



Nasdaq OMX
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Interim Report

On a recently held board meeting, the Board noted that the development in the turnover in the first three months of the financial year 2021/22 has been lower than last year, however above the expectations set in the budget. Due to the lower turnover, the profit has been at a lower level than in last year, but still well above the expectations for the quarter. RIAS A/S has thus had a positive development in the expectations for the first quarter of the financial year 2021/22. The development shows a turnover at a higher level in the industry sector, and a declining turnover in the construction sector.

The higher turnover in the industry sector observed in the last quarter of the financial year 2020/21 has continued into the first quarter of 2021/22. This confirms the overall trend of the industrial sector being busy. This development covers large differences in demand from different industries, where i.a. retail has been hit hard. This has had a continuing negative effect on the sale of the products that normally are sold within this industry. Generally, the mood is positive, however, at a somewhat lower level because of the latest COVID-19 development. Likewise, the continued rise in raw materials prices, transportation costs and delivery problems have created some uncertainty. Consequently, we see a much shorter order horizon. The uncertainty on what the next months will bring remains significant.

The turnover in the Building and Construction sector has been at a lower level than the same period in 2020/21. Last year's figures were positively influenced by the fact that many worked from home and thus spent more money on refurbishing their house and home. This has been the case to a lesser extent this year. The rising prices in general in the Building and Construction sector have led to the postponement of several projects, e.g. due to poor project economy. This has affected the turnover in the project market negatively. The mood of the DIY sector is moderately positive and a normalization of the demand is noted, as previously expected.

The turnover and profit in Sweden have developed to a higher level than 2020/21. Despite a changed market approach, competition is still fierce, which has led to a negative development in the profit margin.

The processing area has been through a major process of taking over production for a major Danish customer, with consequent start-up problems, which have now been resolved. Thus the area has developed marginally worse than expected, however, the expectation is that the area will develop positively for the rest of the year and at a somewhat higher level than last year.

All areas have been affected by the rising prices for both raw materials and the transportation area. Overall, it has been difficult to implement all the price increases in a timely manner as a result of the already entered contracts. Delayed deliveries have also presented major challenges.



Based on the above-mentioned developments and despite the strong inflationary development in costs including i.a. the rising energy prices, we have created a good basis for the rest of 2021/22.

Taking into account the mentioned uncertainty and with a positive first quarter as basis, the Board of RIAS A/S still expects an EBIT level for the financial year 2021/22 in the range of DKK 13,0-15,0 million.

Kind regards,

RIAS A/S

A handwritten signature in blue ink, appearing to be "Henning Hess", written over the printed name.

Henning Hess