



ANNUAL FINANCIAL
ACCOUNT STATEMENT
2018/19

Announcement of full-year results 2018/19

NASDAQ Copenhagen A/S
Post Box 1040
1007 Copenhagen K
Denmark

11th December 2019

ANNOUNCEMENT OF FULL-YEAR RESULTS FOR THE FINANCIAL YEAR 2018/19

The Board of RIAS A/S has today considered and approved the annual report for 2018/19, which includes the following information:

- Turnover was DKK 285.4 million, which is an increase of DKK 10.4 million. We note growth in the building & construction division and in export, but a slight decline in the industry division. The main underlying reason for this decline is a falling demand for products aimed at the visual sector. The processing area is developing as expected and at a higher level than last year.
- The balance sheet reflects our good overall market position in our most important markets, stable raw material prices and increasing competition.
- EBIT was DKK 9.7 million compared with DKK 9.1 million the year before.
- EBIT guidance for the financial year 2019/20 is in the range of DKK 8.5 – 10.0 million.

CEO Henning Hess comments on the financial performance:

“We are glad to have achieved a good result – and especially in a year that has been even more unpredictable than ever. The markets have been disturbed by the trade war between the USA and China. Brexit has proved to be the forever present joker. The climate change and responses to it have had an increasing impact on our daily work.

There has been a high attention and debate on plastics and sustainability. We work daily in accordance with European sustainability guidelines, and as a partner in the Danish PVC recycling community, WUPPI, we are very active in the recycling of our products.

Regarding digitization, we work under the headline, “Put the customer first”. Our cloudbased CRM solution is now fully interactive with our data and are operated via smart phones and tablets. The new production systems have improved our order flow management and create a better overview of production and sales which gives us an increase in efficiency, e.g. in order registration.

We are fortunate in having motivated and excellent employees with a high retention rate. Our company culture encourages knowledge sharing, trust, solidarity, and respect for each other as well as for our customers.

We can celebrate our 60th anniversary with a good result and a durable organisation.”

The annual report for 2018/19 can be read at www.rias.dk from 11th December 2019, and a printed version can also be requested from the head office.

The annual general meeting will be held at the company’s address in Roskilde on Wednesday 29th January 2020 at 1 pm.

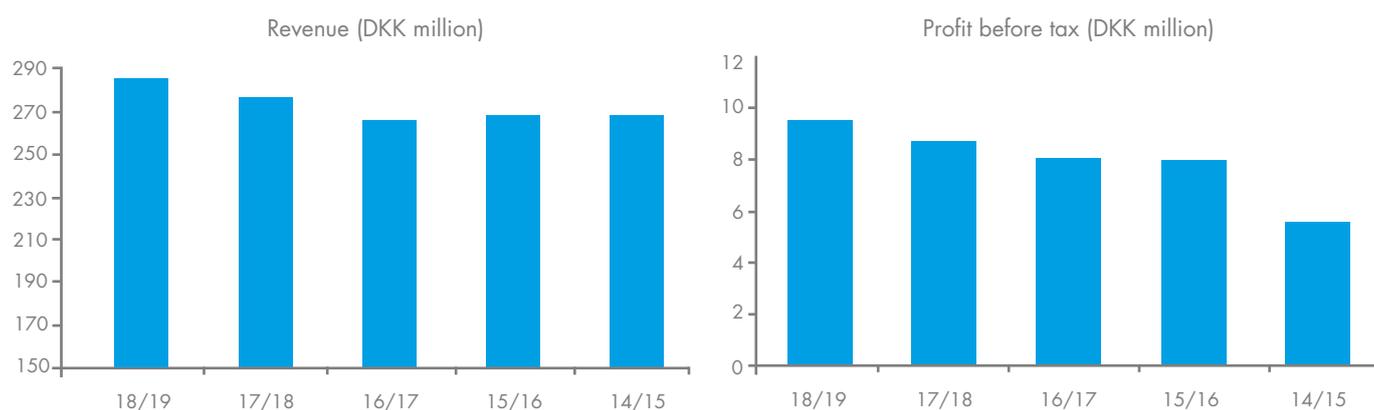
Management's Review

Financial highlights

	2018/19	2017/18	2016/17	2015/16	2014/15
Income statement (DKK million)					
Revenue	285.3	275.0	264.4	266.2	265.8
Production Costs	198.0	191.2	184.4	185.4	185.7
Gross profit	87.3	83.8	80.0	80.8	80.1
Capacity costs	75,2	72.1	68.8	69.3	70.6
Depreciation and amortisation	2.4	2.6	2.8	3.3	3.6
Profit before financial income and expenses	9.7	9.1	8.4	8.2	5.9
Net financials	-0.3	-0.5	-0.4	-0.4	-0.3
Profit before tax	9.4	8.6	8.0	7.9	5.6
Corporation tax	2.1	1.9	1.8	1.7	1.3
Net profit for the year	7.3	6.7	6.2	6.3	4.3
Balance sheet at 30 September (DKK million)					
Non-current assets	99.8	98.5	97.8	100.3	99.5
Current assets	119.5	110.0	108.6	108.8	101.5
Assets	219.3	208.5	206.4	209.1	201.0
Equity	167.7	166.1	164.1	162.5	160.5
Deferred tax	9.5	9.3	9.3	9.4	9.7
Short-term liabilities	42.1	33.1	33.0	37.2	30.8
Liabilities and equity	219.3	208.5	206.4	209.1	201.0
Cash flows (DKK million)					
Cash flows from operating activities	16.7	7.2	9.9	15.8	3.7
Cash flows from investing activities	-4.7	-4.1	-1.2	-4.7	-0.8
Including investments in property, plant and equipment of	-4.7	-4.1	-1.2	-4.7	-0.5
Cash flows from financing activities	-5.8	-4.6	-4.6	-4.2	-4.6
Total cash flows	6.2	-1.5	4.1	6.9	-1.7
Average number of fulltime employees	103	102	96	93	95

* Capacity costs include distribution and administrative expenses deducted depreciations.

This is a translation of the Danish Annual report.
In case of discrepancy, the Danish original shall apply



Management's Review

Ratios

	2018/19	2017/18	2016/17	2015/16	2014/15
Gross margin					
Gross margin	31%	31%	30%	30%	30%
Profit margin	3%	3%	3%	3%	2%
Return on assets	5%	5%	5%	5%	3%
Profit per DKK 100 share	32	29	27	27	20
Dividend per DKK 100 share	25	25	20	20	18
Equity value per DKK 100 share	727	721	711	705	697
Return on equity before tax	6%	5%	5%	5%	4%
Return on equity after tax	4%	4%	4%	4%	3%
Solvency ratio	76%	80%	80%	78%	80%
Market price per DKK 100 share at 30 September	434	448	430	390	460

The ratios have been calculated in accordance with the definitions below. 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.

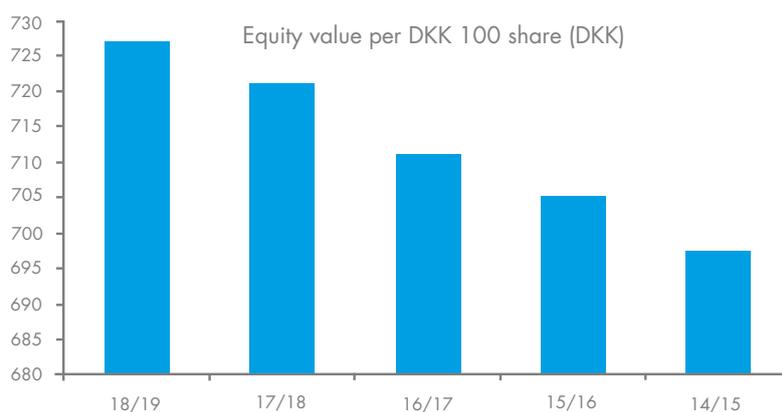
Dividend per DKK 100 share is calculated as dividend divided by 1/100 of the share capital after deduction of the Company's holding of treasury shares at 30 September.

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

Review

Mission

RIAS A/S's mission is to provide high-quality plastic materials and processing of these in Scandinavia.

The Company operates within two product areas:

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

Long-term objectives

RIAS A/S's long-term objectives are to increase the market value through organic growth and to give the shareholders a competitive return on their invested capital.

It is the Company's ambition to maintain its position as Denmark's largest supplier of semi-finished plastic products.

A summary of our expectations for 2018/19 published in the Annual Report for 2017/18 shows that the Company has met the announced earnings expectations relating to EBIT in the range of DKK 8.5 - 10.0 million. This should not least be seen in the light of the very competitive market and, thus, increasing pressure from competitors.

Expectations for 2019/20

In the financial year 2019/20, 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 2019/20 to be in the range of DKK 8.5 - 10.0 million.

Special risks

Operating risks

Unforeseen price fluctuations and the loss of trading with major customers might 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 thus the Company's risk management is only directed towards control of financial risks that are a direct result of RIAS A/S's operations and financing. The Company has no derivative financial instruments.

Interest rate risks

The Company does not take any interest rate positions to hedge interest rate risks as moderate changes in the interest rate level 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 for bad debts are made to the extent necessary. The Company's banks are Dansk Bank and Handelsbanken, and the Company has deposits exceeding the deposit guarantee provided by the state.

Foreign exchange risks

The Company is only to a limited extent affected by exchange rate developments. Nearly all trading is effected in DKK, SEK or EUR.

As the foreign exchange risk as regards DKK/EUR is considered very small, the Company does not hedge its net debt in EUR. The Company has purchases and sales in SEK, and these transactions are affected by the DKK/SEK exchange rate.

Management considers the risk in this respect to be minimal as the number of transactions in SEK is limited and does not justify hedging of future purchases and sales in SEK. Management is monitoring the development in the exchange rate closely.

Liquidity risks

The Company only has debt that is due within one year; see the balance sheet. The amount payable, DKK 42.1 million, can be fully covered by payments from trade receivables and bank deposits.

Intellectual capital resources

The Company has specific knowledge and skills within the trading in semi-finished plastic products as well as processing knowledge.

The Company has focus on attracting, retaining and developing highly educated and motivated employees who may contribute to securing one of the Company's core values: to provide the best service to the customers.

The Company had an average of 103 full-time employees in 2018/19, which is 1 more than in 2017/18. The Company has 103 full-time employees at 30 September 2019, which is equal to 30 September 2018.

Environmental aspects

The Company endeavours to reduce environmental impact at any time and participates in return schemes through WUP-PI, which arranges for recycling of plastic scrap.

The environmental impact is, however, immaterial in itself as the Company's activities mainly comprise the distribution and sale of semi-finished plastic products but not production.

The Company is not involved in any environmental cases.

Research and development activities

The Company has no special research activities, but is developing its business and skills on a current basis.

Incentive schemes

The Company has incentive schemes.

Management's Review

Financial Review

Income statement

Revenue

Revenue increased by DKK 10,350k from DKK 275,020k in 2017/18 to DKK 285,370k in 2018/19.

Revenue in the Industry Division decreased by DKK 2,007k, and revenue in the Building & Construction Division increased by DKK 12,357k in 2018/19.

The lower sale in the Industry Division reflects the fact that certain products in the visual sector is dropping.

Sales within the processing area are in line with expectations and contribute positively to our bottom line.

The development in sales of the Company's building and construction products was above expectations; thus, the declining revenue recorded in the first six months has been turned into a positive revenue development. Higher activity is seen with building merchants and DIY chains within the Company's products. However, the earnings margin remains under pressure as a result of the fierce competition.

Gross profit

The gross margin ratio remains unchanged from 2017/18 despite a very competitive market and increasing freight charges.

Distribution and administrative expenses (Capacity cost)

The expenses have increased by DKK 2,847k from DKK 74,759k in 2017/18 to DKK 77,606k in 2018/19. The increase is due to investment in optimization in processes and investment in strategic areas as export and processing.

The capacity cost was 26,2% of turnover which is the same level as previous year.

Tax on profit for the year

The effective tax rate for 2018/19 is 22.2% against 22.3% in 2017/18.

Balance Sheet

Intangible assets

Intangible assets have decreased due to amortisation from DKK 55,392k at 30 September 2019 to DKK 56,130k at 30 September 2018. 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. An impairment test has been performed of the goodwill values, which has been detailed in note 10 of the Financial Statements.

Software amounts to DKK 2,031k at 30 September 2019 compared to DKK 2,382k at 30 September 2018 since investments in new software is lower than amortisation.

Property, plant and equipment

Property, plant and equipment increased from DKK 42,373k at 30 September 2018 to DKK 44,388k at 30 September 2019. The increase is due to investment in machines in processing and replacement of assets in warehouse.

Inventories

Inventories increased by DKK 2,856k from DKK 28,061k at 30 September 2018 to DKK 30,917k at 30 September 2019. The Company has continuous focus on adjusting inventories to match the current market.

Receivables

Receivables increased by DKK 526k from DKK 53,683k at 30 September 2018 to DKK 54,209k at 30 September 2019. Receivables increased compared to last year due to higher activity in the last quarter compared to same period last year.

Liabilities

Liabilities increased with DKK 9,088k from 31,264 at 30 September 2018 to DKK 40,352k at 30 September 2019 which is due to different purchase behaviour in 2018/19 compared to 2017/18.

Cash flows

Operating activities

Cash flows from operating activities increased by DKK 9,466k from DKK 7,215k in 2017/18 to DKK 16,681k in 2018/19. The cash flow difference is primarily attributable to changes in working capital.

Investing activities

In 2018/19, the Company made various investments in fixtures and fittings, tools and equipment. Cash flows from investing activities increased by DKK 608k from last year.

Cash resources

The Company's total cash at bank and in hand has increased by DKK 6,115k from a balance of DKK 26,785k at 30 September 2018 to a balance of DKK 32,900k at 30 September 2019. Management considers the Company's cash resources adequate.

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 (2019):
riasnordic.com/cg/2019/

Committee of Corporate Governance:
https://corporategovernance.dk/sites/default/files/media/anbefalinger_for_god_selskabsledelse_2017.pdf

Thus, the Board of Director's 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 2018 to 30 September 2019 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 23 November 2017 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 the Management is able to react quickly and efficiently to external factors. In the financial year 2018/19, five meetings including the Company's Annual General Meeting were held.

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, due to the Company's ownership.

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 to the board 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 2018/19, the remuneration to the Executive Board consisted of a base salary including the usual benefits such as company car, telephone and yearly bonus. 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 2018/19. PWC participated in one meeting without the Management present.

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 2018/19 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.

Management's Review

Shareholder Information and Corporate Governance

Social conditions

Securing good social conditions for the employees is a focus area of the Company. Follow-up on absence due to sickness is made on a monthly basis in order to improve health and safety at work, and the Company is generally working at ensuring an optimal working environment. Total absence due to sickness dropped from 4,2% in 2017/18 to 2,7% in 2018/19.

An APV (workplace evaluation) is planned for November 2019 where employee well-being and work environment will be evaluated.

Inclusion is also important for the company which has EGU students employed and as well offers flex jobs to employees with limited work ability. In addition senior schemes are offered to employees who are close to the end of their working lives.

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 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.

Leasing cars to employees are approved based on CO₂ levels and bigger cars such as SUV's are not allowed. The Company has current focus on reducing energy consumption in inventories, production and administration.

RIAS has not done any major environmental investments during 2018/19 but a bigger isolation work on the administrative building is planned for 2019/20. When investing in new machines, the energy consumption is part of the decision when choosing the right machine.

RIAS do not have any KPI's for environmental impact and therefore not able to do a follow up on this. In 2018/19 RIAS did introduce a "deviation database" where mistakes that lead to scrapping of material can be analyzed and actions to prevent this in the future can be introduced. The database is up and running, but at this point there are not enough information to do any kind of benchmarking.

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 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 2018/19. 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 online training and the company has conducted one online training sessions for all employees in GDPR "data-protection"

Policy on gender representation on the Board of Directors and the Executive Board. §99b

The incumbent members of the Board of Directors stand for election every year, and the members are elected based on their combined qualifications. During the year, no change has been done in the Board of Directors and the female representation is still 25%, which is above the specified target of 15%. Thus, equal representation has been achieved in the supreme governing body. At this time, the Board of Directors has four members, three men and one woman who is the Chairman. As the registered Executive Board consists of only one member at present, no target for gender representation has been set for the Executive Board.

It is part of RIAS A/S's staff policy that the female representation in the other management bodies should be increased.

RIAS A/S is making the following efforts to achieve a more equal gender representation in the other management bodies:

- Work towards having a minimum of 25% female managers in the Company within four years. This is pursued by using a recruitment agency to find the most suitable employees and to ensure that prospective candidates include well-qualified women. There have been no changes to the management team during the year; the female representation remains 20% and is thus unchanged from 2017/18 (20%). There has been no need for replacement; consequently, no active efforts have been made to change the gender representation during the 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.

Business model

See "Mission" page 11

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 2019 the price corresponding to the market price of the B-shares was DKK 86.5 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 5,767,300 B-shares, corresponding to 25.01% of the total capital. SmallCap Danmark A/S holds 11.27% of the votes.

The Board of Directors and the Executive Board do not hold any shares in the Company.

Management's Review

Shareholder Information and Corporate Governance

"Change of control" clauses

The Company has an agreement with thysenkruup about the use of SAP. If the control of the Company changes due to an implemented takeover, 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, the period of notice will be extended by six months to the Executive Board.

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 29 January 2020, at 01.00 pm 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 2018/19 dividend be distributed to the shareholders in the amount of DKK 25 per DKK 100 share of the share capital at 30 September 2019 of DKK 23,063,000, corresponding to a total proposed dividend of DKK 5,765,750.

- The Board of Directors proposes to the General Meeting that the present elected board members are reelected.

- The Board of Directors proposes to the General Meeting that PricewaterhouseCoopers are reelected.

Expected Stock Exchange Announcements in 2019/20

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

- | | |
|-------------------|---|
| 11 December 2019: | Announcement of financial results 2018/19 |
| 29 January 2020: | Announcement of interim results |
| 29 January 2020: | Annual General Meeting |
| 14 May 2020: | Announcement of the half year report. |
| 26 August 2020: | 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

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DK-4000 Roskilde

Telephone: +45 46 77 00 00

Website: www.rias.dk

Email: info@rias.dk

VAT no.: 44065118

Founded: 1 February 1959

Municipality of registered office: Roskilde

Board of Directors

Gudrun Degenhart	(Chairman)
Steen Raagaard Andersen	(Vice-chairman)
Peter Swinkels	(Board Member)
Dieter Wetzels	(Board Member)
June Svendsen	(Employee Representative)
Søren Koustrup	(Employee Representative)

Executive Board

Henning Hess, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Statement of Comprehensive Income

Statement of comprehensive income 1 October to 30 September

Amounts in DKK '000

Note		2018/19	2017/18
3	Revenue	285,370	275,020
	Production Cost	198,011	191,133
	Gross profit	87,359	83,887
4-5	Distribution expenses	65,768	63,231
4-5	Administrative expenses	11,838	11,528
	Profit before financial income and expenses	9,753	9,129
6	Financial income	54	136
7	Financial expenses	397	675
	Profit before tax	9,410	8,590
8	Corporation tax	-2,093	-1,915
	Net profit for the year	7,317	6,675
	Other comprehensive income	0	0
	Total comprehensive income	7,317	6,675
9	Earnings per share		
	Earnings per DKK 100 share	31.73	28.94
	Earnings per DKK 100 share, diluted	31.73	28.94

Balance sheet

Balance sheet assets at 30 September

Amounts in DKK '000

Note		2019	2018
	Assets		
	Non-current assets		
10	Intangible assets		
	Goodwill	53,085	53,085
	Customer relations	276	338
	Software	2,031	2,382
	Assets under construction	0	325
		55,392	56,130
11	Property, plant and equipment		
	Land and buildings	31,290	32,037
	Plant and machinery	10,723	7,937
	Other fixtures and fittings, tools and equipment	2,375	2,322
	Assets under construction	0	77
		44,388	42,373
	Total non-current assets	99,780	98,503
	Current assets		
12	Inventories	28,771	25,815
13	Receivables	54,209	53,683
	Prepayments	3,657	3,781
	Cash at bank and in hand	32,900	26,785
	Total current assets	119,537	110,064
	Total assets	219,317	208,567

Balance sheet

Balance sheet liabilities and equity at 30 September

Amounts in DKK '000

Note		2019	2018
	Liabilities and equity		
14	Equity		
	Share capital	23,063	23,063
	Revaluation reserve	1,898	1,898
	Retained earnings	137,000	135,449
	Proposed dividend	5,766	5,766
	Equity	167,727	166,176
	Liabilities		
	Non-current liabilities		
15	Deferred tax	9,540	9,272
	Total non-current liabilities	9,540	9,272
	Current liabilities		
16	Trade payables and other payables	40,352	31,264
	Corporation tax	1,698	1,855
	Total current liabilities	42,050	33,119
	Total liabilities	51,590	42,391
	Total liabilities and equity	219,317	208,567
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
2018/19					
Equity at 1 October 2018	23.063	1.898	135.449	5.766	166.176
Change in equity in 2018/19					
Total comprehensive income	0	0	7.317	0	7.317
Dividend paid to shareholders	0	0	0	-5.766	-5.766
Proposed dividend to shareholders	0	0	-5.766	5.766	0
Total changes in equity in 2018/19	0	0	1.551	0	1.551
Equity at 30 September 2019	23.063	1.898	137.000	5.766	167.727
2017/18					
Equity at 1 October 2017	23,063	1,898	134,540	4,613	164,114
Change in equity in 2017/18					
Total comprehensive income	0	0	6,675	0	6,675
Dividend paid to shareholders	0	0	0	-4,613	-4,613
Proposed dividend to shareholders	0	0	-5,766	5,766	0
Total changes in equity in 2017/18	0	0	909	1,153	2,062
Equity at 30 September 2018	23,063	1,898	135,449	5,766	166,176

Cash flow statement

	Amounts in DKK '000	
	2018/19	2017/18
Net profit for the year	7,317	6,675
Adjustment for non-cash operating items etc:		
Tax on profit for the period	2,093	1,915
Depreciation and amortisation	3,482	3,480
Profit or loss on sale of property, plant and equipment and financial assets	-20	0
Financial income	-54	-136
Financial expenses	397	675
Cash flows from operating activities before changes in working capital	13,215	12,609
Changes in inventories	-2,956	477
Changes in receivables (and prepayments)	-400	-3,836
Changes in trade payables and other payables	9,088	59
Cash flows before financial income and expenses and tax	18,947	9,309
Financial income, paid	13	65
Financial expenses, paid	-294	-259
Corporation tax paid	-1,981	-1,900
Cash flows from operating activities	16,685	7,215
Purchase of intangible assets	-190	-325
Sale of intangible assets	0	0
Purchase of property, plant and equipment	-4,568	-3,805
Sale of property, plant and equipment	20	0
Purchase of financial assets	0	0
Cash flows from financing activities	-4,738	-4,130
Paid dividend	-5,766	-4,613
Cash flows from financing activities	-5,766	-4,613
Cash flows for the year	6,181	-1,528
Cash and cash equivalents at 1 October	26,785	28,658
Currency regulation cash	-66	-345
Cash and cash equivalents at 30 September	32,900	26,785

Notes

Note 1. Accounting policies

RIAS A/S is a public limited company registered in Denmark. The Annual Report covers the period 1 October 2018 – 30 September 2019.

The Annual Report of RIAS A/S for 2018/19, which comprises Management's Review and Financial Statements for the period 1 October 2018 – 30 September 2019, is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

On 11 December 2019, the Board of Directors and the Executive Board discussed and adopted the Annual Report of RIAS A/S for 2018/19. The Annual Report will be presented to the shareholders of RIAS A/S for adoption at the Annual General Meeting on 29 January 2020.

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.

Changes to accounting policies

RIAS has implemented IFRS 9 and IFRS 15 with effect from the financial year 2018/19. The effect in terms of amount of the implementation of IFRS 9 is not material, and therefore the accounting policy relating to recognition and measurement remains unchanged and no adjustments have been made to the opening balance sheet.

An analysis of the new method for revenue recognition under IFRS 15 has shown that the current accounting policy is in accordance with the new standard. Therefore, the accounting policy for recognition and measurement remains unchanged.

New financial reporting standards to be implemented

New standards and amendments are implemented when they take effect. IFRS 16 "Leases" will take effect from the financial year 2019/20. The standard will require capitalisation of most of RIAS's leases, and the implementation is expected to increase the balance sheet

total by approximately 6%, mainly due to capitalisation of leased building.

RIAS expects to implement the standard by using the simplified method without restatement of comparative figures for the year prior to the implementation.

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

Revenue comprises the sale of goods for resale and finished goods net of cash and volume discounts.

Sales are recognised in the income statement from the time when the control of the goods passes to the customer and when payment is considered recoverable. Revenue from sales transactions is measured at the amount which RIAS expects to be entitled to receive.

The payment terms for trade receivables depend on the creditworthiness of the customer, general business practice and agreements made. The payment terms for some customers include a credit period that begins when the product is dispatched.

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.

Notes

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

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 allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables mainly include trade receivables. Receivables are initially measured at fair value and subsequently at amortised cost. Trade receivables are written down on the basis of an individual assessment and the simplified method under IFRS 9 according to which provisions for bad debts are based on the expected credit loss in the maturity period.

Trade receivables and other receivables are recognised at amortised cost less provisions for bad debts. Provisions for bad debts are made to the extent that bad debts are expected to arise. If the customers' financial situation worsens further so that they are unable to meet their payment obligations, it may be necessary to make further provisions in future financial periods. A provision for expected credit loss in the maturity period is based on the credit risks of a customer group and on the number of days by which the due date has been exceeded. In connection

Notes

with the assessment of whether RIAS's provisions for bad debts are adequate, Management analyses the receivables, including previous losses on trade receivables, the customers' creditworthiness, current financial circumstances and changes in the customers' payment terms.

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 of 2001.

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 recognised 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 descriptions mentioned in management review.

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.

Notes

Amounts in DKK '000

	2018/19	2017/18
Note 3. Revenue		
Revenue, Industry	179,818	181,825
Revenue, Building and construction	105,552	93,195
	285,370	275,020

Sales outside Denmark amount to 13% of the Company's revenue herby 10% in Sweden. 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. The Building & Construction Division primarily deals in finished plastic products, eg roof plates, thermo roofs, etc. The Industry Division deals in semi-finished plastic products, eg tubes, plastic rods and processing of these.

Note 4. Depreciation and amortisation

Depreciation and amortisation are included in productions cost as follows:

Depreciation of property, plant and equipment	1,076	878
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Depreciation and amortisation are included in distribution expenses as follows:

Amortisation of intangible assets	781	832
Depreciation of property, plant and equipment	1,370	1,531
	2,151	2,363

Depreciation and amortisation are included in administrative expenses as follows:

Amortisation of intangible assets	147	154
Depreciation of property, plant and equipment	88	85
	235	239

Gain/loss from sale of asset	20	0
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Total depreciation and amortisation	3,481	3,480
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Note 5. Staff

Wages and salaries	41,392	40,182
Pensions, defined contribution plan	5,390	5,138
Remuneration to the Executive Board	2,209	2,196
Pension to the Executive Board	169	167
Fee to the Board of Directors	90	90
Other social security expenses	1,367	1,271
	50,617	49,044

Average number of fulltime employees	103	102
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Number of fulltime employees at 30 September	103	103
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Total remuneration to the Executive Board	2,378	2,363
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Total remuneration to the Executive Board and the Board of Directors	2,468	2,453
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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

Salaries are included in productions cost as follows:	0	0
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Salaries are included in distribution expenses as follows:	44,264	43,214
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Salaries are included in administrative expenses as follows:	6,263	5,830
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Note 6. Financial income

Interest	13	65
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Exchange gains	41	71
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	54	136
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Notes

Amounts in DKK '000

	2018/19	2017/18
Note 7. Financial expenses		
Interest	294	259
Exchange losses	103	416
	397	675
Note 8. Corporation tax		
Current tax for the year	1,825	1,943
Deferred tax for the year	268	-28
	2,093	1,915
22% tax calculated on profit for the year	2,070	1,890
Tax effect of non-deductible costs	23	25
	2,093	1,915
Effective tax rate	22,2%	22,30%
Note 9. Earnings per share		
Net profit for the year	7,317	6,675
Average number of shares, DKK 100	230,630	230,630
Earnings per DKK 100 share	31,73	28,94
Earnings per DKK 100 share, diluted	31,73	28,94

Notes

Amounts in DKK '000

Note 10. Intangible assets	Goodwill	Customer relations	Software	Under construction	Total
Cost at 1 October 2018	53,085	1,000	13,609	325	68,019
Additions for the year	0	0	0	190	190
Disposals for the year	0	0	0	0	0
Transfers	0	0	515	-515	0
Cost at 30 September 2019	53,085	1,000	14,124	0	68,209
Amortisation at 1 October 2018	0	-662	-11,227	0	-11,889
Amortisation for the year	0	-62	-866	0	-928
Reversed depreciations on the disposals og the year	0	0	0	0	0
Amortisation at 30 September 2019	0	-724	-12,093	0	-12,817
Carrying amount at 30 September 2019	53,085	276	2,031	0	55,392
Cost at 1 October 2017	53,085	1,000	23,624	0	77,709
Additions for the year	0	0	0	325	325
Disposals for the year	0	0	-10,015	0	-10,015
Cost at 30 September 2018	53,085	1,000	13,609	325	68,019
Amortisation at 1 October 2017	0	-600	-20,318	0	-20,918
Amortisation for the year	0	-62	-924	0	-986
Reversed depreciations on the disposals og the year	0	0	10,015	0	10,015
Amortisation at 30 September 2018	0	662	-11,227	0	-11,889
Carrying amount at 30 September 2018	53,085	338	2,382	325	56,130

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.

Stock value is lower than book value and the management assess that this is due to low interest for the stock since the shares are mainly owned by two bigger shareholders (thyssenkrupp and Small Cap).

At 30 September 2019, 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

2019

RIAS A/S

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 in total an increase in revenue of 5.3% which will, among other things, be achieved through our activities in Building division including Sweden, where we can see that the market is growing, and the development in the processing department in the Industry division.

A growth rate of 2% is estimated for years 4 to 6, as well as a growth rate of 2% in the terminal period (2017/18: 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 9.8 million to DKK 14.2 million in the terminal period. The increase is attributable to increased sales, see above, and focus on product groups with higher gross profit and cost control, which are achieved through improved utilisation of IT systems and focus on improved use of the Company's resources. The measures were already initiated in 2018/19.

A discount rate of 9.5% before tax (2017/18: 9.8%) and 7.8% after tax (2017/18: 8%) has been applied as, in Management's assessment, this is in line with the risk profile of RIAS A/S. The discount rate has been adjusted as a result of the development in the risk-free interest rate.

Sensitivity analysis

The difference between the calculated recoverable amount, DKK 184.3 million, and the carrying amount of equity, DKK 177.3 million, is DKK 7 million. In Management's assessment, the discount rate after tax may increase to 8.07% before write-down for impairment is required, 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 14.2 million in the terminal period. EBIT may decrease to DKK 13.5 million in the terminal period before write-down for impairment is required. Due to the fact that expected future cash flows are based on an estimate, the impairment test is inherently subject to uncertainty.

Notes

Amounts in DKK '000

	Land and buildings	Plant and machinery	Other fixtures and fittings tools and equipment	Under construction	Total
Note 11. Property, plant and equipment					
Cost at 1 October 2018	61,906	20,896	21,433	77	104,312
Additions for the year	0	2,320	496	1,752	4,568
Disposals for the year	0	0	-380	0	-380
Transfers	0	1,802	27	-1,829	0
Cost at 30 September 2019	61,906	25,018	21,576	0	108,500
Depreciation at 1 October 2018	-29,869	-12,959	-19,111	0	-61,939
Depreciation for the year	-747	-1,336	-470	0	-2,553
Reversed depreciation on disposals for the year	0	0	380	0	380
Depreciation at 30 September 2019	-30,616	-14,295	-19,201	0	-64,112
Carrying amount at 30 September 2019	31,290	10,723	2,375	0	44,388

Cost at 1 October 2017	61,906	18,165	22,698	0	102,769
Additions for the year	0	3,051	677	77	3,805
Disposals for the year	0	-320	-1,942	0	-2,262
Cost at 30 September 2018	61,906	20,896	21,433	77	104,312
Depreciation at 1 October 2017	-29,121	-12,131	-20,454	0	-61,706
Depreciation for the year	-748	-1,148	-599	0	-2,495
Reversed depreciation on disposals for the year	0	320	1,942	0	2,262
Depreciation at 30 September 2018	-29,869	-12,959	-19,111	0	-61,939
Carrying amount at 30 September 2018	32,037	7,937	2,322	77	42,373

Note 12. Inventories	2019	2018
Inventories are specified as follows:		
Goods for resale	30,342	27,755
Work in progress	575	306
Inventories at 30 September	30,917	28,061
Write-down at 1 October	-2,246	-2,546
Reversed write-down made in previous years	100	300
Write-down for the year	0	0
Write-down at 30 September	-2,146	-2,246
	28,771	25,815
Cost of goods sold included in production costs.	179,080	174,249

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

Notes

Amounts in DKK '000

	2019	2018
Note 13. Receivables		
Trade receivables	52,989	53,577
Receivables from group enterprises	831	1
Other receivables	389	105
	54,209	53,683
Insured trade receivables	35,728	39,598
Trade receivables not insured	18,167	14,626
Trade receivables at 30 September	53,895	54,224
No losses from insured receivables has been realized.		
Provisions for bad debts are specified as follows:		
Provisions at 1 October	-556	-430
Realised in the year	117	123
Reversed	0	0
Provisions for the year	-402	-249
Provisions at 30 September	-841	-556
The provision is generally due to the customers' inability to pay due to bankruptcy or expected bankruptcy.		
The increased provision is primarily due to an expected loss on a major customer.		
RIAS does not grant credits with a term of more than 12 months.		
The realized loss on receivables in 2018/19 amounts to approx. 21% of the amount RIAS had as provision ultimo 2017/18.		
It is a decrease of 8% points compared to the year before where the loss amounted to 29% of the amount RIAS had as provision ultimo 2016/17		
Moreover, trade receivables which are overdue at 30 September but not provided for are included as follows:		
Period overdue:		
Up to 30 days	2,022	2,224
Between 30 and 90 days	389	282
More than 90 days	781	542
	3,192	3,048
Including insured receivables of	2,468	1,901

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 2019 (30 September 2018: 80%). 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 2018/19 (2017/18: 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 5,766k (2017/18: DKK 5,766k) is proposed, corresponding to dividend per share of DKK 25 (2017/18: DKK 25).

On 24 January 2019, RIAS A/S paid dividend to its shareholders of DKK 5.766 k (2017/18: DKK 4,613k), corresponding to dividend per share of DKK 25 (2017/18: 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	
	2019	2018
Note 15. Deferred tax		
Balance at 1 October	9,272	9,300
Adjustment for the year of deferred tax	268	-28
Balance at 30 September	9,540	9,272
Deferred tax relates to:		
Buildings	4,697	4,663
Operating equipment	858	601
Intangible assets	3,765	3,855
Other temporary differences	220	153
	9,540	9,272

Notes

Amounts in DKK '000

	2019	2018
Note 16. Trade payables and other payables		
Trade payables	19,988	11,894
Payables to group enterprises	185	375
Accrued VAT	4,332	4,266
Holiday pay obligation	4,725	4,853
Accrued promotion expenses	7,593	7,367
Other payables	3,529	2,509
	40,352	31,264

Note 17. Contingencies and other financial commitments

The Company is not part in any complaints which effect the Company's financial position except for the receivables and commitments, which have been recognised in the balance sheet at 30 September 2019.

The company is jointly liable for taxes due in the joint Danish taxation. The administrative company is thyssenkrupp Elevator A/S. The amount due in taxes for the Danish tax group is by 30 September 2019 DKK 4,211k.

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 five 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:

	2019	2018
0-1 year	3,371	3,279
1-5 years	1,918	658
	5,289	3,937

For 2018/19 DKK 4,848 has been recognised in the Company's income statement. (2017/18: DKK 4.610k)

	2019	2018
Note 18. Fees to auditors appointed at the General Meeting		
PWC:		
Statutory audit	365	365
Tax advisory services	39	56
Non-audit services	215	150
	619	571

Fee for Non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab consists of general accounting and tax advice, mainly related to IFRS and tax.

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.

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 COFACE 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 DKK 18,167k 30 September.

The company has deposit above state warranty and therefore there is a credit risk of DKK 31,222k.

Only banks with low risk are being used. Risk evaluation is based on Standard & Poors rating.

Amounts in DKK '000

Classes of financial assets and liabilities	2018/19	2017/18
Financial assets:		
Lending and receivables	54,209	53,683
Cash at banks	32,900	26,785
Financial liabilities:		
Financial liabilities at amortised cost	40,352	30,798

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 42 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	
	2018/19	2017/18
Trade with companies in thyssenkrupp:		
Other related parties	1,330	1,870
Other income	24	14
Sale of goods and services	6,003	4,589
Purchase of goods and services		
There are no transactions with the Parent Company		
Payables to companies in thyssenkrupp	185	375
Receivables with companies in thyssenkrupp	831	2
Key management personnel		
Legal assistance from Lund Elmer Sandager (Board Member)	241	122

Note 21. Subsequent events

No material events have occurred after 30 September 2019.

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 2018/19.

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 2019 and of the results of the Company operations and cash flows for the financial year 1 October 2018 – 30 September 2019.

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.

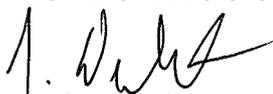
Roskilde, the 11th of December 2019

EXECUTIVE BOARD



Henning Hess
CEO

BOARD OF DIRECTORS



Gudrun Degenhart
Chairman



Steen Raagaard Andersen
Vice Chairman



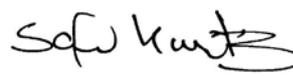
Peter Swinkels
Board Member



Dieter Wetzel
Board Member



June Svendsen
Employee representative



Søren Koustrup
Employee representative

