



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 922 927 332
Organisasjonsform: Aksjeselskap
Foretaksnavn: CHAMPION ENDURANCE AS
Forretningsadresse: Tveiteråsvegen 12
5232 PARADIS

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tone B. Solstad
Dato for fastsettelse av årsregnskapet: 07.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 29.07.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating revenues	2	19 257 485	16 682 674
Sum inntekter		19 257 485	16 682 674
Kostnader			
Crew expenses	3	1 525 269	1 429 224
Management expenses		168 000	160 000
Ordinary depreciations	4	982 705	1 285 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4		
Voyage expenses	2	7 136 658	9 172 734
Insurance premiums		201 253	181 738
Upgrading expenses		295 592	
Spare, repairs and maintenance		525 291	573 889
Lubricating oil		84 746	107 082
Other expenses	2, 3	224 377	189 664
Sum kostnader		11 143 890	13 099 331
Driftsresultat		8 113 595	3 583 343
Finansinntekter og finanskostnader			
Annen renteinntekt		191 887	12 468
Net currency gain/(loss)		-1 080	-5 621
Sum finansinntekter		190 807	6 847
Annen rentekostnad	5	489 150	820 078
Other financial expenses		1 799	2 268
Sum finanskostnader		490 949	822 346
Netto finans		-300 142	-815 499
Ordinært resultat før skattekostnad		7 813 453	2 767 843
Taxes	6	6 997	7 153
Ordinært resultat etter skattekostnad		7 806 456	2 760 690
Årsresultat		7 806 456	2 760 690



Resultatregnskap

Beløp i: USD	Note	2023	2022
Årsresultat etter minoritetsinteresser		7 806 456	2 760 690
Totalresultat		7 806 456	2 760 690
Overføringer og disponeringer			
To/(from) other equity		-3 193 544	2 760 690
Group Contributions		11 000 000	
Sum overføringer og disponeringer		7 806 456	2 760 690



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels	4, 5	8 548 363	9 263 363
Docking	4, 5		267 705
Sum varige driftsmidler		8 548 363	9 531 068
Finansielle anleggsmidler			
Other long-term receivables	5	503 187	481 900
Sum finansielle anleggsmidler		503 187	481 900
Sum anleggsmidler		9 051 550	10 012 968
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables		25 370	13 300
Receivables from group companies		1 000 000	
Stores		156 389	518 863
Other receivables		675 678	261 536
Sum fordringer		1 857 437	793 699
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		8 784 069	2 349 516
Sum bankinnskudd, kontanter og lignende		8 784 069	2 349 516
Sum omløpsmidler		10 641 507	3 143 215
SUM EIENDELER		19 693 057	13 156 183

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital	7	111 360	111 360
Overkurs	8	2 859 586	2 859 586
Sum innskutt egenkapital		2 970 945	2 970 945
Opptjent egenkapital			
Other equity		130 844	3 324 388
Sum opptjent egenkapital		130 844	3 324 388
Sum egenkapital	8	3 101 789	6 295 333
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5	4 171 663	5 550 000
Shareholder loan	9		
Financial lease commitments	5		
Sum annen langsiktig gjeld		4 171 663	5 550 000
Sum langsiktig gjeld		4 171 663	5 550 000
Kortsiktig gjeld			
Konvertible lån	9		
Liabilities to financial institutions	5		
Leverandørgjeld		375 802	398 970
Taxes payable	6	6 997	7 200
Kortsiktig konserngjeld		11 270 741	
Other current liabilities		766 064	904 679
Sum kortsiktig gjeld		12 419 605	1 310 849
Sum gjeld		16 591 268	6 860 849
SUM EGENKAPITAL OG GJELD		19 693 057	13 156 182



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 676465

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: CHAMPION ENDURANCE AS
Forretningsadresse: Tveiteråsvegen 12
5232 PARADIS

Regnskapsår

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tone B. Solstad
Dato for fastsettelse av årsregnskapet: 07.05.2024

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År 2023: Årsregnskap er elektronisk innlevert.
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Brønnøysundregistrene, 27.07.2024



Organisasjonsnr: 922 927 332
CHAMPION ENDURANCE AS

RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating revenues	2	19 257 485	16 682 674
Sum inntekter		19 257 485	16 682 674
Kostnader			
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Voyage expenses	2	7 136 658	9 172 734
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Årsresultat		7 806 456	2 760 690
Årsresultat etter minoritetsinteresser		7 806 456	2 760 690
Totalresultat		7 806 456	2 760 690
Overføringer og disponeringer			



To/(from) other equity	-3 193 544	2 760 690
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Organisasjonsnr: 922 927 332
CHAMPION ENDURANCE AS

BALANSE

Beløp i: USD Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Vessels	4, 5	8 548 363	9 263 363
Docking	4, 5		267 705
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Finansielle anleggsmidler

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Sum finansielle anleggsmidler		503 187	481 900

Sum anleggsmidler		9 051 550	10 012 968
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Omløpsmidler

Varer

Fordringer

Accounts receivables		25 370	13 300
Receivables from group companies		1 000 000	
Stores		156 389	518 863
Other receivables		675 678	261 536
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Bankinnskudd, kontanter og lignende

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Sum omløpsmidler		10 641 507	3 143 215
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SUM EIENDELER		19 693 057	13 156 183
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	7	111 360	111 360
Overkurs	8	2 859 586	2 859 586
Sum innskutt egenkapital		2 970 945	2 970 945

Opptjent egenkapital

Other equity		130 844	3 324 388
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Sum opptjent egenkapital		130 844	3 324 388
Sum egenkapital	8	3 101 789	6 295 333
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Gjeld til			
Kredittinstitusjoner	5	4 171 663	5 550 000
Shareholder loan	9		
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SUM EGENKAPITAL OG GJELD		19 693 057	13 156 182



Organisasjonsnr: 922 927 332
CHAMPION ENDURANCE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Skatteetaten

Vår dato
06.09.2019

Din dato
12.08.2019

Saksbehandler
Turid Tysnes

800 80 000
Skatteetaten.no

Din referanse
AR331933928

Telefon

Org.nr
Skatteetaten

Vår referanse
2019/6297025

Postadresse
Postboks 9200 Grønland
0134 OSLO

CHAMPION TIMUR AS
Tveiteråsvegen 12
5232 PARADIS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 12. august 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Champion Timur AS

org.nr. 921 001 053

Champion Endurance AS

org.nr. 922 927 332

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det pålegger den regnskapspliktige å dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Selskapene er begge eid 50 % av Ebony AS og 50 % av TSMI Investment Ltd som hører hjemme på British Virgin Islands. Ebony AS er 100 % eid av Nesttun Invest AS. Selskapene driver internasjonal skipsfart med utenlandske kunder. Selskapene kjøper varer og tjenester utenfor Norge.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene er 50 % eid av et utenlandsk selskap. Eierkretsen er begrenset. Videre er det vektlagt at selskapene driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Turid tysnes
underdirektør
Brukerdialog, juridisk stab, gruppe 1
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



CHAMPION ENDURANCE AS
Financial Statements 2023



CHAMPION ENDURANCE AS Directors' Report 2023

Operating activities

The company was founded 20 May 2019 and is located in Bergen, Norway. The business of the company is to own or hire in MR size chemical/product tankers. Currently the company operates one vessel, MT "Champion Endurance". The vessel is operated commercially by the group company Champion Tankers AS.

Financial and operational review

Gross revenue for 2023 is usd 19,3 mill up from usd 16,7 mill in 2022. Net voyage profit (TCE earnings) is usd 12,1 mill compare to 7,5 mill in 2022.

Operating expenses amount to usd 3,0 mill, up from usd 2,6 mill in 2022. Operating profit before depreciations (EBITDA) is usd 9,1 mill, up from 4,9 mill in 2022. Ordinary depreciations amount to usd 1 mill, and operating profit is usd 8,1 mill, up from 3,6 mill in 2022.

Net financial expenses are usd 0,3 mill. Net profit for the year is usd 7,8 mill, compare to a profit of usd 2,8 mill in 2022.

As per 31 December 2023 the total assets amount to usd 19,7 mill and the equity is usd 3,1 mill. The company has allocated usd 11 mill to group contributions.

Going concern

The Board of Directors confirms that the annual accounts for 2023 have been prepared on a going concern basis and that this assumption is valid.

It is the Board's opinion that the financial statements provide a fair view of the Company's assets and liabilities, financial position and results.

Employees

The company has no employees and hence purchase services from well reputable companies based on a long-term relationship.

Environmental risk

Our vessels mainly transport edible products and to a lesser extent petroleum products, and we consider the risk of severe environmental accidents as low. Nevertheless, operation of vessels has an impact on the environment in general. The technical operations of the vessels are handled by recognised managers with extensive experience. No incidents with potential environmental impact have been reported during the fiscal year.

Financial risk and risk management

The Company is exposed to financial risk. All revenues are in USD. A large part of the operating expenses are in USD. To minimise currency risk, all long-term financing will be drawn in USD. However, there is currency risk related to operating expenses in other currencies than USD. Credit risk is considered low due to most customers settling the invoice before the cargo is discharged. Focus on cash management ensures sufficient liquidity to meet future obligations. The company is exposed to risk related to fluctuations in market freight rates due to trading in the spot market. The company has reduced this risk to a certain degree by entering into long term contracts of affreightment (COAs). The company does not have an insurance to cover the liabilities of the board members.



CHAMPION ENDURANCE AS Directors' Report 2023

The Transparency Act

On 1st of July 2023 The Norwegian Transparency Act came into force. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions. In compliance with the new requirements, we have published our transparency report for 2022 on our website (championtankers.no). The report for 2023 will be published at the same location.

Market outlook

Our market segment is impacted by the Clean Petroleum Product (CPP) market overall. In 2023, the global landscape witnessed a tumultuous period characterised by disruptions in the supply chain and unprecedented volatility. Complex geopolitical tensions, exacerbated market instability, particularly impacting the availability of oil products and disrupting supply and demand dynamics.

Throughout 2023, the product tanker sector demonstrated resilience, due to high refinery throughput, shifts in refinery capacity, and increased trade volumes from arbitrage trading worldwide.

In 2024, the immediate forecast is influenced by recent vessel attacks on merchant vessels in the Red Sea, leading to prolonged rerouted voyages around Africa. The duration of this disruption remains uncertain and probably short lived.

Nevertheless, beyond this challenge, the outlook appears promising, with anticipated growth in oil demand and the commencement of new refinery operations. Furthermore, tonnage supply is expected to remain stable in the coming year, notwithstanding a small increase in ordering observed in 2023.

Bergen, 7th of May 2024

Karl L. Kvalheim
Chairman of the Board



Champion Endurance AS
Income Statement
USD

NOTES	OPERATING REVENUES AND EXPENSES	2023	2022
2	Operating revenues	19 257 485	16 682 674
	Total revenues	<u>19 257 485</u>	<u>16 682 674</u>
2	Voyage expenses	7 136 658	9 172 734
3	Crew expenses	1 525 269	1 429 224
	Insurance premiums	201 253	181 738
	Upgrading expenses	295 592	0
	Spare, repairs and maintenance	525 291	573 889
	Lubricating oil	84 746	107 082
	Management expenses	168 000	160 000
4	Ordinary depreciations	982 705	1 285 000
2, 3	Other expenses	224 377	189 664
	Total operating expenses	<u>11 143 890</u>	<u>13 099 331</u>
	Operating profit	<u>8 113 595</u>	<u>3 583 343</u>
	FINANCIAL INCOME AND EXPENSES		
	Interest income	191 887	12 468
	Net currency gain/(loss)	-1 080	-5 621
5	Interest expenses	489 150	820 078
	Other financial expenses	1 799	2 268
	Net financial items	<u>-300 142</u>	<u>-815 499</u>
	Net profit before taxes	<u>7 813 453</u>	<u>2 767 843</u>
6	Taxes	6 997	7 153
	Net profit/(loss) for the year	<u>7 806 456</u>	<u>2 760 690</u>
	Net profit/(loss) for the year	<u>7 806 456</u>	<u>2 760 690</u>
	ALLOCATIONS AND DISTRIBUTIONS		
	To/(from) other equity	-3 193 544	2 760 690
	Group Contributions	11 000 000	0
	Total allocations and distributions	<u>7 806 456</u>	<u>2 760 690</u>



Champion Endurance AS
Balance Sheet as per 31 December
USD

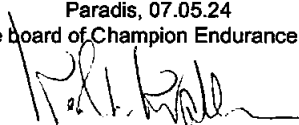
NOTES	ASSETS	2023	2022
	Non-current assets		
	Property, plant and equipment		
4, 5	Vessels	8 548 363	9 263 363
4, 5	Docking	0	267 705
	Total property, plant and equipment	<u>8 548 363</u>	<u>9 531 068</u>
5	Other long-term receivables	503 187	481 900
	Total non-current financial assets	<u>503 187</u>	<u>481 900</u>
	Total non-current assets	<u>9 051 550</u>	<u>10 012 968</u>
	Current assets		
	Accounts receivables	25 370	13 300
	Receivables from group companies	1 000 000	0
	Stores	156 389	518 863
	Other receivables	675 678	261 536
	Total receivables	<u>1 857 437</u>	<u>793 699</u>
	Cash and cash equivalents	8 784 069	2 349 516
	Total current assets	<u>10 641 507</u>	<u>3 143 215</u>
	TOTAL ASSETS	<u>19 693 057</u>	<u>13 156 183</u>



Champion Endurance AS
Balance Sheet as per 31 December
USD

NOTES	EQUITY AND LIABILITIES	2023	2022
	Equity		
	Paid-in capital		
7	Share capital	111 360	111 360
8	Share premium	2 859 586	2 859 586
	Total paid-in equity	<u>2 970 945</u>	<u>2 970 945</u>
	Retained earnings		
	Other equity	130 844	3 324 388
	Total retained earnings	<u>130 844</u>	<u>3 324 388</u>
8	Total equity	<u>3 101 789</u>	<u>6 295 333</u>
	Liabilities		
5	Liabilities to financial institutions	4 171 663	5 550 000
	Total non-current liabilities	<u>4 171 663</u>	<u>5 550 000</u>
	Short-term liabilities		
	Trade payables	375 802	398 970
6	Taxes payable	6 997	7 200
	Group Contributions	11 000 000	0
	Short-term loan from affiliates	270 741	0
	Other current liabilities	766 064	904 679
	Total current liabilities	<u>12 419 605</u>	<u>1 310 849</u>
	Total liabilities	<u>16 591 268</u>	<u>6 860 849</u>
	TOTAL EQUITY AND LIABILITIES	<u>19 693 057</u>	<u>13 156 182</u>

Paradis, 07.05.24
The board of Champion Endurance AS


Karl Lødrup Kvalheim
chairman of the board



Champion Endurance AS

Cash flow statement

(USD)

NOTES	CASH FLOW FROM OPERATING ACTIVITIES	2023	2022
	Profit before taxes	7 813 453	2 767 843
	Taxes paid	-7 201	-8 040
	Depreciations and impairments	982 705	1 285 000
	Change in accounts receivables from customers	-12 070	42 187
	Change in trade creditors	-23 168	-543 888
	Change in short-term debt group companies	270 741	0
	Change in other current assets and other current liabilities	-190 283	769 978
	Net cash flow from operating activities	8 834 177	4 313 080
	CASH FLOW FROM INVESTING ACTIVITIES		
	Investments in fixed assets	0	-156 647
	Other investments	-21 287	246 640
	Net cash flow from investing activities	-21 287	89 993
	CASH FLOW FROM FINANCING ACTIVITIES		
	Loan proceeds	0	0
	Loan repayment	-1 378 337	-1 160 000
	Repayment financial lease	0	0
	Repayment of shareholder loans	0	-1 534 000
	Payment of dividends	-1 000 000	0
	Net cash flow from financing activities	-2 378 337	-2 694 000
	Net cash flow for the period	6 434 553	1 709 073
	Cash and bank deposits as at 1.1.	2 349 516	640 443
	Cash and bank deposits as at 31.12.	8 784 069	2 349 516



Champion Endurance AS

Notes to the Financial Statements 2023

Note 1 – Accounting principles

The company was incorporated on 20th of May 2019.

Financial statements are prepared in accordance with The Norwegian Accounting Act of 1998 and Generally Accepted Accounting Principles. The accounting principles are described below.

The company is a part of the Nesttun Invest Group. The parent company, Nesttun Invest AS of Tveiteraasveien 12, 5232 Paradis, Norway, prepares group accounts. The group accounts are available at the business address of Nesttun Invest AS.

Principal rule for valuation and classification of assets and liabilities

Assets meant for permanent ownership or use in the business are classified as fixed assets. Other assets are classified as current assets. Accounts receivables due within one year are classified as current assets. The classification of current and long term liabilities is based on the same criteria.

Fixed assets are carried at historical cost, but are written down if a decline in fair value below the carrying amount is expected to be permanent. Fixed assets with a limited economic life are depreciated in accordance with a reasonable depreciation schedule. Long-term loans are carried at nominal value.

Current assets are valued at the lower of historical cost and fair value. Current liabilities are carried at nominal value.

Other items are valued as described below.

Functional currency and presentation currency

These financial statements are presented in USD which is the functional currency of the company. All figures in the notes are expressed in USD.

Vessels

Vessels are recorded at their cost less accumulated depreciation. Vessel are depreciated on a straight-line basis over their estimated useful economic life. The useful life of the vessels is estimated at 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less estimated residual scrap value. Residual scrap value is estimated as the lightweight tonnage of each vessel multiplied by the estimated scrap value per ton.

Vessels are assessed for impairment when events or circumstances indicate the carrying amount of the asset may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less transaction costs, and value in use.

Value in use is estimated calculating future discounted net operating cash flows expected to be generated by the vessel over its remaining useful life. Net operating cash flows are determined by applying various assumptions regarding discount rate, useful life of the vessel, future net voyage income, operating expenses, scheduled dry-dockings, expected off hire and scrap values, and taking into account historical revenue data, future budgets and published forecast on future world economic growth.



Champion Endurance AS
Notes to the Financial Statements 2023

Note 1 continued – Accounting principles

Drydock expenditure and maintenance

Expenditures incurred in drydocking are deferred and amortised until the next scheduled drydocking. At the time of purchasing the vessel, the acquisition price is decomposed to vessel and drydocking, and the drydocking is amortised until the next drydocking.

Expenses for routine maintenance and repairs are expensed as incurred.

When insured damages occur, insurance claims are recorded, net of any deductible amounts which are charged as expenses. Insurance claims are classified as short term receivables.

Inventories

Inventories consist of bunkers, lubricating oils and other consumables on board the vessels. Inventories are valued at the lower of cost or market value on a first-in-first-out basis.

Receivables

Trade receivables and other receivables are recorded at nominal value less provisions for expected losses. The loss provision is based on an individual assessment of each accounts receivable.

Revenues

Revenues from voyage charters are recognised rateably on a discharge-to discharge basis. Revenue under voyage charters will not be recognised until a charter has been agreed even if the vessel has discharged its previous cargo and is proceeding to an anticipated port of loading.

Revenues from time charter contracts are recognised over the term of the charter based on onhire days.

Revenues on cutoff voyages are recognised based on the number of days before and after the balance sheet date.

Voyage expenses

All voyage expenses are recognised proportionally with the voyage revenues. Voyage expenses on cutoff voyages are recognised based on the number of days before and after the balance sheet date.

Taxes

Taxes charged as expense consist of payable tonnage tax. The company is included in the Norwegian Tonnage Tax Regime which entitles the company to tax exemption on profits derived from ship operations provided payment of tonnage tax. However, possible future net financial income will be taxed with a tax rate of 22%. There is no provision for deferred tax on potential net financial income in the accounts.



Champion Endurance AS
Notes to the Financial Statements 2023

Note 2 – Related parties transactions

The group company, Champion Tankers AS, acts as commercial manager for the vessel operated by the company. Transactions related to the commercial management agreement are stated below.

	2023	2022
Income Statement:		
Operating revenues	<u>19 257 485</u>	<u>16 682 674</u>
Voyage expenses	<u>469 973</u>	<u>434 841</u>
Current assets:		
Accounts receivables	<u>25 370</u>	<u>13 300</u>

Companies owned by related parties have invoiced administration fees of USD 7 688.

Note 3 – Payroll costs, number of employees, remunerations etc.

	2023	2022
Crew expenses		
Crew expenses	<u>1 525 269</u>	<u>1 429 224</u>
Total crew expenses	<u>1 525 269</u>	<u>1 429 224</u>

The crew is hired from technical managers.

Remunerations to executives

No remunerations are paid to executives in the financial year.

Auditors' fee

	2023	2022
Auditor		
Statutory audit	8 702	5 132
Other services		4 057
Total	<u>8 702</u>	<u>9 189</u>



Champion Endurance AS
Notes to the Financial Statements 2023

Note 4 – Tangible fixed assets

	Vessels	Docking	Total
Aquisition cost 1.1.	11 456 363	1 474 705	12 931 068
Additions	0	0	0
Disposals	0	0	0
Aquisition cost 31.12.	11 456 363	1 474 705	12 931 068
Accumulated depreciations and impairments	2 908 000	1 474 705	4 382 705
Balance sheet value as at 31.12	8 548 363	0	8 548 363
Ordinary depreciations	715 000	267 705	982 705
Impairment charges	0	0	0
Depreciation period	11 years	2,5 years	

The carrying amount has been tested against broker valuations.

Note 5 – Liabilities to financial institutions, mortgages and guarantee liabilities

The company has entered into a term loan facility agreement with maturity date 14 January 2028 and repayment schedule as per below:

Year	USD
2024	1 280 004
2025	928 332
2026	928 332
2027	928 332
2028	106 663
Total	4 171 663

A cash deposit of usd 400 000 and capitalised transaction costs of usd 103 187 related to the loan are recognised as long-term receivables in the balance sheet. The parent company, Ebony AS, has granted a share pledge for the company's obligations under the loan facility. The loan included in the company's accounts represents 50% of a joint loan together with the group company Champion Timur AS as co-borrower.



Champion Endurance AS

Notes to the Financial Statements 2023

Note 5 continued – Liabilities to financial institutions, mortgages and guarantee liabilities

Balance sheet value of pledged assets	2023	2022
	USD	USD
Vessels	8 548 363	9 531 068
Bank deposits	8 784 069	2 349 516
Total	17 332 432	11 880 584

Note 6 – Taxes

The tax expense for the year consists of;	USD
Tax payable on net financial income of the year	0
Tonnage tax for the year	6 997
Corrections for last year	0
Taxes	6 997

Net financial losses brought forward amount to usd 1 177 000. Deferred tax asset related to losses brought forward is not recognised in the balance sheet.

Taxes payable in the balance sheet consist of;	2023	2022
Current liabilities:	USD	USD
Tonnage tax	6 997	7 200
Total taxes payable	6 997	7 200



Champion Endurance AS
Notes to the Financial Statements 2023

Note 7 – Share capital and shareholder information

	Number of shares	Nominal value	USD
Share capital	500	223	111 360

Owner structure

The shareholders of the company as at 31 December:

Name	Number of shares	Owner stake
Ebony AS	500	100 %
Total	500	100 %

Number of shares controlled by board directors are 500 shares corresponding to 100% of the shares.

Note 8 – Equity

	Share capital	Share premium	Retained earnings	Total
Equity at 1.1.	111 360	2 859 586	3 324 388	6 295 333
Profit/(loss) for the year	0	0	7 806 456	7 806 456
Group contributions	0	0	-11 000 000	-11 000 000
Equity at 31.12.	111 360	2 859 586	130 845	3 101 789



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To the General Meeting of Champion Endurance AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Champion Endurance AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282



Deloitte.

Independent auditor's report
Champion Endurance AS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 07. mai 2024
Deloitte AS

Helge-Roald Johnsen
State Authorised Public Accountant



Independent auditor's report Champion Endurance AS

Name	Date
Johnsen, Helge-Roald	2024-05-15

Identification

 **bankID** Johnsen, Helge-Roald



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