



TRAINERS' HOUSE GROUP INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2024

January-September 2024 in brief

- net sales EUR 5.9 million (EUR 6.5 million), change of -9.7 % compared to the corresponding period of the previous year
- operating result EUR 0.1 million (EUR 0.1 million), 1.1 % of net sales (1.0 %)
- cash flow from operations EUR 0.1 million (EUR 0.1 million)
- earnings per share EUR 0.03 (EUR 0.04)

July-September 2024 in brief

- net sales EUR 1.6 million (EUR 1.6 million), change of -1.2 % compared to the corresponding period of the previous year
- operating result EUR -0.1 million (EUR -0.1 million), -9.4 % of net sales (-6.7 %)
- cash flow from operations EUR -0.3 million (EUR -0.2 million)
- earnings per share EUR -0.07 (EUR -0.05)

Key figures at the end of the third quarter of 2024

- cash and cash equivalents EUR 1.1 million (EUR 1.5 million)
- interest-bearing liabilities of EUR 0.7 million (EUR 0.3 million) and interest-bearing net debt of EUR -0.4 million (EUR -1.3 million).
- equity ratio 65.2 % (65.3 %)

OUTLOOK FOR 2024

The company estimates the operating profit for 2024 to be negative.

CEO ARTO HEIMONEN

Despite the challenging market conditions, the company's year-to-date result is slightly profitable at the end of the third quarter.

Due to the holiday season, the third quarter of Trainers' House is actually two months long from the point of view of revenue accumulation.

Customer activity and customer satisfaction remained at a high level. Acquiring new assignments succeeded moderately. The productivity of encounter marketing business increased.

Healthy cash flow and profitability are the company's most important business goals in 2024 as well.

The purpose of Trainers' House is to help people forward. This is possible by touching people, electrifying management and producing verifiable results.

Thanks to customers, employees, and partners.

More information:

Arto Heimonen, CEO, +358 404 123 456

Saku Keskitalo, CFO, +358 404 111 111



OPERATIONAL REVIEW

During the review period, the company focused on serving its customers.

FINANCIAL PERFORMANCE

Net sales for the reporting period were EUR 5.9 million (EUR 6.5 million). Operating result was EUR 0.1 million, 1.1 % of net sales (EUR 0.1 million, 1.0 %). The result for the period was EUR 0.1 million, 1.1 % of net sales (EUR 0.1 million, 1.2 %).

The breakdown of the Group's figures (unit thousand euros) is presented in the following table:

(kEUR)	1-9/2024	1-9/2023
Net sales	5 907	6 541
Expenses:		
Expenses arising from employee benefits	-3 947	-4 339
Other expenses	-1 635	-1 729
EBITDA	325	473
Depreciation and impairment losses	-259	-405
EBIT	66	68
EBIT, % of net sales	1.1	1.0
Financial income and expenses	-15	8
Result before taxes	51	76
Income taxes	14	4
Result of the period	65	80
Result, % of net sales	1.1	1.2

LONG-TERM OBJECTIVES

The company's long-term goal is profitable growth.

FINANCING, INVESTMENTS AND SOLVENCY

Cash flow and key financing figures (unit million euros)

	1-9/2024	1-9/2023
Cash flow from operations before financial items	0.2	0.1
Cash flow from operations	0.1	0.1
Cash flow from investments	0.0	0.1
Cash flow from financing	-0.2	-0.9
Total cash flow	-0.1	-0.7
	9/2024	9/2023
Cash	1.1	1.5
Interest-bearing debt	0.7	0.3
Equity ratio %	65.2	65.3



MAJOR RISKS AND UNCERTAINTIES

Trainers' House's business is sensitive to economic fluctuations.

The general economic situation internationally and in Finland contains significant risks. The war in Europe and Middle East, the tense world political situation and the possible expansion of the crisis can cause rapid changes in the operating environment.

Possible world trade restrictions and changes in the world political situation affect the exports of Finnish companies, which is reflected in the demand of the domestic market. The demand in domestic market will also diminish due to public cost-cuttings and tax increases. The change in domestic market demand directly affects Trainers' House's business.

Compared to the level of the last decade, the high interest rate has a negative effect on economic activity. Inflation can also accelerate due to, for example, escalation of world political crises.

The constant competition for the best employees affects recruitment and the commitment of key personnel. From the company's point of view, the labor market situation has eased over the past year.

The above-mentioned risks, when realized alone or together, have a significant impact on the company's operations.

The company divides the risk factors affecting business, earnings, and market capitalization into five main categories: market and business risks, personnel-related risks, technology and information security risks, financial risks, and legal risks.

Trainers' House has sought to hedge against the adverse effects of other risks with comprehensive insurance policies. These include statutory insurance, liability and property insurance and legal expenses insurance. Insurance coverage, insurance values and deductibles are reviewed annually together with the insurance company.

The Management Team reports to the Board on a monthly basis on key business-related risks and, where necessary, risk management measures.

The Group has the reporting systems required for effective business monitoring. Internal control is linked to the company's vision, strategic goals and the business goals set on the basis of them.

The realization of business objectives and the Group's financial development are monitored on a monthly basis through the Group's corporate governance system. As an essential part of the control system, actual data and up-to-date forecasts are reviewed monthly by the Group Management Team. The control system includes, among other things, sales reporting, an income statement, a rolling revenue and profit forecast, and key figures that are important to operations.

Trainers' House is an expert organization. The magnitude of market and business risks is difficult to determine. Typical risks in this area are related to, for example, general economic development, customer distribution, technology choices, the development of competition and the management of personnel costs.

Risks are managed through the planning and regular monitoring of sales, human resources, and operating expenses, which enables rapid action when circumstances

change. The risks of trade receivables have been taken into account by the recognition of expenses based on the age of the receivables and individual risk analyzes.

The goal of Trainers' House's financial risk management is to secure the availability of equity and debt financing on competitive terms and to reduce the impact of adverse market movements on the company's operations.

Financial risks are divided into four categories, which are liquidity, interest rate risks, currency risks and credit risks. Each risk is monitored separately. Liquidity and interest rate risks are reduced with sufficient cash resources and efficient collection of receivables. Currency risks are low as Trainers' House operates primarily in the euro market. In financial risk management, the focus is on liquidity.

The success of Trainers' House as an expert organization depends on its ability to attract and retain skilled staff. In addition to a competitive salary, personnel risks are managed through incentive schemes and investments in personnel training, career opportunities and general wellbeing.

Technology is a key part of Trainers' House's business. Technology risks include, but are not limited to, supplier risk, risks related to internal systems, challenges posed by technological change, and security risks. Risks are protected against long-term cooperation with technology suppliers, appropriate security systems, staff training and regular security audits.

Trainers' House's legal risks are mainly focused on the contractual relationship between the company and customers or service providers. At their most typical, they relate to delivery responsibility and the management of intellectual property rights. In order to manage the risks related to contracts and intellectual property rights, the company has internal guidelines for contractual procedures. In the company's view, the contractual risks are not unusual.

At the end of the review period, goodwill and other intangible assets recognized in the balance sheet have been tested in the normal way. The test did not reveal any need for impairment.

The consolidated balance sheet of Trainers' House has goodwill of EUR 2.1 million. The balance sheet value of other intangible assets is EUR 1.0 million. If the Group's profitability does not develop as forecasted or other external factors independent of the Group's operations, such as interest rates, change significantly, it is possible that goodwill and other intangible assets will have to be written off. Recognition of an impairment loss would have no effect on the Group's cash flow.

Due to the project nature of the operations, the order backlog is short, and predictability is therefore challenging.

The description of potential risks is not comprehensive. Trainers' House conducts continuous risk assessment in connection with its operations and strives to hedge against identified risks.

Investors have also been informed about the risks in the company's annual review and on the website at www.trainershouse.fi.



PERSONNEL

At the end of the review period, the Group had 107 (111) employees. As before, the company reports the number of employees converted to full-time employees.

DECISIONS REACHED AT THE ANNUAL GENERAL MEETING

The annual general meeting of Trainers' House Plc was held on 27 March 2024 in Helsinki.

The annual general meeting confirmed the financial statements and discharged CEO and the members of the Board of Directors from liability for the fiscal year 1 January - 31 December 2023. The annual general meeting also decided to adopt the remuneration policy of the governing bodies.

The annual general meeting decided, in accordance with the board's proposal, that the company does not distribute a dividend from 2023.

Aarne Aktan, Jari Sarasvuo, Jarmo Hyökyaara, Elma Palsila and Emilia Tauriainen were re-elected as members of the Board of Directors. In the board meeting held after the annual general meeting, the Board of Directors elected Jari Sarasvuo as the chairperson of the board.

The annual general meeting decided that the board member's remuneration shall be EUR 1,500 per month and the chairperson's remuneration will be EUR 3,500 per month.

Grant Thornton Oy was elected as the company's auditor. The remuneration to the auditor is paid according to the auditor's reasonable invoice.

SHARES AND SHARE CAPITAL

The company's share is listed on Nasdaq Helsinki Ltd under the name Trainers' House Plc (TRH1V).

At the end of the reporting period, Trainers' House Plc had 2,147,826 shares and a registered share capital of EUR 880,743.59. The company does not hold any of its own shares. There have been no changes in the share capital during the period.

Share performance and trading

	1-9/2024	1-9/2023
Traded shares, pcs	203 608	213 827
Average number of all company shares, %	9.5	10.0
Traded shares, EUR	576 890	1 013 869
Highest share quotation	4.88	6.12
Lowest share quotation	2.07	3.38
Closing price	2.27	3.73
Weighted average price	2.83	4.74
Market capitalization	4.9 mil.	8.0 mil.



SUMMARY OF FINANCIAL STATEMENTS AND NOTES

The report has been prepared in accordance with IAS 34 standard. The report has been prepared in accordance with IFRS standards and interpretations that have been approved for application in the EU and are in force on 1 January 2024.

In this interim report Trainers' House has followed the same accounting policies and calculation methods as in the 2023 annual financial statements.

The figures given in the interim report are unaudited.

INCOME STATEMENT IFRS

(kEUR)

	1-9/2024	1-9/2023	1-12/2023
NET SALES	5 907	6 541	8 437
Expenses:			
Materials and services	-286	-308	-391
Personnel-related expenses	-3 947	-4 339	-5 691
Depreciation and impairment losses	-259	-405	-531
Other operating expenses	-1 348	-1 420	-1 925
Total expenses	-5 841	-6 473	-8 538
Operating result	66	68	-101
Financial income and expenses	-15	8	6
Result before taxes	51	76	-95
Income taxes	14	4	4
RESULT OF THE PERIOD	65	80	-91
Result attributable to owners of the parent company	65	80	-91
Earnings per share, EUR	0.03	0.04	-0.04
Earnings per share attributable to owners of the parent company, EUR	0.03	0.04	-0.04

**BALANCE SHEET IFRS**

(kEUR)

ASSETS	9/2024	9/2023	12/2023
Non-current assets			
Tangible assets	704	430	961
Goodwill	2 129	2 129	2 129
Other intangible assets	1 013	1 025	1 013
Long-term receivables			
Other receivables, long-term	105	138	138
Deferred tax receivables	218	204	202
Total long-term receivables	324	342	341
Total non-current assets	4 170	3 926	4 443
Current assets			
Account receivables and other receivables	1 002	942	783
Cash and cash equivalents	1 120	1 533	1 175
Total current assets	2 122	2 475	1 958
TOTAL ASSETS	6 292	6 400	6 401

(kEUR)

SHAREHOLDERS' EQUITY AND LIABILITIES	9/2024	9/2023	12/2023
Equity attributable to the owners of the parent company			
Share capital	881	881	881
Distributable non-restricted equity fund	37	37	37
Retained earnings	3 021	3 111	3 111
Result of the period	65	80	-91
Total shareholders' equity	4 004	4 109	3 939
Long-term liabilities			
Deferred tax liabilities	203	205	203
Long-term financial liabilities	420	58	631
Total long-term liabilities	622	263	833
Short-term liabilities			
Short-term financial liabilities	280	216	197
Accounts payable and other liabilities	1 386	1 812	1 432
Total short-term liabilities	1 666	2 028	1 629
Total liabilities	2 288	2 291	2 462
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6 292	6 400	6 401



CASH FLOW STATEMENT IFRS

(kEUR)	1-9/2024	1-9/2023	1-12/2023
Result of the period	65	80	-91
Adjustments	263	435	570
Changes in working capital	-169	-398	-257
Cash flow from operations before financial items and taxes	158	117	222
Financial items and taxes paid	-22	-13	-16
CASH FLOW FROM OPERATIONS	137	104	206
Investments in tangible and intangible assets	-3	-12	-12
Repayment of loan receivables	17	42	42
Interests received	5	21	21
CASH FLOW FROM INVESTMENTS	18	51	51
Repayment of lease liabilities	-128	-272	-363
Dividends paid	-82	-597	-966
CASH FLOW FROM FINANCING	-210	-869	-1 329
TOTAL CASH FLOW	-55	-714	-1 072
Opening balance of cash and cash equivalents	1 175	2 247	2 247
Closing balance of cash and cash equivalents	1 120	1 533	1 175
CHANGE IN CASH AND CASH EQUIVALENTS	-55	-714	-1 072

CHANGE IN SHAREHOLDERS' EQUITY

Equity attributable to owners of the parent company

(kEUR)	Share capital	Distributable non-restricted equity fund	Retained earnings	Total
Equity 1 January 2023	881	37	4 121	5 039
Other comprehensive income			80	80
Dividends			-1 009	-1 009
Equity 30 September 2023	881	37	3 191	4 109
Equity 1 January 2024	881	37	3 021	3 939
Other comprehensive income			65	65
Dividends			0	0
Equity 30 September 2024	881	37	3 086	4 004

RELATED PARTY TRANSACTIONS

During the period under review, Trainers' House had transactions with Causa Prima Ltd, a company controlled by Jari Sarasvuo, the Chairperson of the Board of Directors, and Pro Vividus Ltd and Anorin Liekki Ltd, which are related to the company.

The following transactions took place with related parties:

(kEUR)	1-9/2024	1-9/2023	1-12/2023
Purchases during the period	272	131	168
Liabilities at the end of the period	95	31	39



PERSONNEL	1-9/2024	1-9/2023	1-12/2023
Average number of personnel	108	115	113
Personnel at the end of the period	107	111	96
COMMITMENTS AND CONTINGENT LIABILITIES	9/2024	9/2023	12/2023
Collaterals and contingent liabilities given for own commitments (kEUR)	120	120	120
OTHER KEY FIGURES	9/2024	9/2023	12/2023
Equity ratio (%)	65.2	65.3	63.5
Shareholders' equity/share (EUR)	1.86	1.91	1.83

Calculation formulas for key figures

Earnings per share =
$$\frac{\text{Result of the period attributable to owners of the parent company}}{\text{Average number of shares adjusted for share issue in financial period}}$$

Interest-bearing net debt = Interest-bearing liabilities – cash and cash equivalents

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

Equity / Share =
$$\frac{\text{Equity}}{\text{Number of shares adjusted for share issue at the end of financial period}}$$

Items affecting the calculation of key figures

	9/2024	9/2023	12/2023
Advances received (kEUR)	154	107	198
Interest-bearing liabilities (kEUR)	700	274	828
Average number of shares adjusted for share issue in financial period (unit thousand shares)	2 148	2 148	2 148
Number of shares adjusted for share issue at the end of the financial period (unit thousand shares)	2 148	2 148	2 148

In Helsinki 24 October 2024

TRAINERS' HOUSE PLC

BOARD OF DIRECTORS

Information:

Arto Heimonen, CEO, +358 404 123 456

Saku Keskitalo, CFO, +358 404 111 111

DISTRIBUTION

Nasdaq Helsinki

Main Media

www.trainershouse.fi – For investors