# STRATEGIC OBJECTIVES AND THE REVENUE AND EXPENDITURE BUDGET FOR 2026

## A. Strategic and Business Objectives 2026

**Strategic Objective:**

Achieving profit for shareholders by increasing turnover and improving operational efficiency.

**Action plan:**

- Expand the company's visibility both on the local market and internationally by participating in national and international industry events.
- Implement an integrated and efficient marketing strategy through sustained campaigns promoting the company and its products across all available channels, including social media platforms.
- Expand the sales network by opening two new product distribution channels:
  - Domestic distributors for PREMIUM products;
  - Foreign distributors for the entire product range.
- Define a product portfolio adapted to current market demands, including both in-house products and products distributed through the Mecanica Ceahlau network.
- Introduce into series production the new products designed in 2005: sprayers, heavy machinery for strip-till soil processing, and seeders for row crops adapted for No-Till systems.
- Create a PREMIUM product category differentiated from current products through superior raw materials, materials used, color, and manufacturing quality.
- Adapt the entire range of in-house produced equipment to intelligent work systems (precision agriculture), with optional equipment including ISOBUS systems and various devices for monitoring operating parameters.
- Maintain in Mecanica Ceahlau's distributed product portfolio the two current tractor brands (Steyr and Basak), especially in the context of a possible implementation of the National Tractor and Self-Propelled Agricultural Machinery Renewal Program.
- Strengthen existing external partnerships (Basak – Turkey, Stoll – Germany, Bgroup – Italy, OFAS Spa – Italy, Kayhan Ertuğrul – Turkey, Bondioli & Pavesi – Italy, SIME – Italy, COMER Industries – Italy, Romsan – Turkey, etc.) and establish new partnerships with international suppliers of products, services, and raw materials.
- Ensure continuous improvement of production processes and maintain a high quality standard for all machinery manufactured by Mecanica Ceahlau.

▪ Constant cost control in both production and operations to maintain product profit margins. Ensure sufficient cash flow for financing the company's ongoing activities.

▪ Maintain a constant commitment to developing an agile organization that responds proactively and efficiently to the continuously changing demands of the agribusiness sector.

▪ Ensure compliance with all institutional and operational procedures, with flexibility in developing them according to the organization's evolving needs.

**B. Investment program**

The investment program planned for 2026 total of €346.000, financed through own resources or bank loans/leasing;

The objectives included in the 2026 Investment Program aim at:

▪ Retooling:

- Welding robots;
- Modernizing the electrostatic painting installation;
- Rehabilitation/modernization of the medium-voltage electrical station PT3;
- Tools and fixtures required for in-house production.

▪ Expansion/modernization of the exhaust system (burned gases) in the welding workshop.

▪ Retooling (new equipment): spot welding machine; machining equipment.

▪ Modernization of the medium-voltage electrical station.

▪ Replacement of physically worn vehicles used by sales and service teams.

▪ Partial rehabilitation of a production hall.

▪ Opening a new showroom.

**C. Revenue and Expenditure Budget for 2026**

The company's operation based on the continuity principle, together with the alignment of short-term and long-term objectives, has determined that the foundation of the 2026 Revenue and Expenditure Budget be based on the following working assumptions:

▪ trends in the agricultural machinery and equipment market;

▪ distribution of complementary products;

▪ forecasts considered for the year 2026.

| Lei milions | Estimated 2025 | Budgeted 2026 |
|---|---|---|
| **Total revenues** | **21,59** | **34,62** |
| **Operating revenues** | **21,55** | **34,58** |
| **Financial revenues** | **0,04** | **0,04** |
| **Revenues/expenses related to inventories of finished products** | **(4,57)** | **(2,79)** |
| **Total expenses** | **(22,72)** | **(31,78)** |
| **Operating expenses, of which:** | **(22,02)** | **(31,02)** |
| * Expenses for raw materials and materials | (4,16) | (6,61) |
| * Cost of goods sold | (5,69) | (10,50) |
| * Expenses for salaries, allowances, and similar items | (7,26) | (8,31) |
| * Expenses for external services | (2,71) | (2,92) |
| * Expenses for taxes, duties, and related payments | (0,17) | (0,18) |
| * Net expenses with impairment adjustments of assets | (0,10) | (0,38) |
| * Other operating expenses | (1,93) | (2,12) |
| **Financial expenses** | **(0,70)** | **(0,76)** |
| **Gross result** | **(5,70)** | **0,05** |
| Income tax | (0,25) | (0,15) |
| **Net profit / (Net loss)** | **(5,95)** | **(0,10)** |

Key performance indicators from the Revenue and Expenditure Budget for 2026:

(lei milions)

- Turnover 34,47
- Total revenues 34,62
- Total expenses (31,78)
- Net profit (loss) (0,10)

**Draft Resolution**

**Article 1.** The main directions of activity and the Revenue and Expenditure Budget for the year 2025 are hereby approved, with the following key indicators:

| | (lei milions) |
|---|---|
| • Turnover | 34,47 |
| • Total revenues | 34,62 |
| • Total expenses | (31,78) |
| • Net profit (loss) | (0,10) |

**BOARD OF DIRECTORS,**

**CHAIRMAN**

Aurelian Mirea Radu Trifa