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# **STOLT-NIELSEN LIMITED**

## **UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the Three Months and Year Ended November 30, 2020

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**STOLT-NIELSEN LIMITED**

**TABLE OF CONTENTS**

	Page
Unaudited Condensed Consolidated Income Statement for the Three Months and Year Ended November 30, 2020	3
Unaudited Condensed Consolidated Statement of Other Comprehensive Income for the Three Months and Year Ended November 30, 2020	4
Unaudited Condensed Consolidated Balance Sheet as of November 30, 2020	5
Unaudited Condensed Consolidated Statement of Changes in Shareholders' Equity for the Year Ended November 30, 2020	6
Unaudited Condensed Consolidated Statement of Cash Flows for the Year Ended November 30, 2020	7
Notes to the Unaudited Condensed Consolidated Financial Statements	8
Responsibility Statement	21

**STOLT-NIELSEN LIMITED**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	Notes	Three Months Ended		Year Ended	
		November 30, 2020	November 30, 2019	November 30, 2020	November 30, 2019
(in thousands, except for per share amounts)					
Operating revenue	4	\$ 480,595	\$ 495,883	\$ 1,955,136	\$ 2,032,069
Operating expenses		<u>(310,415)</u>	<u>(336,306)</u>	<u>(1,308,904)</u>	<u>(1,413,439)</u>
		<b>170,180</b>	<b>159,577</b>	<b>646,232</b>	<b>618,630</b>
Depreciation and amortisation	4	(71,707)	(63,866)	(292,262)	(254,108)
Impairment	7	<u>(12,394)</u>	<u>(5,500)</u>	<u>(12,394)</u>	<u>(5,500)</u>
<b>Gross Profit</b>		<b>86,079</b>	<b>90,211</b>	<b>341,576</b>	<b>359,022</b>
Share of profit of joint ventures and associates	4	<b>8,866</b>	5,027	<b>32,437</b>	23,176
Administrative and general expenses		<u>(48,928)</u>	<u>(47,385)</u>	<u>(187,679)</u>	<u>(204,233)</u>
(Loss) gain on disposal of assets, net		(287)	(459)	(794)	2,407
Reversal of impairment on joint venture loan	8	<b>3,557</b>	—	<b>3,557</b>	—
Other operating income		<b>417</b>	573	<b>1,640</b>	2,354
Other operating expense		<u>(566)</u>	<u>(137)</u>	<u>(810)</u>	<u>(806)</u>
<b>Operating Profit</b>		<b>49,138</b>	<b>47,830</b>	<b>189,927</b>	<b>181,920</b>
<b>Non-Operating Income (Expense)</b>					
Finance income		<b>382</b>	1,160	<b>3,695</b>	3,133
Finance expense on lease liabilities		<u>(2,456)</u>	—	<u>(9,478)</u>	—
Finance expense on debt and other		<u>(30,079)</u>	<u>(35,593)</u>	<u>(129,884)</u>	<u>(139,316)</u>
Foreign currency exchange loss, net		<u>(165)</u>	783	<u>(5,258)</u>	<u>(2,385)</u>
Other non-operating (expense) income, net		<u>(312)</u>	<u>(96)</u>	<u>(1,525)</u>	<u>1,081</u>
<b>Profit from Continuing Operations before Income Tax</b>		<b>16,508</b>	<b>14,084</b>	<b>47,477</b>	<b>44,433</b>
Income tax expense		<u>(860)</u>	<u>(7,551)</u>	<u>(8,321)</u>	<u>(18,534)</u>
<b>Profit from Continuing Operations</b>		<b>15,648</b>	<b>6,533</b>	<b>39,156</b>	<b>25,899</b>
<b>Loss from Discontinued Operations attributable to SNL Shareholders</b>	12	<u>(2,206)</u>	<u>(998)</u>	<u>(13,788)</u>	<u>(6,838)</u>
<b>Net Profit</b>		<b>\$ 13,442</b>	<b>\$ 5,535</b>	<b>\$ 25,368</b>	<b>\$ 19,061</b>
<i>Attributable to:</i>					
Equity holders of SNL		<u>\$ 13,442</u>	<u>\$ 5,865</u>	<u>\$ 26,295</u>	<u>\$ 21,043</u>
Non-controlling interests		<u>—</u>	<u>(330)</u>	<u>(927)</u>	<u>(1,982)</u>
		<b>\$ 13,442</b>	<b>\$ 5,535</b>	<b>\$ 25,368</b>	<b>\$ 19,061</b>
<b>Earnings per Share:</b>					
Profit from Continuing Operations attributable to SNL shareholders					
Basic		<u>\$ 0.25</u>	<u>\$ 0.11</u>	<u>\$ 0.64</u>	<u>\$ 0.43</u>
Diluted		<u>\$ 0.25</u>	<u>\$ 0.11</u>	<u>\$ 0.64</u>	<u>\$ 0.43</u>
Net Profit attributable to SNL shareholders					
Basic		<u>\$ 0.22</u>	<u>\$ 0.10</u>	<u>\$ 0.43</u>	<u>\$ 0.35</u>
Diluted		<u>\$ 0.22</u>	<u>\$ 0.10</u>	<u>\$ 0.43</u>	<u>\$ 0.35</u>

See notes to the unaudited condensed consolidated financial statements.

**STOLT-NIELSEN LIMITED**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF**  
**OTHER COMPREHENSIVE INCOME**

	Three Months Ended		Year Ended	
	November 30, 2020	November 30, 2019	November 30, 2020	November 30, 2019
	(in thousands)			
<b>Net profit for the period</b>	<b>\$ 13,442</b>	<b>\$ 5,535</b>	<b>\$ 25,368</b>	<b>\$ 19,061</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Actuarial gain (loss) on pension schemes	15,794	(2,429)	10,841	(13,158)
Actuarial gain (loss) on pension scheme of joint venture	379	(497)	379	(497)
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	(2,477)	1,125	(859)	3,554
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss) gain on cash flow hedges	(8,156)	(514)	7,985	(62,637)
Reclassification of cash flow hedges to income statement	11,738	6,285	(21,824)	37,747
Net loss on cash flow hedges held by joint ventures and associates	(1,187)	(657)	(3,876)	(6,903)
Deferred tax adjustment on cash flow hedges	(7)	71	623	729
Exchange differences arising on translation of foreign operations	3,663	3,941	23,930	(16,881)
Deferred tax on translation of foreign operations	(601)	1,206	22	235
Exchange differences arising on translation of joint ventures and associates	11,531	3,194	20,642	(9,506)
Change in value of investments in equity instruments	(2,913)	9,589	(9,133)	(17,967)
Net profit (loss) recognised as other comprehensive income	<u>27,764</u>	<u>21,314</u>	<u>28,730</u>	<u>(85,284)</u>
<b>Total comprehensive income (loss)</b>	<b>\$ 41,206</b>	<b>\$ 26,849</b>	<b>\$ 54,098</b>	<b>\$ (66,223)</b>
<i>Attributable to:</i>				
Equity holders of SNL	\$ 41,206	\$ 27,179	\$ 55,025	\$ (64,241)
Non-controlling interests	—	(330)	(927)	(1,982)
	<u>\$ 41,206</u>	<u>\$ 26,849</u>	<u>\$ 54,098</u>	<u>\$ (66,223)</u>

See notes to the unaudited condensed consolidated financial statements.

**STOLT-NIELSEN LIMITED**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

	<u>Notes</u>	<u>November 30, 2020</u>	<u>November 30, 2019</u>
(in thousands)			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 187,767	\$ 136,151
Restricted cash		109	189
Receivables		220,264	217,909
Inventories		7,741	8,093
Biological assets		30,129	42,198
Prepaid expenses		63,128	73,936
Derivative financial instruments	11	157	143
Income tax receivable		5,811	8,599
Assets held for sale		—	389
Other current assets		<u>41,542</u>	<u>30,568</u>
<b>Total Current Assets</b>		<u><b>556,648</b></u>	<u><b>518,175</b></u>
Property, plant and equipment	6	3,020,060	3,139,125
Right-of-use assets	2	189,405	—
Investments in and advances to joint ventures and associates	4	585,984	542,528
Investments in equity instruments	11	26,305	30,334
Deferred tax assets		13,506	10,320
Intangible assets and goodwill	6	40,836	49,591
Employee benefit assets		17,867	9,694
Derivative financial instruments	11	9,242	—
Insurance claims receivable	10	191,706	207,771
Other non-current assets		<u>13,306</u>	<u>15,548</u>
<b>Total Non-Current Assets</b>		<u><b>4,108,217</b></u>	<u><b>4,004,911</b></u>
<b>Total Assets</b>		<u><b>\$ 4,664,865</b></u>	<u><b>\$ 4,523,086</b></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Current maturities of long-term debt	9	\$ 255,805	\$ 287,006
Current lease liabilities	2	35,640	—
Accounts payable		92,030	94,158
Accrued voyage expenses		48,601	53,544
Accrued expenses		165,301	153,273
Provisions		9,376	5,119
Income tax payable		8,844	13,651
Dividend payable	5	13,448	13,457
Derivative financial instruments	11	61,814	35,133
Other current liabilities		<u>30,992</u>	<u>33,095</u>
<b>Total Current Liabilities</b>		<u><b>721,851</b></u>	<u><b>688,436</b></u>
Long-term debt	9	2,053,336	2,058,520
Long-term lease liabilities	2	157,875	—
Deferred tax liabilities		55,867	47,521
Employee benefit obligations		39,365	43,508
Derivative financial instruments	11	21,044	87,980
Long-term provisions	10	192,948	209,386
Other non-current liabilities		<u>3,932</u>	<u>11,070</u>
<b>Total Non-Current Liabilities</b>		<u><b>2,524,367</b></u>	<u><b>2,457,985</b></u>
<b>Total Liabilities</b>		<u><b>3,246,218</b></u>	<u><b>3,146,421</b></u>
<b>Shareholders' Equity</b>			
Founder's shares	5	16	16
Common shares	5	64,134	64,134
Paid-in surplus		314,454	149,808
Retained earnings		1,532,060	1,507,520
Other components of equity		<u>(256,366)</u>	<u>(274,735)</u>
		1,654,298	1,446,743
Less – Treasury shares	5	<u>(235,651)</u>	<u>(71,005)</u>
<b>Equity Attributable to Equity Holders of SNL</b>		<u><b>1,418,647</b></u>	<u><b>1,375,738</b></u>
Non-controlling interests		—	927
<b>Total Shareholders' Equity</b>		<u><b>1,418,647</b></u>	<u><b>1,376,665</b></u>
<b>Total Liabilities and Shareholders' Equity</b>		<u><b>\$ 4,664,865</b></u>	<u><b>\$ 4,523,086</b></u>

See notes to the unaudited condensed consolidated financial statements.

**STOLT-NIELSEN LIMITED**  
**UNAUDITED CONDENSED CONSOLIDATED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Attributable to Equity Holders of SNL								Non-Controlling Interests	Shareholders' Equity Total	
	Common Shares	Founder's Shares	Paid-in Surplus	Treasury Shares	Retained Earnings	Foreign Currency	Hedging	Fair Value			Total
	(in thousands, except for share data)										
<b>Balance, November 30, 2018</b>	\$ 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)
<b>Adjusted balance, November 30, 2018</b>	<b>64,134</b>	<b>16</b>	<b>150,108</b>	<b>(66,638)</b>	<b>1,512,567</b>	<b>(151,065)</b>	<b>6,596</b>	<b>(44,234)</b>	<b>1,471,484</b>	<b>1,889</b>	<b>1,473,373</b>
<b>Comprehensive income (loss)</b>											
Net profit (loss)	—	—	—	—	21,043	—	—	—	21,043	(1,982)	19,061
<b>Other comprehensive income (loss)</b>											
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)
<b>Total comprehensive income (loss)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,791</b>	<b>(26,152)</b>	<b>(31,064)</b>	<b>(28,816)</b>	<b>(64,241)</b>	<b>(1,982)</b>	<b>(66,223)</b>
<b>Transactions with shareholders</b>											
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)
<b>Total transactions with shareholders</b>	<b>—</b>	<b>—</b>	<b>(300)</b>	<b>(4,367)</b>	<b>(26,838)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(31,505)</b>	<b>1,020</b>	<b>(30,485)</b>
<b>Balance, November 30, 2019</b>	<b>\$ 64,134</b>	<b>\$ 16</b>	<b>\$ 149,808</b>	<b>\$ (71,005)</b>	<b>\$ 1,507,520</b>	<b>\$ (177,217)</b>	<b>\$ (24,468)</b>	<b>\$ (73,050)</b>	<b>\$ 1,375,738</b>	<b>\$ 927</b>	<b>\$ 1,376,665</b>
<b>Comprehensive income (loss)</b>											
Net profit (loss)	—	—	—	—	26,295	—	—	—	26,295	(927)	25,368
<b>Other comprehensive income (loss)</b>											
Translation adjustments, net	—	—	—	—	—	44,594	—	—	44,594	—	44,594
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	10,361	—	—	—	10,361	—	10,361
Fair value adjustment on equity investments	—	—	—	—	—	—	—	(9,133)	(9,133)	—	(9,133)
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	—	—	—	—	—	—	(17,092)	—	(17,092)	—	(17,092)
Total other comprehensive income (loss)	—	—	—	—	10,361	44,594	(17,092)	(9,133)	28,730	—	28,730
<b>Total comprehensive income (loss)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>36,656</b>	<b>44,594</b>	<b>(17,092)</b>	<b>(9,133)</b>	<b>55,025</b>	<b>(927)</b>	<b>54,098</b>
<b>Transactions with shareholders</b>											
Cash dividends - \$0.50 per Common Share	—	—	—	—	(13,381)	—	—	—	(13,381)	—	(13,381)
Cash dividends - \$0.005 per Founder's Share	—	—	—	—	(67)	—	—	—	(67)	—	(67)
Forgiveness of subsidiary's loan by non-controlling interest	—	—	—	—	1,332	—	—	—	1,332	—	1,332
Transfer of treasury shares	—	—	164,646	(164,646)	—	—	—	—	—	—	—
<b>Total transactions with shareholders</b>	<b>—</b>	<b>—</b>	<b>164,646</b>	<b>(164,646)</b>	<b>(12,116)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(12,116)</b>	<b>—</b>	<b>(12,116)</b>
<b>Balance, November 30, 2020</b>	<b>\$ 64,134</b>	<b>\$ 16</b>	<b>\$ 314,454</b>	<b>\$ (235,651)</b>	<b>\$ 1,532,060</b>	<b>\$ (132,623)</b>	<b>\$ (41,560)</b>	<b>\$ (82,183)</b>	<b>\$ 1,418,647</b>	<b>\$ —</b>	<b>\$ 1,418,647</b>

See notes to the unaudited condensed consolidated financial statements.

**STOLT-NIELSEN LIMITED**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	For the Year Ended	
		November 30, 2020	November 30, 2019
		(in thousands)	
<b>Cash generated from continuing operations</b>	3	\$ 493,275	\$ 430,991
Interest paid		(130,465)	(132,037)
Debt issuance costs		(3,220)	(12,541)
Interest received		1,991	3,191
Income taxes paid		(5,212)	(10,226)
<b>Net cash generated by operating activities – Continuing operations</b>		<u>356,369</u>	<u>279,378</u>
<b>Net cash used for operating activities – Discontinued operations</b>	12	<u>(3,589)</u>	<u>(1,655)</u>
<b>Cash flows from investing activities</b>			
Capital expenditures	6	(140,748)	(155,805)
Purchase of intangible assets	6	(4,752)	(7,284)
Investment in joint venture		–	(382)
Proceeds from sale of assets		14,567	12,482
Purchase of shares of Avenir LNG Ltd.		(15,000)	–
Repayment of advances to joint ventures and associates, net		4,907	2,014
Acquisition of shares in Stolt-Nielsen Gas Ltd.		–	(300)
Sale of AGHL shares		–	25,904
Sale of joint venture		–	749
Other, net		(584)	219
<b>Net cash used in investing activities – Continuing operations</b>		<u>(141,610)</u>	<u>(122,403)</u>
<b>Net cash provided by (used in) investing activities – Discontinued operations</b>	12	<u>3,456</u>	<u>(492)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of long-term debt	9	288,530	868,815
Repayment of long-term debt	9	(396,016)	(916,060)
Principal payments on leases		(39,754)	–
Contribution by non-controlling interest		–	1,020
Purchase of treasury shares	5	–	(4,367)
Dividends paid	5	(13,465)	(26,929)
<b>Net cash used in financing activities</b>		<u>(160,705)</u>	<u>(77,521)</u>
<b>Net increase in cash and cash equivalents</b>		<u>53,921</u>	<u>77,307</u>
Effect of exchange rate changes on cash		(2,305)	(5,685)
Cash and cash equivalents at beginning of the period		136,151	64,529
<b>Cash and cash equivalents at the end of the period</b>		<u>\$ 187,767</u>	<u>\$ 136,151</u>

See notes to the unaudited condensed consolidated financial statements.

## STOLT-NIELSEN LIMITED

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Basis of Preparation

The condensed consolidated financial statements of Stolt-Nielsen Limited (the “Company” or “SNL”), a Bermuda-registered company, and its subsidiaries (collectively, the “Group”) are prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The unaudited condensed consolidated financial statements should be reviewed in conjunction with the audited Consolidated Financial Statements for the year ended November 30, 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 were taken early to reduce costs (for example, by eliminating the final dividend for 2019, instigating a hiring freeze and reducing professional fees and the hiring of contractors).

While the impact of the pandemic has affected Tankers, STC and Stolthaven, the effects of the pandemic was particularly severe on 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. During the third quarter volumes and prices returned towards pre-Covid-19 levels but the second wave and lockdown negatively impacted the segment in the fourth quarter.

The Tanker, STC and Stolthaven segments were less impacted by the weaker market conditions though they did see a change in the trade patterns as a result of Covid-19 lockdowns around the world during 2020. However, Tankers did experience higher manning costs related to crew changes due to Covid-19 imposed traveling restrictions.

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 the next twelve months.

#### 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 those required for adoption of new IFRS that became effective in the year ended November 30, 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 year ended November 30, 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



**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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 months and year ended November 30, 2020 and on the balance sheet as at November 30, 2020.

	<u>Applying IAS 17</u>	<u>IFRS 16 Adjustments</u>	<u>As Reported</u>
	(in thousands)		
<i><b>For the three months ended November 30, 2020</b></i>			
<b>Income Statement</b>			
Operating expenses	\$ (321,355)	\$ 10,940	\$ (310,415)
Administrative and general expenses	(49,977)	1,049	(48,928)
Depreciation and amortisation	(60,816)	(10,891)	(71,707)
Finance expense on lease liabilities	—	(2,456)	(2,456)
Net profit (loss)	14,800	(1,358)	13,442
Profit (loss) per share attributable to equity holders	0.24	(0.02)	0.22
EBITDA	117,503	11,989	129,492
<i><b>For the year ended November 30, 2020</b></i>			
<b>Income Statement</b>			
Operating expenses	\$ (1,352,032)	\$ 43,128	\$ (1,308,904)
Administrative and general expenses	(191,929)	4,250	(187,679)
Depreciation and amortisation	(250,449)	(41,813)	(292,262)
Finance expense on lease liabilities	—	(9,478)	(9,478)
Net profit (loss)	29,281	(3,913)	25,368
Profit (loss) per share attributable to equity holders	0.49	(0.06)	0.43
EBITDA	437,659	47,378	485,037
<b>Balance Sheet</b>			
Right-of-use assets	\$ —	\$ 189,405	\$ 189,405
Current lease liabilities	—	35,640	35,640
Long-term lease liabilities	—	157,875	157,875
Total Shareholders' Equity	1,422,727	(4,110)	1,418,617

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.

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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 an incremental borrowing rate as the rate implicit in the leases cannot be measured.

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 no material impact on the reported results.

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

	<b>For the Year Ended</b>	
	<b>November 30,</b>	<b>November 30,</b>
	<b>2020</b>	<b>2019</b>
	<b>(in thousands)</b>	
<b>Net profit</b>	<b>\$ 25,368</b>	<b>\$ 19,061</b>
Loss from discontinued operations	<b>13,788</b>	<b>6,838</b>
Profit from continuing operations	<b>39,156</b>	<b>25,899</b>
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	<b>288,782</b>	<b>250,956</b>
Amortisation of intangible assets	<b>3,480</b>	<b>3,152</b>
Impairment of property, plant and equipment	<b>12,394</b>	<b>5,500</b>
Reversal of impairment on joint venture loan	<b>(3,557)</b>	<b>—</b>
Finance expense, net	<b>135,667</b>	<b>136,183</b>
Net periodic benefit expense of defined benefit pension plans	<b>98</b>	<b>1,957</b>
Income tax expense	<b>8,321</b>	<b>18,534</b>
Share of profit of joint ventures and associates	<b>(32,437)</b>	<b>(23,176)</b>
Fair value adjustment on biological assets	<b>4,985</b>	<b>3,906</b>
Foreign currency related loss	<b>5,258</b>	<b>2,385</b>
Unrealised bunker hedge (gain) loss	<b>(314)</b>	<b>4,690</b>
Loss (gain) on disposal of assets, net	<b>794</b>	<b>(2,407)</b>
<b>Changes in assets and liabilities, net of effect of acquisitions and divestitures:</b>		
Increase (decrease) in receivables	<b>(100)</b>	<b>22,878</b>
Decrease (increase) in inventories	<b>890</b>	<b>(1,544)</b>
Decrease in biological assets	<b>630</b>	<b>2,077</b>
Decrease (increase) in prepaid expenses and other current assets	<b>265</b>	<b>(3,061)</b>
Increase (decrease) in accounts payable and other current liabilities	<b>14,618</b>	<b>(27,646)</b>
Contributions to defined benefit pension plans	<b>(1,812)</b>	<b>(1,695)</b>
Dividends from joint ventures and associates	<b>15,440</b>	<b>15,902</b>
Other, net	<b>717</b>	<b>(3,499)</b>
<b>Cash generated from continuing operations</b>	<b>\$ 493,275</b>	<b>\$ 430,991</b>

**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 for the year ended November 30, 2020. This is due to this information now being considered by the chief decision makers, who have been identified as the Executive Management team.

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

	<u>Tankers</u>	<u>Terminals</u>	<u>Tank Containers</u>	<u>Stolt Sea Farm</u>	<u>Stolt- Nielsen Gas</u>	<u>Corporate and Other (a)</u>	<u>Total</u>
<i>For the three months ended November 30, 2020</i>							
Operating revenue	\$ 272,202	\$ 57,328	\$ 130,566	\$ 19,745	\$ —	\$ 754	\$ 480,595
Depreciation, amortisation and impairment	(44,506)	(27,252)	(9,767)	(1,647)	—	(929)	(84,101)
Share of profit (loss) of joint ventures and associates	3,477	7,034	459	—	(2,104)	—	8,866
Operating profit (loss)	31,888	7,956	13,926	1,247	(2,384)	(3,495)	49,138
Finance expense (b)	(17,769)	(10,135)	(3,865)	(971)	(1,307)	1,512	(32,535)
Finance income	78	81	126	—	—	97	382
Profit (loss) from continuing operations before income tax	13,081	(1,992)	10,661	449	(3,675)	(2,016)	16,508
Income tax (expense) benefit	(236)	982	(909)	750	—	(1,447)	(860)
Net profit (loss) from continuing operations	12,845	(1,010)	9,752	1,199	(3,675)	(3,463)	15,648
Net profit (loss)	12,845	(1,010)	9,752	(1,007)	(3,675)	(3,463)	13,442
Capital expenditures (c)	5,120	13,501	2,181	1,137	—	366	22,305
<i>For the year ended November 30, 2020</i>							
Operating revenue	\$ 1,113,095	\$ 238,527	\$ 520,631	\$ 79,747	\$ —	\$ 3,136	\$ 1,955,136
Depreciation, amortisation and impairment	(179,222)	(70,949)	(39,064)	(7,734)	—	(7,687)	(304,656)
Share of profit (loss) of joint ventures and associates	10,851	26,054	(1,403)	—	(3,065)	—	32,437
Operating profit (loss)	84,643	68,794	51,188	(8,350)	(4,015)	(2,333)	189,927
Finance expense (b)	(71,246)	(40,420)	(15,411)	(3,600)	(5,225)	(3,460)	(139,362)
Finance income	595	606	478	—	—	2,016	3,695
Profit (loss) from continuing operations before income tax	11,710	29,458	34,737	(13,230)	(9,408)	(5,790)	47,477
Income tax (expense) benefit	(1,904)	(6,510)	1,221	2,401	—	(3,529)	(8,321)
Net profit (loss) from continuing operations	9,806	22,948	35,958	(10,829)	(9,408)	(9,319)	39,156
Net profit	9,806	22,948	35,958	(24,617)	(9,408)	(9,319)	25,368
Capital expenditures (c)	61,906	56,364	7,485	1,914	—	4,452	132,121
<i>Balance Sheet at November 30, 2020</i>							
Investments in and advances to joint ventures and associates	224,090	276,669	25,906	—	59,319	—	585,984
Segment assets	2,288,717	1,347,752	534,389	123,508	80,536	289,963	4,664,865

(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.

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

	<u>Tankers</u>	<u>Terminals</u>	<u>Tank Containers</u>	<u>Stolt Sea Farm</u>	<u>Stolt-Nielsen Gas</u>	<u>Corporate and Other (a)</u>	<u>Total</u>
<b><i>For the three months ended November 30, 2019</i></b>							
Operating revenue	\$ 274,776	\$ 61,651	\$ 133,407	\$ 25,025	\$ 2	\$ 1,022	\$ 495,883
Depreciation, amortisation and impairment	(39,697)	(21,840)	(5,914)	(1,473)	—	(442)	(69,366)
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	2,686	(1,131)	4,220	47,830
Finance expense							(35,593)
Finance income							1,160
Profit before income tax from continuing operations							14,084
Income tax expense							(7,551)
Net profit from continuing operations							6,533
Net profit							5,535
Capital expenditures (b)	14,863	18,141	2,832	7,499	—	2,522	45,857
<b><i>For the year ended November 30, 2019</i></b>							
Operating revenue	\$ 1,147,885	250,830	528,568	100,284	192	4,310	2,032,069
Depreciation, amortisation and impairment	(159,160)	(66,536)	(23,688)	(5,860)	—	(4,364)	(259,608)
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	7,716	(4,126)	(3,475)	181,920
Finance expense							(139,316)
Finance income							3,133
Profit before income tax from continuing operations							44,433
Income tax expense							(18,534)
Net profit from continuing operations							25,899
Net profit							19,061
Capital expenditures (b)	66,959	67,615	6,238	20,198	—	7,441	168,451
<b><i>Balance Sheet at November 30, 2019</i></b>							
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.

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

A breakdown of the key elements of sources of revenue:

	<b>Tankers</b>	<b>Terminals</b>	<b>Tank Containers</b>	<b>Stolt Sea Farm</b>	<b>Other</b>	<b>Total</b>
<i>For the three months ended November 30, 2020</i>						
Revenue recognised over time:						
Freight revenue	\$ 245,085	\$ –	\$ 101,117	\$ –	\$ –	\$ 346,202
Storage and throughput revenue	–	39,005	–	–	–	39,005
	<u>245,085</u>	<u>39,005</u>	<u>101,117</u>	<u>–</u>	<u>–</u>	<u>385,207</u>
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	27,117	–	29,449	–	–	56,566
Turbot and sole	–	–	–	19,745	–	19,745
Rail revenue	–	4,470	–	–	–	4,470
Utility revenue	–	5,710	–	–	–	5,710
Dock, product handling and other revenue	–	8,143	–	–	754	8,897
	<u>27,117</u>	<u>18,323</u>	<u>29,449</u>	<u>19,745</u>	<u>754</u>	<u>95,388</u>
	<u>\$ 272,202</u>	<u>\$ 57,328</u>	<u>\$ 130,566</u>	<u>\$ 19,745</u>	<u>\$ 754</u>	<u>\$ 480,595</u>
<i>For the year ended November 30, 2020</i>						
Revenue recognised over time:						
Freight revenue	\$ 1,009,253	\$ –	\$ 397,229	\$ –	\$ –	\$ 1,406,482
Storage and throughput revenue	–	161,384	–	–	–	161,384
	<u>1,009,253</u>	<u>161,384</u>	<u>397,229</u>	<u>–</u>	<u>–</u>	<u>1,567,866</u>
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	103,842	–	123,402	–	–	227,244
Turbot and sole	–	–	–	79,747	–	79,747
Rail revenue	–	20,263	–	–	–	20,263
Utility revenue	–	22,407	–	–	–	22,407
Dock, product handling and other revenue	–	34,473	–	–	3,136	37,609
	<u>103,842</u>	<u>77,143</u>	<u>123,402</u>	<u>79,747</u>	<u>3,136</u>	<u>387,270</u>
	<u>\$ 1,113,095</u>	<u>\$ 238,527</u>	<u>\$ 520,631</u>	<u>\$ 79,747</u>	<u>\$ 3,136</u>	<u>\$ 1,955,136</u>
<i>For the three months ended November 30, 2019</i>						
Revenue recognised over time:						
Freight revenue	\$ 244,231	\$ –	\$ 99,070	\$ –	\$ –	\$ 343,301
Storage and throughput revenue	–	41,575	–	–	–	41,575
	<u>244,231</u>	<u>41,575</u>	<u>99,070</u>	<u>–</u>	<u>–</u>	<u>384,876</u>
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	30,545	–	34,337	–	–	64,882
Turbot and sole	–	–	–	25,025	–	25,025
Rail revenue	–	4,682	–	–	–	4,682
Utility revenue	–	6,259	–	–	–	6,259
Dock, product handling and other revenue	–	9,135	–	–	1,024	10,159
	<u>30,545</u>	<u>20,076</u>	<u>34,337</u>	<u>25,025</u>	<u>1,024</u>	<u>111,007</u>
	<u>\$ 274,776</u>	<u>\$ 61,651</u>	<u>\$ 133,407</u>	<u>\$ 25,025</u>	<u>\$ 1,024</u>	<u>\$ 495,883</u>
<i>For the year ended November 30, 2019</i>						
Revenue recognised over time:						
Freight revenue	\$ 1,013,822	\$ –	\$ 404,605	\$ –	\$ –	\$ 1,418,427
Storage and throughput revenue	–	167,955	–	–	–	167,955
	<u>1,013,822</u>	<u>167,955</u>	<u>404,605</u>	<u>–</u>	<u>–</u>	<u>1,586,382</u>
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	134,063	–	123,963	–	–	258,026
Turbot and sole	–	–	–	100,284	–	100,284
Rail revenue	–	21,235	–	–	–	21,235
Utility revenue	–	23,956	–	–	–	23,956
Dock, product handling and other revenue	–	37,684	–	–	4,502	42,186
	<u>134,063</u>	<u>82,875</u>	<u>123,963</u>	<u>100,284</u>	<u>4,502</u>	<u>445,687</u>
	<u>\$ 1,147,885</u>	<u>\$ 250,830</u>	<u>\$ 528,568</u>	<u>\$ 100,284</u>	<u>\$ 4,502</u>	<u>\$ 2,032,069</u>

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**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.

	<b>Founder's Shares par value \$0.001 per share</b>	<b>Common Shares par value \$1 per share</b>
<b>Balance at November 30, 2020:</b>		
Shares Issued	16,033,449	64,133,796
Less:		
Shares acquired by SNL	(2,652,500)	(10,610,000)
Treasury Shares	(2,652,500)	(10,610,000)
Shares Outstanding	13,380,949	53,523,796

***Treasury Shares***

At November 30, 2019, the Company had pledged 7,000,000 Treasury shares as collateral for a loan and shares transferred to Paid-in surplus. On November 26, 2020, the Company cancelled the collateralised loan and the treasury shares transferred out of Paid-in surplus and back to Treasury shares. At November 30, 2020, no shares were held as collateral on loans.

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.

***Dividends***

On November 19, 2020, 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 26, 2020. The total gross amount of the dividend was \$13.4 million, which was classified as an interim dividend and paid on December 10, 2020.

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, Right-of-Use Assets and Intangible Assets**

During the three months ended November 30, 2020, the Group spent \$23.2 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) \$3.3 million on tankers capital expenditures, (b) \$3.3 million on drydocking of ships, (c) \$12.6 million on terminal capital expenditures, including \$0.2 million of capitalised interest, (d) \$2.2 million on the purchase of tank containers and construction at depots and (e) \$1.4 million on Stolt Sea Farm capital expenditures. Grant receipts related to capital projects of \$0.7 million were received by Stolt Sea Farm in the three months ended November 30, 2020 and offset against property, plant and equipment.

During the year ended November 30, 2020, the Group spent \$140.0 million on property, plant and equipment. Cash spent during the period primarily reflected (a) \$46.0 million on tankers capital expenditures, (b) \$22.1 million on drydocking of ships, (c) \$59.3 million on terminal capital expenditures, including \$1.1 million of capitalised interest, (d) \$7.8 million on the purchase of tank containers and construction at depots and (e) \$12.3 million on Stolt Sea Farm capital expenditures. Grant proceeds related to capital projects of \$7.0 million were received by Stolt Sea Farm in the year ended November 30, 2020 and offset against property, plant and equipment. Tankers capital expenditures include deposits on the second hand ships from Chemical Transportation Group ("CTG") which are discussed further in Note 13.

Upon the transition to IFRS 16, \$194.3 million was capitalised as right-of-use assets and a further \$32.1 million of right-to-use assets have been capitalised, net of retirements, during the year ended November 30, 2020.

During the year ended November 30, 2020, the Group spent \$5.0 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles was a gain

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

of \$2.5 million in the same period.

**7. Impairment**

In the fourth quarter of 2020, the Group updated the impairment analysis of the long-term non-financial assets that had been prepared in the second quarter. Refer to Note 7 of the unaudited Condensed Consolidated Interim Financial Statements for the six months ended May 31, 2020 for impairment work performed in the first half of 2020. The only business segment that had a further deterioration of results was the Australia Terminal business. As such, additional work was performed on it, using projected future cash flows based on value in use (“VIU”). The recoverable amount was based on a discounted cash flow basis using approved projections in the five-year plan and with a risk adjusted weighted average cost of capital. As a result of the impairment work, the goodwill recognised on the Australia acquisition has been impaired by \$12.4 million.

**8. Investment in Joint Ventures**

In 2018, the Group announced plans to invest \$91.0 million in Avenir LNG, Ltd (“Avenir LNG”) along with Golar LNG Limited and Höegh LNG Holdings Ltd who each committed to invest \$45 million. In 2018 and 2019, the Group contributed \$55.0 million in cash and equity-in-kind. In the year ended November 30, 2020, the Group acquired an additional \$15.0 million of shares in Avenir LNG. The remaining \$21.0 million is expected to be invested in 2021.

At November 30, 2018, a \$3.6 million impairment on a loan receivable from the Group’s joint venture terminal in Tianjin was recorded. This was the result of liquidity issues due to continued low utilisation at the terminal after an explosion in the port of Tianjin in August 2015. Since 2018, the terminal’s results have improved with an increase in utilisation. Based on the reduced credit risk, the Group reversed the impairment in the fourth quarter of 2020.

**9. Short and Long-Term Debt**

	Cashflows For the Year Ended	
	November 30, 2020	November 30, 2019
	(in thousands)	
Proceeds from issuance of long-term debt	\$ 288,530	\$ 868,815
Repayment of long-term debt	(396,016)	(916,060)

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, 2020, the Group had available undrawn committed credit lines of \$258.1 million.

Long-term debt consists of debt collateralised by mortgages on the Group’s ships, tank containers, terminals and investments, as well as \$562.6 million unsecured bond financing at November 30, 2020.

During the year ended November 30, 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.

During the year ended November 30, 2020, \$396.0 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 \$78.1 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 January 28, 2021. See further discussion in Note 1 above.

**10. Long-term Insurance Claims Receivables and Provisions**

At November 30, 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*, the collision involving the *Stolt Commitment* and the explosion onboard the *Stolt Groenland*.

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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.

**11. 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, 2020		November 30, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
<b>Financial Assets (Amortised Cost):</b>				
Cash and cash equivalents	\$ 187,767	\$ 187,767	\$ 136,151	\$ 136,151
Restricted cash	109	109	189	189
Receivables	220,264	220,264	217,909	217,909
Other current assets	41,542	41,542	30,568	30,568
<b>Financial Assets (Fair Value):</b>				
Investments in equity instruments	26,305	26,305	30,334	30,334
<b>Financial Liabilities (Amortised Cost):</b>				
Accounts payables (excluding withholding and value-added tax)	85,469	85,469	88,630	88,630
Accrued expenses	213,902	213,902	206,817	206,817
Dividend payable	13,448	13,448	13,457	13,457
Short and long-term debt including current maturities (excluding debt issuance costs)	2,337,199	2,518,852	2,377,487	2,555,803
Lease liabilities	193,515	193,515	—	—
<b>Derivative Financial Instruments (Fair Value):</b>				
<i>Assets</i>				
Foreign exchange forward contracts	157	157	143	143
Cross-currency interest rate swaps	9,242	9,242	—	—
	\$ 9,399	\$ 9,399	\$ 143	\$ 143
<i>Liabilities</i>				
Bunker swaps	251	251	565	565
Foreign exchange forward contracts	—	—	739	739
Interest rate swaps	28,820	28,820	14,877	14,877
Cross-currency interest rate swaps	53,787	53,787	106,932	106,932
	\$ 82,858	\$ 82,858	\$ 123,113	\$ 123,113

The carrying amount of cash and cash equivalents, restricted cash, receivables, other current assets, accounts payable (excluding withholding and value-added tax payables), accrued expenses and dividend payable are a reasonable estimate of their fair value, due to their short maturity. Long-term leases are exempt from disclosure of fair value measurements so fair value equals book value. Long-term debt in the table above excludes debt issuance costs of \$28.1 million and \$32.0 million, as of November 30, 2020 and 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 November 30, 2020 and 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 November 30, 2020 and 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 November 30, 2020 and 2019.



**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*Derivatives*

The Group had derivative assets of \$9.4 million and \$0.1 million as of November 30, 2020 and 2019, respectively, and derivative liabilities of \$82.9 million and \$123.1 million as of November 30, 2020 and 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 November 30, 2020 and 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.

During 2020, the Group had purchased swap contracts on 36,000 tons of bunker fuel for delivery from January 2020 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 year ended November 30, 2020. At November 30, 2020, 6,000 tons of bunker fuel swap contracts remained outstanding.

*Investments in equity instruments*

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

	<b>For the Year Ended</b>	
	<b>November 30, 2020</b>	<b>November 30, 2019</b>
	(in thousands)	
<b>Golar</b>		
Number of equity shares	2,330	2,330
Percentage of shareholding	2.3%	2.3%
Share price as of the end of the period	\$9.10	\$13.02
Loss on FVTOCI	(9,133)	(31,733)
Cumulative loss on FVTOCI	(82,183)	(73,050)
<b>Value of investment</b>	<b>\$ 21,202</b>	<b>\$ 30,334</b>
<b>Ganesh Benzoplast Limited ("GBL")</b>		
Number of equity shares	6,111	—
Percentage of shareholding	9.8%	—
Share price as of the end of the period	\$0.835	—
<b>Value of investment</b>	<b>\$ 5,103</b>	<b>\$ —</b>
<b>Avance Gas Holding Limited</b>		
Number of equity shares	—	—
Percentage of shareholding	—	—
Share price as of the end of the period	—	—
Loss on FVTOCI	—	13,766
Cumulative loss on FVTOCI	—	—
<b>Value of investment</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Total value of investments in equity instruments</b>	<b>\$ 26,305</b>	<b>\$ 30,334</b>

During the three months ended November 30, 2020, the Group's joint venture in India, Stolt Rail Logistics Systems Ltd, was sold to the joint venture partner, GBL, in exchange for shares in GBL. The transaction valued the GBL shares at 62 Indian Rupees each (\$0.835), which was used as the fair value for year end owing to the proximity of the sale to November 30, 2020. GBL is listed on the Bombay Stock Exchange.

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

**STOLT-NIELSEN LIMITED**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**12. Discontinued Operations**

In October 2020, the Group sold Sterling Caviar, Inc. (“Caviar”) which was a separate cash generating unit which produced and marketed caviar and sturgeon in California. As such, Caviar has been treated as a discontinued operation on the income statement.

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

	<u>For the Three months ended</u>		<u>For the Year ended</u>	
	<u>November 30,</u>	<u>November 30,</u>	<u>November 30,</u>	<u>November 30,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(in thousands)			
Revenue	\$ 894	\$ 1,618	\$ 4,156	\$ 5,314
Operating expenses	(2,033)	(1,872)	(5,967)	(9,920)
Depreciation, amortisation and impairment	-	(54)	(894)	(445)
Gross loss	<u>(1,139)</u>	<u>(308)</u>	<u>(2,705)</u>	<u>(5,051)</u>
Administrative and general expenses	(508)	(690)	(1,861)	(1,787)
Other operating expense	(5)	—	(13)	—
Operating loss	<u>(1,652)</u>	<u>(998)</u>	<u>(4,579)</u>	<u>(6,838)</u>
Finance and other expenses	(108)	—	(99)	—
Results from operating activities	<u>(1,760)</u>	<u>(998)</u>	<u>(4,678)</u>	<u>(6,838)</u>
Loss recognised on measurement of fair value less cost to sell Caviar	(446)	—	(9,110)	—
Loss from Discontinued Operations	<u>\$ (2,206)</u>	<u>\$ (998)</u>	<u>\$ (13,788)</u>	<u>\$ (6,838)</u>

The loss recognised on measurement of fair value less cost to sell was based on the following:

	(in thousands)
Accounts receivable	326
Inventory	2,147
Biological assets	8,620
Prepaid expenses	84
Plant, property and equipment	<u>3,899</u>
	<u>15,076</u>
Accounts payable	306
Accrued expenses	<u>2,160</u>
	<u>2,466</u>
Carrying value of assets disposed	12,610
Proceeds	<u>3,500</u>
Loss on disposal	<u>\$ (9,110)</u>

Net cash provided by investing activities for discontinued operations relates to the proceeds on sale less expenses of \$3.5 million less \$45 thousand of capital expenditures.

## STOLT-NIELSEN LIMITED

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### 13. Commitments and Contingencies

As of November 30, 2020 and 2019, the Group had total capital expenditure purchase commitments outstanding of approximately \$167.4 million and \$96.8 million, respectively. At November 30, 2020, \$128.0 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 Group has also entered into an agreement with NYK Stolt Tankers S.A. (“NST”) to sell two of the ships to NST after delivery. The terms with NST are the same as those between the Group and CTG. The five ships, which are 26,000 dwt and with stainless steel cargo sections, were built in China in 2016 and 2017. One ship was delivered in January 2021 and the remaining ships are expected to be delivered between February and April 2021.

In addition, the Group has committed to an equity investment in Avenir LNG Limited (“Avenir LNG”) for \$21.0 million, terminal expansion projects of \$9.1 million, tank container projects of \$5.0 million and Stolt Sea Farm expansion projects of \$2.5 million. Of the total purchase commitments at November 30, 2020, \$162.6 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 \$202.4 million of total capital expenditure purchase commitments on November 30, 2020. This amount included commitments for Avenir LNG of \$172.4 million for three 7,500 cbm LNG newbuildings and two 20,000 cbm LNG newbuildings. Of this amount \$29.9 million is with recourse to the Group, relating to one 7,500 cbm LNG newbuilding. The Group, Golar LNG Limited and Höegh LNG Holdings Ltd (collectively, the “Founding Shareholders”) have also granted a guarantee with joint and several liability for two 20,000 cbm LNG newbuildings for \$83.8 million. A deed of indemnity has been entered into by the Founding Shareholders which limits the Group’s recourse to \$41.9 million. The remaining \$58.7 million of Avenir LNG commitments is without recourse to the Group. Further joint venture commitments include \$26.9 million for the terminal joint ventures, which are without recourse to the Group.

Of the total purchase commitments at November 30, 2020 for joint ventures and associates, \$134.1 million is expected to be paid over the next 12 months. The commitments will either be paid out of the existing liquidity of those joint ventures or through external financing, which is in the process of being raised.

#### *Environmental*

Environmental disclosures are described in Note 27 of the Consolidated Financial Statements for the year ended November 30, 2019. There have been no significant changes that have occurred since that date.

#### 14. 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 hearing was set for December 8, 2020 for a final decision, but no decision has yet been made. The jurisdiction over Stolt companies on the back of GARD’s jurisdiction will be decided by the Court of Appeals. However, a further appeal has been taken to the Supreme Court. If leave to appeal is granted by the Court, then the case is likely to be heard between late Spring and Autumn 2021. 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 November 30, 2020, the

## STOLT-NIELSEN LIMITED

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 July 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 \$186.0 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 November 30, 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.

#### **15. 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.

#### **16. Subsequent Events**

On December 3, 2020, the Group entered into a \$65.0 million fixed-rate term loan facility using Stolthaven Dagenham and Stolthaven Moerdijk as collateral. The facility agreement is with KFW IPEX-BANK GMBH for six years. There are eight equal payments of 6.25% of the total commitments and at the end of the agreement, the Group has a balloon obligation of 50% of the total commitment.

On December 7, 2020, the Group acquired 342,857 shares of Golar LNG Limited shares at \$8.75 per share.

On December 31, 2020, the Group signed a two-year revolving credit facility secured by the shares in the Group's joint venture, Oiltanking Stolthaven Antwerp for \$100.0 million. The facility is with DNB and Swedbank.

On January 1, 2021, Stolt Tankers BV entered into a joint venture with John T. Essberger Group for the operation of their combined parcel tanker fleets trading within Europe. The joint venture, named E&S Tankers, will trade the Group's parcel tankers ranging in size from 2,800 to 11,300.

On January 12, 2021, SNL announced that it is evaluating an initial public offering of its land-based European fish farming business.

**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 November 30, 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.

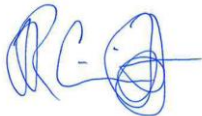
Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

London  
January 28, 2021

Signed for and on behalf of the Board of Directors

A handwritten signature in black ink that reads "Niels G. Stolt-Nielsen". The signature is stylized, with the first letters of the first and last names being prominent.

Niels G. Stolt-Nielsen  
*Chief Executive Officer*

A handwritten signature in blue ink that reads "Jens F. Grüner-Hegge". The signature is stylized and somewhat abstract, with the first letters of the first and last names being prominent.

Jens F. Grüner-Hegge  
*Chief Financial Officer*