Nurminen Logistics

Half Year Financial Report 2017

Half Year Financial Report 10 August 2017 at 1:00 p.m.

NURMINEN LOGISTICS PLC'S HALF YEAR FINANCIAL REPORT 1 JANUARY - 30 JUNE 2017

First half of the year saw a significant increase in net sales and operating result and net operating result become profitable

NURMINEN LOGISTICS KEY FIGURES 1 JANUARY - 30 JUNE 2017

- Net sales were EUR 33.1 million (1–6/2016: EUR 23.2 million).
- Comparable net sales were EUR 33.0 million (EUR 23.9 million).
- Reported operating result was EUR 1.1 million (EUR -1.3 million).
- Comparable operating result was EUR 1.1 million (EUR -0.4 million).
- Operating margin was 3.5% (-5.5%).
- Comparable operating margin was 3.4% (-1.8%).
- Net operating result EUR 0.2 million (EUR -1.7 million).
- Comparable net operating result EUR 0.2 million (EUR -1.0 million).
- Earnings per share: EUR 0.01 (EUR -0.12).

MARKO TUUNAINEN, PRESIDENT AND CEO:

”Year-on-year, the operating result of Nurminen Logistics was clearly stronger during the first half year. The company's financial position improved markedly due to the capital arrangements begun at the end of the review period as well as the increase in operating result. Finnish export and import industries experienced growth during the review period, and this has positively impacted demand for the company's services in Finland. We were able to improve the net sales and operating result of nearly all our services.

The profitability of forwarding services in Finland improved from the comparison period, and net sales continued to increase for the third consecutive half-year period. Net sales for the company's terminal services grew by 9% during the review period, and profitability improved substantially from the previous year's comparison period as a result of increases in the volumes of goods exported and the usage rates of the company's terminals.

The Russian economy saw growth this year after a long-lasting downturn. Export markets to Russia are also expected to see growth again, but the speed of this recovery is evaluated to be fairly modest. During the review period, demand for the company's services in Russian domestic railway transport was moderate, while demand for the services of the Baltic subsidiaries was good, with both net sales and operating result increasing considerably during the first half year.

Our aim is to continue to grow in the years to come. In order to support this growth objective, the company announced on 26 June 2017 the initiation of a rights offering to its investors. 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. Additionally, the company's payment obligations pertaining to the buy-back of certain properties decreased by EUR 2.4 million as these were set off as payment for the subscription price of new shares. In total, the company's capital increased by EUR 9.3 million as a result of the rights offering. By strengthening its capital structure and balance sheet, the company has gained leeway and opportunities for advancing and developing business. Furthermore, the company's net gearing ratio and financing costs will decrease considerably as a result of the arrangement.

We have continued the development of railway transport to China, and our objective is to launch a regular rail connection to China during 2017. The operations of our subsidiary NR Rail Oy have proceeded as planned. A recent announcement of the restructuring and separation of the Finnish railway business monopoly and market entry of the neutral rolling stock company guarantees equal-term conditions for private freight transport companies. In Finland, the market potential in railway engine services shows promise, and thanks to the improved financing situation our aim is to proceed in the procurement of locomotives and continue the customer negotiations currently underway. A company-wide ERP reform was initiated in early 2017. Development has progressed well, and the new systems will enter use in stages during late 2017 and early 2018. We believe that with the help of the new ERP system, we can better meet our customers' needs, improve the efficiency of our operations and stay at the leading edge in the implementation of new digital services in the field of logistics.

The significant increase in net sales during the company's first half year and the success of the rights offering place the company in an excellent position for future improvements in net sales and operating result."

MARKET SITUATION IN THE REVIEW PERIOD

According to Statistics Finland, the Finnish economy has grown by almost 3% during the first half of 2017 in comparison to 2016. Finnish economic growth has been spurred on mainly by an increase in individual consumption, and lately also by an upswing in exports. Exports remained at a good level in the company's key segments, such as forest industry and engineering industry products. The company was able to retain a strong market position in the import forwarding of break-bulk cargo. The Russian economy saw growth this year after a long-lasting downturn. In the Baltic countries, economic growth has so far this year been the strongest within the eurozone.

OUTLOOK

Nurminen Logistics believes that market conditions will remain favourable and global economic recovery will continue at a moderate or improved level. Nurminen Logistics expects that its comparable net sales, comparable operating result, and earnings per share will improve compared to 2016.

NET SALES AND FINANCIAL PERFORMANCE 1 JANUARY – 30 JUNE 2017

1,000 EUR	1–6/2017	1–6/2016	1–6/2017 comparable	1–6/2016 comparable
Net sales	33,131	23,198	33,038	23,873
Operating result	1,147	-1,277	1,135	-422

Net sales for the first half of 2017 amounted to EUR 33.1 million (1–6/2016: 23.2 million), which represents an increase of 42.8% compared to the corresponding period in 2016. The operating result for the review period increased by 189.8% to EUR 1,147 (-1,277) thousand.

Comparable net sales amounted to EUR 33.0 (23.9) million, which represents a year-on-year increase of 38.4%. The comparable operating result for the review period increased by 369.0% to EUR 1,135 (-422) thousand.

The depreciation of the Russian rouble during the review period increased the company's operating result by EUR 12 (-728) thousand and increased financial expenses by EUR 37 (222) thousand. These exchange rate changes had no cash flow impact.

The comparable result includes net sales adjustments of EUR -93 (675) thousand, adjustments for exchange rate effects of EUR -12 (728) thousand and adjustments to other expenses amounting to EUR 0 (127) thousand. The adjustments to net sales in the review period consist of a reduction in the net sales of the Russian subsidiary due to the depreciation of the rouble from the exchange rate comparison period (2015).

Business review

The net sales of forwarding services grew by 4.5% compared to the corresponding period in 2016. Net sales were increased by continued strong demand of import, export and value added services. Profitability also improved compared to the comparison period as a result of continuous improvement of operational efficiency, development of new service products and successful sales efforts.

Net sales of terminal services grew by 9% during the review period from the previous year's comparison period and profitability improved significantly, especially as a result of increases in the volumes of goods exported and the usage rates of terminals. Demand for Russian transit and export traffic services also increased from the comparison period.

However, demand for Finnish railway logistics services remained depressed, with net sales decreasing 13% from the previous year's comparison period. The profitability of railway logistics in Finland also declined from the comparison period due to lower demand. Railway export volumes saw slight increase at the end of the review period. Chemical transport volumes remained stable.

Operating results of the Russian subsidiary were moderate during the review period, and demand for services in Russian domestic railway transport remained stable. Loading volumes were at the same level as in the previous year's corresponding period, and the usage rate of the company's wagons remained high.

Demand for the services of the company's Baltic subsidiaries during the first half year was clearly improved from the previous year, due to development of the company's clientèle and the strong market environment in the Baltic countries.

SHORT-TERM RISKS AND UNCERTAINTIES

A decline of the Finnish economy and the Russian economy compared to the current situation would have a negative impact on the company’s operations and result.

The company has received a total of 32 subsequent levy decisions from the National Board of Customs’ Eastern District Office in Lappeenranta, which state that the company and VG Cargo Plc, which has filed for bankruptcy, are liable to pay import taxes from the year 2009. The company’s liability for the import taxes is, at a maximum, EUR 0.5 million. The company does not consider itself liable for the aforementioned import taxes and has not recorded provisions for the associated costs. If there is a case for subsequent levy, the company’s view is that the levy should primarily be directed at the bankruptcy estate of VG Cargo Plc and be paid from its valid customs guarantee. The company has filed an appeal with the Helsinki District Court against the subsequent levy decisions made by the National Board of Customs.

FINANCIAL POSITION AND BALANCE SHEET

The company’s cash flow from operations was EUR 1,627 thousand. Cash flow from investments was EUR -622 thousand. Cash flow from financing activities amounted to EUR -570 thousand.

At the end of the review period, cash and cash equivalents amounted to EUR 2,733 thousand. The company’s financial position has improved as a result of significant improvement in operating result. The company has no bank loans at the present time. The company’s current interest-bearing liabilities (EUR 1.6 million) comprise pension loans of EUR 0.3 million, financial leasing debt of EUR 0.25 million and factoring debt of EUR 1.1 million. The company’s non-current interest-bearing liabilities amount to EUR 22.3 million.

On 29 June 2016, Nurminen Logistics signed a collateral pool agreement with its financing banks concerning guarantee liabilities. The agreement includes covenants related to the equity ratio, which will be evaluated semiannually. The terms of the covenant were breached on 30 June 2017. The Group has received a commitment from its financing bank confirming that the breach of the covenants will not have any consequences on the Group for the first half year. After the implemented financing arrangements after the review period, the company's equity ratio has increased to a level which clearly satisfies the terms of the covenant.

The covenants of the Group's pension loans, namely the ratio of net debt to operating margin and the equity ratio, were breached as of the half year financial report on 30 June 2017. The Group has received a commitment from its creditors confirming that the breach of the covenants will not have any consequences on the Group for the first half year. The company will pay off its pension loans within 2017.

The Group's interest-bearing debt totalled EUR 23.9 million and net interest-bearing debt amounted to EUR 21.17 million.

The balance sheet total was EUR 45.1 million, and the equity ratio was 13.3 %.

The company's financial situation and balance sheet improved markedly after the review period. 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 5.3 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 9.3 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 over 30%. Furthermore, the arrangement will markedly decrease the company's financing expenses in the future.

CAPITAL EXPENDITURE

The Group's gross capital expenditure during the review period amounted to EUR 584 (249) thousand, accounting for 1.8% of net sales. Depreciation totalled EUR 0.9 (0.8) million, or 2.7% (4.2%) 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’s number of personnel stood at 198, compared to 190 on 31 December 2016. The number of employees working abroad was 51.

SHARES AND SHAREHOLDERS

The company's announcement of a rights offering on 26 June 2017 has affected the presentation of its stock quotations. In the half year report, the company shall indicate both capital-adjusted and unadjusted prices during the review period.

The trading volume of Nurminen Logistics Plc’s shares was 1,665,723 during the period from 1 January to 30 June 2017, representing 11.35% of the total number of shares. The value of the turnover was EUR 1,410,956. The lowest capital-adjusted price during the review period was EUR 0.39 per share and the highest EUR 0.77 per share (unadjusted: low EUR 0.50 per share, high EUR 1.17 per share). The closing price for the period was EUR 0.69 per share and the market value of the entire share capital was EUR 10,051,971 at the end of the period.

At the end of the review period the company had 1,031 shareholders.

On 30 June 2017, the company held 59,528 of its own shares, corresponding to 0.41% of votes.

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 Kivisaari, 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 Kivisaari 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.

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 AFTER THE REVIEW PERIOD

Nurminen Logistics announced on 26 June 2017 that the company's Board of Directors had decided on the arrangement of a rights offering based on the pre-emptive subscription rights of current shareholders. This rights offering is detailed in the section on financial position and balance sheet of this report.

Nurminen Logistics announced in a stock exchange release on 26 June 2017 notice to the Extraodrinary General Meeting. Nurminen Logistics Plc’s Extraordinary General Meeting was held on 17 July 2017. The Extraordinary General Meeting authorized the Board of Directors to resolve on share issues as well as on the issue of options and other special rights entitling to shares as follows:

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.

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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DISTRIBUTION
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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 EUR 1,000	1–6/2017	1–6/2016	1–12/2016
NET SALES	**33,131**	**23,198**	**49,971**
Other operating income	55	61	365
Materials and services	-21,305	-13,033	-28,858
Employee benefit expenses	-4,355	-4,347	-8,707
Depreciation, amortisation and impairment losses	-877	-779	-1,447
Other operating expenses	-5,503	-6,376	-12,271
OPERATING RESULT	**1,147**	**-1,277**	**-948**
Financial income	60	66	266
Financial expenses	-766	-648	-1,785
Share of profit in equity-accounted investees	-12	-5	-31
RESULT BEFORE TAX	**428**	**-1,863**	**-2,497**
Income taxes	-248	193	-622
PROFIT / LOSS FOR THE PERIOD	**180**	**-1,670**	**-3,119**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	-209	1,380	1,865
Other comprehensive income for the period after tax	-209	1,380	1,865
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-29**	**-291**	**-1,255**
Result attributable to			
Equity holders of the parent company	-320	- 1,717	-3,516
Non-controlling interest	500	47	397
Total comprehensive income attributable to			
Equity holders of the parent company	-529	-338	-1,651
Non-controlling interest	500	47	397
EPS undiluted	0.01	-0.12	-0.22
EPS diluted	0.01	-0.12	-0.22

The Group's Comparable Result EUR 1,000	1–6/2017	1–6/2016
Reported net sales	**33,131**	**23,198**
Divested businesses		
Changes in exchange rates	-93	676
Adjustments to previous financial periods		-1
Comparable net sales	**33,038**	**23,873**
Reported operating result	**1,147**	**-1,277**
Adjustments to net sales		
Divested businesses		
Changes in exchange rates	-12	728
Adjustments to previous financial periods		127
Comparable operating result	**1,135**	**-422**

Consolidated Statement of Financial Position EUR 1,000	30.6.2017	30.6.2016	31.12.2016
ASSETS			
Non-current assets			
Property, plant and equipment	12,772	13,674	13,253
Goodwill	8,970	8,970	8,970
Other intangible assets	80	120	61
Investments in equity-accounted investees	294	288	263
Receivables	5,893	7,414	5,713
Deferred tax assets	566	618	659
Non-current assets	**28,575**	**31,085**	**28,918**
Current assets			
Inventories	62	0	41
Trade and other receivables	13,601	13,306	12,498
Current tax receivables	121	349	92
Cash and cash equivalents	2,733	1,144	2,304
Current assets	**16,518**	**14,799**	**14,936**
ASSETS TOTAL	**45,093**	**45,884**	**43,854**
EQUITY AND LIABILITIES			
Share capital	4,215	4,215	4,215
Other reserves	21,360	21,355	21,360
Translation differences	-7,433	-7,566	-7,285
Retained earnings	-12,961	-11,020	-12,584
Non-controlling interest	836	345	695
Equity, total	**6,017**	**7,329**	**6,400**
LIABILITIES			
Non-current liabilities			
Deferred tax liability	380	420	400
Other liabilities	344	341	375
Financial liabilities	22,268	23,777	22,198
Non-current liabilities	**22,993**	**24,538**	**22,972**

Current liabilities			
Current tax liabilities	309	33	141
Financial liabilities	1,637	1,481	1 919
Trade payables and other liabilities	14,137	12,502	12,422
Current liabilities	16,084	14,016	14,482
TOTAL LIABILITIES	**39,076**	**38,555**	**37,454**
TOTAL EQUITY AND LIABILITIES	**45,093**	**45,884**	**43,854**

Condensed Consolidated Cash Flow Statement EUR 1,000	**1–6/2017**	**1–6/2016**	**1–12/2016**
Cash flow from operating activities			
Profit/Loss for the period	180	-1,670	-3,119
Depreciation, amortisation and impairment losses	877	779	1,447
Unrealised foreign exchange gains and losses	0	-224	-14
Other adjustments	1,905	2,506	1,873
Paid and received interest	-579	-684	-1,308
Taxes paid	-70	-68	-471
Changes in working capital	-687	-1,870	1,113
Cash flow from operating activities	1,627	-1,231	-479
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment and intangible assets	-648	-234	-448
Investments in property, plant and equipment and intangible assets	26	3,540	5,762
Loans granted	0	0	512
Cash flow from investing activities	-622	3,306	5,826
Cash flow from financing activities			
Changes in liabilities	-211	-4,072	-6,160
Dividends paid / repayments of equity	-359	-153	-191
Cash flow from financing activities	-570	-4,225	-6,351
Change in cash and cash equivalents	428	-2,129	-969
Cash and cash equivalents at beginning of period	2,304	3,273	3,273
Cash and cash equivalents at end of period	2,733	1,144	2,304

A = Share capital
B = Share premium reserve
C = Legal reserve
D = Reserve for invested unrestricted equity
E = Issue of shares
F = Translation differences
G = Retained earnings
H = Non-controlling interest
I = Total

Statement of Changes in Equity EUR 1,000	A	B	C	D	E	F	G	H	I
1–6/2016									
Equity 1.1.2016	4,215	86	2,378	18,890	0	-8,168	-10,116	489	7,775
Result for the period	0	0	0	0	0	0	-1,717	47	-1,670
Total comprehensive income for the period / translation differences	0	0	0	0	0	603	777	0	1,380
Other changes	0	0	0	0	0	0	36	0	36
Dividends / repayments of equity	0	0	0	0	0	0	0	-191	-191
Equity 30.6.2016	4,215	86	2,378	18,890	0	-7,566	-11,020	345	7,329
1–6/2017									
Equity 1.1.2017	4,215	86	2,378	18,895	0	-7,285	-12,584	695	6,400
Result for the period	0	0	0	0	0	0	-320	500	180
Total comprehensive income for the period / translation differences	0	0	0	0	0	-148	-62	0	-210
Other changes	0	0	0	0	0	0	5	0	5
Dividends / repayments of equity	0	0	0	0	0	0	0	-359	-359
Equity 30.6.2017	4,215	86	2,378	18,895	0	-7,433	-12,961	836	6,017

Movements in fixed assets

Movements in fixed assets EUR 1,000	Tangible	Intangible	Total
Book value 1.1.2016	14,088	9,161	24,149
Additions	201	0	201
Disposals	-241	0	-241
Depreciation, amortisation and impairment losses	-708	-71	-779
Exchange rate differences	335	0	335
Book value 30.6.2016	13,674	9,090	22,764
Book value 1.1.2017	13,253	9,031	22,284
Additions	342	46	388
Disposals	-4	0	-4
Depreciation, amortisation and impairment losses	-850	-27	-877
Exchange rate differences	31	1	32
Book value 30.6.2017	12,772	9,050	21,822

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 EUR 1,000	1–6/2017
Sales	0
Purchases	3
Current liabilities	0

Key figures

Key figures	1–6/2017	1–6/2016	1–12/2016
Gross capital expenditure, EUR 1,000	584	249	498
Personnel	198	193	193
Operating margin %	3.5 %	-6.8 %	-1.9 %
Share price development			
Share price at beginning of period	0.39	0.62	0.62
Share price at end of period	0.69	0.41	0.39
Highest for the period	0.77	0.59	0.59
Lowest for the period	0.39	0.30	0.30
Share price at beginning of period*	0.70	1.10	1.10
Share price at end of period*	0.69	0.74	0.70
Highest for the period*	1.17	1.10	1.10
Lowest for the period*	0.50	0.64	0.64
Eguity/share EUR*	0.41	0.54	0.44
Earnings/share (EPS) EUR, undiluted	0.01	-0.12	-0.24
Earnings/share (EPS) EUR, diluted	0.01	-0.12	-0.24
Equity ratio %	13.3	17.59	14.60
Gearing %	351.9	293.0	340.80

*historic unadjusted prices

Other liabilities and commitments

Contingencies and commitments, EUR 1,000	30.6.2017	30.6.2016	31.12.2016
Mortgages given	19,500	19,500	19,500
Book value of pledged subsidiary shares and -loan receivables	4,266	10,566	4,266
Other contingent liabilities	9,967	9,959	9,945
Rental obligations	59,490	65,922	61,888

Accounting policies

The Half Year Financial Report 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. Other new or amended IFRS standards or interpretations that have entered into force did not have a material impact on the Half Year Financial Report.

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. This Half Year Financial Report is unaudited.

Calculation of key figures

Equity ratio (%) = $\dfrac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$

Earnings per share (EUR) = $\dfrac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of ordinary shares outstanding}}$

Equity per share (EUR) = $\dfrac{\text{Equity attributable to equity holders of the parent Company}}{\text{Undiluted number of shares outstanding at the end of the financial year}}$

Gearing (%) = $\dfrac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$

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

IFRS 15 Revenue from Contracts with Customers

The IFRS 15 Revenue from Contracts with Customers standard will enter into force for review periods starting 1 January 2018 onwards. IFRS 15 replaces the current IAS 18 and IAS 11 standards and their interpretations. The standard provides a five-step guideline for the recognition of revenue from contracts with customers.

The effects of the IFRS 15 Revenue from Contracts with Customers standard on the Group's customer contracts and principles of recognising their revenue are described in the appendices to the Group's 2016 financial statement. According to current analysis, the Group's current principles of revenue recognition are in line with the standard's requirements, and therefore no significant impact on the Groups's recognition of revenue is expected from the standard entering into force. The analyses of customer contracts shall be continued, and their final results and possible effects on the recognition of revenue will be reported in the coming financial statement.