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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 2019**

The annual report has been presented and approved on the Company's ordinary general meeting on 9/6 - 2020



Chairman of general meeting



**Morison KSi**  
Independent member

**CONTENTS**

	<b><u>Page</u></b>
Company details	1
Statement by Management on the annual report	2
Independent auditor's report	3 - 4
Management's review	5 - 6
Accounting policies	7 - 11
Key figures and financial ratios	12
Income statement for 2019	13
Balance of 31 December 2019	14 - 15
Statement of changes in equity for 2019	16
Cash flow statement for 2019	17
Notes	18 - 20

**COMPANY DETAILS**

<b>Reporting entity</b>	Bates Cargo-Pak ApS Stigsborgsvej 36 9400 Nørresundby
	CVR no.: 13 60 97 05
	Reporting period: 1 January 2019 - 31 December 2019
<b>Board of Directors</b>	Dominique Dupre Finn Sørensen Nils Stenger Peter Eggertsen
<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 2019 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 2019 and of its financial performance for the financial year 1 January - 31 December 2019.

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.

Aalborg, 29 April 2020

**Executive board**

  
Peter Eggertsen

  
Finn Sørensen

**Board of Directors**

  
Dominique Dupre

  
Finn Sørensen

  
Nils Stenger

  
Peter Eggertsen

## INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

We have audited the Financial Statements of Bates Cargo-Pak ApS for the financial year 1 January - 31 December 2019, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. 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 Company's financial position at 31 December 2019 and of the result of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibility 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 of accounting information 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 judgment and maintain professional skepticism 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

**INDEPENDENT AUDITOR'S REPORT**

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 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 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 contents of the Financial Statements, including the disclosures, 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 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 audit 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 audit, 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.

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, 29 April 2020

Kallermann Revision A/S - statsautoriseret revisionsfirma

CVR no. 30 19 52 64



Peter Kallermann

State Authorized Public Accountant

MNE no.: mne8285

## MANAGEMENT'S REVIEW

### Primary activities

The Company's activities consist of developing and manufacturing airbags, trading of container liner products in plastic wrap and textiles and trading in strapping products all 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 13.104 DKK'000, which is considered to be satisfactory. The equity amounts to 58.749 DKK'000 at 31 December 2019.

The Management finds the profit acceptable compared to the expectations expressed in the 2018 Annual report.

The Company has merged with Strapex ApS as of 1st January 2019, where Bates Cargo-Pak ApS is the continuing company.

### 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 subsequent to the balance sheet date that would significantly effect the annual report at 31 December 2019.

The Management expects in 2020 an effect from the Corona crisis receiving less orders. YTD at the end of April we have not seen a reduction of the sales.

### Outlook

For the coming financial year the Company expects a result on the same level as previous years.

### 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.

**MANAGEMENT'S REVIEW**

**Description of group relations**

The Company is a 100% owned subsidiary of SPG Denmark ApS. The Company's ultimate parent company is Crown Holdings Inc, USA, from which the consolidated financial statements can be ordered.



## ANNUAL REPORT

### ACCOUNTING POLICIES

This annual report of Bates Cargo-Pak ApS for 2019 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.

#### Group internal business combinations

The book-value method is used in group internal business combinations such as buying and selling of equity investments, mergers, demergers, supply of assets, interchange of shares et cetera, where the participants are under the parent company's control. Thus, the comparative figures have not been adjusted.

#### 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.

**ANNUAL REPORT****ACCOUNTING POLICIES****INCOME STATEMENT****Revenue**

Revenue from sales of commodities and end products, which comprise airbags to be used for the protection of goods during transportation, is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. The time for transfer of the most significant advantages and risks is based on the standardized delivery terms based on incoterms(R) 2010. Revenue from sales of goods, where delivery on buyer's request is postponed, is recognized in the income, when the ownership of the goods passes to buyer.

Revenue is measured to fair value of the agreed fee ex. VAT and taxes charged on behalf of third parties. All discounts granted in connection with the sale are recognized in the revenue.

**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.

**ANNUAL REPORT****ACCOUNTING POLICIES****BALANCE SHEET****Intangible assets**

Intangible assets comprise acquired intellectual property rights and goodwill.

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.

Acquired goodwill is measured at cost in the first adding in and subsequently with depreciations of accumulated deductions. Goodwill is amortised on a straight-line basis using the estimated useful lives of the assets, which is estimated to 5 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.

**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 preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less 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

IT equipment, 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 from 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.

**Investments**

Deposits are measured at cost.

**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.

## ANNUAL REPORT

### ACCOUNTING POLICIES

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.

#### 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.

### CASH FLOW STATEMENT

#### Explanation of entity's definition of cash and cash equivalents

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital

**ANNUAL REPORT****ACCOUNTING POLICIES**

and related costs as well as the raising of loans, installments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash.

**Key figures and financial ratios**

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

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

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

EBITDA (Earnings Before Interest, Tax Depreciation 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.

## ANNUAL REPORT

## KEY FIGURES AND FINANCIAL RATIOS

	2019	2018	2017	2016	2015
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Revenue	170.242	188.822	174.423	179.000	170.658
Gross profit (loss)	50.137	52.474	49.526	49.656	41.031
Results from net financials	-976	-2.111	6.221	-2.230	18
Profit (loss) from ordinary operating activities	17.811	29.135	26.426	27.675	18.353
Profit (loss)	13.104	21.079	25.448	19.786	14.054
Assets	142.026	147.616	141.171	160.318	146.689
Investment in property, plant and equipment	1.381	2.112	1.921	590	91
Equity	58.749	67.145	71.514	65.852	60.120
Cash flows from (used in) operating activities	19.309	28.918	11.515	36.729	61.813
Cash flows from (used in) investing activities	-3.022	-2.112	-1.923	-1.044	-91
Cash flows from (used in) financing activities	-21.079	-25.448	-19.786	-14.054	-18.147
Average number of employees	50	42	41	38	38
Equity ratio	41,0%	47,0%	51,0%	41,0%	41,0%
Return on equity	21,0%	30,0%	37,0%	31,0%	23,0%
Return on invested capital	27,0%	40,0%	37,0%	41,0%	55,0%

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

## ANNUAL REPORT

## INCOME STATEMENT FOR 2019

	Notes	2019 DKK'000	2018 DKK'000
<b>Gross profit</b>		<b>50.137</b>	<b>52.474</b>
Staff costs	1	-27.726	-20.948
Depreciation, amortisation and impairment losses		-4.600	-2.391
<b>Profit (loss) from ordinary operating activities</b>		<b>17.811</b>	<b>29.135</b>
Financial income	2	222	203
Financial expenses	3	-1.198	-2.314
<b>Profit (loss) from ordinary activities before tax</b>		<b>16.835</b>	<b>27.024</b>
Tax	4	-3.731	-5.945
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>5</b>	<b>13.104</b>	<b>21.079</b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2019

	<b>Notes</b>	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
<b>ASSETS</b>			
Goodwill		0	0
<b>Intangible assets</b>	6	<u>0</u>	<u>0</u>
Plant and machinery		12.857	14.401
Fixtures, fittings, tools and equipment		400	452
Leasehold improvements		40	54
<b>Property, plant and equipment</b>	7	<u>13.297</u>	<u>14.907</u>
Deposits		989	790
<b>Long-term investments and receivables</b>	8	<u>989</u>	<u>790</u>
<b>FIXED ASSETS</b>		<u>14.286</u>	<u>15.697</u>
Raw materials and consumables		1.304	1.717
Work in progress		10	155
Manufactured goods and goods for resale		3.724	6.112
<b>Inventories</b>		<u>5.038</u>	<u>7.984</u>
Trade receivables		21.344	23.695
Receivables from group enterprises		773	1.099
Other receivables		4.802	1.024
Deferred income assets		132	85
<b>Receivables</b>	9	<u>27.051</u>	<u>25.903</u>
<b>Cash and cash equivalents</b>	10	<u>95.651</u>	<u>98.032</u>
<b>CURRENT ASSETS</b>		<u>127.740</u>	<u>131.919</u>
<b>ASSETS</b>		<u>142.026</u>	<u>147.616</u>



## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2019

	Notes	2019 DKK'000	2018 DKK'000
<b>EQUITY AND LIABILITIES</b>			
Contributed capital	11	2.000	2.000
Retained earnings		43.645	44.066
Proposed dividend recognised in equity		13.104	21.079
<b>EQUITY</b>		<b>58.749</b>	<b>67.145</b>
Provisions for deferred tax	12	1.848	2.330
Other provisions		45	0
<b>PROVISIONS</b>		<b>1.893</b>	<b>2.330</b>
Other payables		553	0
<b>Long-term liabilities other than provisions</b>		<b>553</b>	<b>0</b>
Debt to banks		2.411	0
Prepayments received from customers		698	0
Trade payables		5.545	8.737
Payables to group enterprises		59.413	58.725
Tax payables to group enterprises		4.104	6.138
Other payables		8.529	4.410
Deposits, liabilities other than provisions		131	131
<b>Short-term liabilities other than provisions</b>		<b>80.831</b>	<b>78.141</b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>		<b>81.384</b>	<b>78.141</b>
<b>EQUITY AND LIABILITIES</b>		<b>142.026</b>	<b>147.616</b>
Related parties	13		
Disclosure of significant events occurring after end of reporting period	14		
Contingent liabilities	15		
Ownership	16		

## ANNUAL REPORT

## STATEMENT OF CHANGES IN EQUITY FOR 2019

	<u>2019</u> DKK'000	<u>2018</u> DKK'000
<b>Contributed capital:</b>		
Capital, 1 January 2019	2.000	2.000
<b>Capital, 31 December 2019</b>	<u>2.000</u>	<u>2.000</u>
<b>Retained earnings:</b>		
Retained earnings, 1 January 2019	44.066	44.066
Increase (decrease) of equity through merger	-421	0
Increase	0	0
<b>Retained earnings, 31 December 2019</b>	<u>43.645</u>	<u>44.066</u>
<b>Proposed dividend:</b>		
Dividend, 1 January 2019	21.079	25.448
Increase	13.104	21.079
Decrease	-21.079	-25.448
<b>Dividend, 31 December 2019</b>	<u>13.104</u>	<u>21.079</u>
<b>Equity, 31 December 2019</b>	<u>58.749</u>	<u>67.145</u>

## ANNUAL REPORT

## CASH FLOW STATEMENT FOR 2019

	2019 DKK'000	2018 DKK'000
Revenue	13.104	21.079
Depreciations	4.600	2.391
Adjustments of tax expense	4.105	6.138
Adjustments for deferred tax (cash flow)	-374	-193
Other provisions	45	0
Other adjustments	-681	0
Decrease (increase) in inventories	2.946	106
Decrease (increase) in receivables	-1.148	-5.472
Decrease (increase) in trade payables	2.866	12.309
Other cash flows from (used in) operating activities	-6.154	-7.440
<b>Cash flows from operating activities</b>	<b>19.309</b>	<b>28.918</b>
Purchase of fixed assets	-771	-2.112
Purchase of financial instruments, classified as investing activities	-199	0
Acquisition of other company	-2.052	0
<b>Cash flows from investing activities</b>	<b>-3.022</b>	<b>-2.112</b>
Dividend paid (cash flow)	-21.079	-25.448
<b>Cash flows from financing activities</b>	<b>-21.079</b>	<b>-25.448</b>
Net increase (decrease) in cash and cash equivalents	-4.792	1.358
Cash and cash equivalents, beginning balance	98.032	96.674
<b>Cash and cash equivalents (cash flow), ending balance</b>	<b>93.240</b>	<b>98.032</b>
Cash and cash equivalents, ending balance	95.651	98.032
Short-term debt to banks, ending balance	-2.411	0
<b>Cash and cash equivalents (cash flow), ending balance</b>	<b>93.240</b>	<b>98.032</b>

## ANNUAL REPORT

## NOTES

	2019 DKK'000	2018 DKK'000
<b>1. Staff costs</b>		
Wages and salaries	24.802	18.680
Post-employment benefit expense	2.388	1.799
Social security contributions	536	469
<b>Employee benefits expense</b>	<b>27.726</b>	<b>20.948</b>
In accordance with The Danish Financial Statements Act section 98 b, subsection 3, item 2, information on management remuneration has been left out.		
Average number of employees	50	42
<b>2. Financial income</b>		
Other interest income	222	203
<b>Financial income</b>	<b>222</b>	<b>203</b>
<b>3. Financial expenses</b>		
Other interest expenses	1.198	2.314
<b>Financial expenses</b>	<b>1.198</b>	<b>2.314</b>
<b>4. Tax</b>		
Current tax expense	4.105	6.138
Adjustments for deferred tax	-374	-193
<b>Tax expense on ordinary activities</b>	<b>3.731</b>	<b>5.945</b>
<b>5. Disclosure of gross profit or loss</b>		
Proposed dividend	13.104	21.079
Retained earnings	0	0
	<b>13.104</b>	<b>21.079</b>
<b>6. Intangible assets</b>		
<b>Goodwill:</b>		
Intangible assets, gross, beginning balance	0	0
Additions to intangible assets through mergers	10.471	0
<b>Intangible assets, gross, ending balance</b>	<b>10.471</b>	<b>0</b>
Accumulated impairment losses and amortisation, beginning balance	0	0
Accumulated impairment losses through mergers	-8.377	0
Amortisation of intangible assets	-2.094	0
<b>Accumulated impairment losses and amortisation of intangible assets</b>	<b>-10.471</b>	<b>0</b>
<b>Intangible assets, ending balance</b>	<b>0</b>	<b>0</b>

## ANNUAL REPORT

## NOTES

	2019 DKK'000	2018 DKK'000
<b>7. Property, plant and equipment</b>		
<b>Plant and machinery:</b>		
Cost, 1 January 2019	45.943	43.928
Additions	771	2.015
<b>Cost, 31 December 2019</b>	<b>46.714</b>	<b>45.943</b>
Accumulated depreciation, 1 January 2019	-31.542	-29.299
Depreciation	-2.315	-2.243
<b>Accumulated depreciation, 31 December 2019</b>	<b>-33.857</b>	<b>-31.542</b>
<b>Plant and machinery, 31 December 2019</b>	<b>12.857</b>	<b>14.401</b>
<b>Fixtures, fittings, tools and equipment:</b>		
Cost, 1 January 2019	3.684	3.620
Additions to property, plant and equipment through merger	610	0
Additions	0	64
Disposals	-62	0
<b>Cost, 31 December 2019</b>	<b>4.232</b>	<b>3.684</b>
Accumulated depreciations, 1 January 2019	-3.232	-3.092
Accumulated depreciations through merger	-485	0
Depreciations	-165	-140
Reversals of impairment losses and depreciation	50	0
<b>Accumulated depreciations, 31 December 2019</b>	<b>-3.832</b>	<b>-3.232</b>
<b>Fixtures, fittings, tools and equipment, 31 December 2019</b>	<b>400</b>	<b>452</b>
<b>Leasehold improvements:</b>		
Leasehold improvement, 1 January 2019	1.087	1.054
Additions to property, plant and equipment	0	33
<b>Leasehold improvements, 31 December 2019</b>	<b>1.087</b>	<b>1.087</b>
Accumulated impairment losses and depreciations, 1 January 2019	-1.033	-1.025
Depreciation of property, plant and equipment	-14	-8
<b>Accumulated impairment losses and depreciations, 31 December 2019</b>	<b>-1.047</b>	<b>-1.033</b>
<b>Leasehold improvements, 31 December 2019</b>	<b>40</b>	<b>54</b>
<b>8. Investments</b>		
<b>Other investments:</b>		
Investments, 1 January 2019	790	790
Additions to investments through merger	199	0
<b>Investments, 31 December 2019</b>	<b>989</b>	<b>790</b>
<b>Long term investments and receivables, 31 December 2019</b>	<b>989</b>	<b>790</b>
<b>9. Explanation of deferred income assets</b>		
Prepayments comprise prepaid insurances.		

**ANNUAL REPORT****NOTES****10. Cash and cash equivalents**

Of cash and cash equivalents 91.954 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 2019 is 6.216 DKK'000 (834 EUR'000).

**11. Contributed capital**

The share capital consists of 20,000 shares of DKK 100.

**12. Provisions for deferred tax**

Provisions concerning deferred tax comprise deferred tax relating to property, plant and equipment and inventories.

**13. Related parties**

The Company is included in the consolidated financial statements of:  
Crown Holding Inc., 770 Township Line Road, Yardley, PA 19067 USA

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

SPG Denmark ApS  
Fynsgade 6  
6400 Sønderborg

**14. Disclosure of significant events occurring after end of reporting period**

No events have occurred subsequent to the balance sheet date that would significantly effect the annual report at 31 December 2019.

The Management expects in 2020 an effect from the Corona crisis receiving less orders. YTD at the end of April we have not seen a reduction of the sales.

**15. Contingent liabilities**

The Company is in joint taxation with other Danish group companies. As group company the Company is unlimited and joint and several liable with the other group companies for Danish company tax and withholding tax on dividends, interest and royalties within the joint taxation group. The jointly taxed companies' total known net liability of outstanding company tax and withholding tax on dividends, interest and royalties will appear from the administration company's Financial Statements SPG Denmark ApS, CVR no. 35 40 38 25. Any later adjustments to the joint taxation income could entail, that the Company's liability will come to a larger amount.

As per 31.12.2019 the Company has entered into the leasing agreements regarding office equipment and cars with a remaining payment of 1.067 DKK'000.

The Company has entered into the following rental commitment with a total liability in the period of notice of 4.404 DKK'000.

The Company has entered into a commitment to buy consignment stock of raw materials of up to 1.4 mio DKK of which there is a pending use.

**16. Ownership**

The share capital is wholly owned by:  
SPG Denmark ApS