

4th Quarter of 2020

Net sales for the fourth quarter of 2020 amounted to MSEK 87 (113)

Operating profit for the quarter amounted to MSEK 0 (-1). Operating margin was 0 percent (-1).

Result for the period during the quarter amounted to MSEK -6 (-6), which corresponds to earnings per share of MSEK -0.03 (-0.03).

Cash flow from operating activities during the quarter amounted to MSEK 18 (4).

The period January – December 2020

Net sales for the period January – December 2020 amounted to MSEK 392 (504).

Operating result for the period amounted to MSEK 6 (-10). Operating margin was 2 percent (-2).

Result for the period amounted to MSEK -6 (-29), which corresponds to earnings per share of MSEK -0.03 (-0.15).

Cash flow from operating activities during the period amounted to MSEK 48 (3).

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Net sales	87	113	392	504
Gross profit	33	44	141	194
Gross profit (%)	38%	39%	36%	38%
Operating profit/loss	0	-1	6	-10
Operating profit/loss (%)	0%	-1%	2%	-2%
Result for the period	-6	-6	-6	-29
Result per share	-0,03	-0,03	-0,03	-0,15
Equity/assets ratio (%)	79%	76%	79%	76%
Cash flow from operating activities	18	4	48	3
Average no. of employees	142	165	148	187

A WORD FROM THE CEO

Orio delivers a stable fourth quarter despite a negative impact on sales due to covid-19 pandemic

The trends in sales recovery from the covid-19 pandemic that could be observed during the third quarter were completely crushed during the fourth quarter. Once again, restrictions were introduced in the important markets, which contributed to a reduction in sales of a total of 23 percent compared with the corresponding quarter last year.

The fourth quarter was a stable quarter in terms of earnings, despite a large loss in sales within Orio Parts. The operating profit for 2020 was MSEK 16 better than the previous year and the operating margin was 2 percent. In addition to this, the Group delivered a cash flow from operating activities in 2020 of MSEK 48, an improvement of MSEK 45 compared with 2019.

The refinement of the Orio Parts business area continues thanks to an implemented restructuring, increased efficiency, strategic price increases and good cost control. Profitability improved in the quarter and in 2020 despite a large negative impact of the covid-19 pandemic.

Growth continued for the Orio Logistics business area during the fourth quarter thanks to further development of existing customers and implementation of new customers. During the quarter, a venture was also initiated in developing the company's property in Nyköping into a potential logistics park - Nyköping's Logistics Park.

Financial results and development

Net sales for the fourth quarter of 2020 amounted to MSEK 87 (113).

Gross profit during the fourth quarter of 2020 amounted to MSEK 33 (44) and the gross margin during the quarter was 38 percent, compared with 39 percent for the corresponding quarter in 2019.

For the fourth quarter of 2020, Orio reports an operating profit of MSEK 0 (-1), and a profit after tax of MSEK -6 (-6). Cash flow from operating activities for the quarter amounted to MSEK 18 (4) and the equity / assets ratio as of December 31, 2020 was 79 percent (76).

The business and our strategy

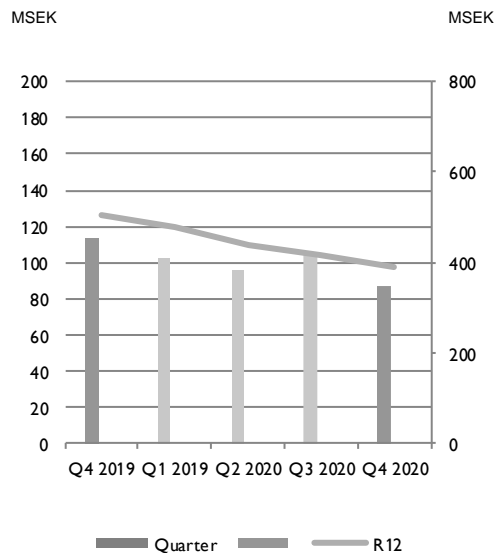
The Group's strategy within the Parts business area is to service Saab cars through workshops and to ensure an appropriate product program of Saab original parts and associated services. Within the Logistics business area, the strategy is to provide logistics services through innovative solutions that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

Nyköping, 12 February 2021

Gustaf Ljunggren, CEO

Financial development

Net sales



October – December 2020

The Group's net sales for the fourth quarter of 2020 amounted to MSEK 87 (113), which is a decrease by 23 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 of last year, the Group would have reported net sales of MSEK 92, which would have been a reduction by 19 percent.

January – December 2020

The Group's net sales for the period January – December 2020 amounted to MSEK 392 (504), which is a decrease by 22 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 404, which would have been a reduction by 20 percent.

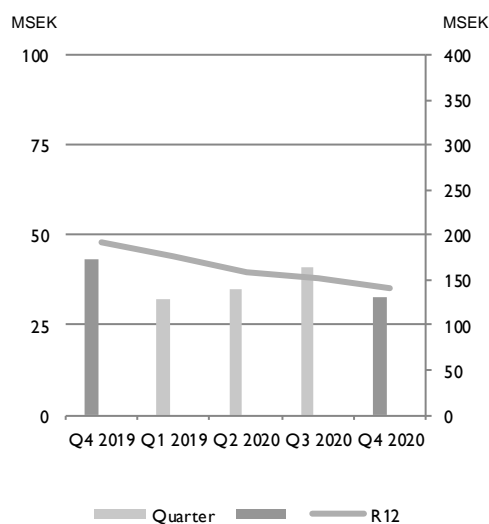
Revenues from external customers disaggregate into the following main categories.

MSEK

Parts

Spare parts	Q 4 2020	Q 4 2019	Changes %	Q 1-4 2020	Q 1-4 2019	Changes %
Nordic countries	22	26	-15%	93	122	-24%
America	21	30	-30%	96	130	-26%
Great Britain	7	10	-30%	34	51	-33%
Germany	10	12	-17%	47	52	-10%
Other markets	14	22	-36%	70	101	-31%
Spare parts	74	100	-26%	340	456	-25%
Services	6	7	-14%	25	28	-11%
Total Parts	80	107	-25%	365	484	-25%
Orio Logistics	7	6	17%	27	20	35%
Total net sales	87	113	-23%	392	504	-22%

Gross profit



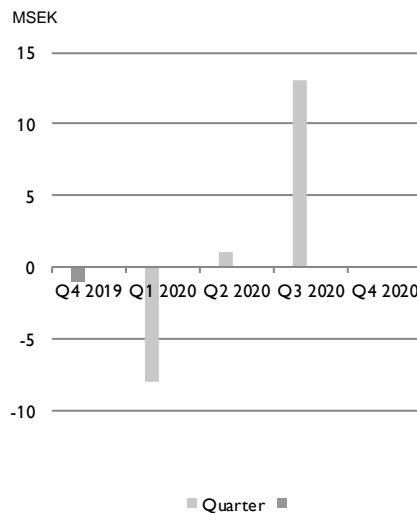
October – December 2020

The Group's gross profit for the fourth quarter of 2020 amounted to MSEK 33 (44), a decrease by 25 percent compared with the corresponding quarter of the previous year. Gross margin for the quarter was 38 percent (39).

January – December 2020

The Group's gross profit for the period January – December 2020 amounted to MSEK 141 (194), a decrease by 27 percent compared with the corresponding period of the previous year. Gross margin for the period was 36 percent (38).

Operating profit/loss



October – December 2020

The Group's operating result for the fourth quarter of 2020 amounted to MSEK 0 (-1). The operating margin for the quarter was 0 percent (-1).

January – December 2020

The Group's operating result for the period January – December 2020 amounted to MSEK 6 (-10). The profit margin for the period was 2 percent (-2).

Result for period

October– December 2020

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

The Group's income tax expense for the fourth quarter of 2020 amounted to MSEK -5 (-4).

The Group's result for the for the fourth quarter of 2020 amounted to -6 (-6), corresponding to earnings per share of MSEK -0.03 (-0.03).

January – December 2020

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

The Group's income tax expense for the period amounted to MSEK 10 (-19).

The Group's result for the for the period January – December 2020 amounted to MSEK -6 (-29), corresponding to earnings per share of MSEK -0.03 (-0.15).

Cash flow and investments

The Group's cash flow from operating activities was MSEK 18 (4) for the fourth quarter of 2020 and MSEK 48 (3) for the period January – December 2020.

The Group's cash flow from investing activities was MSEK -2 (-1) for the fourth quarter of 2020 and MSEK -3 (-4) for the period January – December 2020.

The Group's cash flow from financing activities was MSEK -1 (-2) for the fourth quarter of 2020 and MSEK -6 (-31) for the period January – December 2020. No dividend was paid to the owner during the period (2019: MSEK 25).

The Group's cash flow amounted to MSEK 15 (1) for the fourth quarter of 2020 and to MSEK 39 (-32) for the period January – December 2020.

Financial Position

Liquid assets on December 31, 2020, amounted to MSEK 122 (87) in the Group.

The equity ratio in the Group on December 31, 2020 was 79 percent (76).

Personnel

The average number of employees in the Group during the period January – December 2020 amounted to 148 (187).

Segment information

MSEK	Q 4 2020	Q 4 2019	Change %	Q 1-4 2020	Q 1-4 2019	Change %
Net sales						
Parts	80	107		364	484	
Logistics	16	17		65	70	
Centralt/elim	-9	-11		-37	-50	
Nettoomsättning	87	113	-23%	392	504	-22%
Gross profit						
Parts	24	28		103	129	
Logistics	9	16		38	65	
Centralt/elim						
Gross profit	33	44	-25%	141	194	-27%

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 – December 2020 amounted to MSEK 319 (399). The gross result for the period amounted to MSEK 104 (150) and the gross margin was 33 percent (38).

The Parent company's operating profit for the period January – December 2020 amounted to MSEK -5 (-28), and the profit margin was -2 percent (-7).

The Parent company's profit for the period January – December 2020 amounted to MSEK -9 (-30) and cash flow for the period was MSEK 37 (-18).

At 31 December 2020, liquid assets in the Parent company were MSEK 102 (67) and equity ratio was 82 percent (81).

The average number of employees in the Parent during the period January – December 2020 was 121 (155).

Other significant information

Events during the quarter

On November 30, 2020, 16 blue collar employees in Nyköping were notified of dismissal due to redundancy as an effect of the Covid-19 pandemic. The negotiations ended on 15 December 2020 and resulted in 11 blue collar employees in Nyköping being laid off.

Events after the end of the quarter

There were no significant events 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 found 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.

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.

Annual General Meeting

The Annual General Meeting of Orio AB will be held in Nyköping on April 22, 2021. The Board has decided not to propose a dividend to the Annual General Meeting for the financial year 2020.

Upcoming financial information

Annual report 2020:	31 March 2021
Interim report January – March 2021	23 April 2021
Interim report January – June 2021	11 August 2021
Interim report January – September 2021	29 October 2021
Year-end report January – December 2021	15 February 2022
Annual report 2021:	31 March 2022

If you have any questions regarding Orio's year-end report, please contact:
Gustaf Ljunggren, CEO, Tel. +46 (0)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, 12 February 2021
Orio AB (556602-9277)

Gustaf Ljunggren, CEO

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

The Year End report has not been subject to review by the Auditor.

Group's statement of comprehensive income

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Net sales	87	113	392	504
Cost of goods sold	-54	-69	-251	-310
Gross profit	33	44	141	194
Sales costs	-23	-31	-96	-159
Administration costs	-9	-11	-37	-44
Other operating income and expenses	-1	-3	-2	-1
Operating profit/loss	0	-1	6	-10
Financial items	-1	-1	-2	0
Result after financial items	-1	-2	4	-10
Income tax expense	-5	-4	-10	-19
Result for the period	-6	-6	-6	-29
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Cash flow hedges	0	0	0	1
Deferred taxes referred to cash flow hedges	0	0	0	0
Currency exchange rate difference for the year	-4	-1	-6	2
Total other comprehensive income for the period	-4	-1	-6	3
Comprehensive income for the period	-10	-7	-12	-26
Result for the year relates to:				
Parent company shareholders	-10	-7	-12	-26
Comprehensive income related to Parent shareholders	-10	-7	-12	-26
Result per share based on net profit attributable to parent company shareholders during the year:	-0,03	-0,03	-0,03	-0,15

Group's balance sheet

MSEK	Note	2020-12-31	2019-12-31
ASSETS			
Intangible non-current assets		12	13
Tangible non-current assets		39	46
Deferred tax receivables		27	36
Other non-current receivables		1	3
Total non-current assets		79	98
Inventories		126	158
Accounts receivable		25	40
Current tax receivables		2	2
Other current receivables		4	4
Prepaid expense and accrued income		5	5
Cash and bank		122	87
Total current assets		284	296
TOTAL ASSETS		363	394
EQUITY AND LIABILITIES			
Equity		288	300
Deferred Tax Liabilities		0	0
Provisions		8	8
Non-current liabilities		11	19
Accounts payable		20	24
Current tax liabilities		0	1
Derivatives	2	-	1
Other current liabilities		4	3
Accrued expense and prepaid income		32	38
TOTAL EQUITY AND LIABILITIES		363	394

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	-	-	-	-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	-	-	-	-6,4	-6,4
Other comprehensive income	-	-	-5,7	-	-5,7
Total comprehensive income	-	-	-5,7	-6,4	-12,1
Dividend to shareholder	-	-	-	-	-
Balance at 31-12-2020	0,2	-	4,3	283,5	288,0

Group's statement on cash flows

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
OPERATING ACTIVITIES				
Result after financial items	-1	-1	4	-10
Non-cash items, etc.	2	1	10	16
Change in provisions	-1	-2	-4	-12
Income tax paid	0	0	-2	-2
Cash flow from operating activities before change in working capital	0	-2	8	-8
Change in inventories	4	3	31	24
Change in current receivables	17	5	14	19
Change in current liabilities	-3	-2	-5	-32
Cash flow from operating activities	18	4	48	3
INVESTING ACTIVITIES				
Acquisitions of intangible non-current assets	-1	-1	-3	-3
Investments in tangible non-current assets	0	0	-1	-1
Change in other non-current receivables and investments	-1	0	1	0
Cash flow from investment activities	-2	-1	-3	-4
FINANCING ACTIVITIES				
Payments relating to repayments of loan receivables attributable to financial lease agreements	-1	-2	-6	-6
Dividend to shareholder	-	-	-	-25
Cash flow from financing activities	-1	-2	-6	-31
CASH FLOW FOR THE PERIOD	15	1	39	-32
Liquid assets at beginning of the period	110	88	87	117
Currency exchange effect in liquid assets	-3	-2	-4	2
Liquid assets at end of period	122	87	122	87

Group key ratios

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Gross profit (%)	38%	39%	36%	38%
Operating profit/loss (%)	0%	-1%	2%	-2%
EBITDA (MSEK)	2	3	17	6
Equity	288	300	288	300
Return on equity (%)	-	-	-2%	-9%
Return on average capital employed (%)	-	-	2%	-3%
Equity/assets ratio (%)	79%	76%	79%	76%
Cash flow from operating activities	18	4	48	3
Rate of inventory turnover (times)	-	-	1,77	1,85

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 capital employed (%)	Profit/loss after financial items plus financial expenses as a percentage of the average capital employed
Average 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 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Profit/loss after tax	-6	-6	-6	-29
Opening equity	298	307	300	351
Closing equity	288	300	288	300
Average equity	293	304	294	326
Return on equity	-	-	-2%	-9%

Return on capital employed (%)

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Profit/loss after financial items	-1	-2	4	-10
Financial items	-1	-1	-2	0
Opening total assets	379	414	395	488
Opening provisions	5	14	8	20
Opening accounts payable and other payables	71	77	74	107
Closing total assets	363	395	363	395
Closing provisions	8	8	8	8
Closing accounts payable and other payables	63	74	63	74
Average capital employed	298	318	303	337
Return on capital employed	-	-	2%	-3%

Equity/assets ratio (%)

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Equity	288	300	288	300
Total assets	363	395	363	395
Equity/assets ratio (%)	79%	76%	79%	76%

Inventory turnover rate, times

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Cost of goods sold	-54	-69	-251	-310
Opening inventory	131	159	158	177
Closing inventory	126	158	126	158
Average inventory	129	159	142	168
Inventory turnover rate	-	-	1,77	1,85

Parent company's income statement

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
Net sales	70	90	319	399
Costs of goods sold	-47	-55	-215	-249
Gross profit	23	35	104	150
Sales costs	-24	-43	-68	-130
Administration costs	-9	-11	-37	-44
Other operating income and expenses	-2	-1	-4	-4
Operating profit/loss	-12	-20	-5	-28
Financial items	0	0	5	7
Result after financial items	-12	-20	0	-21
Change in untaxed reserves	-1	5	-1	6
Income tax expense	-4	-5	-8	-17
Result for the period	-17	-20	-9	-32
Comprehensive result for the period	-17	-20	-9	-32

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

Parent company's balance sheet

MSEK	2020-12-31	2019-12-31
ASSETS		
Intangible non-current assets	9	11
Tangible non-current assets	3	3
Participation in group companies	26	26
Deferred tax receivables	24	32
Other non-current receivables	0	1
Total non-current assets	62	73
Inventories	107	134
Accounts receivable	15	23
Receivables from group companies	32	40
Current tax receivables	2	1
Other current receivables	3	2
Prepaid expense and accrued income	5	5
Cash and bank	102	67
Total current assets	266	272
TOTAL ASSETS	328	345
EQUITY AND LIABILITIES		
Equity	269	281
Untaxed reserves	1	0
Provisions	6	7
Accounts payable	20	23
Liabilities to group companies	2	1
Other current liabilities	3	3
Accrued expense and prepaid income	27	30
TOTAL EQUITY AND LIABILITIES	328	345

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	-	-	-	-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	-	-	-	-9,4	-9,4
Dividend to shareholder	-	-	-	-	-
Balance at 31-12-2020	0,2	0,0	369,7	-100,5	269,4

* Number of shares is 200.

Parent company's cash flow statement

MSEK	Q 4 2020	Q 4 2019	Q 1-4 2020	Q 1-4 2019
OPERATING ACTIVITIES				
Result after financial items	-13	-28	-1	-19
Non-cash items, etc	6	12	11	21
Change in provisions	-1	-5	-4	-12
Income tax paid	0	-	-1	-1
Cash flow from operating activities before change in working capital	-8	-21	5	-11
Change in inventories	0	0	27	15
Change in current receivables	25	22	13	32
Change in current liabilities	2	-2	-5	-26
Cash flow from operating activities	19	10	40	21
INVESTING ACTIVITIES				
Investments in intangible non-current assets	-1	-1	-3	-3
Investments in tangible non-current assets	-1	0	-1	0
Change in other non-current receivables and investments	-	-	1	-
Cash flow from investing activities	-2	-1	-3	-3
FINANCING ACTIVITIES				
Dividend to shareholder	-	-	-	-25
Cash flow from financing activities	-	-	-	-25
CASH FLOW FOR THE PERIOD				
Liquid assets at beginning of the period	87	69	67	83
Currency exchange effect in liquid assets	-2	0	-2	2
Liquid assets at end of period	102	67	102	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 the 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 December 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	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31	2020-12-31	2019-12-31
<i>Assets</i>						
Derivative instruments	-	-	-	-	-	-
Financial assets	2,3	2,1	-	-	-	-
Total assets	2,3	2,1	-	-	-	-
<i>Liabilities</i>						
Derivative instruments	-	-	-	0,6	-	-
Total liabilities	-	-	-	0,6	-	-