

Presentation

Company

Grand Engineering

Petra Kocica bb.
Serbia, 19210 Bor



Dragan Laban
Chief Development Officer
Mob. phone: +381 62 28 96 18
Email: dragan@laban.rs

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1. About Grand Engineering

History of Establishment

The history of the company begins in 1990, when the owner and general director Dragan Zivkovic left the company he had been working for and opened his own small copper processing factory. The previous company, a conservative substructure of the then-giant RTB Bor, did not appreciate the innovative ideas of the young engineer, which motivated Mr. Zivkovic to strike out on his own. Bor is a copper town, one of the most famous on the Balkans, so choosing copper processing was a logical solution.

Over its 34 years of existence, the production capacities have grown from a single machine with about 900 tons annually to around 12,000 tons of annual capacity:

The factory is located on two sites and has about 18,000 square meters of production and warehouse space. The company operates both in the domestic market and in foreign markets: Bosnia and Herzegovina, Macedonia, Bulgaria, Romania, the Russian Federation, Belarus, Kazakhstan...

Development Plans

In the past few years, we have become one of the leaders in the Balkans. This is a logical result of our continuous efforts to improve existing technologies, employ various innovations, use high-quality and readily available raw materials, and maintain and regularly update relatively new equipment. Each of our products undergoes strict quality control conducted by our qualified specialists.

Due to the increased demand for our products, mainly from abroad, a decision was made at the end of last year to expand production capacities and build several new facilities and a modern foundry. All of this will impact the production costs, thus creating a need to attract new investments.

European business catalog

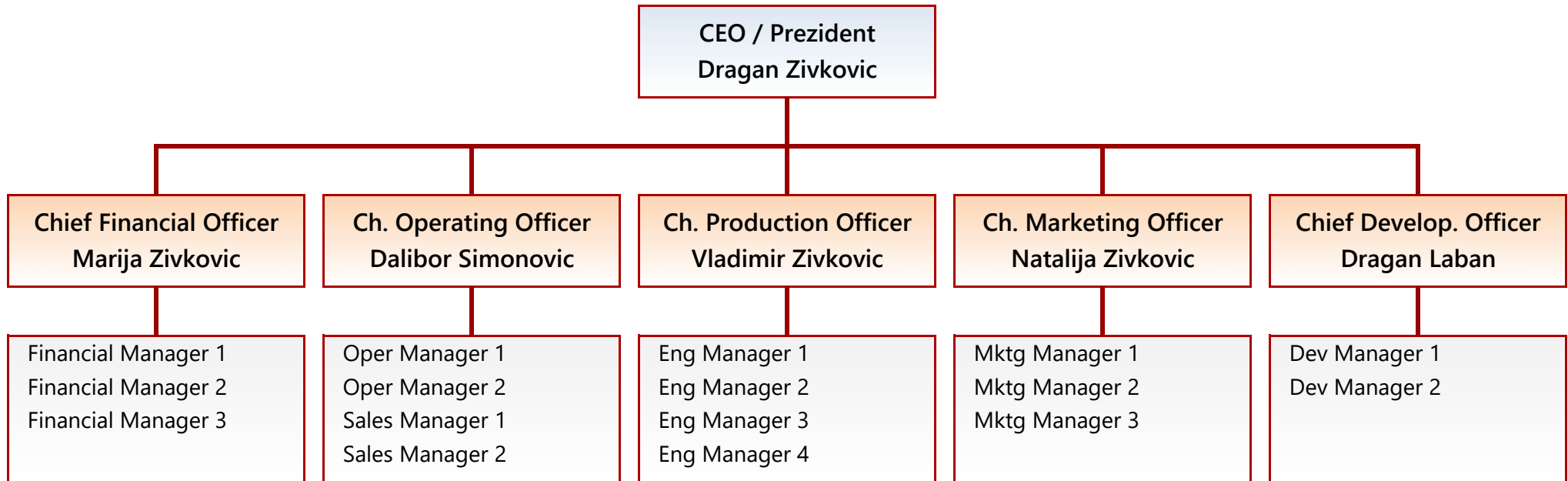
Grand Engineering in the European Business Catalog:

<https://www.biznisgroup.com/Usluge/bakarna-zica-i-bakar-bor-grand-d-inzenjering/>

The factory entrance



Company Organizational Structures



Workforce

There are about 50 workers directly involved in production and 25 employees performing administrative and managerial tasks in the factory.

Most of our employees have been working in the factory for over 10 years.

Co Data: Street Petra Kochicha BB, 19210 Bor, Serbia
Phone: +381 30 45 76 20, E-Mail: office@grandcopper.com

Office buildings



2. Production

Over its 34 years of existence, production capacities have grown from a single machine with about 900 tons annually to the following annual capacities:

- 12,000 tons of copper processing into copper wire (from 8 mm to 20 mm),
- 6,000 tons of copper wires (from 0.25 mm to 70 mm),
- 3,000 tons of flexible ropes (from 10 mm to 50 mm),
- 2,500 tons of copper profiles and bars from 2.5 mm to 2,000 mm,
- 6,000 tons of cables, mainly manufactured according to VDE standards (H07V-U, NYM, NYY, NAYY, N2XH, H03VV-F, H05VV-F, H07V-K, NFA2X, H1Z2Z2-K — solar cable).

All production is certified by IQNET, ISO, IMQ Group, and others...

Oxygen-Free Copper Wire

Thanks to our vast experience, technological knowledge, high-quality raw materials, and quality equipment, we are capable of producing oxygen-free wire according to ASTM B170, ASTM B49 and EN 1977 standards (types C10100 and C10200). This is copper with a purity of 99.99% and 0.0005% oxygen content (5 ppm). It's a premium product in our field, characterized by high ductility, low resistance, perfect insulation characteristics and maximum resistance to corrosion. This is a commodity that we mainly supply to the Russian Federation.

We are almost sure that our Company is the only one in the Balkans and possibly beyond, which is able to produce this kind of high-quality copper (UNS C10100).

Competitors

To have a closed full production cycle from raw materials to the final product is quite impressive and undoubtedly sets our company apart from many competitors. Being able to produce all the necessary raw materials for cable manufacturing internally is a significant advantage. It's no wonder that many competitors have become our partners at the same time, as we supply them with high-quality repromaterials. Partnerships like these, with companies such as TF KABLE — Zajecar, TKT — Cable Factory Tomislavgrad and others, undoubtedly strengthen both our position in the market and in the overall industry.

Delivery Geography

Balkans and Former Yugoslavia



3. Market of Copper Wire and Cables Worldwide

Application

Building and Construction: residential, commercial, and industrial construction projects. Power Distribution: transmitting electrical power from generation sources to distribution points. Telecommunication: transmitting voice and data in telecommunication networks. Automotive: electrical systems, including lighting, power distribution, and communication. Oil and Gas: the oil and gas industry for power and control applications. Renewable Energy: solar and wind energy systems for power transmission.

World Market

Copper Wire and Cable Market size was valued at USD 200.19 Billion in 2023 and is projected to reach USD 317.66 Billion by 2030. According to various public sources, CAGR should be from 5.8% up to 8.1% during the forecast period 2023-2033 (2024-2030).

European Market

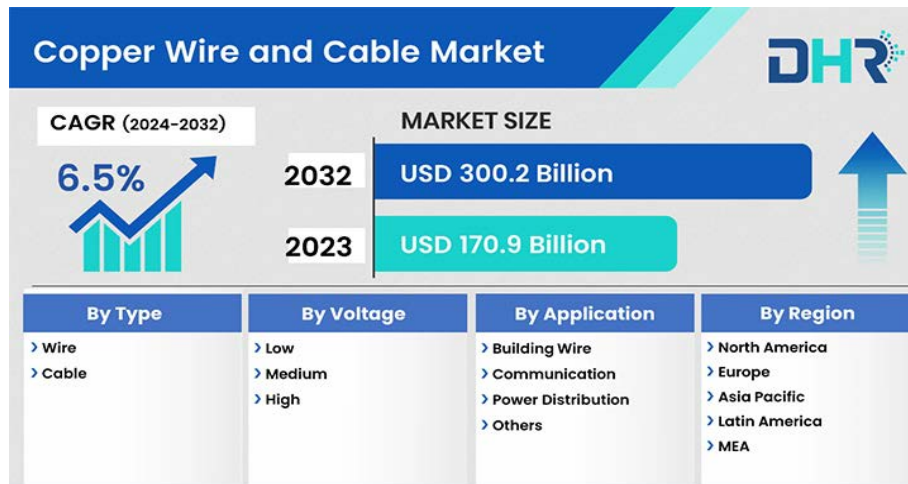
In Europe, Wire and Cable Market size was valued at USD 30.0 billion in 2022 and is poised to grow from USD 31.80 billion in 2022 to USD 50.68 billion by 2031, growing at a CAGR of 6.0% in the forecast period (2024-2031).

This growth is primarily attributed to the rising infrastructure development projects, technological advancements, and the need for efficient energy transmission and data communication. Additionally, the

transition toward renewable energy sources and the expansion of electric vehicle charging infrastructure are contributing to the market's expansion.

Overall, the European wire and cable market is poised for continued growth in the foreseeable future.

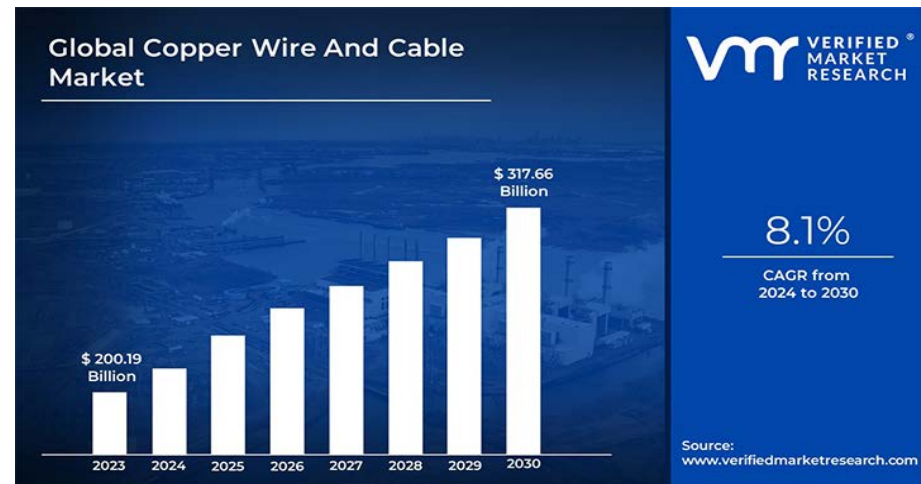
2023 — 2032



DHR

<https://datahorizonresearch.com/copper-wire-and-cable-market-2833>

2023 — 2030



VMR

<https://www.verifiedmarketresearch.com/product/copper-wire-and-cable-market/>

4. Goods Turnover

Conditions for the Accounting Period

The annual average price of copper for the period 2021-2023 was as follows: 2021: \$9,314, 2022: \$8,814, 2023: \$8,483 (all prices are in US dollars per metric ton from the London Metal Exchange — Copper, Grade A spot price).

The USD to EUR exchange rates were: 2021: 1.18, 2022: 1.05, 2023: 1.08. Thus, the prices in euros were: 2021: €7,872, 2022: €8,364, 2023: €7,838 per metric ton of Copper Grade A. The dinar to euro exchange rate has been very stable, around 117 dinars per euro.

In the financial reports of Grand Engineering (which follow), the continuous growth of the business is clearly visible and it is evident that this growth is not related to the prices of copper on the London Metal Exchange. In 2023, a record growth in all indicators was recorded despite the relatively low price of copper that year. Our customers have been loyal partners for many years. The placement of our goods increases year by year, which led to the decision to expand production.

Turnover for the Period from 2021 to 2023

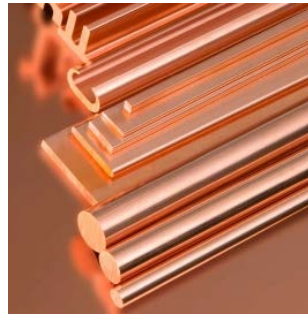
The turnover for three key product categories is shown below: copper wire (from 8 mm to 20 mm) from which all other wires, strands, and ropes are made, copper profiles and bars, and cables made according to VDE standards.

<i>Product description</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Copper wire (from 8 mm to 20 mm)	7.000 t.	8.400 t.	9.500 t.
Copper profiles and bars	1.000 t.	1.000 t.	1.000 t.
Cables	3.000 t.	3.100 t.	3.300 t.

Wire



Profiles



Cables



Copper Wire ready for delivery





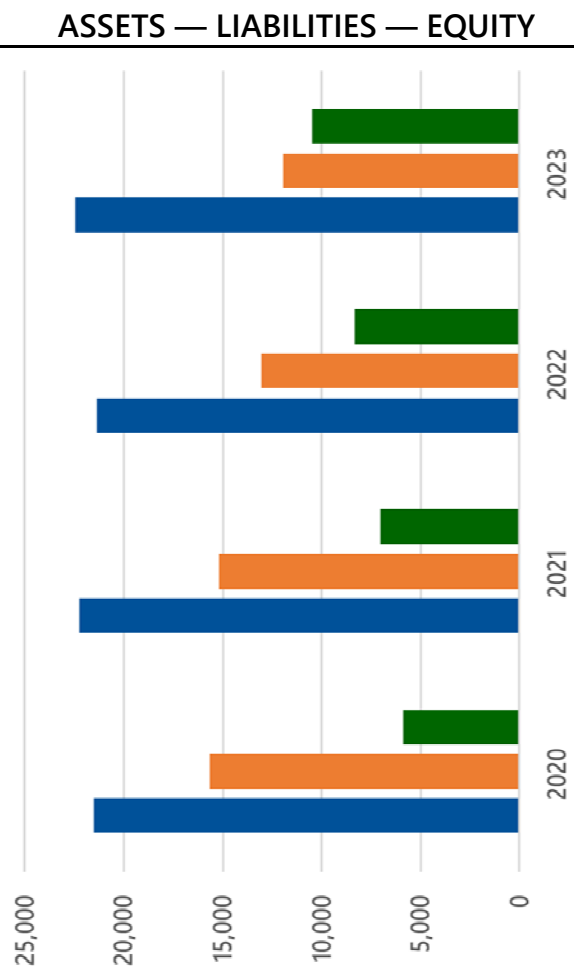
GE Balance Sheet — 2020–23

Description. In thousands EUR.	2020	2021	2022	2023
ASSETS				
Cash in Banks	43	95	374	367
Short terms receivables TP	5,107	6,254	3,746	6,809
Work in Progress	3,161	3,406	6,329	3,819
Ready Goods	435	435	436	437
Long term Financial Investments	3,533	3,215	2,006	1,747
Property, Plant and Equipment	5,871	5,488	6,155	6,971
Intangible Assets	-	-	7	7
Investments in Subsidiary	3,341	3,341	2,291	2,295
TOTAL ASSETS	21,492	22,235	21,343	22,451
LIABILITIES	-	-	-	-
Short term Liabilities	4,267	3,692	3,455	3,422
Long term Liabilities	11,176	11,346	9,432	8,429
Diferred Tax and Claims	193	173	144	115
TOTAL LIABILITIES	15,636	15,212	13,032	11,966
EQUITY	-	-	-	-
Capital	1,320	1,320	1,322	1,324
Retained Earnings	4,535	5,703	6,990	9,162
TOTAL EQUITY	5,856	7,023	8,312	10,485
TOTAL SHAREHOLDER'S EQUITY AND	21,492	22,235	21,343	22,451

Graphical data 2020 – 2023

Legend

- — Assets
- — Liabilities
- — Equity

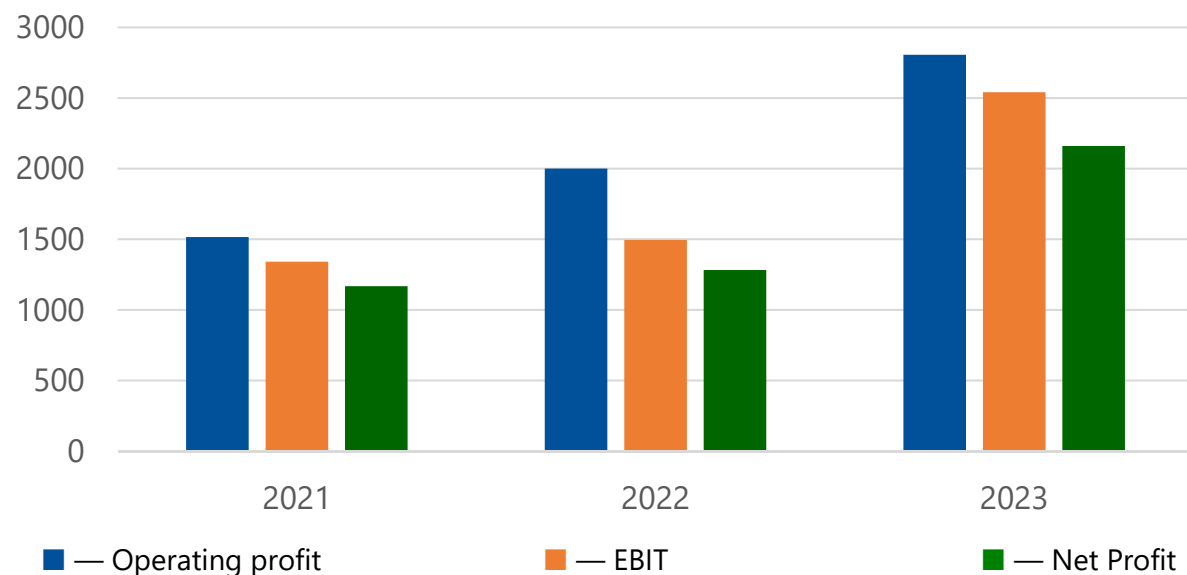




GE Profit & Loss Statement — 2021–23

Description. In thousands EUR.	2021	2022	2023	CAGR
Revenue	-	96,576	134,012	18.66%
Cost of Goods Sold	-77,949	-94,118	-130,713	
Expenses	-522	-458	-494	
Operating profit	-78,472	2,000	2,805	22.69%
Financial Income & Expenses	-84	-49	-167	
Amortisation & Depreciation	-784	-837	-963	
Re-evaluation of Goods in Stock	695	381	864	
Earnings before Taxes	-78,645	1,495	2,540	23.61%
Taxes	-174	-214	-381	
Net Profit	-78,819	1,282	2,159	22.64%

OPERATING PROFIT — EBIT — NET PROFIT

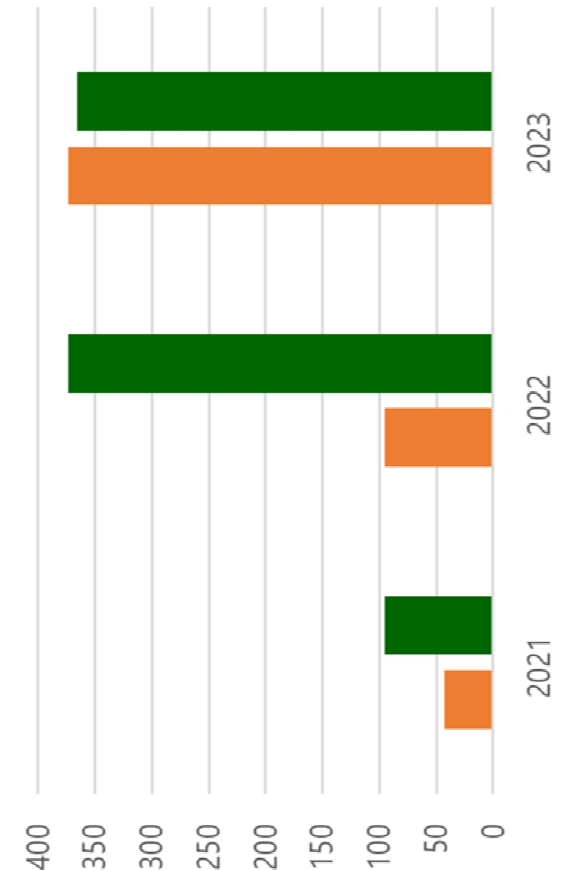




GE Cash Flow — 2021–23

Description. In thousands EUR.	2021	2022	2023
Operating activities			
Cash Flow from Customers			
• Sales	96,782	109,453	158,924
• Suppliers	-98,420	-105,590	-157,344
• Other Income and Expenses	1,770	-2,526	-324
Net Cash Flow from Customers	133	1,337	1,256
• Operating Expenses	-773	-641	-547
• Profit Tax paid	-89	-292	-305
Net Cash Flow from Operating activities	-729	404	404
Financing activities			
• Increasing of liabilities	3,240	1,743	1,880
• Decreasing of liabilities	-2,382	-2,850	-2,154
• Net interest paid	-77	-73	-142
• Net dividends paid	-	-	-
Net cash flow from Financing activities	781	-1,180	-417
Investing activities			
• CapEx	-	-	-
• Investments in Subsidiary	-	-	-
• Sale/Purchase of Shares	-	1,053	-
Net Cash Flow from Investing activities	-	1,053	-
Net Cash Flow	52	277	-12
Cash in bank, BOP	43	96	374
Cash in bank, EOP	95	374	367
Exchange Gain/Losses	1	1	4

Cash in bank: BOP — EOP



■ — Cash in bank, BOP
■ — Cash in bank, EOP

Conclusion

Grand Engineering is interested in expanding its business, particularly in the production and distribution of its products. In the near future, we plan to strengthen exports to Western European countries (Germany, Austria, the Benelux countries, Scandinavia, etc.) as well as neighboring countries: Bulgaria, Romania, Hungary, and the former republics of the SFRY.

We are also interested in expanding cooperation with countries of the former Soviet Union: Belarus, the Russian Federation, Kazakhstan, Azerbaijan, etc.

This presentation has been prepared with the aim of finding partners in the financial sector, as well as new specialized partners, specifically copper processing companies and cable-conductor consumers.

Sincerely,

Dragan Laban

In Bor, May 29, 2024.

Grand Engineering

Petra Kocica bb

19210 Bor, Republic of Serbia

Tel.: +381 30 45 76 20

Email: office@granddcopper.com

Website: <http://granddcopper.com/>

The Coat of Arms of the city of Bor

