



RIAS

**ANNUAL FINANCIAL
ACCOUNT STATEMENT
2017/18**

Announcement of full-year results 2017/18

NASDAQ Copenhagen A/S
Post Box 1040
1007 Copenhagen K
Denmark

12. December 2018

ANNOUNCEMENT OF FULL-YEAR RESULTS FOR THE FINANCIAL YEAR 2017/18

The Board of RIAS A/S has today considered and approved the annual report for 2017/18, which includes the following information:

- Turnover was DKK 275 million, which is an increase of DKK 10.6 million, showing growth in both the building division and the industry division.
- The balance sheet reflects a stable gross contribution margin despite increases in raw material costs and intensified competition.
- Profit before tax was DKK 8.6 million, compared with DKK 8.0 million the previous year.
- EBIT guidance for the financial year 2018/19 is in the range of DKK 8.5 – 10.0 m.

CEO Henning Hess observes in his comments on the balance sheet:

“We can look back on a positive but also unstable year in a highly competitive market.

We respond to increased digitisation and the need to make use of artificial intelligence by upgrading our employees' qualifications. One of the new initiatives we have taken is to link machine data, e-mails and registration of orders with SAP. And close customer relations have been converted into value-creating collaboration on product innovation in the Swedish market.

Investment in the latest technology, combined with solid expertise, enables us to meet the demand for production in the high end of the market, where we now deliver complex solutions with very high precision. Consequently, and despite the pressure on prices, we have both increased our market share and moved higher up the value chain.

The solidarity of the group has strengthened knowledge-sharing and local capacity, so that we have been able to maintain and develop our business momentum.

All this has helped us to raise our top line in the past financial year without compromising earnings.

With regard to the environment, we have continued focus on optimisation, recycling and research into new types of plastic. Our optimisation of re-use continues, and all left-over material from production is collected, so that our exploitation level is now above 90%.”

The annual report for 2017/18 can be read at www.rias.dk from 12 December 2018, and a printed version can also be requested from the head office.

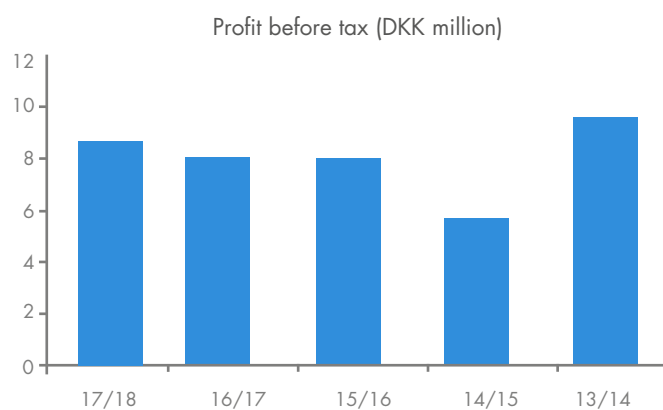
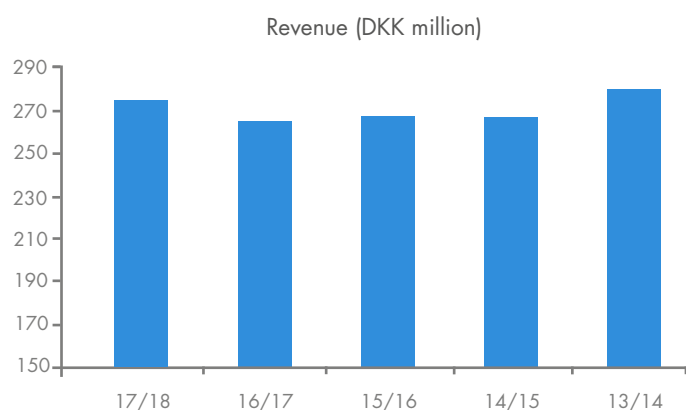
The annual general meeting will be held on Wednesday 23 January 2019, at 1 pm at the company's address in Roskilde.

Management's Review

Financial highlights

	2017/18	2016/17	2015/16	2014/15	2013/14
Income statement (DKK million)					
Revenue	275,0	264,4	266,2	265,8	279,4
Production Costs	191,2	184,4	185,4	185,7	195,7
Gross profit	83,8	80,0	80,8	80,1	83,7
Capacity costs	72,1	68,8	69,3	70,6	69,8
Depreciation and amortisation	2,6	2,8	3,3	3,6	4,2
Profit before financial income and expenses	9,1	8,4	8,2	5,9	9,7
Net financials	-0,5	-0,4	-0,4	-0,3	-0,2
Profit before tax	8,6	8,0	7,9	5,6	9,5
Corporation tax	1,9	1,8	1,7	1,3	2,3
Net profit for the year	6,7	6,2	6,3	4,3	7,2
Balance sheet at 30 September (DKK million)					
Non-current assets	98,5	97,8	100,3	99,5	102,6
Current assets	110,0	108,6	108,8	101,5	103,0
Assets	208,5	206,4	209,1	201,0	205,6
Equity	166,1	164,1	162,5	160,5	160,7
Deferred tax	9,3	9,3	9,4	9,7	10,0
Short-term liabilities	33,1	33,0	37,2	30,8	34,9
Liabilities and equity	208,5	206,4	209,1	201,0	205,6
Cash flows (DKK million)					
Cash flows from operating activities	7,2	9,9	15,8	3,7	4,3
Cash flows from investing activities	-4,1	-1,2	-4,7	-0,8	-1,8
Including investments in property, plant and equipment of	-4,1	-1,2	-4,7	-0,5	-1,9
Cash flows from financing activities	-4,6	-4,6	-4,2	-4,6	-4,6
Total cash flows	-1,5	4,1	6,9	-1,7	-2,1
Average number of fulltime employees	102	96	93	95	90

* Capacity costs include distribution and administrative expenses.



Management's Review

Ratios

	2017/18	2016/17	2015/16	2014/15	2013/14
Gross margin					
Gross margin	31%	30%	30%	30%	30%
Profit margin	3%	3%	3%	2%	3%
Return on assets	5%	5%	5%	3%	5%
Profit per DKK 100 share	29	27	27	20	31
Dividend per DKK 100 share	25	20	20	18	20
Equity value per DKK 100 share	721	711	705	697	697
Return on equity before tax	5%	5%	5%	4%	6%
Return on equity after tax	4%	4%	4%	3%	4%
Solvency ratio	80%	80%	78%	80%	78%
Market price per DKK 100 share at 30 September	448	430	390	460	503

The ratios have been calculated in accordance with the "Recommendations and Ratios 2015" issued by the Finansforeningens "Anbefalinger og nøgletal 2015" expect for profit per share which has been calculated in accordance with IAS 33.

Definition of financial ratios:

Gross margin is calculated as gross profit in percentage of revenue.

Profit margin is calculated as profit before financials in percentage of revenue.

Return on assets is calculated as profit before financials in percentage of average operating assets for the year, ie of total assets less cash at bank and in hand and fixed asset investments.

Profit per DKK 100 share is calculated as profit for the year divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

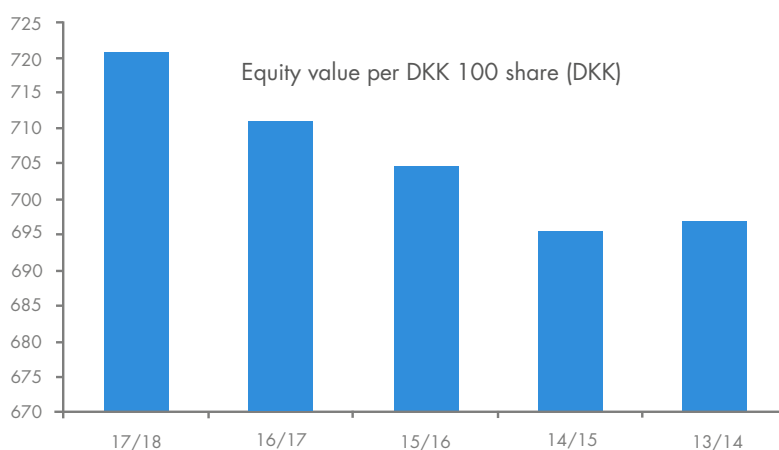
Dividend per DKK 100 share is calculated as dividend divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

Equity value per DKK 100 share is calculated as equity at 30 September divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

Return on equity before tax is calculated as profit before tax in percentage of average equity for the year.

Return on equity after tax is calculated as net profit for the year in percentage of average equity for the year.

The solvency ratio is calculated as equity at 30 September in percentage of total assets at 30 September.



Management's Review

Review

Mission

RIAS A/S's mission is to provide high-quality plastic materials and processing of these in Scandinavia.

The Company operates within two product areas:

- Sale, processing and distribution of semi-finished plastic products for all sectors of the building and construction industry.
- Sale processing and distribution of semi-finished plastic products for industry and the public sector.

Long-term objectives

RIAS A/S's long-term objectives are to increase the market value through organic growth and to give the shareholders a competitive return on their invested capital.

It is the Company's ambition to maintain its position as Denmark's largest supplier of semi-finished plastic products.

A summary of our expectations for 2017/18 published in the Annual Report for 2016/17 shows that the Company has met the announced earnings expectations relating to EBIT in the range of DKK 7.5 - 9.5 million. This should not least be seen in the light of the very competitive market and, thus, increasing pressure from competitors.

Expectations for 2018/19

In the financial year 2018/19, we will continue to concentrate on optimising the organisation and increasing growth in market shares and earnings. On this basis, the Board of Directors expects EBIT for 2018/19 to be in the range of DKK 8.5 - 10.0 million.

Special risks

Operating risks

Unforeseen price fluctuations and the loss of trading with major customers might affect the Company negatively compared to the earnings expectations; however, these are common risks in a commercial enterprise.

Financial risks

The Company does not speculate in financial risks, and thus the Company's risk management is only directed towards control of financial risks that are a direct result of RIAS A/S's operations and financing. The Company has no derivative financial instruments.

Interest rate risks

The Company does not take any interest rate positions to hedge interest rate risks as moderate changes in the interest rate level will not have any material effect on earnings.

Credit risks

The Company's credit risks relate to trade receivables.

It is the Company's policy to take out credit insurance in respect of trade receivables to the extent possible. Trade receivables are assessed on a current basis, and provisions for bad debts are made to the extent necessary. The Company's banks are Dansk Bank and Handelsbanken, and the Company has deposits exceeding the deposit guarantee provided by the State.

Foreign exchange risks

The Company is only to a limited extent affected by exchange rate developments. Nearly all trading is effected in DKK, SEK or EUR.

As the foreign exchange risk as regards DKK/EUR is considered very small, the Company does not hedge its net debt in EUR. The Company also has purchases and sales in SEK, and these transactions are affected by the SEK exchange rate.

Management considers the risk in this respect to be minimal as the number of transactions in SEK is limited and does not justify hedging of future purchases and sales in SEK. Management is monitoring the development in the exchange rate closely.

Liquidity risks

The Company only has debt that falls due within one year; see the balance sheet. The amount payable, DKK 33.1 million, can be fully covered by payments from trade receivables and bank deposits.

Intellectual capital resources

The Company has specific knowledge and skills within the trading in semi-finished plastic products as well as processing knowledge.

The Company has focus on attracting, retaining and developing highly educated and motivated employees who may contribute to securing one of the Company's core values: to provide the best service to the customers.

The Company had an average of 101.5 full-time employees in 2017/18, which is 5 more than in 2016/17. The Company has 103 full-time employees at 30 September 2018, which is 3 more than at 30 September 2017.

Environmental aspects

The Company endeavours to reduce environmental impact at any time and participates in return schemes through WUPPI, which arranges for recycling of plastic scrap.

The environmental impact is, however, immaterial in itself as the Company's activities mainly comprise the distribution and sale of semi-finished plastic products but not production.

The Company is not involved in any environmental cases.

Research and development activities

The Company has no special research activities, but is developing its business and skills on a current basis.

Incentive schemes

The Company has no incentive schemes.

Management's Review

Financial Review

Income statement

Revenue

Revenue increased by DKK 10,591k from DKK 264,429k in 2016/17 to DKK 275,020k in 2017/18.

Revenue in the Industry Division increased by DKK 3,868k, and revenue in the Building & Construction Division increased by DKK 6,723k in 2017/18.

The positive development in the Industry Division reflects the increasing activity in the industrial sector, including our own processing department; moreover, demand for the technical plastic products has increased slightly.

Sales within the processing area are in line with expectations and contribute positively to our bottom line.

The development in sales of the Company's building and construction products was above expectations; thus, the declining revenue recorded in the first six months has been turned into a positive revenue development. Higher activity is seen with building merchants and DIY chains within the Company's products. However, the earnings margin remains under pressure as a result of the fierce competition.

Gross profit

The gross margin ratio remains unchanged from 2016/17 despite a very competitive market and increasing freight charges.

Distribution and administrative expenses

The expenses have increased by DKK 3,146k from DKK 71,612k in 2016/17 to DKK 74,758k in 2017/18, which is attributable to an increase in employees and trade fair attendance.

Tax on profit for the year

Tax on profit/loss for the year

The effective tax rate for 2017/18 is 22.3%.

Balance Sheet

Intangible assets

Intangible assets have decreased due to amortisation from DKK 56,791k at 30 September 2017 to DKK 56,130k at 30 September 2018. The most material intangible asset is goodwill of DKK 53,085k, which is attributable to the acquisitions of the activities in Rodena A/S and Nordic Plastic A/A. An impairment test has been performed of the goodwill values, which has been detailed in note 10 of the Financial Statements.

Software amounts to DKK 2,382k at 30 September 2018 compared to DKK 3,306k at 30 September 2017.

Property, plant and equipment

Property, plant and equipment increased from DKK 41,063k at 30 September 2017 to DKK 42,373k at 30 September 2018.

Inventories

Inventories decreased by DKK 476k from DKK 26,291k at 30 September 2017 to DKK 25,815k at 30 September 2018. The Company has continuous focus on adjusting inventories to match the current market.

Receivables

Receivables increased by DKK 3,838k from DKK 49,845k at 30 September 2017 to DKK 53,683k at 30 September 2018, which is primarily attributable to higher sales in the Building & Construction Division after the summer period in 2018 compared to last year.

Liabilities

Liabilities remained constant at DKK 42,317k at 30 September 2017 and DKK 42,391k at 30 September 2018.

Cash flows

Operating activities

Cash flows from operating activities decreased by DKK 2,708k from DKK 9,923k in 2016/17 to DKK 7,215k in 2017/18. The cash flow difference is primarily attributable to changes in working capital.

Investing activities

In 2017/18, the Company made various investments in fixtures and fittings, tools and equipment. Cash flows from investing activities increased by DKK 2,974k from last year.

Cash resources

The Company's total cash at bank and in hand has decreased by DKK 1,873k from a balance of DKK 28,658k at 30 September 2017 to a balance of DKK 26,785k at 30 September 2018. Management considers the Company's cash resources adequate.

Management's Review

Shareholder Information and Corporate Governance

Shareholder information

Statutory Statement on Corporate Governance under section 107b of the Danish Financial Statements Act

Company Management believes that corporate governance is a key element and currently seeks to improve the Company's management structure. The overall framework for the Management of RIAS A/S has been planned with a view to ensuring that the Company meets its obligations towards shareholders, customers, employees, authorities and other stakeholders in the best possible way and that long-term value creation is supported.

The Board of Directors of RIAS A/S currently works on ensuring that the Company complies with the policies and procedures laid down by the Committee of Corporate Governance which NASDAQ Copenhagen requires be applied. The Board of Directors discusses how the Company's corporate governance in practice at any time ensures that the management of RIAS A/S meets the highest standard and that the work of the Board of Directors supports the Company's future business potential. Openness is a key factor.

The Board of Directors has chosen to publish the Statutory Statement on Corporate Governance under section 107b of the Danish Financial Statements Act on the Company's website.

Links to the Statutory Statement on Corporate Governance:

Current Statement (2018):
riasnordic.com/cg/2018/

Committee of Corporate Governance:
https://corporategovernance.dk/sites/default/files/media/anbefalinger_for_god_selskabsledelse_2017.pdf

Thus, the Board of Directors' overall position on the recommendations for corporate governance of NASDAQ Copenhagen may be found on RIAS A/S's website. The Statutory Statement on Corporate Governance covers the financial period 1 October 2017 to 30 September 2018 and forms a part of Management's Review.

In this connection, RIAS A/S has chosen to compare the Company's Statutory Statement on Corporate Governance with the recommendations issued by the Committee on 23 November 2017 in order to provide the best possible overview of the recommendations with which RIAS A/S fully

complies and the recommendations which the Company has chosen not to follow or which are still in the implementation process.

Work and responsibilities of the Board of Directors

The work of the Board of Directors has been laid down in rules of procedure which are assessed at least once a year. Thus, RIAS A/S meets the recommendations for members and the rules of procedure to be aligned with the requirements of the Company. The Board of Directors holds meeting four times a year or more frequently, if required. This process ensures that Management is able to react quickly and efficiently to external factors. In the financial year 2017/18, five meetings were held, including the Company's Annual General Meeting.

Composition of the Board of Directors

The Board of Directors consists of six members of whom two are employee representatives. The board members elected at the General Meeting are elected for one year at a time.

The Board of Directors has considered the personal capacity of each board member and finds that they perform their work on the Board of RIAS A/S in an appropriate manner – despite the fact that none of the board members elected at the General Meeting are independent as defined by the recommendations, due to the company's ownership.

Executive Board

The Executive Board is appointed by the Board of Directors, and the Board of Directors determines the employment terms of the Executive Board. The Executive Board is responsible for the day-to-day operation of RIAS A/S, including the Company's development and results of activities and operations as well as internal affairs. The Board of Directors' delegation of responsibilities to the Executive Board has been laid down in the Company's rules of procedure and by the rules of the Danish Companies Act. The Executive Board of RIAS A/S consists of one person.

Remuneration to the Board of Directors and the Executive Board

The Board of Directors has adopted a very simple remuneration policy for both the Board of Directors and the Executive Board. The remuneration policy does not comprise any incentive programmes to the board or other variable components.

The Board of Directors of RIAS A/S is not comprised by any bonus or option schemes. The total annual remuneration to the Board of Directors is approved by the General Meeting in connection with the adoption of the Annual Report.

In 2017/18, the remuneration to the Executive Board consisted of a base salary including the usual benefits such as company car, telephone and yearly bonus. The employment terms of the Executive Board, including remuneration and resignation terms, are considered in accordance with the general standards for such positions.

Audit Committee

The Board of Directors of RIAS A/S also acts as Audit Committee.

The overall purpose of the Audit Committee is to minimise the risk of material misstatement of financial information – internally and externally. In practice, this is done by analysing the internal control environment, financial reporting, audit, accounting policies applied and presentation of interim financial statements and financial statements in general.

The Audit Committee focuses on a continued development of the control environment and a continuous assessment of procedures and financial and accounting issues of material importance to the financial information. The external auditors may be called in to participate in a meeting with the Audit Committee. Four meetings were held in 2017/18.

Statutory Statement on Corporate Social Responsibility under section 99(a) and (b) of the Danish Financial Statements Act

RIAS A/S wants to carry on its activities in a responsible manner and continuously works on creating a linkage between the Company's strategy and responsibility with respect to the society in which the Company operates. For RIAS A/S, the work relating to corporate social responsibility is an ongoing process, and in 2017/18 the Company continued to focus on such work and to structure the required internal processes.

Based on an assessment of materiality, the Company is working on areas such as staff, environment, suppliers and anti-corruption. On the next page, we describe the overall policy for how the policy has been turned into action and, where possible, what has been achieved.

Management's Review

Shareholder Information and Corporate Governance

Social conditions

Securing good social conditions for the employees is a focus area of the Company. Follow-up on sickness absence is made on a monthly basis in order to improve health and safety at work, and the Company is generally working at ensuring an optimum working environment.

In cooperation with a group of employees from different departments, Management is focusing on addressing social conditions and working environment. Knowledge sharing across departments has been in focus during 2017/18.

Environment

The Company's impact on the environment is limited and mainly consists of PVC waste from products and CO₂ consumption related to the Company's buildings. The Company is making a targeted effort to reduce the environmental impact from PVC waste, and the Company cooperates with the Wuppi organisation which collects and disposes of PVC waste in a sustainable way. RIAS's share is included together with other plastic distributors in Denmark. No specific figures per distributor are available and, therefore, we are not able to state any result.

The Company has current focus on reducing energy consumption in inventories, production and administration. Efforts are made to reduce heat consumption by optimising the existing plant. It is, however, not yet possible to measure the effect since the investment is done at year end.

Suppliers and human rights

The Company typically enters into long-term supplier relations, and the suppliers are primarily located in Europe. Apart from financial and quality assessments, the overall assessment of a supplier also includes an assessment of whether the supplier shows general social responsibility, including that the supplier does not use child labour etc. All suppliers are requested to fulfill a Supplier Compliance questionnaire once a year which among other issues includes questions in regards to human rights. In the fiscal year only suppliers who fulfill the requirements has been used.

Anti-corruption

The Company has implemented a whistleblower hotline where employees have the possibility of informing impartial persons in a law firm about breach or suspicion of breach of law, including corruption or cartel formation. The hotline has not received any calls in 2017/18. The management has also not via other ways been informed about issues relating to corruption.

All new employees must conduct an online training in Antitrust and Anti-Corruption within the first 3 months of their employment and all employees are frequently being updated in Antitrust and Anti-Compliance.

In the fiscal year all new employees have conducted the online training and the company has conducted two online compliance training sessions for all employees who could be disposed to corruption or antitrust issues in their daily work. Compliance is also a topic in all board meetings. ry or are aware of such issues.

Policy on gender representation on the Board of Directors and the Executive Board.

The incumbent members of the Board of Directors stand for election every year, and the members are elected based on their combined qualifications. During the year, a woman was elected Chairman of the Board of Directors resulting in a 25% female representation, which is above the specified target of 15%. Thus, equal representation has been achieved in the supreme governing body. At this time, the Board of Directors has four members, three men and one woman who is the Chairman. As the registered Executive Board consists of only one member at present, no target for gender representation has been set for the Executive Board.

It is part of RIAS A/S's staff policy that the female representation in the other management bodies should be increased.

RIAS A/S is making the following efforts to achieve a more equal gender representation in the other management bodies:

- Work towards having a minimum of 25% female managers in the Company within four years. This is pursued by using a recruitment agency to find the most suitable employees and to ensure that prospective candidates include well-qualified women. There have been no changes to the management team during the year; the female representation remains 20% and is thus unchanged from 2016/17 (20%). There has been no need for replacement; consequently, no active efforts have been made to change the gender representation during the year.
- Make the Company attractive to executives of both genders, eg by ensuring a staff policy which promotes the career opportunities of women and men.
- Create a framework for the career development of the individual person through networks with executives in other companies.

Share capital

The Company's share capital of DKK 23,063k is distributed on DKK 3,125k A-shares and DKK 19,938k B-shares.

The A-shares, which are non-negotiable, carry 10 votes per DKK 100 share, see clause 11 of the articles of association. The B-shares, which are negotiable, carry 1 vote per DKK 100 share, see clause 11 of the articles of association.

The B-shares are listed on NASDAQ Copenhagen, and at 30 September 2018 the price corresponding to the market price of the B-shares was DKK 89.3 million.

The Company has more than 200 shareholders registered by name.

The following shareholders have stated that they own 5% or more of the total capital: thyssenkrupp Facilities Service GmbH, Germany, a nominal amount of DKK 3,125,000 A-shares and a nominal amount of DKK 9,363,000 B-shares, corresponding to 54.15% of the total capital. thyssenkrupp Facilities Service GmbH holds 79.34% of the votes.

SmallCap Danmark A/S, a nominal amount of DKK 5,772,800 B-shares, corresponding to 25.03% of the total capital. SmallCap Danmark A/S holds 11.28% of the votes.

The Board of Directors and the Executive Board do not hold any shares in the Company.

"Change of control" clauses

The Company has an agreement with thyssenkrupp about the use of SAP. If the control of the Company changes due to an implemented takeover bid, the Company expects however to be able to reestablish an appropriate new agreement about the use of SAP in such a situation.

In case of a takeover bid, the period of notice will be extended by six months to the Executive Board.

Management's Review

Shareholder Information and Corporate Governance

Amendment of the articles of association

An amendment of the Company's articles of association requires that 2/3 of the share capital is represented at the General Meeting and that the proposed amendment is adopted by both 2/3 of the votes cast and of the share capital represented at the General Meeting.

Annual General Meeting

The Annual General Meeting will be held on 23 January 2019, at 01.00 pm CET, at the Company's address, Industrivej 11, Roskilde, Denmark.

Proposals for the General Meeting:

- The Board of Directors proposes that for the financial year 2017/18 dividend be distributed to the shareholders in the amount of DKK 25 per DKK 100 share of the share capital at 30 September 2018 of DKK 23,063,000, corresponding to a total proposed dividend of DKK 5,765,750.
- The Board of Directors proposes to the General Meeting that the present elected board members be reelected.
- The Board of Directors proposes to the General Meeting that PricewaterhouseCoopers be reelected.

Expected Stock Exchange Announcements in 2018/19

RIAS A/S expects to publish the following Stock Exchange Announcements:

- | | |
|-------------------|--|
| 12 December 2018: | Announcement of financial results 2017/18 |
| 23 January 2019: | Announcement of interim results |
| 23 January 2019: | Annual General Meeting |
| 22 May 2019: | Announcement of results for the first six months |
| 21 August 2019: | Announcement of interim results |

Contact person – Investor relations

Inquiries concerning investor relations and the share market may be directed at:
Henning Hess, CEO
Telephone: +45 46 77 00 00
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Company information

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DK-4000 Roskilde

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Website: www.rias.dk
Email: info@rias.dk
VAT no.: 44065118
Founded: 1 February 1959
Municipality of registered office: Roskilde

Board of Directors

Gudrun Degenhart	(Chairman)
Steen Raagaard Andersen	(Vice-chairman)
Peter Swinkels	(Board Member)
Dieter Wetzel	(Board Member)
June Svendsen	(Employee Representative)
Søren Koustrup	(Employee Representative)

Executive Board

Henning Hess, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Statement of Comprehensive Income

Statement of comprehensive income 1 October to 30 September

Amounts in DKK '000

Note		2017/18	2016/17
3	Revenue	275,020	264,429
	Production Cost	191,133	184,467
	Gross profit	83,887	79,962
4-5	Distribution expenses	58,759	56,674
4-5	Administrative expenses	15,999	14,938
	Profit before financial income and expenses	9,129	8,350
6	Financial income	136	208
7	Financial expenses	675	590
	Profit before tax	8,590	7,968
8	Corporation tax	-1,915	-1,773
	Net profit for the year	6,675	6,195
	Other comprehensive income	0	0
	Total comprehensive income	6,675	6,195
9	Earnings per share		
	Earnings per DKK 100 share	28.94	26.86
	Earnings per DKK 100 share, diluted	28.94	26.86

Balance sheet

Balance sheet assets at 30 September

Amounts in DKK '000

Note		2018	2017
	Assets		
	Non-current assets		
10	Intangible assets		
	Goodwill	53,085	53,085
	Customer relations	338	400
	Software	2,382	3,306
	Assets under construction	325	0
		56,130	56,791
11	Property, plant and equipment		
	Land and buildings	32,037	32,785
	Plant and machinery	7,937	6,034
	Other fixtures and fittings, tools and equipment	2,322	2,244
	Assets under construction	77	0
		42,373	41,063
	Total non-current assets	98,503	97,854
	Current assets		
12	Inventories	25,815	26,291
13	Receivables	53,683	49,845
	Prepayments	3,781	3,783
	Cash at bank and in hand	26,785	28,658
	Total current assets	110,064	108,577
	Total assets	208,567	206,431

Balance sheet

Balance sheet liabilities and equity at 30 September

Amounts in DKK '000

Note		2018	2017
	Liabilities and equity		
14	Equity		
	Share capital	23,063	23,063
	Revaluation reserve	1,898	1,898
	Retained earnings	135,449	134,540
	Proposed dividend	5,766	4,613
	Equity	166,176	164,114
	Liabilities		
	Non-current liabilities		
15	Deferred tax	9,272	9,300
	Total non-current liabilities	9,272	9,300
	Current liabilities		
16	Trade payables and other payables	31,264	31,206
	Corporation tax	1,855	1,811
	Total current liabilities	33,119	33,017
	Total liabilities	42,391	42,317
	Total liabilities and equity	208,567	206,431
17	Contingencies and other financial commitments		
18-23	Other notes		

Statement of Changes in Equity

Amounts in DKK '000

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
2017/18					
Equity at 1 October 2017	23,063	1,898	134,540	4,613	164,114
Change in equity in 2017/18					
Total comprehensive income	0	0	6,675	0	6,675
Dividend paid to shareholders	0	0	0	-4,613	-4,613
Proposed dividend to shareholders	0	0	-5,766	5,766	0
Total changes in equity in 2017/18	0	0	909	1,153	2,062
Equity at 30 September 2017	23,063	1,898	135,449	5,766	166,176
 2016/17					
Equity at 1 October 2016	23,063	1,898	132,958	4,613	162,532
Change in equity in 2016/17					
Total comprehensive income	0	0	6,195	0	6,195
Dividend paid to shareholders	0	0	0	-4,613	-4,613
Proposed dividend to shareholders	0	0	-4,613	4,613	0
Total changes in equity in 2016/17	0	0	1,582	0	1,582
Equity at 30 September 2017	23,063	1,898	134,540	4,613	164,114

Cash flow statement

	Amounts in DKK '000	
	2017/18	2016/17
Net profit for the year	6,675	6,195
Adjustment for non-cash operating items etc:		
Tax on profit for the period	1,915	1,773
Depreciation and amortisation	3,480	3,615
Profit or loss on sale of property, plant and equipment and financial assets	0	0
Financial income	-136	-208
Financial expenses	675	590
Cash flows from operating activities before changes in working capital	12,609	11,965
Changes in inventories	477	2,432
Changes in receivables (and prepayments)	-3,836	1,644
Changes in trade payables and other payables	59	-4,052
Cash flows before financial income and expenses and tax	9,309	11,989
Financial income, paid	65	93
Financial expenses, paid	-259	-203
Corporation tax paid	-1,900	-1,956
Cash flows from operating activities	7,215	9,923
Purchase of intangible assets	-325	0
Sale of intangible assets	0	0
Purchase of property, plant and equipment	-3,805	-1,156
Sale of property, plant and equipment	0	0
Purchase of financial assets	0	0
Cash flows from financing activities	-4,130	-1,156
Cash and cash equivalents at 30 September	-4,613	-4,613
Cash flows from financing activities	-4,613	-4,613
Cash flows for the year	-1,528	4,154
Cash and cash equivalents at 1 October	28,658	24,776
Currency regulation cash	-345	-272
Cash and cash equivalents at 30 September	26,785	28,658

Notes

Note 1. Accounting policies

RIAS A/S is a public limited company registered in Denmark. The Annual Report covers the period 1 October 2017 – 30 September 2018.

The Annual Report of RIAS A/S for 2017/18, which comprises Management's Review and Financial Statements for the period 1 October 2017 – 30 September 2018, is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

On 12 December 2018, the Board of Directors and the Executive Board discussed and adopted the Annual Report of RIAS A/S for 2017/18. The Annual Report will be presented to the shareholders of RIAS A/S for adoption at the Annual General Meeting on 23 January 2019.

Basis of preparation

The Annual Report is presented in DKK rounded off to the nearest DKK 1,000.

The Annual Report is prepared under the historical cost convention.

The accounting policies described below have been applied consistently for the financial year and for the comparative figures.

Description of accounting policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction or at an approximate rate. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the date of contracting the receivable or payable or the rates in the latest Annual Report are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

Income statement

Revenue

The sale of goods for resale and finished goods is recognised in revenue provided that delivery and transfer of risk have been made to the buyer before year end and provided that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and indirect taxes collected on behalf of a third party. All types of discounts provided are recognised in revenue as deductions.

Segment reporting

The Company has one operating segment and carries on activities within two product areas:

- Sale, processing and distribution of semi-finished plastic products to all sectors of the building and construction industry (Building & Construction).
- Sale, processing and distribution of semi-finished plastic products to the industrial and the public sector (Industry).

Based on IFRS 8, "Operating Segments", and internal reporting to Management in connection with its assessment of the profit and financial position of the Company as well as allocation of resources, an operating segment has been identified with functions within sale, processing and distribution of semi-manufactured plastic products. This reflects Management's access to allocating resources and managing the organisation. Revenue is allocated to the product areas Building & Construction and Industry.

Production Costs

Cost of sales comprises costs incurred to achieve revenue for the year. This includes direct and indirect costs for raw materials and consumables.

Distribution expenses

Distribution expenses comprise expenses incurred for the distribution of goods sold during the year and for sales campaigns etc conducted in the year. This includes expenses for sales staff, advertising and fair costs as well as depreciation and impairment losses.

Administrative expenses

Administrative expenses comprise expenses incurred in the year for Management

and administration, including expenses for administrative staff and office premises as well as depreciation and impairment losses. Also provisions for bad debts are included.

Financial income and expenses

Financial income and expenses comprise interest, price/exchange gains and losses as well as impairment of securities, debt and transactions in foreign currencies. Also extra payments and repayments under the on-account taxation scheme are included.

Tax on profit for the year

RIAS A/S is jointly taxed with all Danish companies in the thyssenkrupp Group. The current Danish corporation tax is distributed among the jointly tax companies in proportion to their taxable incomes.

The jointly tax companies are comprised by the joint taxation scheme. See note 23.

The tax for the year consists of current tax and movements in deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax directly relating to items recognised in equity is recognised directly in equity.

Balance Sheet

Intangible assets

Goodwill is recognised initially at cost in the balance sheet. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Company's cash generating units at the date of takeover.

Other intangible assets are measured at cost less accumulated amortisation and less any accumulated impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful lives, which are:

Customer relations	16 years
Software	5-10 years

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Notes

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Subsequent expenses, eg. to replace parts of an item of property, plant and equipment, are recognised in the carrying amount of the asset in question when it is probable that payment will result in future economic benefits to the Company. The replaced parts are derecognised in the balance sheet and the carrying amount is transferred to the income statement. All other expenses for ordinary repair and maintenance are recognised in the income statement as incurred.

The cost of an aggregate asset is broken down by separate components which are depreciated individually if the useful lives of the individual components are not the same. Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets, which are:

Office and warehouse buildings	10 - 30 years
Plant and machinery	8 - 10 years
Other fixtures and fittings, tools and equipment	3 - 10 years

The residual value of office and warehouse buildings is reassessed on a current basis and is at present 40% of cost.

Land is not depreciated.

The basis for depreciation is calculated taking into account the residual value of the asset and is reduced by any impairment losses. The residual value is determined at the date of acquisition and is reassessed annually. Where the residual value exceeds the carrying amount of the asset, depreciation ceases.

In the event of changes to the depreciation period or the residual value, the effect on depreciation is recognised prospectively as a change of accounting estimate.

Depreciation is recognised in the income statement under distribution and administrative expenses, respectively.

Impairment of non-current assets

Goodwill is tested for impairment on an annual basis, for the first time before the end of the year of acquisition.

The carrying amount of goodwill is tested for impairment in the cash-generating unit

to which the goodwill has been allocated and is written down to the recoverable amount over the income statement if the carrying amount is higher than the recoverable amount. The recoverable amount is stated as the net present value of future net cash flows from the enterprise or the activity (cash-generating unit) to which the goodwill is allocated.

The carrying amounts of other non-current assets are reviewed on an annual basis to determine whether there is any indication of impairment. If so, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less estimated costs to sell and value in use.

Value in use is calculated as the net present value of expected future cash flows from the asset or the cash-generating unit of which the asset forms part.

Impairment losses are recognised where the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under distribution and administrative expenses, respectively. Impairment of goodwill is recognised on a separate line in the income statement.

Impairment of goodwill is not reversed. Impairment of other assets is reversed to the extent that assumptions and estimates underlying the impairment change. Impairment losses are reversed only where the new carrying amount of the asset does not exceed the carrying amount that the asset would have had after depreciation if the asset had not been impaired.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The cost of goods for resale equals landed cost with addition of any customs.

The net realisable value of inventories is calculated at selling price with deduction of costs to sell and is determined allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables are measured at amortised cost. Provisions for bad debts are made if it is assessed that objective evidence of im-

pairment of an individual receivable has occurred.

Impairment is calculated as the difference between the carrying amount and the expected cash flows, including the net realisable value of any security received.

Prepayments

Prepayments are measured at cost.

Equity

Dividend

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting (the time of declaration). Dividend expected to be distributed for the year is disclosed as a separate equity item.

Reserve for revaluation

Reserve for revaluation comprises value adjustments relating to reassessment of the value of buildings in connection with transition to the Danish Financial Statements Act.

Current tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet at the amount calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences relating to goodwill not amortisable for tax purposes and other items in respect of which temporary differences – expect for business acquisitions - have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to different tax rules, deferred tax is measured on the basis of the Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the value at which they are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Notes

Deferred tax assets relating to tax liabilities are set off if the Company has a legal right to set off current tax liabilities and assets or intends to either settle current tax liabilities or assets on a net basis or to realise the assets and liabilities at the same time.

Deferred tax is measured on the basis of the tax rules and tax rates in the countries concerned that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes to deferred tax due to changed tax rates are recognised in the statement of comprehensive income for the year.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions are measured based on the Management's best estimate of the amount expected to be required to settle the obligation.

Financial liabilities

Loans from credit institutions etc are recognised initially at fair value net of transaction expenses incurred. Subsequently, the financial liabilities are measured at amortised cost using the "effective interest method"; the difference between the proceeds and the nominal value is recognised in financial expenses in the income statement over the loan period.

Leases

For accounting purposes, leases are classified as either finance leases or operating leases.

A lease is classified as a finance lease when substantially all risks and rewards of owning the leased asset are transferred to the lessee. All other leases are classified as operating leases.

Lease payments relating to operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Cash flow statement

The cash flow statement shows cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated under the indirect presentation method as profit after tax adjusted for non-cash operating items, changes in working capital, interest received and paid and corporation tax paid.

Cash flows from investing activities comprise cash flows from acquisition and disposal of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities which are not included in cash and cash equivalents.

Cash flows from financing activities comprise changes to the raising of loans, repayment of interest-bearing debt as well as dividend distribution to shareholders.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term special-term deposits which may easily be converted into cash and which are subject to only immaterial risks of value changes.

Financial ratios

Earnings per share and diluted earnings per share are calculated in accordance with IAS 33.

Other ratios have been calculated in accordance with the "Recommendations and Ratios 2015" issued by the Danish Society of Financial Analysts.

Note 2. Estimates and assessments

The uncertainty of estimates

Calculation of the carrying amount of certain assets and liabilities requires estimates, judgements and assumptions with respect to future events.

The estimates and assumptions made are, among other things, based on historical experience and other factors which Management deems justifiable in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Due to the risks and uncertainties to which the Company is subject the actual results may deviate from the estimates made.

It may be necessary to change previous estimates due to changes in the circumstances on which the previous estimates were based or due to new knowledge or subsequent events.

Estimates which are material to the financial reporting are made by, among other means, valuation and impairment test of goodwill, receivables and write-down of inventories.

Impairment test of goodwill

In connection with the annual impairment test of goodwill, or when indication of impairment occurs, it is assessed whether the Company will be able to generate adequate positive future net cash flows to support the value of goodwill and other net assets. The carrying amount of goodwill is DKK 53 million.

Due to the nature of the business, the estimate of expected future cash flows covers many years, which naturally gives rise to uncertainty. The uncertainty relates to Management's expectations relating to future growth and the possibility of achieving the planned cost savings and optimisations.

The impairment test is described in detail in note 10.

Write-down for inventory obsolescence

The estimation uncertainty with respect to inventories relates to write-down to net realisable value. During 2017/18 a regulation has been done due to scrapping of already written off material.

The Company continues to focus on further improvement of the inventory control which is supported by changes to the ERP system and procedures.

The write-down for obsolescence amounts to DKK 2,246k and is further described in note 12.

Notes

Amounts in DKK '000

	2017/18	2016/17
Note 3. Revenue		
Revenue, Industry	181,825	177,957
Revenue, Building and construction	93,195	86,472
	275,020	264,429

Sales outside Denmark amount to 11,3% of the Company's revenue. All non-current assets are placed in Denmark.

The Group's products are mainly sold to Danish customers. Sales are distributed on a large number of different products and customers. No single customer accounts for more than 10% of total sales.

The operating segment consists of two sales departments for Building & Construction and Industry, respectively, which are supported by a number of joint functions such as purchasing, logistics and production, and the purchased products are used for re-sale in both Industry and Building & Construction. There are also a number of employees who carry out production and processing of products for both Industry and Building & Construction, and this also applies to employees in the two sales offices. Based on this, Management has assessed that RIAS A/S only has one operating segment. The Building & Construction Division primarily deals in finished plastic products, eg roof plates, thermo roofs, etc. The Industry Division deals in semi-finished plastic products, eg tubes, plastic rods and processing of these.

Note 4. Depreciation and amortisation

Depreciation and amortisation are included in productions cost as follows:

Depreciation of property, plant and equipment	878	835
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Depreciation and amortisation are included in distribution expenses as follows:

Amortisation of intangible assets	9	34
Depreciation of property, plant and equipment	1,498	1,526
	1,507	1,560

Depreciation and amortisation are included in administrative expenses as follows:

Amortisation of intangible assets	977	1,074
Depreciation of property, plant and equipment	118	146
	1,095	1,220

Total depreciation and amortisation	3,480	3,615
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Note 5. Staff

Wages and salaries	40,182	38,328
Pensions, defined contribution plan	5,138	5,017
Remuneration to the Executive Board	2,196	2,203
Pension to the Executive Board	167	167
Fee to the Board of Directors	90	90
Other social security expenses	1,271	1,218
	49,044	47,023

Average number of fulltime employees	102	96
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Number of fulltime employees at 30 September	103	100
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Total remuneration to the Executive Board	2,363	2,370
Total remuneration to the Executive Board and the Board of Directors	2,453	2,460

The CEO has 1 year notice period with salary in case of a termination of the contract. In case of a take over the period is 1.5 year

Salaries are included in productions cost as follows:	0	0
Salaries are included in distribution expenses as follows:	42,346	40,629
Salaries are included in administrative expenses as follows:	6,698	6,394

Note 6. Financial income

Interest, cash at bank and in hand, etc	65	93
Exchange gains	71	115
	136	208

Notes

Amounts in DKK '000

	2017/18	2016/17
Note 7. Financial expenses		
Interest, credit institutions etc	259	203
Exchange losses	416	387
	675	590
Note 8. Corporation tax		
Current tax for the year	1,943	1,860
Deferred tax for the year	-28	-87
	1,915	1,773
22% tax calculated on profit for the year	1,890	1,753
Tax effect of non-deductible costs	25	20
Adjustment of deferred tax due to reduction of the tax rate	0	0
	1,915	1,773
Effective tax rate	22.30%	22.30%
Note 9. Earnings per share		
Net profit for the year	6,675	6,195
Average number of shares, DKK 100	230,630	230,630
Earnings per DKK 100 share	28.94	26.86
Earnings per DKK 100 share, diluted	28.94	26.86

Notes

Amounts in DKK '000

Note 10. Intangible assets	Goodwill	Customer relations	Software	Under construction	Total
Cost at 1 October 2017	53,085	1,000	23,624	0	77,709
Additions for the year	0	0	0	325	325
Disposals for the year	0	0	-10,015	0	-10,015
Cost at 30 September 2018	53,085	1,000	13,609	325	68,019
Amortisation at 1 October 2017	0	-600	-20,318	0	-20,918
Amortisation for the year	0	-62	-924	0	-986
Reversed depreciations on the disposals og the year	0	0	10,015	0	10,015
Amortisation at 30 September 2018	0	662	-11,227	0	-11,889
Carrying amount at 30 September 2018	53,085	338	2,382	325	56,130
Cost at 1 October 2016	53,085	1,000	23,624	0	77,709
Additions for the year	0	0	0	0	0
Disposals for the year	0	0	0	0	0
Cost at 30 September 2017	53,085	1,000	23,624	0	77,709
Amortisation at 1 October 2016	0	-537	-19,223	0	-19,810
Amortisation for the year	0	-63	-1,050	0	-1,108
Reversed depreciations on the disposals og the year	0	0	0	0	0
Amortisation at 30 September 2017	0	-600	-20,318	0	-20,918
Carrying amount at 30 September 2017	53,085	400	3,306	0	56,791

Impairment test

Goodwill

The most material intangible asset is goodwill of DKK 53,085k, which is attributable to the acquisitions of the activities in Rodena A/S and Nordic Plastic A/S. At 30 September 2018, Management tested the carrying amount of goodwill for required write-down for impairment based on the allocation made to the cash-generating unit of the cost of goodwill. In Management's opinion, RIAS A/S has only one cash-generating unit, which is the legal entity.

Amounts in DKK '000

	2018	2017
RIAS A/S	53,085	53,085

The recoverable amount is based on the value in use determined by using expected net cash flows on the basis of approved budgets as well as substantiated projections for the remaining period.

Key assumptions

Revenue estimate for the budget period is based on approved budget and forecast for the next three years based on Management's experience and expectations for the future. Revenue growth in the budget and forecast periods is based on expectations for an increase in revenue of 7.2% which will, among other things, be achieved through our activities in Sweden, where we can see that the market is growing, and the development in the processing department.

A growth rate of 2% is estimated for years 4 and 6, as well as a growth rate of 2% in the terminal period (2016/17: 2%). In Management's assessment this is a realistic level of growth for the building and construction market as well as the industrial sector, in which RIAS A/S is operating.

EBIT is estimated with a steady increase from the current level of DKK 9.1 million to DKK 14.2 million in the terminal period. The increase is attributable to increased sales, see above, and focus on product groups with higher gross profit, increased efficiency and cost savings, which are achieved through improved utilisation of IT systems and focus on improved use of the Company's resources. The measures were already initiated in 2017/18.

A discount rate of 8% (2016/17: 8.01%) has been applied as, in Management's assessment, this is in line with the risk profile of RIAS A/S. The discount rate has been adjusted as a result of the development in the risk-free interest rate.

Sensitivity analysis

The difference between the calculated recoverable amount, DKK 176.4 million, and the carrying amount of equity, DKK 175.4 million, is DKK 1 million. In Management's assessment, the discount rate may increase to 8.04% before write-down for impairment is required, and Management is monitoring the development in the risk-free interest rate closely. Another key assumption of the impairment test is our expectations for an increase in EBIT to DKK 14.2 million in the terminal period. EBIT may decrease to DKK 14.1 million in the terminal period before write-down for impairment is required. Due to the fact that expected future cash flows are based on an estimate, the impairment test is inherently subject to uncertainty.

Notes

Amounts in DKK '000

	Land and buildings	Plant and machinery	Other fixtures and fittings tools and equipment	Under construction	Total
Note 11. Property, plant and equipment					
Cost at 1 October 2017	61,906	18,165	22,698	0	102,769
Additions for the year	0	3,051	677	77	3,805
Disposals for the year	0	-320	1,942	0	-2,262
Cost at 30 September 2018	61,906	20,896	21,433	77	104,312
Depreciation at 1 October 2017	-29,121	-12,131	-20,454	0	-61,706
Depreciation for the year	-748	-1,148	-599	0	-2,495
Reversed depreciation on disposals for the year	0	320	1,942	0	2,262
Depreciation at 30 September 2018	-29,869	-12,959	-19,111	0	-61,939
Carrying amount at 30 September 2018	32,032	7,937	2,322	77	42,373

Cost at 1 October 2016	61,906	17,481	22,226	0	101,613
Additions for the year	0	684	472	0	1,156
Disposals for the year	0	0	0	0	0
Cost at 30 September 2017	61,906	18,165	22,698	0	102,769
Depreciation at 1 October 2016	-28,373	-11,043	-19,782	0	-59,198
Depreciation for the year	-748	-1,088	-672	0	-2,508
Reversed depreciation on disposals for the year	0	0	0	0	0
Depreciation at 30 September 2017	-29,121	-12,131	-20,454	0	-61,706
Carrying amount at 30 September 2017	32,785	6,034	2,244	0	41,063

Note 12. Inventories

Inventories are specified as follows:

	2018	2017
Goods for resale	27,755	28,355
Work in progress	306	482
Inventories at 30 September	28,061	28,837
Write-down at 1 October	-2,546	-2,922
Reversed write-down made in previous years	300	376
Write-down for the year	0	0
Write-down at 30 September	-2,246	-2,546
	25,815	26,291
Cost of goods sold included in production costs.	174,249	167,942

Adjustments relating to write-down of inventories are included in Production Costs.

Notes

Amounts in DKK '000

Note 13. Receivables

	2018	2017
Trade receivables	53,577	48,519
Receivables from group enterprises	1	2
Other receivables	105	1,337
	53,683	49,858

Insured trade receivables	39,598	36,766
Trade receivables not insured	14,626	12,185
Trade receivables at 30 September	54,224	48,951

Provisions for bad debts are specified as follows:

Provisions at 1 October	-430	-382
Realised in the year	123	138
Reversed	0	0
Provisions for the year	-249	-186
Provisions at 30 September	-556	-430

Moreover, trade receivables which are overdue at 30 September but not provided for are included as follows:

Period overdue:		
Up to 30 days	2,224	2,199
Between 30 and 90 days	282	929
More than 90 days	542	655
	3,048	3,783

Including insured receivables of	1,901	1,980
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Provisions for bad debts are made on a current basis. Adjustments to the provisions are included in distribution expenses.

Notes

Note 14. Equity

Share capital

The Company's share capital of DKK 23,063k is distributed on DKK 3,125k A-shares and DKK 19,938k B-shares. The share capital is fully paid up. The A-shares, which are non-negotiable, carry 10 votes per DKK 100 share, see clause 11 of the articles of association.

The B-shares, which are negotiable, carry 1 vote per DKK 100 share, see clause 11 of the articles of association.

Capital management

RIAS A/S assesses on a current basis the need to adjust the capital structure to balance the high requirements to return on equity against the increased uncertainty related to loan capital. The equity share of total assets was 80% at 30 September 2018 (30 September 2017: 80%). The solvency ratio target is 70-80%.

The target for return on equity is 8-10%. Realised return on equity before tax was 5% in 2017/18 (2016/17: 5%).

It is RIAS A/S's dividend policy that the shareholders should earn a return on their investments in the form of price increases and dividend which exceed a risk-free bond investment. Payment of dividend should be made with consideration to the required consolidation of equity as basis for the Company's continued expansion.

Dividend

Dividend of DKK 5,766k (2016/17: DKK 4,613k) is proposed, corresponding to dividend per share of DKK 25 (2016/17: DKK 20).

On 25 January 2018, RIAS A/S paid dividend to its shareholders of DKK 4,613k (2016/17: DKK 4,613k), corresponding to dividend per share of DKK 20 (2016/17: DKK 20).

The distribution of dividend to the shareholders of RIAS A/S has no tax consequences for RIAS A/S.

	Amounts in DKK '000	
	2018	2017
Note 15. Deferred tax		
Balance at 1 October	9,300	9,387
Adjustment for the year of deferred tax	-28	-87
Balance at 30 September	9,272	9,300
Deferred tax relates to:		
Buildings	4,663	4,630
Operating equipment	601	457
Intangible assets	3,855	4,070
Other temporary differences	153	143
	9,272	9,300

Notes

Amounts in DKK '000

	2018	2017
Note 16. Trade payables and other payables		
Trade payables	11,894	11,589
Payables to group enterprises	375	122
Accrued VAT	4,266	4,800
Holiday pay obligation	4,853	4,654
Accrued promotion expenses	7,367	7,390
Other payables	2,509	2,651
	31,264	31,206

The Company has no payables to the Parent Company.

Note 17. Contingencies and other financial commitments

The Company is a party to a few pending complaints. In the Management's opinion, the outcome of these complaints will not affect the Company's financial position except for the receivables and commitments, which have been recognised in the balance sheet at 30 September 2018.

The Company as lessee

The Company leases properties and operating equipment under operating leases.

The lease term is typically a period of between two to six years with the possibility of extension after expiry. Under the terms of the leases there are no conditional lease payments.

Payments under interminable operating leases appear as follows:

	2018	2017
0-1 year	3,279	3,103
1-5 years	658	1,276
	3,937	4,379

For 2017/18 DKK 4,610 has been recognised in the Company's income statement. (2016/17: tkr. 4.969)

Note 18. Fees to auditors appointed at the General Meeting	2018	2017
PWC:		
Statutory audit	365	380
Tax advisory services	56	52
Non-audit services	150	127
	572	559

Fee for Non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab consists of general accounting and tax advice, mainly related to IFRS and tax.

Notes

Note 19. Financial risks

Financial risks

The Company does not speculate in financial risks, and the Company's management of such exposures focuses exclusively on managing financial risks that are a direct consequence of the Company's operations and financing.

The Company has no derivative financial instruments.

Interest rate risks

The Company does not enter into interest rate positions to hedge against interest rate exposures as moderate changes in the interest rate level will have no material effect on the Company's earnings and equity. The sensitivity to interest rate risks is low and mainly relates to cash at bank and in hand.

Credit risks

The Company's credit risks relate to trade receivables which arise when the Company carries through sales in respect of which prepayments are not received. The Company's policy for assuming credit risks implies that all customers are credit rated upon creation and on a current basis. If the credit rating of the customer is not satisfactory, separate security in respect of the sale is required. The primary instrument to hedge unsecured payments is to take out credit insurance which covers up to 90% of the total receivable exclusive of VAT. Credit insurance is taken out with COFACE credit insurance. If credit insurance cannot be taken out in respect of a customer, the customer is carefully assessed based on internal credit limits, or prepayment is requested.

The management of the credit exposure is based on internal customer credit limits. The credit limits are determined on the basis of the creditworthiness of the customers with consideration to the current market situation.

Provisions for bad debts are made to the extent necessary.

Non-insured trade receivables amounts to 13,493

The company has deposit above state warranty and therefore there is a credit risk of 25,006

Only banks with low risk are being used.

	Amounts in DKK '000	
Classes of financial assets and liabilities	2017/18	2016/17
Financial assets:		
Lending and receivables	53,683	49,845
Cash at banks	26,785	28,658
Financial liabilities:		
Financial liabilities at amortised cost	30,798	30,687

Foreign exchange risks

The Company is only to a limited extent exposed to the development in foreign exchange. Almost all trading takes place in DKK or EUR. As the foreign exchange risk relating to DKK/EUR is considered very low, the Company does not hedge its net debt in foreign currency.

Liquidity risks

The Company's liquidity reserve consists of cash holdings. The Company's aim is to have adequate liquidity resources to be able to carry on appropriate operating activities in case of liquidity fluctuations.

The Company only has debt which falls due within one year, cf. the balance sheet. The payment of this debt, DKK 33 million, can be fully covered by payments from receivables.

Notes

Note 20. Related parties and related party transactions

Controlling interest: thyssenkrupp Facilities Services GmbH, which holds all the A-shares of RIAS A/S, exercises control over the Company.

RIAS A/S has registered the following shareholders as holding 5% or more of the share capital:

- 54.15% thyssenkrupp Facilities Services GmbH

Other related parties:

The Company's related parties comprise the Company's Board of Directors and the Executive Board and family members of these persons. Moreover, related parties include the thyssenkrupp Group.

There have been no transactions with the Board of Directors, the Executive Board, senior officers, significant shareholders or other related parties, except for the payment of remuneration, including legal assistance.

The Annual Report of the ultimate Consolidated Financial Statements in which RIAS A/S is included as a subsidiary may be obtained from: thyssenkrupp AG, thyssenkrupp Allee 1, 45143 Essen, Germany, or may be obtained at: <http://www.thyssenkrupp.com/en/investor/index.html>

	Amounts in DKK '000	
	2017/18	2016/17
Trade with companies in thyssenkrupp:		
Other related parties		
Other income	1,870	1,780
Sale of goods and services	14	7
Purchase of goods and services	4,589	5,121
There are no transactions with the Parent Company		
Payables to companies in thyssenkrupp	375	122
Receivables with companies in thyssenkrupp	2	7
Key management personnel		
Legal assistance from Lund Elmer Sandager (Board Member)	122	236

Note 21. Subsequent events

No material events have occurred after 30 September 2018.

Note 22. Accounting regulation

A number of new IFRS standards and interpretations have been issued which are not yet mandatory for RIAS A/S at the time of preparation of the Annual Report for 2017/18, including IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases.

Management has investigated the effect of implementation of the standards mentioned.

IFRS 9, "Financial Instruments", becomes effective for financial years beginning on or after 1 January 2018 and will thus apply to RIAS as from financial year 2018/19. The standard is not expected to have material influence on the financial statements going forward.

IFRS 15, "Revenue from Contracts with Customers", was issued in May 2014 and amended in April 2016. It becomes effective for financial years beginning on or after 1 January 2018 and will thus apply to RIAS as from financial year 2018/19. The standard is not expected to have material influence on the financial statements going forward.

IFRS 16 "Leases" was issued in January 2016 and becomes effective as from 1 January 2019. Thus, it will apply to RIAS as from financial year 2019/20. The standard regulates the accounting treatment of leases and is expected to affect the financial statements as recognition of leased building and minor assets is expected. Assets and liabilities that will be affected by the new standard have been identified, and Management is in the process of investigating the effect on the financial statements.

Note 23. Contingent liabilities

The Company is jointly and severally liable for the tax on the Danish jointly taxed income. thyssenkrupp Elevator A/S acts as administration company in the Danish joint taxation. Accrued corporation tax in the Danish joint taxation amounts to DKK 4,619k at 30 September 2018.

Management's statement

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of RIAS A/S for 2017/18.

The Annual Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2018 and of the results of the Company operations and cash flows for the financial year 1 October 2017 – 30 September 2018.

In our opinion, Management's Review provides a true and fair account of the development of Company's activities and financial

circumstances, the profit for the year, cash flows and financial position as well as a description of the most material risks and uncertainties that may affect the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Roskilde, the 12th of December 2018

DIREKTION



Henning Hess
CEO

BESTYRELSE




Gudrun Degenhart
Chairman



Steen Raagaard Andersen
Vice-chairman



Peter Swinkels
Board Member



Dieter Wetzel
Board Member



June Svendsen
Employee representative



Søren Koustrup
Employee representative



for some it is just plastic
- for us it represents 100,000 opportunities

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