on the income statement for the three and nine months ended August 31, 2020 and on the balance sheet as at August 31, 2020.

	Applying IAS 17	IFRS 16 Adjustments	As Reported
For the three months ended August 31, 2020		(in thousands)	
Income Statement			
Operating expenses	**$ (306,576)**	$ 11,274	**$ (295,302)**
Administrative and general expenses	**(43,264)**	1,198	**(42,066)**
Depreciation and amortisation	**(62,488)**	(10,177)	**(72,665)**
Finance expense	**(34,679)**	(2,518)	**(37,197)**
Net profit (loss)	**29,382**	(223)	**29,159**
Profit per share attributable to equity holders	**0.47**	(0.01)	**0.46**
For the nine months ended August 31, 2020			
Income Statement			
Operating expenses	**$ (1,030,677)**	$ 32,188	**$ (998,489)**
Administrative and general expenses	**(141,952)**	3,201	**(138,751)**
Depreciation and amortisation	**(189,633)**	(30,922)	**(220,555)**
Finance expense	**(99,805)**	(7,022)	**(106,827)**
Net profit (loss)	**14,481**	(2,555)	**11,926**
Profit (loss) per share attributable to equity holders	**0.24**	(0.03)	**0.21**
Balance Sheet			
Property, plant and equipment	**$ 3,055,596**	$ 175,055	**$ 3,230,651**
Current lease liabilities	—	41,441	**41,441**
Long-term lease liabilities	—	137,383	**137,383**
Total Shareholders' Equity	**1,393,444**	(2,555)	**1,390,889**

The revised lease policy is set out below:

Leases

In respect of leases of low-value items and those that are less than 12 months, the Group recognises an expense on a straight-line basis over the life of the lease. For all other leases, the Group recognises a right-of-use asset and corresponding liability at the date the leased asset is made available to the Group.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include options to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate.

Right-of-use assets are measured initially at cost based on the associated lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

Subsequent to initial recognition, the Group records an interest charge in respect of the lease liability. The related right-of-use asset is depreciated over the term of the lease or, if shorter, the leased asset's economic life.

IFRIC 23, Uncertainty over Income Tax Treatments

IFRIC 23, Uncertainty over income tax treatments ("IFRIC 23") clarifies the accounting for uncertainties in income taxes. For the Group, this interpretation came into effect on December 1, 2019. The implementation of the interpretation has had no material impact on the reported results.

3. Reconciliation of Net Profit to Cash Generated from Continuing Operations

	For the Nine Months Ended August 31, 2020	For the Nine Months Ended August 31, 2019
	(in thousands)	
Net profit	**$ 11,926**	$ 13,526
Loss from discontinued operations	**11,582**	5,840
Profit from continuing operations	**23,508**	19,366
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**217,968**	187,972
Amortisation of intangible assets	**2,587**	2,270
Finance expense, net	**103,514**	101,750
Net periodic benefit expense of defined benefit pension plans	**(478)**	1,573
Income tax expense	**7,461**	10,983
Share of profit of joint ventures and associates	**(23,571)**	(18,149)
Fair value adjustment on biological assets	**6,525**	4,894
Foreign currency related loss	**5,093**	3,168
Unrealised bunker hedge loss	**852**	5,181
Loss (profit) on disposal of assets, net	**507**	(2,866)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Decrease (increase) in receivables	**1,601**	(5,805)
Increase in inventories	**(2,416)**	(2,502)
Decrease in biological assets	**1,877**	1,941
Decrease (increase) in prepaid expenses and other current assets	**9,869**	(3,149)
Increase in accounts payable and other current liabilities	**4,450**	761
Contributions to defined benefit pension plans	**(1,335)**	(1,115)
Dividends from joint ventures and associates	**9,322**	7,798
Other, net	**2,978**	(1,113)
Cash generated from continuing operations	**$ 370,312**	$ 312,958

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, 2019, with the exception of the inclusion of interest and income tax on a segment basis. This is due to this information now being considered by the chief decision makers, who have been identified as the Executive Management team.

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 (a)	Total
For the three months ended August 31, 2020							
Operating revenue	$ 266,284	$ 59,771	$ 125,442	$ 22,397	$ —	$ 108	$ 474,002
Depreciation, amortisation and impairment	(44,316)	(14,576)	(9,973)	(1,984)	—	(1,816)	(72,665)
Share of profit (loss) of joint ventures and associates	3,503	7,404	(1,539)	—	663	—	10,031
Operating profit	28,091	22,735	17,549	3,907	428	1,102	73,812
Finance expense (b)	(18,358)	(10,034)	(3,627)	(1,134)	(1,306)	(2,738)	(37,197)
Finance income	141	525	104	—	—	1,259	2,029
Profit (loss) from continuing operations before income tax	8,666	12,171	13,197	2,110	(1,243)	166	35,067
Income tax (expense) benefit	(728)	(1,910)	(1,050)	(1,047)	—	135	(4,600)
Net profit (loss) from continuing operations	7,938	10,261	12,147	1,063	(1,243)	301	30,467
Net profit (loss)	7,938	10,261	12,147	(245)	(1,243)	301	29,159
Capital expenditures (c)	24,660	15,294	1,268	(95)	—	683	41,810
For the nine months ended August 31, 2020							
Operating revenue	$ 840,893	$ 181,199	$ 390,065	$ 60,002	$ —	$ 2,382	$ 1,474,541
Depreciation, amortisation and impairment	(134,716)	(43,697)	(29,297)	(6,087)	—	(6,758)	(220,555)
Share of profit (loss) of joint ventures and associates	7,374	19,020	(1,862)	—	(961)	—	23,571
Operating profit (loss)	52,755	60,838	37,262	(9,597)	(1,631)	1,162	140,789
Finance expense (b)	(53,477)	(30,285)	(11,546)	(2,629)	(3,918)	(4,972)	(106,827)
Finance income	517	525	352	—	—	1,919	3,313
(Loss) profit from continuing operations before income tax	(1,371)	31,450	24,076	(13,679)	(5,733)	(3,774)	30,969
Income tax (expense) benefit	(1,668)	(7,492)	2,130	1,651	—	(2,082)	(7,461)
Net (loss) profit from continuing operations	(3,039)	23,958	26,206	(12,028)	(5,733)	(5,856)	23,508
Net (loss) profit	(3,039)	23,958	26,206	(23,610)	(5,733)	(5,856)	11,926
Capital expenditures (c)	56,786	42,863	5,304	777	—	4,086	109,816
Balance Sheet at August 31, 2020							
Investments in and advances to joint ventures and associates	222,152	261,550	30,223	—	60,089	—	574,014
Segment assets	2,275,858	1,343,150	533,033	141,876	84,218	295,980	4,674,115

(a) Corporate and Other include Stolt Bitumen Services.
(b) 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.
(c) Capital expenditures include additions to property, plant and equipment, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised leases.

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (a)	Total
For the three months ended August 31, 2019							
Operating revenue	$ 291,835	$ 62,855	$ 135,229	$ 26,968	$ —	$ 938	$ 517,825
Depreciation, amortisation and impairment	(40,162)	(15,123)	(5,933)	(1,590)	—	(1,429)	(64,237)
Share of profit (loss) of joint ventures and associates	1,516	5,835	185	—	(937)	—	6,599
Operating profit (loss)	14,966	19,503	12,102	443	(1,111)	(1,902)	44,001
Finance expense							(35,412)
Finance income							708
Profit before income tax from continuing operations							7,453
Income tax expense							(3,173)
Net profit from continuing operations							4,280
Net profit							3,402
Capital expenditures (b)	21,738	16,981	960	5,453	—	1,345	46,477
For the nine months ended August 31, 2019							
Operating revenue	$ 873,109	$ 189,179	$ 395,161	$ 75,259	$ 190	$ 3,288	$ 1,536,186
Depreciation, amortisation and impairment	(119,463)	(44,696)	(17,774)	(4,387)	—	(3,922)	(190,242)
Share of profit (loss) of joint ventures and associates	3,354	16,953	102	(2,231)	—	(29)	18,149
Operating profit (loss)	42,106	57,218	40,426	5,030	(3,185)	(7,505)	134,090
Finance expense							(103,723)
Finance income							1,973
Profit before income tax from continuing operations							30,349
Income tax expense							(10,983)
Net profit from continuing operations							19,366
Net profit							13,526
Capital expenditures (b)	52,096	49,474	3,406	12,699	—	4,919	122,594
Balance Sheet at November 30, 2019							
Investments in and advances to joint ventures and associates	221,747	243,294	31,622	—	45,865	—	542,528
Segment assets	2,241,479	1,256,321	494,441	142,868	76,213	311,764	4,523,086

(a) Corporate and Other include Stolt Bitumen Services.

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

A breakdown of the key elements of sources of revenue:

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
For the three months ended August 31, 2020						
Revenue recognised over time:						
Freight revenue	**$ 252,481**	**$ –**	**$ 92,593**	**$ –**	**$ –**	**$ 345,074**
Storage and throughput revenue	**–**	**40,599**	**–**	**–**	**–**	**40,599**
	252,481	**40,599**	**92,593**	**–**	**–**	**385,673**
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	**13,803**	**–**	**32,849**	**–**	**–**	**46,652**
Turbot and sole	**–**	**–**	**–**	**22,397**	**–**	**22,397**
Rail revenue	**–**	**5,119**	**–**	**–**	**–**	**5,119**
Utility revenue	**–**	**5,155**	**–**	**–**	**–**	**5,155**
Dock, product handling and other revenue	**–**	**8,898**	**–**	**–**	**108**	**9,006**
	13,803	**19,172**	**32,849**	**22,397**	**108**	**88,329**
	$ 266,284	**$ 59,771**	**$ 125,442**	**$ 22,397**	**$ 108**	**$ 474,002**
For the nine months ended August 31, 2020						
Revenue recognised over time:						
Freight revenue	**$ 764,168**	**$ –**	**$ 296,112**	**$ –**	**$ –**	**$ 1,060,280**
Storage and throughput revenue	**–**	**122,379**	**–**	**–**	**–**	**122,379**
	764,168	**122,379**	**296,112**	**–**	**–**	**1,182,659**
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	**76,725**	**–**	**93,953**	**–**	**–**	**170,678**
Turbot and sole	**–**	**–**	**–**	**60,002**	**–**	**60,002**
Rail revenue	**–**	**15,793**	**–**	**–**	**–**	**15,793**
Utility revenue	**–**	**16,697**	**–**	**–**	**–**	**16,697**
Dock, product handling and other revenue	**–**	**26,330**	**–**	**–**	**2,382**	**28,712**
	76,725	**58,820**	**93,953**	**60,002**	**2,382**	**291,882**
	$ 840,893	**$ 181,199**	**$ 390,065**	**$ 60,002**	**$ 2,382**	**$ 1,474,541**

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
For the three months ended August 31, 2019						
Revenue recognised over time:						
Freight revenue	$ 257,508	$ –	$ 103,011	$ –	$ –	$ 360,519
Storage and throughput revenue	–	41,507	–	–	–	41,507
	257,508	41,507	103,011	–	–	402,026
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	34,327	–	32,218	–	–	66,545
Turbot and sole	–	–	–	26,968	–	26,968
Rail revenue	–	4,790	–	–	–	4,790
Utility revenue	–	6,025	–	–	–	6,025
Dock, product handling and other revenue	–	10,533	–	–	938	11,471
	34,327	21,348	32,218	26,968	938	115,799
	$ 291,835	$ 62,855	$ 135,229	$ 26,968	$ 938	$ 517,825
For the nine months ended August 31, 2019						
Revenue recognised over time:						
Freight revenue	$ 769,591	$ –	$ 305,535	$ –	$ –	$ 1,075,126
Storage and throughput revenue	–	126,380	–	–	–	126,380
	769,591	126,380	305,535	–	–	1,201,506
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	103,518	–	89,626	–	–	193,144
Turbot and sole	–	–	–	75,259	–	75,259
Rail revenue	–	16,553	–	–	–	16,553
Utility revenue	–	17,697	–	–	–	17,697
Dock, product handling and other revenue	–	28,549	–	–	3,478	32,027
	103,518	62,799	89,626	75,259	3,478	334,680
	$ 873,109	**$ 189,179**	**$ 395,161**	**$ 75,259**	**$ 3,478**	**$ 1,536,186**

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 August 31, 2020:		
Shares Issued	16,033,449	64,133,796
Less:		
Shares acquired by SNL	(277,500)	(10,610,000)
SNL Shares pledged as security (transferred to Paid-in surplus)	—	9,500,000
Treasury Shares	(277,500)	(1,110,000)
Shares Outstanding	15,755,949	63,023,796

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 2020, leaving $8.7 million available for future purchases. On December 20, 2019, 1.5 million shares pledged as security on a loan were released and transferred back to Treasury shares. On April 1, 2020, 4.0 million shares were pledged for additional security on a loan and transferred out of Treasury shares.

Dividends

On March 16, 2020, the Group's Board of Directors acting in response to uncertainties created by the ongoing coronavirus pandemic, voted to withdraw its previously announced recommendation of a final dividend for 2019 of $0.25 per Common Share.

On November 21, 2019, the Group's Board of Directors declared an interim dividend of $0.25 per Common share and $0.005 per Founder's share to shareholders of record as of November 27, 2019. The total gross amount of the dividend was $13.5 million, which was classified as an interim dividend and paid on December 11, 2019.

6. Property, Plant and Equipment and Intangible Assets

During the three months ended August 31, 2020, the Group spent $44.2 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $21.8 million on tankers capital expenditures, (b) $4.7 million on drydocking of ships, (c) $16.1 million on terminal capital expenditures, including $0.3 million of capitalised interest, (d) $1.4 million on the purchase of tank containers and construction at depots and (e) $2.1 million on Stolt Sea Farm capital expenditures. Tankers capital expenditures include deposits on five second hand ships from Chemical Transportation Group ("CTG") which are discussed further in Note 12. Grant income of $0.8 million was received by Stolt Sea Farm in the three months ended August 31, 2020.

During the nine months ended August 31, 2020, the Group spent $116.8 million on property, plant and equipment. Cash spent during the period primarily reflected (a) $42.7 million on tankers capital expenditures, (b) $17.8 million on drydocking of ships, (c) $46.7 million on terminal capital expenditures, including $0.9 million of capitalised interest, (d) $5.6 million on the purchase of tank containers and construction at depots and (e) $10.9 million on Stolt Sea Farm capital expenditures. Grant income of $6.3 million was received by Stolt Sea Farm in the nine months ended August 31, 2020. Upon the transition to IFRS 16, $194.3 million was capitalised as right-of-use assets and a further $9.4 million of right-to-use assets have been capitalized, net of retirements, during the nine months ended August 31, 2020.

During the nine months ended August 31, 2020, the Group spent $4.5 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles was a gain of $2.6 million in the same period.

7. Impairment

No assets have been subject to impairment in the three months ended August 31, 2020.

For disclosures on impairments for the nine months ended August 31, 2020, please refer to Note 7 of the unaudited Condensed Consolidated Financial Statements for the six months ended May 31, 2020.

8. Short and Long-Term Debt

	Cashflows For the Nine Months Ended	
	August 31, 2020	**August 31, 2019**
	(in thousands)	
Proceeds from issuance of long-term debt	**$ 288,530**	$ 684,914
Repayment of long-term debt	**(351,016)**	(670,921)

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 rollover 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 August 31, 2020, the Group had available undrawn committed credit lines of $311.4 million.

Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers, terminals and investments, as well as $573.9 million unsecured bond financing at August 31, 2020.

For the nine months ended August 31, 2020, the Company issued a senior unsecured bond of NOK 1.3 billion ($141.5 million) with a maturity date in February 2024 and a senior unsecured bond of NOK 1.25 billion ($132.0 million) with a maturity date of June 2023.

For the nine months ended August 31, 2020, $351.0 million of debt was repaid, including the repayment of $160.7 million on the SNI06 NOK bonds which matured in April 2020 and the early redemption of $80.5 million on the SNI05 NOK bonds that were due to mature in March 2021.

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 October 8, 2020. See further discussion in Note 1 above.

9. Long-term Insurance Claims Receivables and Provisions

As discussed in Note 18 of the audited Consolidated Financial Statements for the year ended November 30, 2019, the Group changed its policy on disclosing its insurance provisions and claims receivables by disclosing them separately on the balance sheet, rather than netting the receivables against the provision.

At August 31, 2020, 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* and the collision involving the *Stolt Commitment* as well as the explosion related to the *Stolt Groenland*.

All of our 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.

10. 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:

	August 31, 2020		November 30, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	**$ 183,783**	**$ 183,783**	$ 136,151	$ 136,151
Restricted cash	**121**	**121**	189	189
Receivables	**218,408**	**218,408**	217,909	217,909
Other current assets	**32,920**	**32,920**	30,568	30,568
Financial Assets (Fair Value):				
Investments in equity instruments	**24,114**	**24,114**	30,334	30,334
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value-added tax)	**77,568**	**77,568**	88,630	88,630
Accrued expenses	**218,221**	**218,221**	206,817	206,817
Dividend payable	—	—	13,457	13,457
Short and long-term debt including current maturities (excluding debt issuance costs)	**2,391,412**	**2,436,457**	2,377,487	2,555,803
Lease liabilities	**178,824**	**178,824**	—	—
Derivative Financial Instruments (Fair Value):				
Assets				
Foreign exchange forward contracts	**143**	**143**	143	143
Cross-currency interest rate swaps	**14,336**	**14,336**	—	—
	$ 14,479	**$ 14,479**	$ 143	$ 143
Liabilities				
Bunker swaps	**1,417**	**1,417**	565	565
Foreign exchange forward contracts	**182**	**182**	739	739
Interest rate swaps	**32,228**	**32,228**	14,877	14,877
Cross-currency interest rate swaps	**53,065**	**53,065**	106,932	106,932
	$ 86,892	**$ 86,892**	$ 123,113	$ 123,113

The carrying amount of cash and cash equivalents, receivables, other current assets, account payable (excluding withholding and value-added tax payables), accrued expenses and dividend payable are a reasonable estimate of their fair value, due to their short maturity. Long-term debt in the table above excludes debt issuance costs of \$29.8 million and \$32.0 million, as of August 31, 2020 and November 30, 2019, 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 August 31, 2020 and November 30, 2019, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of August 31, 2020 and November 30, 2019, 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 August 31, 2020 and November 30, 2019.

Derivatives

The Group had derivative assets of $14.5 million and $0.1 million as of August 31, 2020 and November 30, 2019, respectively and derivative liabilities of $86.9 million and $123.1 million as of August 31, 2020 and November 30, 2019, 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, fuel suppliers, 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 August 31, 2020 and November 30, 2019, respectively. Derivative financial instruments are measured using inputs other than quoted values. There were no changes in the valuation techniques since November 30, 2019.

The Group had purchased swap contracts on 22,000 tons of bunker fuel for delivery through December 2020 with initial expiration dates ranging from three to 12 months forward. The bunker contracts were marked-to-market through the Income Statement. A combined realised and unrealised loss of $2.6 million was recorded for the nine months ended August 31, 2020.

Investments in equity instruments

The Group's investment in Golar LNG Limited ("Golar") is 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 Nine Months Ended	
	August 31, 2020	**August 31, 2019**
	(in thousands)	
Golar		
Number of equity shares	**2,330**	2,330
Percentage of shareholding	**2.3%**	2.3%
Share price as of the end of the period	**$10.35**	$11.71
Loss on FVTOCI	**(6,221)**	(34,785)
Cumulative loss on FVTOCI	**(79,270)**	(76,102)
Value of investment	**$ 24,114**	$ 27,282
Avance Gas Holding Limited		
Number of equity shares	—	5,479
Percentage of shareholding	—	8.61%
Share price as of the end of the period	—	$3.53
Loss on FVTOCI	—	7,229
Cumulative loss on FVTOCI	—	4,312
Value of investment	**$ —**	$ 19,367
Total value of investments in equity instruments	**$ 24,114**	$ 46,649

During the three months ended November 30, 2019, the Group divested of its shareholding in Avance Gas Holding Limited ("AGHL").

11. Discontinued Operations

The Group is intending to sell Sterling Caviar, Inc. ("Caviar") which is a separate cash generating unit which produces and markets caviar and sturgeon in California. As such, the assets and liabilities of Caviar have been presented in the balance sheet as a held for sale asset and liability and, on the income statement, as a discontinued operation.

The financial information related to the discontinued operations is as follows:

	For the Three months ended		For the Nine months ended	
	August 31, 2020	August 31, 2019	August 31, 2020	August 31, 2019
	(in thousands)			
Revenue	**$ 998**	$ 1,183	**$ 3,262**	$ 3,696
Operating expenses	**(1,335)**	(1,589)	**(3,934)**	(8,048)
Depreciation, amortisation and impairment	—	(61)	**(894)**	(391)
Impairment of Caviar assets	**(576)**	—	**(8,664)**	—
Gross loss	**(913)**	(467)	**(10,230)**	(4,743)
Administrative and general expenses	**(459)**	(411)	**(1,353)**	(1,097)
Other operating expense	—	—	**(8)**	—
Operating loss	**(1,372)**	(878)	**(11,591)**	(5,840)
Finance expense and other income	**64**	—	**9**	—
Net Loss from Discontinued Operations	**$ (1,308)**	$ (878)	**$ (11,582)**	$ (5,840)

The impairment was based on the following:

	(in thousands)
Value based on FVLCD	**$ 5,250**
Carrying amount of net assets sold	**(13,914)**
Impairment loss	**$ (8,664)**

The following assets and liabilities were classified as held for sale in relation to discontinued operations:

	(in thousands)
Receivables	**$ 300**
Inventory	**2,147**
Biological assets	**8,975**
Prepaid expenses	**84**
Property, plant and equipment	**4,603**
	16,109
Impairment of assets	**(8,664)**
Total assets of disposal group held for sale	**$ 7,445**
Accounts payable	**$ 280**
Accrued expenses	**1,150**
Lease liability	**655**
Other non-current liabilities	**110**
Total liabilities of disposal group held for sale	**$ 2,195**

Caviar assets are included in Assets held for sale, along with $0.4 million tanker assets.

12. Commitments and Contingencies

As of August 31, 2020 and November 30, 2019, the Group had total capital expenditure purchase commitments outstanding of approximately $141.7 million and $96.8 million, respectively. At August 31, 2020, $105.4 million of the total related to tankers and included a commitment to acquire five second-hand tankers from CTG for trading in the Stolt Tankers Joint Service. The five ships, which are 26,000 dwt and with stainless steel cargo sections, were built in China in 2016 and 2017. The purchase of each ship is expected to close between December 2020 and February 2021. Subsequent to August 31, 2020, the Group's joint venture, NYK Stolt Tankers S.A. agreed to acquire two of the five ships and include them for trading in the Stolt Tankers Joint Service.

In addition, the Group has committed to an equity investment in Avenir LNG Limited ("Avenir LNG") for $17.0 million, terminal expansion projects of $11.5 million, tank container projects of $3.9 million and Stolt Sea Farm expansion projects of $3.6 million. Of the total purchase commitments at August 31, 2020, $138.2 million are expected to be paid over the next 12 months from either existing liquidity or 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 $228.3 million of total capital expenditure purchase commitments on August 31, 2020. This amount included commitments for Avenir LNG of $214.8 million for four 7,500 cbm LNG newbuildings, two 20,000 cbm LNG newbuildings and the Higas terminal. Of this amount $84.4 million is with recourse to the Group, relating to two 7,500 cbm and 50% of two 20,000 cbm LNG newbuildings. The remaining $130.4 million of Avenir LNG commitments are without recourse to the Group, together with $11.8 million for the terminal joint ventures and $1.6 million for tanker joint ventures.

Of the total purchase commitments at August 31, 2020 for joint ventures and associates, $122.4 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, 2019. There have been no significant changes that have occurred since that date.

13. 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, 2019. 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.

Stolt Tankers B.V. and Stolt Commitment B.V. ("Stolt") are involved in various civil proceedings in multiple jurisdictions brought by various claimants as a result of a December 2015 collision with the general cargo ship *Thorco Cloud* whilst in the Singapore Strait. In June 2019 the direct action suit filed by the *Thorco Cloud* interests against Stolt and its insurers in Norway was rejected by the Court of Appeals. The *Thorco Cloud* interests have appealed the judgment of the Court of Appeals to the Supreme Court. The Supreme Court heard oral arguments during the first quarter of 2020, and decided in July that Norway has jurisdiction over Stolt's P&I insurer GARD. The case has been sent back to the Court of Appeals for its formal decision on GARD's jurisdiction. The jurisdiction over Stolt companies on the back of GARD's jurisdiction will also be decided by the Court of Appeals. In addition, the Supreme Court in The Netherlands has decided that it has jurisdiction to decide the limitation case. With this result, the enforcement of any final judgement in Norway will have to be made against the limitation fund(s) in The Netherlands. Nonetheless, allocation of fault for the collision has not yet been determined but any losses, repairs and legal costs will be covered by insurance maintained by the Group, subject to deductibles and certain unrecoverable expenses. At August 31, 2020, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Stolt Tank Containers B.V. is involved in a civil action as a result of a 2012 fire on the *MSC Flaminia*. The Phase 2 trial for this matter was completed in August 2018. The US District Court for the Southern District of New

York delivered a judgement on September 10, 2018, which held the Group jointly liable with Deltech for the incident where the counterparties are alleging damages of $180.0 million, excluding interest. The claim is covered by insurance and the Group has recorded a deductible of $0.3 million for this claim plus a provision for the expected future liability, as well as a receivable for related insurance reimbursements. The judgement has been appealed by the defendants, Stolt Tank Containers B.V. and Deltech. The hearing on appeal before the Court of Appeals in New York was heard on May 15, 2020. The final phase of the trial (Phase 3) to assess the quantum of damages shall proceed in 2021. It is not expected that there will be a material adverse effect on the Group’s business or financial condition.

Stolt Tankers B.V. and Stolt Groenland B.V. (“Stolt”) are involved in legal proceedings in South Korea arising out of the September 28, 2019 explosion and fire aboard the *Stolt Groenland* while the ship was berthed in Ulsan. There was no loss of life and no pollution. Stolt has cooperated and continues to fully cooperate with the relevant authorities in the resulting incident investigation and with claimants to reach an early resolution of their respective proven claims. Stolt has applied to limit liability in the South Korea court and is defending certain ship officers who are restricted from leaving the country until completion of the Ulsan Coast Guard investigation and a determination is made by the public prosecutor as to whether the officers will be criminally prosecuted by the South Korean prosecutor who is engaged in this case, and who awaits the conclusions of the enquiry. The claims are fully covered by insurance. It is not expected that there will be a material adverse effect on the Group’s business or financial condition. At August 31, 2020, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements.

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.

14. 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 Tanker’s 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.

STOLT-NIELSEN LIMITED

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period December 1, 2019 to August 31, 2020 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
October 8, 2020

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer