

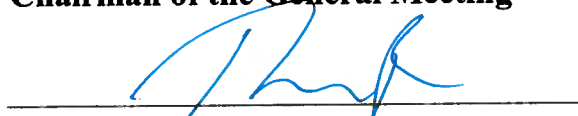
**Coach Solutions ApS
Sundkrogsgade 19
2100 Copenhagen Ø, Denmark**

Central Business Registration No: 37 69 22 63

**Annual report May 17 to December 31,
2016 (1st financial year)**

The Annual General Meeting adopted the annual report on May 30, 2017

Chairman of the General Meeting



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Company details

Company

Coach Solutions ApS

Clipper House

Sundkrogsgade 19

2100 Copenhagen Ø, Denmark

Central Business Registration No: 37 69 22 63

Registered in: City of Copenhagen

Phone: +45 49 11 80 00

Fax: +45 49 11 80 01

Board of Directors

Frank Gülnar Jensen (chairman)

Peter Norborg

Flemming Lorents Steen

Executive Board

Anders Peter Specht Bruun

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

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 May 17 to December 31, 2016.

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

In our opinion, the annual report gives a true and fair view of the Company's financial position at December 31, 2016 and of its financial performance for the financial year May 17 to December 31, 2016.

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

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

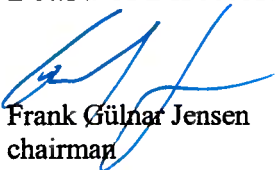
Copenhagen, May 30, 2017

Executive Board



Anders Peter Specht Bruun
Chief Executive Officer

Board of Directors



Frank Gülmar Jensen
chairman



Peter Norborg



Flemming Lorents Steen

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 May 17 to December 31, 2016, which comprise the income statement, balance sheet 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 December 31, 2016 and of the results of its operations for the financial year May 17 to December 31, 2016 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:

- 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.

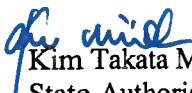
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.


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, May 30, 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56


Kim Takata Mücke
State-Authorised
Public Accountant


Bjarne Iver Jørgensen
State-Authorised
Public Accountant

Management commentary

Activities

The Company's primary activities involve acting as a provider of performance management services to vessels owned and operated by Clipper Group as well as external vessels.

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 income for the year is USD 98k and the Company has a positive equity of USD 106k on December 31, 2016.

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

The result of the year is satisfactory.

Events after the balance sheet date

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

Accounting policies

The annual report of Coach Solutions ApS has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

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 7.05 at December 31, 2016.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event and it is probable that future economic benefits will flow out of the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognized in the income statement as financial income or financial expenses.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognized in the balance sheet and loss as financial income or financial expenses.

Income statement

Revenue

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

Administrative expenses

Administrative expenses comprise development costs and expenses for management and administration of the Company, including office expenses.

Clipper Group A/S manages the terms of employment governing all of the Company's employees, which allocate current resource requirements for the operation of the Company. Related costs are recognized in "Administrative expenses".

Clipper Group A/S holds the majority of the Company's administrative expenses. The costs are allocated from Clipper Group A/S to the Company based on the actual use of resources.

Financial income and expenses

Financial income and expenses include interest as well as realized and unrealized foreign exchange rate translation gains and losses.

Accounting policies

Tax

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

The Company participates in a joint taxation arrangement. Current taxes for the jointly taxed companies are allocated according to the full costing method.

Receivables

Receivables are measured at amortized cost less write-downs for bad and doubtful debts.

Financial liabilities

Financial liabilities are recognized at amortized cost, which usually equals nominal value.

Income statement

	<u>Note</u>	<u>2016 USD</u>
Gross profit/(loss)	1	712.342
Administrative expenses	2	<u>(582.723)</u>
Operating profit/(loss)		129.619
Financial expenses	3	<u>(3.661)</u>
Profit/(loss) before tax		125.958
Tax on profit of the year	4	<u>(27.711)</u>
Profit for the year		<u>98.247</u>
 Proposed distribution of profit		
Retained earnings		<u>98.247</u>

Balance sheet at 31.12.

	Note	2016 USD
Trade receivables		350.047
Receivables from group enterprises		355.995
Other receivables		<u>76.223</u>
Receivables		<u>782.265</u>
 Cash		 <u>95.411</u>
 Current assets		 <u>877.676</u>
 Assets		 <u><u>877.676</u></u>

Balance sheet at 31.12.

	<u>Note</u>	<u>2016 USD</u>
Share capital	5	7.608
Retained earnings		<u>98.247</u>
Equity		<u>105.855</u>
Payables to group enterprises		754.835
Other payables		<u>16.986</u>
Current liabilities other than provisions		<u>771.821</u>
Liabilities other than provisions		<u>771.821</u>
Equity and liabilities		<u><u>877.676</u></u>

Other notes:

Assets charged and collateral

6

Contingent liabilities

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Ownership

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Consolidation

9

Statement of changes in equity

	Share capital USD	Retained earnings USD	Total equity USD
Equity at 17.05.	7.608	-	7.608
Profit/(loss) for the year	-	98.247	98.247
Equity at 31.12.	7.608	98.247	105.855

Notes

1. Gross profit

Referring to section 32 of the Danish Financial Statements Act, Coach Solutions ApS is not showing its net revenue.

2. Staff costs

The Company had no employees in the financial year, nor did it pay salaries to the directors or remunerate the executives.

	2016 USD
3. Financial expenses	
Exchange rate adjustments	(77)
Interest expenses	<u>(3.584)</u>
	<u>(3.661)</u>
4. Tax	
Adjustment concerning prior years	
Tax for the year, joint taxation contribution to group company	<u>(27.711)</u>
	<u>(27.711)</u>

Notes

	<u>USD</u>
5. Share capital	
Share capital 17.05.2016	<u>7.608</u>
Share capital at December 31	<u>7.608</u>

The share capital consists of 500 shares at DKK 100. Total value DKK 50t.

The shares have not been divided into classes.

The share capital in USD has been calculated at historical exchange rates.

Notes

6. Assets charged and collateral

Receivables from group enterprises totaling USD 356k has been provided as security for group loans.

As a co-signatory of the Clipper Group Ltd's financing agreement existing at 31 December 2016, the Company guarantees the lenders of the agreement that the other companies' obligations assumed under the financing agreement will be met. Clipper Group Ltd has in 2017 concluded the terms of a new long term financing agreement. The securities to be provided under this new financing agreement will be detailed in the documentation under finalization.

7. 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.

8. Ownership

The Company is wholly owned by Clipper Group A/S, Copenhagen, Denmark.

9. Consolidation

Coach Solutions ApS is included in the consolidated financial statements of:

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

The ultimate parent company, Clipper Group Ltd., Nassau, the Bahamas, does not publish its financial statements.