

# **Nurminen Logistics has completed the transaction announced on 13.1.2023 to purchase the entire share capital of Operail Finland Oy with Finnish investors**

Nurminen Logistics Plc

Stock Exchange Release

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Nurminen Logistics' subsidiary North Rail Holding Oy, and Operail Holding OÜ have completed the share transaction announced on 13.1.2023, and Operail Finland Oy has been transferred to 100% ownership of North Rail Holding Oy on 14 February 2023. After the purchase Nurminen Logistics' share of ownership in North Rail Holding is 79,8%.

CEO Olli Pohjanvirta says that he is pleased with the completion of the transaction, which will make Nurminen Logistics a full-service company on the railways. The new entity will have a positive impact on Nurminen Logistics Plc's result, business growth and development. The importance of Nurminen Logistics Group is also growing from the perspective of Finland's security of supply and supply chains. In addition, the services provided by the purchased company play a significant role in the food supply of more than 40 million people worldwide.

With the purchase of Operail Finland Oy, Nurminen Logistics will become one of the few private railway operators in the Nordic countries. Nurminen's domestic and international rail and multimodal services form a new entity with good prospects, as the use of rail services will grow globally faster than other transport segments in the future due to its low environmental impact.

## **Cargo volumes will increase significantly**

Nurminen Logistics Plc and Operail Finland Oy have had good cooperation even before the purchase, which provides a good basis for the future. Operail Finland Oy has managed to increase its revenue and profitability operationally well, thanks to the volumes that have increased over the past few months. The transported cargo volume has been 300,000 tonnes per month. During 2023-2024, the company aims to increase the annual volume to more than 4 million tons, based on new customer agreements. The growing cargo volume also increases the demand for Nurminen Logistics' forwarding and terminal services. With its current equipment, the company has the capacity for an annual volume of more than 5 million tons.

The company operates nine of its own General Electric mainline locomotives, commissioned in 2020, with a single traction capacity of a block train. In addition, there is one C30M shunting locomotive, which will increase to three by the end of H1. Also, these locomotives are well-suited for mainline use.

The purchase of Operail Finland Oy has already aroused great interest among Nurminen's customer base in Finland, Central Europe, and China, which is believed to support international growth in all business units.

## **Financing of the purchase and business-related uncertainties**

The purchase will be financed with new long-term debt financing instruments.

The business risk of the purchased company is the escalation of the war and expansion of sanctions to critical groups of goods in terms of the food supply and the green transition, which we do not consider likely.

With the company's purchase, Nurminen Logistics will specify its strategy's focus areas and long-term goals at the beginning of H2.

Nurminen Logistics Plc

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**Nurminen Logistics** is a Finnish listed company established in 1886. The company offers high-quality rail transport, terminal, and multimodal solutions between Asia and Europe and in the Nordic and Baltic countries.

**Operail Finland Oy** is a subsidiary of AS Operail, a company specializing in freight transport and a railway operator with approximately 40 employees. The company owns nine 2018-2020 fully modified, powerful General Electric line locomotives and shunting locomotives in Finland. The locomotives can carry about 5 million tons of railway freight annually in Finland.