



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### 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: 16.05.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 15.09.2023



## Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenues		91 970 259	46 540 245
<b>Sum inntekter</b>		<b>91 970 259</b>	<b>46 540 245</b>
<b>Kostnader</b>			
Crew expenses	3	7 751 533	7 156 942
Ordinary depreciations and impairments	4	2 229 992	4 275 448
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4		
Voyage expenses		41 648 080	23 862 287
Insurance premiums		1 218 460	1 056 775
Spares, repairs and maintenance	8	5 501 978	3 870 222
Lubricating oil		781 755	535 791
Management expenses		915 381	860 147
Other expenses	8	5 933 643	564 679
<b>Sum kostnader</b>		<b>65 980 823</b>	<b>42 182 290</b>
<b>Driftsresultat</b>		<b>25 989 436</b>	<b>4 357 955</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		22 957	
Net currency gain/(loss)		22 673	-10 633
<b>Sum finansinntekter</b>		<b>45 631</b>	<b>-10 633</b>
Annen rentekostnad		1 842 613	1 462 266
Other financial expenses		3 748	13 363
<b>Sum finanskostnader</b>		<b>1 846 361</b>	<b>1 475 629</b>
<b>Netto finans</b>		<b>-1 800 730</b>	<b>-1 486 263</b>
<b>Ordinært resultat før skattekostnad</b>		<b>24 188 705</b>	<b>2 871 693</b>
Taxes	5	39 001	42 814
<b>Ordinært resultat etter skattekostnad</b>		<b>24 149 704</b>	<b>2 828 879</b>
<b>Årsresultat</b>		<b>24 149 704</b>	<b>2 828 879</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Årsresultat etter minoritetsinteresser		24 149 704	2 828 879
<b>Totalresultat</b>		<b>24 149 704</b>	<b>2 828 879</b>
<b>Overføringer og disponeringer</b>			
Allocated to other equity/ (transferred from other equity)		24 149 704	2 828 879
<b>Sum overføringer og disponeringer</b>		<b>24 149 704</b>	<b>2 828 879</b>



### Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels	4, 11	69 663 006	62 766 074
Docking	4, 11	2 545 894	3 683 709
<b>Sum varige driftsmidler</b>		<b>72 208 900</b>	<b>66 449 783</b>
<b>Finansielle anleggsmidler</b>			
Investments in shares	6	239 539	239 539
<b>Sum finansielle anleggsmidler</b>		<b>239 540</b>	<b>239 540</b>
<b>Sum anleggsmidler</b>		<b>72 448 439</b>	<b>66 689 323</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Accounts receivables		6 013 382	124 030
Stores		2 389 085	2 908 811
Other receivables	7, 8	5 360 121	7 499 153
<b>Sum fordringer</b>		<b>13 762 589</b>	<b>10 531 994</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	11	8 676 365	2 542 433
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>8 676 365</b>	<b>2 542 433</b>
<b>Sum omløpsmidler</b>		<b>22 438 954</b>	<b>13 074 427</b>
<b>SUM EIENDELER</b>		<b>94 887 393</b>	<b>79 763 750</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital



### Balanse

Beløp i: USD	Note	2022	2021
<b>Innskutt egenkapital</b>			
Share capital	9	1 460 901	1 460 901
Overkurs	10	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	10	43 329 544	19 179 840
<b>Sum opptjent egenkapital</b>		<b>43 329 544</b>	<b>19 179 840</b>
<b>Sum egenkapital</b>		<b>56 819 238</b>	<b>32 669 534</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5		
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	11	27 809 282	36 409 282
Loans from group companies		1 494 006	1 460 921
Shareholder loans	12	199 298	194 962
<b>Sum annen langsiktig gjeld</b>		<b>29 502 586</b>	<b>38 065 165</b>
<b>Sum langsiktig gjeld</b>		<b>29 502 586</b>	<b>38 065 165</b>
<b>Kortsiktig gjeld</b>			
Liabilities to financial institutions	11		
Leverandørgjeld		2 931 540	4 142 610
Taxes payable	5	40 000	42 200
Public taxes payable			
Other short term liabilities and provisions		5 594 030	4 844 240
<b>Sum kortsiktig gjeld</b>		<b>8 565 569</b>	<b>9 029 051</b>
<b>Sum gjeld</b>		<b>38 068 155</b>	<b>47 094 216</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>94 887 393</b>	<b>79 763 750</b>



**Champion Shipping AS**  
**Financial Statements 2022**



## **CHAMPION SHIPPING AS**

### ***Directors' Report 2022***

#### **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 2022 Champion Shipping AS generated operating revenues of USD 92,0 mill, compared to USD 46,5 mill for the year 2021. Net voyage income/(TCE earnings) was USD 50,3 mill, up from USD 22,6 mill for the financial year 2021. The increase in TCE earnings is due to a very strong MR freight market.

EBITDA is USD 28,2 mill, up from USD 8,6 mill in 2021.

Operating profit (EBIT) is USD 26,0 mill compared to USD 4,4 mill in 2021.

The net profit for the year is USD 24,1 mill, compared to USD 2,8 mill for the previous year.

In August 2018 one vessel suffered a main engine break down. The vessel is still out of service. The company declared constructive total loss (condemnation) to the underwriters. The underwriters represented by Gard as claims handler, did not accept the company's request for condemnation, and the claim was brought to court. In April 2021 the Aust-Agder District Court returned its verdict which concluded that the company is entitled to receive the full insurance value as constructive total loss in addition to recover of all court costs. The underwriters lodged an appeal, and in June 2022 the Court of Appeal ruled in favour of the underwriters. The vessel will now be repaired and brought back to service. The planning of the repair has started, and the repair process will continue throughout 2023.

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. Book equity is USD 56,8 mill, corresponding to a book equity ratio of 60%.

#### **Employees**

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



## **CHAMPION SHIPPING AS**

### **Directors' Report 2022**

#### **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 2022 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 will publish our transparency report on our website within 30<sup>th</sup> of June 2023.

#### **Market outlook**

Our market segment is influenced by the Clean Petroleum Product (CPP) market in general. In 2021 the COVID-19 virus outbreak had impact on the world trade in general resulting in lower demand for CPP and lower freight rates. In 2022 we have seen a bounce-back in seaborne trade volumes as oil demand has recovered as a result of Covid-19 vaccination programmes worldwide. From February 2022 the Russian invasion of Ukraine has affected the world trade and the transport industry resulting in changed trade flows and increasing ton-miles. The order book of newbuildings are historically low, and refined product inventories in the western hemisphere at all-time low levels. Based on this the outlook for our market remains very strong in 2023.

#### **Going concern**

The Board of Directors confirms that the annual accounts for 2022 have been prepared on a going concern basis.



**CHAMPION SHIPPING AS**  
**Directors' Report 2022**

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, 16/5 - 2023

  
Karl L. Kvalheim  
Chairman/Managing Director

  
Jakob B. Kvalheim  
Board Member



## Champion Shipping AS

### Income Statement

(USD)

NOTES	OPERATING REVENUES AND EXPENSES	2022	2021
	Operating revenues	91 970 259	46 540 245
	Total revenues	<u>91 970 259</u>	<u>46 540 245</u>
	Voyage expenses	41 648 080	23 862 287
3	Crew expenses	7 751 533	7 156 942
	Insurance premiums	1 218 460	1 056 775
8	Spares, repairs and maintenance	5 501 978	3 870 222
	Lubricating oil	781 755	535 791
	Management expenses	915 381	860 147
4	Ordinary depreciations and impairments	2 229 992	4 275 448
8	Other expenses	5 933 643	564 679
	Total operating expenses	<u>65 980 823</u>	<u>42 182 290</u>
	Operating profit	<u>25 989 436</u>	<u>4 357 955</u>
	<b>FINANCIAL INCOME AND EXPENSES</b>		
	Interest income	22 957	0
	Net currency gain/(loss)	22 673	-10 633
	Interest expenses	1 842 613	1 462 266
	Other financial expenses	3 748	13 363
	Net financial items	<u>-1 800 730</u>	<u>-1 486 263</u>
	Net profit before taxes	<u>24 188 705</u>	<u>2 871 693</u>
5	Taxes	39 001	42 814
	<b>Net profit/(loss) for the year</b>	<u>24 149 704</u>	<u>2 828 879</u>
	<b>ALLOCATIONS AND DISTRIBUTIONS</b>		
	Allocated to other equity/ (transferred from other equity)	24 149 704	2 828 879
	Total allocations and distributions	<u>24 149 704</u>	<u>2 828 879</u>



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

NOTES	ASSETS	2022	2021
	<b>Tangible fixed assets</b>		
4, 11	Vessels	69 663 006	62 766 074
4, 11	Docking	2 545 894	3 683 709
	Total tangible fixed assets	<u>72 208 900</u>	<u>66 449 783</u>
	<b>Non-current financial assets</b>		
6	Investments in shares	239 539	239 539
	Total non-current financial assets	<u>239 540</u>	<u>239 540</u>
	Total non-current assets	<u>72 448 439</u>	<u>66 689 323</u>
	<b>Current assets</b>		
	<b>Debtors</b>		
	Accounts receivables	6 013 382	124 030
	Stores	2 389 085	2 908 811
7, 8	Other receivables	5 360 121	7 499 153
	Total receivables	<u>13 762 589</u>	<u>10 531 994</u>
11	Cash and cash equivalents	8 676 365	2 542 433
	Total current assets	<u>22 438 954</u>	<u>13 074 427</u>
	<b>TOTAL ASSETS</b>	<u>94 887 393</u>	<u>79 763 750</u>



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

NOTES	EQUITY AND LIABILITIES	2022	2021
	<b>Equity</b>		
	<b>Paid-in capital</b>		
9	Share capital	1 460 901	1 480 901
10	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>		
10	Other equity	43 329 544	19 179 840
	Total retained earnings	<u>43 329 544</u>	<u>19 179 840</u>
	Total equity	<u>56 819 238</u>	<u>32 669 534</u>
	<b>Liabilities</b>		
	<b>Long term liabilities</b>		
11	Liabilities to financial institutions	27 809 282	36 409 282
	Loans from group companies	1 494 006	1 460 921
12	Shareholder loans	199 298	194 962
	Total long term liabilities	<u>29 502 586</u>	<u>38 065 165</u>
	<b>Short term liabilities</b>		
	Trade payables	2 931 540	4 142 610
5	Taxes payable	40 000	42 200
	Other short term liabilities and provisions	5 594 030	4 844 240
	Total short term liabilities	<u>8 565 569</u>	<u>9 029 051</u>
	Total liabilities	<u>38 068 155</u>	<u>47 094 216</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>94 887 393</u>	<u>79 763 750</u>

Bergen, 16/5-2023

The board of Champion Shipping AS

Karl L. Kvalheim  
Chairman of the Board/Managing DirectorJakob B. Kvalheim  
Member of the board



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

NOTES	CASH FLOW FROM OPERATING ACTIVITIES	2022	2021
	Profit before taxes	24 188 705	2 871 691
	Taxes paid	-41 201	-32 346
	Depreciations and impairments	2 229 989	4 275 449
	Change in accounts receivables from customers	-5 889 352	474 072
	Change in trade creditors	-1 211 070	2 264 877
	Change in other current assets and other current liabilities	3 408 546	-3 143 258
	<b>Net cash flow from operating activities</b>	<b><u>22 685 617</u></b>	<b><u>6 710 485</u></b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Investments in fixed assets	-7 989 106	-25 521 131
	<b>Net cash flow from investing activities</b>	<b><u>-7 989 106</u></b>	<b><u>-25 521 131</u></b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Loan proceeds	37 421	14 000 000
	Loan repayment	-8 600 000	-6 800 000
	Capital increase	0	10 943 587
	<b>Net cash flow from financing activities</b>	<b><u>-8 562 579</u></b>	<b><u>18 143 587</u></b>
	Net cash flow for the period	6 133 932	-667 059
	Cash and bank deposits as at 1.1.	<u>2 542 433</u>	<u>3 209 492</u>
	<b>Cash and bank deposits as at 31.12.</b>	<b><u>8 676 365</u></b>	<b><u>2 542 433</u></b>



## Champion Shipping AS

# Notes to the financial statements 2022

### 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 2022

#### 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 2022

#### 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.

	2022	2021
<b>Income Statement:</b>		
Operating revenues	<u>91 970 259</u>	<u>46 540 245</u>
Voyage expenses	<u>2 490 458</u>	<u>1 190 510</u>
<b>Current assets:</b>		
Accounts receivables	<u>6 013 382</u>	<u>124 030</u>

Companies owned by related parties have invoiced administration fees of USD 45 431.

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

	2022	2021
<b>Crew expenses</b>		
Crew expenses	<u>7 751 533</u>	<u>7 156 942</u>
<b>Total crew expenses</b>	<u>7 751 533</u>	<u>7 156 942</u>

The crew is hired from different technical managers.

#### Remunerations to executives

No remunerations are paid to board directors in 2022.

#### Auditors' fee

	2022	2021
Auditor		
Statutory audit	<u>24 848</u>	<u>26 079</u>
<b>Total</b>	<u>24 848</u>	<u>26 079</u>



## Champion Shipping AS

### Notes to the financial statements 2022

#### Note 4 – Tangible fixed assets

	Vessels	Docking	Total
Aquisition cost 1.1.	125 279 072	8 416 074	133 695 146
Additions	7 248 633	740 476	7 989 109
Disposals	0	-949 070	-949 070
Aquisition cost 31.12.	132 527 705	8 207 480	140 735 185
Accumulated depreciations and impairments	62 864 699	5 661 586	68 526 285
<b>Balance sheet value as at 31.12</b>	<b>69 663 006</b>	<b>2 545 894</b>	<b>72 208 900</b>
Ordinary depreciations	4 742 373	1 878 291	6 620 664
Impairment charges	-4 390 672	0	-4 390 672
Depreciation period	6-15 years	2,5 years	

One vessel suffered a main engine breakdown in 2018 and is still out of service. The process of repairing the vessel has now started. The carrying amount of the vessel is included in the balance sheet together with vessels in operation.

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.

Reversed impairment losses are recognised in 2022 amounting to usd 4 390 672.

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 2023. Estimated operating expenses are based on actual opex for 2022 and budget for 2023. 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 2022

#### 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	40 000
Corrections for previous year	-999
<b>Taxes</b>	<b><u>39 001</u></b>

Net financial losses brought forward amount to USD 9,6 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>2022</b>	<b>2021</b>
<b>Current liabilities:</b>	<b>USD</b>	<b>USD</b>
Tonnage tax	<u>40 000</u>	<u>42 200</u>
Total taxes payable	<u>40 000</u>	<u>42 200</u>

#### Note 6 – Financial assets

Financial fixed assets include an investment in a Croatian listed company owned as a strategic investment.

#### Note 7 - Other receivables

Other receivables include accrued revenue from customers of usd 1,8 mill (1,1 mill in 2021).

#### Note 8 – Insurance claim

In August 2018 one vessel suffered a main engine break down. The vessel is still out of service. The company declared constructive total loss (condemnation) to the underwriters. The underwriters represented by Gard as claims handler, did not accept the company's request for condemnation, and the claim was brought to court. In April 2021 the Aust-Agder District Court returned its verdict which concluded that the company is entitled to receive the full insurance value as constructive total loss in addition to recover of all court costs. The underwriters lodged an appeal, and in June 2022 the Court of Appeal ruled in favour of the underwriters. The vessel will now be repaired and brought back to service. The planning of the repair process has started. All expenses related to salvage, cold lay-up of the vessel and the court cases have been charged as operating expenses in 2022.



## Champion Shipping AS

### Notes to the financial statements 2022

#### Note 9 – 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	102 690	100	10 269 000

#### 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 10 – Equity

	Share capital	Share premium	Retained earnings	Total
Equity at 1.1.	1 460 901	12 028 793	19 179 840	32 669 534 0
Profit for the year			24 149 704	24 149 704
Equity at 31.12.	1 460 901	12 028 793	43 329 544	56 819 238



**Champion Shipping AS**  
**Notes to the financial statements 2022**

**Note 11 – Long term liabilities, mortgages and guarantee liabilities**

<b>Mortgages and guarantee liabilities</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Balance sheet value of mortgage debt	27 809 282	36 409 282
<b>Balance sheet value of pledged assets</b>	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Vessels	72 208 900	66 449 783
Accounts receivables	6 013 382	124 030
Stores	2 389 085	2 908 811
Cash and bank deposits	7 615 130	1 832 415
<b>Total</b>	<b>88 226 497</b>	<b>71 315 039</b>

**Debt payable after 5 years:**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Long term debt to financial institutions	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Financial covenants are met as per 31 December 2022. Maturity date of the loan was 30<sup>th</sup> of March 2023. The maturity date is postponed to 30 June 2023, and the loan will refinanced in June 2023.

**Note 12 – Shareholder loans**

The shareholders have granted a subordinated and unsecured loan of USD 1,5 mill. Interest rate is 2,5% p.a. Accrued interest is added to the loan. The loan was redeemed in January 2023.



Deloitte AS  
Lars Hilles gate 30  
Postboks 6013 Postterminalen  
NO-5892 Bergen  
Norway

Tel: +47 55 21 81 00  
www.deloitte.no

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 2022, 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 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 2022, 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. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. 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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Organisasjonsnummer: 980 211 282

Penneo Dokumentnr: WEAXE-U2H7G-2CD4F-YPSBL-HIZEP-EZ548



## Deloitte.

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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, 16 May 2023  
Deloitte AS

Helge-Roald Johnsen  
State Authorised Public Accountant

Pernio Dokumentnr: WEAXE-UZH7G-2CDAF-YP-SBL-HIZEP-E2S48



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## Heige-Roald Johnsen

State Authorised Public Accountant (Norway)

Serienummer: 9578-5999-4-1349856

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## 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*

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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

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