

Net sales increased. Operating result was negative due to non-cash nor balance effective translation difference recorded on sale of Russian subsidiary. Adjusted operating result was positive.

NURMINEN LOGISTICS KEY FIGURES 1 JANUARY – 31 DECEMBER 2018

- Net sales were EUR 78.9 million (1–12/2017: EUR 75.8 million).
- Operating result was EUR -6.0 million (EUR 1.7 million).
- Operating result-% was -7.7 % (2.2 %).
- Adjusted operating result was EUR 0.9 million (EUR 1.7 million).
- Adjusted operating result-% was 1.2 % (2.2 %).
- Reported net result was EUR -7.8 million (EUR -0.2 million).
- Earnings per share: -0.20 euro (-0.04 euro).
- Equity ratio was 31.7 % (30.8 %).
- Net gearing was 55.8 % (78.4%).
- Balance sheet total was EUR 41.5 million (EUR 47.6 million).

NURMINEN LOGISTICS KEY FIGURES 1 JULY – 31 DECEMBER 2018

- Net sales were EUR 38.2 million (7–12/2017: EUR 42.6 million).
- Operating result was EUR -6.6 million (EUR 0.5 million).
- Operating result-% was -17.4 % (1.2 %).
- Adjusted operating result was EUR 0.2 million (EUR 0.5 million).
- Adjusted operating result-% was 0.6 % (1.2 %).
- Earnings per share: -0.18 euro (-0.06 euro).

ADJUSTED OPERATING PROFIT SHOWED EUR 0.9 MILLION PROFIT

The company sold its Russian subsidiary on 30 October 2018. Transaction has been recorded to affect EBIT. Net cash flow from sale was EUR 6.9 million. Group recorded EUR 4.4 million profit. In addition to the gain, translation difference from equity was assigned to the sale by EUR 7.6 million as well as group goodwill amounting EUR 3.0 million. This resulted to calculative loss of EUR 6.2 million on sale. Since translation differences have been recorded in earlier periods to equity, transaction has EUR 1.4 million positive effect on Group equity.

Translation difference has been recorded earlier periods due to devaluation of Russian RUB when subsidiary's equity has been translated into group currency. Translation differences recorded into group equity must be booked through income statement back to equity when subsidiary is sold.

The Group adjusted EBIT was:

- EBIT EUR -6.0 million
- (+) Calculative loss on subsidiary sale EUR 6.2 million
- (+) One off restructuring costs EUR 0.3 million
- (+) New China train product development and implementing costs EUR 0.4 million
- **= Adjusted EBIT EUR 0.9 million**

Comparable figures for adjusted EBIT as well as more detailed determination have been disclosed in table section of the release.

CHAIRMAN OF THE BOARD, OLLI POHJANVIRTA

The year 2018 was dualistic in nature for the company. Our turnover increased to 78.9 million euros, in which there was 4.1% of growth from 2017, but the overall result was a disappointment for as the adjusted operating profit remained at 0.9 million euros.

The unanticipated challenges in the implementation of our new ERP-system and the launch of the new regular Helsinki-Hefei-Helsinki railway line connection required time intense participation from the company leadership that had negative effect on the company financial result.

The railway transit connection to China launched by the company is the only regular rail connection to the Nordic countries, and its creation required intense amount of groundwork. This service creates very fast connection between Finland in China with considerably smaller carbon footprint compared to other modes of transport. This opens remarkable competitive edge for Finnish industries and trade. The route from China via Vuosaari harbor to Europe and east coast of United States is also interesting for international operators.

The volumes of forest industry in terminal services decreased from 2017 which resulted in decrease in operating result. Simultaneously good results were achieved in gaining variation on the customer base, which lays promising basis for 2019. Forwarding business developed well, even if notable legislation changes in custom's VAT collection for imported goods transferred to Tax Administration, which had negative impact on operating profit of forwarding business. The business operation in the Baltics developed well.

The company researched actively on possible acquisitions that would have supported company's strategy but decided not to pursue them due to high valuation levels. The research on possibilities of acquisitions will continue in 2019.

Nurminen Logistics sold its subsidiary in Russia in October 2018 with all the railway fleet and company will continue to operate with leased railway wagons in Russia. The transaction was executed in beneficial market situation which further enhanced company's financial position. This allows for further investments in continuing digitalization of business functions, traffic to China and possible acquisitions.

Our priority goal in 2019 is to improve business' profitability and to increase value-added of our services. Our strong financial position, new management, implemented ERP-system investment and opening of new businesses provide us with good standing for reaching our goals. In addition to this we will further improve our financial situation by releasing funds from non-business connected holdings.

THE MARKET SITUATION IN THE REVIEW PERIOD AND THE FUTURE OUTLOOK

The economic growth of Finnish economy was slowing down towards the end of the review period. This manifested in fluctuation of import and export of goods on monthly level. The overall market situation was beneficial for the company's business operations.

The markets that are most relevant for the company's services are expected to develop positively in 2019, even if there is uncertainty considering the demand of forest industry products. Correspondingly the demand on fast railway connection to China is expected to be in high demand. This is indorsed by increasingly shortening order times of industry and growth of online commerce, which further encourages traditional businesses into faster customer service and decision-making. We anticipate our customers to grow increasingly environmentally aware, which supports the competitive merits of low emission railway connection to and from China and in neighboring regions supply chains compared to other modes of transportation. The companies in commerce and industrial business are calculating their carbon footprint for consumers which will support our business when different companies are embracing their environmental undertakings.

Nurminen Logistics announced March 5, 2019 on launching a process to increase efficiency. The aim of this program is to improve company's profitability by estimation of one million euros from 2020 onwards. The program will streamline processes and overall actions by utilizing digitalization and improving on procurement. Simultaneously company announced the start of co-determination negotiations in order to improve efficiency.

NET SALES AND FINANCIAL PERFORMANCE 1 JANUARY – 31 DECEMBER

EUR 1,000	1–12/2018	1–12/2017
Net sales	78,874	75,772
EBIT	-6,046	1,691
Adjusted EBIT	921	1,691

The Net sales for 2018 was 78.9 MEUR (2017: 75.8 MEUR), increasing 4.1 % from 2017. EBIT decreased to EUR -6 046 thousand (2017: 1 691). Adjusted EBIT was EUR 921 thousand.

The company announced the sale of OOO Nurminen Logistics shares. Transaction was made with Russian Transless LLC. OOO Nurminen Logistics figures are consolidated up to 30 October 2018 to the Group. The effect of sale has been described above with the key figures.

The Group has rejected to show sc. comparable Net sales and EBIT. EBIT and adjusted EBIT include the following items:

EBIT EUR -6,046 thousand (2017 : EUR 1,691 thousand)

- (-) Net asset gain on Russian subsidiary sale EUR – 4,413 thousand
- (+) Translation difference on Russian subsidiary sale EUR 7,638 thousand
- (+) Group goodwill assigned to the sale EUR 3,000 thousand
- (+) One-off restructuring costs EUR 329 thousand
- (+) New China train product development and implementation costs EUR 413 thousand
- = Adjusted EBIT EUR 921 thousand

Comparable figures for adjusted EBIT as well as more detailed determination have been disclosed in table section.

Business review 1 January – 31 December

Turnover from forwarding services decreased during the review period due to legislation and regulation changes in customs duties. Business profitability weakened but strong demand on importing, exporting and added value services and increased demand on extended service offers reduced the impact of turnover decrease.

In contrast to comparison season the terminal services' turnover and profitability weakened. The developments in forest industry customer portfolio decreased utilization degree and profitability of the terminal at Vuosaari. The increase in low flow goods did not cover the volume changes in the goods flow from forest and metal industries. The development in low flow merchandise supported the train and terminal services for China that commenced on the second half of the year.

The terminal services on other locations had positive development in demand and profitability due to e.g. growth in chemical logistics and project services.

Turnover from railway logistics increased during the review period. Turnover gained from pulp train deliveries to China, export project deliveries and direct container train deliveries to Hefei in China. Major investments in research and development for new product, the container train deliveries from Vuosaari to China, pressed profitability down. Chemical deliveries had steady volume throughout the year.

Nurminen Logistics sold its subsidiary in Russia on October 30, 2018. The company has established a new subsidiary for continuing business operations in Russia. The business commenced at the beginning of 2019. The new concept is based on leasing railway wagons. Nurminen continues operating railway wagons for forest and chemical industry and project business customers.

Turnover of Baltic businesses grew, and profitability increased compared to previous review period. There was high demand for the services provided by the Baltic affiliated companies in 2018.

NET SALES AND FINANCIAL PERFORMANCE 1 JULY – 31 DECEMBER

EUR 1,000	7–12/2018	7–12/2017
Net sales	38,245	42,641
EBIT	-6,640	503
Adjusted EBIT	229	503

Net sales for the second half of 2018 amounted to EUR 38.2 million (7–12/2017: 42.6), decreasing 10.3 % from corresponding period in 2017. EBIT for the period was EUR -6,640 thousand (7–12/2017: 503). Adjusted EBIT was EUR 229 thousand.

The Group has been rejected to show sc. comparable Net sales and EBIT. EBIT and adjusted EBIT include the following items:

EBIT EUR -6,640 thousand (2017 : 503)

- (-) Net asset gain on Russian subsidiary sale EUR – 4,413 thousand
- (+) Translation difference on Russian subsidiary sale 7,638 thousand
- (+) Group goodwill assigned to the sale EUR 3,000 thousand
- (+) One-off restructuring costs EUR 313 thousand
- (+) New China train product development and implementation costs EUR 333 thousand
- = Adjusted EBIT EUR 229 thousand

Comparable figures for adjusted EBIT as well as more detailed determination have been disclosed in table section.

Business review 1 July – 31 December

Turnover from forwarding services increased in comparison to the same period in 2017 and the profitability was on good level. On the second half of the year the demand for services in import, export and added value services was higher than on the first half of the year.

Turnover and profitability of the terminal services decreased in comparison to the same period in 2017. Allocation of volumes from forest and steel industries towards the European market and changes in supply chains diluted utilization rate and profitability of terminal at Vuosaari during the second half of the year. The increase in the flow of low flow goods did not cover the loss of volume in adequate manner, even if it supported the terminal services for the launched train freight services for China that was introduced during this period. Demand and profitability developed positively on terminals of other locations due to growth e.g. chemical logistics and project businesses.

The railway logistics in Finland gained turnover but decreased in profitability on second half of the year. Decrease on profitability was due to research and development costs for the new product, Vuosaari – Hefei railway cargo transit line. Demand for the chemical deliveries remained at level with the comparison period.

Nurminen Logistics sold its subsidiary on October 30, 2018. Turnover and profitability in the Russian subsidiary decreased. The utilization rate of company owned railway wagons remained high.

Also, on the second half of the year there was significant increase of turnover in the affiliated companies in the Baltic countries in comparison to the review period from the previous year. The profitability increased from the previous year and was on good level.

LONG TERM FINANCIAL TARGET

The Board of Directors has set 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. Launching and implementing new China train product may carry further ramp up costs and efforts that may have an impact on result.

More detailed information about risk management can be found on Investors page on Nurminen Logistics' website www.nurminenlogistics.com.

FINANCIAL POSITION AND BALANCE SHEET

The company's cash flow from operations was EUR -830 thousand. Cash flow from investments was EUR 6,024 thousand, increased by sale of OOO Nurminen Logistics net amount EUR of 6.9 million. Cash flow from financing was EUR -1,512 thousand.

At the end of the review period, cash and cash equivalents amounted to EUR 11,514 thousand. The company has leasing liabilities from Ilmarinen with a buy-back liability of EUR 3.6 million. The liability is due in October 2019. 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 has no bank loans at the present time. The company's current interest-bearing liabilities (EUR 5.3 million) comprise financial leasing debt of EUR 4.2 million and factoring debt of EUR 1.0 million. The company's non-current interest-bearing liabilities decreased to EUR 13.6 million. Long term loans to Ilmarinen amounting EUR 13.5 million are due in June 2023.

The Group's interest-bearing debt totaled EUR 18.9 million and net interest-bearing debt amounted to EUR 7.3 million. The company has an equity based hybrid loan from Ilmarinen, amounting EUR 1.5 million.

The balance sheet total was EUR 41.5 million, and the equity ratio was 31.7 %.

CAPITAL EXPENDITURE

The Group's gross capital expenditure during the review period amounted to EUR 709 (1,624) thousand, accounting for 0.9% of net sales. Depreciation totaled EUR 1.8 (1.8) million, or 2.3% of net sales.

GROUP STRUCTURE

Nurminen Logistics Oyj sold its Russian subsidiary OOO Nurminen Logistics to Russian Transless LLC on 30 October 2018.

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%), 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 172 employees, compared with 182 on 31 December 2017. The number of employees working abroad was 31. Personnel expenses in 2018 totaled EUR 9.0 million (2017: EUR 8.9 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 3,634,035 during the period from 1 January to 31 December 2018. This represented 8.2% of the total number of shares. The value of the turnover was EUR 1,812,124. The lowest price during the review period was EUR 0.24 per share and the highest EUR 0.60 per share. The closing price for the period was EUR 0.25 per share and the market value of the entire share capital was EUR 11,019,289 at the end of the period.

At the end of the 2018 financial year the company had 1,215 shareholders. At the end of 2017 the number of shareholders stood at 1,193.

At the end of 2018 the company held 2,760 of its own shares, corresponding to 0.01% of votes.

DECISIONS MADE BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Nurminen Logistics Plc's Annual General Meeting of Shareholders held on 11 April 2018 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 2017 - 31 December 2017 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 2017 - 31 December 2017.

Composition and remuneration of the Board of Directors

The Annual General Meeting of Shareholders resolved that the Board of Directors shall consist of six (6) ordinary members. The Annual General Meeting of Shareholders re-elected the following ordinary members to the Board of Directors: Olli Pohjanvirta, Juha Nurminen, Jukka Nurminen ja Alexey Grom, and as new members Irmeli Rytkönen and Kari Savolainen.

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 2019 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.

Authorizing 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 authorized 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 authorization 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 20,000,000 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 authorization gives the Board the right to decide on share issue with or without payment. The authorization for deciding on a share issue without payment also includes the right to decide on the issue for 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 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 authorization also includes right to decide on directed issues of shares and/or special rights. In case of issuances of shares and/or special rights entitling to shares in deviation of the pre-emptive rights of shareholders and in issuance of shares without payment, the subscription price per share shall not be lower than the volume weighted average price of the company's share during the three months' period preceding the decision of the Board of Directors. However, this restriction regarding the subscription price is not applied in case the Board of Directors decides on the directed share issue or share issue without payment or directed issuance of special rights entitling to shares relating to paying of remuneration of the Board members and/or creating incentives for, or encouraging commitment in, personnel.

The authorisation is valid until 30 April 2019 and the authorisation does not revoke the authorisation granted to the Board of Directors by the Extraordinary General Meeting on 17 July 2017 on the issuance of shares as well as the issuance of options and other special rights entitling to shares.

Auditor

Auditing firm Ernst & Young Oy was elected as auditor for the company for the term ending at the close of the Annual General Meeting 2019. Antti Suominen, Authorized Public Accountant, acts as the principal auditor. 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

Changes in the holding of Nurminen Logistics' own shares

The company announced 20 June 2018 that it has, supported by a decision taken by the company's Board of Directors, divested 171,882 own shares held by the company and transferred them to members of the Management Team as a performance bonuses for the financial year 2017.

Nurminen Logistics Plc has on 7 September 2018 and 10 September 2018, supported by a decision taken by General Meeting, divested 141,666 own shares held by the company to members of the Board as an annual remuneration. The remainder of the annual remuneration paid in shares will be transferred later. Following this divestment, the company holds 2,760 own shares.

CFO Markku Puolanne has resigned from Nurminen Logistics Plc

The company announced that Mr. Markku Puolanne has by mutual agreement resigned from his position as Nurminen Logistics Plc's Chief Financial Officer. He left his position on 31 August 2018.

CEO Marko Tuunainen has resigned from Nurminen Logistics Plc

The company announced that Mr. Marko Tuunainen has by mutual agreement resigned from his position as Nurminen Logistics Plc's Chief Executive Officer. He left his position on 15 November 2018.

Nurminen Logistics Plc decreases its estimation of comparable EBIT

The company announced 18 December 2018 that Nurminen Logistics decreases its estimation of comparable EBIT for FY 2018 and releases a profit warning. Previous guidance was "Nurminen Logistics expects that its comparable net sales and comparable operating result will improve from the level of 2017". According to updated guidance comparable EBIT is estimated to decrease from the FY 2017 as turnover increases. The new guidance concerns comparable EBIT. The reason for deviation is problems in ERP project. System integration has been more costly and its full scale implementation has been delayed. Delays in implementation have had negative impact

on operative work and reporting. Slower than estimated development in volumes during July – September period, lower development in gaining new customers and cost related to ramp up regular China rail connection have also affected to deviation.

EVENTS AFTER THE REVIEW PERIOD

The Group Finnish entities started co-operation negotiations 5 March 2019 to improve profitability and efficiency.

There have been changes in Baltic businesses after the end of the review period. Nurminen Maritime Estonia AS is to be disbanded. Latvian business and customer structure changes. This will decrease significantly net sales but is expected to have only minor impact on profitability.

BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

Based on the financial statements as at 31 December 2018, the parent company's distributable equity is EUR 18,582,351. The Board of Directors proposes to the Annual General Meeting that no dividend shall be distributed for the financial year 2018

ANNUAL GENERAL MEETING 2019

The Annual General Meeting of Nurminen Logistics Plc will take place on Friday, 12 April 2019 starting at 1.00 p.m. at the address Satamakaari 24, 00980 Helsinki, Finland.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement of Nurminen Logistics Plc will be published on 8 March 2019 on the company's website at 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

For more information, please contact: Olli Pohjanvirta, Chairman of the Board, p. +358 40 900 6977.

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www.nurminenlogistics.com

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	1-12/2018	1-12/2017
EUR 1,000		
NET SALES	78,874	75,772
Other operating income	109	118
Materials and services	-56,826	-52,516
Employee benefit expenses	-9,025	-8,921
Depreciation, amortization and impairment losses	-1,817	-1,778
Loss on sales of Russian subsidiary	-6,224	0
Other operating expenses	-11,135	-10,984
OPERATING RESULT	-6,046	1,691
Financial income	58	149
Financial expenses	-1,387	-1,554
Share of profit in equity-accounted investees	-21	-12
RESULT BEFORE TAX	-7,397	275
Income taxes	-414	-517
PROFIT / LOSS FOR THE PERIOD	-7,811	-243
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	7,567	-314
Other comprehensive income for the period after tax	7,567	-314
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-243	-556
Result attributable to		
Equity holders of the parent company	-8,804	-1,167
Non-controlling interest	993	925
Total comprehensive income attributable to		
Equity holders of the parent company	-1,237	-1,481
Non-controlling interest	993	925
EPS, undiluted	-0,20	-0,04
EPS, diluted	-0,20	-0,04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7-12/2018	7-12/2017
EUR 1,000		
NET SALES	38,245	42,641
Other operating income	46	63
Materials and services	-28,253	-31,254
Employee benefit expenses	-4,541	-4,566
Depreciation, amortization and impairment losses	-929	-900
Loss on sales of Russian subsidiary	- 6,224	0
Other operating expenses	-4,985	-5,481
OPERATING RESULT	-6,640	503
Financial income	-40	90
Financial expenses	-635	-788
Share of profit in equity-accounted investees	-11	0
RESULT BEFORE TAX	-7,327	-196
Income taxes	-178	-269
PROFIT / LOSS FOR THE PERIOD	-7,506	-465
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Translation differences	7,964	-104
Other comprehensive income for the period after tax	7,964	-104
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	458	-570
Result attributable to		
Equity holders of the parent company	-8,002	-890
Non-controlling interest	495	425
Total comprehensive income attributable to		
Equity holders of the parent company	-37	-994
Non-controlling interest	495	425
EPS, undiluted	-0,18	-0,06
EPS, diluted	-0,18	-0,06
Adjusted operating result	1–12/2018	1–12/2017
EUR 1,000		
Operating result	-6,046	1 691
(+) Loss on sales of subsidiary	6,224	0

(+) Resutrusturing costs	329	0
(+) Development and implementation costs for new Chine train product	413	0
Adjusted operating result	921	1,691
Adjusted operating result	7-12/2018	7-12/2017
EUR 1,000		
Operating result	-6,640	503
(+) Loss on sales of subsidiary	6,224	0
(+) Resutrusturing costs	313	0
(+) Development and implementation costs for new Chine train product	333	0
Adjusted operating result	229	503

CONSOLIDATED BALANCE SHEET	31.12.2018	31.12.2017
EUR 1,000		
ASSETS		
Non-current assets		
Property, plant and equipment	8,757	13,042
Goodwill	5,970	8,970
Other intangible assets	1,390	58
Investments in equity-accounted investees	194	232
Receivables	2,639	4,093
Deferred tax assets	14	567
NON-CURRENT ASSETS	18,964	26,961
Current assets		
Inventories	81	67
Trade and other receivables	10,952	12,727
Cash and cash equivalents	11,514	7,832
CURRENT ASSETS	22,547	20,626
ASSETS TOTAL	41,511	47,587
EQUITY AND LIABILITIES		
Share capital	4,215	4,215
Other reserves	28,894	28,894
Translation differences	35	-7 511
Retained earnings	-22,616	-13,689
Non controlling interest	1,123	1,261
Hybrid loan	1,500	1,500
EQUITY TOTAL	13,151	14,670
Non-current liabilities		
Deferred tax liability	28	385
Other liabilities	328	329
Financial liabilities	13,600	17,857
NON-CURRENT LIABILITIES	13,956	18,571
Current liabilities		

Current tax liabilities	366	331
Financial liabilities	5,252	1,472
Trade payables and other liabilities	8,786	12,543
CURRENT LIABILITIES	14,404	14,346
TOTAL LIABILITIES	28,360	32,917
TOTAL EQUITY AND LIABILITIES	41,511	47,587

CONDENSED CONSOLIDATED CASH FLOW STATEMENT EUR 1,000	1-12/2018	1-12/2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ Loss for the period	-7 811	-243
Depreciation, amortization and impairment losses	1,990	1,778
Unrealised foreign exchange gains and losses	0	105
Sale of Russian subsidiary	7,638	0
Other adjustments	2,350	1,796
Paid and received interests	-771	-1,301
Taxes paid	-492	-194
Change in working capital	-3,735	1,520
Cash flow from operative activities	-830	3,461
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment and intangible assets	-746	-1,745
Proceeds from sale of property, plant and equipment and intangible assets	16	49
Sold subsidiary shares	6,927	0
Investments in equity-accounted investees	-173	0
Cash flow from investing activities	6,024	-1,695
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue for cash	0	5,076
Changes in liabilities	-397	-940
Dividends paid / repayments of equity	-1,116	-359
Cash flow from financing activities	-1,512	3,778
CHANGE IN CASH AND CASH EQUIVALENTS	3,682	5,544
Cash and cash equivalents at beginning of period	7,832	2,304
Cash and cash equivalents at end of period	11,514	7,832

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- 12/2018 EUR 1,000	A	B	C	D	E	F	G	H	I
Equity 1.1.2018	4215	86	2378	26430	1500	-7511	-13689	1261	14670
Result for the period	0	0	0	0	0	0	-8804	993	-7811
Comprehensive income for the period/ translation differences	0	0	0	0	0	7546	21	0	7567
Interest for hybrid loan after taxes	0	0	0	0	0	0	-48	0	-48
Shares renumeration	0	0	0	0	0	0	70	0	70
Dividends	0	0	0	0	0	0	0	-1116	-1116
Other changes	0	0	0	0	0	0	-166	-15	-181
Hybrid bonds	0	0	0	0	0	0	0	0	0
Equity 31.12.2018	4215	86	2378	26430	1500	35	-22615	1123	13151

STATEMENT OF CHANGES IN EQUITY 1-12/2018 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
Comprehensive income for the period/ translation differences	0	0	0	0	0	-225	-88	0	-314
Share issue	0	0	0	7534	0	0	0	0	7534
Other changes	0	0	0	0	0	0	150	0	150
Dividends	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

Movements in fixed assets	Tangible	Intangible	Total
EUR 1,000			
Book value 1.1.2018	13,042	9,028	22,070
Additions	638	1,464	2,102
Disposals	-3,178	-3,002	-6,180
Depreciation, amortization and impairment losses	-1,688	-129	-1,817
Exchange rate differences	-59	0	-59
Book value 31.12.2018	8,757	7,360	16,117
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, amortization 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

RELATED PARTY TRANSACTIONS	1-12/2018
1000 e	
Sales	142
Purchases	173

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.

KEY FIGURES	1-12/2018	1-12/2017
Gross capital expenditure, EUR 1,000	709	1,624
Personnel	177	188
Operating profit-%	-7.7 %	2,2 %
Share price development		
Share price at beginning of period	0.55	0.70
Share price at end of period	0.25	0.55
Highest for the period	0.60	0.71
Lowes for the period	0.24	0.40
Equity/ share, EUR	0.30	0.33
Earnings/share (EPS) EUR, undiluted	-0.20	-0.04
Earnings/share (EPS) EUR, diluted	-0.20	-0.04
Equity ratio %	31.7	30.8
Net gearing %	55.8	78.40

OTHER LIABILITIES AND COMMITMENTS		
Contingencies and commitments, EUR 1,000	31.12.2018	31.12.2017
Mortgages given	15,500	15,500
Book value of pledged subsidiary shares and -loan receivables	10,108	10,108
Other contingent liabilities	6,014	9,965
Rental obligations	48,606	59,320

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 2018 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 2017 Financial Statements, except changes arising from implementation of IFRS 9 and 15 standards. These changes have not had material impact on group accounts or the comparability of the previous year figures. Other new or amended IFRS standards or interpretations that have entered into force did not have a material impact on the Financial Statements.

IFRS 16 Leases

New IFRS 16 Leases standard will be replacing IAS 17 standard and all related interpretations. The standard took effect from 1 January 2019. Group management has started a project to implement new standard. The company will announce possible consequences of the new standard at the time being.

The new standard will transfer off balance sheet liabilities into balance sheet. This increases the amount of fixed assets and liabilities when leasing payments are booked as depreciations and interest expenses. The amount of liabilities 31 December is 49 million euros. Leasing contracts and IFRS 16 definitions have differences and this may result in different amount to be recognized into the balance sheet. Nurminen Logistics is a tenant. Majority of the new contracts to be disclosed in balance sheet consist of rental space, terminal buildings and machinery and equipment.

Standard will have a significant impact to the consolidated reports and key figures. The change will have an effect on key figures based on balance sheet such as gearing.

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 (%)

= Equity / (Balance sheet total – advances received) x 100

Earnings per share (EUR)

= Result attributable to equity holders of the parent company /

Weighted average number of ordinary shares outstanding

Equity per share (EUR)

= Equity attributable to equity holders of the parent Company /

Undiluted number of shares outstanding at the end of the financial year

Gearing (%)

= (Interest-bearing liabilities - cash and cash equivalents) / Equity x 100

Adjusted operating profit (EBIT) = Operating profit without certain items affecting to the comparability

Items affecting to the comparability are transactions that have significance to understand Nurminen Logistics financial development when comparing reporting period to previous periods. These items may include: 1) sales gains and losses and transaction costs related to sales and purchases 2) exceptional write offs 3) restructuring costs 4) Other items and transactions that are not belonging to normal business according to Nurminen Logistics management.

The company has rejected "comparable EBIT" -concept. Comparable EBIT and comparable net sales are from a time period during which business structure and capital intensity at Russia were significant and currency translation differences held more significance for the company. It has been estimated that now established "adjusted EBIT"-concept provides the reader with better understanding on the business and its development.