



NASDAQ OMX Copenhagen A/S
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Roskilde, May 2023

RIAS A/S

HALF-YEAR REPORT FOR THE PERIOD

1 October 2022 – 31 March 2023

CVR 44 06 51 18

Company Announcement No 7 of 16. May 2023



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Management's Review

Company Announcement No 7 of 16 May 2023

The Board of Directors has today adopted the half-year report for the period 1 October 2022 to 31 March 2023.

Highlights of H1:

Operating results:

- Revenue amounted to TDKK 142,5, which is about budget. It is a 5.9% decrease compared to the first half of the financial year 2021/22, which was expected. The decrease is due to less tonnage sold partly because customers are buying what they need right now and not building up stock due to expectations of lower prices.
- The development in the Industry Division reflects that the demand has been declining in both the domestic market and the export sector for semi-finished products but with higher prices. The development covers great variations within the demand from different industries where i.a. product areas in the viscom sector have been declining. The processing area is developing as planned.
- The revenue of the Building & Construction Division is in line with the budget, but is below the same period in 2021/22. This partly reflects that customers are not building up stock but are waiting to see how the end customers react to the negative signs in the market such as inflation, interest and energy prices.
- Capacity costs have increased compared to the most recent financial year. This is due to the high inflation and rising energy costs, where electricity prices in particular have risen heavily in Q1 but then slightly dropped again in Q2. Salaries have also been under pressure due to a combination of less people available in the market and expectations to have the inflation covered. Investments have continued in strategic development areas such as the processing area and the export. This is in order to strengthen the development going forward. Investments in the Green transition has also been carried out and in Q2 the new solar panels have been installed and expected to contribute to the reduction of Co2 emission going forward.
- Sales and financial performance for the first half of the financial year 2022/23 is as expected and RIAS A/S therefore is on track in relation to the expected target for the first half of 2022/23.

Karsten Due, CEO, comments as follows on the half-year financial Statements 2022/23:

We can look back at a satisfactory first half of the year. The nervousness in the market with changed purchasing behaviour among our customers as well as the expectation that the prices on raw materials will decrease has not been reflected in neither the turnover nor the earnings, which are on budget.

We have seen that the customers generally are more reluctant in placing orders and drag out their decisions longer compared to before. We have the feeling that we are returning to a purchasing pattern and level as before Corona, which is absolutely preferable in the long run, both as a customer and supplier and something that we have taken into account in our budgets for the year.

We are still looking into a future with geopolitical uncertainty, with the war in Ukraine affecting both our suppliers and our exporting customers. In addition, we also note a continued decrease in the volumes sold and earnings, which is a cocktail that continues to give cause for concern.

However, we have had this decline for the past year and have still managed to keep our budgets, so we are still very aware of the smallest changes and fortunately, we have measures that can compensate for these changes just as we have areas where we see growth.

So overall, we are cautious and keep a strong focus on our core business and at the same time try to be realistic in our objectives.

Outlook for H2 2022/23:

Based on the development in the first half of the year, and taking into account an uncertainty of the second half of the year, the Board of Directors keep the expectations of an adjusted EBIT result for the financial year 2022/23 in the range of DKK 14.5-16.5 million.

Roskilde, 16 May 2023



Karsten Due
CEO

Financial Highlights

Income statement (DKK million)	1/10-2022- 31/3-2023	1/10-2021- 31/3-2022	1/10-2021- 30/9-2022
Revenue	142.5	151.5	338.7
Cost of sales	95.5	103.5	230.0
Gross profit	47.0	48.0	108.7
Capacity costs	42.1	39.7	87.1
Profit/loss before special items	4.9	8.3	21.6
Special items	0.0	0	0
Profit/loss before financial income	4.9	8.3	21.6
Financial items net	0.5	0.3	-0.2
Profit/loss before tax	4.4	8.5	21.4
Tax on profit/loss for the period	0.9	1.9	4.4
Net profit/loss for the period	3.5	6.6	17.0
Balance sheet, end of period (DKK million)			
Non-current assets	121.7	122.4	122.7
Current assets	114.8	115.3	131.4
Assets	236.5	237.7	254.2
Equity	178.2	175.9	186.2
Deferred tax	9.5	9.5	9.5
Non-current liabilities	6.1	4.2	7.4
Current liabilities	42.7	48.2	51.1
Liabilities and equity	236.5	237.7	254.2
Cash flows (DKK million)			
Cash flows from operating activities	10.3	-2.2	22.5
Cash flows from investing activities	-2.6	-2.0	-2.0
Cash flows from financing activities	-14.3	-10.7	-12.9
Total cash flows	-6.6	-14.9	-7.9
Average number of full-time employees	105	102	104

Financial ratios:

Accounting ratios:

Gross margin	33%	32%	32%
Profit margin before special items	3%	5%	6%
Profit margin	3%	5%	6%
Solvency ratio, end of period	76%	74%	73%

Share ratios:

Earnings per DKK 100 share, diluted	14.93	28.67	50
Book value per DKK 100 share, end of period	772	763	808
Market price per DKK 100 share, end of period	635	650	570

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 before special items is calculated as profit/loss before special items 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 showed a decrease of DKK 8,948k from DKK 151,498k in 2021/22 to DKK 142,550k in 2022/23. The reason for the decrease is mainly due to less tonnage sold in Building & Construction.

The revenue of the Industry Division for the period showed a decrease of DKK 1,756k from DKK 96,886k in 2021/22 to DKK 95,130k in 2022/23. The reason for the decrease is less tonnage sold. Moreover, a few product areas in the visual sector have had declining revenue but the processing has followed the expectations.

The revenue of the Building & Construction Division showed a decrease of DKK 7,192k from DKK 54,612k in 2021/22 to DKK 47,420k in 2022/23 due to less tonnage sold to DIY markets where end users have been reluctant to invest in housing and garden because of the uncertainty with energy prices and inflation. This has been seen on both the Danish and the Swedish markets.

Gross profit for the period showed a decrease from H1 2021/22 which is due to less revenue. Gross profit for 2021/22 amounted to DKK 48,011k and gross profit for 2022/23 amounted to DKK 47,078k.

The gross margin ratio showed an increase from 32% in 2021/22 to 33% in 2022/23 due to different product mix and the fact that price increases are implemented in the market.

Capacity costs including depreciation and amortisation for the period showed an increase of DKK 2,434k from DKK 39,710k in 2021/22 to DKK 42,144k in 2022/23, which is primarily attributable to price increases on items as energy, packaging and freight cost. Investments were still made in strategic sales areas with a view to reinforcing our sales development going forward. Investments in green transition is still in focus and further investments have also been done.

Special risks

Operating risks

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

Financial risks

The Company does not speculate in financial risks, and the Company's risk management is only directed towards control of financial risks that are a direct result 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, SEK or EUR. As the foreign exchange risk relating to DKK/EUR is considered very small, the Company does not hedge its net debt in EUR. The company receives payments from sales to Sweden which is done in SEK but this risk is considered minimized because incoming payments in SEK are converted immediately to DKK. The management closely follows the SEK/DKK currency rate since the value of SEK has decreased since September 2022.

Liquidity risks

The Company only has debts falling due within one year, see the balance sheet. Payment of the amount, MDKK 37,8 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 finds it important to attract, retain and contribute 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 2022/23, the Company's number of full-time employees averaged 105, which is one more compared to 30 September 2022.

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.

Contact, Investor Relations:

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

Karsten Due, CEO
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 E-mail: KAD@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 2022 – 31 March 2023.

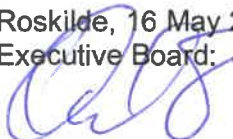
The Half-year Report, which has not been audited or reviewed by the Company's auditor, is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU as well as Danish disclosure requirements for listed companies.

In our opinion, the Half-year Report gives a true and fair view of the financial position at 31 March 2023 of the Company and of the results of the Company's operations and cash flows for the period 1 October 2022 – 31 March 2023.

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, 16 May 2023

Executive Board:

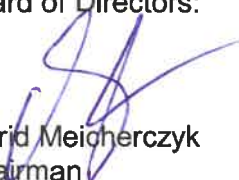


Karsten Due
 CEO



Dannie Michaelsen
 CFO

Board of Directors:



Astrid Meicherzyk
 Chairman



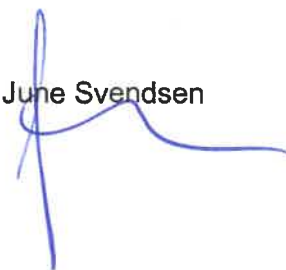
Peter Sørensen
 Vice-chairman



Nicolas Neuwirth



Dieter Wetzel



June Svendsen



Søren Koustrup

Statement of Comprehensive Income

Amounts in DKK '000	Note	1/10 2022- 31/3 2023	1/10 2021- 31/3 2022	1/10 2021- 30/9 2022
Revenue	3	142.550	151.498	338.727
Cost of sales		95.472	103.487	230.000
Gross profit		47.078	48.011	108.727
Distribution expenses		36.180	34.031	74.192
Administrative expenses		5.964	5.679	12.925
Profit/loss before financial income and expenses		4.934	8.301	21.610
Financial income		113	639	294
Financial expenses		632	463	550
Profit/loss before tax		4.415	8.477	21.354
Tax on profit/loss for the period		-971	-1.865	-4.395
Net profit/loss for the period		3.444	6.612	16.959
Other comprehensive income		0	0	0
Comprehensive income for the period		3.444	6.612	16.959

Earnings per share:

Earnings per share	14.93	28.67	73.53
Earnings per share, diluted	14.93	28.67	73.53

Balance Sheet

Amounts in DKK '000	Note	31/3 2023	31/3 2022	30/9 2022
<u>Assets</u>				
Non-current assets				
Intangible assets	4	53.274	53.441	53.352
Property, plant and equipment	5	58.281	59.354	57.577
Right on use assets	6	10.114	9.604	11.809
Total non-current assets		121.669	122.399	122.738
Current assets				
Inventories	7	33.429	36.410	24.205
Receivables	8	49.423	62.232	67.299
Prepayments		4.241	4.387	5.149
Cash at bank and in hand		27.751	12.302	34.779
Total current assets		114.844	115.330	131.432
Total assets		236.513	237.728	254.170
<u>Liabilities and equity</u>				
Equity		178.153	175.894	186.241
Liabilities				
Non-current liabilities				
Deferred tax		9.464	9.479	9.464
Lease liabilities		6.143	4.195	7.699
Total non-current liabilities		15.607	13.674	17.163
Current liabilities				
Lease liabilities		4.317	5.521	4.238
Trade payables and other payables	9	37.817	41.637	43.017
Corporation tax		619	1.002	3.511
Total current liabilities		42.753	48.160	50.766
Total liabilities		58.360	61.834	67.929
Total liabilities and equity		236.513	237.728	254.170

Other notes, see pages 13 - 18



Statement of Changes in Equity

1 October 2022 – 31 March 2023

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2021	23.063	1.898	149.748	11.532	186.241
Comprehensive income for the Period	0	0	3.444	0	3.444
Dividend paid	0	0	0	-11.532	-11.532
Equity at 31 March 2022	23.063	1.898	153.192	0	178.153

1 October 2021 – 31 March 2022

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 October 2020	23.063	1.898	144.321	8.072	177.354
Comprehensive income for the Period	0	0	6.612	0	6.612
Dividend paid	0	0	0	-8.072	-8.072
Equity at 31 March 2021	23.063	1.898	150.933	0	175.894

Cash Flow Statement

Amounts in DKK '000	1/10 2022 - 31/3 2023	1/10 2021 - 31/3 2022
Net profit/loss for the period	4.417	6.612
Adjustment for non-cash operating items etc:		
Tax on profit/loss for the period	971	1.865
Depreciation and amortisation	4.440	4.415
Profit or loss on sale of property, plant and equipment and financial assets	-40	0
Financial income	-104	-636
Financial expenses	622	460
Cash flows from operating activities before changes in working capital	10.306	12.716
Adjustment for changes in working capital:		
Changes in inventories	-9.224	-7.221
Changes in receivables (and prepayments)	18.784	-1.914
Changes in trade payables and other payables	-5.571	-1.267
Cash flows before financial income and expenses and tax	14.295	-2.314
Financial income, paid	113	542
Financial expenses, paid	-279	-229
Corporation tax paid	-3.863	-4.833
Cash flows from operating activities	10.266	-2.207
Purchase of intangible assets	0	0
Purchase of property, plant and equipment	-2.561	-2.018
Sale of property, plant and equipment	0	0
Cash flows from investing activities	-2.561	-2.018
Payments on lease liability	-2.849	-2.622
Dividend paid	-11.532	-8.072
Cash flows from financing activities	-14.381	-10.694
Cash flows for the period	-6.676	-14.919
Currency regulation cash	-352	137
Cash and cash equivalents at 1 October	34.779	27.084
Cash and cash equivalents at 31 March	27.751	12.302

Notes

Note 1. Accounting policies

The Interim Report is presented in accordance with IAS 34, Presentation of Interim Reports, as adopted by the EU and Danish disclosure requirements relating to listed companies.

The accounting policies remain unchanged from those applied in the Annual Report for 2021/22. The Annual Report for 2021/22 contains the full description and can therefore be found there .

Note 2. Accounting estimates and judgements

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 2021/22, to which reference is made.

Note 3. Revenue

Sales outside Denmark amounts to 15.5% of the total sale and 11.8% was to Sweden.

All non-current assets are placed in Denmark and sales are distributed on a large number of different products and customers and no customer amounts for more than 10% of the sales.

t.DKK	H1 2022/23			H1 2021/22		
	Industry division	Building division	Total	Industry	Building division	Total
DK	81.085	39.388	120.473	81.566	44.235	125.801
Sweden	9.096	7.711	16.807	10.016	9.501	19.517
Others	4.949	321	5.270	5.304	876	6.180
Total	95.130	47.420	142.550	96.886	54.612	151.498

Note 4. – Intangible assets

	Goodwill	Customer relations	IT software	Total
Cost at 1 October 2022	53.085	1.000	9.965	64.050
Additions for the period	0	0	0	0
Disposals for the period	0	0	0	0
Cost at 31 March 2023	53.085	1.000	9.965	64.050
Amortisation at 1 October 2022	0	-912	-9.786	-10.698
Amortisation for the period	0	-31	-47	-78
Reversed depreciation on disposals for the period	0	0	0	0
Amortisation at 31 March 2023	0	-943	-9.833	-10.776
Carrying amount at 31 March 2023	53.085	57	132	53.274
Cost at 1 October 2021	53.085	1.000	9.965	64.050
Additions for the period	0	0	0	0
Disposals for the period	0	0	0	0
Cost at 31 March 2022	53.085	1.000	9.965	64.050
Amortisation at 1 October 2021	0	-850	-9.669	-10.519
Amortisation for the period	0	-31	-59	-90
Reversed depreciation on disposals for the period	0	0	0	0
Amortisation at 31 March 2022	0	-881	-9.728	-10.609
Carrying amount at 31 March 2022	53.085	119	237	53.441

Impairment test for Goodwill has been evaluated and management has concluded that there is no need for impairment.

Note 5. – Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fit- tings, tools and equipment	Total
Cost at 1 October 2022	66.382	34.034	22.033	122.449
Additions for the period	0	2.476	85	2.561
Disposals for the period	0	0	0	0
Cost at 31 March 2023	66.382	36.510	22.118	125.010
Depreciation at 1 October 2022	-27.069	-19.325	-18.478	-64.872
Depreciation for the period	-193	-1.261	-403	-1.857
Reversed depreciation on disposals for the period	0	0	0	0
Depreciation at 31 March 2023	-27.262	-20.586	-18.881	-66.729
Carrying amount at 31 March 2023	39.120	15.924	3.237	58.281

Cost at 1 October 2021	66.382	32.089	22.021	120.492
Additions for the period	0	1.933	85	2.018
Disposals for the period	0	0	-74	-74
Cost at 31 March 2022	66.382	34.022	22.033	122.437
Depreciation at 1 October 2021	-26.553	-17.023	-17.644	-61.220
Depreciation for the period	-324	-1.124	-425	-1.873
Reversed depreciation on disposals for the period	0	0	10	10
Depreciation at 31 March 2022	-26.877	-18.147	-18.059	-63.082
Carrying amount at 31 March 2022	39.505	15.875	3.974	59.354

Note 6. Right on use assets

	Land & buil- dings	Other fixtures and fittings tools and equipment	Total
Cost at 1 October 2022	18.283	5.763	24.046
Additions for the period	0	1.044	1.044
Disposals for the period	0	0	0
Cost at 31 March 2023	18.283	6.807	25.090
Depreciation at 1 October 2022	-9.334	-2.903	-12.237
Depreciation for the period	-1.624	-1.115	-2.739
Disposals of depreciations	0	0	0
Depreciations at 31 March 2023	-10.958	-4.018	-14.976
Cost at 31 March 2023	7.325	2.789	10.114

Note 6. Right on use assets continued

	Land & buildings	Other fixtures and fittings tools and equipment	Total
Cost at 1 October 2021	15.598	5.014	20.612
Additions for the period	0	747	747
Disposals for the period	0	0	0
Cost at 31 March 2022	15.598	5.761	21.359
Depreciation at 1 October 2021	-6.319	-2.906	-9.225
Depreciation for the period	-1.546	-984	-2.530
Disposals of depreciations	0	0	0
Depreciations at 31 March 2022	-7.865	-3.890	-11.755
Cost at 31 March 2022	7.733	1.871	9.604

Note 7. Inventories

	<u>31/3 2023</u>	<u>31/3 2022</u>
Inventories are specified as follows:		
Goods for resale	36.408	38.556
Write-down at 1 October	-2.979	-2.146
Write-downs for the period	0	0
Write-down at 31 March	-2.979	-2.146
	<u>33.429</u>	<u>36.410</u>

Note 8. Receivables

	<u>31/3 2023</u>	<u>31/3 2022</u>
Trade receivables	47.650	59.992
Receivables from group enterprises	193	40
Other receivables	1.580	1.337
Corporation tax	0	863
	<u>49.423</u>	<u>62.232</u>
Write-down for bad debts is specified as follows:		
Write-down at 1 October	-1.447	-1.283
Write-downs for the period	80	50
Write-down at 31 March	-1.367	-1.233

Note 9. Trade payables and other payables

	<u>31/3 2023</u>	<u>31/3 2022</u>
Trade payables	18.332	17.215
Payables to group enterprises	362	389
Accrued VAT	5.251	7.271
Holiday pay accrual	1.416	1.721
Other payables	12.456	15.041
	<u>37.817</u>	<u>41.637</u>

Note 10. Contingencies and other financial commitments

Since the issue of the Financial Statements 2021/22, there have been no significant changes that have not been disclosed in this Half-year Report.

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.