



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	967 074 888
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	CHAMPION SHIPPING AS
Forretningsadresse:	Tveiteråsvegen 12 5232 PARADIS

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Karl L. Kvalheim
Dato for fastsettelse av årsregnskapet:	28.06.2024

### 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
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues	2	93 544 106	91 970 259
Gain on sold vessels	4	1 889 636	
<b>Sum inntekter</b>		<b>95 433 741</b>	<b>91 970 259</b>
<b>Kostnader</b>			
Crew expenses	3	7 356 490	7 751 533
Ordinary depreciations and impairments	4	6 311 872	2 229 992
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4		
Voyage expenses	2	30 458 433	41 648 080
Insurance premiums		1 304 480	1 218 460
Spares, repairs and maintenance		5 211 772	5 501 978
Lubricating oil		529 036	781 755
Management expenses		912 972	915 381
Other expenses	3	1 165 755	5 933 643
<b>Sum kostnader</b>		<b>53 250 810</b>	<b>65 980 823</b>
<b>Driftsresultat</b>		<b>42 182 931</b>	<b>25 989 436</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		1 376 138	22 957
Other financial income		129 461	
Net currency gain/(loss)		6 292	22 673
<b>Sum finansinntekter</b>		<b>1 511 890</b>	<b>45 631</b>
Write-down of financial assets		-181 000	
Annen rentekostnad		1 810 651	1 842 613
Other financial expenses		4 502	3 748
<b>Sum finanskostnader</b>		<b>1 634 153</b>	<b>1 846 361</b>
<b>Netto finans</b>		<b>-122 263</b>	<b>-1 800 730</b>
<b>Ordinært resultat før skattekostnad</b>		<b>42 060 668</b>	<b>24 188 705</b>
Taxes	5	30 175	39 001
<b>Ordinært resultat etter skattekostnad</b>		<b>42 030 494</b>	<b>24 149 704</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Årsresultat		42 030 494	24 149 704
Årsresultat etter minoritetsinteresser		42 030 494	24 149 704
<b>Totalresultat</b>		<b>42 030 494</b>	<b>24 149 704</b>
<b>Overføringer og disponeringer</b>			
Allocated to other equity/ (transferred from other equity)		41 480 494	24 149 704
Group distributions		550 000	
<b>Sum overføringer og disponeringer</b>		<b>42 030 494</b>	<b>24 149 704</b>



## Balanse

Beløp i: USD	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels	4, 10	65 317 576	69 663 006
Docking	4, 10	3 198 590	2 545 894
<b>Sum varige driftsmidler</b>		<b>68 516 166</b>	<b>72 208 900</b>
<b>Finansielle anleggsmidler</b>			
Investments in shares	6		239 539
<b>Sum finansielle anleggsmidler</b>			<b>239 540</b>
<b>Sum anleggsmidler</b>		<b>68 516 167</b>	<b>72 448 439</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables		3 455 689	6 013 382
Stores		1 271 195	2 389 085
Other receivables	7	3 729 112	5 360 121
<b>Sum fordringer</b>		<b>9 555 996</b>	<b>13 762 589</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	10	43 138 596	8 676 365
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>43 138 596</b>	<b>8 676 365</b>
<b>Sum omløpsmidler</b>		<b>52 144 592</b>	<b>22 438 954</b>
<b>SUM EIENDELER</b>		<b>120 660 759</b>	<b>94 887 393</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital



### Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Innskutt egenkapital</b>			
Share capital	8	1 460 901	1 460 901
Overkurs	9	12 028 793	12 028 793
<b>Sum innskutt egenkapital</b>		<b>13 489 694</b>	<b>13 489 694</b>
<b>Opptjent egenkapital</b>			
Other equity	9	82 809 191	43 329 544
<b>Sum opptjent egenkapital</b>		<b>82 809 191</b>	<b>43 329 544</b>
<b>Sum egenkapital</b>		<b>96 298 885</b>	<b>56 819 238</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5		
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	10	15 083 330	27 809 282
Loans from group companies			1 494 006
Shareholder loans	11		199 298
<b>Sum annen langsiktig gjeld</b>		<b>15 083 330</b>	<b>29 502 586</b>
<b>Sum langsiktig gjeld</b>		<b>15 083 330</b>	<b>29 502 586</b>
<b>Kortsiktig gjeld</b>			
Liabilities to financial institutions	10		
Leverandørgjeld		3 484 403	2 931 540
Taxes payable	5	35 000	40 000
Public taxes payable			
Group contributions		550 000	
Other short term liabilities and provisions		5 209 140	5 594 030
<b>Sum kortsiktig gjeld</b>		<b>9 278 544</b>	<b>8 565 569</b>
<b>Sum gjeld</b>		<b>24 361 874</b>	<b>38 068 155</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>120 660 759</b>	<b>94 887 393</b>



## Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 05.12.2016	Vår dato 12.12.2016
Telefon 22078139	Deres referanse Tone B. Solstad	Vår referanse 2016/1190826

CHAMPION TANKERS AS  
Postboks 413 Nesttun  
5853 BERGEN

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

— Vi viser til deres brev av 5. desember 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Champion Shipping AS	org.nr. 967 074 888
Champion Tankers AS	org.nr. 980 512 738
Trust AS	org.nr. 996 330 389
Ebony AS	org.nr. 814 720 942

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

### Bakgrunn

Selskapene inngår i Nesttun Invest konsernet der konsernspissen er Nesttun Invest AS. Konsernet driver med rederivirksomhet. Virksomheten foregår i utlandet. Arbeidsspråket er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

### Skattedirektoratets 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 m.v., 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*

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> Org.nr: 996250318 E-post: <a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	Sentralbord 800 80 000 Telefaks 22 17 08 60
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*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 Skattedirektoratets 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 Skattedirektoratet lagt vekt på at selskapene inngår i et konsern. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
*seniorrådgiver*  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*



**Champion Shipping AS**  
**Financial Statements 2023**



## **CHAMPION SHIPPING AS**

### **Directors' Report 2023**

#### **Operating activities**

Champion Shipping AS is a ship owning company located in Bergen, Norway, with a fleet of MR size chemical/product tankers.

Champion Tankers is acting as commercial manager for the vessels owned by Champion Shipping AS. Champion Tankers operates at any given time 18-23 vessels within the Edible oil/Fertilizer/Caustic Soda market and is firmly established as one of the leading and most reputable commercial operators/owners in this niche. This reputation is a result of close co-operation with several of the major industrial charterers in our trade.

#### **Financial and operational review**

In 2023 Champion Shipping AS generated operating revenues of USD 93,5 mill, compared to USD 92,0 mill for the year 2022. The gross revenue includes gain on sold vessels of USD 1,9 mill. Net voyage income/(TCE earnings) was USD 63,0 mill, up from USD 50,3 mill for the financial year 2023. The increase in TCE earnings is due to a strong MR freight market.

EBITDA is USD 48,2 mill, up from USD 28,2 mill in 2022.

Operating profit (EBIT) is USD 42,0 mill compared to USD 26,0 mill in 2022.

The net profit for the year is USD 42,0 mill, compared to USD 24,1 mill for the previous year.

Operating expenses were in line with the previous years adjusted for normal fluctuations.

Investments in upgrading and drydockings for the year amount to USD 8,0 mill.

At the year-end the financial position of the company is good.

#### **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 oil petroleum product (CPP), 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. Constant focus on preventing environmental impact is a natural part of our activities in which we invest substantial resources. Through the company's own internal control procedures and the technical managers' Quality Assurance Systems, all procedures and routines for preventing pollution and environmental impact, are continuously monitored.

The company has an overall strategy to comply with all IMOS regulations and reduce environmental impact. We continue to have strong focus on fuel consumption, operational measures such as weather routing, hull scrubbing and trading pattern optimisation. Furthermore, we intend to install energy saving devices at dry dockings in the period 2023-2024 to reduce emission, and through our fleet renewal strategy we intend to acquire new vessels with lower fuel consumption in the future.



#### Financial risk and risk management

The company is exposed to financial risk. All revenues are denominated in USD. A large part of the operating expenses is denominated in USD. To minimise currency risk, all loans are drawn in USD. However, there is currency risk related to operating expenses in other currencies than USD. The company is exposed to risk of changes in level of interest rate on interest-bearing debt. Credit risk is considered low due to most customers settling the invoice prior to cargo being discharged. A normal market situation will ensure a strong cash flow and low liquidity risk. Focus on cash management ensures sufficient liquidity to meet future obligations. The risk of increasing bunkers prices not covered by corresponding increase in freight rates, will always be a part of the risk picture. 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 Transparency Act

On 1<sup>st</sup> 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](http://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.

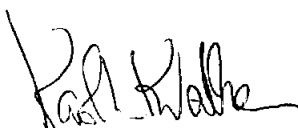
Nevertheless, beyond this challenge, the outlook appears promising, with anticipated growth in oil demand and the commencement of new refinery operations. Furthermore, tonnage supply is expected to remain stable in the coming year, notwithstanding a small increase in ordering observed in 2023.


#### Going concern

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

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.

Bergen, 27/6 ..... 2024

  
Karl L. Kvalheim  
Chairman/Managing Director

  
Jakob B. Kvalheim  
Board Member



## Champion Shipping AS

## Income Statement

(USD)

NOTES	OPERATING REVENUES AND EXPENSES	2023	2022
2	Operating revenues	93 544 106	91 970 259
4	Gain on sold vessels	1 889 636	0
	<b>Total revenues</b>	<b><u>95 433 741</u></b>	<b><u>91 970 259</u></b>
2	Voyage expenses	30 458 433	41 648 080
3	Crew expenses	7 356 490	7 751 533
	Insurance premiums	1 304 480	1 218 460
	Spares, repairs and maintenance	5 211 772	5 501 978
	Lubricating oil	529 036	781 755
	Management expenses	912 972	915 381
4	Ordinary depreciations and impairments	6 311 872	2 229 992
3	Other expenses	1 165 755	5 933 643
	<b>Total operating expenses</b>	<b><u>53 250 810</u></b>	<b><u>65 980 823</u></b>
	<b>Operating profit</b>	<b><u>42 182 931</u></b>	<b><u>25 989 436</u></b>
	<b>FINANCIAL INCOME AND EXPENSES</b>		
	Interest income	1 376 138	22 957
	Other financial income	129 461	0
	Net currency gain/(loss)	6 292	22 673
	Write-down of financial assets	-181 000	0
	Interest expenses	1 810 651	1 842 613
	Other financial expenses	4 502	3 748
	<b>Net financial items</b>	<b><u>-122 263</u></b>	<b><u>-1 800 730</u></b>
	<b>Net profit before taxes</b>	<b><u>42 060 668</u></b>	<b><u>24 188 705</u></b>
5	Taxes	30 175	39 001
	<b>Net profit/(loss) for the year</b>	<b><u>42 030 494</u></b>	<b><u>24 149 704</u></b>
	<b>ALLOCATIONS AND DISTRIBUTIONS</b>		
	Allocated to other equity/ (transferred from other equity)	41 480 494	24 149 704
	Group distributions	-550 000	0
	<b>Total allocations and distributions</b>	<b><u>42 030 494</u></b>	<b><u>24 149 704</u></b>



**Champion Shipping AS**

**Balance Sheet as at 31 December**

(USD)

NOTES	ASSETS	2023	2022
	<b>Tangible fixed assets</b>		
4, 10	Vessels	65 317 576	69 663 006
4, 10	Docking	3 198 590	2 545 894
	Total tangible fixed assets	<u>68 516 166</u>	<u>72 208 900</u>
	<b>Non-current financial assets</b>		
6	Investments in shares	0	239 539
	Total non-current financial assets	<u>0</u>	<u>239 540</u>
	Total non-current assets	<u>68 516 167</u>	<u>72 448 439</u>
	<b>Current assets</b>		
	<b>Debtors</b>		
	Accounts receivables	3 455 689	6 013 382
	Fordring på konsernselskaper	550 000	0
	Stores	1 271 195	2 389 085
7	Other receivables	3 729 112	5 360 121
	Total receivables	<u>9 005 996</u>	<u>13 762 589</u>
10	Cash and cash equivalents	43 138 596	8 676 365
	Total current assets	<u>52 144 592</u>	<u>22 438 954</u>
	<b>TOTAL ASSETS</b>	<u>120 660 759</u>	<u>94 887 393</u>



**Champion Shipping AS**  
**Balance Sheet as at 31 December**  
(USD)

NOTES	EQUITY AND LIABILITIES	2023	2022
	<b>Equity</b>		
	<b>Paid-in capital</b>		
8	Share capital	1 460 901	1 460 901
9	Share premium	12 028 793	12 028 793
	Total paid-in capital	<u>13 489 694</u>	<u>13 489 694</u>
	<b>Retained earnings</b>		
9	Other equity	82 809 191	43 329 544
	Total retained earnings	<u>82 809 191</u>	<u>43 329 544</u>
	Total equity	<u>96 298 885</u>	<u>56 819 238</u>
	<b>Liabilities</b>		
	<b>Long term liabilities</b>		
10	Liabilities to financial institutions	15 083 330	27 809 282
	Loans from group companies	0	1 494 006
11	Shareholder loans	0	199 298
	Total long term liabilities	<u>15 083 330</u>	<u>29 502 586</u>
	<b>Short term liabilities</b>		
	Trade payables	3 484 403	2 931 540
5	Taxes payable	35 000	40 000
	Group contributions	560 000	0
	Other short term liabilities and provisions	5 209 140	5 594 030
	Total short term liabilities	<u>9 278 544</u>	<u>8 565 569</u>
	Total liabilities	<u>24 361 874</u>	<u>38 068 155</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>120 660 759</b>	<b>94 887 393</b>

Bergen, 27 June 2024

The board of Champion Shipping AS

Karl L. Kvalheim  
Chairman of the Board/Managing Director

Jakob B. Kvalheim  
Member of the board



**Champion Shipping AS**  
**Cash flow statement**  
(USD)

NOTES	CASH FLOW FROM OPERATING ACTIVITIES	2023	2022
	Profit before taxes	42 060 668	24 188 705
	Taxes paid	-35 175	-41 201
	Depreciations and impairments	6 311 871	2 229 989
	Gain on sale of financial assets	-310 461	0
	Gain on vessels sold	-1 889 636	0
	Change in accounts receivables from customers	2 557 693	-5 889 352
	Change in trade creditors	552 863	-1 211 070
	Change in other current assets and other current liabilities	2 364 011	3 408 546
	<b>Net cash flow from operating activities</b>	<b>51 611 834</b>	<b>22 685 617</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Sale of fixed assets	7 312 582	0
	Investments in fixed assets	-8 042 082	-7 989 106
	Sale of financial assets	550 000	0
	<b>Net cash flow from investing activities</b>	<b>-179 500</b>	<b>-7 989 106</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Loan proceeds	0	37 421
	Loan repayment	-14 419 256	-8 600 000
	Dividend/group contribution payments	-2 550 847	0
	<b>Net cash flow from financing activities</b>	<b>-16 970 103</b>	<b>-8 562 579</b>
	Net cash flow for the period	34 462 231	6 133 932
	Cash and bank deposits as at 1.1.	8 676 365	2 542 433
	<b>Cash and bank deposits as at 31.12.</b>	<b>43 138 596</b>	<b>8 676 365</b>



## Champion Shipping AS

# Notes to the financial statements 2023

### Note 1 – Accounting principles

The financial statements are prepared in accordance with The Norwegian Accounting Act of 1998. The accounting principles are described below.

#### 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.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). The total fleet is considered to be the cash-generating unit. Assessment on fleet level is based on the fact that all vessels are included in the same logistical system in which each vessel can replace any of the other vessels. Which vessel is allocated to which contract is depended on position and available loading capacity. Vessels decided to be sold, are not included in the fleet assessment for impairment testing, and carrying amount of such vessels is compared to fair market value less transaction costs.



## Champion Shipping AS

### Notes to the financial statements 2023

#### Note 1 continued – Accounting principles

##### Drydock expenditure and maintenance

Expenditures incurred when drydocking are capitalised 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.

##### Investment in listed shares

Long-term investments in listed companies are recorded at cost. The investment will be written down to fair value when the reduced value is due to causes which are not deemed to be temporary.

##### Leasing

Leasing contracts are classified as financial or operational. A financial lease is a leasing contract whereby the main risk and rewards attributable to the ownership of an asset are transferred to the lessee. A finance lease is capitalized as a fixed asset with a corresponding liability recorded as long term debt. The asset is depreciated in accordance with a reasonable depreciation schedule, and the liability is reduced for lease payments less calculated interest expense.

##### 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 Shipping AS**  
**Notes to the financial statements 2023**

**Note 2 – Related parties transactions**

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

	2023	2022
<b>Income Statement:</b>		
Operating revenues	93 544 106	91 970 259
Voyage expenses	<u>2 336 421</u>	<u>2 490 458</u>
<b>Current assets:</b>		
Accounts receivables	<u>3 455 689</u>	<u>6 013 382</u>

Companies owned by related parties have invoiced administration fees of USD 41 540.

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

	2023	2022
<b>Crew expenses</b>		
Crew expenses	7 356 490	7 751 533
<b>Total crew expenses</b>	<u>7 356 490</u>	<u>7 751 533</u>

The crew is hired from different technical managers.

**Remunerations to executives**

No remunerations are paid to board directors in 2023.

**Auditors' fee**

	2023	2022
<b>Auditor</b>		
Statutory audit	26 582	24 848
<b>Total</b>	<u>26 582</u>	<u>24 848</u>



## Champion Shipping AS

### Notes to the financial statements 2023

#### Note 4 – Tangible fixed assets

	Vessels	Docking	Total
Aquisition cost 1.1.	132 527 705	8 207 480	140 735 185
Additions	4 792 915	3 249 167	8 042 082
Disposals	-13 267 144	-3 130 238	-16 397 382
Aquisition cost 31.12.	124 053 476	8 326 409	132 379 885
Accumulated depreciations and impairments	58 735 900	5 127 819	63 863 719
<b>Balance sheet value as at 31.12</b>	<b>65 317 576</b>	<b>3 198 590</b>	<b>68 516 166</b>
Ordinary depreciations	4 732 305	1 579 567	6 311 872
Impairment charges	0	0	0
Depreciation period	6-15 years	2,5 years	

In August 2018 one vessel suffered a main engine break down. The vessel is still out of service. The vessel will now be repaired and brought back to service as part of the insurance settlement. The planning of the repair process has started. The carrying amount of the vessel is included in the balance sheet together with vessels in operation. All expenses related to the insurance claim process have been charged as operating expenses.

One vessel is sold during the financial year. The gain of usd 1 889 636 is recognised as revenue in the income statement.

Vessels which will be disposed of within a certain time horizon, are not included in the fleet assessment for impairment testing. The carrying amounts for these vessels are tested against broker valuations. Value in use (discounted cash flows) is used in our impairment testing of vessels included in the fleet assessment.

Discounted cash flows are determined by applying the following assumptions:

- Net future voyage income reflecting market rates
- Operating expenses (opex)
- Scheduled dry-dockings
- Expected off hire.
- Scrap values
- Expected Economical life of the vessel
- Discounting factor

Net future voyage income is estimated based on historical average earnings adjusted for inflation and budget for 2024. Estimated operating expenses are based on actual opex for 2023 and budget for 2024. An estimated interest rate based on long-term financing including risk premium is used as discounting factor.



## Champion Shipping AS

### Notes to the financial statements 2023

#### Note 5 – Taxes

<b>The tax expense for the year consists of:</b>	<b>USD</b>
Tax payable on net financial income of the year	0
Tonnage tax for the year	35 000
Corrections for previous year	<u>-4 825</u>
Taxes	<u>30 175</u>

Net financial losses brought forward amount to USD 10,4 mill. Deferred tax asset related to losses brought forward is not recognised in the balance sheet.

<b>Taxes payable in the balance sheet consist of;</b>	<b>2023</b>	<b>2022</b>
<b>Current liabilities:</b>	<b>USD</b>	<b>USD</b>
Tonnage tax	<u>35 000</u>	<u>40 000</u>
Total taxes payable	<u>35 000</u>	<u>40 000</u>

#### Note 6 – Financial assets

Financial fixed assets are sold during the fiscal year.

#### Note 7 - Other receivables

Other receivables include accrued revenue from customers of usd 1,9 mill (1,8 mill in 2022).

#### Note 8 – Share capital and shareholder information

The share capital is USD 1 460 901. The share capital as at 31 December in NOK:

	Number of shares	Nominal value	NOK
Share capital	<u>102 690</u>	<u>100</u>	<u>10 269 000</u>



## Champion Shipping AS

### Notes to the financial statements 2023

#### Note 8 continued – Share capital and shareholder information

##### Owner structure

The shareholders of the company as at 31 December were:

Name	Number of shares	Owner stake
Nesttun Invest AS	93 044	90,61 %
Nest Trading AS	3 102	3,02 %
Skagerak Holding Pte Ltd	4 418	4,30 %
Champion Tankers AS	1 839	1,79 %
Transportfinans AS	287	0,28 %
Total	102 690	100,00 %

Number of shares controlled by board directors are 94 883 shares corresponding to 92,4% of the shares.

#### Note 9 – Equity

	Share capital	Share premium	Retained earnings	Total
Equity at 1.1.	1 460 901	12 028 793	43 329 544	56 819 238 0
Profit for the year			42 030 494	42 030 494
Dividends			-2 000 847	-2 000 847
Group contributions			-550 000	-550 000
Equity at 31.12.	1 460 901	12 028 793	82 809 191	96 298 885

#### Note 10 – Long term liabilities, mortgages and guarantee liabilities

Mortgages and guarantee liabilities	2023	2022
	USD	USD
Balance sheet value of mortgage debt	15 083 330	27 809 282
<b>Balance sheet value of pledged assets</b>	<b>2023</b>	<b>2022</b>
	USD	USD
Vessels	68 516 166	72 208 900
Accounts receivables	3 455 689	6 013 382
Stores	1 271 195	2 389 085
Cash and bank deposits	690 904	7 615 130
Total	<u>73 933 954</u>	<u>88 226 497</u>



**Champion Shipping AS**  
**Notes to the financial statements 2023**

**Note 10 continued – Long term liabilities, mortgages and guarantee liabilities**

The mortgage debt was refinanced in 2023.

**Repayment schedule:**

<b>Year</b>	<b>USD</b>
2024	6 033 340
2025	6 033 340
2026	<u>3 016 650</u>
Total	<u>15 083 330</u>

<b>Debt payable after 5 years:</b>	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Long term debt to financial institutions	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>

Financial covenants are met as per 31 December 2023.

**Note 11 – Shareholder loans**

The shareholders loans were redeemed in January 2023.



# Deloitte.

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To the General Meeting of Champion Shipping AS

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of Champion Shipping 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 and the Managing Director (management) are 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.

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



## Deloitte.

Independent auditor's report  
Champion Shipping AS

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.

### *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, 28 June 2024  
Deloitte AS

**Helge-Roald Johnsen**  
State Authorised Public Accountant  
(electronically signed)



## Independent auditor's report

Name	Date
<b>Johnsen, Helge-Roald</b>	<b>2024-07-01</b>

Identification

 **bankID** Johnsen, Helge-Roald



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