Stolt-Nielsen

STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months and Year Ended November 30, 2019

STOLT-NIELSEN LIMITED

TABLE OF CONTENTS

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Notes	Three Months Ended November 30, 2019	Three Months Ended November 30, 2018	Year Ended November 30, 2019	Year Ended November 30, 2018
		(in thousands)			
Operating revenue	4	**$ 497,501**	$ 526,098	**$ 2,037,383**	$ 2,125,495
Operating expenses		**(338,178)**	(370,614)	**(1,423,359)**	(1,460,958)
		159,323	155,484	**614,024**	664,537
Depreciation and amortisation	4	**(63,920)**	(63,222)	**(254,553)**	(264,664)
Impairment of plant, property and equipment	7	**(5,500)**	(11,979)	**(5,500)**	(26,390)
Gross Profit		**89,903**	80,283	**353,971**	373,483
Share of profit of joint ventures and associates	4	**5,027**	4,438	**23,176**	32,360
Administrative and general expenses		**(48,075)**	(56,386)	**(206,020)**	(223,137)
(Loss) gain on disposal of assets, net		**(459)**	(771)	**2,407**	(1,325)
Other operating income		**573**	1,379	**2,354**	6,405
Other operating expense		**(137)**	(64)	**(806)**	(678)
Operating Profit		**46,832**	28,879	**175,082**	187,108
Non-Operating Income (Expense)					
Finance income		**1,160**	1,033	**3,133**	3,872
Finance expense		**(35,593)**	(34,768)	**(139,316)**	(139,111)
Foreign currency exchange gain (loss), net		**783**	(571)	**(2,385)**	(4,971)
Other non-operating (expense) income, net		**(96)**	11,817	**1,081**	(609)
Profit before Income Tax		**13,086**	6,390	**37,595**	46,289
Income tax (expense) benefit	14	**(7,551)**	(3,175)	**(18,534)**	7,701
Net Profit		**$ 5,535**	$ 3,215	**$ 19,061**	$ 53,990
***Attributable to*:**					
Equity holders of SNL		**5,865**	3,590	**21,043**	54,850
Non-controlling interests		**(330)**	(375)	**(1,982)**	(860)
		$ 5,535	$ 3,215	**$ 19,061**	$ 53,990
Earnings per Share:					
Net profit attributable to SNL shareholders					
Basic		**$ 0.10**	$ 0.06	**$ 0.35**	$ 0.89
Diluted		**$ 0.10**	$ 0.06	**$ 0.35**	$ 0.89

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three Months Ended		Year Ended	
	November 30, 2019	November 30, 2018	**November 30, 2019**	November 30, 2018
	(in thousands)			
Net profit for the period	**$ 5,535**	$ 3,215	**$ 19,061**	$ 53,990
Items that will not be reclassified subsequently to profit or loss:				
Actuarial (loss) gain on pension schemes	**(2,429)**	6,643	**(13,158)**	14,254
Actuarial loss on pension scheme of joint venture	**(497)**	(844)	**(497)**	(844)
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	**1,125**	(1,688)	**3,554**	(6,287)
Items that may be reclassified subsequently to profit or loss:				
Net (loss) income on cash flow hedges	**(514)**	(13,202)	**(62,637)**	33,311
Reclassification of cash flow hedges to income statement	**6,285**	13,164	**37,747**	(12,414)
Net (loss) income on cash flow hedges held by joint ventures and associates	**(657)**	60	**(6,903)**	3,452
Deferred tax adjustment on cash flow hedges	**71**	21	**729**	(323)
Exchange differences arising on translation of foreign operations	**3,941**	(5,463)	**(17,374)**	(32,766)
Deferred tax on translation of foreign operations	**1,206**	(640)	**728**	766
Exchange differences arising on translation of joint ventures and associates	**3,194**	(4,970)	**(9,506)**	(12,420)
Change in value of investments in equity instruments	**9,589**	2,145	**(17,967)**	1,580
Net income (loss) recognised as other comprehensive income	**21,314**	(4,774)	**(85,284)**	(11,691)
Total comprehensive income (loss)	**$ 26,849**	$ (1,559)	**$ (66,223)**	$ 42,299
Attributable to:				
Equity holders of SNL	**$ 27,179**	$ (1,184)	**$ (64,241)**	$ 43,159
Non-controlling interests	**(330)**	(375)	**(1,982)**	(860)
	$ 26,849	$ (1,559)	**$ (66,223)**	$ 42,299

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	Notes	November 30, 2019	November 30, 2018
		(in thousands)	
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 136,151**	$ 64,529
Restricted cash		**189**	167
Receivables		**217,909**	243,910
Inventories		**8,093**	9,043
Biological assets		**42,198**	50,585
Prepaid expenses		**73,936**	71,456
Derivative financial instruments	10	**143**	4,599
Income tax receivable		**8,599**	6,833
Assets held for sale		**389**	998
Other current assets		**30,568**	32,480
Total Current Assets		**518,175**	484,600
Property, plant and equipment	6	**3,139,125**	3,260,693
Investments in and advances to joint ventures and associates	4	**542,528**	554,506
Investments in equity instruments	10	**30,334**	74,205
Deferred tax assets		**10,320**	12,071
Intangible assets and goodwill	6	**49,591**	47,262
Employee benefit assets		**9,694**	6,812
Derivative financial instruments	10	**—**	4,858
Insurance claims receivable	9	**207,771**	—
Other non-current assets		**15,548**	13,149
Total Non-Current Assets		**4,004,911**	3,973,556
Total Assets		**$ 4,523,086**	$ 4,458,156
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Current maturities of long-term debt	8	**$ 287,006**	$ 472,798
Accounts payable		**94,158**	83,245
Accrued voyage expenses		**53,544**	68,634
Accrued expenses		**153,273**	174,821
Provisions		**5,119**	3,751
Income tax payable		**13,651**	12,216
Dividend payable	5	**13,457**	13,549
Derivative financial instruments	10	**35,133**	40,918
Other current liabilities		**33,095**	38,675
Total Current Liabilities		**688,436**	908,607
Long-term debt	8	**2,058,520**	1,919,433
Deferred tax liabilities		**47,521**	46,215
Employee benefit obligations		**43,508**	27,143
Derivative financial instruments	10	**87,980**	72,765
Long-term provisions	9	**209,386**	3,487
Other non-current liabilities		**11,070**	4,849
Total Non-Current Liabilities		**2,457,985**	2,073,892
Total Liabilities		**$ 3,146,421**	$ 2,982,499
Shareholders' Equity			
Founder's shares	5	**$ 16**	$ 16
Common shares	5	**64,134**	64,134
Paid-in surplus		**149,808**	150,108
Retained earnings		**1,507,520**	1,514,851
Other components of equity		**(274,735)**	(188,703)
		1,446,743	1,540,406
Less – Treasury shares	5	**(71,005)**	(66,638)
Equity Attributable to Equity Holders of SNL		**1,375,738**	1,473,768
Non-controlling interests		**927**	1,889
Total Shareholders' Equity		**1,376,665**	1,475,657
Total Liabilities and Shareholders' Equity		**$ 4,523,086**	$ 4,458,156

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, 2017	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (51,486)**	**$ 1,483,143**	**$ (106,645)**	**$ (17,430)**	**$ (45,814)**	**$ 1,476,026**	**$ 2,803**	**$ 1,478,829**
Comprehensive income (loss)											
Net profit (loss)	—	—	—	—	54,850	—	—	—	54,850	(860)	53,990
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	(44,420)	—	—	(44,420)	—	(44,420)
Remeasurement of post-employment obligations, net of tax	—	—	—	—	7,123	—	—	—	7,123	—	7,123
Fair value adjustment on equity investments	—	—	—	—	—	—	—	1,580	1,580	—	1,580
Net income on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	24,026	—	24,026	—	24,026
Total other comprehensive income (loss)	—	—	—	—	7,123	(44,420)	24,026	1,580	(11,691)	—	(11,691)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**61,973**	**(44,420)**	**24,026**	**1,580**	**43,159**	**(860)**	**42,299**
Transactions with shareholders											
Cash dividend paid - $0.50 per Common Share	—	—	—	—	(27,124)	—	—	—	(27,124)	—	(27,124)
Cash dividend paid - $0.005 per Founder's Share	—	—	—	—	(76)	—	—	—	(76)	—	(76)
Dilution of an investment in a joint venture	—	—	—	—	(3,065)	—	—	—	(3,065)	—	(3,065)
Deconsolidation of Avenir LNG Limited	—	—	—	—	—	—	—	—	—	(54)	(54)
Purchase of own shares	—	—	—	(15,152)	—	—	—	—	(15,152)	—	(15,152)
Total transactions with shareholders	**—**	**—**	**—**	**(15,152)**	**(30,265)**	**—**	**—**	**—**	**(45,417)**	**(54)**	**(45,471)**
Balance, November 30, 2018	**$ 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)	—	—	—	—	21,043	—	—	—	21,043	(1,982)	19,061
Other comprehensive loss											
Translation adjustments, net	—	—	—	—	—	(26,152)	—	—	(26,152)	—	(26,152)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(10,101)	—	—	—	(10,101)	—	(10,101)
Fair value adjustment on equity investments	—	—	—	—	—	—	—	(17,967)	(17,967)	—	(17,967)
Transfer upon sale of Avance Gas Holdings Ltd shares	—	—	—	—	10,849	—	—	(10,849)	—	—	—
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	(31,064)	—	(31,064)	—	(31,064)
Total other comprehensive income (loss)	—	—	—	—	748	(26,152)	(31,064)	(28,816)	(85,284)	—	(85,284)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**21,791**	**(26,152)**	**(31,064)**	**(28,816)**	**(64,241)**	**(1,982)**	**(66,223)**
Transactions with shareholders											
Cash dividend paid - $0.50 per Common Share	—	—	—	—	(26,762)	—	—	—	(26,762)	—	(26,762)
Cash dividend paid - $0.005 per Founder's Share	—	—	—	—	(76)	—	—	—	(76)	—	(76)
Contributions from non-controlling interests	—	—	—	—	—	—	—	—	—	1,020	1,020
Transactions with shareholders	—	—	(300)	—	—	—	—	—	(300)	—	(300)
Purchase of own shares	—	—	—	(4,367)	—	—	—	—	(4,367)	—	(4,367)
Total transactions with shareholders	**—**	**—**	**(300)**	**(4,367)**	**(26,838)**	**—**	**—**	**—**	**(31,505)**	1,020	**(30,485)**
Balance, November 30, 2019	**$ 64,134**	**$ 16**	**$ 149,808**	**$ (71,005)**	**$ 1,507,520**	**$ (177,217)**	**$ (24,468)**	**$ (73,050)**	**$ 1,375,738**	**$ 927**	**$ 1,376,665**

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

	Notes	For the Year Ended November 30, 2019	For the Year Ended November 30, 2018
		(in thousands)	
Cash generated from operations	3	**$ 429,336**	$ 476,859
Interest paid		**(132,037)**	(137,020)
Debt issuance costs		**(12,541)**	(877)
Interest received		**3,191**	2,698
Income taxes paid		**(10,226)**	(13,608)
Net cash generated by operating activities		**277,723**	328,052
Cash flows from investing activities			
Capital expenditures	6	**(156,297)**	(146,327)
Purchase of intangible assets	6	**(7,284)**	(3,012)
Investment in joint venture		**(382)**	(18,210)
Deposit for newbuildings		–	(7,326)
Proceeds from sale of assets	6	**12,482**	11,674
Repayment of (advances to) joint ventures and associates, net		**2,014**	(5,945)
Contribution by non-controlling interest		**1,020**	–
Sale of AGHL shares		**25,904**	–
Sale of joint venture		**749**	–
Other, net		**(81)**	1,416
Net cash used in investing activities		**(121,875)**	(167,730)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	8	**868,815**	270,291
Repayment of long-term debt	8	**(916,060)**	(374,267)
Finance lease payments		–	(140)
Purchase of treasury shares	5	**(4,367)**	(15,152)
Dividends paid	5	**(26,929)**	(27,465)
Net cash used in financing activities		**(78,541)**	(146,733)
Net increase in cash and cash equivalents		**77,307**	13,589
Effect of exchange rate changes on cash		**(5,685)**	(7,368)
Cash and cash equivalents at beginning of the period		**64,529**	58,308
Cash and cash equivalents at the end of the period		**$ 136,151**	$ 64,529

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

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, 2018, to fully understand the current financial position of the Group.

2. Significant Accounting Policies

The accounting policies applied are consistent with those described in the Consolidated Financial Statements for the year ended November 30, 2018, 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. In addition, the Group changed its policy for disclosing insurance provisions and reimbursements and adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). The following policies are applicable for 2019:

Long-term Insurance Claim Receivables and Insurance Provisions

The Group maintains insurance to cover a number of risks including employee health, workers' compensation, pollution, damages to hull and machinery for each of our ships, property damages, war damage and general liabilities for third-party claims. The Group recognises a provision up to the limit of its self-insured liabilities (deductibles) in respect to any claim.

The Group recognises insurance reimbursement receivables from insurers for third-party claims at the time the recovery is virtually certain. Substantially all of the Long-term insurance reimbursement receivables are for claims such as collision, property damage, pollution, environmental damage, general average, injury and cargo claims. The liabilities associated with the claims are estimated based on the specific merits of the individual claims.

Adoption of IFRS 15, Revenue from Contracts with Customers

IFRS 15 sets out the principles to determine the measurement of revenue and timing when revenue is reflected in the Income Statement. The underlying principle is that revenue recognition will follow the transfer of goods or services to customers at an amount that the seller expects to be entitled to in exchange for those goods or services. This new standard was applied by the Group as of December 1, 2018 and has no material effect on revenue or net profit.

The Group applied IFRS 15 using the modified retrospective approach, which requires the Group to recognise the cumulative effect of initially applying IFRS 15 to the opening balance of equity as at December 1, 2018. Accordingly, the comparative information has not been restated and continues to be reported under IAS 18 Revenue and IAS 11 Construction Contracts. The impact of the modified retrospective approach for each significant financial statement line item for the three months and year ended November 30, 2019 is as follows:

	Applying IAS 11 and IAS 18	IFRS 15 Adjustments	As Reported
		(in thousands)	
For the three months ended November 30, 2019			
Income Statement			
Operating Revenue	$ 497,274	$ 227	**$ 497,501**
Operating Expense	(338,065)	(113)	**(338,178)**
Gross Profit	89,789	114	**89,903**
Net Profit	5,421	114	**5,535**
Earnings per share	0.10	—	**0.10**
For the year ended November 30, 2019			
Income Statement			
Operating Revenue	$ 2,036,873	$ 510	**$ 2,037,383**
Operating Expense	(1,422,748)	(611)	**(1,423,359)**
Gross Profit	354,072	(101)	**353,971**
Net Profit	19,162	(101)	**19,061**
Earnings per share	0.35	—	**0.35**
Balance Sheet			
Accrued Expenses	$ 150,888	$ 2,385	**$ 153,273**
Shareholders' Equity	1,379,050	(2,385)	**1,376,665**

Generally, revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services or goods. Transaction price for the transportation services and for other services are contractually agreed before the services are rendered and do not contain material variable components. When it is probable that the future economic benefits will flow to the Group, the recognition in the statement of income is over time based on the completion of the performance obligations.

The additional disclosures required by IFRS 15 are in Note 4. The revised revenue recognition policy for each of the segments is set out below.

Tankers
Revenue is recognised upon delivery of services in accordance with the terms and conditions of the contract of affreightment and such services are performed over time. For voyages in progress at the end of a period, the uncertainty and the dependence on estimates are greater than for finalised voyages. The Group recognises a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the balance sheet date. Other revenue such as demurrage, additional port charges and bunker surcharges are estimated upfront and this estimate is updated at each period end and recognised over time based on the estimated duration of the voyage.

Terminals
Tank storage rentals, including minimum guaranteed throughputs, are recognised over the contractual period during which the services are rendered. These charges are mostly invoiced upfront in the month preceding the month to which such charges relate. Revenues from additional throughput fees and other ancillary charges based on actual usage are recognised at the point in time when those services are delivered.

Tank Containers
Transportation revenue is recognised upon delivery of services in accordance with the agreement with customers and is recognised over time using a measure of progress. For tank container movements in progress at the end of a period, the uncertainty and the dependence on estimates are greater than for finalised movements. The Group recognises a percentage of the estimated revenue for the movement using the percentage of effort ("input

method") required at origin and destination. Demurrage and other revenues are uncertain elements of revenue and are recognised when incurred and generally invoiced at the end of the month.

Sea Farm

Revenues are recognised when performance obligations are satisfied by transferring control of a good or service to the customer. Where the terms of sale are free on board, revenue is recognised on dispatch of products to the customer. Revenue is recognised on delivery where the terms of sale include costs, insurance, freight and destination duty paid. The amount recorded as revenue includes all amounts recognised according to the terms of sale, including shipping and handling costs billed to customers, and after deductions for claims or returns of goods, rebates and allowances against the price of goods.

Impact of forthcoming accounting standards

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") requires lessees to recognise assets and liabilities for most leases as "right-to-use" assets. The implementation date for the Group is December 1, 2019. IFRS 16 will have a material impact on the Financial Statements of the Group owing to the nature, number and complexity of lease contracts to which the Group is committed at transition. IFRS 16 removes the current distinction between operating and financing leases and requires recognition of a right to use asset and a financial liability to pay rentals for virtually all lease contracts. IFRS 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. An optional exemption exists 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-to-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 method on the right-to-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 expense will reduce.
- While IFRS 16 will not change net cash flows, operating cash flows will be 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 will continue to be presented as operating cash flows.
- Right-to-use assets and financial liabilities will 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 Group quantified the approximate impact on the transition date of December 1, 2019. Adopting IFRS 16 is expected to increase the assets and liabilities by approximately $204.0 million. The impact on the income statement is expected to be an additional expense of between $3.0 million to $5.0 million for 2020.

IFRIC 23, Uncertainty over Income Tax Treatments

IFRIC 23, Uncertainty over income tax treatments ("IFRIC 23") clarifies the accounting for uncertainties in income taxes and is effective for annual periods beginning on or after January 1, 2019. For the Group, this interpretation comes into effect on December 1, 2019. No material impact is anticipated from the implementation of this interpretation.

3. Reconciliation of Net Profit to Cash Generated from Operations

	For the Year Ended November 30, 2019	For the Year Ended November 30, 2018
	(in thousands)	
Net profit	**$ 19,061**	$ 53,990
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**251,401**	261,192
Amortisation of intangible assets	**3,152**	3,472
Impairment of property, plant and equipment	**5,500**	26,390
Gain on deconsolidation of Avenir LNG	–	(11,157)
Loss on step-down disposal of associate	–	12,884
Finance expense, net	**136,183**	135,239
Net periodic benefit expense of defined benefit pension plans	**1,957**	2,438
Income tax expense (benefit)	**18,534**	(7,701)
Share of profit of joint ventures and associates	**(23,176)**	(32,360)
Fair value adjustment on biological assets	**5,123**	(5,452)
Foreign currency related loss	**2,385**	4,971
Unrealised bunker hedge loss	**4,690**	8,240
(Gain) loss on disposal of assets, net	**(2,407)**	1,325
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Decrease (increase) in receivables	**22,833**	(8,132)
Decrease (increase) in inventories	**851**	(219)
Decrease (increase) in biological assets	**2,276**	(1,044)
(Increase) decrease in prepaid expenses and other current assets	**(3,066)**	8,730
(Decrease) increase in accounts payable and other current liabilities	**(26,669)**	4,015
Contributions to defined benefit pension plans	**(1,695)**	(1,824)
Dividends from joint ventures and associates	**15,902**	22,204
Other, net	**(3,499)**	(342)
Cash generated from operations	**$ 429,336**	$ 476,859

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, 2018, with the exception of the Stolt-Nielsen Gas segment now being separated from Corporate and Other.

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 November 30, 2019							
Operating revenue	**$ 274,776**	**$ 61,651**	**$ 133,407**	**$ 26,643**	**$ 2**	**$ 1,022**	**$ 497,501**
Depreciation, amortisation and impairment	**(39,697)**	**(21,840)**	**(5,914)**	**(1,527)**	**—**	**(442)**	**(69,420)**
Share of (loss) profit of joint ventures and associates	**(184)**	**5,935**	**380**	**—**	**(1,106)**	**2**	**5,027**
Operating profit (loss)	**14,607**	**11,738**	**15,710**	**1,688**	**(1,131)**	**4,220**	**46,832**
Capital expenditures (b)	**14,863**	**18,141**	**2,832**	**7,499**	**—**	**2,522**	**45,857**
For the year ended November 30, 2019							
Operating revenue	**1,147,885**	**250,830**	**528,568**	**105,598**	**192**	**4,310**	**2,037,383**
Depreciation, amortisation and impairment	**(159,160)**	**(66,536)**	**(23,688)**	**(6,305)**	**—**	**(4,364)**	**(260,053)**
Share of profit (loss) of joint ventures and associates	**3,170**	**22,888**	**482**	**—**	**(3,337)**	**(27)**	**23,176**
Operating profit (loss)	**56,713**	**68,956**	**56,136**	**878**	**(4,126)**	**(3,475)**	**175,082**
Capital expenditures (b)	**66,959**	**67,615**	**6,238**	**20,198**	**—**	**7,441**	**168,451**
As of 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**

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (a)	Total
For the three months ended November 30, 2018							
Operating revenue	$ 303,007	$ 62,969	$ 133,582	$ 24,886	$ —	$ 1,654	$ 526,098
Depreciation, amortisation and impairment	(40,511)	(19,267)	(6,058)	(1,920)	—	(7,445)	(75,201)
Share of profit (loss) of joint ventures and associates	356	4,070	416	—	(357)	(47)	4,438
Operating profit (loss)	7,749	11,653	18,104	3,269	(4,866)	(7,030)	28,879
Capital expenditures (b)	11,207	25,552	1,520	5,217	532	401	44,429
For the year ended November 30, 2018							
Operating revenue	1,219,153	251,984	551,102	98,481	—	4,775	2,125,495
Depreciation, amortisation and impairment	(174,659)	(62,140)	(24,485)	(6,439)	—	(23,331)	(291,054)
Share of profit (loss) of joint ventures and associates	2,924	31,473	1,665	—	(3,430)	(272)	32,360
Operating profit (loss)	66,563	76,411	70,884	13,016	(10,976)	(28,790)	187,108
Capital expenditures (b)	40,686	91,927	5,441	10,013	8,958	4,204	161,229
As of November 30, 2018							
Investments in and advances to joint ventures and associates	230,100	242,754	31,787	—	49,143	722	554,506
Segment assets	2,309,682	1,273,889	515,383	137,303	123,470	98,429	4,458,156

(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.

A breakdown of the key elements of sources of revenue:

	For the Three Months Ended		For the Year Ended	
	November 30, 2019	**November 30, 2018**	**November 30, 2019**	**November 30, 2018**
		(in thousands)		
Tankers:				
Freight revenue	**$ 244,231**	$ 266,392	**$ 1,013,822**	$ 1,075,650
Demurrage and ancillary revenue	**30,545**	36,615	**134,063**	143,503
	274,776	303,007	**1,147,885**	1,219,153
Terminals:				
Storage and throughput revenue	**41,575**	42,812	**167,955**	170,840
Rail	**4,682**	6,482	**21,235**	25,807
Other revenue	**15,394**	13,675	**61,640**	55,337
	61,651	62,969	**250,830**	251,984
Tank Containers:				
Freight revenue	**99,070**	101,184	**404,605**	427,807
Demurrage and ancillary revenue	**34,337**	32,398	**123,963**	123,295
	133,407	133,582	**528,568**	551,102
Stolt Sea Farm:				
Turbot and sole	**25,063**	23,748	**100,212**	94,165
Sturgeon and caviar	**1,580**	1,138	**5,386**	4,316
	26,643	24,886	**105,598**	98,481
Stolt-Nielsen Gas	**2**	—	**192**	—
Corporate, Stolt Bitumen and Others	**1,022**	1,654	**4,310**	4,775
Total Revenue	**$ 497,501**	$ 526,098	**$ 2,037,383**	$ 2,125,495

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 November 30, 2019:		
Shares Issued	16,033,449	64,133,796
Treasury Shares	(902,500)	(3,610,000)
Shares Outstanding	15,130,949	60,523,796
SNL Shares pledged as security (not included in Treasury shares)	—	7,000,000

Treasury Shares

The Board has authorized the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company has utilized $16.9 million prior to 2019. During the year ended November 30, 2019, 354,570 shares were repurchased for $4.4 million, leaving $8.7 million available for future purchases.

Dividends

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 November 30, 2019, the Group spent $39.5 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $17.4 million on terminal capital expenditures, (b) $6.5 million on drydocking of ships, (c) $7.3 million on tankers capital expenditures, (d) $2.2 million on the purchase of tank containers and construction at depots and (e) $4.8 million on Stolt Sea Farm capital expenditures. Interest of $0.4 million was capitalised on the new construction of terminals.

During the year ended November 30, 2019, the Group spent $156.3 million on property, plant and equipment. Cash spent during the period primarily reflected (a) $68.7 million on terminal capital expenditures, (b) $27.6 million on drydocking of ships, (c) $33.6 million on tankers capital expenditures, (d) $5.7 million on the purchase of tank containers and construction at depots and (e) $18.1 million on Stolt Sea Farm capital expenditures. Interest of $1.7 million was capitalised on the new construction of terminals.

During the year ended November 30, 2019, proceeds of $6.8 million were received from the sale of Altona terminal in Australia and $3.8 million from the sale of the bitumen ship, *Stolt Kilauea*.

During the year ended November 30, 2019, the Group spent $7.3 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles amounted to a loss of $2.2 million in the same period.

7. Impairment

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. During 2019 and 2018, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment. As a result, the Group performed its annual impairment test in each of those years.

Terminals

The Group booked an impairment relating to both tangible and intangible assets aggregating to $5.5 million and $6.1 million in the fourth quarter of the year 2019 and 2018, respectively, and $5.5 million and $8.7 million in the full year of 2019 and 2018, respectively.

Bitumen

For the year ended November 30, 2018, the Group recognised an impairment of $17.7 million for two Bitumen ships and other Bitumen assets.

8. Short and Long-Term Debt

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 November 30, 2019, had available undrawn committed credit lines of $370.0 million.

Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers, terminals and investments, as well as $467.9 million unsecured bond financing at November 30, 2019.

	Cashflows For the Year Ended	
	November 30, 2019	**November 30, 2018**
	(in thousands)	
Proceeds from issuance of long-term debt	**$ 868,815**	$ 270,291
Repayment of long-term debt	**(916,060)**	(374,267)

During February and March 2019, the Group received $241.6 million under a fixed-rate borrowing agreement, including eight ships. The agreement is with the Development Bank of Japan, ING Bank N.V., National Australia Bank, Société Générale and a group of private investors at fixed interest rates ranging from 4.38% to 4.44%. There are equal quarterly payments for each ship for an average tenor of eight years. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. This debt refinanced the acquisition debt relating to the Jo Tankers acquisition in 2016.

In July 2019, Stolthaven New Orleans LLC issued $200.0 million Senior Secured Notes with a group of private investors. The private placement has a ten-year term at a fixed interest rate of 5.15% and is secured by the terminal in Braithwaite, Louisiana. The loan was used to pay down existing debt and for general corporate purposes.

In August 2019, the Group closed a $415.6 million floating-rate facility with CMB Financial Leasing Co., LTD ("CMBFL Facility"), including twenty ships. There are equal quarterly payments for each ship for an average tenor of seven years and interest rates ranging from 4.80% to 4.94%. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. The loan was used to pay down existing debt and for general corporate purposes.

For the year ended November 30, 2019, $916.1 million of debt was repaid, including final payments of $150.0 million from a $275.0 million bridge facility entered in 2016, $147.6 million repayment on NOK bonds on September 4, 2019, $67.5 million on Australasia terminal debt facilities and $64.8 million on the facility with Eksportfinans and DNB Bank ASA. $340.0 million on the secured reducing revolving credit facility was also repaid for the year ended November 30, 2019.

The Group remains in compliance with all financial covenants and believes that it will be able to satisfy working capital, capital expenditures and debt requirements for at least the next 12 months from January 30, 2020.

9. Long-term Insurance Claim Receivables and Provisions

In 2019, as discussed in Note 2, 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 November 30, 2019, substantially all of the Long-term insurance claims receivables and Long-term provision relate to the civil action as a result of the fire on the *MSC Flaminia* and the collision involving the *Stolt Commitment* (see in Note 12) 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:

	November 30, 2019		November 30, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Financial Assets (Amortised Cost):				
Cash and cash equivalents	**$ 136,151**	**$ 136,151**	$ 64,529	$ 64,529
Restricted cash	**189**	**189**	167	167
Receivables	**217,909**	**217,909**	243,910	243,910
Other current assets	**30,568**	**30,568**	32,480	32,480
Financial Assets (Fair Value):				
Investments in equity instruments	**30,334**	**30,334**	74,205	74,205
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value-added tax)	**88,630**	**88,630**	76,755	76,755
Accrued expenses	**206,817**	**206,817**	243,455	243,455
Dividend payable	**13,457**	**13,457**	13,549	13,549
Short and long-term debt including current maturities (excluding debt issuance costs)	**2,377,487**	**2,555,803**	2,419,252	2,496,180
Derivative Financial Instruments (Fair Value):				
Assets				
Bunker swaps	—	—	4,081	4,081
Bunker call options	—	—	44	44
Foreign exchange forward contracts	143	143	91	91
Interest rate swaps	—	—	5,241	5,241
	$ 143	**$ 143**	$ 9,457	$ 9,457
Liabilities				
Bunker swaps	565	565	—	—
Foreign exchange forward contracts	739	739	1,344	1,344
Interest rate swaps	14,877	14,877	372	372
Cross-currency interest rate swaps	106,932	106,932	111,967	111,967
	$ 123,113	**$ 123,113**	$ 113,683	$ 113,683

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 $32.0 million and $27.0 million, as of November 30, 2019 and 2018, respectively. The estimated value of the senior unsecured bond issues is based on traded values, while the value on the remaining long-term debt is based on interest rates as of November 30, 2019 and 2018, 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 November 30, 2019 and 2018, 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 November 30, 2019 and 2018.

Derivatives

The Group had derivative assets of $0.1 million and $9.5 million as of November 30, 2019 and 2018, respectively and derivative liabilities of $123.1 million and $113.7 million as of November 30, 2019 and 2018, 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 November 30, 2019 and 2018, respectively. Derivative financial instruments are measured using inputs other than quoted values. There were no changes in the valuation techniques since November 30, 2018.

The Group had purchased forward contracts on 111,000 tons of bunker fuel for delivery in each of 2017 and 2018, and 72,000 tons for delivery through December 2019 with initial expiration dates ranging from three to 24 months forward. The bunker contracts were marked-to-market through the Income Statement. A realised and unrealised loss $0.1 million was recorded for the three months ended November 30, 2019 and a gain of $1.4 million was recorded for the year ended November 30, 2019.

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 Year Ended	
	November 30, 2019	**November 30, 2018**
	(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	**$13.02**	$26.64
(Loss) gain on FVTOCI	**(31,733)**	4,497
Cumulative loss on FVTOCI	**(73,050)**	(41,317)
Value of investment	**$ 30,334**	$ 62,067
Avance Gas Holding Limited		
Number of equity shares	—	5,479
Percentage of shareholding	—	8.61%
Share price as of the end of the period	—	$2.22
Gain (loss) on FVTOCI	**13,766**	(2,917)
Cumulative loss on FVTOCI	—	(2,917)
Value of investment	**$ —**	$ 12,138
Total value of investments in equity instruments	**$ 30,334**	$ 74,205

During the three months ended November 30, 2019, the Group divested of its shareholding in Avance Gas Holding Limited ("AGHL"). The gain on disposal of $10.8 million was included as an adjustment to Shareholders' equity.

11. Commitments and Contingencies

As of November 30, 2019, and 2018, the Group had total capital expenditure purchase commitments outstanding of approximately $96.2 million and $111.7 million, respectively. At November 30, 2019, the total purchase commitments primarily consisted of equipment for tankers of $20.4 million, committed equity investment in Avenir LNG Limited ("Avenir LNG") for $36.0 million, terminal expansion projects of $20.1 million, tank container projects of $6.8 million and Stolt Sea Farm expansion projects of $12.9 million. Of the total purchase commitments at November 30, 2019, $90.9 million are expected to be paid over the next 12 months from existing liquidity.

Purchase Commitments of Joint Ventures and Associates

The Group's joint ventures and associates had $270.9 million of total capital expenditure purchase commitments on November 30, 2019. This amount included commitments for Avenir LNG of $255.5 million for four 7,500 cbm LNG newbuildings, two 20,000 cbm LNG newbuildings and the Higas terminal. Of this amount $105.6 million is with recourse to the Group, relating to two 7,500 cbm and 50% of two 20,000 cbm LNG newbuildings. The remaining $149.9 million of Avenir LNG commitments are without recourse to the Group, together with

$11.7 million for the terminal joint ventures, $3.0 million for tanker joint ventures and $0.7 million for tank container joint ventures.

Of the total purchase commitments at November 30, 2019 for joint ventures and associates, $131.1 million is expected to be paid over the next 12 months. The commitments will either be paid out of the existing liquidity of those joint ventures or through external financing, which is in the process of being raised.

Avenir LNG

The newbuilding contract for the first two 7,500 cbm LNG carriers that was announced on May 24, 2017 is now consolidated into Avenir LNG. Total payments of $15.9 million have been made on these ships including deposits and other capitalised costs. These ships are being built by Keppel Singmarine, Shanghai, China, with expected delivery in early 2020. The total cost for both ships is approximately $80.0 million, including site team costs and capitalised interest.

In the fourth quarter of 2018, Avenir LNG also entered into a contract with Sinopacific Offshore Engineering, Nantong, China, for two 20,000 cbm LNG carriers. On January 25, 2019, Avenir LNG made the first progress payment of $11.2 million. A payment of $5.6 million was made on November 22, 2019 with another $5.6 million expected to be paid in the first quarter of 2020. The ships are expected to be delivered in 2021 with a total expected cost of $117.8 million, including site team costs and capitalised interest.

An initial deposit of $7.8 million for two additional 7,500 cbm LNG carriers to be built by Sinopacific Offshore Engineering was made in the third quarter of 2019. A progress payment of $3.9 million was made on December 23, 2019 with another $3.9 million expected to be paid in the first quarter of 2020. Total cost for both ships is expected to be $82.0 million, including site team costs and capitalised interest.

A payment of $6.9 million was made in the third and fourth quarter of 2019 for the Higas EPC contract with a progress payment of $16.2 million expected to be made within the first half of 2020 and the remaining $4.9 million upon completion of the project in 2020. Total cost of the Higas terminal is expected to be $43.2 million.

Environmental

Environmental disclosures are described in Note 27 of the Consolidated Financial Statements for the year ended November 30, 2018. There have been no significant changes that have occurred since that date.

12. 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 28 of the Consolidated Financial Statements for the year ended November 30, 2018. 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 is likely to schedule oral arguments during the first quarter of 2020. 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 November 30, 2019, 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 Groups’ business or financial condition.

Stolt Tank Containers BV 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 BV and Deltech. The hearing on appeal remains to be scheduled. The final phase of the trial (Phase 3) to assess the quantum of damages shall proceed in 2021.

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.

13. 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 quarter 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.

14. US Tax Reform

On December 22, 2017, the US enacted the Tax Cuts and Jobs Act, which reduced the US federal corporate income tax rate from 35% to 21%, among other provisions, as of the effective date January 1, 2018. In the first quarter of fiscal year 2018, a deferred tax credit of $24.9 million was recorded in the Income Statement offset by a $22.2 million reduction in the US deferred tax liability and a tax charge to other comprehensive income of $2.7 million relating to the US defined benefit pension scheme.

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, 2018 to November 30, 2019 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
January 30, 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