

Power Tools

The present company manufactures tools and steel parts of all kinds, including professional tools, as well as components for agricultural and transport machines and sells these partly under their own name, but also under the names of many, if not all well-known manufacturers.

1. *The current situation:*

The power tool market, especially cordless, Li-Ion battery operated tools in the industrial and professional field, is steadily growing, from 2010 to 2015 by as much as 38%. Due to their heavy use, tools usually have a rather short life, which means that they can be considered as consumer goods. The company serves this sector and supplies high-quality equipment that can withstand professional demands, but can also meet high demands in new areas of the steel part industry. Through own product development and the broad range of the company, its products can be set off well. To meet the increased demand for battery-powered products, investments have recently been made for € 10 million. The distribution, mostly in the specialized trade, goes far beyond the European borders. It includes Russia, Africa, the Middle East and Southeast Asia. But also, well-known manufacturers have their equipment produced by the company and then sell it under their own name.

2. *The market and the business model:*

The European market for high performance tools is constantly growing. Considering the demand for wireless tools, it can be noted that the shares have risen from 15% in 2010 to 53% in 2015. The professional market alone has a total size of € 6 billion, and the trend is rising.

It mainly serves the professional market, but by manufacturing the equipment for other manufacturers, the sale into private hands is also guaranteed. The company's own product development and production allow to respond quickly and to score points with a delivery time of only 4 days within Europe. This is a distinct advantage over Asian competition, along with lower production costs.

An experienced and proven team ensures a speedy and high-quality production. The ISO / IEC certification according to 17025, ISO 9001 is already available.

The company has been on the market for over 50 years and has the expertise and enough customers to continuing to grow. Solely the number of orders for cordless tools has risen by 30% in recent years, accounting for 40% of total sales. Well-known manufacturers are supplied by the company and its operation and factory areas are constantly enlarged.

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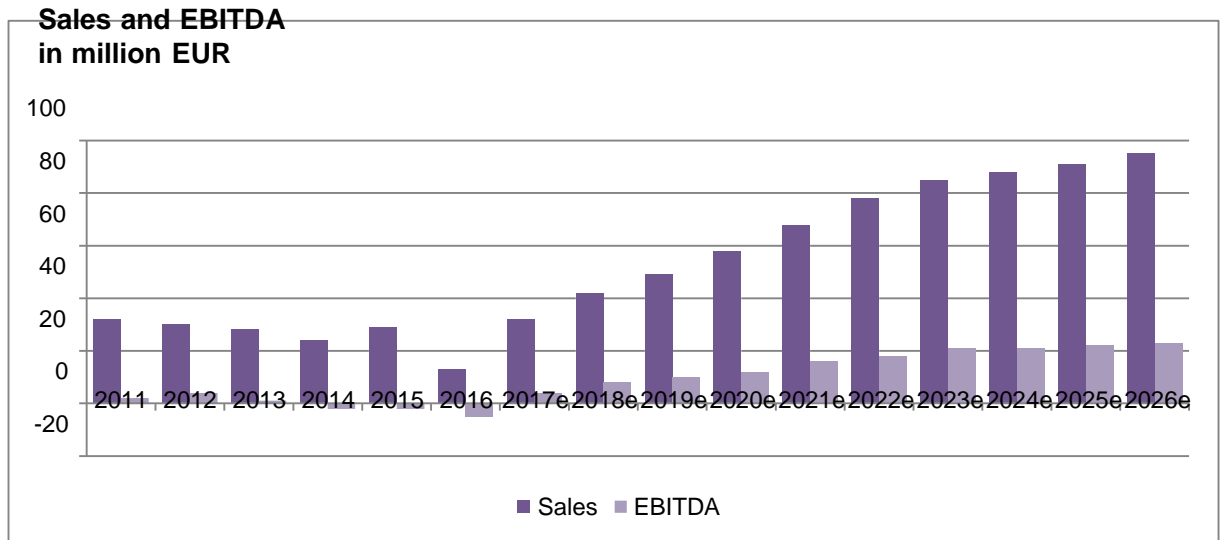


Figure 1 shows the outlook of the power tool division.

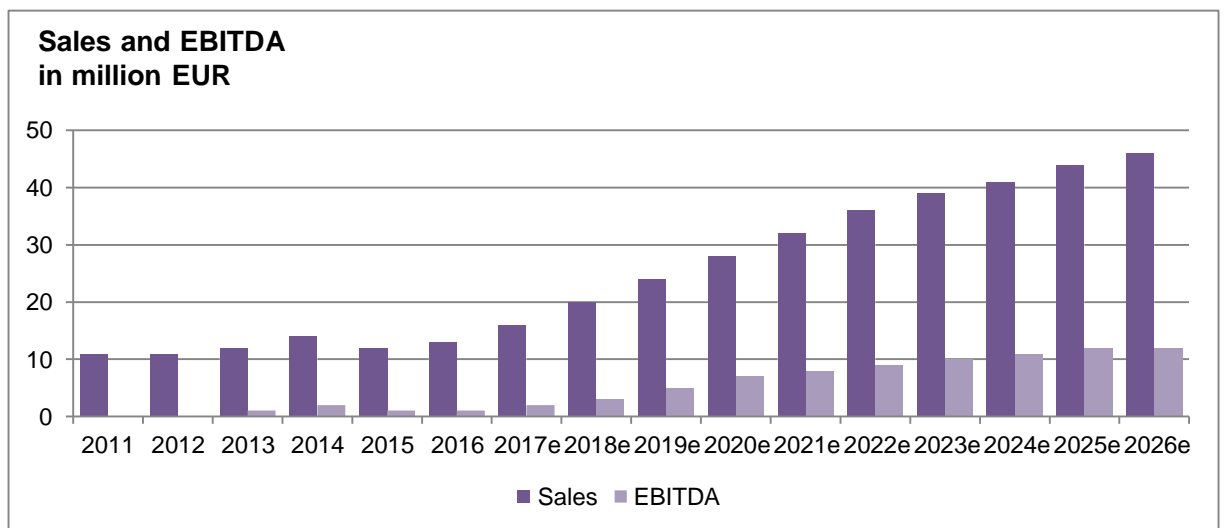


Figure 2 shows the outlook in the steel parts business.

3. Which financing is needed?

13.3-15 million Euro will be needed to refinance existing loans and buy parts. This can increase production, conquer new markets and create new jobs.

4. What vision does the company have?

The proportion of Li-Ion cordless tools is expected to rise to 50% of total production within the next 3-5 years. The company intends to create 300 new jobs within the next 18 months in order to meet the increased demand. In parallel, the cabled Power Tools sale in China is expected to begin within the next 1-2 years, and the sale of wireless power tools in the US and Canada will be launched and expanded within the next 3-5 years. Also, the steel parts division is to be expanded. By awarding certificates in this area, the company has the opportunity to build parts for the railway industry. Due to the full order books, nothing stands in the way of further growth.

NRG AG



Project Management

www.nrg-ag.li

mail@nrg-ag.li

NRG AG

Aubündt 36 - 9490 Vaduz - LI

Phone: +423 231 2322 - Fax: +423 236 51 91