

1st Quarter of 2020

Net sales for the first quarter of 2020 amounted to MSEK 103 (127), a decrease by 19 percent compared with the corresponding quarter of the previous year.

Operating profit for the quarter amounted to MSEK -8 (-8). Operating margin was -8 percent (-6).

Result for the period during the quarter amounted to MSEK -10 (-17), which corresponds to earnings per share of MSEK -0.05 (-0.08).

Cash flow from operating activities during the quarter amounted to MSEK -7 (-25).

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Net sales	103	127	504	480
Gross profit	32	49	194	177
Gross profit (%)	31%	38%	38%	37%
Operating profit/loss	-8	-8	-10	-10
Operating profit/loss (%)	-8%	-6%	-2%	-2%
Result for the period	-10	-17	-29	-22
Result per share	-0,05	-0,08	-0,15	-0,11
Equity/assets ratio (%)	77%	73%	76%	77%
Cash flow from operating activities	-7	-25	3	21
Average no. of employees	160	196	187	176

A WORD FROM THE CEO

Orio pursues in accordance with the strategic agenda

The start of the first quarter of 2020 was largely affected by the major changes that were decided and implemented in 2019. The restructuring of the Orio Group was completed in January and the new 3PL solution in the US was implemented in February, two very important long-term strategic changes. The latter part of the quarter was marked by the Covid-19 pandemic.

The launch of the new 3PL solution in the US for Orio Parts resulted in increased non-recurring costs that impacted profit and reduced the gross margin in the quarter. In March, the beginning of a major sales decline was marked by the Covid-19 pandemic with closed workshops and reduced purchases per customer, especially in the markets in southern Europe. Despite this, Orio Parts delivered operating profit in line with the previous year thanks to general good cost control.

The business area Orio Logistics strengthened its positions during the first quarter thanks to the new contracted customers at the end of 2019. Customer profitability improved during the quarter, but Orio Logistics was also negatively affected by Orio Parts' reduced sales due to the Covid-19 pandemic.

Market trends and results

Net sales for the first quarter of 2020 amounted to MSEK 103, which is a decrease by 19 percent compared to the corresponding quarter of the previous year. Adjusted for currency exchange rate effects, the decrease was 21 percent.

Gross profit for the first quarter of 2020 decreased by 35 percent compared to the corresponding quarter of the previous year and amounted to MSEK 32. Gross margin during the quarter was 31 percent, compared with 38 percent during the corresponding quarter of 2019.

For the first quarter of 2020, Orio reports an operating result of MSEK -8 and a net result of MSEK -10. Cash flow from operations for the quarter was MSEK -7 and the equity ratio per 31 March 2020 was 77 percent.

The business and our strategy

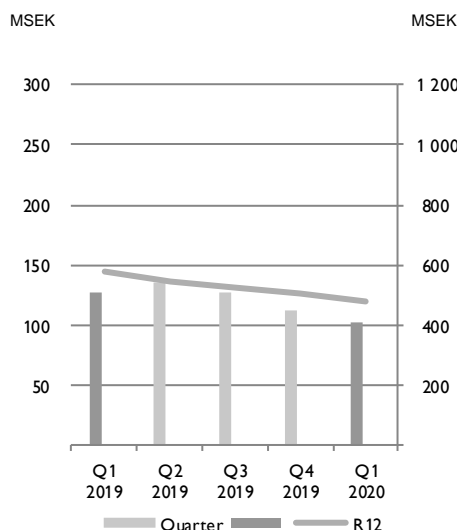
The Group's strategy within the Parts business area is to service Saab cars through workshops and to ensure an appropriate product program of Saab original parts and associated services. Within the Logistics business area, the strategy is to provide logistics services through innovative solutions that strengthen our customers' competitiveness and profitability.

Nyköping, 24 April 2020

Gustaf Ljunggren
CEO

Financial development

Net sales



January – March 2020

The Group's net sales for the first quarter of 2020 amounted to MSEK 103 (127), which is a decrease by 19 percent compared with the corresponding quarter of the previous year. The Group's net sales are exposed to effects from exchange rate changes for foreign currencies, primarily the American Dollar and the British Pound, in relation to the Swedish Krona. At unchanged foreign currency exchange rates, compared with the corresponding period last year, the Group would have reported net sales of MSEK 100, which would have been a reduction by 21 percent.

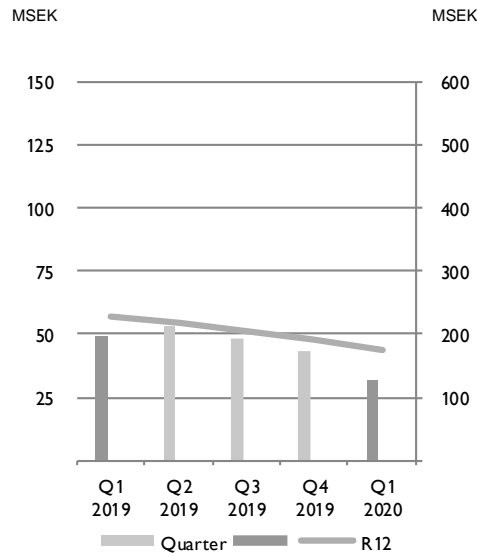
Revenues from external customers disaggregate into the following main categories.

MSEK

Parts

	Q 1 2020	Q 1 2019	Change %	Full year 2019	Last 12 months
Spare parts					
Nordic countries	23	30	-23%	122	115
America	24	31	-23%	130	123
Great Britain	11	14	-21%	51	48
Germany	13	14	-7%	52	51
Other markets	18	26	-31%	101	93
Total Spare parts	89	115	-23%	456	430
Services	7	7	0%	28	28
Total Parts	96	122	-21%	484	458
Logistics	7	5	40%	20	22
Total net sales	103	127	-19%	504	480

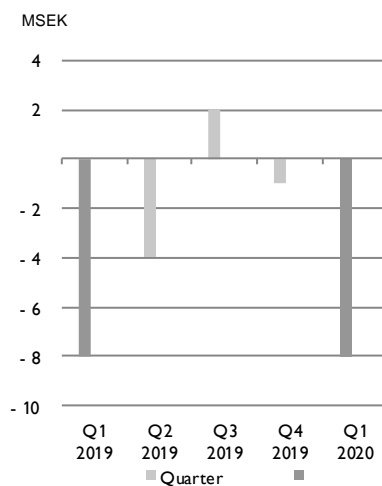
Gross profit



January – March 2020

The Group's gross profit for the first quarter of 2020 amounted to MSEK 32 (49), a decrease by 35 percent compared with the corresponding quarter of the previous year. Gross margin for the quarter was 31 percent (38).

Operating profit/loss



January – March 2020

The Group's operating profit for the first quarter of 2020 amounted to MSEK -8 (-8). The operating margin for the quarter was -8 percent (-6).

Result for period

January – March 2020

The Group's financial items for the first quarter of 2020 amounted to MSEK 1 (0).

The Group's income tax for the quarter was MSEK -3 (-9). The high tax expense in relation to profit before tax is explained by the fact that the Group has realised certain temporary deductible differences without correspondingly activating deferred tax assets attributable to increased tax loss carryforwards.

The Group's result for the first quarter of 2020 amounted to MSEK -10 (-17), which corresponds to earnings per share of MSEK -0.05 (-0.08).

Cash flow and investments

The Group's cash flow from operating activities for the period January – March 2020 amounted to MSEK -7 (-25).

The Group's cash flow from investing activities for the period January – March 2020 amounted to MSEK -1 (-1).

The Group's cash flow from financing activities for the period January – March 2020 amounted to MSEK -4 (-1).

The Group's cash flow for the period January – March 2020 amounted to MSEK -12 (-27).

Financial Position

Liquid assets on March 31, 2020, amounted to MSEK 77 (2019-12-31: 87) in the Group.

The equity ratio in the Group on March 31, 2020 was 77 percent (2019-12-31: 76).

Personnel

The average number of employees in the Group during the period January – March 2020 was 160 (196).

Segment information

MSEK	Q1 2020	Q1 2019	Change %	Full year 2019	Last 12 months
Net sales					
Parts	96	122		484	458
Logistics	16	20		70	66
Central/elim	-9	-14		-50	-45
Net sales	103	127	-19%	504	480
Gross profit					
Parts	24	30		128	122
Logistics	8	19		65	54
Central/elim					0
Gross profit	32	49	-35%	194	177

Parent company

The Parent company's net sales for the period January – March 2020 amounted to MSEK 87 (101). The gross result for the period amounted to MSEK 29 (38) and the gross margin was 33 percent (38).

The Parent company's operating profit for the period January – March 2020 amounted to MSEK 1 (-6), and the profit margin was 1 percent (-6).

The Parent company's profit for the period January – March 2020 amounted to MSEK 0 (-11) and cash flow for the period was MSEK -14 (-29).

At 31 March 2020, liquid assets in the Parent company were MSEK 54 (2019-12-31: 67) and equity ratio was 83 percent (2019-12-31:81).

The average number of employees in the Parent during the period January – March 2020 was 134 (162).

Other significant information

Events during the quarter

From the beginning of March 2020, the Group has seen a decreasing market activity and demand for the company's products and services as a result of the COVID-19 pandemic and the various measures taken around the world to prevent the spread of infection. The difference in activity between the markets is considerable, with the markets in southern Europe standing out as particularly weak. The effects of the COVID-19 situation have affected Orio's sales, earnings and cash flow for the first quarter of 2020 and will continue to have significant impact for the rest of the year. We also see major risks for supply chain disruptions in the coming period.

As a consequence of COVID-19 and the impact of the pandemic on the company's sales, earnings and cash flow during the year, management has decided to introduce short-term work from 1 April 2020.

As a further consequence of the great uncertainty about the market development as a result of COVID-19, Orio's Board of Directors decided, in order to maintain the company's solid financial position, to withdraw the earlier dividend proposal for 2019 to the Annual General Meeting of SEK 15,000,000.

Events after the end of the quarter

The Annual General Meeting (AGM) was held on April 23, 2020. The AGM agreed in accordance with the Board's proposal for the adoption of the income statement and balance sheet and the Group's income statement and the Group's balance sheet and discharged the Board members and CEO of liability. Furthermore, in accordance with the Ownership policy, guidelines for remuneration of leading executives were adopted.

At the AGM, Charlotte Hansson was re-elected Board member and Chairman of the Board. Catrina Ingelstam, Nils Pärletun, Erik Tranaeus and Sophie Öhrström were

also re-elected and Anders Nilsson was newly elected as Board member. All elections are valid until the close of the next AGM.

Significant Risks and Factors of Uncertainty

Detailed information about the Group's risks, uncertainties and other factors can be read in Orio's annual report for 2019.

Management and the Board have evaluated the effects of the ongoing COVID-19 pandemic, which erupted during the first quarter of 2020. The situation is uncertain, and the effects cannot be quantified at present. However, the assessment is that the company will be very negatively affected in 2020. All activities in the company are now being carefully evaluated from an income, cost and risk perspective in order to deal with negative financial effects linked to COVID-19 as far as possible.

Other than that, there have not been any significant changes in the Group's risks, uncertainties and other factors during the period January – March 2020.

Financial objectives and outlook

The group's long-term financial goals are to achieve a profitability of 4.5% in both the logistics business and the Saab business. Logistics also has a target of 85% occupancy in our facilities.

Transactions with related parties

Transactions with related parties are stated in Note 30 of Orio's annual report for 2019. No significant changes have occurred in relationships or transactions with related parties compared with those described in the annual report for 2019.

Upcoming financial information

Interim report January – June 2020:	14 August 2020
Interim report January – September 2020:	27 October 2020
Year-end report January – December 2020:	15 February 2021
Annual report 2020:	March 2021

If you have any questions regarding Orio's interim report, please contact:
Gustaf Ljunggren, CEO, Tel. +46 709 73 73 66

The Board of Directors and the CEO hereby confirm that this interim report provides a true and fair overview of the Parent Company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Nyköping, 24 April 2020
Orio AB (556602-9277)

Gustaf Ljunggren
CEO

The interim report has been signed by the CEO upon the authorization by the Board of Directors.

The interim report has not been subject to review by the company's auditor.

Group's statement of comprehensive income

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Net sales	103	127	504	479
Cost of goods sold	-71	-78	-310	-302
Gross profit	32	49	194	177
Sales costs	-31	-47	-159	-143
Administration costs	-10	-11	-44	-43
Other operating income and expenses	1	1	-1	-1
Operating profit/loss	-8	-8	-10	-10
Financial items	1	0	0	1
Result after financial items	-7	-8	-10	-9
Income tax expense	-3	-9	-19	-13
Result for the period	-10	-17	-29	-22
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Cash flow hedges	-1	-1	1	1
Deferred taxes referred to cash flow hedges	0	-	0	0
Currency exchange rate difference for the year	4	3	2	3
Comprehensive income for the period	-7	-15	-26	-18
Result for the year relates to:				
Parent company shareholders	-7	-15	-26	-18
Total result related to Parent shareholders	-7	-15	-26	-18
Result per share based on net profit attributable to parent company shareholders during the year:	-0,05	-0,08	-0,15	-0,11

Group's balance sheet

MSEK	Note	2020-03-31	2019-03-31	2019-12-31
ASSETS				
Intangible non-current assets		13	15	13
Tangible non-current assets		42	56	47
Deferred tax receivables		33	46	36
Other non-current receivables		2	2	3
Total non-current assets		90	119	99
Inventories		160	178	158
Accounts receivable		45	58	40
Current tax receivables		2	1	2
Other current receivables		4	4	4
Prepaid expense and accrued income		5	8	5
Cash and bank		77	92	87
Total current assets		293	341	296
TOTAL ASSETS		383	460	395
EQUITY AND LIABILITIES				
Equity		293	336	300
Deferred Tax Liabilities		1	1	0
Provisions		6	20	8
Non-current liabilities		13	24	20
Accounts payable		22	26	24
Current tax liabilities		2	1	1
Derivatives	2	0	4	1
Other current liabilities		4	4	3
Accrued expense and prepaid income		44	44	38
TOTAL EQUITY AND LIABILITIES		383	406	395

Group's report on changes in equity

MSEK	Share capital	Additional paid in capital	Reserves	Retained earnings	Total equity attributable to the shareholder of parent company
Balance at 01-01-2019	0,2	-	7,0	343,7	350,9
Result for the period	-	-	-	-16,6	-16,6
Other comprehensive income	-	-	1,5	-	1,5
Total comprehensive income	-	-	1,5	-16,6	-15,1
Dividend to shareholder	-	-	-	-	-
Balance at 31-03-2019	0,2	-	8,5	327,1	335,8
Balance at 01-01-2019	0,2	-	7,0	343,7	350,9
Result for the period	-	-	-	-28,8	-28,8
Other comprehensive income	-	-	3,0	-	3,0
Total comprehensive income	-	-	3,0	-28,8	-25,8
Dividend to shareholder	-	-	-	-25,0	-25,0
Balance at 31-12-2019	0,2	-	10,0	289,9	300,1
Balance at 01-01-2020	0,2	-	10,0	289,9	300,1
Result for the period	-	-	-	-9,8	-9,8
Other comprehensive income	-	-	2,9	-	2,9
Total comprehensive income	-	-	2,9	-9,8	-6,9
Dividend to shareholder	-	-	-	-	-
Balance at 31-03-2020	0,2	-	12,9	280,1	293,2

Group's statement on cash flows

MSEK	Q 1 2020	Q 1 2019	Full year 2018
OPERATING ACTIVITIES			
Result after financial items	-7	-8	-10
Non-cash items, etc.	2	6	16
Change in provisions	-1	-3	-12
Income tax paid	-1	-1	-2
Cash flow from operating activities before change in working capital	-7	-6	-8
Change in inventories	-1	0	24
Change in current receivables	-2	4	19
Change in current liabilities	3	-23	-32
Cash flow from operating activities	-7	-25	3
INVESTING ACTIVITIES			
Acquisitions of intangible non-current assets	-1	-1	-3
Investments in tangible non-current assets	0	-0	-1
Change in other non-current receivables and investments	-0	0	0
Cash flow from investment activities	-1	-1	-4
FINANCING ACTIVITIES			
Payments comprising amortizations of borrowings related to financial lease contracts	-4	-1	-6
Dividend to shareholder	-	-	-25
Cash flow from financing activities	-4	-1	-31
CASH FLOW FOR THE PERIOD	-12	-27	-32
Liquid assets at beginning of the period	87	117	117
Currency exchange effect in liquid assets	2	2	2
Liquid assets at end of period	77	92	87

Group key ratios

MSEK	Q 1 2020	Q 1 2019	Full year 2018	Last 12 months
Gross profit (%)	31%	38%	39%	39%
Operating profit/loss (%)	-8%	-6%	-2%	-3%
EBITDA (MSEK)	-5	-4	6	6
Equity	293	336	300	293
Return on equity (%)	-	-	-9%	-6%
Return on average capital employed (%)	-	-	-3%	-3%
Equity/assets ratio (%)	77%	75%	76%	76%
Cash flow from operating activities	-7	-25	3	50
Rate of inventory turnover (times)	-	-	1,85	1,79

Definitions

Gross margin (%)	Gross profit/loss as a percentage of net sales
Operating margin (%)	Operating profit/loss as a percentage of net sales
EBITDA	Operating profit/loss before financial income and expense, taxes, write-offs and any write-downs of tangible and intangible fixed assets
Return on equity (%)	Profit/loss after tax as a percentage of average adjusted equity
Average adjusted equity	Average reported shareholders' equity plus untaxed reserves after deduction for deferred tax at the current rate of tax.
Return on average capital employed (%)	Profit/loss after financial items plus financial expenses as a percentage of the average capital employed
Capital employed	Total assets less non-interest bearing liabilities and non-interest bearing provisions, including deferred tax liabilities
Equity/assets ratio (%)	Adjusted equity as a percentage of total assets
Cash flow from operating activities	Result after financial items, adjusted for non cash flow items, changes in provisions, income taxes paid, and changes in working capital
Inventory turnover rate (times)	Cost of sold inventory divided by average inventory

Reconciliation of Group key ratios

Return on equity (%)

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Profit/loss after tax	-10	-17	-29	-22
Opening equity	300	351	351	449
Closing equity	293	336	300	293
Average equity	297	343	326	371
Return on equity	-	-	-9%	-6%

Return on capital employed (%)

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Profit/loss after financial items	-7	-8	-10	-9
Financial items	1	0	0	1
Opening total assets	395	488	488	460
Opening provisions	8	20	20	21
Opening accounts payable and other payables	74	107	107	80
Closing total assets	383	460	395	384
Closing provisions	6	21	8	7
Closing accounts payable and other payables	78	80	74	71
Average capital employed	386	360	337	385
Return on capital employed	-	-	-3%	-3%

Equity/assets ratio (%)

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Equity	293	336	300	293
Total assets	383	460	395	383
Equity/assets ratio (%)	77%	73%	76%	77%

Inventory turnover rate, times

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Cost of goods sold	-70	-78	-310	-302
Opening inventory	168	177	177	177
Closing inventory	160	178	158	160
Average inventory	164	177	168	168
Inventory turnover rate	-	-	1,85	1,79

Parent company's income statement

MSEK	Q 1 2020	Q 1 2019	Full year 2019	Last 12 months
Net sales	87	101	399	385
Costs of goods sold	-58	-63	-249	-243
Gross profit	29	38	150	134
Sales costs	-17	-32	-130	-115
Administration costs	-10	-11	-44	-43
Other operating income and expenses	-1	-0	-4	-5
Operating profit/loss	1	-6	-28	-22
Financial items	2	3	8	7
Result after financial items	3	-3	-20	-14
Change in untaxed reserves	-	-	6	6
Income tax expense	-3	-8	-16	-11
Result for the period	-0	-11	-30	-28
Comprehensive result for the period	-0	-11	-30	-28

There are no other items that must be reported in comprehensive income. This means that the profit the year coincides with this year's comprehensive result.

Parent company's balance sheet

MSEK	2020-03-31	2019-03-31	2019-12-31
ASSETS			
Intangible non-current assets	11	13	11
Tangible non-current assets	2	3	3
Participation in group companies	26	26	26
Deferred tax receivables	30	41	32
Other non-current receivables	2	1	1
Total non-current assets	70	85	73
Inventories	129	150	134
Accounts receivable	26	33	22
Receivables from group companies	50	72	38
Current tax receivables	2	-	1
Other current receivables	2	1	2
Prepaid expense and accrued income	4	5	5
Cash and bank	54	55	67
Total current assets	267	315	270
TOTAL ASSETS	337	400	343
EQUITY AND LIABILITIES			
Equity	279	325	279
Untaxed reserves	0	4	0
Provisions	6	10	7
Accounts payable	21	22	23
Liabilities to group companies	1	1	1
Other current liabilities	2	3	3
Accrued expence and prepaid income	28	36	30
TOTAL EQUITY AND LIABILITIES	337	400	343

Parent company's report on changes in equity

MSEK	Share capital*	Additional paid in capital	Reserves	Retaind earnings	Total equity
Balance at 01-01-2019	0,2	0,0	369,7	-33,6	336,3
Result for the period	-	-	-	-11,0	-11,0
Dividend to shareholder	-	-	-	-	-
Balance at 31-03-2019	0,2	0,0	369,7	-44,6	325,3
Balance at 01-01-2019	0,2	0,0	369,7	-33,6	336,3
Result for the period	-	-	-	-32,5	-32,5
Dividend to shareholder	-	-	-	-25,0	-25,0
Balance at 31-12-2019	0,2	0,0	369,7	-91,1	278,8
Balance at 01-01-2020	0,2	0,0	369,7	-91,1	278,8
Result for the period	-	-	-	-0,3	-0,3
Dividend to shareholder	-	-	-	-	-
Balance at 31-03-2020	0,2	0,0	369,7	-91,4	278,5

* Number of shares is 200.

Parent company's cash flow statement

MSEK	Q 1 2020	Q 1 2019	Full year 2019
Result after financial items	3	-3	-19
Non-cash items, etc	-	3	21
Change in provisions	-2	-3	-12
Income tax paid	-	-0	-1
Cash flow from operating activities before change in working capital	1	-3	-11
Change in inventories	4	-1	15
Change in current receivables	-12	-1	32
Change in current liabilities	-6	-23	-26
Cash flow from operating activities	-13	-28	21
INVESTING ACTIVITIES			
Investments in intangible non-current assets	-1	-1	-3
Investments in tangible non-current assets	-	-0	0
Cash flow from investing activities	-1	-1	-3
FINANCING ACTIVITIES			
Dividend to shareholder	-	-	-25
Cash flow from financing activities	-	-	-25
CASH FLOW FOR THE PERIOD	-14	-29	-18
Liquid assets at beginning of the period	67	83	83
Currency exchange effect in liquid assets	1	1	2
Liquid assets at end of period	54	55	67

Notes and accounting principles

Note 1 Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 – Interim reporting. The Group's consolidated accounts have been prepared in accordance with the Annual Accounts Act, RFR 2 Supplementary accounting standards for Groups, and International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent company's accounts have been prepared in accordance with RFR 2, Accounting for legal entities and the Annual Accounts Act. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act, Chapter 9, Interim report. The accounting principles applied are the same as applied in the preparation of the latest Annual report, if not otherwise stated below. These have been published on the Company's web site, www.orio.com.

Note 2 Valuation at fair value

The Group's financial instruments are recognized at cost, except for derivative financial instruments, which are recognized at fair value. The Group uses various methods to determine the fair value financial instruments depending on the degree of observable market data in the valuation and the activity in the market. The methods are divided in three different levels:

- Level 1: Unadjusted, quoted price of identical assets and liabilities on an active market
- Level 2: Adjusted, quoted price or valuation model with valuation parameters derived from an active market
- Level 3: Valuation model where a majority of valuation parameters are non-observable and based on internal assumptions.

The table below shows the Group's financial instruments valued at fair value on 31 March 2020 and 31 December 2019. Financial assets at fair value through profit or loss comprise short term investments which in the Group's and the Parent company's balance sheet are recognized in liquid assets.

MSEK	Level 1		Level 2		Level 3	
	2020-03-31	2019-12-31	2020-03-31	2019-12-31	2020-03-31	2019-12-31
<i>Assets</i>						
Financial assets measured at fair value through profit or loss	1,9	2,0	-	-	-	-
Total assets	1,9	2,0	-	-	-	-
<i>Liabilities</i>						
Derivative instruments used for hedge purposes	-	-	0,3	1,8	-	-
Total liabilities	-	-	0,3	1,8	-	-