

Coach Solutions ApS
Sundkrogsgade 19
2100 København Ø
Business Registration No
37692263

Annual report 2017

The Annual General Meeting adopted the annual report on 29.05.2018

Chairman of the General Meeting

Name: Rasmus Bo

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	13

Entity details

Entity

Coach Solutions ApS
Sundkrogsgade 19
2100 København Ø

Central Business Registration No (CVR): 37692263
Registered in: København
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Frank Gülnar Jensen, Chairman
Peter Norborg
Anders Peter Specht Bruun

Executive Board

Anders Peter Specht Bruun

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Coach Solutions ApS for the financial year 01.01.2017 - 31.12.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.05.2018

Executive Board

Anders Peter Specht Bruun

Board of Directors

Frank Gülnar Jensen
Chairman

Peter Norborg

Anders Peter Specht Bruun

Independent auditor's report

To the shareholder of Coach Solutions ApS

Opinion

We have audited the financial statements of Coach Solutions ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 Entity'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 in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 29.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Kim Takata Mücke
State Authorised Public Accountant
Identification No (MNE) mne10944

Bjarne Iver Jørgensen
State Authorised Public Accountant
Identification No (MNE) mne35659

Management commentary

Primary activities

The Company's primary activities involve acting as a provider of performance management and voyage optimization services to vessel owners, operators and technical managers.

The Company is owner, developer and provider of a vessel software "COACH" that collects and provides information on the fuel efficiency of vessels based on data retrieved from the vessels using this software.

Development in activities and finances

The loss for the year is USD 65k and the Company has a positive equity of USD 41k on December 31, 2017.

The result of the year is not satisfactory.

The Company expects a better result for 2018 and to continue its current growth patch including more new clients onboard as well as releasing a new software product to the market.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017 USD</u>	<u>2016 USD</u>
Gross profit/loss		(93.826)	129.619
Other financial income		13.874	0
Other financial expenses	1	<u>(3.777)</u>	<u>(3.661)</u>
Profit/loss before tax		(83.729)	125.958
Tax on profit/loss for the year	2	<u>18.420</u>	<u>(27.711)</u>
Profit/loss for the year		<u>(65.309)</u>	<u>98.247</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(65.309)</u>	<u>98.247</u>
		<u>(65.309)</u>	<u>98.247</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD</u>	<u>2016 USD</u>
Development projects in progress		35.518	0
Intangible assets	3	35.518	0
 Fixed assets		 35.518	 0
 Trade receivables		192.201	350.047
Receivables from group enterprises		908.352	355.995
Other receivables		140.604	76.223
Prepayments		2.154	0
Receivables		1.243.311	782.265
 Cash		 50.746	 95.411
 Current assets		 1.294.057	 877.676
 Assets		 1.329.575	 877.676

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD</u>	<u>2016 USD</u>
Contributed capital		7.608	7.608
Reserve for development expenditure		35.518	0
Retained earnings		(2.580)	98.247
Equity		40.546	105.855
Trade payables		3.836	0
Payables to group enterprises		1.210.769	754.835
Other payables		74.424	16.986
Current liabilities other than provisions		1.289.029	771.821
Liabilities other than provisions		1.289.029	771.821
Equity and liabilities		1.329.575	877.676
Contingent liabilities	4		
Assets charged and collateral	5		
Group relations	6		

Statement of changes in equity for 2017

	Contributed capital USD	Reserve for development expenditure USD	Retained earnings USD	Total USD
Equity beginning of year	7.608	0	98.247	105.855
Transfer to reserves	0	35.518	(35.518)	0
Profit/loss for the year	0	0	(65.309)	(65.309)
Equity end of year	7.608	35.518	(2.580)	40.546

Notes

	2017	2016
	USD	USD
1. Other financial expenses		
Other interest expenses	170	77
Exchange rate adjustments	3.607	3.584
	3.777	3.661
	2017	2016
	USD	USD
2. Tax on profit/loss for the year		
Current tax	(18.420)	27.711
	(18.420)	27.711
		Develop- ment projects in progress USD
3. Intangible assets		
Additions		35.518
Cost end of year		35.518
Carrying amount end of year		35.518

Development projects

COACH has during 2017 developed a new sales site to increase its online presence in order to increase sales volume.

The new sales site was launched in January 2018 and has already increased the number of leads generated for our sales team. It is estimated that the site is app. 70% done and some further development is expected relating to the interaction with our clients.

4. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Clipper Group Ltd. serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies and for income taxes for the joint taxed companies.

5. Assets charged and collateral

Receivables from group enterprises totaling USD 908k has been provided as security for group loans.

Notes

The Group's previous banking facilities expired at the beginning of 2018. In 2017, the Group has entered into an agreement in principle for a new framework agreement where the documentation is expected to be finalised in 2018. In accordance with the agreement in principle, the Company's assets will be provided as security for the Group's banking facilities.

6. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Clipper Group A/S
Clipper House
Sundkrogsgade 19
2100 Copenhagen Ø

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. As the Company's functional currency is USD, the annual report has been presented using USD as the reporting currency. The exchange rate used for DKK against USD is 6.21 at December 31, 2017 (2016: 7.05).

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from COACH and consultancy are recognized when the Company obtains right to the remunerations.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, exchange gains on securities, payables and transactions in foreign currencies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, exchange losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise

Accounting policies

can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.