ON THE CUTTING EDGE

20/21 | **PROPLATE** ANNUAL REPORT

PROPLATE
ON THE CUTTING EDGE

PROPLATE HAS A UNIQUE LOCATION
BESIDE THE DEEPEST HARBOR ON
SWEDEN'S EAST COAST, ADJACENT TO
SSAB's SPECIALTY STEEL PLANT

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MESSAGE FROM THE CEO

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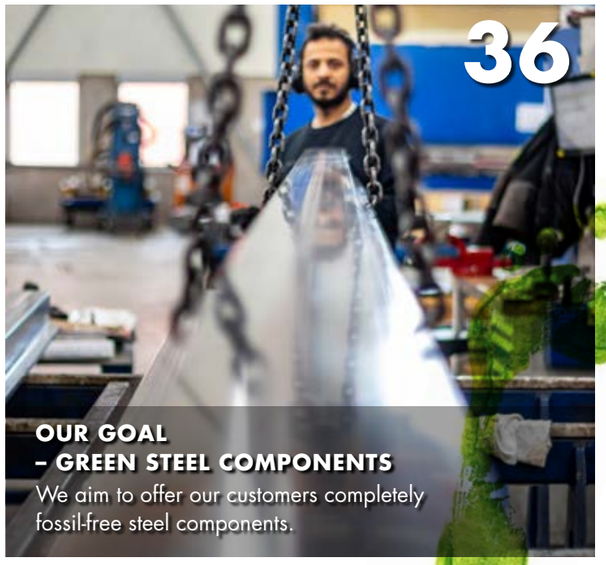
WHY PROPLATE?

Read what our customers are saying about us.



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OUR GOAL – GREEN STEEL COMPONENTS

We aim to offer our customers completely fossil-free steel components.

Proplate guarantees quality at every stage of the value chain – from ore to machine.

11

INVESTMENTS

DURING THE YEAR, WE EXPANDED OUR CAPACITY WITH:

- AN AUTOMATED WELDING SYSTEM
- TWO NEW BLASTING MACHINES
- AN EXTENDED PAINTING PLANT
- A NEW METALIZING PLANT

– ALL TO LIVE UP TO THE REQUIREMENTS OF OUR CUSTOMERS.

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PROPLATE AT A GLANCE

We are experts in cutting and machining steel – with a focus on processing speciality steels. Through close personal collaboration with our customers, we precisely design the solutions needed for each specific operation. At our modern facility in Oxelösund, we manufacture prefabricated components that can be used right away in our customers' production lines.

WE...

cut, machine, blast, weld, assemble, bend, paint, metalize, pack and deliver products with quality and precision.

SWEDISH CUSTOMERS

40 %

60 %

GLOBAL CUSTOMERS

FROM OXELÖSUND TO THE REST OF THE WORLD

Our production facility commands a strategic location. We are neighbors with both steel supplier SSAB and the Port of Oxelösund, and the railway extends right into our premises. In addition, it only takes one hour to reach us from Stockholm.

THE YEAR IN BRIEF

NEW MARKET

Proplate entered into a partnership with the Swedish company CorPower Ocean, developers of a new method to harness energy from the ocean.

NEW APPOINTMENTS

Nina Vinterstad Palm was appointed head of the logistics and maintenance departments.

INVESTMENTS

During the year, we continued to develop our production facility, including making the following investments:

- **Even greater welding capacity**
Investment in an additional automated welding system.

- **New blasting machines**
To increase the flow in production, we invested in two new blasting machines.

- **Painting plant expansion**

- **New metalizing plant**
Here, we treat components that are exposed to a high risk of corrosion.

NEW APPOINTMENTS

Lars Glysing was appointed head of Proplate's cutting operations.

WE CONTINUE TO GROW

Thanks to a large increase in demand, we welcomed many new employees during the first months of 2021.

During the year, the workforce increased by

33%

NEW WELDING SYSTEM

Our automated welding system increases capacity.

DAY-TO-DAY SUSTAINABILITY

In an effort to become even more sustainable, we installed electric charging stations in the staff parking lot.

100 mm

Thickest lifting strap to date.

ENHANCED CUSTOMER FOCUS

We further enhanced our customer focus and welcomed Kristina Sailer as Regional Sales Manager for Europe.

NORDEX – NEW PARTNER

In 2021, Proplate was selected as Nordex's supplier partner in Sweden and now supplies anchor cages for all Nordex wind turbines throughout the country.

STEEL WAREHOUSE – NEW COLLABORATION

During the year, we initiated a new partnership with the American company Steel Warehouse that involves regular deliveries of specialty steel components.

NEW SALES OFFICE IN GOTHENBURG

We expanded our sales organization and are now also represented on the Swedish west coast.

MESSAGE FROM THE CEO

The entire past year was influenced by COVID-19 in numerous ways. It started with several customers shutting down for short periods due to component shortages and reduced order intake, which meant lower volumes for Proplate. While 2021 started rough, it ends on an extremely high note.

Proplate has customers in several different locations and industries all around the world. Overall operations declined in April, May and June, but forecasts improved in the second half of the year and our order intake rose sharply. Around Christmas 2020, we decided to significantly increase our number of employees and invest in additional machines and expand our facility. Toward the end of the fiscal year we again decided to expand to accommodate rising order intake.

Overall, we have increased our workforce by 50% and almost doubled our turnover as we enter the new year. We are building warehouses, new offices and changing rooms and investing in machining and blasting equipment.

PARTNERSHIP

For a very long time, our strategy has been to work with the "right" customers and suppliers. When we say the "right" customers, we mean those who focus on partnership and joint propositions and solutions. Naturally, this strategy involves careful selection of customers, but it also means deselecting customers who do not consider the partnership to be of the utmost importance.

During these unsettling times, we have seen time and again that this approach is working. I am happy that we chose this strategy and followed it so consistently. It's in times like these that we reap the rewards and can really benefit from our extremely strong relationships. We can now help our customers with the problems they've suddenly encountered due to the pandemic, but we are also able right now to receive a lot of support, help and understanding from our fantastic customers.

Like last year, I would like to mention Liebherr in particular, which demonstrated great interest in communicating and solving all conceivable situations that arose on both their end and ours. Manitowoc is another customer that focuses on partnership.

FUTURE

My assessment is that the impact of the pandemic will continue to abate around the world and be replaced by upward momentum. In part, the upturn will be disrupted by imbalances, such as shortages in components, containers or electricity.

The upturn for our customers is primarily driven by the world's desire to return to normal and resulting decisions to invest large amounts of money in infrastructure and green investments.

Infrastructure investments will be a strong driver in the crane business. The very strong growth in wind power will also have a major impact on crane manufacturers. In the mining sector, I believe that infrastructure projects and continued global expansion will drive prices and volumes up, providing a good basis for our mining-related customers. Continued strong expansion of e-commerce will have a positive impact on forklift manufacturers.

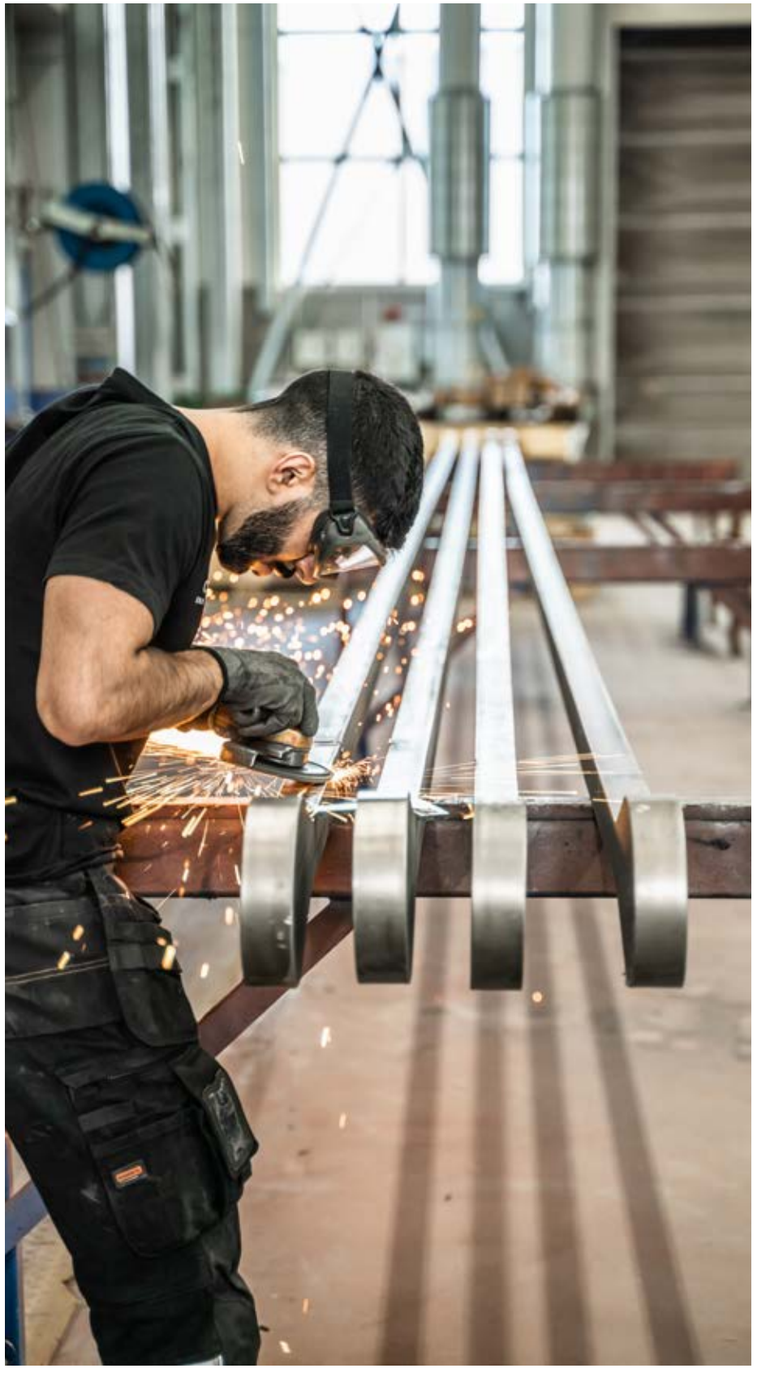
Renewable energy will be strong in coming years. This will be due to investments focused on recovery after the pandemic and an increased awareness of the importance of green initiatives.

The major challenge, for both society at large and our industry, is sustainability. We must be a driving force in this transition. Steel production is one of the largest sources of emissions in society. SSAB and H2GS have taken strong initiatives toward fossil-free steel production, but we also need to drive development toward a sustainable world. Proplate already made great strides and we will contribute everything we can internally and externally.

Max Björk, CEO Proplate

VALUE CHAIN

We are experts in cutting and machining specialty steel. Our facility in Oxelösund is unique. All processes are inside the gates. This guarantees quality at all stages. In addition, having the steel manufacturer SSAB as our neighbor gives us unparalleled proximity to the material.



From Concept to Completion

We always work closely with our customers and guarantee the highest level of technical expertise. The entire production chain is located inside our gates. This means that we are responsible for every stage of the manufacturing process and can guarantee quality at all stages. We deliver finished and ready-to-assemble components, which also reduces lead times.

Each customer has specific conditions. Therefore, a personal dialogue is crucial in order to have a good understanding of what is important. Together, we develop the best solutions.

We offer IT-integrated supply chain solutions to smoothly coordinate the customer's systems with our own. This streamlines operations, increases flexibility, improves communication and reduces lead times.

The company's planning department is central. There, the process is followed all the way from order to delivery. We maintain continuous contact with the customer and ensure that the ordered components are produced in an optimal way. This requires keeping a constant eye on quality, lead time and cost-efficiency.

In order to ensure continued high efficiency, we are constantly investing in new machines and facilities. Skills development for all staff is also a matter of course. People are most important! Motivated, knowledgeable and committed employees make a difference.

CUTTING

CUTTING

All production starts with cutting. We have the competence, experience and equipment. Long and narrow components in thick specialty steel are our specialty. This capacity is enabled by seven state-of-the-art cutting machines equipped with multiple gas and plasma burners, and cutting tables up to 42 meters long. We are able to cut the largest formats available on the market, and cut underwater to minimize heat impact (HAZ).

OUR CORE VALUES

LONG-TERM THINKING
ENGAGEMENT
RESPECT
BRAVERY

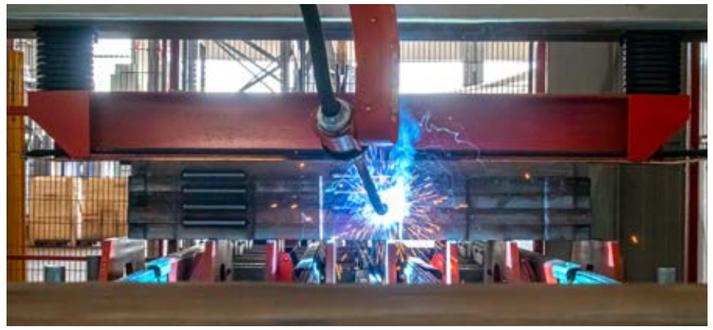
MACHINING

Our machining is characterized by high precision, right down to the micrometer. With five machines adapted for advanced processing, we can drill and mill large and heavy steel components.

Our qualified CNC operators and specialized CNC technicians ensure the highest quality of precision machining. The higher the demands on the quality, strength and accuracy of the components, the more reason to rely on us for processing.

WELDING

We offer both automated welding – with robots from IGM – and manual welding. In our full production chain, we can prepare components for welding by phase cuting them directly in the cutting machine, both with gas and plasma. In recent years, we have invested heavily in both capacity and competence, and we are certified according to EN 1090-1 and ISO 3834-2.



OUR WELDING CERTIFICATIONS

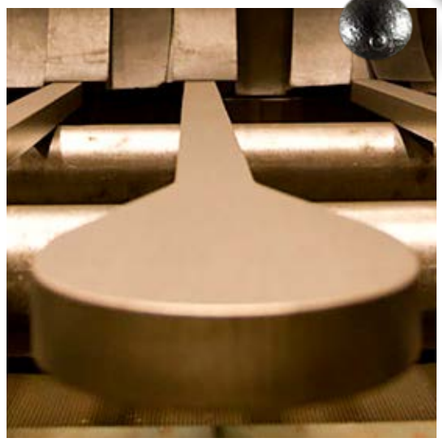
EN 1090-1
ISO 3834-2

ASSEMBLY

We can supply fully assembled components. This simplifies installation. Our customers save precious time and can focus on their core business. Accuracy is vital, and installation work is done manually.

BLASTING

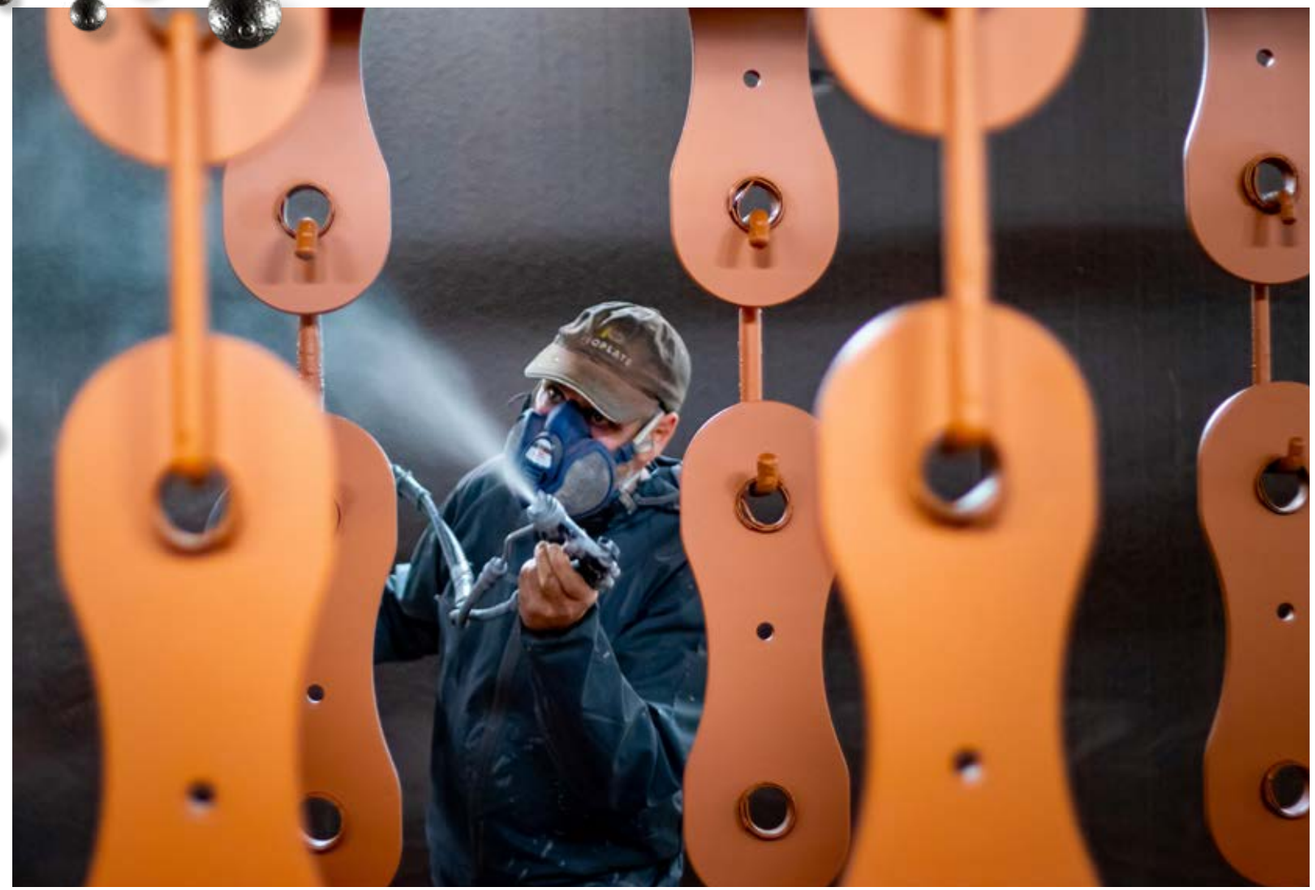
Our two blasters work around the clock. Surfaces are cleaned of dirt and corrosion by blasting with small steel balls. This ensures a surface finish that provides the best foundation for painting and metallizing.



FINISING

FINISHING

We operate our own paint shop and a new metalizing plant. For perfect results, we paint our steel components manually using the latest technology. All paint boxes have built-in extractors with efficient filtering to ensure the lowest environmental impact and a good working environment.
Components exposed to the risk of corrosion are protected via thermal spray galvanizing.



PACKING

Packing is the final stage of the process, and equally important for a reliable delivery. Careful work is done to ensure that all components arrive at the customer's destination in the same perfect condition as when they left us.

DELIVERY Boat, train or truck – all our shipping is environmentally optimized. The delivery of our products involves various methods adapted to each situation. The nearby rail and maritime facilities are used to the greatest extent possible. For example, from the adjacent port of Oxelösund, regular shipments of steel components leave for Baltimore, to supply our US customers.

BUSINESS CONCEPT

Proplate provides services that lead to efficient plate utilization, cost-effective plate management and large-scale cutting with the associated volume benefits, in order to strengthen our customers' competitiveness.

Our customers are global engineering companies that value high quality, flexibility and dependability in a close partnership.

BUSINESS AREAS

We work together with customers in many different industries. Collectively, they are leaders in their fields and value high quality, reliability and flexibility.

LIFTING

Proplate is the world's leading manufacturer of straps and other critical components for the crane industry. Among customers who rely on our expertise are global names such as Liebherr, Kobelco and Manitowoc.

Proplate is the world's leading supplier of straps for lifting cranes. Our Proplate Straps are extremely critical components in crawler cranes, harbor cranes, mobile cranes and special cranes.

Of all the components that make up a crane, the straps are subject to the greatest amounts of stress. In crawler cranes, for example, straps link the boom and counterweights and must withstand up to 3,000 tons of lifting.

THE BEST MATERIALS

To meet the rigorous requirements of quality steel, our tests need to be, and are, extremely accurate. That's why we use only the best materials on the market to create Proplate Straps out of high-strength structural steel. And while it's difficult to manufacture hardened structural steel that is intended to return to its original form after heavy loading, such as long and thin straps, we have the experience and expertise to succeed. Plus, we collaborate primarily with SSAB, but also with Dillinger Hütte, to ensure the process is smooth from start to finish.

A hardened structural steel that is intended to return to its original shape after heavy loading is difficult to handle, especially in manufacturing long and thin straps. It takes significant experience and expertise to succeed.

FULL TRACEABILITY

Our facility is specially adapted for manufacturing long, heavy and complicated items. Before leaving the factory, the straps are tested with magnetic powder to ensure that they are crack free. Of course, we also guarantee full traceability back to the original plate.

We deliver straps up to

17 meters long

We can also produce really thick straps up to

100 mm thick

Proplate Straps enable lifting of up to

3,000 TONS

INDUSTRIAL STEEL COMPONENTS

Our customers operate in many different industries, all with their specific challenges. The components we manufacture must withstand extreme strain and guarantee everything from excessive wear resistance in mining equipment to durability in wind turbine foundations.

We manufacture steel components for leading manufacturers of machinery and industrial equipment. Our customers are located all over the world and operate in several different industries. Collectively, they value high quality, reliability and flexibility.

FINISHED COMPONENTS

Our factory is adapted for efficient and flexible production at all stages. Our full production chain and large capacity mean that we not only can meet our customers' high demands on size, volume and precision, but we can also provide shorter lead times than our competitors.

HIGH-QUALITY MATERIALS

Proplate is independent of its steel supplier and cooperates with the market's leading steel manufacturers. In this way, we make it possible for our customers to integrate their existing supply chain with Proplate in an efficient and smooth collaboration.

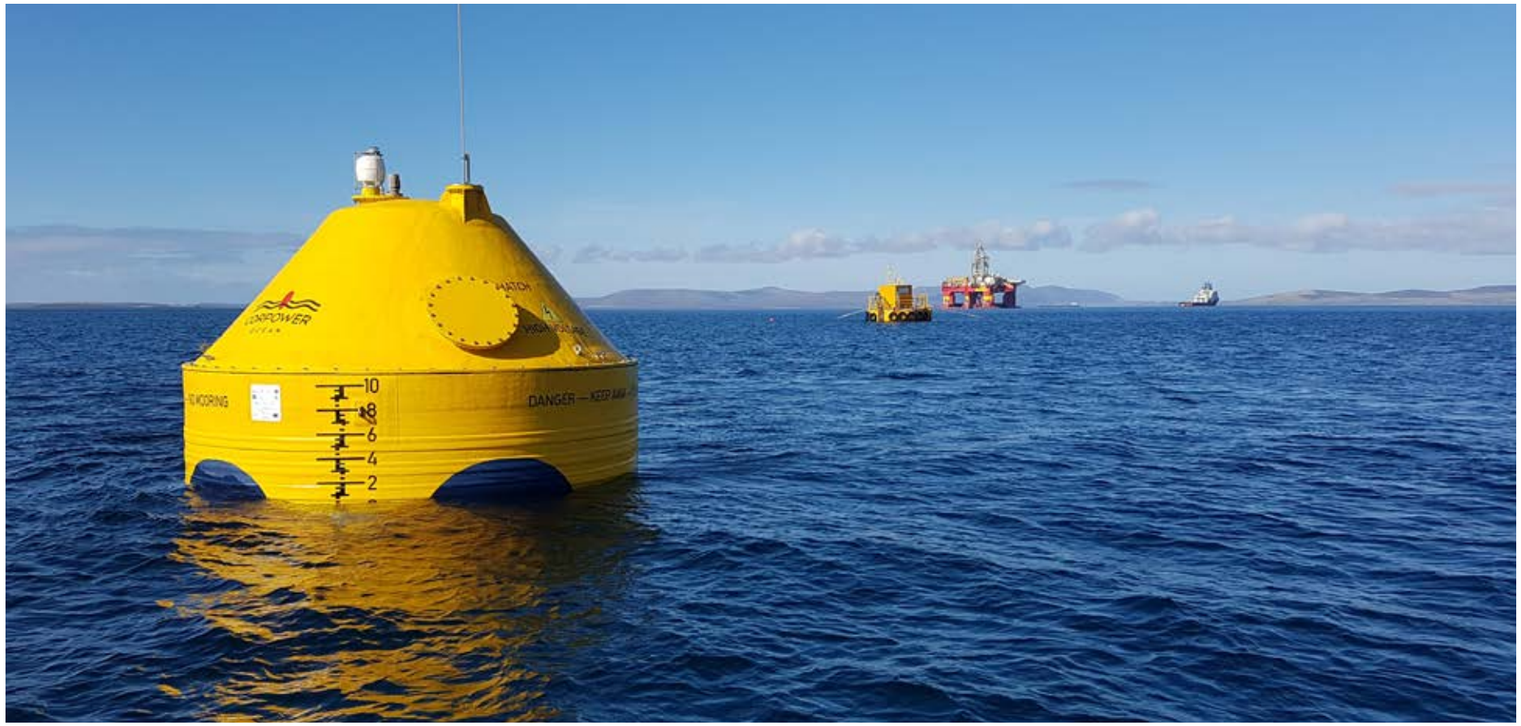
Our geographical proximity to SSAB means that we can shorten the delivery times for high-quality steel. It also contributes to increased sustainability since the steel does not have to be transported over long distances.

RENEWABLE ENERGY

WATER

Wave power plants that extract electricity from ocean waves must be able to withstand extreme weather conditions and the impact of salt water. They must be extremely durable, yet relatively light, which places stringent requirements on materials, tolerances and surface treatments.

With our expertise in manufacturing specialty steel, we meet these and other customer requirements. Proplate has entered into a partnership with the Swedish company CorPower Ocean, developers of innovative technology designed to harness energy from the sea.

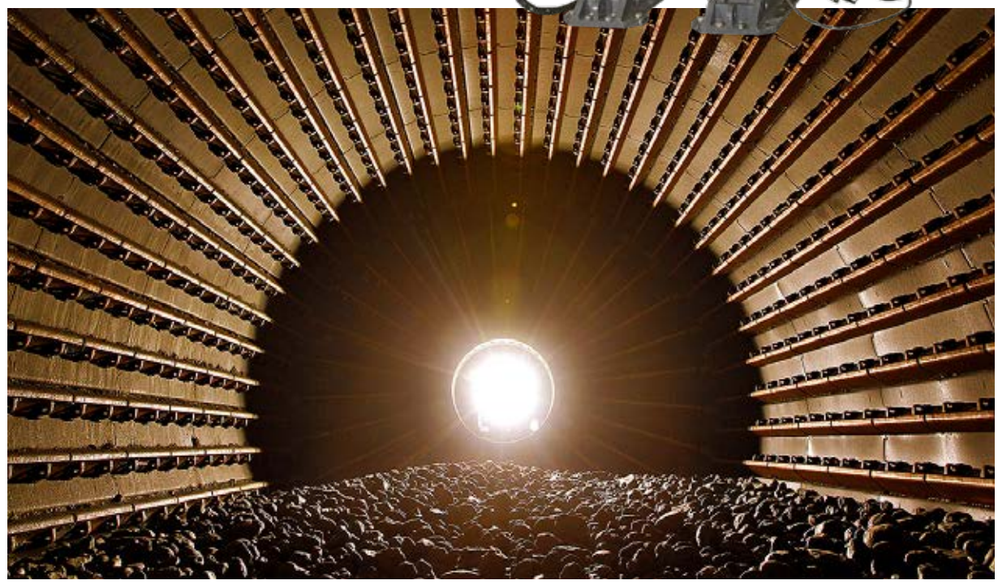


WIND

Wind turbines must be firmly anchored. Whatever the substrate, Proplate manufactures foundations that remain secure and stable.
We offer complete solutions for soil, gravel and rock.

MINING

Our components must function in challenging environments with extreme external influences. Long product life cycles and high product reliability are essential. Through the right choice of materials and a production process that guarantees the highest quality at every stage, we meet our customers' needs.



WHAT PEOPLE ARE SAYING ABOUT PROPLATE

Know-how, reliability and efficiency

"Thanks to their extensive know-how, efficiency and reliability, as well as their desire for continuous development, Proplate has been the ideal partner for Liebherr-Werk Nenzing GmbH for many years."

Daniel Burtscher
Head of Supply Department,
Liebherr-Werk Nenzing

LIEBHERR

Proactive & smooth collaboration

"Proplate has been proactive throughout the partnership, from working out the anchor cage design to completing the deliveries themselves. The materials arrived when we wanted them. It has simply all worked very well."

Christer Bäcklin
District Manager, Skanska

SKANSKA

Strong relationships provide support during crises

"Strong ties through value chains are essential, not least in times of crisis. Therefore, SSAB sees the close collaboration with Proplate as tremendously strategic and important. It is not just about guaranteeing quality and delivery precision; the close relationship also gives us a broader and deeper perspective and helps us perform in a changing market."

Jakob Stenström
Business Area Manager, SSAB

SSAB

Long-term collaboration since 2006

"Proplate has been a continuous supplier since 2006 and has increased their business with us as we have grown. This has been possible thanks to their demonstration of quality in everything they do."

Johan Yng
Category Manager Strategic Sourcing,
Toyota Material Handling

TOYOTA
MATERIAL HANDLING

High-quality, professional service

"Metso Outotec has worked in close partnership with Proplate for many years. Above all, we value the high quality of the products and the professional service that Proplate provides."

Keyvan Diamondo
Deputy Global Procurement & Sourcing Director

Metso:Outotec

Quality supplier next door to SSAB

"Proplate has the equipment and know-how. It is also an advantage that they are next door to SSAB, but the main thing is the quality of what they make, because the boom-strap is such a safety critical part."

Anthony Sternberg
Commodity Manager, Manitowoc

Manitowoc

3

SUSTAINABILITY

At Proplate, we work to continuously improve the company's sustainability. It is just as natural as our aiming for greater heights in everything else we do. For us, this means taking responsibility for reducing the negative impacts of our operations, selecting our suppliers carefully, and focusing on a good work environment and the health and wellness of our employees.

GREEN STEEL

Our goal is completely carbon-free components. While waiting for green steel to become a reality, we are working to improve our environmental performance in all other areas. It is natural for us to focus on sustainability in everything we do, big and small.

Steel production is one of the major sources of emissions in society. Our goal is to make the whole chain fossil free, from the ore to the machine. Since we manufacture steel components, we are an important part of this work. For the industry, achieving fossil-free steel production is crucial. Sweden is at the forefront of this development, so the conditions are there for Proplate to manufacture completely carbon-free steel components.

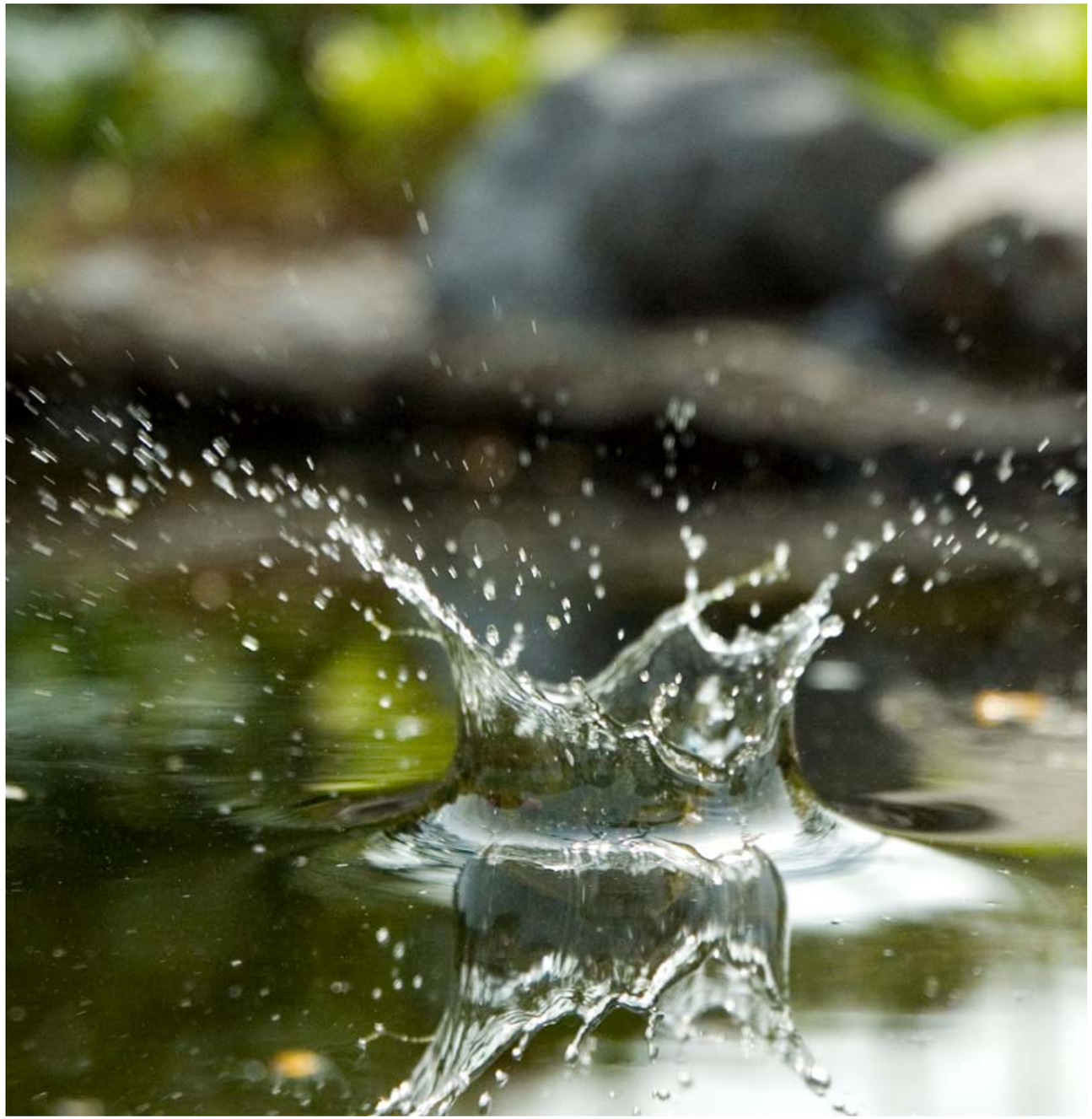
ENVIRONMENTAL RESPONSIBILITY

SSAB, our closest neighbor, is one of the most advanced producers of green steel. It will produce the first completely fossil-free steel within the next five years. Much of the material we use comes from SSAB. Therefore, we expect to soon be able to offer our customers components with a much smaller carbon footprint.

We are already working on converting all other parts of the business. During the year, we initiated work on strategic sustainability. Proplate has taken a holistic approach to contributing to climate-neutral production. In this respect, too, we aim to be a world leader in our industry.

SMART LOGISTICS AND SOCIAL RESPONSIBILITY

Smart logistics solutions are needed to get green steel to customers all over the world. This is possible through close collaboration with customers and suppliers. We value working with those who work sustainably. That is why we also take great care in selecting those with whom we collaborate. Long-term partnerships are important, not only from an environmental perspective but in order for us to guarantee economic sustainability and assume long-term social responsibility, both as an employer and as part of the community.



Close to the steel

We “share a gate” with SSAB.This means short transport distances for sheet metal and lower emissions.

Least scrap possible

By ensuring that we maximize our use of sheet metal, we minimize waste.

All scrap is recycled

100% recyclable

Although steel accounts for a large proportion of all carbon dioxide emissions, it is completely recyclable.It can be used over and over again without losing quality.

Certified

We are certified according to ISO 9001:2015 and 14001:2015.

PROPLATE PEOPLE

Anyone can buy a machine – it's the people at Proplate who make the difference. Their commitment, competence and experience enable us to deliver high-quality service and components. Our commitment as an employer is to care for the health, working environment and skills development of our employees.

HEALTH

In order to provide all employees with a basis for good health, we have offered exercise during working hours for many years. This means that everyone who works at Proplate works out together every week. In order to exercise safely during the pandemic, we have temporarily replaced regular group workouts with running and walking.

WORK ENVIRONMENT

A safe and secure work environment is fundamental to our entire business. We work systematically and in a structured manner to guarantee this through clear procedures and safety rules, training courses and continuous investments. We review safety and the environment at all daily group meetings in our production facility. Safety issues are also at the top of the agenda at the regular improvement meetings that each department conducts in order to develop the business.

It is imperative that everyone who works at Proplate feels safe in the workplace. To help us in this, we have clear guidelines, such as a code of conduct and victimization and discrimination policies. Company management is clear in that Proplate should be leaders not only in terms of technical development and production but also how we interact with one another.

SKILLS DEVELOPMENT

Each employee at Proplate has an individual development and training plan. The systematic and long-term structure ensures that we continue to be at the forefront.

130

WE HAVE 130 EMPLOYEES WHO WORK TOGETHER TO ENSURE QUALITY AND RELIABILITY

5,500

HOURS EXERCISED DURING THE WORKDAY

WE PRIORITIZE

1.
SAFETY & ENVIRONMENT

2.
QUALITY

3.
DELIVERY

BOARD OF DIRECTORS

PETER EKLUND
Chair of the Board

Chair of the board of ELE Forsa AB Board member of A Persson Affärsutveckling AB, AB Ewald Larssons Eftr, BRF Fagra Fjärdingen. Completed assignments as CEO of Biometria ek. för., CEO and member of Bergkvist- Insjön AB and chairman of Weda Skog AB, Svenskt Trä, Nordhydraulic AB and Naturbränsle i Mellansverige AB.

LISA PERSSON
Board member

Fifth generation of the owner family. Bachelor of Science in Economics from Stockholm University and courses in mathematics, physics and production at the Royal Institute of Technology. Active in parent company A Persson Affärsutveckling AB and runs business development of properties and co-working within the Group.

ANDERS PERSSON
Owner, Proplate Group

Fourth generation entrepreneur and market economist. Anders Persson has worked in steel and IT and was previously CEO and owner of Smidesbolaget L. Persson AB in Degerfors and Proplate IT AB.

GROUP MANAGEMENT

MAX BJÖRK
CEO

Max Björk has previously been president of several of the Group's companies. He has also been a regional manager for Knight Industriteknik AB, Deputy CEO of the Lesjöfors Group, and CEO and owner of Projektledarna. Previous board assignments include various companies in the UK, Norway, Denmark, Finland and Sweden.

IAN HARDY
Sales Director

Ian Hardy has 30 years of international experience in senior roles within the steel industry. His roles have included being CEO of Spartan UK in England. He has also been CEO of Outokumpu Plate Service Center Group, with six steel service centers in Europe.

JOHAN BJÖRKLUND
CFO

Johan Björklund is CFO of the Proplate Group. He started at the company in 2009 as CFO of Oxelösund AB. Johan has prior experience as chief financial officer at companies like the Swedish building materials group Elof Hansson Bygg-Gross, where he also held several Board positions in the Group's subsidiaries.

PROPLATE OXELÖSUND AB MANAGEMENT

FREDRIK DÖRING
Site & Production Manager

Proplate's production plant has expanded significantly and offers extensive capacity in cutting, machining, welding and painting.

HENRIK NORDLÖF
IT Manager

IT is an important part of Proplate's strategy of becoming a close partner with customers. Our motto "On the Cutting Edge" applies here just as it does in other parts of the business.

JOHAN SVENSSON
Manager of Sales & Operations Planning

The planning department is central to our organization. It guarantees good daily communication with our customers and efficient planned production with short lead times.

PAULA ROCKLIND
Accounting Manager

To guarantee continued financial stability, a strong accounting body is important. Similarly, we are keen to always meet the expectations placed on us in relation to customers, suppliers and authorities, as well as other stakeholders.

ONE OF THE WORLD'S MOST
MODERN CUTTING AND
MACHINING PLANTS

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