



NASDAQ OMX Copenhagen A/S
PO Box 1040
DK-1007 Copenhagen K

Roskilde, 22 May 2019

RIAS A/S

HALF-YEAR REPORT FOR THE PERIOD

1 October 2018 – 31 March 2019

CVR 44 06 51 18

Company Announcement No 6 of 22 May 2019



Contents

Management's Review.....	3
Management's Statement.....	9
Statement of Comprehensive Income.....	10
Balance Sheet.....	11
Statement of Changes in Equity.....	12
Cash Flow Statement.....	13
Notes.....	14

Management's Review

Company Announcement 22 May 2019

The Board of Directors has today adopted the Half-year Report for the period 1 October 2018 – 31 March 2019.

The half-year in outline:

Operations:

- Revenue was DKK 132,364k and has thus increased by 9.7% compared to the first half of 2017/18. Both the Industrial and Building & Construction divisions have contributed to this positive development in revenue
- The development of the Industrial division reflects the fact that both domestic and export demand has been moderately increasing in terms of both semi-finished products and processing. However, some product areas in the visual sector have been declining. The development has also been characterized by a few large project orders, which have also contributed to the positive development in revenue.
- The revenue of the Building & Construction Division was in both the first and second quarters over the same period in 2017/18. A generally mild winter and a growing export have contributed to the positive revenue development. New actions / solutions in sales have been positively received in the markets and have also contributed to an increased order intake in the first half.
- Capacity costs are increasing compared to recent financial years. This is due to continued investments in the strategic development areas, which includes the processing area and exports. This is in order to strengthen our development in the future. The increase in capacity costs is also due to a price increase in transport costs, which has not been possible in full to invoice the customers.
- In the second half of the financial year 2018/19, the company expects a continued positive revenue development despite the unrest in the markets surrounding the effect of Brexit and the possible trade war. This is partly due to the fact that the building division's main revenue is in the second half. Historically, the second half of the year is always better than the first half.
- Based on the above, the Board of Directors expects an EBIT result for the financial year 2018/19 in the range of 8.5 - 10.0 million compared to an EBIT of DKK 9.1 million last financial year.

Henning Hess, CEO, comments as follows on the Interim Financial Statements:

"Overall, the first half has been satisfactory and with a positive development compared to the first half of 2017/18, both on the top and bottom line. The first half of 2018/19 was also our best result so far since the crisis in 2008. A mild winter and a larger foundation of order intake have also confirmed the initiatives and solutions we have initiated. During the six months, we have completed several large one-off projects that contribute positively to revenue growth.

During the past six months, we have continued to work on developing the organization and the company. Digitization projects, a higher degree of sales solutions and the continued push on our

growth areas, the export to Sweden and the expansion of the processing activities gives us a good starting point for the further development of RIAS A/S.”

Financing

During the first half-year, the Company has had a positive cash flows from operating activities of DKK 7,135k. This is primarily due to changes in the working capital.

Investments

Total net investments for the period in intangible assets, property, plant and equipment and fixed asset investments amounted to a total off DKK 2,004k in the first half-year 2018/19 compared to an investment of DKK 74k in the first half-year 2017/18 In the first half-year 2018/19, investments primarily consisted of processing machinery.

Expectations for the second half-year 2018/19

After a first half year, which proceeded satisfactorily, it is expected with the actions that have been taken that, sales solutions and digitization / optimization projects, the traditionally higher activity in the second half of the year, continued positive development in the strategic areas and a stable social economy will contribute positively to the result.

The Board of Directors thus expects an EBIT result in the range of DKK DKK 8.5 - 10.0 million.

Roskilde, 22 May 2019



Henning Hess
CEO

Financial Highlights

Income statement (DKK million)	1/10-2018- 31/3-2019	1/10-2017- 31/3-2018	1/10-2017- 30/9-2018
Revenue	132.3	120.7	275.0
Cost of sales	92.5	83.0	191.2
Gross profit	39.8	37.7	83.8
Capacity costs	36.2	34.9	72.1
Depreciation and amortisation	1.7	1.7	2.6
Profit/loss before financial income and expenses	1.9	1.1	9.1
Financial income	0.0	0.0	0.0
Financial expenses	0.2	0.3	0.5
Profit/loss before tax	1.7	0.7	8.6
Tax on profit/loss for the period	0.4	0.0	1.9
Net profit/loss for the period	1.3	0.7	6.7
Balance sheet, end of period (DKK million)			
Non-current assets	98.8	96.3	98.5
Current assets	106.3	102.9	110.0
Assets	205.1	199.2	208.5
Equity	161.8	160.1	166.1
Non-current liabilities	9.2	9.3	9.3
Current liabilities	34.1	29.8	33.1
Liabilities and equity	205.1	199.2	208.5
Cash flows (DKK million)			
Cash flows from operating activities	7.1	-2.1	7.2
Cash flows from investing activities	-2.0	-0.1	-4.1
Cash flows from financing activities	-5.7	-4.6	-4.6
Total cash flows	-0.6	-6.8	-1.5
Average number of full-time employees	99	96	102

Financial ratios:			
Accounting ratios:			
Gross margin	30%	31%	31%
Profit margin	1%	1%	3%
Solvency ratio, end of period	79%	80%	80%
Share ratios:			
Earnings per DKK 100 share	5.64	3.62	29
Earnings per DKK 100 share, diluted	5.64	3.62	29
Book value per DKK 100 share, end of period	703	694	721
Market price per DKK 100 share, end of period	434	424	448

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33 "Earnings per share".

Definitions of financial ratios:

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

Profit margin is calculated as profit/loss before financials and tax in % of revenue.

Book value per DKK 100 share is calculated as equity end of period divided by 1/100 of the share capital.

Earnings per DKK 100 share are calculated as profit/loss for the period divided by 1/100 of the share capital after deduction of the Company's holding of own shares end of period.

Diluted earnings per DKK 100 share are calculated as profit/loss for the period divided by 1/100 of the share capital after deduction of the Company's holding of own shares end of period – diluted.

Solvency ratio is calculated as equity end of period in % of balance sheet total end of period.

Development in the Company's activities

Revenue for the period increased by DKK 11,707k from DKK 120,657k in 2017/18 to DKK 132,364k in 2018/19.

Revenue for the period of the Industry Division increased by DKK 1,572k from DKK 90,506k in 2017/18 to DKK 92,078k in 2018/19.

Revenue for the period of the Building & Construction Division increased by DKK 10,135k from DKK 30,151k in 2017/18 to DKK 40,286k in 2018/19.

This year Easter was in the second half-year compared to last year where it was in the first half-year, which increased the number of days with revenues in the first half-year 2018/19.

Gross profit for the period increased compared to first half-year 2017/18 amounting to DKK 37,705k in 2017/18 and in 2018/19 amounting to DKK 39,867k. The gross margin ratio fell from 31.2% in 2017/18 to 30.5% in 2018/19.

Capacity costs for the period increased by DKK 1,782k from DKK 36,615k in 2017/18 to DKK 38,397k in 2018/19 which primarily is caused by investments in strategic sales areas with the intention to push sales development in the future.

Depreciation and amortisation increased by DKK 22k from DKK 1,699k in the first half-year 2017/18 to DKK 1,721k in the first half-year 2018/19.

Net financial expenses for the period, DKK 323k in 2017/18, decreased by DKK 126k, amounting to DKK 197k in 2018/19.

Profit/loss before tax shows a gain of DKK 1,776k in the first half-year 2018/19 compared to a gain of DKK 767k in the first half-year 2017/18.

Net profit/loss after tax shows a gain of DKK 1,340k in the first half-year 2018/19 compared to a gain of DKK 675k in the first half-year 2017/18.

Balance sheet and capital resources

Compared to 31 March 2018, the balance sheet total at 31 March 2019 increased by DKK 5,925k to DKK 205,133k.

Intangible assets decreased from DKK 56,264k at 31 March 2018 to DKK 55,856k at 31 March 2019. The reduction in intangible assets is due to amortisation in the period. The most material intangible asset is goodwill of DKK 53,085k, which is attributable to the acquisition of the activities of Rodena A/S and Nordisk Plast A/S.

Property, plant and equipment decreased by DKK 2,966k to DKK 42,931k from DKK 39,965k.

Current assets increased by DKK 3,367k to DKK 106,346k from DKK 102,979k.

Inventories decreased from DKK 32,913k at 31 March 2018 to DKK 30,151k at 31 March 2019.

Receivables increased from DKK 41,002k to DKK 45,678k.

Total liabilities increased from DKK 39,032k to DKK 43,383k. Current liabilities increased from DKK 29,732k to DKK 34,111k.

Cash flows

Operating activities:

Cash flows from operating activities increased from DKK -2,177k in the first half-year 2017/18 to DKK 7,135k in the first half-year 2018/19, which is primarily attributable to changes in the working capital.

Investing activities:

Cash flows from investing activities increased from DKK 74k in the first half-year 2017/18 to DKK 2,004k in the first half-year 2018/19. During the period, new investments were made in processing machinery.

Cash at bank and in hand increased to DKK 26,150k at 31 March 2019 from DKK 21,794k at 31 March 2018. The capital resources are considered satisfactory.

Special risks

Operating risks

Unforeseen price fluctuations and discontinuation of trade with large 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 thus the management of the Company solely focuses 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 agreements to hedge against interest rate exposure as moderate changes in the level of interest will not have any material effect on earnings.

Credit risks

The Company's credit risks relate to trade receivables.

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

Foreign exchange risks

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



Liquidity risks

The Company only has debts falling due within one year, see the balance sheet. Payment of the amount, DKK 33,7 million, can be fully covered by payments from receivables.

Knowledge resources

The Company has specific knowledge and competence within the area of trade in plastic semi-manufactures.

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

During the first half-year 2018/19, the Company's number of full-time employees averaged 99, an increase of 3 compared to the first half-year 2017/18.

Environment

The Company continuously strives to limit environmental impact. However, the environmental impact is in itself insignificant as the activities of the Company mainly comprise the distribution and sale of plastic semi-manufactured, but not manufacturing.

The Company is not involved in any environmental lawsuits.

Research and development activities

The Company has no specific research activities, but is continuously developing its business and competence.

Shareholder information

Share capital:

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

A shares, which are non-negotiable instruments, carry 10 votes per DKK 100 share, see article 11 of the Articles of Association. B shares, which are negotiable instruments, carry 1 vote per DKK 100 share, see article 11 of the Articles of Association.

The B-shares are listed on NASDAQ OMX Copenhagen A/S.

The Board of Directors and the Executive Board do not hold any shares in RIAS A/S.

Any amendment of the Company's Articles of Association requires 2/3 of the share capital to be represented at the General Meeting, and the proposed amendment must be adopted by 2/3 both of the votes cast and of the share capital represented at the General Meeting.

Contact, Investor Relations:

For more information concerning investor relations and the share market, please contact:

Henning Hess, CEO
Tel: +45 46 77 00 00
E-mail: hh@rias.dk

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Half-year Report of RIAS A/S for the period 1 October 2018 – 31 March 2019.

The Half-year Report, which has not been audited or reviewed by the Company's auditor, is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU as well as Danish disclosure requirements for listed companies.

In our opinion, the Half-year Report gives a true and fair view of the financial position at 31 March 2019 of the Company and of the results of the Company's operations and cash flows for the period 1 October 2018 – 31 March 2019.

Moreover, in our opinion, Management's Review gives a true and fair view of the development in the Company's activities and finances, the results for the period and the Company's financial position as a whole as well as a description of the most significant risks and elements of uncertainty to which the Company is exposed.

Roskilde, 22 May 2019
 Executive Board:



Henning Hess
 CEO

Board of Directors:



Gudrun Degenhart
 Chairman



Steen Raagaard Andersen
 Vice-chairman



Peter Swinkels



Dieter Wetzel



June Svendsen



Søren Koustrup



Statement of Comprehensive Income

Amounts in DKK '000	Note	1/10 2018- 31/3 2019	1/10 2017- 31/3 2018	1/10 2017- 30/9 2018
Revenue	3	132.364	120.657	275.020
Cost of sales		92.497	82.952	191.133
Gross profit		39.867	37.705	83.887
Distribution expenses		29.169	28.214	58.759
Administrative expenses		8.725	8.401	15.999
Profit/loss before financial income and expenses		1.973	1.090	9.129
Financial income		26	36	136
Financial expenses		223	359	675
Profit/loss before tax		1.776	767	8.590
Tax on profit/loss for the period		-436	-92	-1.915
Net profit/loss for the period		1.340	675	6.675
Other comprehensive income		0	0	0
Comprehensive income for the period		1.340	675	6.675

Earnings per share:

Earnings per share	5.64	3.62	28,94
Earnings per share, diluted	5.64	3.62	28,94

Balance Sheet

Amounts in DKK '000	Note	31/3 2019	31/3 2018	30/9 2018
<u>Assets</u>				
Non-current assets				
Intangible assets	4	55.856	56.264	56.130
Property, plant and equipment	5	42.931	39.965	42.373
Total non-current assets		98.787	96.229	98.503
Current assets				
Inventories	6	30.151	32.913	25.815
Receivables	7	45.678	41.002	53.683
Prepaid Tax		0	0	0
Prepayments		4.367	7.270	3.781
Cash at bank and in hand		26.150	21.794	26.785
Total current assets		106.346	102.979	110.064
Total assets		205.133	199.208	208.567
<u>Liabilities and equity</u>				
Equity		161.750	160.176	166.176
Liabilities				
Non-current liabilities				
Deferred tax		9.272	9.300	9.272
Total non-current liabilities		9.272	9.300	9.272
Current liabilities				
Trade payables and other Payables	8	33.675	29.640	31.264
Corporation tax		436	92	1.855
Dividends payable		0	0	0
Total current liabilities		34.111	29.732	33.119
Total liabilities		43.383	39.032	42.391
Total liabilities and equity		205.133	199.208	208.567

Other notes, see pages 14 - 17



Statement of Changes in Equity

1 October 2018 – 31 March 2019

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2018	23.063	1.898	135.449	5.766	166.176
Comprehensive income for the Period	0	0	1.340	0	1.340
Dividend paid	0	0	0	-5.766	-5.766
Equity at 31 March 2019	23.063	1.898	136.789	0	161.750

1 October 2017 – 31 March 2018

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2017	23.063	1.898	134.540	4.613	164.114
Comprehensive income for the Period	0	0	675	0	675
Dividend paid	0	0	0	-4.613	-4.613
Equity at 31 March 2018	23.063	1.898	135.215	0	160.176

Cash Flow Statement

Amounts in DKK '000	1/10 2018 - 31/3 2019	1/10 2017 - 31/3 2018
Net profit/loss for the period	1.340	675
Adjustment for non-cash operating items etc:		
Tax on profit/loss for the period	436	92
Depreciation and amortisation	1.719	1.699
Profit or loss on sale of property, plant and equipment and financial assets	0	0
Financial income	-5	-17
Financial expenses	180	145
Cash flows from operating activities before changes in working capital	3.670	2.594
Adjustment for changes in working capital:		
Changes in inventories	-4.336	-7.203
Changes in receivables (and prepayments)	7.419	5.356
Changes in trade payables and other payables	2.411	-985
Cash flows before financial income and expenses and tax	9.164	-238
Financial income, paid	5	17
Financial expenses, paid	-180	-145
Corporation tax paid	-1.854	-1.811
Cash flows from operating activities	7.135	-2.177
Purchase of intangible assets	-185	0
Purchase of property, plant and equipment	-1.819	-74
Sale of property, plant and equipment	0	0
Cash flows from investing activities	-2004	-74
Dividend paid	-5.766	-4.613
Cash flows from financing activities	-5.766	-4.613
Cash flows for the period	-635	-6.864
Cash and cash equivalents at 1 October	26.785	28.658
Cash and cash equivalents at 31 March	26.150	21.794

Notes

Note 1. Accounting policies

The Half-year Report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU as well as Danish disclosure requirements for listed companies.

The accounting policies have been changed in relation to the financial statements 2017/18, as the company has implemented IFRS 9 and IFRS 15 as described below.

The Financial Statements 2017/18 include a full description of the accounting policies, to which reference is made, except for the description below of IFRS 9 and IFRS 15.

Change of accounting policies

RIAS uses IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" for the first time. The effect of these changes is described below.

Impact of IFRS 15 "Revenue from contracts with customers"

IFRS 15 replaces the previous revenue standards (IAS 11 "Contracts of Construction" and IAS 18 "Revenue") and related interpretations, and sets out a five-step approach to accounting for revenue from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the remuneration that RIAS expects to be eligible for in return for the goods or services that will be transferred to the customer.

In comparison with previous standards, the following essential elements of IFRS 15 are relevant to RIAS. Generally, revenue is recognized when the control passes to the customer. This can be either at a certain time or over time. When a sales transaction includes a variable remuneration such as Discounts, IFRS 15 then require that the estimated variable remuneration is limited to prevent the recognition of excess revenue. No significant variable remuneration has been identified in the first half of 2018/19 and per October 1, 2018, which should be postponed.

RIAS has implemented the new standard per. October 1, 2018. The new standard had no significant impact on recognition and measurement of revenue and therefore no effect on transferred profit per October 1, 2018.

Impact of IFRS 9 "Financial instruments"

IFRS 9 replaces IAS 39 and changes the classification, measurement and write-down of financial assets. IFRS 9 requires RIAS to record expected credit losses on trade receivables. RIAS has applied the simplified method for implementing IFRS 9 per October 1, 2018, and record expected losses in the lifetime of all trade receivables. Based on the historically low realized losses on receivables, the implementation of the new standard has not had any significant impact on RIAS and therefore no impact on the transferred profit per October 1, 2018. No elements of the implementation of the standard have had an impact on recognition and measurement.

Note 2. Estimates

The preparation of the Half-year Report requires Management to make accounting estimates that affect the application of the accounting policies as well as the recognition of assets, liabilities, income and expenses. Actual results may differ from such estimates.

When preparing the Half-year Report, the most material estimates made by Management in connection with the application of the accounting policies and the most material uncertainty in this respect are the same as in connection with the preparation of the Financial Statements for 2017/18, to which reference is made.

Note 3. Revenue



	1 st half-year 2018/19	1 st half-year 2017/18
Sales, Industry	92.078	90.506
Sales, Construction	40.286	30.151
	132.364	120.657

Sales outside Denmark amount to 11,6% of the Company's revenue. All non-current assets are placed in Denmark.

Sales are distributed on a large number of different products and customers. No single customer accounts for more than 10% of total sales.

Note 4. – Intangible assets

	Goodwill	Customer relations	IT software	Under Construction	Total
Cost at 1 October 2018	53.085	1.000	13.609	325	68.019
Additions for the period	0	0	0	185	185
Cost at 31 March 2019	53.085	1.000	13.609	510	68.204
Amortisation at 1 October 2018	0	-662	-11.227	0	-11.889
Amortisation for the period	0	-31	-428	0	-459
Amortisation at 31 March 2019	0	-693	-11.655	0	-12.348
Carrying amount at 31 March 2019	53.085	307	1.954	510	55.856
Cost at 1 October 2017	53.085	1.000	23.624	0	77.709
Additions for the period	0	0	0	0	0
Cost at 31 March 2018	53.085	1.000	23.624	0	77.709
Amortisation at 1 October 2017	0	-600	-20.318	0	-20.918
Amortisation for the period	0	-31	-496	0	-527
Amortisation at 31 March 2018	0	-631	-20.814	0	-21.445
Carrying amount at 31 March 2018	53.085	369	2.810	0	56.264

Note 5. – Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fit- tings, tools and equipment	Under Construc- tion	Total
Cost at 1 October 2018	61.906	20.896	21.433	77	104.312
Additions for the period	0	1.802	66	28	1.896
Disposals for the period	0	0	0	-77	-77
Cost at 31 March 2019	61.906	22.698	21.499	28	106.131
Depreciation at 1 October 2018	-29.869	-12.959	-19.111	0	-61.939
Depreciation for the period	-373	-636	-252	0	-1.261
Reversed depreciation on disposals for the period	0	0	0	0	0
Depreciation at 31 March 2019	-30.242	-13.595	-19.363	0	-63.200
Carrying amount at 31 March 2019	31.664	9.103	2.136	28	42.931
Cost at 1 October 2017	61.906	18.165	22.698	0	102.769
Additions for the period	0	0	74	0	74
Disposals for the period	0	0	0	0	0
Cost at 31 March 2018	61.906	18.165	22.772	0	102.843
Depreciation at 1 October 2017	-29.119	-12.132	-20.454	0	-61.705
Depreciation for the period	-374	-501	-298	0	-1.173
Reversed depreciation on disposals for the period	0	0	0	0	0
Depreciation at 31 March 2018	-29.493	-12.633	-20.752	0	-62.878
Carrying amount at 31 March 2018	32.413	5.532	2.020	0	39.965

Note 6. Inventories

	<u>31/3 2019</u>	<u>31/3 2018</u>
Inventories are specified as follows:		
Goods for resale	32.397	36.040
Write-down at 1 October	-2.246	-2.546
Write-downs for the period	0	0
Write-down at 31 March	-2.246	-2.546
	<u>30.151</u>	<u>33.494</u>

Note 7. Receivables

	31/3 2019	31/3 2018
Trade receivables	43.793	40.335
Receivables from group enterprises	5	2
Other receivables	1.819	595
Corporation tax	61	70
	45.678	41.002
Write-down for bad debts is specified as follows:		
Write-down at 1 October	-556	-430
Write-downs for the period	0	0
Write-down at 31 March	-556	-430

Note 8. Trade payables and other payables

	31/3 2019	31/3 2018
Trade payables	17.771	14.710
Payables to group enterprises	259	331
Accrued VAT	4.587	3.654
Holiday pay accrual	4.936	4.547
Other payables	6.122	6.979
	33.675	30.221

Note 9. Contingencies and other financial commitments

Since the issue of the Financial Statements 2017/18, there have been no significant changes that have not been disclosed in this Half-year Report.

Note 10. Related parties and related party transactions

There have been no significant changes with regard to related parties or the type and scope of related party transactions compared to that disclosed in the Financial Statements 2017/18.

Note 11. Subsequent events

After the Half-year Report balance sheet date, no significant events have occurred that have not been incorporated and sufficiently disclosed in this Half-year Report.