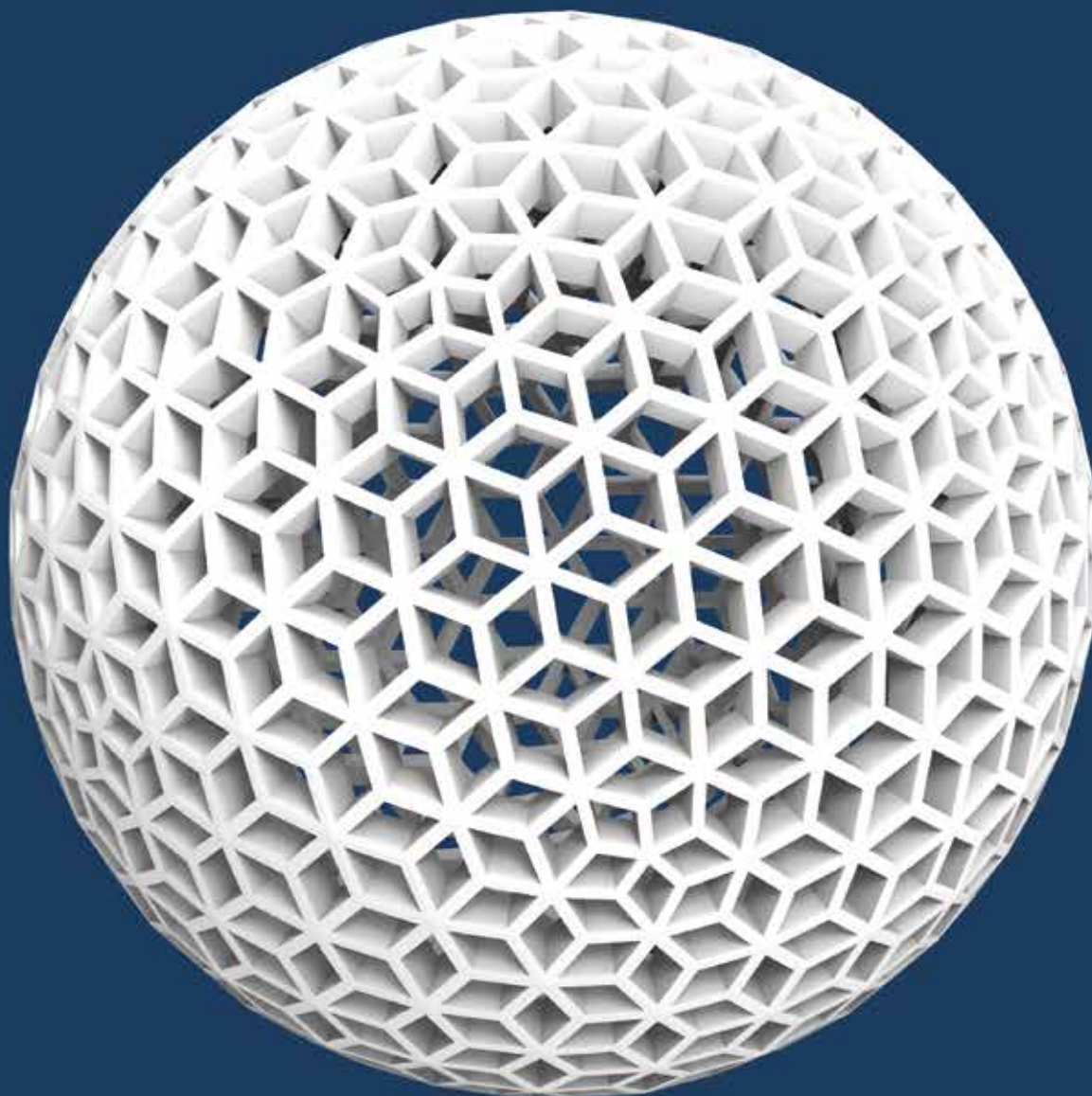


The background of the entire page is a repeating pattern of interlocking cubes, creating a three-dimensional optical illusion. The cubes are rendered in shades of light gray and white, with shadows that give them depth. In the top right corner, the word "RIAS" is enclosed in a dark blue square border.

RIAS

2016/17

ANNUAL REPORT



"Investments in new CNC-controlled 3- and 5- axis milling machines, state-of-the-art 3D technology and laser cutting in the production allow RIAS to supply even better quality products and solutions in anticipation of market demands."

Henning Hess
Administrerende direktør

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RIAS A/S - Part of thyssenkrupp Plastics International

thyssenkrupp Plastics International consists of 13 companies distributed all over Europe with approximately 1,300 employees.

thyssenkrupp Plastics is a part of the large thyssenkrupp Group which operates worldwide.

The thyssenkrupp Group has a total of approximately 159,000 employees and sells for approximately EUR 43 billion.

A world in constant change

Growing competition, focus on the environment, access to qualified labour, digitalisation and consistent adaptability to change are some of the key ingredients in future framework conditions.

Global competition

Increasing freight rates, an Internet where customers and suppliers are only a click away, and new production methods that can be moved around the world to find the lowest production costs make competition as fierce as ever.

This poses increasing demands on growth-oriented industrial and commercial businesses because they need to compete on elements other than merely prices. As production methods become increasingly advanced, customers come to expect faster response times and higher quality. Businesses strive to maintain a competitive position, so their demand for professional advice and customised service is gaining momentum as a competitive parameter in the market.

Focus on circular economy

How we exploit the resources of the world is moving up on both the national and the international agendas. The circular correlation between raw materials and products is becoming ever more visible – and, in future, politicians, authorities, companies and citizens will increasingly face demands for appraising the role of plastic in the circular economy.

Both the EU and Denmark have implemented overarching environmental and industrial policy strategies and specific measures that focus on use and reuse of materials – including plastic. The measures target the actual production as well as management and development of ever more sustainable solutions. We all need to contribute to developing solutions and processes aimed at increasing reuse, which in Europe is already around 70%. But we need to increase that percentage.

Access to labour

In the labour market, the large war generations are being replaced by the small generations from the 1980s and 1990s. This increases competition for both skilled and unskilled labour in largely all sectors.

Businesses face growing requirements in their efforts to retain and recruit the employees and competences needed to advise and serve customers, while also handling ever more technological and advanced production facilities.

Industry 4.0

The past decade has spurred a great many discussions of the fourth industrial revolution. Concepts such as Industry 4.0, disruption, robot technology or IoT – Internet of Things – crop up in more and more contexts. The media describe these concepts as either part of a fascinating future with endless possibilities – or as the reason why everything we know is coming to an end. Irrespective of approach and interpretation, we must – as a growth-oriented company – be able to see opportunities and translate them into services and competitive advantages.

Swift adaptability to change

A world in constant change – with increasing international competition, focus on the environment and society, the ability to attract and retain talented employees and the will to invest in future technology – requires swift adaptability in the businesses with the will and ability to embrace changes and the future. RIAS A/S is one such business.



RIAS embraces changes

Differences in products and businesses appear only when we look at how customers and local market conditions are handled. At RIAS A/S, we make a range of selections in the context of both strategy and our daily work aimed at making the advantages of cooperating with us more visible.

Transition to the future

In previous annual reports we mentioned some of the measures implemented in recent years with the aim of gearing us to the future and absorbing the trends and developments that impact the market and us. New IT tools for the sales force to give our customers even faster service and more precise answers to inquiries. New CNC-controlled 3- and 5-axis milling machines, state-of-the-art 3D technology and laser cutting in our production allow us to supply even better quality products and solutions in anticipation of market demands. New measures in Sweden and a flatter organisational structure, enabling management and employees to be even closer to customers – these are but some of the measures.

In this annual report, we review more of the many activities that RIAS A/S contributes to meet the increasing demands and expectations made on a cutting-edge, professional player in the Nordic plastics industry. Not only today, but also in the future.

Investment in training and labour – and focus on the environment

At our locations, we often have school children visiting to show them what learning and knowledge can be used for, when they later have to move from the education system into the labour market. We constantly train our employees to enable them, jointly with new and specialised colleagues, to utilise and exploit our ever more advanced machinery to help develop solutions matching customers' requirements and expectations for a committed partner.

In terms of the environment, we have joined the Danish PVC recycling scheme (WUPPI) which aims to collect, sort and reuse plastic. Moreover, we constantly strive to find solutions that will simplify work processes, reduce transport and save energy.

International strength and local contribution

As part of the international thyssenkrupp Group, we are a member of a community that offers us many competitive advantages – in terms of both purchasing volumes, investments and mutual exchange of knowledge. Advantages that we convey to our customers in many different ways.

Advisory services are gaining ground as an element of what we contribute to customers' experience of services that not only comprise individual products but also integrated solutions and concepts adding real value. If we fail to add value to the chain, we all just represent extra costs to the next link.

Growth in a diminishing market

Again this year, some of our customers chose to share their stories of experiences with plastic products – and with RIAS A/S as their supplier and partner. Each case tells the story of the value added by our competent employees and advanced technology in a number of sectors. We are very grateful to the customers – and proud that they chose to do so.

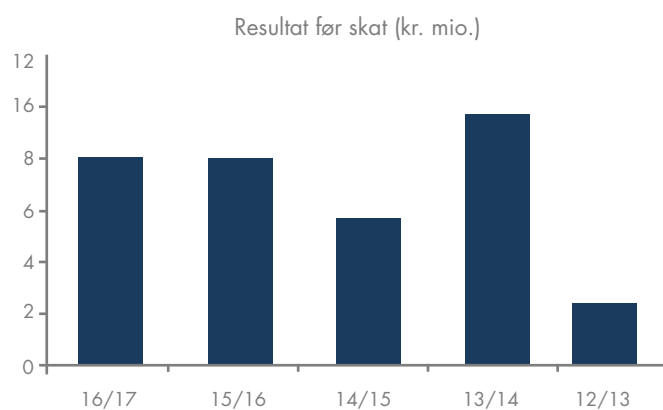
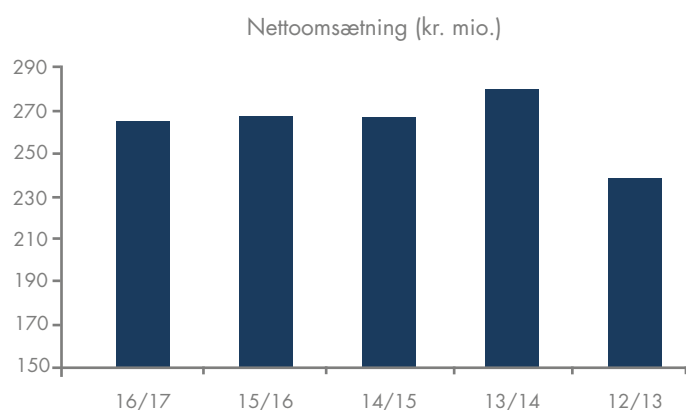
Thanks to them – and our more than 6,000 other customers – Can we despite difficult market terms still look back on a year of progress. Progress created by many small victories that all allow us to uphold our sales levels, while also boasting a small increase on the bottom line in a diminishing market. RIAS A/S embraces changes and is ready for the future – maintaining its focus on customers, employees and the environment.

Henning Hess
Administrerende direktør
RIAS A/S

Management's Review

Financial highlights

| | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|---|--------------|--------------|--------------|--------------|--------------|
| Income statement (DKK million) | | | | | |
| Revenue | 264.4 | 266.2 | 265.8 | 279.4 | 238.2 |
| Production Costs | 184.4 | 185.4 | 185.7 | 195.7 | 165.1 |
| Gross profit | 80.0 | 80.8 | 80.1 | 83.7 | 73.1 |
| Capacity costs | 68.8 | 69.3 | 70.6 | 69.8 | 65.7 |
| Depreciation and amortisation | 2.8 | 3.3 | 3.6 | 4.2 | 4.9 |
| Profit before financial income and expenses | 8.4 | 8.3 | 5.9 | 9.7 | 2.5 |
| Net financials | -0.4 | -0.4 | -0.3 | -0.2 | -0.2 |
| Profit before tax | 8.0 | 7.9 | 5.6 | 9.5 | 2.3 |
| Corporation tax | 1.8 | 1.7 | 1.3 | 2.3 | -0.5 |
| Net profit for the year | 6.2 | 6.3 | 4.3 | 7.2 | 2.8 |
| Balance sheet at 30 September (DKK million) | | | | | |
| Non-current assets | 97.8 | 100.3 | 99.5 | 102.6 | 104.7 |
| Current assets | 108.6 | 108.8 | 101.5 | 103.0 | 98.7 |
| Assets | 206.4 | 209.1 | 201.0 | 205.6 | 203.4 |
| Equity | 164.1 | 162.5 | 160.5 | 160.7 | 158.1 |
| Deferred tax | 9.3 | 9.4 | 9.7 | 10.0 | 10.3 |
| Short-term liabilities | 33.0 | 37.2 | 30.8 | 34.9 | 35.0 |
| Liabilities and equity | 206.4 | 209.1 | 201.0 | 205.6 | 203.4 |
| Cash flows (DKK million) | | | | | |
| Cash flows from operating activities | 13.6 | 15.8 | 3.7 | 4.3 | 10.1 |
| Cash flows from investing activities | -1.2 | -4.7 | -0.8 | -1.8 | 0.2 |
| Including investments in property, plant and equipment of | -1.2 | -4.7 | -0.5 | -1.9 | -0.3 |
| Cash flows from financing activities | -4.6 | -4.2 | -4.6 | -4.6 | -2.3 |
| Total cash flows | 3.9 | 6.9 | -1.7 | -2.1 | 8.0 |
| Average number of fulltime employees | 93 | 92 | 95 | 90 | 92 |



Management's Review

Ratios

| | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 |
|--|---------|---------|---------|---------|---------|
| Gross margin | | | | | |
| Gross margin | 30% | 30% | 30% | 30% | 31% |
| Profit margin | 3% | 3% | 2% | 3% | 1% |
| Return on assets | 5% | 5% | 3% | 5% | 1% |
| Profit per DKK 100 share | 27 | 27 | 20 | 31 | 12 |
| Dividend per DKK 100 share | 20 | 20 | 18 | 20 | 20 |
| Equity value per DKK 100 share | 711 | 705 | 697 | 697 | 686 |
| Return on equity before tax | 5% | 5% | 4% | 6% | 1% |
| Return on equity after tax | 4% | 4% | 3% | 4% | 2% |
| Solvency ratio | 80% | 78% | 80% | 78% | 78% |
| Market price per DKK 100 share at 30 September | 430 | 390 | 460 | 503 | 495 |

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.

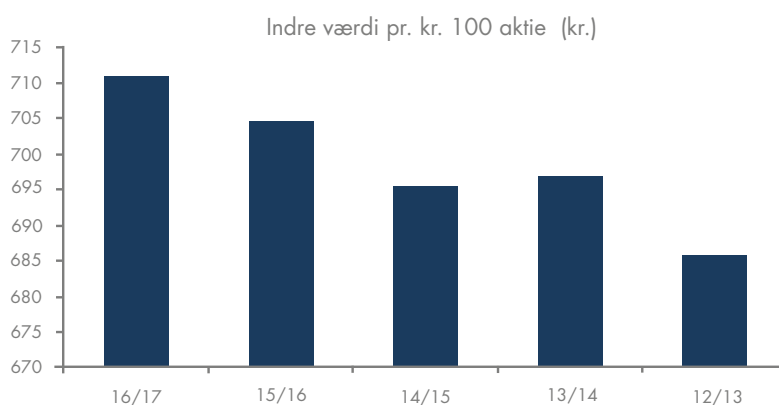
Dividend per DKK 100 share is calculated as dividend divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

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

Board of Directors



5 - 1 - 2 - 6 - 3 - 4

1)
Jürgen Westphal
Chairman

Joined the Board of Directors
in January 2010
(1961 M)

Directorships in other companies:
CEO, thyssenkrupp Plastics GmbH,
Essen, Germany

Chairman for the board of Directors:
thyssenkrupp Plastics GmbH, Essen
Germany

Röhm Italia S.r.l., Garbagnate
Milanese, Italy

Neomat AG, Beromünster/Luzern,
Switzerland

Notz Plastics AG, Brügg,
Switzerland

thyssenkrupp Plastic Ibérica SL
Massalfassar (Valencia), Spain

Member of the board of Directors:
Röhm Italia S.r.l., Garbagnate
Milanese, Italy

thyssenkrupp Plastics Belgium nv/sa,
Belgium

Counselor

thyssenkrupp Materials Austria GmbH,
Austria

2)
Steen Raagaard Andersen
Vice-chairman

Joined the Board of Directors
in January 2011
(1955 M)

Directorships in other companies:
Partner, Lund Elmer Sandager, København

Member of the board of Directors:

1887 A/S
1887 Consult A/S
1887 LAB ApS
Action International A/S
Audio Media A/S
Brdr. Rønje Holding A/S
Copenhagen Partners A/S
Ejendomsselskabet Nørrebrogade 43 A/S
Frank Sæbø Hansen Holding A/S
Genius Access A/S
IHR Holding A/S
Junker - Projektudvikling A/S
Kapitalformidlingsinstituttet A/S
Kongeegeen A/S
Kontant Foto A/S
Living House Copenhagen A/S
Lægeforeningens Boligers Fond
Margrethegaardens legat
Moos A/S
RIAS A/S
Santropa A/S

Member of the Executive board of:
Ejendomsselskabet
Nørrebrogade 43 A/S

3)
Dieter Wetzel
Member of the board of Directors

Joined the Board of Directors
in January 2010
(1961 M)

Directorships in other companies:
CFO, thyssenkrupp
Plastics GmbH, Essen, Germany

Member of the board of Directors:
thyssenkrupp Plastics Belgium nv/sa,
Belgium

5)
June Svendsen
Member of the Board of Directors

Employee representative
(1970 F)

Joined the Board of Directors
in December 2014

4)
Peter Swinkels
Member of the board of Directors

Joined the Board of Directors
in January 2011
(1958 M)

Directorships in other companies:
Member of the board of Directors:
thyssenkrupp Materials Nederland
B.V., Amsterdam, Netherlands

Member of the Executive board of:
thyssenkrupp Plastics Belgium nv/sa,
Belgium

6)
Søren Koustrup
Member of the Board of Directors

Employee representative
(1958 M)

Joined the Board of Directors
in December 2011

Management's review

Management



Henning Hess
CEO

Member of the Board of Directors:
Mira Byggeprodukter A/S



Anders Topp
Division Manager
Building & Construction



Peter Kruse
Business Developer



Dannie Michaelsen
CFO



Vibeke Rathmann
Executive secretary/PA/HR

Production of world-class display solutions and keyboards leaves no place for defective products and complaints. Together with RIAS A/S, the Danish company Seritronic A/S has innovated a standard plexiglass sheet into a completely flawless panel solution for the industrial sector

PRECISION

Innovative thinking and precision lift quality and customer satisfaction





Cuttings and dust. These are of little importance to most of us, but in the processing of transparent acrylic sheets – commonly known as plexiglass – they can impact crucially on the finished product.

Seritronic A/S produces electronic and serigraphic keyboards for heavy machinery and sophisticated alarm systems. The Danish company was set up in 2000 and today employs 65 staff. Seritronic produces customised products, and orders vary from 1 to 100,000 units. It develops solutions for both the Danish and the international markets. So Seritronic A/S is up against tough competition from foreign players. For this reason, the products from Denmark must be delivered without any defects to the ever more demanding customers.

New methods save money

Having been a RIAS A/S customer purchasing conventional cut and milled plexiglass sheets for some time, Seritronic A/S now needed a quality to match the increasing quality requirements – and able to reduce the previous error margin in the production. Consequently, QA manager Villy Kristensen and strategic purchaser Anja Trier Klit met with head of department Michael Markussen from RIAS' processing department RIPRO to discuss how errors

in production and the number of complaints could be reduced.

First, RIPRO studied the actual sheet production. Then Michael Markussen and his team reviewed the possibilities for optimising work processes with a view to reducing errors arising during the process.

- Instead of cutting the sheets in the machinery typically used to cut industrial products, we suggested laser-cutting. That particular part of the process may be slightly more expensive, but overall the method will lower costs. As a result, Seritronic A/S will have more precise material to work with in their part of the process of perfecting the final product for their customer, explains Michael Markussen.

Financial gain from new process

RIPRO now supplies laser-cut, processed plexiglass sheets to Seritronic A/S, where they are further processed to fit the keyboard ordered by the customer. Before the product ends up with the customer, Seritronic A/S will quality-assure it. And Seritronic has found fewer errors since the production changed from conventional cutting to laser cutting and now need not worry about dust and cuttings.

As work processes are now optimised, Seritronic A/S saves time and also finds fewer rejects with scratched surfaces.

Not only does this result in a financial gain, but customer satisfaction increases as complaints become fewer.

- We do not automatically accept that a new solution should trigger higher prices, but together with RIPRO we discussed the pros and cons of the different production methods and work processes.

- RIPRO has joined us in finding innovative solutions that have helped us achieve an improved end product, confirms Villy Kristensen.

Export markets demand quality

Seritronic A/S supplies solutions all over Europe and on the Asian and US markets.

- Half our production is earmarked for export markets demanding precision and Danish quality. As our sub-supplier, RIAS A/S helps us fulfil these competitive parameters. This is an essential aspect when we select partners, as they should be more than just another sub-supplier to us, explains Anja Trier Klit.

RIAS' Visual Communication Department has shown steep growth in the specialist area of LED & Lighting. This is a result of innovative thinking and creative solutions. Most recently, the department has developed an LED lighting solution for an Anthon Berg promotional display that ensures that chocolate only melts in the customers' mouths – not on the shelf at the airport.

LED LIGHTING

Chocolate stays firm under LED lighting



The design company Mintpad Visual Display ApS located north of Copenhagen is the designer of an Anthon Berg promotion display at Oslo Airport. In partnership with RIAS' Visual Communication Department, Mintpad solved a problem at Oslo Airport, where radiating heat from conventional light sources melted the chocolate on display. An innovative LED solution now ensures that the products look elegant and inviting – and that the chocolate stay firm.

From sketch to technical solution

Based on Mintpad's sketch, the LED lighting should be placed at the top of each shelf, so that the chocolate displayed on individual shelves could be illuminated. The mounting should conceal all wires, and the serial connection of the LED modules posed special requirements to the installation.

Mintpad wanted a beautiful design with no visible wiring. Internal salesperson of RIAS A/S, Tue Manzenski Hansen, teamed up with Mintpad to create a solution based on LED lighting for the Anthon Berg promotional display that would meet the customer's requirement for design and price.

- We use our in-depth knowledge of the market to discover the options and find the best solution for the customer. We succeeded by finding inspiration and

the needed wire type from one of our partners who work with precisely this type of assignment. And it is not that simple. In addition to the lighting chain being invisible in the display front, it also has to meet a range of airport regulations related to fire safety, explains Tue Manzenski Hansen.

Fire regulations meant more requirements

The fire regulations of Oslo Airport contain requirements for how power supplies must be placed. Tue Manzenski Hansen suggested a number of solutions that would make it easier to access the power supplies if a wire needed replacement.

- The original solution required the entire cabinet to be moved. If the power supplies were placed in the mid-section of the display behind a large Anthon Berg logo, only the mid-section needed to be moved. This ensures better ventilation and fire safety, explains Tue Manzenski Hansen.

Satisfied customers

At Mintpad, CEO Richard Stephens particularly stresses the strong light emanating from LEDs as an advantage – just as he is pleased with a satisfied customer.

- The customer is pleased with the solution ensuing from our partnership with

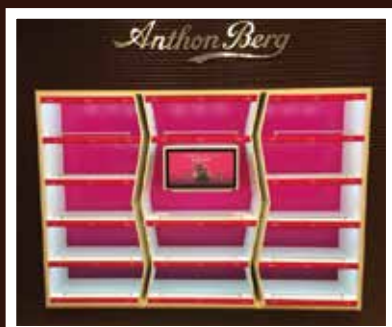
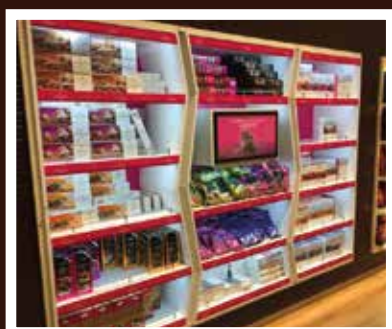
RIAS' Visual Communication Department, and that is a crucial parameter in a partnership. At the same time, the LED solution ensures that the chocolate will not melt in the display cabinet, which is the ideal solution in this case, he underlines.

Steep growth in the sale of LEDs

Many aspects need to be considered when the optimum lighting solution is to be found – especially for professional use. The interplay of materials in which fixtures and spots will be mounted is an essential factor.

- Customers have begun to see the possibilities of LED. They not only see the reduced power costs, because LEDs use less power than both incandescent lamps and energy-efficient lamps, but also see that LEDs have longer useful lives than conventional bulbs. Also, LEDs do not emanate as much heat as conventional lighting solutions, which was a key factor for Mintpad, explains Henrik Ladegaard, Key Account Manager at RIAS A/S.

RIAS set up the specialist area of LED & Lighting in the Visual Communication Department in spring 2015. Since its establishment as a product area of RIAS in 2015/16, LED & Lighting has achieved a growth rate of 70%.



Large plastic mats efficiently mitigate acoustic noise at recycling centres and reduce wear on the asphalt pavement. The hard-wearing plastic mats are also reusable, thus making Modulo Systems' flexible solutions for recycling centres even more environment-friendly.

NOISE-CONTROLLING AND HARD-WEARING

Plastic mats significantly reduce noise and wear at recycling centres





Year round, containers at recycling centres are filled with tonnes of waste. So the ability of surfacing to withstand the weight is a key factor when containers need emptying or moving.

Modulo Systems ApS is a full-line supplier to the waste and recycling sector, offering services and products to local authorities, utility companies and building contractors. Society's increased focus on reuse drives the company constantly to be pro-active in relation to society's requirements and needs.

Previously, Modulo Systems used steel mats under containers, but a steel mat is a noisy and unsustainable surface that breaks up concrete and asphalt pavements.

- In the winter, moving the containers caused major problems. They made cracks in the asphalt pavement in frosty weather, and the sites had to be repaved. This is why we started looking for a solution to stop the wear, because our existing steel mat surfacing could no longer be used, explains Lars Steen-Jørgensen, CEO of Modulo Systems ApS.

Shifting from steel to plastic

Jointly with plastics consultant Jannick Andreassen, Modulo Systems ApS came up with an efficient solution to avoid wear of the asphalt pavement, when the containers are emptied.

- The new solution is PEHD500 – mats

made of regenerated material and measuring 6000 x 2450 x 30 mm. The mats are made of recycled materials and highly cost-efficient to both recycling centres and retailers using containers, says Jannick Andreassen.

The mats were tested for a year at a recycling centre at Mariager in Jutland and two years at a recycling centre in Stenløse in Sealand. So far, no wear is visible on the plastic mats.

- This type of mat stands out because it protects the asphalt or concrete pavement at recycling centres. In addition, it reduces acoustic noise levels significantly when containers are being loaded and unloaded, a key factor for employee health and safety, visitors to the centres and neighbours, describes Lars Steen-Jørgensen.

Advice as part of the supply

Modulo Systems ApS was looking for a solution that could mitigate the challenges of noise and wear at the recycling centres. In such special assignments, knowledge of the options offered on the international market is key. So Modulo Systems ApS was searching for a supplier.

- Even though our company is small, we felt that Jannick was very interested in our problem. In addition to scanning the market and developing the mat solution, we have jointly improved guide rails for containers that enable drivers

to guide the containers into the correct slot, explains Lars Steen-Jørgensen.

The market for products in materials like plastic is huge. This is why many companies compete on service or price. Jannick Andreassen points out one significant aspect whose importance many customers fail to understand:

- Advisory services may be the one factor determining whether our customer wins an order. This is why we need to keep pace with our customers' needs but also know our own role and the plastics market, so that we can stay ahead of our customers, he continues.

A reliable solution

Jannick Andreassen emphasises the importance of finding solutions that underpin the customers' image.

- Modulo Systems ApS works in recycling, and its solution supports the concept of the circular economy. This is why we came up with the solution made of reusable polyethylene – and to make it visible, we cut a recycling symbol into the mat.

Lars Steen-Jørgensen agrees completely:

- Recycling centres are the place, where reusable products make sense. We have a good message to convey when our own products are as environment-friendly as possible.

Corrugated sheets are normally used for roofs, but by building them into the outer walls of storage halls and stalls, RIAS paves the way for completely new uses of plastic. For architects, engineers and workmen, but also for animals and users who experience improved well-being and better indoor climates.

HALLS AND STALLS

*Plastic outer walls show new ways
of building halls and stalls*



Materials used in storage halls and livestock stalls must be able to withstand quite a bit. They should resist the changing wind and weather of the Nordic region, while also absorbing blows and impact from vehicles and tools and withstand kicks and acidic by-products from animals.

Horses gnaw on everything

As an owner of a farm with horses, he knows the challenges from own experience. Sales manager Per-Olof Ekstrand is responsible for RIAS' Swedish activities. He owns six horses and was troubled by moisture in the timber of this stall, just as he worried that the horses gnaw on the construction.

- Naturally, keeping moisture and dirt away from timber is difficult, and they then destroy the timber. Horses really chew on everything they can get at, and if the timber is soft, they will start eating it, explains Per-Olof Ekstrand.

Plastic prevents damage

At the same time, stalls are dark, and owners need to spend vast amounts on lighting even in the daytime. By using corrugated sheets – normally used in roof constructions – and mounting them vertically at the classic barred stable windows, owners achieve a range of advantages.

- The building will quite simply last longer, than when timber is used. And by using transparent plastic for the upper part of the wall construction, owners give the animals a better indoor climate. Similarly, the people working with the horses will have better working conditions in the stalls, explains Per-Olof Ekstrand.

He also explains that the light is another positive benefit, which, frankly, he had not considered, when the first deliveries of corrugated sheets arrived at stalls around Sweden.

- When it is dark outside, you turn on light inside. The light in the buildings can now spread to the area outside the buildings. This allows you to move safely around in yards and areas surrounding the stalls, he says with a smile.

Increasing awareness intensifies demand

Myrby Mekaniska Verkstads AB is one of the Swedish businesses experiencing increasing demand for plastic for stall building in the Nordic region. It was set up in 1972 and is today one of the biggest suppliers of buildings for horses and pigs in Sweden.

Myrby is increasingly working with RIAS, which supplies several plastic products for the many stall solutions

Myrby offers. Henrik Höök sees that demand from customers increases as awareness of the new possibilities spread.

- The market for plastic used for stall buildings is clearly growing. The sheets are easy to use, prices are reasonable, and the results are immediately visible. Once customers have purchased three or four sheets, they come back for more. An order for 3 or 4 corrugated sheets may easily end up for 20, 30 or even more plastic products, explains Henrik Höök.

Advantages of plastic for pig and cows

As a result of the increasing interest and demand, RIAS has developed several concepts for stalls and halls that are also marketed for other livestock than horses, for instance pigs and cows.

- Stalls for pigs and cows pose greater demands for cleanliness and hygiene than apply to horses, and this makes plastic an obvious choice as a building material. The possibilities are innumerable and so are the financial advantages for farmers, if they opt for our products, Per-Olof Ekstrand of RIAS Sweden emphasises.



*Normally, corrugated sheets are used as a popular, flexible material in the building sector.
But their ability to reflect light and their raw look combine to create a completely new visual experience.
The cultural event design agency Culture Works uses plastic consciously to match the culture framing the event*

STYLISH LOOK FOR EVENTS

*Corrugated sheets offer new options for design events
– partnership with Culture Works*





Finding inspiration in the internationally renowned music festival in Roskilde, the people behind the Danish event and advertising agency Culture Works ApS contacted the conceptual team behind the Apollo concept to find out more about their experience with plastic as an ingredient.

Head of event designs and partner at Culture Works A/S Andreas Nielsen had already researched into the possibilities of plastic before he contacted RIAS. With his creative team he had been entrusted a job for Danish Design Award at the port of Kolding, and he had a string of ideas for different uses of plastic.

- To match the culture found in the sector, we believed that it would be inspiring to erect a plastic fence which should contribute visibility and identity. We were looking for elements that could be found at the port of Kolding and which the locals can relate to, explains Andreas Nielsen.

Industrial look

As a new aspect of the event, six prizes should be awarded in Kolding instead of Copenhagen. And to underpin the identity of the award show, Culture Works A/S wanted to print on the surfaces.

- In partnership with RIAS A/S, we found a solution that matched the

visual expression we wanted for the award show. RIAS A/S is willing to experiment with its products and take responsibility for developing solutions for people like us who want something different. That is so cool, says Andreas Nielsen.

Beautiful influx of light

Corrugated sheets are popular in the building sector – for roofing in conservatories, for instance. The partnership with RIAS A/S and its ability to translate the plastic products into evocative, stylish solutions convinced Culture Works A/S to select RIAS A/S as a partner again, when the agency later in the year was charged with the event concept for the Aarhus Festival.

- We can change the appearance of the corrugated sheets by means of artificial and natural lights. Both are excellent approaches to creating stunning designs at a cultural event. At the Aarhus Festival, we could use the light influx in a pent roof. The contrast is just stunning, when multicoloured light penetrates, explains Andreas Nielsen.

As the agency was also in charge of erecting scenes and lounge areas for the events, Andreas Nielsen became aware of how important it is to have a tool that is easy to work with.

- The corrugated sheets are flexible.

It is easy to drill holes in them, and they can be cut without use of special tools. We used that successfully when we needed it for different set-ups at the Festival, explains Andreas Nielsen.

Reusable and recyclable

In addition to their functionality and stunning looks, plastic products used for events are highly sustainable. They can be used for next year's events, too. They can also be granulated and reused for different purposes. Culture Works A/S has experienced that products such as plywood sheets are rarely reusable next year – the wood may have been broken down by rain, for instance. So Andreas Nielsen believes that the reusability and durability of plastic are some of the best aspects of the product.

Anders Topp, who is head of division of RIAS A/S, sees a great potential in precisely that aspect.

- The marketing potential of making organisers aware of the reusability of plastic products is enormous. Many people believe that plastic products pollute. But it is more sustainable than many other natural materials, explains Anders Topp.



NPS Score 9,33

Customer satisfaction
on a scale from 1-10



Increasing employee
satisfaction



8,5%

Savings on consumption of
electricity in the period
2015-2017



264 mio

Revenue
(266 mio)



8,4 mio

EBIT
(8,3 mio)



9,6 mio

Cash Flow from
operating activities
(15,8 mio)



20 kr. /aktie

Proposed dividend
(20 kr.)



30

Gross Margin
(30 %)



3,2

EBIT-margin
(3,1 %)

Management's Review

Review

Mission

RIAS's mission is to provide plastic materials of high quality in Scandinavia.

The Company operates in the two following product areas:

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

Long-term objective

The long-term objective of RIAS A/S is to increase our market value through organic growth and to give our shareholders a competitive return on invested capital.

It is the Company's objective to maintain our position as the largest supplier within semi-finished plastic products in Denmark.

A summary of our expectations for 2016/17 published in the Annual Report for 2015/16 shows that the Company has fully met the announced earnings expectations, which was a profit before tax of between DKK 7-9 million. This should, not least, be seen in the light of the very competitive market and, thus, increasing pressure from competitors.

Financing

In 2016/17, the Company's operating cash flows were positive at DKK 13,562k, and at 30 September 2017 the Company remains free of any debt to credit institutions.

Expectations to 2017/18

In the financial year 2017/18, 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 2017/18 to be in the range of DKK 7.5 - 9.5 million.

Special risks

Operating risks

Unforeseen price fluctuations and discontinuation of trade with major customers may affect the Company adversely with regard to expected earnings for the year, but such risks are normal in a trading enterprise.

Financial risks

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

direct consequence of the operations and financing of RIAS A/S. 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 earnings.

Credit risks

The Company's credit risks relate to trade receivables.

The Company's policy is to take out credit insurance in respect of trade receivables to the extent possible. Trade receivables are assessed on a current basis, and provisions are made to the extent necessary.

Foreign exchange risks

The Company is only to a limited extent exposed to foreign exchange movements. 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 only has debt which falls due within one year, cf. the balance sheet. The payment of this debt, DKK 32.5 million, can be fully covered by payments from receivables and bank deposits.

Intellectual capital

The Company has specific knowledge and competencies within the area of trade in semi-finished plastic products.

The Company attaches importance to attracting, retaining and contributing to the development of well-educated and motivated employees who can contribute to safeguarding one of our core values, namely that of providing our customers with the best service.

On average, the Company has employed 93 fulltime employees in 2016/17, which is 1 more than in 2015/16. The Company had 102 fulltime employees at 30 September 2017, which is five more than at 30 September 2016.

The environment

The Company strives to limit its environmental impact at any time.

The environmental impact in itself is, however, insignificant as the Company's activities comprise mainly distribution and sale of semi-finished plastic products but

not any production.

The Company is not involved in any environmental cases.

Research and development activities

The Company has no separate research activities but develops its business and competencies on a current basis.

Incentive programmes

The Company does not have any incentive programmes.

Subsequent event

No events materially affecting the Company's Financial Statements for 2016/17 have occurred after the balance sheet date.

Management's Review

Financial Review

Income statement

Revenue

Revenue decreased by DKK 1,815k from DKK 266,244k in 2015/16 to DKK 264,429k in 2016/17.

Revenue of the Industry Division increased by DKK 2,314k, whereas revenue of the Building & Construction Division decreased by DKK 4,129k in 2016/17.

The positive development of the Industry Division reflects the facts that the activities in the industrial sector have increased and that the demand for technical plastic products has increased, whereas the sale of advertising-based products has been declining.

Sales within the processing area are in line with expectations. The Company also saw the effect of the increasing plastic materials prices, which also contributed to a slight increase in the Industry Division's revenue.

The decrease in revenue of the Building & Construction Division, corresponding to a 4.6% decrease, is due to the decreasing Danish market as a result of generally lower demand from building market customers.

Gross profit

Gross profit is stable compared to 2015/16 despite of a very competitive market.

Distribution and administrative expenses

Expenses decreased by DKK 758k from DKK 73,205k in 2015/16 to DKK 72,447k in 2016/17, corresponding to an decrease of 1%. This is partly due to an effective cost control.

Tax on profit for the year

The effective tax rate for 2016/17 is 22.3% compared to 20.96% in 2015/16, which is due to the fact that the change in deferred tax is no longer affected by a reduction in the tax rate.

Balance sheet

Intangible assets

Intangible assets have decreased due to depreciations from DKK 57,899k at 30 September 2016 to DKK 56,791k at 30 September 2017. The most important intangible asset is goodwill of DKK 53,085k, which relates to the acquisition of the activities of Rodena A/S and Nordisk Plast A/S. The goodwill values have been subjected to an impairment test, which is described in detail in note 10 to the Financial Statements.

Software amounts to DKK 3,306k at 30 September 2017 compared to DKK 4,351k at 30 September 2016.

Property, plant and equipment

Property, plant and equipment decreased from DKK 42,415k at 30 September 2016 to DKK 41,063k at 30 September 2017. The decrease is due to depreciation exceeding investments. Going forward, a higher investment level is budgeted for in order to ensure the continued development of the Company's activities.

Inventories

Inventories decreased by DKK 2,431k from DKK 28,722k at 30 September 2016 to DKK 26,291k at 30 September 2017, corresponding to an decrease of 8.5%. The Company focuses on a current basis on adjustment inventories to match the existing market.

Receivables

Receivables decreased by DKK 1,913k from DKK 51,758k at 30 September 2016 to DKK 49,845k at 30 September 2017, which is primarily attributable to focus on terms of payment and collection as well as a change in the level of activity in H2.

Liabilities

Liabilities decreased by DKK 4,236k from DKK 46,553k at 30 September 2016 to DKK 42,317k at 30 September 2017, corresponding to a decrease of 9.1%. This is mainly due to a decrease in vendors.

Cash flows

Operating activities

Cash flows from operating activities decreased by DKK 2,190k from DKK 15,752k in 2015/16 to DKK 13,562k in 2016/17. The change in cash flows relates to changes in the working capital.

Investing activities

The company has not had the need for bigger investments in equipment in 2016/17. Cash flow from investing activities decreased with DKK 3.566 k compared to last year.

Liquidity resources

The Company's total cash at bank and in hand has increased by DKK 3,882k from a deposit of DKK 24,776 at 30 September 2016 to a deposit of DKK 28,658 at 30 September 2017.

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 (2017):
riasnordic.com/cg/2017

Committee of Corporate Governance:
<https://corporategovernance.dk/sites/default/files/anbefaling-for-god-selskabsledelse-2013-senest-opdateret-november-2014.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 2016 to 30 September 2016 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 6 May 2013 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 2016/17, 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.

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 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 2016/17, the remuneration to the Executive Board consisted of a base salary including the usual benefits such as company car and telephone. 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 2016/17.

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 2016/17 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.

Social conditions

Securing good social conditions for the employees is a focus area of the Company. Follow-up on sickness absence is made

Management's Review

Shareholder Information and Corporate Governance

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.

The result of the employee survey conducted in 2016 showed clear improvements in all areas addressed.

In cooperation with a group of employees from different departments, Management is focusing on addressing social conditions and working environment.

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.

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 2016/17. 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 one 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 the composition of the Board of Directors and the Executive Board

The members of the Board of Directors are elected based on their overall competences; however, it is also the aim of the Board of Directors to have a more equal gender composition on the Board of Directors and to have 15% female representation on the Board within 4 years. Currently the board of directors consists of 4 members, all of whom are men. The current board of directors are on election every year but during last election no suitable women was found and therefore no changes has been done. As the registered Executive Board consists of only one member at present, no target for gender composition has been set for the Executive Board.

It is the staff policy of RIAS A/S that the ratio of women in other management bodies is to be increased.

RIAS A/S intends to take the following action to obtain a more equal gender composition in the other management bodies:

- Work towards having minimum 25% female managers in the Company with in four years. This is done by using recruiting companies to find the best suited candidates and make sure that possible candidates also includes women. In 2016/17 one person has been replaced in the management team. A recruiting company was used in this process and one woman was hired. End 2016/17 the ratio of women in the management team is 20% and therefore stable compared to last 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 2017 the price corresponding to the market price of the B-shares was DKK 85.7 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.

According to authorisation of the General Meeting, the Company may acquire treasury shares for up to 10% of the share capital until 18 January 2018. The purchase price for these shares cannot deviate by more than 10% from the market price from time to time.

"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 24 January 2018, at 10.00 am 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 2016/17 dividend be distributed to the shareholders in the amount of DKK 20 per DKK 100 share of the share capital at 30 September 2017 of DKK 23,063,000, corresponding to a total proposed dividend of DKK 4,612,600.
- 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 2017/18

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

- | | |
|-------------------|--|
| 13 December 2017: | Announcement of financial results 2016/17 |
| 24 January 2018: | Announcement of interim results |
| 24 January 2018: | Annual General Meeting |
| 16 May 2018: | Announcement of results for the first six months |
| 22 August 2018: | 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
E-mail: hh@rias.dk

Company information

RIAS A/S
Industrivej 11
DK-4000 Roskilde

Telephone: +45 46 77 00 00
Facsimile: +45 46 77 00 10
Website: www.rias.dk
Email: info@rias.dk
VAT no.: 44065118
Founded: 1 February 1959
Municipality of registered office: Roskilde

Board of Directors

| | |
|-------------------------|---------------------------|
| Jürgen Westphal | (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

Financial Statements 2016/17

Statement of Comprehensive Income

Statement of comprehensive income 1 October to 30 September

Amounts in DKK '000

Note

| | | 2016/17 | 2015/16 |
|-----|--|----------------|----------------|
| 3 | Revenue | 264,429 | 266,244 |
| | Production Cost | 184,467 | 185,384 |
| | Gross profit | 79,962 | 80,860 |
| 4-5 | Distribution expenses | 56,674 | 54,879 |
| 4-5 | Administrative expenses | 14,938 | 17,697 |
| | Profit before financial income and expenses | 8,350 | 8,284 |
| 6 | Financial income | 208 | 166 |
| 7 | Financial expenses | 590 | 546 |
| | Profit before tax | 7,968 | 7,904 |
| 8 | Corporation tax | -1,773 | -1,657 |
| | Net profit for the year | 6,195 | 6,247 |
| | Other comprehensive income | 0 | 0 |
| | Total comprehensive income | 6,195 | 6,247 |
| 9 | Earnings per share | | |
| | Earnings per DKK 100 share | 26.86 | 27.09 |
| | Earnings per DKK 100 share, diluted | 26.86 | 27.09 |

Balance sheet

Balance sheet assets at 30 September

Amounts in DKK '000

| Note | | 2017 | 2016 |
|------|--|----------------|----------------|
| | Assets | | |
| | Non-current assets | | |
| 10 | Intangible assets | | |
| | Goodwill | 53,085 | 53,085 |
| | Customer relations | 400 | 463 |
| | Software | 3,306 | 4,351 |
| | | 56,791 | 57,899 |
| 11 | Property, plant and equipment | | |
| | Land and buildings | 32,785 | 33,533 |
| | Plant and machinery | 6,034 | 6,438 |
| | Other fixtures and fittings, tools and equipment | 2,244 | 2,444 |
| | | 41,063 | 42,415 |
| | Total non-current assets | 97,854 | 100,314 |
| | Current assets | | |
| 12 | Inventories | 26,291 | 28,722 |
| 13 | Receivables | 49,845 | 51,758 |
| | Prepayments | 3,783 | 3,514 |
| | Cash at bank and in hand | 28,658 | 24,776 |
| | Total current assets | 108,577 | 108,770 |
| | Total current assets | 206,431 | 209,084 |

Balance sheet

Balance sheet liabilities and equity at 30 September

Amounts in DKK '000

| Note | | 2017 | 2016 |
|-------|---|----------------|----------------|
| | Liabilities and equity | | |
| 14 | Equity | | |
| | Share capital | 23,063 | 23,063 |
| | Revaluation reserve | 1,898 | 1,898 |
| | Retained earnings | 134,540 | 132,958 |
| | Proposed dividend | 4,613 | 4,613 |
| | Equity | 164,114 | 162,532 |
| | Liabilities | | |
| | Non-current liabilities | | |
| 15 | Deferred tax | 9,300 | 9,387 |
| | Total non-current liabilities | 9,300 | 9,387 |
| | Current liabilities | | |
| 16 | Trade payables and other payables | 31,206 | 35,259 |
| | Corporation tax | 1,811 | 1,907 |
| | Total current liabilities | 33,017 | 37,166 |
| | Total liabilities | 42,317 | 46,553 |
| | Total liabilities and equity | 206,431 | 209,084 |
| 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 |
|---|------------------|------------------------|----------------------|----------------------|----------------|
| 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 |
| 2015/16 | | | | | |
| Equity at 1 October 2015 | 23,063 | 1,898 | 131,324 | 4,151 | 160,436 |
| Change in equity in 2015/16 | | | | | |
| Total comprehensive income | 0 | 0 | 6,247 | 0 | 6,247 |
| Dividend paid to shareholders | 0 | 0 | 0 | -4,151 | -4,151 |
| Proposed dividend to shareholders | 0 | 0 | -4,613 | 4,613 | 0 |
| Total changes in equity in 2015/16 | 0 | 0 | 1,634 | 462 | 2,096 |
| Equity at 30 September 2016 | 23,063 | 1,898 | 132,958 | 4,613 | 162,532 |

Cash flow statement

Amounts in DKK '000

| | 2016/17 | 2015/16 |
|--|---------------|---------------|
| Net profit for the year | 6,195 | 6,247 |
| Adjustment for non-cash operating items etc: | | |
| Tax on profit for the period | 1,773 | 1,657 |
| Depreciation and amortisation | 3,615 | 3,885 |
| Profit or loss on sale of property, plant and equipment and financial assets | 0 | 0 |
| Financial income | -208 | -166 |
| Financial expenses | 590 | 546 |
| Cash flows from operating activities before changes in working capital | 11,965 | 12,169 |
| Changes in inventories | 2,432 | 1,907 |
| Changes in receivables (and prepayments) | 1,644 | -2,606 |
| Changes in trade payables and other payables | -4,052 | 4,534 |
| Cash flows before financial income and expenses and tax | 11,989 | 16,004 |
| Financial income, paid | 208 | 82 |
| Financial expenses, paid | -590 | -192 |
| Corporation tax paid | -1,956 | -142 |
| Cash flows from operating activities | 9,651 | 15,752 |
| Purchase of intangible assets | 0 | 0 |
| Purchase of property, plant and equipment | -1,156 | -4,722 |
| Sale of property, plant and equipment | 0 | 0 |
| Cash flows from financing activities | -1,156 | -4,722 |
| Cash and cash equivalents at 30 September | -4,613 | -4,151 |
| Cash flows from financing activities | -4,613 | -4,151 |
| Cash flows for the year | 3,882 | 6,879 |
| Cash and cash equivalents at 1 October | 24,776 | 17,897 |
| Cash and cash equivalents at 30 September | 28,658 | 24,776 |

Notes

Note 1. Accounting policies

RIAS A/S is a public limited company registered in Denmark. The Annual Report covers the period 1 October 2016 – 30 September 2017.

The Annual Report of RIAS A/S for 2016/17, which comprises Management's Review and Financial Statements for the period 1 October 2016 – 30 September 2017, is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

On 13 December 2017, the Board of Directors and the Executive Board discussed and adopted the Annual Report of RIAS A/S for 2016/17. The Annual Report will be presented to the shareholders of RIAS A/S for adoption at the Annual General Meeting on 24 January 2018.

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.

Change of accounting policies

RIAS A/S has implemented the international standards and interpretations effective for the period 1 October 2016 – 30 September 2017.

None of the new standards and interpretations have affected recognition and measurement in 2016/17; thus, profit, diluted earnings per share and balance sheet items have not been affected.

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 |

Notes

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.

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 allow-

ing 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 impairment 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 re-

Notes

cognised 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.

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 2015/16 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 2,546k and is further described in note 12.

Notes

Amounts in DKK '000

| | 2016/17 | 2015/16 |
|------------------------------------|----------------|----------------|
| Note 3. Revenue | | |
| Revenue, Industry | 177,957 | 175,643 |
| Revenue, Building and construction | 86,472 | 90,602 |
| | 264,429 | 266,244 |

Sales outside Denmark amount to 10,1% 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.

Note 4. Depreciation and amortisation

Depreciation and amortisation are included in productions cost as follows:

| | | |
|---|-----|-----|
| Depreciation of property, plant and equipment | 835 | 699 |
|---|-----|-----|

Depreciation and amortisation are included in distribution expenses as follows:

| | | |
|---|--------------|--------------|
| Amortisation of intangible assets | 34 | 38 |
| Depreciation of property, plant and equipment | 1,526 | 1,981 |
| | 1,560 | 2,019 |

Depreciation and amortisation are included in administrative expenses as follows:

| | | |
|---|--------------|--------------|
| Amortisation of intangible assets | 1,074 | 1,074 |
| Depreciation of property, plant and equipment | 146 | 93 |
| | 1,220 | 1,167 |

| | | |
|-------------------------------------|--------------|--------------|
| Total depreciation and amortisation | 3,615 | 3,885 |
|-------------------------------------|--------------|--------------|

Note 5. Staff

| | | |
|-------------------------------------|---------------|---------------|
| Wages and salaries | 38,328 | 38,162 |
| Pensions, defined contribution plan | 5,017 | 4,916 |
| Remuneration to the Executive Board | 2,203 | 1,937 |
| Pension to the Executive Board | 167 | 162 |
| Fee to the Board of Directors | 90 | 90 |
| Other social security expenses | 1,218 | 1,048 |
| | 47,023 | 46,315 |

| | | |
|--------------------------------------|-----------|-----------|
| Average number of fulltime employees | 93 | 92 |
|--------------------------------------|-----------|-----------|

| | | |
|--|------------|-----------|
| Number of fulltime employees at 30 September | 102 | 97 |
|--|------------|-----------|

| | | |
|--|-------|-------|
| Total remuneration to the Executive Board | 2,370 | 2,098 |
| Total remuneration to the Executive Board and the Board of Directors | 2,460 | 2,189 |

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

Note 6. Financial income

| | | |
|---|------------|------------|
| Interest, cash at bank and in hand, etc | 93 | 82 |
| Exchange gains | 115 | 84 |
| | 208 | 166 |

Note 7. Financial expenses

| | | |
|-----------------------------------|------------|------------|
| Interest, credit institutions etc | 203 | 192 |
| Exchange losses | 387 | 354 |
| | 590 | 546 |

Notes

Amounts in DKK '000

| | 2016/17 | 2015/16 |
|---|--------------|--------------|
| Note 8. Corporation tax | | |
| Current tax for the year | 1,860 | 1,927 |
| Deferred tax for the year | -87 | -270 |
| | 1,773 | 1,657 |
| 22% tax calculated on profit for the year | 1,753 | 1,739 |
| Tax effect of non-deductible costs | 20 | 17 |
| Adjustment of deferred tax due to reduction of the tax rate | 0 | -99 |
| | 1,773 | 1,657 |
| Effective tax rate | 22.30% | 20.96% |
| Note 9. Earnings per share | | |
| Net profit for the year | 6,195 | 6,247 |
| Average number of shares, DKK 100 | 230,630 | 230,630 |
| Earnings per DKK 100 share | 26.86 | 27.09 |
| Earnings per DKK 100 share, diluted | 26.86 | 27.09 |

Notes

Amounts in DKK '000

| Note 10. Intangible assets | Goodwill | Customer relations | Software | Total |
|---|-----------------|---------------------------|-----------------|----------------|
| Cost at 1 October 2016 | 53,085 | 1,000 | 23,624 | 77,709 |
| Additions for the year | 0 | 0 | 0 | 0 |
| Disposals for the year | 0 | 0 | 0 | 0 |
| Cost at 30 September 2017 | 53,085 | 1,000 | 23,624 | 77,709 |
| Amortisation at 1 October 2016 | 0 | -537 | -19,273 | -19,810 |
| Amortisation for the year | 0 | -63 | -1,045 | -1,108 |
| Reversed depreciations on the disposals of the year | 0 | 0 | 0 | 0 |
| Amortisation at 30 September 2017 | 0 | 600 | -20,318 | -20,918 |
| Carrying amount at 30 September 2017 | 53,085 | 400 | 3,306 | 56,791 |
| Cost at 1 October 2015 | 53,085 | 1,000 | 23,624 | 77,709 |
| Additions for the year | 0 | 0 | 0 | 0 |
| Disposals for the year | 0 | 0 | 0 | 0 |
| Cost at 30 September 2016 | 53,085 | 1,000 | 23,624 | 77,709 |
| Amortisation at 1 October 2015 | 0 | -475 | -18,223 | -18,698 |
| Amortisation for the year | 0 | -62 | -1,050 | -1,112 |
| Reversed depreciations on the disposals of the year | 0 | 0 | 0 | 0 |
| Amortisation at 30 September 2016 | 0 | -537 | -19,273 | -19,810 |
| Carrying amount at 30 September 2016 | 53,085 | 463 | 4,351 | 57,899 |

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 2017, 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

| | 2017 | 2016 |
|----------|-------------|-------------|
| 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 9% which will, among other things, be achieved through our activities in Sweden, where we can see that the market is growing. Despite decreasing revenue in the Building and Construction Division in the financial year, Management expects to be able to maintain the current revenue going forward.

A growth rate of 2% is estimated for years 4 and 5, as well as a growth rate of 2% in the terminal period (2015/16: 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 8.4 million to DKK 13.4 million in the terminal period. The increase is attributable to increased sales, see above, increased efficiency and cost savings, which are achieved through improved utilisation of IT systems and focus on improved use of the Company's resources. These measures were initiated already in 2016/17.

A discount rate of 8.01% (2015/16: 8.2%) has been applied as, in Management's assessment, this is in line with the risk profile of RIAS A/S. The discount rate has decreased as a result of the development in the risk-free interest rate.

Sensitivity analysis

The difference between the calculated recoverable amount, DKK 170.1 million, and the carrying amount of equity, DKK 164.1 million, is DKK 6.0 million.

In Management's assessment, the discount rate may increase to 8.27%, 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 13.4 million in the terminal period. EBIT may decrease to DKK 12.9 million in the terminal period before write-down for impairment is required.

Notes

Amounts in DKK '000

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

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Cost at 1 October 2015 | 61,906 | 13,745 | 21,240 | 96,891 |
| Additions for the year | 0 | 3,736 | 986 | 4,722 |
| Disposals for the year | 0 | 0 | 0 | 0 |
| Cost at 30 September 2016 | 61,906 | 17,481 | 22,226 | 101,613 |
| Depreciation at 1 October 2015 | -27,626 | -10,091 | -18,708 | -56,425 |
| Depreciation for the year | -747 | -952 | -1,074 | -2,773 |
| Reversed depreciation on disposals for the year | 0 | 0 | 0 | 0 |
| Depreciation at 30 September 2016 | -28,378 | -11,043 | -19,782 | -59,198 |
| Carrying amount at 30 September 2016 | 33,533 | 6,438 | 2,444 | 42,415 |

| | | |
|--|---------------|---------------|
| Note 12. Inventories | 2017 | 2016 |
| Inventories are specified as follows: | | |
| Goods for resale | 28,355 | 30,896 |
| Work in progress | 482 | 748 |
| Inventories at 30 September | 28,837 | 31,644 |
| Write-down at 1 October | -2,922 | -3,097 |
| Reversed write-down made in previous years | 376 | 175 |
| Write-down for the year | 0 | 0 |
| Write-down at 30 September | -2,546 | -2,922 |
| | 26,291 | 28,722 |

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

Notes

Amounts in DKK '000

Note 13. Receivables

| | 2017 | 2016 |
|------------------------------------|---------------|---------------|
| Trade receivables | 48,519 | 49,187 |
| Receivables from group enterprises | 2 | 1,833 |
| Other receivables | 1,337 | 738 |
| | 49,858 | 51,758 |

| | | |
|--|---------------|---------------|
| Insured trade receivables | 36,766 | 37,629 |
| Trade receivables not insured | 12,185 | 11,940 |
| Trade receivables at 30 September | 48,951 | 49,569 |

Provisions for bad debts are specified as follows:

| | | |
|-----------------------------------|-------------|-------------|
| Provisions at 1 October | -382 | -248 |
| Realised in the year | 138 | 85 |
| Reversed | 0 | 2 |
| Provisions for the year | -186 | -221 |
| Provisions at 30 September | -430 | -382 |

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

| | | |
|------------------------|--------------|--------------|
| Period overdue: | | |
| Up to 30 days | 2,199 | 2,126 |
| Between 30 and 90 days | 929 | 527 |
| More than 90 days | 655 | 202 |
| | 3,783 | 2,855 |

| | | |
|----------------------------------|-------|-------|
| Including insured receivables of | 1,980 | 1,875 |
|----------------------------------|-------|-------|

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 2017 (30 September 2016: 78%). 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 2016/17 (2015/16: 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 4,613k (2015/16: DKK 4,613k) is proposed, corresponding to dividend per share of DKK 20 (2015/16: DKK 20).

On 25 January 2017, RIAS A/S paid dividend to its shareholders of DKK 4,613k (2015/16: DKK 4,151k), corresponding to dividend per share of DKK 20 (2015/16: 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 | |
|---|---------------------|--------------|
| | 2017 | 2016 |
| Note 15. Deferred tax | | |
| Balance at 1 October | 9,387 | 9,657 |
| Adjustment for the year of deferred tax | -87 | -270 |
| Balance at 30 September | 9,300 | 9,387 |
| Deferred tax relates to: | | |
| Buildings | 4,630 | 4,596 |
| Operating equipment | 457 | 413 |
| Intangible assets | 4,070 | 4,311 |
| Other temporary differences | 143 | 67 |
| | 9,300 | 9,387 |

Notes

Amounts in DKK '000

| | 2017 | 2016 |
|---|---------------|---------------|
| Note 16. Trade payables and other payables | | |
| Trade payables | 11,589 | 14,513 |
| Payables to group enterprises | 122 | 302 |
| Accrued VAT | 4,800 | 4,404 |
| Holiday pay obligation | 4,654 | 4,919 |
| Accrued promotion expenses | 7,390 | 7,362 |
| Other payables | 2,651 | 3,759 |
| | 31,206 | 35,259 |

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 2017.

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:

| | 2017 | 2016 |
|-----------|--------------|--------------|
| 0-1 year | 3,103 | 3,545 |
| 1-5 years | 1,276 | 2,067 |
| | 4,379 | 5,612 |

For 2016/17 DKK 4,969 has been recognised in the Company's income statement. (2015/16: tkr. 4.596)

| Note 18. Fees to auditors appointed at the General Meeting | 2017 | 2016 |
|---|------------|------------|
| PWC: | | |
| Statutory audit | 380 | 375 |
| Tax advisory services | 52 | 32 |
| Non-audit services | 127 | 286 |
| | 559 | 693 |

Fee for Non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab consists of general accounting and tax advice.

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 and overdraft facilities. Optimisation is currently made to ensure that deposits are set off against drawings on overdraft facilities thus minimising interest expenses.

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 Euler Hermes 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 12,185

Only banks with low risk are being used.

| | Amounts in DKK '000 | |
|---|---------------------|---------|
| Classes of financial assets and liabilities | 2016/17 | 2015/16 |
| Financial assets: | | |
| Lending and receivables | 49,845 | 51,758 |
| Cash at banks | 28,658 | 24,776 |
| Financial liabilities: | | |
| Financial liabilities at amortised cost | 30,687 | 34,817 |

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 | | |
|--|---------|---------|
| | 2016/17 | 2015/16 |
| Trade with companies in thyssenkrupp: | | |
| Other related parties | | |
| Other income | 1,780 | 1,833 |
| Sale of goods and services | 7 | 77 |
| Purchase of goods and services | 5,121 | 3,865 |
| There are no transactions with the Parent Company | | |
| Payables to companies in thyssenkrupp | 122 | 214 |
| Receivables with companies in thyssenkrupp | 7 | 1,833 |
| Key management personnel | | |
| Legal assistance from Lund Elmer Sandager (Board Member) | 236 | 214 |

Note 21. Subsequent events

No material events have occurred after 30 September 2017.

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 2016/17, 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 at 1 January 2019. The standard regulates the accounting treatment of leases and is expected to influence the financial statements as recognition of leased building and minor assets is expected. See note 17.

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 7,388k at 30 September 2017.

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 2016/17.

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 2017 and of the results of the Company operations and cash flows for the financial year 1 October 2016 – 30 September 2017.

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 13th of December 2017

DIREKTION



Henning Hess
CEO

BESTYRELSE

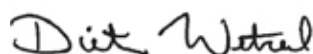
Jürgen Westphal
Chairman



Steen Raagaard Andersen
Vice-chairman



Peter Swinkels
Board Member



Dieter Wetzel
Board Member



June Svendsen
Employee representative



Søren Koustrup
Employee representative

Independent Auditor's Report

To the shareholders of RIAS A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 30 September 2017 and of the results of the Company's operations and cash flows for the financial year 1 October to 30 September 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Financial Statements of RIAS A/S for the financial year 1 October to 30 December 2017 comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies ("Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IEASBA Code.

We declare that, to the best of our knowledge and belief, non-audit services that we have provided to the Company are in accordance with the applicable legislation and regulations in Denmark and that we have not provided any non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

Appointment

We were first appointed auditors of RIAS A/S on 22 January 2013. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of five years including the financial year 2016/17.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2016/17. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Valuation of goodwill

Goodwill amounts to DKK 53 million and is attributable to the acquisitions of the activities in Rodena A/S and Nordic Plastic A/A.

The valuation of goodwill is tested annually for impairment. Key assumptions in determining future cash flows are estimates of earnings growth, including in particular revenue growth in the Swedish market as well as maintenance of revenue in the Building & Construction Division, contribution ratio, efficiency measures and cost savings, changes to working capital and expected capital expenditure.

We focused on the valuation of goodwill because the assessment of impairment requires considerable assessments and estimates on the part of Management.

Reference is made to note 10 "intangible assets".

We assessed the impairment test prepared by Management, including the determination of the total business as one cash flow generating unit.

We assessed the assumptions applied by Management in budgets and forecasts, including net revenue growth, efficiency measures and cost savings, changes to working capital, expected capital expenditure as well as the determination of discount rate and long-term growth rate.

We moreover compared budgets and plans for prior years with actual figures realised with a view to assessing the accuracy of the assessments and estimates previously made by Management. In particular, we challenged Management's assessment of the development in market conditions, budgets and the effect of improvement measures initiated.

We noted that the value in use of future cash flows is sensitive to changes to the assumptions concerning profit/loss before financial income and expenses, net for the budget and forecast periods and in particular for the terminal period, including specifically whether the efficiency and cost savings measures initiated will have the intended effect.

Moreover, the value in use of future cash flows is sensitive to changes to the discount rate, including the development in the risk-free interest rate.

Independent Auditor's Report

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or with our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, den 13. december 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR nr. 3377 1231



Jens Otto Damgaard
State Authorised Public Accountant
mne9231



Lasse Hartlev
State Authorised Public Accountant
mne34350

Denmark's Minister for Economic and Business Affairs visited RIAS



Photo: Minister for Economic and Business Affairs, Brian Mikkelsen (Conservative People's Party) is flanked by CEO Thomas Drustrup and Environmental Manager Christina Busk, both of the Danish Plastics Federation. To the right Henning Hess, CEO of RIAS A/S, a key supplier of semi-finished plastic products.

Mr Brian Mikkelsen, Minister for Economic and Business Affairs, paid a visit to Roskilde to hear about the many uses of plastic. During the ministerial visit, in which our trade association, the Danish Plastics Federation, also participated, RIAS presented some of the latest production and processing methods, like 3D printing, and subjects such as reuse and the need for qualified labour were discussed.

The background of the entire page is a repeating pattern of interlocking cubes, similar to a Penrose tiling. The cubes are rendered in a 3D perspective, with some faces in light gray and others in a slightly darker shade of gray, creating a sense of depth and shadow. The pattern is dense and covers the entire area.

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

RIAS A/S
Industrivej 11
DK - 4000 Roskilde
Tlf. +45 46 77 00 00
Fax +45 46 77 00 10
www.rias.dk
VAT no. DK 44065118