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CVR nr. 30 19 52 64

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## **Bates Cargo-Pak ApS**

**Stigsborgsvej 36  
9400 Nørresundby**

**CVR no. 13 60 97 05**

**Annual report 2017**

The annual report has been presented and approved on the Company's ordinary general meeting on <sup>22/5-2018</sup>



Chairman of general meeting

## CONTENTS

	<u>Page</u>
Company details	1
Statement by Management on the annual report	2
Independent auditor's report	3 - 4
Management's review	5
Accounting policies	6 - 9
Key figures and financial ratios	10
Income statement for 2017	11
Balance of 31 December 2017	12 - 13
Statement of changes in equity for 2017	14
Cash flow statement for 2017	15
Notes	16 - 18

**COMPANY DETAILS**

<b>Reporting entity</b>	Bates Cargo-Pak ApS Stigsborgsvej 36 9400 Nørresundby
	CVR no.: 13 60 97 05
	Reporting period: 1 January 2017 - 31 December 2017
<b>Board of Directors</b>	Dominique Dupre Nils Stenger Peter Eggertsen Finn Sørensen
<b>Executive Board</b>	Peter Eggertsen Finn Sørensen
<b>Company auditors</b>	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64

**STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT**

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2017 for Bates Cargo-Pak ApS.

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

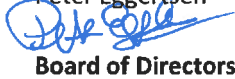
In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of its financial performance for the financial year 1 January - 31 December 2017.

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

Aalborg, 13 February 2018

**Executive board**

Peter Eggertsen

**Board of Directors**

Finn Sørensen



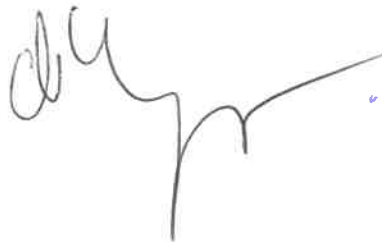
Dominique Dupre



Finn Sørensen



Nils Stenger



Peter Eggertsen



## THE INDEPENDENT PRACTITIONER'S REPORT

### To the shareholders of Bates Cargo-Pak ApS

#### Extended Review Report on the Financial Statements

We have performed an extended review of the accompanying financial statements of Bates Cargo-Pak ApS for the financial year 1 January - 31 December 2017. The accompanying financial statements, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, are prepared in accordance with the Danish Financial Statements Act.

#### Management's Responsibility 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. This responsibility includes maintaining the internal control as management determines is necessary to enable the preparation of financial statements free from material misstatements, whether due to fraud or error.

#### Practitioner's Responsibility

Our responsibility is to express an opinion on the financial statements. We have conducted our extended review in accordance with the Danish standard on reports relating to small entities issued by the Danish Business Authority and FSR – Danish Auditor's standard on extended review of financial statements prepared according to the Danish Financial Statements Act.

This standard requires that we comply with the Danish State Authorized Public Accountants Act and FSR – Danish Auditor's ethical requirements and plan and perform procedures to obtain limited assurance of our opinion on the financial statements and perform specifically required supplementary procedures to obtain further assurance of our opinion.

An extended review comprises procedures consisting primarily of questions to management and, where appropriate, other members of staff, analytical procedures and the specifically required supplementary procedures, and an assessment of the evidence obtained.

The scope of work performed in an extended review is less than that of an audit and, accordingly, we do not express an audit opinion on the financial statements.

The extended review has not resulted in any qualification.

#### Conclusion

Based on the work performed, it is our opinion that these financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of its financial performance for the financial year 1 January - 31 December 2017, in accordance with the Danish Financial Statements Act.

#### Statement on the Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

## THE INDEPENDENT PRACTITIONER'S REPORT

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Elsinore, 13 February 2018

CVR no. 30 19 52 64

Kallermann Revision A/S - statsautoriseret revisionsfirma



Peter Kallermann

State Authorized Public Accountant

MNE no.: mne8285

## MANAGEMENT'S REVIEW

### Primary activities

The Company's activities consist of developing and manufacturing airbags to be used for the protection of goods during transportation. The Company's products and production methods are continuously being developed.

### Uncertainty relating to recognition and measurement

The financial report is not affected by uncertainty in recognition and measurement.

### Development in activities and finances

The result for the year shows a profit of 25.448 DKK'000, which is considered to be satisfactory. The equity amounts to 71.514 DKK'000 at 31 December 2017.

### Description of environmental matters

The Company affects environment through production, transportation of products and employees and indirectly through the energy consumption of the products during use and product disposal.

### 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.

### Outlook

For the coming financial year the Company expects an improved result.

### Description of knowledge resources

The Company has developed special competences within production and development of airbags. Investments take place currently to optimize the production and development of products to meet the market demands. The Company is focusing on maintaining these competences.

### Description of specific risks in addition to commonly occurring hazards in industry

#### Business risks

The company's greatest business risk is the ability to maintain and strengthen its market position.

#### Financial risks

The Company's financial management only concerns the risks related to the ongoing operation.

The parent Company manages financial risks in the Group centrally, including capital and investment of surplus liquidity.

### Research and development activities

There is ongoing development and marketing of new products and to optimize methods and processes.

### Description of group relations

The Company is a 100% owned subsidiary of SPG Denmark ApS. The Company's ultimate parent company is Signode Industrial Group Holdings (Bermuda) Ltd., Bermuda, from which the consolidated financial statements can be ordered.

## ANNUAL REPORT

### ACCOUNTING POLICIES

This annual report of Bates Cargo-Pak ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

The Company has chosen to implement the rules according to Act no. 788 of 1 Juni 2015, The Danish Financial Statements Act section 78 A, concerning the rules for use of extended review. The Company figures in the consolidated financial statements for Signode Industrial Group Lux S.A. The decision has been made on the general meeting at 21 May 2015.

#### Recognition and measurement

Income is recognised in the income statement when earned, hereunder valuation adjustment concerning financial assets and liabilities. Costs are also recognised in the income statement, hereunder depreciations and amortisations.

Assets are recognised 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 assets can be measured reliably.

Liabilities are recognised 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 liabilities 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 recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### Foreign currency translation

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 one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

#### Description of methods of leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### INCOME STATEMENT

#### Revenue

Revenue deducted other external costs is summarized in the income statement as gross profit according to the rules in the Danish Financial Statements Act, section 32.

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.



## ANNUAL REPORT

### ACCOUNTING POLICIES

#### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

#### External expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, operational costs etc.

Other external expenses also include research costs and costs of development projects that do not meet the criteria for recognition in the balance sheet.

#### Staff costs

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

#### Financial income and expenses

These items comprise interest income and expenses, financial costs concerning financial leasing, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

#### Income tax

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.

Current tax liabilities or tax receivables are included in the balance sheet as calculated tax of the year's taxable income, regulated for paid tax on account.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Parent Company SPG Denmark ApS is jointly taxed with all of its wholly owned Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income. The Parent Company acts as administration company for the jointly taxed companies and manages payment of the tax to the Danish authorities.

### BALANCE SHEET

#### Intangible assets

Intangible assets comprise acquired intellectual property rights.

Acquired intellectual property rights are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised over their estimated useful lives, but over no more than 20 years.

Intangible assets are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of other intangible assets are calculated as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to amortisation and impairment losses by realization of intangible assets.

## ANNUAL REPORT

### ACCOUNTING POLICIES

#### Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Property, ect in progress is measured at cost and is not depreciated.

Cost comprises the acquisition price and costs directly attributable to the acquisition , and prepatation costs of the asset until the time when it is ready to be put into operation.

The basis of depriciation is cost les estimated residual value after the end of useful life.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery, 10-20 years

EDP, 5 years

Other fixtures and fittings, tools and equipment, 3-12 years

Leasehold improvements, 5-10 years

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses form the sale of plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or other operating expenses.

Assets with a cost price under the tax limit concerning accelerated depreciation of small assets are recognised as costs in the income statement in the acquisition year.

#### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and direct production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### Receivables

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

#### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

#### Dividends

Proposed dividend for the financial year is measured under the equity. Proposed dividend is measured as an obligation at the time of adoption on the General Meeting. Dividend paid during the year is shown under the equity.

## ANNUAL REPORT

### ACCOUNTING POLICIES

#### Provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, which comprise commitments to remedy defects and deficiencies within the guarantee period.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

#### Tax payables and deferred tax

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 on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax is measured on basis of the tax rules and tax rates which are valid when deferred tax is expected to be current tax. Changes in deferred tax as a consequence of changes in tax rates are recognised in the income statement. The current tax rate is 22 per cent.

#### Liabilities other than provisions

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

#### Key figures and financial ratios

Return on invested capital =  $\text{EBITA} \times 100 / \text{average invested capital including goodwill}$

Return on equity =  $\text{Net profit for the year} \times 100 / \text{average equity}$

Equity ratio =  $\text{Equity} \times 100 / \text{balance sheet total}$

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as the profit/loss from ordinary activities plus depreciation and amortization of intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying value of fixed assets.

Net working capital is defined as inventories, receivables and other operating current assets less accounts payable and other current operating liabilities. Receivable and payable income taxes, receivable from group enterprises and cash are not included in net working capital.

The Company has merged with Caretex ApS as of 1 January 2015. The figures for 2014 contain both companies whereas the years 2012-2013 only contain the figures for Bates Cargo-Pak ApS.

## ANNUAL REPORT

## KEY FIGURES AND FINANCIAL RATIOS

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Gross profit (loss)	49.526	49.656	41.031	46.329	38.269
Results from net financials	6.221	-2.230	18	-17	-492
Profit (loss) from ordinary operating activities	26.426	27.675	18.353	23.598	17.562
Profit (loss)	25.448	19.786	14.054	18.198	12.872
Assets	141.171	160.318	146.689	106.227	56.595
Equity	71.514	65.852	60.120	64.208	44.828
Cash flows from (used in) operating activities	11.515	36.729	61.813	38.145	
Cash flows from (used in) investing activities	-1.923	-1.044	-91	-387	
Cash flows from (used in) financing activities	-19.786	-14.054	-18.147	-179.000	
Average number of employees	41	38	38	41	37
Equity ratio	51,0%	41,0%	41,0%	60,0%	79,0%
Return on equity	37,0%	31,0%	23,0%	33,0%	27,0%
Return on invested capital	166,0%	79,0%	55,0%	68,0%	50,0%

## ANNUAL REPORT

## INCOME STATEMENT FOR 2017

	Notes	2017 DKK'000	2016 DKK'000
<b>Gross profit</b>		49.526	49.656
Staff costs	1	-20.818	-19.858
Depreciation, amortisation and impairment losses		-2.282	-2.123
<b>Profit (loss) from ordinary operating activities</b>		<b>26.426</b>	<b>27.675</b>
Financial income	2	6.670	11
Financial expenses	3	-449	-2.241
<b>Profit (loss) from ordinary activities before tax</b>		<b>32.647</b>	<b>25.445</b>
Tax	4	-7.199	-5.659
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>25.448</b>	<b>19.786</b>
<b>Proposed distribution of results:</b>			
Proposed dividend		25.448	19.786
		<b>25.448</b>	<b>19.786</b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2017

	<b>Notes</b>	<b>2017 DKK'000</b>	<b>2016 DKK'000</b>
<b>ASSETS</b>			
Plant and machinery		14.629	14.629
Fixtures, fittings, tools and equipment		528	428
Leasehold improvements		29	36
Property, plant and equipment in progress et cetera		0	454
<b>Property, plant and equipment</b>	<b>5</b>	<b><u>15.186</u></b>	<b><u>15.547</u></b>
Deposits		790	790
<b>Long-term investments and receivables</b>	<b>6</b>	<b><u>790</u></b>	<b><u>790</u></b>
<b>FIXED ASSETS</b>		<b><u>15.976</u></b>	<b><u>16.337</u></b>
Raw materials and consumables		1.898	1.579
Work in progress		57	269
Manufactured goods and goods for resale		6.135	6.906
<b>Inventories</b>		<b><u>8.090</u></b>	<b><u>8.754</u></b>
Trade receivables		19.642	21.992
Receivables from group enterprises		11	5.597
Other receivables		210	234
Deferred income assets	7	568	536
<b>Receivables</b>		<b><u>20.431</u></b>	<b><u>28.359</u></b>
<b>Cash and cash equivalents</b>	<b>8</b>	<b><u>96.674</u></b>	<b><u>106.868</u></b>
<b>CURRENT ASSETS</b>		<b><u>125.195</u></b>	<b><u>143.981</u></b>
<b>ASSETS</b>		<b><u>141.171</u></b>	<b><u>160.318</u></b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2017

	<b>Notes</b>	<b>2017 DKK'000</b>	<b>2016 DKK'000</b>
<b>EQUITY AND LIABILITIES</b>			
Share premium		2.000	2.000
Retained earnings		44.066	44.066
Proposed dividend recognised in equity		25.448	19.786
<b>EQUITY</b>		<b>71.514</b>	<b>65.852</b>
Provisions for deferred tax		2.523	2.764
<b>PROVISIONS</b>		<b>2.523</b>	<b>2.764</b>
Trade payables		24.504	8.393
Payables to group enterprises		30.972	72.915
Tax payables to group enterprises		7.440	5.874
Other payables		4.087	4.389
Deposits, liabilities other than provisions		131	131
<b>Short-term liabilities other than provisions</b>		<b>67.134</b>	<b>91.702</b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>		<b>67.134</b>	<b>91.702</b>
<b>EQUITY AND LIABILITIES</b>		<b>141.171</b>	<b>160.318</b>
Related parties	9		
Contingent liabilities	10		
Ownership	11		

## ANNUAL REPORT

## STATEMENT OF CHANGES IN EQUITY FOR 2017

	<u>2017</u> DKK'000	<u>2016</u> DKK'000
<b>Share premium:</b>		
Share premium, beginning balance	2.000	2.000
<b>Share premium, ending balance</b>	<u>2.000</u>	<u>2.000</u>
<b>Retained earnings:</b>		
Retained earnings, 1 January 2017	44.066	44.066
Increase	0	0
<b>Retained earnings, 31 December 2017</b>	<u>44.066</u>	<u>44.066</u>
<b>Proposed dividend:</b>		
Dividend, 1 January 2017	19.786	14.054
Increase	25.448	19.786
Decrease	-19.786	-14.054
<b>Dividend, 31 December 2017</b>	<u>25.448</u>	<u>19.786</u>
<b>Equity, 31 December 2017</b>	<u>71.514</u>	<u>65.852</u>



## ANNUAL REPORT

## CASH FLOW STATEMENT FOR 2017

	2017 DKK'000	2016 DKK'000
Revenue	25.448	19.786
Depreciations	2.282	2.123
Adjustments of tax expense	7.439	5.925
Adjustments for deferred tax (cash flow)	-240	-266
Decrease (increase) in inventories	664	-315
Decrease (increase) in receivables	7.928	7.239
Decrease (increase) in trade payables	-26.134	6.570
Other cash flows from (used in) operating activities	-5.872	-4.333
<b>Cash flows from operating activities</b>	<b>11.515</b>	<b>36.729</b>
Purchase of intangible assets, classified as investing activities	-1.923	-1.044
<b>Cash flows from investing activities</b>	<b>-1.923</b>	<b>-1.044</b>
Dividend paid (cash flow)	-19.786	-14.054
<b>Cash flows from financing activities</b>	<b>-19.786</b>	<b>-14.054</b>
Net increase (decrease) in cash and cash equivalents	-10.194	21.631
Cash and cash equivalents, beginning balance	106.868	85.237
<b>Cash and cash equivalents (cash flow), ending balance</b>	<b>96.674</b>	<b>106.868</b>

## ANNUAL REPORT

## NOTES

	2017 DKK'000	2016 DKK'000
<b>1. Staff costs</b>		
Wages and salaries	18.610	17.786
Post-employment benefit expense	1.742	1.648
Social security contributions	466	424
<b>Employee benefits expense</b>	<b>20.818</b>	<b>19.858</b>
Average number of employees	<b>41</b>	<b>38</b>
<b>2. Financial income</b>		
Other interest income	33	11
Exchange rate profit	6.637	0
<b>Financial income</b>	<b>6.670</b>	<b>11</b>
<b>3. Financial expenses</b>		
Other interest expenses	449	2.241
<b>Financial expenses</b>	<b>449</b>	<b>2.241</b>
<b>4. Tax</b>		
Current tax expense	7.439	5.869
Adjustments for deferred tax	-240	-266
Adjustments for current tax of prior period	0	56
<b>Tax expense on ordinary activities</b>	<b>7.199</b>	<b>5.659</b>
<b>5. Property, plant and equipment</b>		
<b>Plant and machinery:</b>		
Cost, 1 January 2017	41.943	41.770
Addition from property, plant and equipment in progress	454	0
Additions	1.713	173
Disposals	-182	0
<b>Cost, 31 December 2017</b>	<b>43.928</b>	<b>41.943</b>
Accumulated depreciation, 1 January 2017	-27.314	-25.304
Depreciation	-2.038	-2.010
Reversals of impairment losses and depreciation	53	0
<b>Accumulated depreciation, 31 December 2017</b>	<b>-29.299</b>	<b>-27.314</b>
<b>Plant and machinery, 31 December 2017</b>	<b>14.629</b>	<b>14.629</b>
<b>Fixtures, fittings, tools and equipment:</b>		
Cost, 1 January 2017	3.412	3.033
Additions	208	379
<b>Cost, 31 December 2017</b>	<b>3.620</b>	<b>3.412</b>
Accumulated depreciation, 1 January 2017	-2.984	-2.873
Depreciation	-108	-111
<b>Accumulated depreciation, 31 December 2017</b>	<b>-3.092</b>	<b>-2.984</b>
<b>Fixtures, fittings, tools and equipment, 31 December 2017</b>	<b>528</b>	<b>428</b>

## ANNUAL REPORT

## NOTES

	<u>2017</u> DKK'000	<u>2016</u> DKK'000
<b>5. Property, plant and equipment, continued</b>		
<b>Leasehold improvements</b>		
Property, plant and equipment, gross, 1 January 2017	1.054	1.016
Additions to property, plant and equipment	0	38
<b>Leasehold improvements, 31 December 2017</b>	<u>1.054</u>	<u>1.054</u>
Accumulated impairment losses and depreciations	-1.018	-1.016
Depreciation of property, plant and equipment	-7	-2
<b>Accumulated impairment losses and depreciations</b>	<u>-1.025</u>	<u>-1.018</u>
<b>Leasehold improvements, 31 December 2017</b>	<u>29</u>	<u>36</u>
<b>Property, plant and equipment in progress et cetera</b>		
Property, plant and equipment, gross, beginning balance	454	0
Additions to property, plant and equipment	0	454
Disposals of property, plant and equipment	-454	
<b>Property, plant and equipment in progress, 31 December 2017</b>	<u>0</u>	<u>454</u>
<b>Property, plant and equipment in progress, 31 December 2017</b>	<u>0</u>	<u>454</u>
<b>6. Investments</b>		
<b>Other investments:</b>		
Investments, gross, 1 January 2017	790	790
<b>Investments, gross, 31 December 2017</b>	<u>790</u>	<u>790</u>
<b>Long term investments and receivables, 31 December 2017</b>	<u>790</u>	<u>790</u>

**7. Explanation of deferred income assets**

Prepayments comprise prepaid insurances and recoverable VAT.

**8. Cash and cash equivalents**

Of cash and cash equivalents 92.253 DKK'000 is part of a notional cash pool arrangement with other group enterprises and their banks.

The Company's deposit on the cash pool account is provided as security for the total cash pool arrangement. The total balance of the cash pool arrangement as of 31 December 2017 is 412 DKK'000 (55 EUR'000).

**ANNUAL REPORT****NOTES****9. Related parties**

The Company is included in the consolidated financial statements of:

Smallest concern: Signode Industrial Group Lux S.A., 148, route d'Arlon, L-8010 Strassen (Reg. B 185655) - the consolidated financial statements can be requested at: Registre de Commerce et des Sociétés, Luxembourg

Biggest concern: Signode Industrial Group Holdings (Bermuda) Ltd., Clarendon House, 2, Church Street, Hamilton, HM 11, Bermuda (Reg. 48705) - the consolidated financial statements can be requested at: Signode Industrial Group Inc., 3650 West Lake Avenue, Glenview, 60026, Illinois USA.

The Company's parent company Signode Industrial Group Lux S.A. guarantees for the Company's liabilities until next presentation of accounts.

Related parties with a controlling interest in Bates Cargo-Pak ApS:

SPG Denmark ApS

Fynsgade 6

6400 Sønderborg

**10. Contingent liabilities**

The Company participates in a Danish joint taxation arrangement with SPG Denmark ApS serving as the administration company. The Company is jointly and severally liable for total income taxes of the other jointly taxed companies. The total net liability to the Danish tax authorities appears from the financial statements of SPG Denmark ApS.

As per 31.12.2017 the Company has entered into the lease agreements regarding office equipment and cars with a remaining payment of 334 DKK'000.

The Company has entered into the following rental commitment with a total liability in the period of notice of 5.678 DKK'000.

The Company has entered into a commitment to buy consignment stock of raw materials of up to 1.3 million DKK of which there is a pending use.

**11. Ownership**

The share capital is wholly owned by:

SPG Denmark ApS