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## **Interim report**

Since RIAS A/S' suspension of the expectations for the 2019/20 financial year by company announcement no. 6 dated 26 March 2020, due to COVID-19, we find that the development of the activities in the company's third quarter of the financial year 2019/20 has been above the level of the company's 2018/19. Earnings has also been above the level of last year. RIAS A/S has thus developed more positively than the expected target for the first 9 months of the financial year 2019/20. However, the positive development is based on a very patchy and uneven picture in the business.

As a result of the favorable course of the year, it has not been necessary to apply for assistance through the public aid COVID-19 packages

Domestic demand in the industry has been affected by the COVID-19 crisis, which has led to a decrease in turnover. As a result of the widespread lock-down abroad, the export has also been falling significantly compared to last year.

The product groups for the visual sector are also drawing sharply downwards and this despite a significant and rapidly increasing sales of protective equipment products and Corona guards to the public sector. The development of sales in advertising-based products, on the other hand, has developed very negatively due to a very large drop in demand. This describes the major shifts in this area.

The possibility to meet the very high demand for protective equipment and Corona guards was affected by the fact, that some suppliers had to shut down production over for a period of time as a result of COVID-19 and that, in general, a high European demand for these products was observed, which made it difficult to obtain the quantities requested.

Moreover, the third quarter has been affected by increasing concerns about the impending expiry of the support programs and hence possible negative economic development. This has a high influence on the market and makes the development both domestic and in large parts of Europe very uncertain.

Sales of the company's building and construction products has developed significantly better than expected and at a significantly higher level than the same period in 2018/19.

The large lock-down in Denmark, which was initiated by the government in March, and where a large number of employees were sent home or worked from home, had, together with the fact that the building and DIY shops were still open, given many the opportunities and more time to carry out domestic projects. This development was reinforced by exceptionally good weather during the months in spring.



The building and construction area has also experienced major difficulties in obtaining sufficient supplies of products to keep up with the extraordinarily high demand.

Revenue and earnings in Sweden have developed as expected and at a somewhat higher level than 2018/19. Despite fierce competition in the market, we have managed to raise the profit margin.

The processing area is developing as expected and at a higher level than last year.

Capacity costs are slightly rising, partly due to rising labour costs due to an extra high need for resources to deal specifically with orders for the building and construction area. The increase in exports to Sweden also affects the level of transport costs. A further explanation is the continued investments in the processing area where efforts are being made to expand capacity as well as optimizing processes.

Based on this background, the Board of Directors now expects an EBIT result for the accounting year 2019/20 in the range of DKK 12.0–13.0 million against an EBIT result the previous year of DKK 9.7 million. Due to the continuing high uncertainties, the board finds it difficult to narrow expectations further.

Kind regards

RIAS A/S

A handwritten signature in blue ink, appearing to be "Henning Hess".

Henning Hess