

## Business Review (continued)



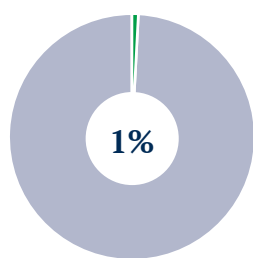
# Stolt-Nielsen Gas Avenir LNG – a blueprint for growth in a rapidly developing market

2021 was a transformative year, with new partnerships, a new terminal and an expanded fleet in operation.

### Performance

(US \$ millions)	2021	2020	2019
Operating revenue	–	–	–
Operating profit	2	(4)	(4)

### Percentage of Group total of operating profit<sup>1</sup>



1. Excludes Corporate and Other loss of \$5 million.

Stolt-Nielsen Gas (SNG) is our investment arm focused on the liquefied natural gas (LNG) segment. As the energy transition gathers momentum, LNG offers a cleaner, more cost-effective, reliable fuel that will play an increasingly important role in decarbonisation.

SNG owns 47.2% of NOTC-listed Avenir LNG Ltd and holds a 2.5% stake in both Golar LNG and Cool Company Ltd. Avenir's other primary shareholders are Höegh LNG and Golar LNG. Avenir's strategy is to source, ship, store, distribute and sell LNG to industries and communities that lack access to a natural gas grid. Golar is one of the world's largest independent owners and operators of marine-based LNG midstream infrastructure, and is active in liquefaction, transportation and regasification. Cool Company Ltd aims to become a growth vehicle and consolidator of modern LNG carriers, providing investors with direct market exposure to an expected continued strength in the LNG freight market.

SNG reported an operating profit of \$2.1 million for 2021. The profit was the result of recording a \$3.2 million gain on sale of land in Canada, partially offset by losses from various ongoing development projects.

### Avenir LNG 2021 review

2021 was a transformative year for Avenir as it became a fully operational LNG supplier with core assets in service. Its first LNG bunkering and supply vessel (LBV), the 7,500-cbm *Avenir Advantage*, successfully operated under charter to Malaysian energy company Petronas. Its second LBV, the 7,500-cbm *Avenir Accolade*, was delivered in March 2021, and chartered to New Fortress Energy.

A significant milestone was reached when Avenir's first onshore LNG terminal opened at the port of Oristano, Sardinia. Avenir has an 80% stake in the terminal through Higas Srl (HIGAS), and the terminal will enable the Company to provide a fully integrated offering, sourcing LNG from international markets, shipping it to Sardinia, storing it and distributing it to customers across the island. The HIGAS terminal received its commissioning cargo in May from the *Avenir Accolade* and fully opened in August. In September, Avenir took delivery of the *Avenir Aspiration*, a third 7,500-cbm capacity LBV that will operate in the Mediterranean and serve the terminal.

In December 2021, the *Avenir Allegiance*, the first of two 20,000-cbm vessels, was delivered, and subsequently sold to a Chinese port operator company for a profit. Avenir's fourth 7,500-cbm capacity LBV, the *Avenir Ascension*, was delivered in January 2022 and will serve customers in the Baltics.

### 2022 outlook

Although the challenging energy market is expected to impact LNG during 2022, the medium- and long-term outlook remains strong. The distinct specialisms of Avenir's three main shareholders have contributed to a proven blueprint for growth.

With its combined onshore and bunkering capabilities, Avenir is well positioned to capitalise on LNG demand in a range of industries, including as a marine fuel. In 2022, Avenir will take delivery of its final 20,000-cbm capacity LBV, which will be chartered to Shell.