



Nasdaq OMX
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21st August 2024

Interim Report

After closing of the third quarter 2023/24, the Board noted that the development in turnover in the first nine months of the 2023/24 financial year has been at the same level as last year but marginally below the budget for 2023/24. This is primarily a result of the continued pressure on prices, which we also experienced in the last financial year. The persistent price decline has had a negative impact on our top line, making it necessary to maintain our focus on cost management and efficiency to sustain profitability.

Within the industrial sector, demand has been relatively stable, but we continue to observe significant differences across the various industries. Sales within visual communication are also at a stable level. Delivery capability and price remain critical factors, and we see that customers often request multiple quotes before making a decision. This caution among customers highlights the uncertainty prevailing in the market.

We have observed a decline in turnover in Sweden, which was expected, as our neighboring country has been challenged by economic difficulties. The Swedish economy has been characterized by high inflation and rising interest rates, which have reduced consumer confidence and negatively impacted industrial activity. The Swedish krona has also been weak, making imported goods more expensive and further pressuring the market. These factors have made it difficult for many of our customers in Sweden to maintain their previous activity levels.

In the processing area, we continue to see progress, which was anticipated considering our targeted strategic efforts. Our investments in this area have already begun to bear fruit, and we expect this positive development to continue.

Turnover in the construction sector has remained at a stable level above budget throughout the period. Prices have gradually stabilized during the period, and we have aligned them with both our suppliers and customers. A more positive development has also been observed in the DIY sector, driven in part by increased demand from the private sector in Denmark.

We are pleased to note that several of our customers' purchasing patterns are returning to the pre-COVID-19 period, creating a more stable and predictable demand. However, the market is still characterized by some unpredictability, as customers continue to purchase primarily for immediate consumption.

We have experienced a significant global shortage of acrylic, which has presented us with challenges. However, thanks to our strength and size, as well as excellent work from our purchase department, we



have managed to secure deliveries, so our customers have only marginally felt this shortage. Additionally, one of our major suppliers has faced challenges in delivery capability due to a large merger and the transition to a new ERP system.

We continue to navigate through a period of significant geopolitical challenges, including the war in Ukraine, uncertainty in Israel/Palestine, and the upcoming election in the USA. These factors create an unpredictable global economic situation, which we are closely monitoring. We continue to maintain a steady course and focus on tight cost management and strategic investments in our core areas.

Based on the above developments and continued tight cost control, the Board maintains the EBIT forecast for the 2023/24 financial year in the range of DKK 16-18 million.

Med venlig hilsen

RIAS A/S

A handwritten signature in blue ink, appearing to read "K. Due", written over a light blue horizontal line.

Karsten Due