STOLT-NIELSEN LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three and Nine Months Ended August 31, 2019

STOLT-NIELSEN LIMITED

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STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

(UNAUDITED)

	Notes	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018	Nine Months Ended August 31, 2019	Nine Months Ended August 31, 2018
		(in thousands)		(in thousands)	
Operating revenue	4	**$ 519,008**	$ 543,121	**$ 1,539,882**	$ 1,599,397
Operating expenses		**(368,945)**	(376,173)	**(1,085,181)**	(1,090,344)
		150,063	166,948	**454,701**	509,053
Depreciation and amortisation	4	**(64,298)**	(68,569)	**(190,633)**	(204,049)
Impairment of plant, property and equipment		**–**	–	**–**	(11,804)
Gross Profit		**85,765**	98,379	**264,068**	293,200
Share of profit of joint ventures and associates	4	**6,599**	6,876	**18,149**	27,922
Administrative and general expenses		**(51,861)**	(52,239)	**(157,945)**	(166,751)
Gain (loss) on disposal of assets, net		**2,137**	154	**2,866**	(554)
Other operating income		**601**	1,822	**1,781**	5,026
Other operating expense		**(118)**	(197)	**(669)**	(614)
Operating Profit		**43,123**	54,795	**128,250**	158,229
Non-Operating Income (Expense)					
Finance income		**708**	1,165	**1,973**	2,839
Finance expense		**(35,412)**	(34,197)	**(103,723)**	(104,343)
Foreign currency exchange loss, net		**(1,924)**	(2,819)	**(3,168)**	(4,400)
Other non-operating income, net		**80**	(12,622)	**1,177**	(12,426)
Profit before Income Tax		**6,575**	6,322	**24,509**	39,899
Income tax (expense) credit	12	**(3,173)**	(3,986)	**(10,983)**	10,876
Net Profit		**$ 3,402**	$ 2,336	**$ 13,526**	$ 50,775
***Attributable to*:**					
Equity holders of SNL		**3,671**	2,997	**15,178**	51,260
Non-controlling interests		**(269)**	(661)	**(1,652)**	(485)
		$ 3,402	$ 2,336	**$ 13,526**	$ 50,775
Earnings per Share:					
Net profit attributable to SNL shareholders					
Basic		**$ 0.06**	$ 0.05	**$ 0.25**	$ 0.83
Diluted		**$ 0.06**	$ 0.05	**$ 0.25**	$ 0.83

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

OTHER COMPREHENSIVE INCOME

(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	August 31, 2019	**August 31, 2018**	**August 31, 2019**	**August 31, 2018**
	(in thousands)		(in thousands)	
Net profit for the period	**$ 3,402**	$ 2,336	**$ 13,526**	$ 50,775
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit and other post-employment benefit obligations	**–**	–	**(10,729)**	7,611
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	**–**	–	**2,429**	(4,599)
Items that may be reclassified subsequently to profit or loss:				
Net (loss) income on cash flow hedges	**(29,025)**	(11,683)	**(62,123)**	49,989
Reclassification of cash flow hedges to income statement	**17,429**	11,764	**31,462**	(28,193)
Net (loss) income on cash flow hedges held by joint ventures and associates	**(3,241)**	(28)	**(6,246)**	2,531
Deferred tax adjustment on cash flow hedges	**280**	189	**658**	(344)
Exchange differences arising on translation of foreign operations	**(11,163)**	(14,785)	**(21,315)**	(27,303)
Deferred tax on translation of foreign operations	**(153)**	494	**(478)**	1,406
Exchange differences arising on translation of joint ventures and associates	**(4,632)**	(8,181)	**(12,700)**	(7,450)
Change in value of available-for-sale financial assets	**(9,094)**	(3,524)	**(27,556)**	(565)
Net loss recognised as other comprehensive income	**(39,599)**	(25,754)	**(106,598)**	(6,917)
Total comprehensive (loss) income	**$ (36,197)**	$ (23,418)	**$ (93,072)**	$ 43,858
Attributable to:				
Equity holders of SNL	**$ (35,928)**	$ (22,757)	**$ (91,420)**	$ 44,343
Non-controlling interests	**(269)**	(661)	**(1,652)**	(485)
	$ (36,197)	$ (23,418)	**$ (93,072)**	$ 43,858

See notes to the condensed consolidated interim financial statements.

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(UNAUDITED)

	Notes	August 31, 2019	November 30, 2018
		(in thousands)	
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 143,180**	$ 64,529
Restricted cash		**182**	167
Receivables		**248,754**	243,910
Inventories		**9,947**	9,043
Biological assets		**40,979**	50,585
Prepaid expenses		**66,935**	71,456
Derivative financial instruments	8	**133**	4,599
Income tax receivable		**5,924**	6,833
Assets held for sale		**389**	998
Other current assets		**36,951**	32,480
Total Current Assets		**553,374**	484,600
Property, plant and equipment	6	**3,156,648**	3,260,693
Investments in and advances to joint ventures and associates	4	**542,595**	554,506
Investments in equity instruments	8	**46,649**	74,205
Deferred tax assets		**9,647**	12,071
Intangible assets and goodwill	6	**48,672**	47,262
Employee benefit assets		**7,689**	6,812
Derivative financial instruments	8	**—**	4,858
Other non-current assets		**13,808**	13,149
Total Non-Current Assets		**3,825,708**	3,973,556
Total Assets		**$ 4,379,082**	$ 4,458,156
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Current maturities of long-term debt	7	**$ 433,840**	$ 472,798
Accounts payable		**92,465**	83,245
Accrued voyage expenses		**61,611**	68,634
Accrued expenses		**175,930**	174,821
Provisions		**5,834**	3,751
Income tax payable		**9,674**	12,216
Dividend payable	5	**—**	13,549
Derivative financial instruments	8	**71,633**	40,918
Other current liabilities		**44,154**	38,675
Total Current Liabilities		**895,141**	908,607
Long-term debt	7	**1,938,993**	1,919,433
Deferred tax liabilities		**44,619**	46,215
Employee benefit obligations		**39,356**	27,143
Derivative financial instruments	8	**91,295**	72,765
Long-term provisions		**2,957**	3,487
Other non-current liabilities		**4,467**	4,849
Total Non-Current Liabilities		**2,121,687**	2,073,892
Total Liabilities		**$ 3,016,828**	$ 2,982,499
Shareholders' Equity			
Founder's shares		**$ 16**	$ 16
Common shares		**64,134**	64,134
Paid-in surplus		**149,808**	150,108
Retained earnings		**1,506,065**	1,514,851
Other components of equity		**(287,001)**	(188,703)
		1,433,022	1,540,406
Less – Treasury shares	5	**(71,005)**	(66,638)
Equity Attributable to Equity Holders of SNL		**1,362,017**	1,473,768
Non-controlling interests		**237**	1,889
Total Shareholders' Equity		**1,362,254**	1,475,657
Total Liabilities and Shareholders' Equity		**$ 4,379,082**	$ 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)	—	—	—	—	51,260	—	—	—	51,260	(485)	50,775
Other comprehensive income (loss)											
Translation adjustments, net	—	—	—	—	—	(33,347)	—	—	(33,347)	—	(33,347)
Deferred tax adjustment on pension and other post-employment obligations	—	—	—	—	3,012	—	—	—	3,012	—	3,012
Fair value adjustment equity investments	—	—	—	—	—	—	—	(565)	(565)	—	(565)
Net income on cash flow hedges	—	—	—	—	—	—	23,983	—	23,983	—	23,983
Total other comprehensive income (loss)	—	—	—	—	3,012	(33,347)	23,983	(565)	(6,917)	—	(6,917)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**54,272**	**(33,347)**	**23,983**	**(565)**	**44,343**	**(485)**	**43,858**
Transactions with shareholders											
Cash dividend paid -$0.25 per Common Share	—	—	—	—	(13,652)	—	—	—	(13,652)	—	(13,652)
Purchase of own shares	—	—	—	(14,761)	—	—	—	—	(14,761)	—	(14,761)
Total transactions with shareholders	**—**	**—**	**—**	**(14,761)**	**(13,652)**	**—**	**—**	**—**	**(28,413)**	**—**	**(28,413)**
Balance, August 31, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (66,247)**	**$ 1,523,763**	**$ (139,992)**	**$ 6,553**	**$ (46,379)**	**$ 1,491,956**	**$ 2,318**	**$ 1,494,274**
Balance, November 30, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (66,638)**	**$ 1,514,851**	**$ (151,065)**	**$ 6,596**	**$ (44,234)**	**$ 1,473,768**	**$ 1,889**	**$ 1,475,657**
Adjustment on transition to IFRS 15	—	—	—	—	(2,284)	—	—	—	(2,284)	—	(2,284)
Adjusted balance, November 30, 2018	**64,134**	**16**	**150,108**	**(66,638)**	**1,512,567**	**(151,065)**	**6,596**	**(44,234)**	**1,471,484**	**1,889**	**1,473,373**
Comprehensive income (loss)											
Net profit (loss)	—	—	—	—	15,178	—	—	—	15,178	(1,652)	13,526
Other comprehensive loss											
Translation adjustments, net	—	—	—	—	—	(34,493)	—	—	(34,493)	—	(34,493)
Remeasurement of post-employment benefit obligations, net of tax	—	—	—	—	(8,300)	—	—	—	(8,300)	—	(8,300)
Fair value adjustment equity investments	—	—	—	—	—	—	—	(27,556)	(27,556)	—	(27,556)
Net loss on cash flow hedges	—	—	—	—	—	—	(36,249)	—	(36,249)	—	(36,249)
Total other comprehensive loss	—	—	—	—	(8,300)	(34,493)	(36,249)	(27,556)	(106,598)	—	(106,598)
Total comprehensive income (loss)	**—**	**—**	**—**	**—**	**6,878**	**(34,493)**	**(36,249)**	**(27,556)**	**(91,420)**	**(1,652)**	**(93,072)**
Transactions with shareholders											
Cash dividend paid -$0.25 per Common Share	—	—	—	—	(13,380)	—	—	—	(13,380)	—	(13,380)
Transactions with shareholders	—	—	(300)	—	—	—	—	—	(300)	—	(300)
Purchase of own shares	—	—	—	(4,367)	—	—	—	—	(4,367)	—	(4,367)
Total transactions with shareholders	**—**	**—**	**(300)**	**(4,367)**	**(13,380)**	**—**	**—**	**—**	**(18,047)**	**—**	**(18,047)**
Balance, August 31, 2019	**$ 64,134**	**$ 16**	**$ 149,808**	**$ (71,005)**	**$ 1,506,065**	**$ (185,558)**	**$ (29,653)**	**$ (71,790)**	**$ 1,362,017**	**$ 237**	**$ 1,362,254**

STOLT-NIELSEN LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(UNAUDITED)

		For the Nine Months Ended	
	Notes	August 31, 2019	August 31, 2018
		(in thousands)	
Cash generated from operations	3	**$ 311,545**	$ 345,873
Interest paid		**(89,751)**	(91,657)
Debt issuance costs		**(7,394)**	(125)
Interest received		**2,212**	2,131
Income taxes paid		**(7,803)**	(8,703)
Net cash generated by operating activities		**208,809**	247,519
Cash flows from investing activities			
Capital expenditures	6	**(116,829)**	(102,352)
Purchase of intangible assets	6	**(4,501)**	(2,250)
Deposit for newbuildings		**–**	(7,326)
Proceeds from sale of assets	6	**12,324**	8,180
Repayment of (advances to) joint ventures and associates, net		**2,300**	(5,853)
Other, net		**(19)**	1,090
Net cash used in investing activities		**(106,725)**	(108,511)
Cash flows from financing activities			
Increase in short-term bank loans, net	7	**–**	15,400
Proceeds from issuance of long-term debt	7	**684,914**	203,517
Repayment of long-term debt	7	**(670,921)**	(282,512)
Finance lease payments		**–**	(78)
Purchase of treasury shares	5	**(4,367)**	(14,761)
Dividends paid	5	**(26,929)**	(27,465)
Net cash used in financing activities		**(17,303)**	(105,899)
Net increase in cash and cash equivalents		**84,781**	33,109
Effect of exchange rate changes on cash		**(6,130)**	(6,173)
Cash and cash equivalents at beginning of the period		**64,529**	58,308
Cash and cash equivalents at the end of the period		**$ 143,180**	$ 85,244

See notes to the condensed consolidated interim financial statements.

1. Basis of Preparation

The condensed consolidated interim financial statements of Stolt-Nielsen Limited (the "Company" or "SNL"), a Bermuda-registered company, and its subsidiaries (collectively, the "Group") are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed consolidated interim financial statements should be reviewed in conjunction with the audited Consolidated Financial Statements for the year ended November 30, 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 Note 2 of the Consolidated Financial Statements for the year ended November 30, 2018, with the exception of the adoption of a new accounting standard discussed below and income taxes, which for the purpose of interim financial statements are calculated based on the expected effective tax rate for the full year.

Adoption of IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

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 nine months ended August 31, 2019 is as follows:

	Applying IAS 11 and IAS 18	IFRS 15 Adjustments (in thousands)	As Reported
For the three months ended August 31, 2019			
Income Statement			
Operating Revenue	$ 518,656	$ 352	**$ 519,008**
Operating Expense	(368,247)	(698)	**(368,945)**
Gross Profit	86,111	(346)	**85,765**
Net Profit	3,748	(346)	**3,402**
Earnings per share	0.06	—	**0.06**
For the nine months ended August 31, 2019			
Income Statement			
Operating Revenue	$ 1,539,599	$ 283	**$ 1,539,882**
Operating Expense	(1,084,683)	(498)	**(1,085,181)**
Gross Profit	264,283	(215)	**264,068**
Net Profit	13,741	(215)	**13,526**
Earnings per share	0.25	—	**0.25**
Balance Sheet			
Accrued Expenses	$ 173,431	$ 2,499	**$ 175,930**
Shareholders' Equity	1,364,753	(2,499)	**1,362,254**

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 in proportion to the stage of the rendered performance as at the end of the reporting period.

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.

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 for the year ending November 30, 2020. 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 expected to be 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. An optional exemption exists for short-term and low-value leases.

The adoption of IFRS 16 will not have any impact on the net cash flows. However, the key impacts on the financial statements are as follows:

- Higher Earnings before interest, taxes, depreciation and amortisation (“EBITDA”), because operating expense will reduce.
- Higher operating cash flows 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.
- Increase in lease assets and financial liabilities 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 $200.0 million. The impact on the income statement is expected to be an additional expense of between $3.0 million to $5.0 million. These amounts could change significantly depending on the financial leases in place on December 1, 2019.

3. Reconciliation of Net Profit to Cash Generated from Operations

	For the Nine Months Ended	
	August 31, 2019	**August 31, 2018**
	(in thousands)	
Net profit	**$ 13,526**	$ 50,775
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**188,363**	200,433
Amortisation of intangible assets	**2,270**	3,616
Impairment of property, plant and equipment	–	11,804
Fair value loss on equity instruments	–	12,884
Finance expense, net	**101,750**	101,504
Net periodic benefit expense of defined benefit pension plans	**1,573**	2,220
Income tax expense (benefit)	**10,983**	(10,876)
Share of profit of joint ventures and associates	**(18,149)**	(27,922)
Fair value adjustment on biological assets	**5,907**	(3,068)
Foreign currency related loss	**3,168**	4,400
Unrealised bunker hedge loss (gain)	**5,181**	(5)
(Gain) loss on disposal of assets, net	**(2,866)**	554
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(5,643)**	(13,093)
Increase in inventories	**(1,010)**	(3,363)
Decrease in biological assets	**2,789**	739
(Increase) decrease in prepaid expenses and other current assets	**(3,148)**	8,974
Increase (decrease) in accounts payable and other current liabilities	**1,282**	(3,152)
Contributions to defined benefit pension plans	**(1,115)**	(1,537)
Dividends from joint ventures and associates	**7,798**	12,612
Other, net	**(1,114)**	(1,626)
Cash generated from operations	**$ 311,545**	$ 345,873

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 August 31, 2019							
Operating revenue	**$ 291,835**	**$ 62,855**	**$ 135,229**	**$ 28,151**	**$ 9**	**$ 929**	**$ 519,008**
Depreciation, amortisation and impairment	**(40,162)**	**(15,123)**	**(5,933)**	**(1,651)**	**—**	**(1,429)**	**(64,298)**
Share of profit (loss) of joint ventures and associates	**1,516**	**5,835**	**185**	**—**	**(937)**	**—**	**6,599**
Operating profit (loss)	**14,966**	**19,503**	**12,102**	**(435)**	**(1,102)**	**(1,911)**	**43,123**
Capital expenditures (b)	**21,738**	**16,981**	**960**	**5,453**	**—**	**1,345**	**46,477**
For the nine months ended August 31, 2019							
Operating revenue	**873,109**	**189,179**	**395,161**	**78,955**	**190**	**3,288**	**1,539,882**
Depreciation, amortisation and impairment	**(119,463)**	**(44,696)**	**(17,774)**	**(4,778)**	**—**	**(3,922)**	**(190,633)**
Share of profit (loss) of joint ventures and associates	**3,354**	**16,953**	**102**	**(2,231)**	**—**	**(29)**	**18,149**
Operating profit (loss)	**42,106**	**57,218**	**40,426**	**(810)**	**(2,995)**	**(7,695)**	**128,250**
Capital expenditures (b)	**52,096**	**49,474**	**3,406**	**12,699**	**—**	**4,919**	**122,594**
As of August 31, 2019							
Investments in and advances to joint ventures and associates	**221,956**	**241,270**	**31,795**	**—**	**46,720**	**854**	**542,595**
Segment assets	**2,260,489**	**1,256,756**	**511,879**	**137,441**	**93,498**	**119,019**	**4,379,082**

	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (a)	Total
For the three months ended August 31, 2018							
Operating revenue	$ 312,417	$ 62,623	$ 141,841	$ 25,550	$ —	$ 690	$ 543,121
Depreciation, amortisation and impairment	(45,072)	(14,456)	(6,134)	(1,519)	—	(1,388)	(68,569)
Share of profit (loss) of joint ventures and associates	985	5,768	575	—	(452)	—	6,876
Operating profit (loss)	21,388	18,634	17,733	403	(2,166)	(1,197)	54,795
Capital expenditures (b)	8,913	31,321	2,113	2,243	—	1,045	45,635
For the nine months ended August 31, 2018							
Operating revenue	916,146	189,015	417,520	73,595	—	3,121	1,599,397
Depreciation, amortisation and impairment	(134,148)	(42,873)	(18,426)	(4,519)	—	(15,887)	(215,853)
Share of profit (loss) of joint ventures and associates	2,568	27,403	1,249	—	(3,073)	(225)	27,922
Operating profit (loss)	58,814	64,757	52,781	9,747	(6,411)	(21,459)	158,229
Capital expenditures (b)	29,479	66,375	3,921	4,796	—	12,229	116,800
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 Nine Months Ended	
	August 31, 2019	**August 31, 2018**	**August 31, 2019**	**August 31, 2018**
	(in thousands)		(in thousands)	
Tankers:				
Freight revenue	**$ 257,509**	$ 273,013	**$ 769,591**	$ 809,258
Demurrage and ancillary revenue	**34,326**	39,404	**103,518**	106,888
	$ 291,835	$ 312,417	**$ 873,109**	$ 916,146
Terminals:				
Storage and throughput revenue	**$ 41,507**	$ 43,166	**$ 126,380**	$ 128,028
Rail	**4,790**	6,699	**16,553**	19,325
Other revenue	**16,558**	12,758	**46,246**	41,662
	$ 62,855	$ 62,623	**$ 189,179**	$ 189,015
Tank Containers:				
Freight revenue	**$ 103,011**	$ 109,214	**$ 305,535**	$ 326,622
Demurrage and ancillary revenue	**32,218**	32,627	**89,626**	90,898
	$ 135,229	$ 141,841	**$ 395,161**	$ 417,520
Stolt Sea Farm:				
Turbot and sole	**$ 26,940**	$ 24,535	**$ 75,149**	$ 70,327
Sturgeon and caviar	**1,211**	1,015	**3,806**	3,268
	$ 28,151	$ 25,550	**$ 78,955**	$ 73,595
Corporate, Stolt Bitumen and Others	**$ 938**	$ 690	**$ 3,478**	$ 3,121
Total Revenue	**$ 519,008**	$ 543,121	**$ 1,539,882**	$ 1,599,397

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.

Issued shares were 64,133,796 Common shares and 16,033,449 Founder's shares for both August 31, 2019 and November 30, 2018.

As at August 31, 2019 the number of Common and Founder's shares outstanding were 60,523,796 Common shares and 15,130,949 Founder's shares. As of November 30, 2018, the number of Common and Founder's shares outstanding were 60,878,366 Common shares and 15,219,592 Founder's shares.

Treasury Shares

In the nine months ended August 31, 2019, 354,570 shares were repurchased for $4.4 million. At August 31, 2019 the total number of treasury shares was 3,610,000 excluding shares of the Company pledged as collateral.

Treasury Shares – Transfer

The Group has pledged 7,000,000 shares of the Company as collateral for the SEB $60.0 million revolving credit facility since November 2016. In order to comply with Bermuda law, the ownership of these shares was transferred from Stolt-Nielsen Limited to Stolt-Nielsen Finance Limited, a wholly owned subsidiary. Stolt-Nielsen Finance Limited holds these shares on behalf of the lender and they are no longer included in Treasury shares. These shares are now included within Paid-In Surplus on the Balance Sheet and are considered outstanding for the purposes of the Earnings Per Share calculation, although economic benefits and voting rights remain with the Group as long as it is in compliance with the terms of the credit facility.

Dividends

On February 14, 2019, the Group's Board of Directors recommended a final dividend for 2018 of $0.25 per Common share payable on May 9, 2019 to shareholders of record as of April 25, 2019. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 16, 2019 in Bermuda. The total gross amount of the dividend was $13.4 million and paid on May 9, 2019.

On November 15, 2018, 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 28, 2018. The total gross amount of the dividend was $13.5 million, which was classified as an interim dividend and paid on December 12, 2018.

6. Property, Plant and Equipment and Intangible Assets

During the three months ended August 31, 2019, the Group spent $47.4 million on property, plant and equipment. Cash spent during the quarter primarily reflected (a) $19.4 million on terminal capital expenditures, (b) $8.8 million on drydocking of ships, (c) $12.0 million on tankers capital expenditures, (d) $0.9 million on the purchase of tank containers and construction at depots and (e) $6.0 million on Stolt Sea Farm capital expenditures. Interest of $0.5 million was capitalised on the new construction of terminals.

During the nine months ended August 31, 2019, the Group spent $116.8 million on property, plant and equipment. Cash spent during the period primarily reflected (a) $51.3 million on terminal capital expenditures, (b) $21.1 million on drydocking of ships, (c) $26.3 million on tankers capital expenditures, (d) $3.5 million on the purchase of tank containers and construction at depots and (e) $13.3 million on Stolt Sea Farm capital expenditures. Interest of $1.3 million was capitalised on the new construction of terminals.

During the three months ended August 31, 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 nine months ended August 31, 2019, the Group spent $4.5 million on intangible assets, mainly on computer software. Revaluation for foreign exchange differences on goodwill and other intangibles amounted to a loss of $1.1 million in the same period.

7. 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. This is the case at August 31, 2019 and November 30, 2018 for the $650.0 million reducing revolving credit facility. As of August 31, 2019, the Group had available undrawn committed credit lines of $455.5 million.

Long-term debt consists of debt collateralised by mortgages on the Group's ships, tank containers, terminals and investments, as well as $581.8 million unsecured bond financing at August 31, 2019.

	Cashflows For the Nine Months Ended	
	August 31, 2019	**August 31, 2018**
	(in thousands)	
Bank loan additions, net	**$ —**	$ 15,400
Proceeds from issuance of long-term debt	**684,914**	203,517
Repayment of long-term debt	**(670,921)**	(282,512)

During February and March 2019, the Group received $241.6 million under a fixed-rate borrowing agreement. 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 in Senior Secured Notes using the terminal as a collateral. In August 2019, the Group closed a $415.6 million floating-rate facility with CMB Financial Leasing Co., LTD ("CMBFL Facility") and received $231.7 million in proceeds during the quarter, with further amounts received subsequent to the quarter end (see Note 13).

For the nine months ended August 31, 2019, $670.9 million of debt was repaid, including final payments of $150.0 million from a $200.0 million bridge facility, entered in 2016 and $58.7 million from the February 15, 2008 facility with Eksportfinans and DNB Bank ASA as well as $38.9 million on various collateralised ship mortgages. In addition, $24.6 million was repaid on Terminal debt facilities, $18.7 million on Tank Container debt facilities, $34.0 million on the SEB equity collateral facility and $340.0 million on the $650.0 million reducing revolving credit facility in the nine months ended August 31, 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 October 3, 2019.

8. Fair Value Measurements for Financial Assets and Liabilities

The following estimated fair value amounts have been determined by the Group, using appropriate market information and valuation methodologies. Considerable judgement is required to develop these estimates of fair value, thus the estimates provided herein are not necessarily indicative of the amounts that could be realised in a current market exchange:

	August 31, 2019		November 30, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		(in thousands)		
Financial Assets (Amortised Cost):				
Cash and cash equivalents	**$ 143,180**	**$ 143,180**	$ 64,529	$ 64,529
Restricted cash	**182**	**182**	167	167
Receivables	**248,754**	**248,754**	243,910	243,910
Other current assets	**36,951**	**36,951**	32,480	32,480
Financial Assets (Fair Value):				
Investments in equity instruments	**46,649**	**46,649**	74,205	74,205
Financial Liabilities (Amortised Cost):				
Accounts payables (excluding withholding and value-added tax)	**87,291**	**87,291**	76,755	76,755
Accrued expenses	**237,541**	**237,541**	243,455	243,455
Dividend payable	—	—	13,549	13,549
Short and long-term debt including current maturities (excluding debt issuance costs)	**2,402,181**	**2,596,899**	2,419,252	2,496,180
Derivative Financial Instruments (Fair Value):				
Assets				
Bunker swaps	17	17	4,081	4,081
Bunker call options	—	—	44	44
Foreign exchange forward contracts	4	4	91	91
Interest rate swaps	112	112	5,241	5,241
	$ 133	**$ 133**	$ 9,457	$ 9,457
Liabilities				
Bunker swaps	1,073	1,073	—	—
Foreign exchange forward contracts	1,163	1,163	1,344	1,344
Interest rate swaps	18,477	18,477	372	372
Cross-currency interest rate swaps	142,215	142,215	111,967	111,967
	$ 162,928	**$ 162,928**	$ 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 $29.3 million and $27.0 million, as of August 31, 2019 and November 30, 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 August 31, 2019 and November 30, 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 August 31, 2019 and November 30, 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 August 31, 2019 and November 30, 2018.

Derivatives

The Group had derivative assets of $0.1 million and $9.5 million as of August 31, 2019 and November 30, 2018, respectively and derivative liabilities of $162.9 million and $113.7 million as of August 31, 2019 and November 30, 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 August 31, 2019 and November 30, 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.

Investments in equity instruments

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 in 2019 with initial expiration dates ranging from three to 24 months forward. The bunker contracts were marked-to-market through the Income Statement and a realised and unrealised gain of $1.4 million was recorded for the nine months ended August 31, 2019.

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

	For the Nine Months Ended August 31, 2019	For the Year Ended 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	**$11.71**	$26.64
(Loss) gain on FVTOCI	**(34,785)**	4,497
Cumulative loss on FVTOCI	**(76,102)**	(41,317)
Value of investment	**$ 27,282**	$ 62,067
AGHL		
Number of equity shares	**5,479**	5,479
Percentage of shareholding	**8.61%**	8.61%
Share price as of the end of the period	**$3.53**	$2.22
Gain (loss) on FVTOCI	**7,229**	(2,917)
Cumulative gain (loss) on FVTOCI	**4,312**	(2,917)
Value of investment	**$ 19,367**	$ 12,138
Total value of investments in equity instruments	**$ 46,649**	$ 74,205

9. Commitments and Contingencies

As of August 31, 2019, and November 30, 2018, the Group had total capital expenditure purchase commitments outstanding of approximately $103.7 million and $111.7 million, respectively. At August 31, 2019, the total purchase commitments primarily consisted of equipment for tankers to adapt with regulations of $23.5 million, committed equity investment in Avenir LNG Limited ("Avenir LNG") for $36.0 million, terminal expansion projects of $22.3 million, tank container projects of $5.8 million and Stolt Sea Farm expansion projects of $16.1 million. Of the total purchase commitments at August 31, 2019, $96.9 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 $316.9 million of total capital expenditure purchase commitments on August 31, 2019. This amount included commitments for Avenir LNG of $296.1 million for four 7,500 cbm LNG newbuildings, two 20,000 cbm LNG newbuildings and the Higas terminal. Of this amount $112.6 million is with recourse to the Group, relating to two 7,500 cbm and 50% of two 20,000 cbm LNG newbuildings. The remaining $183.5 million of Avenir LNG commitments are without recourse to the Group, together with $17.9 million for the terminal joint ventures, $2.2 million for tanker joint ventures and $0.7 million for tank container joint ventures.

Of the total purchase commitments at August 31, 2019 for joint ventures and associates, $115.9 million is expected to be paid over the next 12 months and financing has been arranged by the joint ventures for $1.9 million. The remaining terminal, tank container and Avenir LNG projects will either be paid out of the existing liquidity of those joint ventures or 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. Deposits of $15.5 million have been made on these ships. 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 for these two 20,000 cbm small-scale LNG carriers. The next payment of $11.2 million is expected to be paid in the fourth quarter of 2019. 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 with another $7.8 million expected to be paid in December 2019. Total cost for both ships is expected to be $82.0 million, including site team costs and capitalised interest.

A progress payment for the Higas EPC contract of $8.2 million is expected to be made in November 2019 with the remaining $19.8 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.

10. 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 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. The judgement has been appealed by the defendants, Stolt Tank Containers BV and Deltech. The final phase of the trial to assess the quantum of damages is likely to proceed in 2020.

On March 12, 2016, a ship pilot sustained injuries while disembarking the *Stolt Invention* and landing on the deck of the attending pilot boat. The ship pilot sustained multiple injuries and filed suit in the US federal court in the Southern District of New York on January 4, 2019, claiming lost future earnings net of taxes. On March 15, 2019, the parties agreed to settle the claim and this settlement has no financial impact to the Group.

To the extent that legal costs are not covered by insurance, the Group expects to incur such costs until these matters are resolved.

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.

11. 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.

12. US Tax Reform

On December 22, 2017, the US enacted the Tax Cuts and Jobs Act ("the 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.

13. Subsequent Events

On September 4, 2019 the Group repaid a NOK 1,000 million bond (SNI04) equivalent to $147.6 million.

On September 17, 2019 the Group received a further $140.7 million in proceeds of debt as part of the CMBFL Facility. The last tranche of the CMBFL Facility of $43.2 million is expected to be received in October 2019. This will reduce the maximum availability under the revolving credit facility to $313.5 million due to the reduction in collateral assets.

On September 28, 2019, *Stolt Groenland* suffered from an explosion and consequent fire whilst berthed at the port of Ulsan, South Korea. The exact cause of the incident is yet unknown and under investigation of coast guard and local authorities. Due to the recent nature of this incident, we do not have an estimate of the impact on these financial statements.

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 August 31, 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
October 3, 2019

Signed for and on behalf of the Board of Directors

Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer