

Nurminen Logistics ▶▶▶

Half Year Financial Report 2020



NURMINEN LOGISTICS PLC HALF YEAR FINANCIAL REPORT 1 JANUARY–30 JUNE 2020

Our China cargo train an engine of growth in the first half of the year: Net sales increased, and operating loss decreased. Cash flow from operating activities was positive.

Nurminen Logistics KEY FIGURES 1 JANUARY – 30 JUNE 2020		
	1.1.–30.6.2020	1.1.–30.6.2019
MEUR		
Net sales	36.5	34.5
Operating result	-0.5	-1.7
Operating result-%	-1.4%	-5.0%
Net result	-1.6	-3.2
Earnings per share (€)	-0.05	-0.11
Cash flow from operating activities	3.4	0.1

INTERIM PRESIDENT AND CEO, OLLI POHJANVIRTA:

Net sales increased and operating loss decreased in the first half of the year. China cargo train sales growth had an evident impact on the operating result for the first half of the year. April–June's operating result was EUR 0.1 million positive. Positive performance will continue and, in the second half of the year, we expect to see a significant improvement compared to first half of 2020.

Fixed costs are estimated to decrease by EUR 0.4–0.5 million in the second half of 2020 in comparison to first half. On the annual level fixed costs are estimated to decrease further by EUR 1 million compared to 2020.

The first half of the year was twofold, the January–March period was difficult performance-wise. The forest industry strike, a shipping container shortage, and disturbances in inland traffic in China due to the COVID-19 outbreak had a negative effect on business. Our China cargo train operations were stalled for over a month due to the exceptional COVID-19 situation as restrictions imposed by the authorities disrupted China inland traffic and the distribution of goods. At no point were any restrictions set on the movement of trains, which demonstrates the operational reliability of the cargo train product.

I am delighted with the determination and competence of our personnel in developing and improving our business, despite the difficult circumstances during the first half of the year. The development has been noticeable in improved customer service which has influenced both net sales growth and the operating result turning positive in April–June. The ratio of fixed costs to net sales is still too high. To ensure continued improvement in profitability, net sales growth especially in China cargo train transport and operational efficiency improvements regarding all Finnish operations will remain our focus.

The China cargo train product highlights our unique operational capability, including Forwarding services and the Vuosaari cargo handling services, vast customer base representing different industries and trade, as well as a growing international clientele who benefit from our train service in shipments to Central Europe. These factors combined enable profitable growth in the future. Our China cargo train played a significant role in securing the availability of medical supplies for Finnish health care.

In June, we signed a contract with the Port of Narvik, with the aim of becoming a key player in fresh fish export to China. Deliveries will begin during 2020. We are introducing temperature-controlled

reefer containers in our China cargo train transport, which opens up a notable new market and competitive advantage for us also in the export of fresh meat and beverages.

We strengthened our organisation in the international railway business to ensure continued good progress with China cargo train business. This enables the company to stay in pole position in logistics throughout the EU when it comes to accessibility of the China market. Our highly efficient cargo train product is the single greatest logistics innovation on the Finnish market in the 21st century. The growth prospects for the business are good.

A new operative management structure was introduced in June and it will emphasise profit responsibility and improve service development in the future.

Both cargo handling and forwarding volumes remained more stable than expected during the quickly evolving market situation. This stable development was attributed to our vast clientele across various industries and the regional coverage of our offices.

Cargo terminal services operated at a loss in the first half of the year and we will accelerate efficiency measures, which will lower fixed costs and improve service. Terminal handling was still strained by high rent level in offices where space is leased. Cargo terminal handling services are expected to be more profitable in 2021. Higher performance standards will be set especially for the unique chemical terminals in Kotka and the Heavy terminal in Vuosaari.

Forwarding services continued to operate at a profit. Earlier investments in IT systems support upright development also in the future, considering the dependency on Finnish import and export volumes. Baltic operations remained stable.

All in all, the company's profitability is still unsatisfactory and further measures are needed to improve profitability and balance sheet structure.

MARKET SITUATION IN THE REVIEW PERIOD

Finland's economic growth slowed down in the first half of 2020 as a result of the COVID-19 pandemic. Trade between Finland and China remained at a good level. This was manifested in Nurminen Logistics' operations positively. China cargo train transport volumes grew rapidly due to the reliability and strong operational capability of the services as well as uncertainty related to other transport modes.

NET SALES AND FINANCIAL PERFORMANCE 1 JANUARY – 30 JUNE

EUR 1000	1-6/2020	1-6/2019
Net sales	36,480	34,470
EBIT	-508	-1,709

Net sales for the first half of 2020 increased to EUR 36.5 (34.5) million, growing 5.8 percent from 2019. EBIT improved to EUR -0.5 million (-1.7). Positive development is primarily due to growth in China cargo train services. Operating result grew also in forwarding services in the beginning of the year. Fixed administrative costs declined substantially from 2019.

BUSINESS REVIEW 1 JANUARY – 30 JUNE

The result for the first half of 2020 improved substantially from 2019, where ramping up costs of China cargo train burdened the company's operating result heavily. The COVID-19 pandemic influenced global logistics during the first half of the year. The reduction in industrial production was evident in declining transport volumes. Sea freight connections were limited and traffic between continents decreased.

A challenging operating environment was reflected in China cargo train services especially in February–March when shipments were delayed due to movement restrictions. The strong recovery in China in the second quarter together with reduced sea and air freight capacity and price increases supported sales growth for China cargo train business. The clientele expanded. Growth in net sales was manifested in the result. In January–June 2020, net sales of the China cargo train business increased by 44 percent from 2019 to EUR 4.1 million (2.9). The China cargo train business's share of total net sales is 11 percent (8).

Net sales of the Forwarding business grew, and the operating result improved in the first half of 2020. Positive development was seen especially in the first quarter when volumes were high in the forest industry and in steel imports. The COVID-19 effects were evident in consignment volumes mainly in May. In January–June, net sales totalled EUR 6.6 million (4.9) and growth from previous year was 36 percent. The Forwarding business amounts to 18 percent of group net sales (14).

In the Cargo handling business, the effects of the paper industry strike in January–February remained minor and the first quarter result improved from 2019. The influence of the paper industry strike and the COVID-19 pandemic were seen in the second quarter in declining inventory levels and delays in project deliveries. COVID-19 affected business less than expected. In January–June, net sales decreased by 8 percent from previous year to EUR 7.0 million (7.6). The Cargo handling business accounts for 19 percent of group net sales (22).

Nurminen Logistics nominated a new operative management board in June. The operative management board enables the improvement of the service level and efficiency. It will support especially the development of fast-growing China rail service business.

Net sales for the Russian company and its profitability decreased year-on-year in the first half of 2020. The COVID-19 pandemic did not affect operations directly. In June, Olga Stepanova joined the operative management board and took over China rail freight service business. She was appointed Managing Director, OOO Nurminen Logistics. Stepanova has taken part in building the cargo train services network between China and Europe from its very beginning as Sales Director at Russian Railways. She has solid background knowledge and connections within the market and within the vast European customer base. Her know-how in bulk transport creates growth potential in Russian rail freight business.

In the first half of 2020, net sales of the Baltic business declined and operating profit decreased from 2019. The effects of the COVID-19 pandemic remained minor. Strong export volumes supported the Lithuanian operations. The Latvian operations' net sales grew due to project deliveries to Russia and Central Asia. Net sales of the Baltic business decreased by 2 percent to EUR 18.7 million (19.2) in January–June. The business amounts to 51 percent of group net sales (56). The profitability of the Baltic business is at a good level and the prerequisites for business are good.

OUTLOOK

Nurminen Logistics estimates that the growth of the economy and markets will continue to slow down due to the effects of the COVID-19 pandemic. We believe that Nurminen Logistics' China cargo train business will continue its growth. The company's profitability will continue to improve. Demand for the company's specialised logistics services will remain good on account of our expertise.

FINANCIAL GUIDANCE

Nurminen Logistics is not issuing financial guidance for 2020.

SHORT-TERM RISKS AND UNCERTAINTIES

Any weakening in world trade and particularly weakening in Finnish exports and imports would have a negative impact on the demand for the company's services and the result. The company's business development turning out significantly weaker than expected would have a negative impact on the company's financial position.

A second big wave of the COVID-19 epidemic in China would affect the country's inland logistics, which would in turn affect feeder lines.

The growth rate of China cargo train services may slow down from what is expected, particularly with regard to new types of shipments and new route connections, if COVID-19 passenger travel restrictions continue or are further tightened. The passenger travel restrictions may complicate commercial negotiations for our clients especially considering launches of new products.

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

FINANCIAL POSITION AND BALANCE SHEET

Cash flow from operating activities amounted to EUR 3.4 million. Cash flow from investing activities totalled EUR –0.2 million. Cash flow from investing activities was impacted by investments in IT systems and digitalization totalling EUR 0.1 million and the acquisition of PFC Nordic Oy totalling EUR 0.1 million. Cash flow from financing activities amounted to EUR –3.3 million.

At the end of the review period, cash and cash equivalents amounted to EUR 4.0 million. The management of the company estimates that the operating cash flow generated by the company covers the current business needs and current liabilities for the next 12 months.

Current interest-bearing liabilities of the company, a total of EUR 3.2 million, consist of lease liabilities of EUR 2.3 million and factoring debt of EUR 0.9 million. The company's non-current interest-bearing liabilities are EUR 40.0 million, of which EUR 27.0 million are in connection with leases capitalised in accordance with the IFRS 16 standard. Long-term loans amount to EUR 13.0 million. These loans from Ilmarinen are due in June 2023.

The Group's interest-bearing liabilities totalled EUR 43.2 million and net interest-bearing debt amounted to EUR 39.1 million. The company has an equity-based hybrid loan from Ilmarinen that amounts to EUR 1.5 million.

The balance sheet total was EUR 52.8 million, and the equity ratio was –4.3 percent.

CAPITAL EXPENDITURE

The Group's gross capital expenditure during the review period amounted to EUR 0.1 million (EUR 0.4 million), accounting for 0.3% of net sales. Depreciation totalled EUR 2.6 (2.7) million, or 7.1% (7.9) of net sales.

GROUP STRUCTURE

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, %): Nurminen Logistics Services Oy (100%), RW Logistics Oy (100%), PFC Nordic Oy (100%), Kiinteistö Oy Kotkan Siikasaarentie 78 (100%), Kiinteistö Oy Luumäen Suoanttilantie 101 (100%), Kiinteistö Oy Vainikkalan Huolintatie 13 (100%), NR Rail Oy (51%), Pelkolan Terminaali Oy (20 %), OOO Nurminen Logistics (100 %), Nurminen Maritime Latvia SIA (51%), UAB Nurminen Maritime (51%) and Nurminen Maritime Eesti AS (51%).

PERSONNEL

At the end of the review period, the Group had 171 employees, compared with 177 on 30 June 2019. The number of employees working abroad was 28. Personnel expenses in the first half of 2020 totalled EUR 4.4 million (EUR 4.4 million).

CHANGES IN THE GROUP MANAGEMENT TEAM

On 30 June 2020, Nurminen Logistics' Management Team consisted of the following members: Olli Pohjanvirta, interim CEO from 25 May 2020; Iiris Pohjanpalo, CFO; Petri Luurila, CIO; and Jonna Paasonen, VP Forwarding from 15 May 2020. In addition, the Management Team included Mikko Järvinen, SVP Sales until 20 May 2020, and Tero Vauraste, CEO until 24 May 2020.

MANAGEMENT TRANSACTIONS

On 4 May 2020, Nurminen Logistics Plc announced the subscription by CEO Tero Vauraste for 120,000 shares at a price of EUR 0.24.

SHARES AND SHAREHOLDERS

The trading volume of Nurminen Logistics Plc's shares was 2,325,321 during the period from 1 January to 30 June 2020. This represented 5.2% of the total number of shares. The value of the turnover was EUR 585,000. The lowest price during the review period was EUR 0.23 per share and the highest EUR 0.30 per share. The closing price for the period was EUR 0.24 per share and the market value of the entire share capital was EUR 10,733,802 at the end of the period.

At the end of the review period the company had 1,443 shareholders. The holdings of the 10 largest shareholders of the company are presented in the tables section.

During the review period, the company had 44,724,174 shares. On 30 June 2020, the company held 106,333 of its own shares, corresponding to 0.24% of votes.

DECISIONS OF THE ANNUAL GENERAL MEETING

Nurminen Logistics Plc's Annual General Meeting held on 12 June 2020 passed the following decisions:

Adoption of the annual accounts and resolution on discharge from liability

The General Meeting adopted the annual accounts, including the consolidated annual accounts for the financial year 1 January 2019 – 31 December 2019 and discharged the members of the Board of Directors, the President and CEO and the interim President and CEO from liability. The Annual General Meeting adopted the Remuneration Policy for governing bodies.

Payment of dividend

The Annual General Meeting approved the Board's proposal that no dividend shall be paid for the financial year 1 January 2019 – 31 December 2019.

Composition and remuneration of the Board of Directors

The Annual General Meeting resolved that the Board of Directors is composed of five members. The Annual General Meeting re-elected the following members to the Board of Directors: Olli Pohjanvirta, Juha Nurminen, Jukka Nurminen, Irmeli Rytönen and Alexey Grom.

The Annual General Meeting resolved that for the members of the Board elected at the Annual General Meeting for the term expiring at the close of the Annual General Meeting in 2021, the remuneration is paid as follows: annual remuneration of EUR 40,000 to the Chairman and EUR 20,000 to the other members of the Board.

In addition, a meeting fee of EUR 1,500 per meeting for the Board and Board Committee meetings is paid to the Chairman of the Board, a meeting fee of EUR 1,000 per meeting for the Board and Board Committee meetings is 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. Of the annual remuneration, 50 per cent is to be paid in Nurminen Logistics Plc's shares and the rest in cash. A member of the Board of Directors may not dispose of shares received as annual remuneration before a period of three years has elapsed from receiving the shares. In addition, the Chairman of the Board will be granted a 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

The Annual General Meeting authorised the Board to decide on the issuance of shares and/or special rights entitling to shares as referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act.

Based on the authorisation, the Board of Directors is entitled to issue or transfer, 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 could be used, e.g., for financing of company and business acquisitions or for financing of other business arrangements and investments, for the expansion of the ownership structure, paying of remuneration of the Board members and/or for the creating incentives for, or encouraging commitment in, personnel.

The authorisation entitles the Board of Directors to decide on the share issuance with or without payment. The authorisation for deciding on a share issuance without payment includes also the right to decide on the share 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 Board of Director's right to decide on all other terms and conditions of the share issuances and the issuances of special rights. The authorisation entitles the Board of Directors to decide on share issuances, issuances of option rights and other special rights entitling to shares in every way to the same extent as could be decided by the General Meeting, including the Board of Director's right to decide on directed share issuances and/or issuance of special rights.

The authorisation is valid until 30 April 2021 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.

Election of the auditor and resolution on their remuneration

Ernst & Young Oy was elected the auditor of the company for the term ending at the close of the Annual General Meeting 2021. Juha Hilmola, Authorised Public Accountant, acts as the principal auditor.

The 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

On 17 January 2020, the company announced that it was initiating the co-determination procedure within the Finnish subsidiaries in order to prepare for the possible reduction of orders due to the labour market situation facing manufacturing industries in Finland. The co-determination procedure was concluded on 4 February 2020. No personnel adjustments were made after the labour market disturbances ended.

On 4 March 2020, the company announced that it will recognise in its consolidated financial statements for the financial year ended 31 December 2019 a write down of approximately EUR 5.3 million on the company's goodwill. The write down has a negative impact on the company's equity ratio. The company has obtained waivers from its main financiers to secure the fulfilment of the financial covenants in the relevant measurement point.

On 17 March 2020, the company announced that it was initiating the co-determination procedure within Nurminen Logistics Services Oy in order to prepare for a possible decrease in demand caused by the COVID-19 situation or disruptions caused by coronavirus countermeasures. The co-determination procedure was completed on 16 April 2020 resulting in possible temporary layoffs considering all of the staff of the company up to 90 days before 31 March 2021.

On 16 April 2020, the company announced that it was initiating the co-determination procedure within Nurminen Logistics Plc considering the staff of the company and the members of staff who have entered the Group's employment due to the acquisition of PFC Nordic Oy in order to prepare for the financial and operational effects of COVID-19 countermeasures. The co-determination procedure was completed on 4 May 2020 resulting in possible temporary lay-offs considering all of the staff of Nurminen Logistics Plc up to 90 days before 31 March 2021 and all of the staff who have entered the Group's employment due to the acquisition of PFC Nordic Oy up to 90 days before 27 October 2020.

On 22 April 2020, the company announced that the Board of Directors of Nurminen Logistics Plc has resolved on 21 April 2020 to carry out a directed share issue of 120,000 shares to the Company's CEO Tero Vauraste at a subscription price of EUR 0.24 per share. The shares were registered with the Trade Register on 30 April 2020.

On 22 April 2020, the company announced that Hannu Leinonen will leave the Board of Directors of Nurminen Logistics Plc as of 22 April 2020.

On 15 June 2020, the company announced that the Board of Directors appointed Irmeli Rytönen as the Chairperson of the Board's Audit Committee.

EVENTS AFTER THE REVIEW PERIOD

No significant events occurred after the review period.

Next financial release

Nurminen Logistics will announce the release date of the Financial Statement for the year 2020 and other dates for releasing financial information during 2021 in December 2020.

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, interim CEO, tel. +358 40 900 6799.

DISTRIBUTION
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Major media
www.nurminenlogistics.com

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

TABLES SECTION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1-6/2020	1-6/2019	1-12/2019
EUR 1,000			
NET SALES	36,480	34,470	69,340
Other operating income	13	16	64
Use of materials and supplies	-26,945	-25,200	-50,418
Employee benefit expenses	-4,381	-4,433	-9,196
Depreciation, amortisation and impairment losses	-2,586	-2,706	-11,044
Other operating expenses	-3,089	-3,856	-7,262
OPERATING RESULT	-508	-1,709	-8,517
Financial income	3	5	12
Financial expenses	-991	-1,165	-2,382
Share of profit of equity-accounted investees	-6	16	25
RESULT BEFORE INCOME TAX	-1,501	-2,852	-10,864
Income tax expense	-141	-312	-570
RESULT FOR THE PERIOD	-1,642	-3,164	-11,433
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Translation differences	-3	-48	-41
Other comprehensive income after income taxes	-3	-48	-41
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1,645	-3,212	-11,474
Result attributable to			
Equity holders of the parent company	-2,225	-4,917	-12,903
Non-controlling interest	583	1,753	1,470
Total comprehensive income attributable to			
Equity holders of the parent company	-2,228	-4,965	-12,944
Non-controlling interest	583	1,753	1,470
Earnings per share, undiluted, euro	-0.05	-0.11	-0.29
Earnings per share, diluted, euro	-0.05	-0.11	-0.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 June 2020	30 June 2019	31 December 2019
EUR 1,000			
ASSETS			
Non-current assets			
Property, plant and equipment	34,733	39,388	35,810
Goodwill	899	5,970	899
Other intangible assets	1,793	1,818	1,933
Investments in equity-accounted investees	204	201	209
Receivables	244	317	244
NON-CURRENT ASSETS	37,872	47,694	39,095
Current assets			
Inventories	80	92	87
Trade and other receivables	9,817	8,042	7,822
Cash and cash equivalents	4,095	9,389	4,187
Non-current assets held for sale	897	,	897
CURRENT ASSETS	14,889	17,523	12,993
TOTAL ASSETS	52,761	65,217	52,088
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent company			
Share capital	4,215	4,215	4,215
Share premium reserve	86	86	86
Other reserves	28,836	28,808	28,808
Translation differences	-9	-13	-6
Retained earnings	-37,779	-27,552	-35,497
Hybrid bond	1,500	1,500	1,500
Equity attributable to holders of the parent company	-3,151	7,044	-894
Non-controlling interest	904	1,983	1,695
EQUITY, TOTAL	-2,247	9,027	802
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		52	24
Other liabilities	186	74	212
Financial liabilities	39,999	41,181	39,900
NON-CURRENT LIABILITIES	40,185	41,307	40,136
Current liabilities			
Current tax liabilities		273	237
Financial liabilities	3,211	6,471	3,102
Trade payables and other liabilities	11,611	8,138	7,811
CURRENT LIABILITIES	14,822	14,883	11,150
LIABILITIES, TOTAL	55,007	56,190	51,287
EQUITY AND LIABILITIES, TOTAL	52,761	65,217	52,088

Consolidated cash flow statement, IFRS EUR 1,000	1-6/2020	1-6/2019	1-12/2019
Profit/loss for the period	-1,642	-3,164	-11,433
Adjustments	3,785	4,137	12,658
Cash flow before change in working capital	2,143	972	1,224
Changes in working capital	2,228	263	1,180
Financing items and taxes	-981	-1,120	-1,945
Cash flow from operating activities	3,390	116	458
Cash flow from investing activities	-183	360	-81
Cash flow from financing activities	-3,299	-2,600	-7,837
Net increase / decrease in cash and cash equivalents	-92	-2,125	-7,460
Cash and cash equivalents at the beginning of the year	4,054	11,514	11,514
Net increase / decrease in cash and cash equivalents	-92	-2,125	-7,460
Cash and cash equivalents at the end of the period	3,961	9,389	4,054

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1-6/2020 EUR 1,000	A	B	C	D	E	F	G	H	I
Equity on 1 Jan 2020	4,215	86	2,378	26,430	1,500	-6	-35,498	1,696	802
Result for the year							-2,225	583	-1,642
Comprehensive income for the year / translation differences						-3			-3
Total comprehensive income for the year						-3	-2,225	583	-1,645
Business transactions with share holders				29					29
Interest on hybrid loan after taxes							-24		-24
Share remuneration							35	93	128
Dividends								-1,467	-1,467
Other changes*							-68		-68
Total business transactions with shareholders				29			-56	-1,374	-1,402
Equity on 30 Jun 2020	4,215	86	2,378	26,458	1,500	-9	-37,779	904	-2,247

* Kotka terminal property repair cost liability from previous financial years.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1-6/2019 EUR 1,000	A	B	C	D	E	F	G	H	I
Equity on 1 Jan 2019	4,215	86	2,378	26,430	1,500	35	-22,615	1,123	13,151
Result for the year							-4,917	1,753	-3,164
Comprehensive income for the year / translation differences						-48			-48
Total comprehensive income for the year						-48	-4,917	1,753	-3,212
Business transactions with share holders									
Interest on hybrid loan after taxes							-24		-24
Share remuneration							35		35
Dividends								-937	-937
Other changes							-30	44	14
Total business transactions with shareholders							-19	-893	-912
Equity 30 Jun 2019	4,215	86	2,378	26,430	1,500	-13	-27,552	1,983	9,027

Changes in property, plant and equipment

Changes in property, plant and equipment EUR 1,000	Tangible	Intangible	Total
Carrying amount on 1 Jan 2020	35,810	2,831	38,642
Additions IFRS leases	1,268		1,268
Additions FAS	11	55	65
Work-in-progress	46		46
Disposals	-7	-4	-11
Depreciation, amortisation and impairment losses	-2,394	-191	-2,586
Carrying amount on 30 Jun 2020	34,733	2,692	37,425

Changes in property, plant and equipment EUR 1,000	Tangible	Intangible	Total
Carrying amount on 1 Jan 2019	8,757	7,360	16,117
Additions IFRS leases	35,465		35,465
Additions FAS	44	565	609
Disposals	-2,368		-2,368
Depreciation, amortisation and impairment losses	-2,569	-137	-2,706
Exchange rate differences	59		59
Carrying amount on 30 Jun 2019	39,388	7,788	47,176

Related party transactions

The company's related parties include the members of the Board of Directors and those of the Management Team as well as companies under their control. Related parties are also those shareholders that have direct or indirect control or significant influence in the Group as well as the associate companies.

Related party transactions EUR 1,000	1-6/2020
Sales	59
Purchases	33
Current receivables	3

At the end of April, CEO Tero Vauraste subscribed for 120,000 shares of Nurminen Logistics Plc in a directed share issue at a subscription price of EUR 0.24 per share.

Key figures

Key figures	1-6/2020	1-6/2019	1-12/2019
Gross capital expenditure, EUR 1,000	111	444	722
Number of employees at the end of period	171	177	176
Operating profit-%	-1.4 %	-5.0 %	-12.3 %
Share price development			
Share price at beginning of period	0.27	0.25	0.25
Share price at end of period	0.24	0.30	0.27
Highest for the period	0.30	0.44	0.44
Lowest for the period	0.23	0.25	0.26
Equity / share, EUR	-0.07	0.16	-0.02
Earnings / share, EUR, undiluted	-0.05	-0.11	-0.29
Earnings / share, EUR, diluted	-0.05	-0.11	-0.29
Equity ratio %	-4.3 %	13.9 %	1.5 %
Net gearing %	1741.0 %	424.7 %	4849.1 %

Other Liabilities and Commitments

Contingencies and commitments, EUR 1,000	30 June 2020	30 June 2019	31 December 2019
Liabilities for which business mortgages have been given and subsidiary shares pledged			
Loans from financial institutions	13,878	14,285	13,707
Mortgages given	15,500	15,500	15,500
Book value of pledged subsidiary shares and loan receivables	23,352	10,108	23,352
Other commitments			
Customs duties and other guarantees	5,923	6,135	5,999
Rental obligations	907	735	1,064

Ten largest shareholders 30 June 2020	Number of shares and votes	Share of votes-%
KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	8,780,000	19.6
NURMINEN JUHA MATTI	5,681,497	12.7
SUKA INVEST OY	5,169,588	11.6
K. HARTWALL INVEST OY AB	3,837,838	8.6
AVANT TECNO OY	3,446,392	7.7
JN ULJAS OY	3,049,388	6.8
RUSCAP OY	2,163,962	4.8
HISINGER-JÄGERSKIÖLD EVA CONSTANCE	1,279,279	2.9
NURMINEN JUKKA MATIAS	1,055,625	2.4
TUULI MARKKU JUHANI	953,850	2.1
TOTAL	35,417,419	79.2

Accounting principles

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 consolidated financial statements for 2019.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the statement of income.

The COVID-19 pandemic has caused Nurminen Logistics to review the estimates and assumptions used in the preparation of the half year financial report. The impact of the COVID-19 pandemic on estimates in the financial reporting is based on management's best judgement. The effects of the COVID-19 pandemic have not deteriorated the company's estimates and there are no indications of impairment of assets.

The full financial impact of the COVID-19 outbreak cannot be quantified at this time, as it will depend on the duration, severity and pace of recovery from the pandemic, as well as on the effectiveness of government actions in different geographical areas.

The interim report has not been audited.

Tables and calculation formulas for indicators

All figures are rounded, so the sums of individual figures may differ from the reported sum. The key performance indicators have been calculated using exact values.

Equity ratio (%)	=	$\frac{\text{Equity, total}}{\text{Balance sheet total} - \text{advances received}} \times 100$
Earnings per share (EUR)	=	$\frac{\text{Result attributable to equity holders of the parent company}}{\text{Weighted average number of outstanding ordinary shares}}$
Equity per share (EUR)	=	$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Undiluted number of shares at closing date}}$
Net gearing (%)	=	$\frac{\text{Interest bearing debt} - \text{cash and cash equivalents}}{\text{Equity}} \times 100$