

2nd Quarter of 2020

Net sales for the second quarter of 2020 amounted to MSEK 96 (134), a decrease by 28 percent compared with the corresponding quarter of the previous year.

Operating profit for the quarter amounted to MSEK 1 (-4). Operating margin was 1 percent (-3).

Result for the period during the quarter amounted to MSEK -2 (-5), which corresponds to earnings per share of MSEK -0.01 (-0.02).

Cash flow from operating activities during the quarter amounted to MSEK 7 (13).

January – June 2020

Net sales for the period January – June 2020 amounted to MSEK 199 (262), a decrease by 24 percent compared with the corresponding period of the previous year.

Operating profit for the period amounted to MSEK -7 (-12). Operating margin was -5 percent (1).

Result for the period amounted to MSEK -12 (-22), which corresponds to earnings per share of MSEK -0.06 (-0.11).

Cash flow from operating activities during the period amounted to MSEK 0 (-12).

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Net sales	96	134	199	262	504	441
Gross profit	35	53	67	102	194	159
Gross profit (%)	36%	39%	34%	39%	38%	36%
Operating profit/loss	1	-4	-7	-12	-10	-5
Operating profit/loss (%)	1%	-3%	-4%	-5%	-2%	-1%
Result for the period	-2	-5	-12	-22	-29	-19
Result per share	-0,01	-0,02	-0,06	-0,11	-0,15	-0,10
Equity/assets ratio (%)	78%	72%	78%	72%	76%	78%
Cash flow from operating activities	7	13	0	-12	3	15
Average no. of employees	146	188	153	192	187	148

A WORD FROM THE CEO

The Covid-19 pandemic completely marked the second quarter for the Orio Group

The second quarter was entirely characterized by dealing with the covid-19 pandemic and its effects on markets, customers and the Group. All markets have been affected to a very large extent, where e.g. a number have been shut down completely, such as Italy, Spain, France and the United Kingdom. The sales loss compared with the previous year was -45 percent in April, -35 percent in May -15 percent in June with a total effect on the second quarter of approx. -30 percent.

Thanks to already completed restructuring in the first quarter and continued cost reduction and good cost control, the impact of the sales loss on operating profit has been largely mitigated. During the quarter, short-term work was applied in the Swedish operations.

Orio Parts has been strongly affected, among other things. of completely closed markets, but as markets open up, demand and sales have gradually recovered month by month.

The Orio Logistics business area continues to strengthen its positions with new contracted customers during the second quarter, despite the covid-19 pandemic.

Market trends and results

Net sales for the second quarter of 2020 amounted to MSEK 96, which is a decrease by 28 percent compared to the corresponding quarter of the previous year. Adjusted for currency exchange rate effects, the decrease was 29 percent.

Gross profit decreased during the second quarter of 2020 by 34 percent compared to the corresponding quarter of the previous year and amounted to MSEK 35. The gross margin during the quarter was 36 percent, compared with 39 percent for the corresponding quarter in 2019.

For the second quarter of 2020, Orio reports an operating profit of MSEK 1 (-4), and a net result of MSEK -2 (-5). During the quarter, cash flow from operating activities was MSEK 7 (13), and equity ratio at 30 June 2020 was 78 percent (72).

The business and our strategy

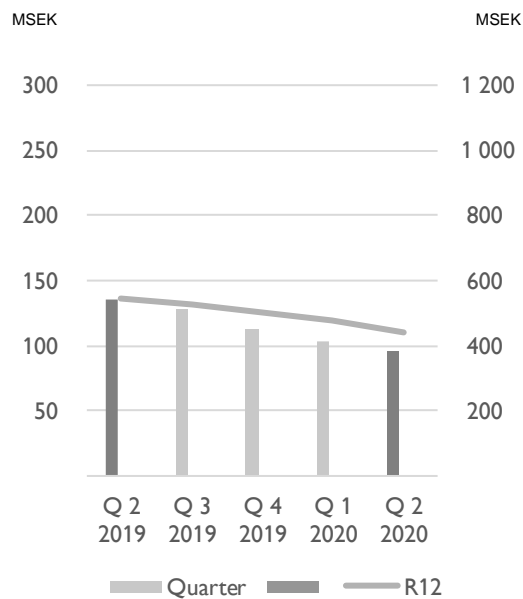
The Group's strategy within the Parts business area is to service Saab cars through workshops and to ensure an appropriate product program of Saab original parts and associated services. Within the Logistics business area, the strategy is to provide logistics services through innovative solutions that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

Nyköping, 14 August 2020

Gustaf Ljunggren, CEO

Financial development

Net sales



April – June 2020

The Group's net sales for the second quarter of 2020 amounted to MSEK 96 (134), which is a decrease by 28 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 quarter last year, the Group would have reported net sales of MSEK 95, which would have been a reduction by 29 percent.

January – June 2020

The Group's net sales for the period January - June 2020 amounted to MSEK 199 (262), which is a decrease by 24 percent compared with the corresponding period of the previous year. At unchanged foreign currency exchange rates, compared with the corresponding period last year, the Group would have reported net sales of MSEK 195, which would have been a reduction by 26 percent.

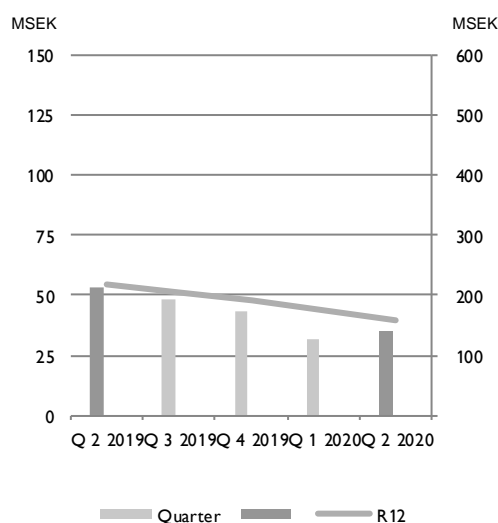
Revenues from external customers disaggregate into the following main categories.

MSEK

Parts

Spare parts	Q 2 2020	Q 2 2019	Changes %	Q 1-2 2020	Q 1-2 2019	Changes %	Full year 2019	Last 12 months
Nordic countries	23	33	-30%	47	64	-27%	122	105
America	25	35	-29%	49	66	-26%	130	113
Great Britain	6	13	-54%	16	27	-41%	51	40
Germany	12	14	-14%	25	27	-7%	52	50
Other markets	18	28	-36%	36	54	-33%	101	83
Spare parts	84	123	-32%	173	238	-27%	456	391
Services	6	7	-14%	13	14	-7%	28	27
Total Parts	90	130	-31%	186	252	-26%	484	418
Logistics	6	4	50%	13	10	30%	20	23
Total net sales	96	134	-28%	199	262	-24%	504	441

Gross profit

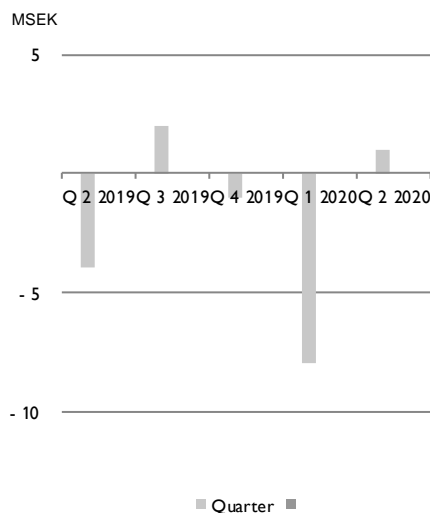


April – June 2020

The Group's gross profit for the second quarter of 2020 amounted to MSEK 35 (53), a decrease by 34 percent compared with the corresponding quarter of the previous year. Gross margin for the quarter was 36 percent (39).

January – June 2020

The Group's gross profit for the period January – June 2020 amounted to MSEK 67 (102), a decrease by 34 percent compared with the corresponding period of the previous year. Gross margin for the period was 34 percent (39).

Operating profit/loss*April – June 2020*

The Group's operating profit for the second quarter of 2020 amounted to MSEK 1 (-4). The operating margin for the quarter was 1 percent (-3).

January – June 2020

The Group's operating profit/loss for the period January – June 2020 amounted to MSEK -7 (-12). The operating margin for the period was -4 percent (-5).

Result for period*April – June 2020*

The Group's financial items for the second quarter of 2020 amounted to MSEK -2 (0).

The Group's income tax expense for the second quarter of 2020 amounted to MSEK -1 (-1).

The Group's result for the for the second quarter of 2020 amounted to MSEK -2 (-5), corresponding to earnings per share of MSEK -0.01 (-0.02).

January – June 2020

The Group's financial items for the period January – June 2020 amounted to MSEK 0 (2).

The Group's income tax expense for the period amounted to MSEK -4 (-10).

The Group's result for the for the period January – June 2020 amounted to MSEK -12 (-22), corresponding to earnings per share of MSEK -0.06 (-0.11).

Cash flow and investments

The Group's cash flow from operating activities was MSEK 7 (13) for the second quarter of 2020 and MSEK 0 (-12) for the period January – June 2020.

The Group's cash flow from investing activities was MSEK 1 (0) for the second quarter of 2020 and MSEK 0 (-1) for the period January – June 2020.

The Group's cash flow from financing activities was MSEK -1 (-26) for the second quarter of 2020 and MSEK -5 (-27) for the period January – June 2020.

The Group's cash flow amounted to MSEK 7 (-13) for the second quarter of 2020 and to MSEK -5 (-40) for the period January – June 2020.

Financial Position

The Group's liquid assets on June 30, 2020 amounted to MSEK 81 (2019-12-31: 87).

The equity ratio in the Group on June 30, 2020 was 78 percent (2019-12-31: 76).

Personnel

The average number of employees in the Group during the period January – June 2020 was 153 (192).

Segment information

MSEK	Q2 2020	Q2 2019	Change %	Q 1-2 2020	Q 1-2 2019	Change %	Full year 2019	Last 12 months
Net sales								
Parts	90	130		186	252		484	418
Logistics	16	17		32	37		70	66
Central/elim	-10	-13		-19	-27		-50	-43
Net sales	96	134	-28%	199	262	-24%	504	441
Gross profit								
Parts	24	36		48	66		128	110
Logistics	11	17		19	35		65	49
Central/elim								
Gross profit	35	53	-34%	67	102	-35%	194	159

From 2020-01-01, certain operating costs in Logistics have been reclassified from Sales costs to Cost of goods sold, which has affected the gross profit for the business area and the Group.

Parent company

The Parent company's net sales for the period January – June 2020 amounted to MSEK 161 (205). The gross result for the period amounted to MSEK 52 (77) and the gross margin was 32 percent (37).

The Parent company's operating profit for the period January – June 2020 amounted to MSEK -1 (-12), and the profit margin was -1 percent (-6).

The Parent company's profit for the period January – June 2020 amounted to MSEK -3 (-12) and cash flow for the period was MSEK -8 (-42).

At 30 June 2020, liquid assets in the Parent company were MSEK 59 (2019-12-31: 67) and the equity ratio was 83 percent (2019-12-31:81).

The average number of employees in the Parent during the period January – June 2020 was 130 (160).

Other significant information

Events during 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.

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

Events after the end of the quarter

There have been no significant events taking place after the end of the quarter.

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, but the assessment is that the company will be 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 financial effects linked to covid-19 as far as possible.

There have not been any significant changes in the Group's risks, uncertainties and other factors during the period January – June 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 31 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 – 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 70 973 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, 14 August 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 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Net sales	96	134	199	262	504	441
Cost of goods sold	-61	-81	-132	-160	-310	-282
Gross profit	35	53	67	102	194	159
Sales costs	-24	-46	-55	-93	-159	-121
Administration costs	-9	-11	-19	-22	-44	-41
Other operating income and expenses	-1	0	0	1	-1	-2
Operating profit/loss	1	-4	-7	-12	-10	-5
Financial items	-2	-0	-1	-0	0	-1
Result after financial items	-1	-4	-8	-12	-10	-6
Income tax expense	-1	-1	-4	-10	-19	-13
Result for the period	-2	-5	-12	-22	-29	-19
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Cash flow hedges	1	1	0	0	1	1
Deferred taxes referred to cash flow hedges	0	0	0	0	0	0
Currency exchange rate difference for the year	-4	-1	-0	2	2	0
Comprehensive income for the period	-5	-5	-12	-20	-26	-18
Result for the year relates to:						
Parent company shareholder	-5	-5	-12	-20	-26	-18
Comprehensive income related to Parent shareholder	-5	-5	-12	-20	-26	-18
Result per share based on net profit attributable to parent company shareholder during the year:						
	-0,01	-0,02	-0,06	-0,11	-0,15	-0,10

Group's balance sheet

MSEK	Note	2020-06-30	2019-06-30	2019-12-31
ASSETS				
Intangible non-current assets		12	14	13
Tangible non-current assets		40	52	47
Deferred tax receivables		32	46	36
Other non-current receivables		1	3	3
Total non-current assets		85	115	99
Inventories		150	170	158
Accounts receivable		41	52	40
Current tax receivables		3	1	2
Other current receivables		3	3	4
Prepaid expense and accrued income		6	5	5
Cash and bank		81	79	87
Total current assets		284	310	296
TOTAL ASSETS		369	425	395
EQUITY AND LIABILITIES				
Equity		287	306	300
Deferred Tax Liabilities		0	1	0
Provisions		6	18	8
Non-current liabilities		12	23	20
Accounts payable		19	27	24
Current tax liabilities		0	0	1
Derivatives	2	0	2	1
Other current liabilities		8	6	3
Accrued expense and prepaid income		37	42	38
TOTAL EQUITY AND LIABILITIES		369	425	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	-	-	-	-21,7	-21,7
Other comprehensive income	-	-	2,0	-	2,0
Total comprehensive income	-	-	2,0	-21,7	-19,7
Dividend to shareholder	-	-	-	-25,0	-25,0
Balance at 30-06-2019	0,2	-	9,0	297,0	306,2
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	-	-	-	-12,4	-12,4
Other comprehensive income	-	-	-0,2	-	-0,2
Total comprehensive income	-	-	9,8	-12,4	-12,6
Dividend to shareholder	-	-	-	-	-
Balance at 30-06-2020	0,2	-	9,8	277,5	287,5

Group's statement on cash flows

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
OPERATING ACTIVITIES						
Result after financial items	-1	-4	-8	-12	-10	-6
Non-cash items, etc.	1	7	3	13	16	6
Change in provisions	-1	-3	-2	-6	-12	-8
Income tax paid	0	-1	-1	-2	-2	-1
Cash flow from operating activities before change in working capital	-1	-1	-8	-7	-8	-9
Change in inventories	8	10	7	10	24	21
Change in current receivables	2	4	0	8	19	11
Change in current liabilities	-2	0	1	-23	-32	-8
Cash flow from operating activities	7	13	0	-12	3	15
INVESTING ACTIVITIES						
Acquisitions of intangible non-current assets	-0	-0	-1	-1	-3	-3
Investments in tangible non-current assets	-0	-0	-0	-0	-1	-1
Change in other non-current receivables and inves	1	-	1	-	-	1
Cash flow from investment activities	1	-0	0	-1	-4	-3
FINANCING ACTIVITIES						
Borrowings	-1	-1	-5	-2	-6	-9
Dividend to shareholder	-	-25	-	-25	-25	-
Cash flow from financing activities	-1	-26	-5	-27	-31	-9
CASH FLOW FOR THE PERIOD						
Liquid assets at beginning of the period	77	92	87	117	117	79
Currency exchange effect in liquid assets	-3	-0	-1	2	2	-1
Liquid assets at end of period	81	79	81	79	87	81

Group key ratios

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Gross profit (%)	36%	39%	34%	39%	38%	36%
Operating profit/loss (%)	1%	-3%	-5%	-4%	-2%	-1%
EBITDA (MSEK)	3	-1	-1	-3	-23	-21
Equity	287	306	287	306	300	287
Return on equity (%)	-	-	-	-	-9%	-7%
Return on average capital employed (%)	-	-	-	-	-3%	-2%
Equity/assets ratio (%)	78%	72%	78%	72%	76%	78%
Cash flow from operating activities (times)	7	13	0	-12	3	15
	-	-	-	-	1,85	1,76

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 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Profit/loss after tax	-2	-5	-12	-22	-29	-19
Opening equity	293	336	300	351	351	306
Closing equity	287	306	287	306	300	287
Average equity	290	321	294	378	326	297
Return on equity	-	-	-	-	-9%	-7%

Return on capital employed (%)

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Profit/loss after financial items	-1	-4	-8	-12	-10	-6
Financial items	-2	0	-1	0	0	-1
Opening total assets	383	460	395	488	488	425
Opening provisions	6	21	8	20	20	19
Opening accounts payable and other payables	78	80	74	107	107	77
Closing total assets	369	425	369	425	395	369
Closing provisions	6	19	6	19	8	6
Closing accounts payable and other payables	63	77	63	77	74	63
Average capital employed	300	345	307	345	337	315
Return on capital employed	-	-	-	-	-3%	-2%

Equity/assets ratio (%)

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Equity	287	306	287	306	300	287
Total assets	369	425	369	425	395	369
Equity/assets ration (%)	78%	72%	78%	72%	76%	78%

Inventory turnover rate, times

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Cost of goods sold	-61	-81	-132	-160	-310	-282
Opening inventory	160	178	158	177	177	170
Closing inventory	150	170	150	170	158	150
Average inventory	155	174	154	173	168	160
Inventory turnover rate	-	-	-	-	1,85	1,76

Parent company's income statement

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
Net sales	74	104	161	205	472	428
Costs of goods sold	-51	-65	-109	-128	-287	-268
Gross profit	23	39	52	77	185	170
Sales costs	-16	-33	-33	-65	-151	-119
Administration costs	-9	-11	-19	-22	-52	-49
Other operating income and expenses	-1	-1	-1	-2	-20	-19
Operating profit/loss	-2	-6	-1	-12	-38	-33
Financial items	0	4	2	7	5	-0
Result after financial items	-2	-2	1	-5	-33	-27
Change in untaxed reserves	-	1	-	1	6	5
Income tax expense	-1	0	-4	-8	-6	-2
Result for the period	-3	-1	-3	-12	-33	-24
Comprehensive result for the period	-3	-1	-3	-12	-33	-24

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

Parent company's balance sheet

MSEK	2020-06-30	2019-06-30	2019-12-31
ASSETS			
Intangible non-current assets	10	12	11
Tangible non-current assets	3	2	3
Participation in group companies	26	26	26
Deferred tax receivables	28	41	32
Other non-current receivables	0	1	1
Total non-current assets	67	83	73
Inventories	125	145	134
Accounts receivable	24	31	23
Receivables from group companies	49	72	38
Current tax receivables	2	-	1
Other current receivables	1	1	2
Prepaid expense and accrued income	6	5	5
Cash and bank	59	42	67
Total current assets	266	296	270
TOTAL ASSETS	333	379	343
EQUITY AND LIABILITIES			
Equity	276	299	279
Untaxed reserves	0	4	0
Provisions	5	12	7
Accounts payable	18	24	23
Liabilities to group companies	2	1	1
Other current liabilities	4	4	3
Accrued expense and prepaid income	28	35	30
TOTAL EQUITY AND LIABILITIES	333	379	343

Parent company's report on changes in equity

MSEK	Share capital*	Additional paid in capital	Reserves	Retained earnings	Total equity
Balance at 01-01-2019	0,2	0,0	369,7	-33,6	336,3
Result for the period	-	-	-	-11,8	-11,8
Dividend to shareholder	-	-	-	-25,0	-25,0
Balance at 30-06-2019	0,2	0,0	369,7	-70,4	299,5
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	-	-	-	-2,7	-2,7
Dividend to shareholder	-	-	-	-	-
Balance at 30-06-2020	0,2	0,0	369,7	-93,8	276,1

* Number of shares is 200.

Parent company's cash flow statement

MSEK	Q 2 2020	Q 2 2019	Q 1-2 2020	Q 1-2 2019	Full year 2019	Last 12 months
OPERATING ACTIVITIES						
Result after financial items	-2	-2	1	-5	-19	-13
Non-cash items, etc	0	7	0	10	21	11
Change in provisions	0	-3	-2	-6	-12	-8
Income tax paid	-1	-0	-1	0	-1	-2
Cash flow from operating activities before change in working capital	-3	2	-2	-1	-11	-12
Change in inventories	3	5	7	4	15	18
Change in current receivables	1	2	-11	1	32	20
Change in current liabilities	4	3	-2	-20	-26	-8
Cash flow from operating activities	5	12	-8	-16	21	29
INVESTING ACTIVITIES						
Investments in intangible non-current assets	-0	-0	-1	-1	-3	-3
Investments in tangible non-current assets	-0	-0	0	0	0	0
Change in other non-current receivables and investment	1	-	1	-	-	1
Cash flow from investing activities	1	-0	0	-1	-3	-2
FINANCING ACTIVITIES						
Dividend to shareholder	-	-25	-	-25	-25	-
Cash flow from financing activities	-	-25	-	-25	-25	-
CASH FLOW FOR THE PERIOD						
Liquid assets at beginning of the period	54	55	67	83	83	42
Currency exchange effect in liquid assets	-1	1	0	1	2	1
Liquid assets at end of period	59	42	59	42	67	59

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 30 June 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	
	2020-06-30	2019-12-31	2020-06-30	2019-12-31	2020-06-30	2019-12-31
<i>Assets</i>						
Derivative instruments	-	-	-	-	-	-
Financial assets	2,2	2,1	-	-	-	-
Total assets	2,2	2,1	-	-	-	-
<i>Liabilities</i>						
Derivative instruments	-	-	-	0,6	-	-
Total liabilities	-	-	-	0,6	-	-