

**Net sales and operating result improved significantly****NURMINEN LOGISTICS KEY FIGURES 1 JANUARY - 31 DECEMBER 2017**

- Net sales were EUR 75.8 million (1–12/2016: EUR 50.0 million).
- Comparable net sales were EUR 74.7 million (EUR 50.5 million).
- Reported operating result was EUR 1.7 million (EUR -0.9 million).
- Comparable operating result was EUR 2.0 million (EUR 0 million).
- Operating margin was 2.2% (-1.9%).
- Comparable operating margin was 2.7% (0%).
- Reported net result EUR -0.2 million (EUR -3.1 million).
- Comparable net result EUR 0.3 million (EUR -2.3 million).
- Earnings per share: EUR -0.04 (EUR -0.24).
- Equity ratio was 30.8% (14.6%).
- Balance sheet total was EUR 47.6 million (EUR 43.8 million).

**NURMINEN LOGISTICS KEY FIGURES 1 JULY - 31 DECEMBER 2017**

- Net sales were EUR 42.6 million (7–12/2016: EUR 26.8 million).
- Comparable net sales were EUR 41.7 million (EUR 26.7 million).
- Reported operating result was EUR 0.5 million (EUR 0.3 million).
- Comparable operating result was EUR 0.8 million (EUR 0.4 million).
- Operating margin was 1.2% (1.2%).
- Comparable operating margin was 2.0% (1.6%).
- Earnings per share: EUR -0.06 (EUR -0.12).

**MARKO TUUNAINEN, PRESIDENT AND CEO:**

"In 2017, Nurminen Logistics improved its profitability. The net sales of the company increased by 51.6 percent, the reported operating result increased by EUR 2.6 million and the reported net result by EUR 2.9 million compared to the previous financial period. The comparable net result turned positive (EUR 0.3 million) and the operational business developed favorably in 2017.

The economic recovery and the growth of the export and import industries in Finland during the review period accelerated demand for the company's services in Finland. We raised our result guidance for the year in December due to net sales that had increased more than expected and the improved operating result. We were able to improve the net sales and operating result of nearly all our services. These achievements resulted from the determined work, and our success in several sectors reflects our commitment in our service business, goals and strategy.

The positive development of the terminal business and the Baltic companies' results supported the company's result turnaround. The profitability of forwarding services in Finland remains strong and net sales increased compared to 2016. The profitability of rail logistics services in Finland increased during the review period due to the improved efficiency of operations, and the utilisation rate of wagons operated by the Russian company remained high.

We believe that the company will continue to grow in the years to come. To support this growth, the company issued a rights offering for its investors in the summer. The offering was excellently received on the markets and all 29,229,764 new shares issued in the rights offering were subscribed. The company raised gross proceeds of approximately EUR 5.7 million through the

rights offering. The capital arrangements strengthened the company's capital structure and balance sheet and reduced net gearing and financing costs considerably. The rights offering combined with the increased operating result improved the company's financing position significantly in 2017.

In addition to continuously improving its existing services, the company aims at expanding its range of services. During the review period, the company concentrated on developing rail transports to China. The company successfully arranged the first container train transport from Finland to China in November and plans to open a regular train connection between Finland and China. There is a demand for this service in the export and import industries in Finland and Northern Europe.

In 2017, the company invested over EUR million more in capital assets than in the previous year. The terminal and rolling stock repair and information system renewal, which started this year, were the largest investment projects. The information systems are being renewed in stages: the new customer management system was implemented at the end of the year 2017, the new financial management and forwarding systems at the turn of the year and the inventory management system will be renewed in 2018. With these modern systems, we are able to improve the efficiency of our operations and competitiveness as well as the level of our services. Furthermore, they provide opportunities to provide new digital services.

The company is on the good path and in a better financial position for continuing to grow its net sales and to improve its operations. We are continuing to analyse our strategic actions in 2018 and our goal is to support our market position and extend our value chain and range of services to customers. Our main goal for 2018 is to continue on our path of profitable growth."

## **MARKET SITUATION IN THE REVIEW PERIOD**

The Finnish economy and foreign trade grew significantly in 2017. The development of Finnish exports showed a visible and clear turnaround, and Finland became involved in the quick growth of export markets. The value of Finnish export goods increased by 15 per cent and import goods by 13 per cent compared to the previous year. The growth of Finland's export industry in the coming years is supported by the continuous growth of the most significant export markets and improvements in cost competitiveness in Finland. The demand of the services remained at a good level in the company's key segments, such as forest industry and engineering industry products, and the company managed to maintain a strong market position in break-bulk cargo import forwarding. The Russian economy started to grow again after a long-lasting downturn. The economies of the Baltic countries continued the upbeat and the demand for services in the Baltic countries was strong in 2017. The positive trend in the global economy is expected to continue in 2018.

## **NET SALES AND FINANCIAL PERFORMANCE 1 JANUARY – 31 DECEMBER 2017**

EUR 1,000	1–12/2017	1–12/2016	1–12/2017 comparable	1–12/2016 comparable
Net sales	75,772	49,971	74,746	50,507
Operating result	1,691	-948	1,996	9

The net sales for the 2017 financial period amounted to EUR 75.8 million (2016: EUR 50.0 million), which represents an increase of 51.6% compared to 2016. The operating result for the review period increased by 278.4% to EUR 1,691 (-948) thousand.

Comparable net sales amounted to EUR 74.8 (50.5) million, which represents a year-on-year increase of 48.0%. The comparable operating result for the review period increased by 22,077.8% to EUR 1,996 (9) thousand.

The comparable operating result includes net sales adjustments of EUR -1,026 (536) thousand, adjustments for exchange rate effects of EUR -102 (793) thousand and the bonuses 406 (0) thousand and adjustments to other expenses amounting to EUR 0 (164) thousand. The adjustments to net sales in the review period consist of an increase in the net sales of the Russian subsidiary due to the year-on-year appreciation of the ruble from the exchange rate comparison period (2015). The adjustments to net sales for the comparison period are related to exchange rate fluctuations and adjustments for the previous financial year. A more detailed breakdown of the adjustments can be found in the tables section.

### **Business review 1 January – 31 December 2017**

Net sales of forwarding services increased during the review period and profitability improved from 2016. Net sales increased due to the success in customer acquisition, continued strong demand for import, export and value added services and growing demand for wider service packages. The increase in profitability compared to the previous year resulted from the improvements in efficiency.

Net sales of terminal services increased and profitability also improved compared to the previous year. The flows of goods at terminals increased both in export and import trades which, at the same time, improved the capacity utilisation rate. This positive development was clearly visible in particular at the Vuosaari location in forest, steel and engineering industries and in the increased demand for e-commerce logistics services. Demand for Russian transit and export traffic services also increased from the comparison period during the first half of the year.

Net sales of railway logistics in Finland declined during the review period compared to the previous year. However, the profitability of the business clearly improved despite the challenging first half of the year when the weak demand for railway transports had a negative effect on profitability. Demand started to recover and railway export volumes saw a slight increase at the end of the review period. Chemical transport volumes remained stable throughout the year.

As expected net sales and profitability of the Russian company decreased during the review period due to the sales of covered wagons in 2016. The utilisation rate and profitability of the company's own wagons and platforms were at a good level and the wagons circulated among customers with continuing contracts. Operating profit in Russia was still good in 2017.

Net sales and profitability of the Baltic companies improved significantly compared to the corresponding period. In 2017, the demand for services in the Baltic business saw a significant increase throughout the review period. The favourable development of customer relationships and the continuing growth of the market environment in the Baltic countries enabled this growth.

### **NET SALES AND FINANCIAL PERFORMANCE 1 JULY – 31 DECEMBER 2017**

EUR 1,000	7–12/2017	7–12/2016	7–12/2017 comparable	7–12/2016 comparable
Net sales	42,641	26,772	41,708	26,663
Operating result	503	329	819	431

Net sales for the second half of 2017 amounted to EUR 42.6 (7–12/2016: EUR 26.8) million, which represents an increase of 59.3% compared to the corresponding period in 2016. The operating result for the review period increased by 52.9% to EUR 503 (329) thousand.

Comparable net sales amounted to EUR 41.7 (26.7) million, which represents a year-on-year increase of 56.4%. The comparable operating result for the review period increased by 90.0% to EUR 819 (431) thousand.

The comparable operating result includes net sales adjustments of EUR -903 (-139) thousand, adjustments for exchange rate effects of EUR -90 (65) thousand and the bonuses 406 (0) thousand and adjustments to other expenses amounting to EUR 0 (37) thousand. The adjustments to net sales in the review period consist of an increase in the net sales of the Russian subsidiary due to the year-on-year appreciation of the ruble from the exchange rate comparison period (2015) and adjustments for the previous financial year. The adjustments to net sales for the comparison period are related to exchange rate fluctuations and adjustments for the previous financial year. A more detailed breakdown of the adjustments can be found in the tables section.

### **Business review 1 July – 31 December 2017**

Net sales of forwarding services grew compared to the corresponding period in 2016, and the profitability of the business was good. Demand in the second half of the year was stronger than during the first half of the year in import, export and value added services.

Net sales of terminal services increased and profitability clearly improved compared to the corresponding period in the previous year. The profitability of terminal services was improved by the volume and utilisation rate increase of terminals and new customer relationships. Demand for Russian transit and export traffic services developed moderately during the review period.

Net sales of railway logistics in Finland increased and profitability improved during the second half of the year due to the slight increase in demand for services. The increase in profitability resulted from the increased efficiency of operations. Demand for chemical transports was at the same level as during the corresponding period.

The second half of the year of domestic rail transports in Russia was as expected. Net sales of the Russian company and profitability decreased. However, the utilisation rate of the company's own wagons remained high.

Net sales of the Baltic companies increased significantly also during the latter half of the year and profitability remained at a good level.

### **OUTLOOK**

Nurminen Logistics believes that the positive trend in the economy and markets will continue in 2018. Nurminen Logistics expects that its comparable net sales and comparable operating result will improve from the level of 2017.

### **LONG-TERM FINANCIAL OBJECTIVES**

The Board of Directors has updated Nurminen Logistics' long-term financial objectives. The objectives of the company are to achieve a growth rate that is higher than that of the markets in general, a net operating profit level of 7% and a return on equity of 12%.

### **SHORT-TERM RISKS AND UNCERTAINTIES**

The general deterioration of the world trade compared to the current situation would have a negative impact on the demand for the services of the company and, consequently, on the result.

More detailed information about risk management can be found on Investors page on Nurminen Logistics' website [www.nurminenlogistics.com](http://www.nurminenlogistics.com).

## **FINANCIAL POSITION AND BALANCE SHEET**

The company's cash flow from operations was EUR 3,461 thousand. Cash flow from investments was EUR -1,695 thousand. Cash flow from financing activities amounted to EUR 3,778 thousand. Cash flow from financing was increased by a share issue in the summer (EUR +5,076 thousand).

At the end of the review period, cash and cash equivalents amounted to EUR 7,832 thousand. The company's management estimates that the operating cash flow generated by the company covers the current business needs and current liabilities for the next 12 months.

The company's balance sheet and financial position have improved as a result of significant improvement in operating result and right offering executed during the financial year. On 26 June 2017, the Board of Directors of Nurminen Logistics Plc decided on the arrangement of a rights offering based on the pre-emptive subscription rights of the current shareholders, by authorisation of the company's Annual General Meeting of Shareholders held on 21 April 2017. The purpose of the rights offering was to promote initiatives in accordance with the company's strategy, strengthen the company's balance sheet and relieve its debt structure. Furthermore, the subscription of the directed conversion offering decreased the company's payment obligations pertaining to sale and lease back arrangements by a sum of EUR 2.4 million.

The gross sum of proceeds from the company's rights offering and subsequent private placement amounts to approximately EUR 5.7 million. The subscription of the directed conversion offering was paid in full by setting off the company's payment obligations to Ilmarinen pertaining to its sale and lease back arrangement, by which the company's debts decreased by approximately EUR 2.4 million but no proceeds were retained. Total net assets gained by the company from the rights offering amounted to approximately EUR 5.1 million. All 29,229,764 new shares issued in the rights offering were subscribed. The new shares were subscribed to the Finnish Trade Register on 28 July 2017.

In addition to the rights offering, Nurminen Logistics and Ilmarinen agreed that a sum of EUR 1,500,000 of the company's payment obligations to Ilmarinen pertaining to the sale and lease back arrangement be offered as a convertible equity hybrid bond, which may in accordance with the bond terms be fully subscribed (convertible bond). This hybrid bond agreement with Ilmarinen was signed on 18 July 2017.

As a result of the aforementioned arrangements, the company's capital increased by EUR 9.0 million and its non-current debt decreased by EUR 3.95 million. This had a significant impact on the company's balance sheet and equity ratio, the latter of which increased to 30.8%. Furthermore, the arrangement will markedly decrease the company's financing expenses in the future.

The company has no bank loans at the present time. The company's current interest-bearing liabilities (EUR 1.5 million) comprise financial leasing debt of EUR 0.6 million and factoring debt of EUR 0.9 million. The company's non-current interest-bearing liabilities decreased to EUR 17.9 million.

The Group's interest-bearing debt totaled EUR 19.3 million and net interest-bearing debt amounted to EUR 11.5 million.

The balance sheet total was EUR 47.6 million, and the equity ratio was 30.8 %.

## **CAPITAL EXPENDITURE**

The Group's gross capital expenditure during the review period amounted to EUR 1,624 (498) thousand, accounting for 2.1% of net sales. Depreciation totaled EUR 1.8 (1.4) million, or 2.3% of net sales.

## **GROUP STRUCTURE**

During the review period, shareholder base of Nurminen Logistics Plc's subsidiary NR Rail Oy was extended with a directed share issue. As a result of the transaction, Nurminen Logistics Plc's share of ownership decreased from 100% to 51%.

The Group comprises the parent company, Nurminen Logistics Plc, as well as the following subsidiaries and associated companies, owned directly or indirectly by the parent (ownership, %): RW Logistics Oy (100%), Nurminen Logistics Services Oy (100%), NR Rail Oy (51%), Nurminen Maritime Latvia SIA (51%), Pelkolan Terminaali Oy (20%), OOO Nurminen Logistics (100%), ZAO Terminal Rubesh (100%), UAB Nurminen Maritime (51%), Nurminen Maritime Eesti AS (51%) and Team Lines Latvia SIA (23%).

## **PERSONNEL**

At the end of the review period, the Group had 182 employees, compared with 190 on 31 December 2016. The number of employees working abroad was 43.

Personnel expenses in 2017 totaled EUR 8.9 million (2016: EUR 8.7 million).

## **SHARES AND SHAREHOLDERS**

Nurminen Logistics Plc's share has been quoted on the main list of Nasdaq Helsinki Ltd under the current company name since 1 January 2008. The total number of Nurminen Logistics Plc's registered shares is 44,254,174 and the registered share capital is EUR 4,214,521. The company has one share class and all shares carry equal rights in the company. The company name was Kasola Oyj until 31 December 2007. The company was listed on the Helsinki Stock Exchange in 1987.

The trading volume of Nurminen Logistics Plc's shares was 4,677,332 during the period from 1 January to 31 December 2017. This represented 10.6% of the total number of shares. The value of the turnover was EUR 2,593,829. The lowest price during the review period was EUR 0.40 per share and the highest EUR 0.71 per share. The closing price for the period was EUR 0.55 per share and the market value of the entire share capital was EUR 24,339,795 at the end of the period.

At the end of the 2017 financial year the company had 1,193 shareholders. At the end of 2016 the number of shareholders stood at 753.

In the end of 2017 the company held 316,308 of its own shares, corresponding to 0.7% of votes. In October 2017 Nurminen Logistics issued 350,000 new shares in the company to the company without consideration. The issued shares are used for the payment of the remuneration of the Board members and/or for the creation of incentives for, or encouraging commitment in, personnel.

## **DECISIONS MADE BY THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Nurminen Logistics Plc's Extraordinary General Meeting of Shareholders held on 17 July 2017 made the following decision:

## **Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares**

The Extraordinary General Meeting authorised the Board to decide on issuance of shares and/or special rights entitling to shares pursuant to chapter 10 section 1 of the Finnish Companies Act.

Based on the authorization, the Board of Directors may issue or assign, either by one or several resolutions, shares and special rights an amount, which corresponds to a maximum of 5,330,000 new shares in the Company. The authorization may be used, *inter alia*, for the financing of the Company and business acquisitions or other business transactions and investments, diversifying the ownership base, financing arrangement, remuneration of the members of the Board of Directors and/or for the creation of incentive schemes and for engaging personnel.

Pursuant to the authorization, the Board of Directors is entitled to resolve on share issues and on the issuance of options and other special rights entitling to shares in every way to the same extent as could be resolved by the General Meeting, including the Board of Director's right to resolve on directed share issues and on the issue of special rights entitling to shares. The authorization entitles the Board to resolve on a share issue with or without payment. The authorization for deciding on a share issue without payment also includes the right to resolve on a share issue to the Company itself, so that the authorization may be used in such a way that in total no more than one tenth (1/10) of all shares in the Company may from time to time be in the possession of the Company and its subsidiaries.

The authorization will be valid until 17 July 2022 and it does not revoke the authorization granted to the Board of Directors by the Annual General Meeting on 21 April 2017, which is valid until 30 April 2018.

## **DECISIONS MADE BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Nurminen Logistics Plc's Annual General Meeting of Shareholders held on 21 April 2017 made the following decisions:

### **Adoption of the financial statements and resolution on the discharge from liability**

The Annual General Meeting of Shareholders confirmed the company's financial statements and the Group's financial statements for the financial period 1 January 2016 - 31 December 2016 and released the Board of Directors and the President and CEO from liability.

### **Payment of dividend**

The Annual General Meeting of Shareholders approved the Board's proposal that no dividend shall be paid for the financial year 1 January 2016 - 31 December 2016.

### **Composition and remuneration of the Board of Directors**

The Annual General Meeting of Shareholders resolved that the Board of Directors shall consist of five (5) ordinary members. The Annual General Meeting of Shareholders re-elected the following ordinary members to the Board of Directors: Olli Pohjanvirta, Tero Kivilahti, Juha Nurminen, Jukka Nurminen and Alexey Grom. In its organising meeting immediately following the Annual General Meeting of Shareholders, the Board of Directors elected Olli Pohjanvirta as the Chairman of the Board. The Board of Directors also appointed an Audit Committee. The Chairman of the Audit Committee is Tero Kivilahti and the member of the Audit Committee is Jukka Nurminen.

The Annual General Meeting of Shareholders resolved that for the members of the Board elected at the Annual General Meeting for the term ending at the close of the Annual General Meeting in

2018 remuneration level will be as follows: annual remuneration of EUR 40,000 for the Chairman and EUR 20,000 for the other members. In addition, a meeting fee of EUR 1,000 per meeting for the Board and Board Committee meetings shall be paid for each member of the Board living in Finland and EUR 1,500 per meeting for a member of the Board living outside Finland. 50 per cent of the annual remuneration will be paid in the form of Nurminen Logistics Plc's shares and the remainder in money. A member of the Board of Directors may not transfer shares received as annual remuneration before a period of three years has elapsed from receiving shares. The Chairman of the Board will get, in addition, the remuneration of EUR 7,500 per month plus car benefit with the maximum value of EUR 1,600 per month and telephone benefit.

Tero Kivilahti resigned on 6 October 2017 from Nurminen Logistics Plc's Board of Directors. The Board of Directors of Nurminen Logistics will continue to operate as a four-member until the next Annual General Meeting.

**Authorising the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares**

Annual General Meeting authorised the Board to decide on issuance of shares and/or special rights entitling to shares pursuant to chapter 10 section 1 of the Finnish Companies Act.

Based on the aforesaid authorisation the Board of Directors is entitled to release or assign, either by one or several resolutions, shares and/or special rights up to a maximum equivalent of 30,000,000 new shares so that aforesaid shares and/or special rights can be used, e.g., for the financing of company and business acquisitions corporate and business trading or for other business arrangements and investments, for the expansion of owner structure, paying of remuneration of the Board members and/or for the creating incentives for, or encouraging commitment in, personnel.

The authorisation gives the Board the right to decide on share issue with or without payment. The authorisation for deciding on a share issue without payment also includes the right to decide on the issue for the company itself, so that the authorisation may be used in such a way that in total no more than one tenth (1/10) of all shares in the company may from time to time be in the possession of the company and its subsidiaries.

The authorisation includes the right whereby the Board of Directors is entitled to decide of all other issues of shares and special rights. Furthermore, the Board of Directors is entitled to decide on share issues, option rights and other special rights, in every way, as the same as General Meeting could decide. The authorisation also includes right to decide on directed issues of shares and/or special rights.

The authorisation shall remain in force until 30 April 2018.

**Auditor**

Auditing firm Ernst & Young Oy was elected as Nurminen Logistics Plc's auditor. Mr. Antti Suominen, APA, acts as the responsible auditor. The auditor's term ends at the end of the first Annual General Meeting following the election. Auditor's fee will be paid in accordance with the auditor's invoice accepted by the company.

**DIVIDEND POLICY**

The company's Board of Directors has on 14 May 2008 determined the company's dividend policy, according to which Nurminen Logistics Plc aims to annually distribute as dividends approximately one third of its net profit, provided that the company's financial position allows this.

## **OTHER EVENTS DURING THE REVIEW PERIOD**

*New shares of Nurminen Logistics registered with the Trade Register and admitted to public trading*

The company announced on 20 October 2017 that a total of 350,000 new shares issued in Nurminen Logistics' directed share issue without consideration have been registered with the Trade Register on 19 October 2017. Following the registration, the total number of the company's shares is 44,254,174 pcs, of which 409,528 shares are held by the company.

New shares have been admitted to public trading together with the company's existing shares on the stock exchange list of Nasdaq Helsinki Ltd on 20 October 2017.

*Nurminen Logistics to issue new shares in the company to the company without consideration*

The company announced on 20 September 2017 that the shareholders of the company have authorised at the Annual General Meeting held on 21 April 2017 the Board of Directors to decide on issuance of shares and/or special rights entitling to shares pursuant to chapter 10 section 1 of the Finnish Companies Act. Based on the aforesaid authorisation the Board of Directors is entitled to release or assign, either by one or several resolutions, shares and/or special rights up to a maximum equivalent of 30,000,000 new shares so that aforesaid shares and/or special rights can be used, e.g., for the financing of company and business acquisitions corporate and business trading or for other business arrangements and investments, for the expansion of owner structure, paying of remuneration of the Board members and/or for the creating incentives for, or encouraging commitment in, personnel. Pursuant to the aforementioned authorization, the Board of Directors has on 20 September 2017 resolved to issue 350,000 new shares in the company to the company without consideration. The shares to be issued shall be used for the payment of the remuneration of the Board members and/or for the creation of incentives for, or encouraging commitment in, personnel and therefore there is especially weighty financial reason for the aforementioned share issue.

## **EVENTS AFTER THE REVIEW PERIOD**

The company had no significant events after the review period.

## **BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION**

Based on the financial statements as at 31 December 2017, the parent company's distributable equity is 26,344,617.38 euros. The Board of Directors proposes to the Annual General Meeting that no dividend shall be distributed for the financial year 2017.

## **ANNUAL GENERAL MEETING 2018**

The Annual General Meeting of Nurminen Logistics Plc will take place on Wednesday, 11 April 2018 starting at 1.00 p.m. at the address Pasilankatu 2, 00240 Helsinki, Finland.

## **CORPORATE GOVERNANCE STATEMENT**

The Corporate Governance Statement of Nurminen Logistics Plc will be published on 8 March 2018 on the company's website at [www.nurminenlogistics.com](http://www.nurminenlogistics.com).

## **Disclaimer**

Certain statements in this bulletin are forward-looking and are based on the management's current views. Due to their nature, they involve risks and uncertainties and are susceptible to changes in the general economic or industry conditions.

Nurminen Logistics Plc  
Board of Directors

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*Nurminen Logistics is a listed company established in 1886 that offers logistics services. The company provides high-quality forwarding, cargo handling and value added services as well as railway transports and related to it project transport services to its customers. The main market areas of Nurminen Logistics are Finland, Russia and its neighbouring countries.*

## TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1- 12/2017	1- 12/2016
EUR 1,000		
NET SALES	75 772	49 971
Other operating income	118	365
Materials and services	-52 516	-28 858
Employee benefit expenses	-8 921	-8 707
Depreciation, amortisation and impairment losses	-1 778	-1 447
Other operating expenses	-10 984	-12 271
OPERATING RESULT	1 691	-948
Financial income	149	266
Financial expenses	-1 554	-1 785
Share of profit in equity-accounted investees	-12	-31
RESULT BEFORE TAX	275	-2 497
Income taxes	-517	-622
PROFIT / LOSS FOR THE PERIOD	-243	-3 119
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	-314	1 865
Other comprehensive income for the period after tax	-314	1 865
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-556	-1 255
Result attributable to		
Equity holders of the parent company	-1 167	-3 516
Non-controlling interest	925	397
Total comprehensive income attributable to		
Equity holders of the parent company	-1 481	-1 651
Non-controlling interest	925	397
EPS undiluted	-0,04	-0,24
EPS diluted	-0,04	-0,24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7-12/2017	7-12/2016
EUR 1,000		
NET SALES	42 641	26 773
Other operating income	63	304
Materials and services	-31 254	-15 825
Employee benefit expenses	-4 566	-4 360
Depreciation, amortisation and impairment losses	-900	-668
Other operating expenses	-5 481	-5 895
OPERATING RESULT	503	329
Financial income	90	200
Financial expenses	-788	-1 138
Share of profit in equity-accounted investees	0	-26
RESULT BEFORE TAX	-196	-634
Income taxes	-269	-815
PROFIT / LOSS FOR THE PERIOD	-465	-1 449
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	-104	485
Other comprehensive income for the period after tax	-104	485
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-570	-964
Result attributable to		
Equity holders of the parent company	-890	-1 798
Non-controlling interest	425	349
Total comprehensive income attributable to		
Equity holders of the parent company	-994	-1 313
Non-controlling interest	425	349
EPS undiluted	-0,06	-0,12
EPS diluted	-0,06	-0,12

THE GROUP'S COMPARABLE RESULT	1-12/2017	1-12/2016
1000 e		
REPORTED NET SALES	75 772	49 971
Changes in exchange rates	-1 026	545
Adjustments to previous financial periods	0	-9
COMPARABLE NET SALES	74 746	50 507
REPORTED OPERATING RESULT	1 691	-948
Changes in exchange rates	-102	793
Adjustments to previous financial periods		164
Management incentives	406	0
COMPARABLE OPERATING RESULT	1 996	9

THE GROUP'S COMPARABLE RESULT	7-12/2017	7-12/2016
1000 e		
REPORTED NET SALES	42 641	26 773
Changes in exchange rates	-933	0
Adjustments to previous financial periods	0	-8
COMPARABLE NET SALES	41 708	26 765
REPORTED OPERATING RESULT	503	329
Changes in exchange rates	-90	65
Adjustments to previous financial periods	0	37
Management incentives	406	0
COMPARABLE OPERATING RESULT	819	431

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31.12.2017	31.12.2016
EUR 1,000		
ASSETS		
Non-current assets		
Property, plant and equipment	13 042	13 253
Goodwill	8 970	8 970
Other intangible assets	58	61
Investments in equity-accounted investees	232	263
Receivables	4 093	5 713
Deferred tax assets	567	659
NON-CURRENT ASSETS	26 961	28 918
Current assets		
Inventories	67	41
Trade and other receivables	12 727	12 498
Current tax receivables	0	92
Cash and cash equivalents	7 832	2 304
Assets of disposal group classified as held for sale	20 626	14 936
ASSETS TOTAL	47 587	43 854

<b>EQUITY AND LIABILITIES</b>		
Share capital	4 215	4 215
Other reserves	28 894	21 360
Translation differences	-7 511	-7 285
Retained earnings	-13 689	-12 584
Non-controlling interest	1 261	695
Hybrid loan	1 500	
<b>EQUITY, TOTAL</b>	<b>14 670</b>	<b>6 400</b>
Non-current liabilities		
Deferred tax liability	385	400
Other liabilities	329	375
Financial liabilities	17 857	22 198
<b>NON-CURRENT LIABILITIES</b>	<b>18 571</b>	<b>22 972</b>
Current liabilities		
Current tax liabilities	331	141
Financial liabilities	1 472	1 919
Trade payables and other liabilities	12 543	12 422
<b>CURRENT LIABILITIES</b>	<b>14 436</b>	<b>14 482</b>
<b>TOTAL LIABILITIES</b>	<b>32 917</b>	<b>37 454</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47 587</b>	<b>43 854</b>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT EUR 1,000	1-12/2017	1-12/2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/Loss for the period	-243	-3 119
Depreciation, amortisation and impairment losses	1 778	1 447
Unrealised foreign exchange gains and losses	105	-14
Other adjustments	1 796	1 873
Paid and received interest	-1 301	-1 308
Taxes paid	-194	-471
Changes in working capital	1 520	1 113
Cash flow from operating activities	3 461	-479
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment and intangible assets	-1 745	-448
Investments in property, plant and equipment and intangible assets	49	5 762
Loans granted	0	512
Cash flow from investing activities	-1 695	5 826

CASH FLOW FROM FINANCING ACTIVITIES			
Share issue for cash	5 076	0	
Changes in liabilities	-940	-6 160	
Dividends paid / repayments of equity	-359	-191	
Cash flow from financing activities	3 778	-6 351	
CHANGE IN CASH AND CASH EQUIVALENTS		5 544	-969
Cash and cash equivalents at beginning of period	2 304	3 273	
Cash and cash equivalents at end of period	7 832	2 304	

A= Share capital

B= Share premium reserve

C= Legal reserve

D= Reserve for invested unrestricted equity

E= Hybrid bonds

F= Translation differences

G= Retained earnings

H = Non-controlling interest

I = Total

STATEMENT OF CHANGES IN EQUITY 1-12/2017 EUR 1,000	A	B	C	D	E	F	G	H	I
Equity 1.1.2017	4215	86	2378	18895	0	-7285	-12584	695	6400
Result for the period	0	0	0	0	0	0	-1167	925	-243
Total comprehensive income for the period / translation differences	0	0	0	0	0	-225	-88	0	-314
Issue of shares	0	0	0	7534	0	0	0	0	7534
Other changes	0	0	0	0	0	0	150	0	150
Dividends / repayments of equity	0	0	0	0	0	0	0	-359	-359
Hybrid bonds	0	0	0	0	1500	0	0	0	1500
Equity 31.12.2017	4215	86	2378	26430	1500	-7511	-13689	1261	14670

STATEMENT OF CHANGES IN EQUITY 1-12/2016 EUR 1,000	A	B	C	D	E	F	G	H	I
Equity 1.1.2016	4215	86	2378	18890	0	-8168	-10116	489	7775
Result for the period	0	0	0	0	0	0	-3516	397	-3119
Total comprehensive income for the period / translation differences	0	0	0	0	0	883	982	0	1865
Other changes	0	0	0	5	0	0	66	0	71
Equity 31.12.2016	4215	86	2378	18895	0	-7285	-12584	695	6400

## MOVEMENTS IN FIXED ASSETS

Movements in fixed assets	Tangible	Intangible	Total
EUR 1,000			
Book value 1.1.2017	13 253	9 031	22 284
Additions	1 682	44	1 726
Disposals	-11	0	-11
Depreciation, amortisation and impairment losses	-1 671	-47	-1 718
Exchange rate differences	-210	0	-210
Book value 31.12.2017	13 042	9 028	22 070

Movements in fixed assets	Tangible	Intangible	Total
EUR 1,000			
Book value 1.1.2016	14 088	9 161	23 249
Additions	498	0	498
Disposals	-817	0	-817
Depreciation, amortisation and impairment losses	-1 317	-131	-1 447
Exchange rate differences	801	0	801
Book value 31.12.2016	13 253	9 031	22 284

## RELATED PARTY TRANSACTIONS

The related parties comprise the members of the Board of Directors and Management Team of Nurminen Logistics and companies in which these members have control. Related parties are also deemed to include shareholders with direct or indirect control or substantial influence.

Related party transactions	1-12/2017
EUR 1,000	
Sales	11
Purchases	181

## KEY FIGURES

KEY FIGURES	1-12/2017	1-12/2016
Gross capital expenditure, EUR 1,000	1 624	498
Personnel	188	193
Operating margin %	2,2 %	-1,9 %
Share price development		
Share price at beginning of period	0,70	1,10
Share price at end of period	0,55	0,70
Highest for the period	0,71	1,10
Lowest for the period	0,40	0,64
Equity/share EUR	0,44	0,44
Earnings/share (EPS) EUR, undiluted	-0,04	-0,24
Earnings/share (EPS) EUR, diluted	-0,04	-0,24
Equity ratio %	30,83	14,59
Gearing %	78,40	340,80

## OTHER LIABILITIES AND COMMITMENTS

Contingencies and commitments, EUR 1,000	31.12.2017	31.12.2016
Mortgages given	15 500	19 500
Book value of pledged subsidiary shares and -loan receivables	10 108	4 266
Other contingent liabilities	9 965	9 985
Rental obligations	59 320	68 686

## ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the standards in force on 31 December 2017 have been applied. The Financial Statement Release has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied are consistent with those applied in the 2016 Financial Statements, with the exception of the changes listed below. Other new or amended IFRS standards or interpretations that have entered into force did not have a material impact on the Financial Statements.

All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

## Calculation of Key Figures

Equity ratio (%)	= <u>Equity</u> x 100 Balance sheet total – advances received
Earnings per share (EUR)	= <u>Result attributable to equity holders of the parent company</u> Weighted average number of ordinary shares outstanding
Equity per share (EUR)	= <u>Equity attributable to equity holders of the parent Company</u> Undiluted number of shares outstanding at the end of the financial year
Gearing (%)	= <u>Interest-bearing liabilities - cash and cash equivalents</u> x 100 Equity

Comparable net sales (EUR) =

Reported net sales +/- net sales of acquired and divested businesses +/- net sales of discontinued businesses +/- net sales allocable to previous financial years +/- direct effects of exchange rates

Comparable operating result (EUR) =

Reported operating result +/- revenue and expenses of acquired and divested businesses +/- revenue and expenses of discontinued businesses +/- revenue and expenses allocable to previous financial years +/- direct effects of exchange rates +/- management performance bonus