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16/17 | PROPLATE  
ANNUAL REPORT

ANNUAL REPORT FOR PROPLATE OXELÖSUND AB  
THE FINANCIAL YEAR 2016-05-01 – 2017-04-30  
CORPORATE IDENTITY 556466-2442

## **TABLE OF CONTENTS**

DIRECTORS' REPORT	1
INCOME STATEMENT	3
BALANCE SHEET	4
CASH FLOW STATEMENT	6
NOTES	7
SIGNATURES	15
AUDITOR'S REPORT	16

## DIRECTORS' REPORT

The Board of Directors and the managing director of Proplate Oxelösund AB, 556466-2442, hereby submit the Annual Report 2016-05-01–2017-04-30.

### Company overview

The company manufactures machine components made of heavy plate, including high strength steel. 58 % (54 %) of the company's sales where export.

### Development of company operations, result and position

Amounts in KSEK

	2017-04-30	2016-04-30	2015-04-30	2014-04-30	2013-04-30
Net sales	213 098	190 975	180 585	195 250	205 888
Balance Sheet Total	93 416	85 323	79 841	91 327	123 190
Earnings Before Tax	16 604	10 272	7 153	-1 750	-2 032
Equity ratio, %	54	48	44	33	25
Average number of employees	91	81	81	89	88

Comparative figures 2013-04-30 and earlier have not been recalculated in accordance with the K3 since possible effects are expected to have only a marginal impact.

### Significant events during the financial year and after the end of year

Demand during the year was stable and new markets have been established. Construction of a new workshop (Hall L) began during the fiscal year and is expected to be put into operation in autumn 2017. The hall will be hired from the group company Oxelösundsgösen Fastigheter AB. After the end of the fiscal year no significant events have occurred.

The company's earnings are expected to improve further in fiscal year 2017-2018.

### Essential conditions

The company is a wholly owned subsidiary of Proplate AB, corporate identity number 556643-3867, based in Karlstad. Proplate AB is part of a group where A Persson Affärsutveckling AB, corporate identity number 556341-4332, based in Degerfors, is the parent company.

Of the subsidiary's total purchases and sales measured in SEK, less than one per cent of goods purchases and less than one percent of sales is to other companies in the group to which it belongs.

### Application of financial instruments

Description of the use of financial instruments, see the Accounting principles and Financial statements.

### Operations requiring permit or reporting in compliance with the Environment Code

The company conducts operations requiring notification as well as permit under the Swedish Environmental Code. The company's entire business is dependent on the areas covered by the permits and notification requirements. The company has certified quality and environmental management system according to EN ISO 9001:2000 and EN ISO 14001:2004.

## EQUITY

Amounts in SEK	Share capital	Statutory reserve	Unrestricted equity
At beginning of year (Allocation made by AGM resolution)	2 000 000	200 000	21 513 700
Dividend			-3 500 000
Profit for the year			12 530 889
<b>At the end of the year</b>	<b>2 000 000</b>	<b>200 000</b>	<b>30 544 589</b>

## PROPOSED ALLOCATION OF COMPANY PROFIT OR LOSS

The Board of Directors proposes that the unappropriated funds:

Amounts in SEK	
Accumulated profit	18 013 700
Profit for the year	12 530 889
<b>Total</b>	<b>30 544 589</b>
Appropriated for	
Dividend [20 000 shares * SEK 375]	7 500 000
Carried forward	23 044 589
<b>Total</b>	<b>30 544 589</b>

As for the results and financial position, refer to the following income statement and balance sheet and notes.

## Income Statement

Amounts in SEK	Note	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Net sales		213 097 786	190 974 654
Change in inventories and work in progress		2 538 190	-2 641 144
Work performed by the company for its own use and capitalized		88 000	64 659
Other operating income	2	2 001 763	1 773 291
		217 725 739	190 171 460
<b>Operating expenses</b>			
Raw materials and consumables		-104 538 690	-94 169 463
Other external costs	4	-39 029 572	-34 854 730
Employee costs	3	-49 553 828	-42 104 249
Depreciation/amortization and impairment of tangible and intangible assets		-5 868 679	-7 372 063
Other operating expenses	5	-1 854 812	-1 127 221
<b>Operating profit</b>		16 880 158	10 543 734
<b>Profit from financial items</b>			
Other interest income and similar income	6	3 477	3 944
Interest expenses and similar expenses	7	-279 393	-275 805
<b>Profit after financial items</b>		16 604 242	10 271 873
Appropriations	8	-500 000	-520 000
<b>Profit before tax</b>		16 104 242	9 751 873
Tax on profit for the year	9	-3 573 353	-2 220 504
<b>Net profit for the year</b>		12 530 889	7 531 369

## Balance Sheet

Amounts in SEK	Note	2017-04-30	2016-04-30
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development and similar	10	1 404 557	1 429 808
		1 404 557	1 429 808
<b>Tangible assets</b>			
Land and buildings	11	2 435 258	2 573 215
Plant and machinery	12	16 874 665	14 391 897
Equipment, tools, fixtures and fittings	13	1 635 639	1 774 223
Construction in progress and advance payments for property, plant and equipment	14	500 845	669 617
		21 446 407	19 408 952
<b>Financial assets</b>			
Deferred tax asset	15	35 443	27 720
		35 443	27 720
<b>Total fixed assets</b>		22 886 407	20 866 480
<b>Current assets</b>			
<b>Inventories etc.</b>			
Raw materials and consumables		18 983 379	17 098 772
Products in progress		8 451 232	5 507 288
Finished products and goods for resale		2 116 522	2 522 276
		29 551 133	25 128 336
<b>Current receivables</b>			
Accounts receivable – trade		37 847 366	35 543 900
Receivables from group companies		1 640 000	2 252 494
Current tax assets		–	145 266
Other receivables		404 472	86 562
Prepaid expenses and accrued income	16	1 059 335	1 289 377
		40 951 173	39 317 599
<b>Cash and bank balances</b>	23	27 709	10 422
<b>Total current assets</b>		70 530 015	64 456 357
<b>TOTAL ASSETS</b>		93 416 422	85 322 837

## Balance Sheet

Amounts in SEK	Note	2017-04-30	2016-04-30
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		2 000 000	2 000 000
Statutory reserve		200 000	200 000
		2 200 000	2 200 000
<i>Non-restricted equity</i>			
	17		
Profit or loss brought forward		10 482 331	9 369 027
Profit or loss from previous year		7 531 369	4 613 304
Profit for the year		12 530 889	7 531 369
		30 544 589	21 513 700
<b>Total equity</b>		32 744 589	23 713 700
<b>Untaxed reserves</b>			
Accumulated excess depreciation	18	10 231 931	10 401 931
Tax allocation reserves	19	12 170 000	11 500 000
		22 401 931	21 901 931
<b>Non-current liabilities</b>			
Overdrafts		1 069 231	15 006 694
Other liabilities to credit institution	21	3 879 720	1 090 384
		4 948 951	16 097 078
<b>Current liabilities</b>			
Liabilities to credit institutions		1 733 966	1 585 141
Accounts payable – trade		19 182 627	12 860 319
Liabilities to group companies		–	134 901
Tax liability		913 770	–
Other current liabilities		1 630 156	1 461 043
Accrued expenses and deferred income	22	9 860 432	7 568 724
		33 320 951	23 610 128
<b>TOTAL EQUITY AND LIABILITIES</b>		93 416 422	85 322 837

## Cash flow statement

Amounts in SEK	Note	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
<b>Operating activities</b>			
Profit after financial items		16 880 158	10 543 735
Interest income		3 477	3 944
Interest charges		-279 393	-275 805
Adjustments for items not included in cash flow, etc.	24	5 719 938	7 411 862
		22 324 180	17 683 736
Paid income tax		-2 522 040	-1 343 198
<b>Cash flow from operating activities before changes in working capital</b>		19 802 140	16 340 538
<i>Cash flow from changes in working capital</i>			
Increase(-)/Decrease (+) in inventories		-4 422 798	-65 135
Increase(-)/Decrease (+) in operating receivables		-1 778 838	-9 630 062
Increase (+)/Decrease (-) in operating liabilities		8 648 228	-1 121 511
<b>Cash flow from operating activities</b>		22 248 732	5 523 830
<b>Investing activities</b>			
Acquisition of intangible assets		-288 013	-1 027 141
Acquisition of tangible assets		-7 594 128	-3 065 797
Disposal of tangible assets		150 000	–
<b>Cash flow from investing activities</b>		-7 732 141	-4 092 938
<b>Financing activities</b>			
Borrowings		-13 937 464	3 165 939
Amortisation of loan			-2 114 098
Amortisation of leasing liability		2 938 160	
Dividend distributed to shareholders in parent company		-3 500 000	-2 500 000
<b>Cash flow from financing activities</b>		-14 499 304	-1 448 159
<b>Cash flow for the year</b>		17 287	-17 267
<b>Cash and cash equivalents at the beginning of the year</b>		10 422	27 689
<b>Cash and cash equivalents at the end of the year</b>		27 709	10 422



## Note 1 Accounting principles

Amounts in SEK unless otherwise stated.

### General accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual and Group Reports (K3).

### Valuation principles etc

Assets, provisions and liabilities are valued based on cost unless otherwise stated.

### Intangible assets

#### Research and development expenses

Expenses for the company's own research and development are reported as a cost as they arise. Expenses for development of management information systems, which are expected to be of substantial value to the company, have been set up as an asset. The asset intends direct costs incurred as well as a reasonable part of indirect costs. At the completion of the project amortization has been commenced.

#### Depreciation

Depreciation takes place lineally over the asset's useful life. Depreciation is reported as a cost in the Profit and Loss Account.

Intangible assets	Year
Acquired intangible assets	
Computer software	5

#### Tangible assets

Tangible fixed assets are reported to the cost of acquisition less accumulated depreciation and write-downs. The acquisition value includes, in addition to the acquisition price, even expenses that are directly related to the acquisition.

#### Depreciation

Depreciation is linear over the estimated lifetime of the asset as this reflects the expected consumption of the asset's future financial benefit. Depreciation is reported as a cost in the Profit and Loss Account.

Tangible assets	Year
Expenditure on property owned by others	20
Machinery and other technical equipment	5-10
Equipment, tools and installations	3-5

### Leasing agreements where the company is the lessee

Future minimum lease fees for non cancellable operating leasing contracts.

	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Within one year	45 103	45 156
Between one and five years	71 413	71 497
Later than five years	–	–
	116 516	116 653

The future minimum lease fees above does not include rent for premises. The rent for the premises amounts to 9 878 690 SEK for the year and the landlord is a sister company, Oxelösundsgösen Fastigheter AB, organization no. 556605-1545. The lease contract is for 20 years.

### Inventories

Inventories are reported at the lower of cost and net realisable value. This takes the risk of obsolescence into account. The acquisition value is calculated according to the first-in first-out principle. The acquisition value includes, in addition to expenses for the purchase, also expenses for delivery to the appropriate destination and condition.

Semi-finished and finished products of own manufacture comprise acquisition value of direct manufacturing costs and the indirect costs that constitute more than a negligible part of the total expense for manufacture. The valuation takes into account normal operating capacity.

### Financial assets and liabilities

Financial assets and liabilities are reported in compliance with Chapter 11 (Financial instruments valued according to acquisition value) in BFNAR 2012:1.

Financial instruments that are reported in the balance sheet as an asset includes liquid assets and accounts receivable. Accounts payable and loans are found on the liability side.

### Valuation of financial assets

Financial assets are valued at first accounting occasion at acquisition cost, including potential transaction expenses that are directly related to the acquisition.

Accounts receivable and other receivables that constitutes current assets are valued individually at the amount expected to be received.

### Valuation of financial liabilities

Financial liabilities are valued at the amortized cost.

### Accounting and removals from the balance sheet

A financial asset or a financial liability are entered into the balance sheet when the company becomes a party according to the terms of agreement of the instrument.

Accounts receivable are entered into the balance sheet when the invoice has been sent. Liability is entered when the party have delivered and there is an obligation according to agreement to execute payment, even if an invoice has yet not been received.

A financial asset is removed from the balance sheet when the terms of agreement have been realized or the company are no longer in control of them. A financial liability is removed from the balance sheet when the obligation of the agreement has been fulfilled or in other way extinguished.

A financial asset is set off against a financial liability and is entered into the balance sheet at net amount only when there is legal right to offset, and the intention is to regulate the entries at the same time or with a net amount.

Liquid assets constitutes of cash and immediately accessible balance at banks or equivalent institutes, including tax account.

### **Receivables and liabilities in foreign currencies**

Hedging of known cash flow in USD are carried out through forward agreement. Forward cover is not applied to cash flow in EUR that includes both incoming and outgoing cash flow.

Receivables and liabilities in foreign currencies have been translated based on the closing day rate. Exchange rate fluctuations regarding receivables and liabilities related to operations are reported in the operating profit/loss while exchange rate fluctuations regarding financial receivables and liabilities are reported in the net financial income/expense.

### **Employee compensation**

#### ***Compensations to employees after terminated employment***

Plans for which pension payments have been paid are reported as defined contributions, which means the contributions are carried as an expense in the Profit/Loss Account.

#### ***Compensations for dismissal***

Compensations for dismissal are reported only when the company has a detailed plan for dismissals and does not have any realistic possibility of annulling the plan.

### **Tax**

Tax on profits for the year in the Profit and Loss Account comprises current tax and deferred tax. Current tax is tax on income for the present financial year relating to taxable income and part of previous financial years' tax on income that has not yet been reported. Deferred tax is tax on income for taxable profits relating to future financial years as a result of past transactions or events.

Deferred tax liability is reported for all taxable temporary differences but not for temporary differences arising from first reporting of goodwill or untaxed reserves. Deferred tax assets

are reported for deductible temporary differences and for the possibility of using fiscal deficit deductions in future. The valuation is based on how the reported value for the corresponding asset or liability is expected to be recovered or settled. The sums are based on the tax rates and fiscal regulations that are approved prior to the balance sheet day and have not been present-value computed.

Deferred tax assets have been valued to the highest sum that will likely be recovered based on present and future taxable profits. This is revalued every balance sheet day.

### **Revenue**

The influx of financial benefits that the company received or will receive for its own account is reported as income. Revenues are valued as the fair value of that received or to be received with deduction for discounts offered.

### **Sale of goods**

Revenue from the sale of goods is reported when the following criteria have been met:

- The financial benefits that are coupled to the transaction will probably accrue to the company,
- The revenue can be calculated in a reliable manner,
- The company has transferred the significant risks and benefits coupled to the owner of the goods to the purchaser,
- The company has no longer such a commitment to the running management that is usually connected with the owner and does not either exert any real control over the sold goods, and
- The expenses that have arisen or are expected to arise as a result of the transaction can be calculated in a reliable manner.

### **Group contributions and shareholders' contributions**

Main rule for the reporting of group contributions according to Chapter 35. Income Tax Act (1999: 1229).

Group contributions paid/received are reported as an appropriation in the Profit and Loss Account. The paid/received group contribution has affected the company's current tax.

This year no group contributions have been paid/received.

### **Public contributions**

Public contributions are reported at actual value when there is reasonable guarantee that the contribution will be obtained and consequently all associated terms will be fulfilled.

Public contributions that refers to expected expenses are reported as deferred income. The contribution is taken up as income in the period when the costs the contribution is meant to compensate occur.

## Note 2 Other operating income

	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Exchange rate gains on assets/operating liabilities	1 572 581	1 108 146
Capital gains	150 000	–
Insurance compensation	239 182	345 145
Other	40 000	320 000
<b>Total</b>	<b>2 001 763</b>	<b>1 773 291</b>

## Note 3 Employees and personnel costs

### Average number of employees

	2016-05-01– 2017-04-30	proportion of men	2015-05-01– 2016-04-30	proportion of men
Sweden	91	83	81	74
<b>Total</b>	<b>91</b>	<b>83</b>	<b>81</b>	<b>74</b>

### Reporting of gender distribution in the company managements

	2017-04-30	2016-04-30
<i>Proportion of women</i>		
Board of Directors	25 %	25 %
Other senior executives	0 %	0 %

### Salaries and other remunerations and social costs, including retirement costs

	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Board of Directors and managing director	–	–
Other employees	32 903 491	29 104 991
<b>Total</b>	<b>32 903 491</b>	<b>29 104 991</b>
Social costs	14 011 517	12 368 238
(of which pension expenses) 1)	2 927 175	2 431 459

1) Of the company pension expenses, 0 (prev. yr. 0) relate to company management with respect to 0 (0) persons. Outstanding company pension obligations to these amounts to 0 (prev. yr. 0). Of the salaries and compensations paid to other employees, 0 SEK (0 SEK) relates to leading company officials other than board members and CEO. CEO is employed by the mother company.

## Note 4 Remuneration to, and expenses of, auditors

	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
<i>Grant Thornton</i>		
Audit assignments	164 051	117 279

## Note 5 Other operating costs

	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Exchange loss on receivables/liabilities relating to operations	1 854 812	1 127 221
	<b>1 854 812</b>	<b>1 127 221</b>

<b>Note 6 Interest incomes and similar result items</b>	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Interest income, other	3 477	3 944
<b>Total</b>	<b>3 477</b>	<b>3 944</b>

<b>Note 7 Interest expenses and similar result items</b>	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Interest costs, group companies	57 758	114 350
Interest costs, other	221 635	161 455
<b>Total</b>	<b>279 393</b>	<b>275 805</b>

<b>Note 8 Appropriations</b>	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
<i>Difference between tax and reported depreciation:</i>		
- Machinery and other technical equipment	170 000	2 100 000
- Tax allocation reserve, this year's allocation	-5 420 000	-3 270 000
- Tax allocation reserve, this year's reversal	4 750 000	650 000
<b>Total</b>	<b>-500 000</b>	<b>-520 000</b>

<b>Note 9 Tax on annual profit</b>	2016-05-01– 2017-04-30	2015-05-01– 2016-04-30
Current tax expense / revenue	-3 581 076	-2 166 604
Deferred tax	7 723	-53 900
	<b>-3 573 353</b>	<b>-2 220 504</b>

The average effective tax rate is 22,2 % (22,8 %).

#### Reconciliation of effective tax

	2016-05-01 – 2017-04-30		2015-05-01 – 2016-04-30	
	Procent	Amount	Procent	Amount
Profit before tax		16 104 242		9 751 873
Tax according to applicable tax rate	22,0	-3 542 933	22,0	-2 145 412
Non-deductible expenses	0,2	-29 800	0,7	-66 779
Non-taxable income	0,1	8 488	-	868
Other	0,1	-9 108	0,1	-9 182
<b>Reported effective tax</b>	<b>22,4</b>	<b>-3 573 353</b>	<b>22,8</b>	<b>-2 220 505</b>

**Note 10 Capitalised expenditure for development work and similar**

	2017-04-30	2016-04-30
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	11 785 442	10 798 101
- Miscellaneous investments	288 013	1 027 141
- Disposals and obsolescence	-9 595 499	-39 800
At the end of the year	2 477 956	11 785 442
<i>Accumulated depreciation</i>		
- At beginning of year	-10 355 634	-10 095 230
- Reversed depreciation of disposals and scrap	9 595 499	-
- Depreciation for the year	-313 264	-260 404
At the end of the year	-1 073 399	-10 355 634
<b>Carrying amount at year-end</b>	<b>1 404 557</b>	<b>1 429 808</b>

**Note 11 Land and buildings**

	2017-04-30	2016-04-30
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	3 701 645	3 701 645
- New acquisitions	46 147	-
At the end of the year	3 747 792	3 701 645
<i>Accumulated depreciation</i>		
- At beginning of year	-1 128 430	-944 321
- Depreciation for the year	-184 104	-184 109
At the end of the year	-1 312 534	-1 128 430
<b>Carrying amount at year-end</b>	<b>2 435 258</b>	<b>2 573 215</b>

**Note 12 Machinery and other technical equipment**

	2017-04-30	2016-04-30
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	65 567 933	63 431 561
- New acquisitions	6 441 511	1 945 013
- Disposals and obsolescence	-640 000	-
- Reclassifications	669 617	191 359
At the end of the year	72 039 061	65 567 933
<i>Accumulated depreciation</i>		
- At beginning of year	-51 176 036	-45 039 292
- Reversed depreciation of disposals and scrap	640 000	-
- Depreciation for the year	-4 628 360	-6 136 744
At the end of the year	-55 164 396	-51 176 036
<b>Carrying amount at year-end</b>	<b>16 874 665</b>	<b>14 391 897</b>

**Note 13 Equipment, tools and installations**

	2017-04-30	2016-04-30
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	9 298 090	8 846 923
- New acquisitions	605 625	451 167
- Disposals and obsolescence	-3 695	-
	9 900 020	9 298 090
<i>Accumulated depreciation</i>		
- At beginning of year	-7 523 867	-6 733 061
- Reversed depreciation of disposals and scrap	2 437	-
- Depreciation for the year	-742 951	-790 806
	-8 264 381	-7 523 867
<b>Carrying amount at year-end</b>	<b>1 635 639</b>	<b>1 774 223</b>

**Note 14 Construction in progress and prepaid tangible fixed assets**

	2017-04-30	2016-04-30
At beginning of year	669 617	191 359
Reclassifications	-669 617	-191 359
Investments	500 845	669 617
<b>Carrying amount at year-end</b>	<b>500 845</b>	<b>669 617</b>

**Note 15 Deferred tax**

2017-04-30	Deferred tax assets	Deferred tax liabilities	Net
<i>Significant temporary differences</i>			
Expected bad debts	35 443	-	35 443
<b>Deferred tax asset/liability (net)</b>	<b>35 443</b>	<b>-</b>	<b>35 443</b>
2016-04-30	Deferred tax assets	Deferred tax liabilities	Net
<i>Significant temporary differences</i>			
Expected bad debts	27 720	-	27 720
<b>Deferred tax asset/liability (net)</b>	<b>27 720</b>	<b>-</b>	<b>27 720</b>

**Note 16 Prepayments and accrued income**

	2017-04-30	2016-04-30
Prepaid rent, incl. leasing	61 865	86 405
Prepaid payroll expenses	143 021	138 320
Prepaid social expenses	44 937	43 460
Other	809 512	1 021 192
	1 059 335	1 289 377

## Note 17 Disposition av vinst eller förlust

Proposed allocation of company profit or loss.

The Board of Directors proposes that non-restricted equity, SEK 30 544 589, is appropriated as follows:

	2017-04-30
Dividend [20 000 shares * SEK 375]	7 500 000
Carried forward	23 044 589
	30 544 589

## Note 18 Accumulated depreciation

	2017-04-30	2016-04-30
Machinery and equipment	10 231 931	10 401 931
	10 231 931	10 401 931

Of the excess depreciation 2 251 025 SEK (2 288 423 SEK) is deferred tax. The deferred tax is not included in the company's balance sheet.

## Note 19 Tax allocation reserve

	2017-04-30	2016-04-30
Tax allocation reserve, tax year 2010/2011	–	4 750 000
Tax allocation reserve, tax year 2011/2012	830 000	830 000
Tax allocation reserve, tax year 2013/2014	550 000	550 000
Tax allocation reserve, tax year 2014/2015	2 100 000	2 100 000
Tax allocation reserve, tax year 2015/2016	3 270 000	3 270 000
Tax allocation reserve, tax year 2016/2017	5 420 000	–
	12 170 000	11 500 000

Of the taxed allocation reserves 2 677 400 SEK (2 530 000 SEK) is deferred tax. The deferred tax is not included in the company's balance sheet.

## Note 20 Overdrafts

	2017-04-30	2016-04-30
Credit limit, SEK	28 000 000	28 000 000
Utilized credit, SEK	1 032 126	9 513 958
Credit limit, EUR	800 000	800 000
Utilized credit, EUR	3 856	599 310

The overdrafts are a part of a Multi Option Facility where they along with Swedish guarantees (limit KSEK 5 000), foreign guarantees (limit KSEK 5 000), imported letters of credit (limit KSEK 25 000) and business card (KSEK 100) are limited at a maximum credit of KSEK 48 000. The above amount refers to the maximum credit limit for the respective overdraft under the condition that the total credit is not exceeded.

**Note 21 Long-term liabilities**

	2017-04-30	2016-04-30
Liabilities that fall due 1-5 years after the balance-sheet day		
Other liabilities to financial institutions	3 879 720	1 090 384
Liabilities that fall due more than five years after the balance-sheet day	–	–
	3 879 720	1 090 384

**Securities pledged for other liabilities**

	2017-04-30	2016-04-30
Chattel mortgages	57 000 000	57 000 000
Assets with ownership reservation	7 667 768	4 054 881
	64 667 768	61 054 881

**Note 22 Accruals and prepaid income**

	2017-04-30	2016-04-30
Accrued payroll expenses	5 645 895	4 753 332
Accrued social security expenses	1 766 762	1 480 076
Other	2 447 775	1 335 316
	9 860 432	7 568 724

**Note 23 Cash and cash equivalents**

	2017-04-30	2016-04-30
<i>The following components are included in cash and cash equivalents:</i>		
Cash funds	560	603
Tax account	27 149	9 819
	27 709	10 422

The above items are classified as cash and cash equivalents on the basis that:

- they have an insignificant risk of changes in value;
- they can be easily converted to cash;
- they have a maximum maturity of three months or less from time of acquisition.

**Note 24 Miscellaneous information for cash flow analysis**

	2017-04-30	2016-04-30
<i>Adjustments for items not included in cash flow etc.</i>		
Depreciation	5 868 679	7 372 063
Capital gain on sale of fixed assets	-148 741	–
Other entries not affecting cash flow	–	39 800
	5 719 938	7 411 863



**Note 25 Pledged assets and contingent liabilities**

**Securities pledged**

	2017-04-30	2016-04-30
<i>For own liabilities and provisions</i>		
Chattel mortgages	57 000 000	57 000 000
Assets with ownership reservation	7 667 768	4 054 881
<b>Total pledged assets</b>	<b>64 667 768</b>	<b>61 054 881</b>

**Contingent liabilities**

	2017-04-30	2016-04-30
Contingent liabilities	None	None

**Oxelösund 29 June 2017**



Peter Eklund  
Chairman of the Board



Max Björk  
Managing Director



Lisa Persson



Anders Persson

## AUDITOR'S REPORT

### To the general meeting of the shareholders of Proplate Oxelösund AB

Corporate identity number 556466-2442

#### REPORT ON THE ANNUAL ACCOUNTS

##### Opinions

I have audited the annual accounts of Proplate Oxelösund AB for the financial year 2016-05-01 – 2017-04-30.

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Proplate Oxelösund AB as of 30 April 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

##### Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of Proplate Oxelösund AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

##### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

##### Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 my opinions. 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 the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinions**

In addition to my audit of the annual accounts, I have also audited the administration of the Board of Directors and the Managing Director of Proplate Oxelösund AB for the financial year 2016-05-01 – 2017-04-30 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### **Basis for Opinions**

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of Proplate Oxelösund AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Örebro 29 June 2017

Örjan Alexandersson  
Authorized Public Accountant

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**PROPLATE OXELÖSUND AB**

Box 14  
SE-613 21 Oxelösund, Sweden  
Visiting address: Folkegatan 56, Cefast Industrial Estate  
Tel +46 (0)10 19 54 100  
[www.proplate.se](http://www.proplate.se)