



TRAINERS' HOUSE GROUP INTERIM REPORT 1 JANUARY – 31 MARCH 2024

January-March 2024 in brief

- net sales EUR 2.3 million (EUR 2.8 million), change of -18.3 % compared to the corresponding period of the previous year
- operating result EUR 0.2 million (EUR 0.4 million), 7.3 % of net sales (14.5 %)
- cash flow from operations EUR 0.2 million (EUR 0.3 million)
- earnings per share EUR 0.08 (EUR 0.19)

Key figures at the end of the first quarter of 2024

- cash and cash equivalents EUR 1.3 million (EUR 2.5 million)
- interest-bearing liabilities of EUR 0.8 million (EUR 0.4 million) and interest-bearing net debt of EUR -0.5 million (EUR -2.1 million).
- equity ratio 64.3 % (59.5 %)

OUTLOOK FOR 2024

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

CEO ARTO HEIMONEN

In the review period, acquiring new orders was challenging.

The demand for services connected to overall well-being, mental growth and creating of meanings is growing. The sales of the company's personal training products strengthened during the beginning of the year.

Additionally, there was a positive development in encounter marketing business during the first quarter of the year. The decision-makers are more enthusiastic to accept new meetings compared to the end of last year.

The operating result of 0.2 million euros for the review period was the best performance of the past four quarters. The company's cash balance strengthened at the beginning of the year.

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.

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OPERATIONAL REVIEW

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

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

The annual general meeting confirmed the number of board members as five people. Aarne Aktan, Jarmo Hyökyaara, Elma Palsila, Emilia Tauriainen and Jari Sarasvuo were re-elected as board members. In the board meeting held after the annual general meeting, the board elected Jari Sarasvuo as its chairperson.

Grant Thornton Oy was elected as the new auditor of the company. KHT Satu Peltonen is the principal responsible auditor.

FINANCIAL PERFORMANCE

Net sales for the reporting period were EUR 2.3 million (EUR 2.8 million). Operating result was EUR 0.2 million, 7.3 % of net sales (EUR 0.4 million, 14.5 %). The result for the period was EUR 0.2 million, 7.8 % of net sales (EUR 0.4 million, 15.1 %).

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

(kEUR)	1-3/2024	1-3/2023
Net sales	2 268	2 776
Expenses:		
Expenses arising from employee benefits	-1 408	-1 585
Other expenses	-600	-657
EBITDA	260	534
Depreciation and impairment losses	-93	-132
EBIT	166	403
EBIT, % of net sales	7.3	14.5
Financial income and expenses	-2	14
Result before taxes	164	417
Income taxes	13	1
Result of the period	177	418
Result, % of net sales	7.8	15.1

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)

	1-3/2024	1-3/2023
Cash flow from operations before financial items	0.2	0.3
Cash flow from operations	0.2	0.3
Cash flow from investments	0.0	0.0
Cash flow from financing	-0.1	-0.1
Total cash flow	0.1	0.2
	3/2024	3/2023
Cash	1.3	2.5
Interest-bearing debt	0.8	0.4
Equity ratio %	64.3	59.5



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, 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 could 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 112 (136) 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

	1-3/2024	1-3/2023
Traded shares, pcs	75 230	82 966
Average number of all company shares, %	3.5	3.9
Traded shares, EUR	284 566	450 690
Highest share quotation	4.88	5.82
Lowest share quotation	2.38	4.95
Closing price	2.45	5.3
Weighted average price	3.78	5.43
Market capitalization	5.3 mil.	11.4 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)

	1-3/2024	1-3/2023	1-12/2023
NET SALES	2 268	2 776	8 437
Expenses:			
Materials and services	-97	-114	-391
Personnel-related expenses	-1 408	-1 585	-5 691
Depreciation and impairment losses	-93	-132	-531
Other operating expenses	-503	-542	-1 925
Total expenses	-2 102	-2 373	-8 538
Operating result	166	403	-101
Financial income and expenses	-2	14	6
Result before taxes	164	417	-95
Income taxes	13	1	4
RESULT OF THE PERIOD	177	418	-91
Result attributable to owners of the parent company	177	418	-91
Earnings per share, EUR	0.08	0.19	-0.04
Earnings per share attributable to owners of the parent company, EUR	0.08	0.19	-0.04

**BALANCE SHEET IFRS**

(kEUR)

ASSETS	3/2024	3/2023	12/2023
Non-current assets			
Tangible assets	867	628	961
Goodwill	2 129	2 129	2 129
Other intangible assets	1 013	1 067	1 013
Long-term receivables			
Other receivables, long-term	122	155	138
Deferred tax receivables	215	207	202
Total long-term receivables	337	362	341
Total non-current assets	4 346	4 186	4 443
Current assets			
Account receivables and other receivables	860	1 063	783
Cash and cash equivalents	1 322	2 481	1 175
Total current assets	2 182	3 544	1 958
TOTAL ASSETS	6 528	7 730	6 401

(kEUR)

SHAREHOLDERS' EQUITY AND LIABILITIES	3/2024	3/2023	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	177	418	-91
Total shareholders' equity	4 116	4 447	3 939
Long-term liabilities			
Deferred tax liabilities	203	211	203
Long-term financial liabilities	561	81	631
Total long-term liabilities	764	291	833
Short-term liabilities			
Short-term financial liabilities	256	348	197
Accounts payable and other liabilities	1 392	2 643	1 432
Total short-term liabilities	1 648	2 991	1 629
Total liabilities	2 412	3 282	2 462
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6 528	7 730	6 401



CASH FLOW STATEMENT IFRS

(kEUR)	1-3/2024	1-3/2023	1-12/2023
Result of the period	177	418	-91
Adjustments	85	118	570
Changes in working capital	-38	-205	-257
Cash flow from operations before financial items and taxes	225	331	222
Financial items and taxes paid	-6	-1	-16
CASH FLOW FROM OPERATIONS	218	330	206
Investments in tangible and intangible assets	0	-8	-12
Repayment of loan receivables	17	24	42
Interests received	5	15	21
CASH FLOW FROM INVESTMENTS	21	31	51
Repayment of lease liabilities	-11	-88	-363
Dividends paid	-82	-38	-966
CASH FLOW FROM FINANCING	-92	-126	-1 329
TOTAL CASH FLOW	147	234	-1 072
Opening balance of cash and cash equivalents	1 175	2 247	2 247
Closing balance of cash and cash equivalents	1 322	2 481	1 175
CHANGE IN CASH AND CASH EQUIVALENTS	147	234	-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 in-come			418	418
Dividends			-1 009	-1 009
Equity 31 March 2023	881	37	3 529	4 447
Equity 1 January 2024	881	37	3 021	3 939
Other comprehensive in-come			177	177
Dividends			0	0
Equity 31 March 2024	881	37	3 198	4 116

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)	1-3/2024	1-3/2023	1-12/2023
Purchases during the period	140	53	168
Liabilities at the end of the period	0	0	39



PERSONNEL	1-3/2024	1-3/2023	1-12/2023
Average number of personnel	113	130	113
Personnel at the end of the period	112	136	96
COMMITMENTS AND CONTINGENT LIABILITIES	3/2024	3/2023	12/2023
Collaterals and contingent liabilities given for own commitments (kEUR)	120	140	120
OTHER KEY FIGURES	3/2024	3/2023	12/2023
Equity ratio (%)	64.3	59.5	63.5
Shareholders' equity/share (EUR)	1.92	2.07	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

	3/2024	3/2023	12/2023
Advances received (kEUR)	130	250	198
Interest-bearing liabilities (kEUR)	817	429	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 25 April 2024

TRAINERS' HOUSE PLC

BOARD OF DIRECTORS

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DISTRIBUTION

Nasdaq Helsinki

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www.trainershouse.fi – For investors