



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

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: 14.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 06.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenues		9 564 614	3 954 570
Other income	3		
Sum inntekter		9 564 614	3 954 570
Kostnader			
Crew expenses	2	1 393 724	585 078
Management expenses		160 000	59 130
Ordinary depreciations	3	611 000	219 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3		
Voyage expenses		3 821 300	2 038 474
Insurance premiums		184 815	65 235
Upgrading expenses			
Spare, repairs and maintenance		519 182	231 728
Lubricating oil		113 191	41 113
Other operating expenses	2	216 174	375 149
Sum kostnader		7 019 386	3 614 907
Driftsresultat		2 545 228	339 663
Finansinntekter og finanskostnader			
Income from subsidiaries	3		
Annen renteinntekt		40	1 254
Net currency gain/(loss)		-2 242	-351
Sum finansinntekter		-2 202	903
Annen rentekostnad	5	923 969	365 653
Other financial expenses		1 677	968
Sum finanskostnader		925 646	366 621
Netto finans		-927 848	-365 718
Ordinært resultat før skattekostnad		1 617 380	-26 055
Taxes	4	8 398	3 000
Ordinært resultat etter skattekostnad		1 608 981	-29 055



Resultatregnskap

Beløp i: USD	Note	2020	2019
Årsresultat		1 608 981	-29 055
Årsresultat etter minoritetsinteresser		1 608 981	-29 055
Totalresultat		1 608 981	-29 055
Overføringer og disponeringer			
Udekket tap			-29 055
To/(from) other equity		1 608 981	
Sum overføringer og disponeringer		1 608 981	-29 055



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Vessels	3, 5	10 376 043	10 081 000
Docking	3, 5	1 447 705	
Sum varige driftsmidler		11 823 748	10 081 000
Finansielle anleggsmidler			
Investering i datterselskap	3		
Lån til foretak i samme konsern	6		
Sum anleggsmidler		11 823 748	10 081 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables		363 374	
Stores		194 608	407 893
Other receivables		250 087	975 602
Sum fordringer		808 070	1 383 495
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		2 292 138	570 741
Sum bankinnskudd, kontanter og lignende		2 292 138	570 741
Sum omløpsmidler		3 100 209	1 954 236
SUM EIENDELER		14 923 956	12 035 236

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: USD	Note	2020	2019
Innskutt egenkapital			
Share capital	6	111 360	111 360
Overkurs	7	2 859 586	2 859 586
Sum innskutt egenkapital		2 970 945	2 970 945
Opptjent egenkapital			
Other equity		1 608 981	
Sum opptjent egenkapital		1 608 981	
Sum egenkapital	7	4 579 927	2 970 945
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5		
Financial lease commitments	5	6 889 601	7 795 653
Sum annen langsiktig gjeld		6 889 601	7 795 653
Sum langsiktig gjeld		6 889 601	7 795 653
Kortsiktig gjeld			
Konvertible lån	7		
Liabilities to financial institutions	5		
Leverandørgjeld		1 530 017	396 185
Taxes payable	4	8 400	3 000
Kortsiktig konserngjeld			25 000
Other current debt		1 916 011	844 453
Sum kortsiktig gjeld		3 454 428	1 268 638
Sum gjeld		10 344 029	9 064 291
SUM EGENKAPITAL OG GJELD		14 923 956	12 035 236



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 661722

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Brønnøysundregistrene, 02.09.2021



Organisasjonsnr: 922 927 332
CHAMPION ENDURANCE AS

RESULTATREGNSKAP

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenues		9 564 614	3 954 570
Other income	3		
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Kostnader			
Crew expenses	2	1 393 724	585 078
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Taxes	4	1 617 380	-26 055
		8 398	3 000
Ordinært resultat etter skattekostnad		1 608 981	-29 055
Årsresultat		1 608 981	-29 055
Årsresultat etter minoritetsinteresser			
		1 608 981	-29 055
Totalresultat		1 608 981	-29 055



Overføringer og disponeringer		
Udekket tap		-29 055
To/(from) other equity	1 608 981	
Sum overføringer og disponeringer	1 608 981	-29 055



Organisasjonsnr: 922 927 332
CHAMPION ENDURANCE AS

BALANSE

Beløp i: USD Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler Immaterielle eiendeler

Varige driftsmidler

Vessels	3, 5	10 376 043	10 081 000
Docking	3, 5	1 447 705	
Sum varige driftsmidler		11 823 748	10 081 000

Finansielle anleggsmidler

Investering i datterselskap	3		
Lån til foretak i samme konsern	6		

Sum anleggsmidler		11 823 748	10 081 000
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Omløpsmidler

Varer

Fordringer

Accounts receivables		363 374	
Stores		194 608	407 893
Other receivables		250 087	975 602
Sum fordringer		808 070	1 383 495

Bankinnskudd, kontanter og lignende

Cash and bank deposits		2 292 138	570 741
Sum bankinnskudd, kontanter og lignende		2 292 138	570 741

Sum omløpsmidler		3 100 209	1 954 236
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SUM EIENDELER		14 923 956	12 035 236
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	6	111 360	111 360
Overkurs	7	2 859 586	2 859 586
Sum innskutt egenkapital		2 970 945	2 970 945

Opptjent egenkapital

Other equity		1 608 981	
Sum opptjent egenkapital		1 608 981	



Sum egenkapital	7	4 579 927	2 970 945
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	5		
Financial lease commitments	5	6 889 601	7 795 653
Sum annen langsiktig gjeld		6 889 601	7 795 653
Sum langsiktig gjeld		6 889 601	7 795 653
Kortsiktig gjeld			
Konvertible lån	7		
Liabilities to financial institutions	5		
Leverandørgjeld		1 530 017	396 185
Taxes payable	4	8 400	3 000
Kortsiktig konserngjeld			25 000
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Sum gjeld		10 344 029	9 064 291
SUM EGENKAPITAL OG GJELD		14 923 956	12 035 236



Organisasjonsnr: 922 927 332
CHAMPION ENDURANCE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00



CHAMPION ENDURANCE AS
Financial Statements 2020



CHAMPION ENDURANCE AS

Directors' Report 2020

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", hired under a bareboat charterparty which is defined as a financial lease contract. The vessel is operated commercially by the group company Champion Tankers AS.

Financial and operational review

Comparable figures for 2019 includes the period August to December.

Revenues 2020 came in at usd 9,6 mill. Net voyage profit (TCE earnings) for the year is usd 5,8 mill.

Operating expenses amount to usd 2,6 mill. Operating profit before depreciations (EBITDA) is usd 3,2 mill. Ordinary depreciations amount to usd 0,6 mill, and operating profit is usd 2,5 mill.

Net financial expenses are usd 0,9 mill. Net profit for the year is usd 1,6 mill.

At year-end the total assets amount to usd 14,9 mill and the equity is usd 4,6 mill.

Going concern

The Board of Directors confirms that the annual accounts for 2020 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 with other group companies.

Environmental risk

The Company's vessels mainly transport edible products and to a lesser extent petroleum products, and we consider the risk of severe environmental accidents as low. Nevertheless, the Company acknowledges that its operations may have environmental impact. The technical operations of the vessel will always be handled by recognised managers with long-term 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).




CHAMPION ENDURANCE AS Directors' Report 2020

Market outlook

Our market segment is influenced by the Clean Petroleum Product (CPP) market in general. In the first half of 2020, the product tanker market improved significantly compared to previous years, driven by low crude oil prices resulting in all time high earnings for several months. In the second half of 2020, the COVID-19 virus outbreak had impact on the world trade in general resulting in lower demand for CPP and lower freight rates.

The outlook for our market segment in the first half of 2021 appears challenging. However, the latest trade projections suggest a bounce-back in seaborne trade volumes in the second half of 2021 as oil demand is expected to recover as a result of Covid-19 vaccination programmes worldwide.

Bergen, 14 May 2021



Karl L. Kvalheim
Chairman of the Board



Olav Eek Thorstensen
Member of the Board



Champion Endurance AS
Income Statement
USD

NOTES	OPERATING REVENUES AND EXPENSES	2020	2019
	Operating revenues	9 564 614	3 954 570
	Total revenues	<u>9 564 614</u>	<u>3 954 570</u>
	FINANCIAL INCOME AND EXPENSES		
	Interest income	40	1 254
	Net currency gain/(loss)	-2 242	-351
5	Interest expenses	923 969	365 653
	Other financial expenses	1 677	968
	Net financial items	<u>-927 848</u>	<u>-365 718</u>
	Net profit before taxes	<u>1 617 380</u>	<u>-26 055</u>
4	Taxes	8 398	3 000
	Net profit/(loss) for the year	<u>1 608 981</u>	<u>-29 055</u>
	Net profit/(loss) for the year	<u>1 608 981</u>	<u>-29 055</u>
	ALLOCATIONS AND DISTRIBUTIONS		
	From share premium	0	29 055
	To/(from) other equity	1 608 981	0
	Total allocations and distributions	<u>1 608 981</u>	<u>-29 055</u>



Champion Endurance AS
Balance Sheet as per 31 December
USD

NOTES	ASSETS	2020	2019
	Fixed assets		
	Tangible assets		
3, 5	Vessels	10 376 043	10 081 000
3, 5	Docking	1 447 705	0
	Total tangible assets	<u>11 823 748</u>	<u>10 081 000</u>
	Total fixed assets	<u>11 823 748</u>	<u>10 081 000</u>
	Current assets		
	Accounts receivables	363 374	0
	Stores	194 608	407 893
	Other receivables	250 087	975 602
	Total receivables	<u>808 070</u>	<u>1 383 495</u>
	Cash and bank deposits	2 292 138	570 741
	Total current assets	<u>3 100 209</u>	<u>1 954 236</u>
	TOTAL ASSETS	<u>14 923 956</u>	<u>12 035 236</u>



Champion Endurance AS
Balance Sheet as per 31 December
USD

NOTES	EQUITY AND LIABILITIES	2020	2019
	Equity		
	Paid-in capital		
6	Share capital	111 360	111 360
7	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	1 608 981	0
	Total retained earnings	<u>1 608 981</u>	<u>0</u>
7	Total equity	<u>4 579 927</u>	<u>2 970 945</u>
	Liabilities		
5	Financial lease commitments	6 889 601	7 795 653
	Total of other long term liabilities	<u>6 889 601</u>	<u>7 795 653</u>
	Short-term liabilities		
	Trade creditors	1 530 017	396 185
4	Taxes payable	8 400	3 000
	Short-term loan from group companies	0	25 000
	Other current debt	1 916 011	844 453
	Total current debt	<u>3 454 428</u>	<u>1 268 638</u>
	Total liabilities	<u>10 344 029</u>	<u>9 064 291</u>
	TOTAL EQUITY AND LIABILITIES	<u>14 923 956</u>	<u>12 035 236</u>

Paradis, 14.05.2021
The board of Champion Endurance AS

Karl Lødrup Kvalheim
chairman of the board


Olav Eek Thorstensen
member of the board



Champion Endurance AS

Cash flow statement

(USD)

NOTES	CASH FLOW FROM OPERATING ACTIVITIES	2020	2019
	Profit before taxes	1 617 380	-26 055
	Taxes paid	-2 998	0
	Depreciations and impairments	611 000	219 000
	Change in accounts receivables from customers	-363 374	
	Change in trade creditors	1 133 832	396 185
	Change in short-term debt group companies	-25 000	25 000
	Change in other current assets and other current liabilities	2 010 357	-539 042
	Net cash flow from operating activities	4 981 197	75 088
	CASH FLOW FROM INVESTING ACTIVITIES		
	Investments in fixed assets	-2 353 748	-10 300 000
	Net cash flow from investing activities	-2 353 748	-10 300 000
	CASH FLOW FROM FINANCING ACTIVITIES		
	Loan proceeds	0	8 100 000
	Repayment financial lease	-906 052	-304 347
	Capital increase	0	3 000 000
	Net cash flow from financing activities	-906 052	10 795 653
	Net cash flow for the period	1 721 397	570 741
	Cash and bank deposits as at 1.1.	570 741	0
	Cash and bank deposits as at 31.12.	2 292 138	570 741



Champion Endurance AS

Notes to the Financial Statements 2020

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 2020

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.

Leasing

Leasing contracts are classified either as financial or operational lease.

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 vessel, with a corresponding liability recorded as long term debt and valued at the present value of minimum lease payments. The asset is depreciated in accordance with a reasonable depreciation schedule, and the liability is reduced for lease payments less calculated interest expense.

Timecharter or bareboat contracts that are not defined as financial lease are defined as operational lease, and the hire is included in operating expenses on a current basis.

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.



Champion Endurance AS

Notes to the Financial Statements 2020

Note 1 continued – Accounting principles

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.

Note 2 – Payroll costs, number of employees, remunerations etc.

Crew expenses	2020	2019
Crew expenses	1 393 724	585 078
Total crew expenses	1 393 724	585 078

The crew is hired from technical managers.

Related parties

Companies owned by related parties have invoiced commercial management/broker fees of USD 163 160 and administration fees of USD 8 426.

Remunerations to executives

No remunerations are paid to executives in the financial year.

Auditors' fee

Auditor	2020	2019
Statutory audit	5 204	-
Other services	1 055	683
Total	6 258	683



Champion Endurance AS

Notes to the Financial Statements 2020

Note 3 – Tangible fixed assets

	Vessels	Docking	Total
Aquisition cost 1.1.	10 300 000	0	10 300 000
Additions	879 043	1 474 705	2 353 748
Disposals	0	0	0
Aquisition cost 31.12.	11 179 043	1 474 705	12 653 748
Accumulated depreciations and impairments	803 000	27 000	830 000
Balance sheet value as at 31.12	10 376 043	1 447 705	11 823 748
Ordinary depreciations	584 000	27 000	611 000
Impairment charges	0	0	0
Depreciation period	11 years	2,5 years	

The Vessel is hired under a bareboat charterparty defined as a financial lease contract (see note 5).

The carrying amount is tested against broker valuations.

Note 4 – 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	8 400
Corrections for last year	-2
Taxes	<u>8 398</u>

Net financial losses brought forward amount to usd 358 000. Deferred tax asset related to losses brought forward is not recognised in the balance sheet.

Taxes payable in the balance sheet consist of;	2020	2019
Current liabilities:	USD	USD
Tonnage tax	<u>8 400</u>	<u>3 000</u>
Total taxes payable	<u>8 400</u>	<u>3 000</u>



Champion Endurance AS

Notes to the Financial Statements 2020

Note 5 – Financial lease

In August 2019 the company entered into a bareboat charter party for one vessel. The charter is defined as a financial lease agreement both for accounting and taxation purposes.

Duration of the contract is 5 years. The contract includes option to purchase the vessel at certain dates for the remaining value. After 5 years the company has a purchase obligation to purchase the vessel at a fixed price. Prepaid option premium amounts to USD 2,2 mill. Effective interest rate of the contract is 12,5%. The contract includes a minimum liquidity covenant of usd 500 000.

Future instalments including purchase obligation:

År	USD
2021	1 023 091
2022	1 158 209
2023	1 311 172
2024	3 397 129
Total	6 889 601

Note 6 – 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 were;

Name	Number of shares	Owner stake
Ebony AS	250	50 %
Skagerak Holding Pte Ltd	250	50 %
Total	500	100 %

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



Champion Endurance AS
Notes to the Financial Statements 2020

Note 7 – Equity

	Share capital	Share premium	Retained earnings	Total
Equity at 1.1.	111 360	2 859 586	0	2 970 946
Profit/(loss) for the year		0	1 608 981	1 608 981
Equity at 31.12.	111 360	2 859 586	1 608 981	4 579 927



Champion Endurance AS
Balance Sheet as per 31 December
USD

NOTES	EQUITY AND LIABILITIES	2020	2019
	Equity		
	Paid-in capital		
6	Share capital	111 360	111 360
7	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	1 608 981	0
	Total retained earnings	<u>1 608 981</u>	<u>0</u>
7	Total equity	<u>4 579 927</u>	<u>2 970 945</u>
	Liabilities		
5	Financial lease commitments	6 889 601	7 795 653
	Total of other long term liabilities	<u>6 889 601</u>	<u>7 795 653</u>
	Short-term liabilities		
	Trade creditors	1 530 017	396 185
4	Taxes payable	8 400	3 000
	Short-term loan from group companies	0	25 000
	Other current debt	1 916 011	844 453
	Total current debt	<u>3 454 428</u>	<u>1 268 638</u>
	Total liabilities	<u>10 344 029</u>	<u>9 064 291</u>
	TOTAL EQUITY AND LIABILITIES	<u>14 923 956</u>	<u>12 035 236</u>

Paradis, 14.05.2021

The board of Champion Endurance AS

Karl Lødrup Kvalheim
chairman of the board

Olav Eek Thorstensen
member of the board



CHAMPION ENDURANCE AS ***Directors' Report 2020***

Market outlook

Our market segment is influenced by the Clean Petroleum Product (CPP) market in general. In the first half of 2020, the product tanker market improved significantly compared to previous years, driven by low crude oil prices resulting in all time high earnings for several months. In the second half of 2020, the COVID-19 virus outbreak had impact on the world trade in general resulting in lower demand for CPP and lower freight rates.

The outlook for our market segment in the first half of 2021 appears challenging. However, the latest trade projections suggest a bounce-back in seaborne trade volumes in the second half of 2021 as oil demand is expected to recover as a result of Covid-19 vaccination programmes worldwide.

Bergen, 14 May 2021

Karl L. Kvalheim
Chairman of the Board

Olav Eek Thorstensen
Member of the Board



Deloitte.

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To the General Meeting of Champion Endurance AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Champion Endurance AS showing a profit of USD 1.608.981. The financial statements comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.no to learn more.

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Registrert i Foretaksregisteret Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 231 282

Penneo Dokumentnr: 661. N76QE-MDEKA-PCN4V-CSX6S-M6BGG-BMWLT



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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.



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Independent Auditor's Report -
Champion Endurance AS

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 14 May 2021
Deloitte AS

Bjarne Ryland
State Authorised Public Accountant (Norway)

Penneo Dokumentnrøkket: N76QE-MDEKA-PCN4V-CSK6S-M6BGO-BMWLT



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Bjarne Ryland

Statsautorisert revisor

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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.