



### **1. What is the degree of utilization of production capacities?**

Romcarbon has different production lines for different products. For some products, the utilization of each production line is also influenced by the seasonality demand. Overall, for most of the production line is close to full utilization. For some production lines, however, it could be around 70% when it's low season.

#### **What conditions are necessary for its possible growth?**

The need to increase the production capacity is given by the existence of a growing demand on the market for certain products. In this sense, we are planning investments in the recycled Polymers & Compounds sector and in Processed Polystyrene. Also the stability of man power is important to secure the production activity.

### **2. What is the average degree of physical and moral wear and tear of the means of production?**

If we use the accounting principle to calculate the depreciation, as whole the equipment has passed 2/3 of its lifetime. But there is big variation among different machines and equipment. Some new equipment are just over one year, while some old equipment are over 20 years and still in good function.

#### **What investments in re-technology are needed in the near future?**

We will focus on the investment related to circular economy and better energy efficiency.

### **3. Are the receivables insured? In what percentage?**

Yes, all receivables with payment at certain maturity that meet the admissibility criteria are insured, except for receivables in relation to group companies, public institutions and natural persons.

### **4. Are you able to transfer the increase in the cost of raw materials to the price? Are you able to maintain your gross margin?**

It all depends on the products and market demand. To certain extent, we are able to adjust the selling price according to raw material cost. But our priority is cost down and advance purchasing plan so that we can remain competitive in the market. Judging from the financial result, we do good in keeping our gross margin with combine efforts then just transfer the raw material cost to our clients.

### **5. Do you plan an extensive development policy, M&A?**

At this moment we have no expansion plans through acquisitions and mergers. Instead, we will focus on expanding our own capacity and re-technology for improving the production efficiency.

### **6. How do you see the future of the industry? How much do green policies affect you?**

The future of the industry is to go greener and improve its energy efficiency. The green policy does affect our business but more in positive way. Having rich experience in circular economy, we know better how to put it in practice. As matter of the fact, Romcarbon's recycled polymers & compounds business have significant growth in recent years. And we are trying to extend our knowledge in plastic recycle to the conventional plastic processing business. The target is to introduce more recycled polymer into our plastic processing activity.

### **Is re-directing the sale of PS disposable catering tray production to foreign markets just a temporary solution?**

Regarding the PS disposable catering trays, indeed redirecting the sale to foreign markets is not the long term solution, though it helps to cover the free capacity after the interdiction to sell PS disposable catering trays on EU markets. Currently we are developing the other product to replace this business line. The good news is the new product will be still produced by the same production line with extra investment in production facility.