



## TRAINERS' HOUSE GROUP INTERIM REPORT 1 JANUARY – 31 MARCH 2023

### January-March 2023 in brief

- net sales EUR 2.8 million (EUR 2.7 million), change of 3.3 % compared to the corresponding period of the previous year
- operating result EUR 0.4 million (EUR 0.4 million), 14.5% of net sales (13.4%)
- cash flow from operations EUR 0.3 million (EUR 0.3 million)
- earnings per share EUR 0.19 (EUR 0.17\*)

\*In the second quarter of 2022, the number of the company's shares changed as a result of the reverse split and the related directed free share issue. The share-specific key figures in the release have been reported according to the number of shares on 31 March 2023 also for the comparison period.

### Key figures at the end of the first quarter of 2023

- cash and cash equivalents EUR 2.5 million (EUR 3.5 million)
- interest-bearing liabilities of EUR 0.4 million (EUR 0.6 million) and interest-bearing net debt of EUR -2.1 million (EUR -2.9 million).
- equity ratio 59.5 % (54.7 %)

### OUTLOOK FOR 2023

The company estimates the operating profit for 2023 to be between EUR -0,4 and 0.4 million.

### CEO ARTO HEIMONEN

The result of the first quarter of the year was good. Especially the development of Training business was delightful.

We had more than two hundred customer calls on average per week. Many thanks to the employees.

There has been a significant change in the company's results after the first quarter.

Due to the weakened market conditions for some time now, the outlook for the end of the year has decreased. It has become more difficult to acquire new assignments, which affects the turnover accumulated at the end of the year. At the same time, the profitability outlook of the Ignis business has fallen, because it takes more time to arrange the meetings that the company organizes for its customers compared to before. For the reasons mentioned above, the company reduced its profit outlook for the entire year 2023.

The company will initiate change negotiations in Trainers' House Plc to reduce a maximum of seven people.

More work needs to be done to get new assignments. It is important that the number of customer encounters is kept high. Also, the importance of impact on people is emphasized.

Healthy cash flow and profitability are the most important goals of the company's business in 2023 as well. In the current year, the company will take the necessary actions to improve growth and profitability in the coming years.

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

Thank you to customers and all stakeholders.

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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 29 March 2023 in Helsinki. The annual general meeting decided, in accordance with the board's proposal, that the company will distribute a dividend of EUR 0.47 per each company share. The dividend will be paid in two installments so that EUR 0.26 will be paid on 26 April 2023 (dividend payment record date 19 April 2023) and EUR 0.21 will be paid on 21 December 2023 (dividend payment record date 14 December 2023).

The annual general meeting confirmed the number of the Board of Directors as five. Aarne Aktan, Jarmo Hyökyvaara, Elma Palsila and Jari Sarasvuo were re-elected as members, and Emilia Tauriainen as a new member to 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.

## FINANCIAL PERFORMANCE

Net sales for the reporting period were EUR 2.8 million (EUR 2.7 million). Operating result was EUR 0.4 million, 14.5 % of net sales (EUR 0.4 million, 13.4 %). The result for the period was EUR 0.4 million, 15.1 % of net sales (EUR 0.4 million, 13.3 %).

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

(kEUR)	1-3/2023	1-3/2022
<b>Net sales</b>	<b>2 776</b>	<b>2 687</b>
Other operating income	0	6
Expenses:		
Expenses arising from employee benefits	-1 585	-1 580
Other expenses	-657	-638
<b>EBITDA</b>	<b>534</b>	<b>475</b>
Depreciation and impairment losses	-132	-114
<b>EBIT</b>	<b>403</b>	<b>361</b>
EBIT, % of net sales	14.5	13.4
Financial income and expenses	14	-4
<b>Result before taxes</b>	<b>417</b>	<b>358</b>
Income taxes	1	1
<b>Result of the period</b>	<b>418</b>	<b>358</b>
Result, % of net sales	15.1	13.3

## 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)

	1-3/2023	1-3/2022
Cash flow from operations before financial items	0.3	0.3
Cash flow from operations	0.3	0.3
Cash flow from investments	0.0	0.0
Cash flow from financing	-0.1	-0.1
<b>Total cash flow</b>	<b>0.2</b>	<b>0.1</b>
	3/2023	3/2022
Cash	2.5	3.5
Interest-bearing debt	0.4	0.6
Equity ratio %	59.5	54.7



## 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.

Changes in the openness of Europe, the freedom of world trade and the world political situation affect the exports of Finnish companies, which is reflected in the demand of the domestic market.

High inflation and the resulting increase in interest rates have a negative effect on economic activity.

The constant competition for the best employees affects recruitment and the commitment of key personnel.

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 well-being.

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 1.1 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](http://www.trainershouse.fi).



## PERSONNEL

At the end of the review period, the Group had 136 (114) 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 29 March 2023 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 2022.

The annual general meeting decided, in accordance with the board's proposal, that the company will distribute a dividend of EUR 0.47 per each company share. The dividend will be paid in two installments so that EUR 0.26 will be paid on 26 April 2023 (dividend payment record date 19 April 2023) and EUR 0.21 will be paid on 21 December 2023 (dividend payment record date 14 December 2023). The dividend is paid to the shareholder who is entered in the company's shareholder register on the record date of the dividend payment.

Aarne Aktan, Jarmo Hyökyvaara, Elma Palsila and Jari Sarasvuo were re-elected as members, and Emilia Tauriainen as a new member to 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 2,500 per month and the chairperson's remuneration will be EUR 4,500 per month.

Ernst & Young Oy was re-elected as the company's auditor. The remuneration to the auditor is paid according to the auditor's reasonable invoice.

The annual general meeting decided on amending Article 12 of the Articles of Association so that the general meeting can be held without a physical meeting place as a remote meeting. A new paragraph will be added to Article 12 of the Articles of Association, which will read in its entirety as follows:

"The board can decide that the general meeting is held without a meeting place whereby the shareholders shall exercise their power of decision in full in real-time during the meeting using telecommunication connection and technical means (remote meeting)."

## SHARES AND SHARE CAPITAL

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

In the second quarter of 2022, the number of the company's shares changed as a result of the reverse split and the directed free share issue. The change in the number of shares took place on 1 April 2022 after the end of trading, and trading in the new number of shares and the ISIN code began on 4 April 2022. The current number of shares of Trainers' House is 2,147,826. The share-specific data for the comparison period have been adjusted due to the reverse split.

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

During the period under review, a total of 83 thousand shares, or 3,9 % of the average number of all company shares (322 thousand shares, 15.0 %), were traded on Nasdaq Helsinki for a value of EUR 451 thousand (EUR 2.4 million). The period's highest share quotation was EUR 5.82 (EUR 9.40), the lowest EUR 4.95 (EUR 6.60) and the closing price EUR 5.30 (EUR 9.20). The weighted average price was EUR 5.43 (EUR 7.57). At the closing price on 31 March 2023, the company's market capitalization was EUR 11.4 million (EUR 19.8 million).



## 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 2023.

In this interim report Trainers' House has followed the same accounting policies and calculation methods as in the 2022 annual financial statements.

The figures given in the interim report are unaudited.

## INCOME STATEMENT IFRS

(kEUR)

	1-3/2023	1-3/2022	1-12/2022
<b>NET SALES</b>	<b>2 776</b>	<b>2 687</b>	<b>9 753</b>
Other operating income	0	6	6
Expenses:			
Materials and services	-114	-110	-484
Personnel-related expenses	-1 585	-1 580	-6 146
Depreciation and impairment losses	-132	-114	-491
Other operating expenses	-542	-528	-2 064
Total expenses	-2 373	-2 332	-9 185
<b>Operating result</b>	<b>403</b>	<b>361</b>	<b>574</b>
Financial income and expenses	14	-4	-15
<b>Result before taxes</b>	<b>417</b>	<b>358</b>	<b>559</b>
Income taxes	1	1	22
<b>RESULT OF THE PERIOD</b>	<b>418</b>	<b>358</b>	<b>581</b>
Result attributable to owners of the parent company	418	358	581
Earnings per share, EUR*	0.19	0.17	0.27
Earnings per share attributable to owners of the parent company, EUR*	0.19	0.17	0.27

\*In the second quarter of 2022, the number of the company's shares changed as a result of the reverse split and the related directed free share issue. The share-specific key figures in the release have been reported according to the number of shares on 31 March 2023 also for the comparison period.

**BALANCE SHEET IFRS**

(kEUR)

ASSETS	3/2023	3/2022	12/2022
Non-current assets			
Tangible assets	628	807	730
Goodwill	2 129	2 129	2 129
Other intangible assets	1 067	1 153	1 089
Long-term receivables			
Other receivables, long-term	155	106	172
Deferred tax receivables	207	200	208
Total long-term receivables	362	306	380
<b>Total non-current assets</b>	<b>4 186</b>	<b>4 395</b>	<b>4 328</b>
Current assets			
Account receivables and other receivables	1 063	1 182	1 183
Cash and cash equivalents	2 481	3 513	2 247
<b>Total current assets</b>	<b>3 544</b>	<b>4 695</b>	<b>3 430</b>
<b>TOTAL ASSETS</b>	<b>7 730</b>	<b>9 090</b>	<b>7 758</b>

(kEUR)

SHAREHOLDERS' EQUITY AND LIABILITIES	3/2023	3/2022	12/2022
Equity attributable to the owners of the parent company			
Share capital	881	881	881
Distributable non-restricted equity fund	37	37	37
Retained earnings	3 111	3 540	3 540
Result of the period	418	358	581
<b>Total shareholders' equity</b>	<b>4 447</b>	<b>4 816</b>	<b>5 039</b>
Long-term liabilities			
Deferred tax liabilities	211	227	213
Long-term financial liabilities	81	364	180
<b>Total long-term liabilities</b>	<b>291</b>	<b>590</b>	<b>394</b>
Short-term liabilities			
Short-term financial liabilities	348	282	337
Accounts payable and other liabilities	2 643	3 401	1 989
<b>Total short-term liabilities</b>	<b>2 991</b>	<b>3 683</b>	<b>2 326</b>
<b>Total liabilities</b>	<b>3 282</b>	<b>4 274</b>	<b>2 719</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7 730</b>	<b>9 090</b>	<b>7 758</b>



## CASH FLOW STATEMENT IFRS

(kEUR)	1-3/2023	1-3/2022	1-12/2022
Result of the period	418	358	581
Adjustments	118	116	490
Changes in working capital	-205	-174	-74
Cash flow from operations before financial items and taxes	331	300	997
Financial items and taxes paid	-1	-4	-16
<b>CASH FLOW FROM OPERATIONS</b>	<b>330</b>	<b>296</b>	<b>982</b>
Investments in tangible and intangible assets	-8	-44	-163
Granted loans	0	0	-122
Repayment of loan receivables	24	0	0
Interests received	15	0	0
<b>CASH FLOW FROM INVESTMENTS</b>	<b>31</b>	<b>-44</b>	<b>-285</b>
Repayment of lease liabilities	-88	-80	-326
Dividends paid*	-38	-38	-1 503
<b>CASH FLOW FROM FINANCING</b>	<b>-126</b>	<b>-117</b>	<b>-1 828</b>
<b>TOTAL CASH FLOW</b>	<b>234</b>	<b>135</b>	<b>-1 131</b>
Opening balance of cash and cash equivalents	2 247	3 378	3 378
Closing balance of cash and cash equivalents	2 481	3 513	2 247
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>234</b>	<b>135</b>	<b>-1 131</b>

\* The comparative figures 3/2022 for dividends paid have been adjusted -38kEUR related to withholding taxes paid during 3/2022. The corresponding change is reflected in the change in working capital.

## 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 2022	881	37	5 043	5 961
Other comprehensive income			358	358
Dividends			-1 503	-1 503
Equity 31 March 2022	881	37	3 898	4 816
Equity 1 January 2023	881	37	4 121	5 039
Other comprehensive income			418	418
Dividends			-1 009	-1 009
Equity 31 March 2023	881	37	3 529	4 447

## 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:

	1-3/2023	1-3/2022	1-12/2022
Purchases during the period	53	94	245
Liabilities at the end of the period	0	47	53



<b>PERSONNEL</b>	1-3/2023	1-3/2022	1-12/2022
Average number of personnel	130	114	128
Personnel at the end of the period	136	114	131

<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>	3/2023	3/2022	12/2022
Collaterals and contingent liabilities given for own commitments	140	136	140

<b>OTHER KEY FIGURES</b>	3/2023	3/2022	12/2022
Equity ratio (%)	59.5	54.7	68.9
Shareholders' equity/share (EUR)*	2.07	2.24	2.35

\*In the second quarter of 2022, the number of the company's shares changed as a result of the reverse split and the related directed free share issue. The share-specific key figures in the release have been reported according to the number of shares on 31 March 2023 also for the comparison period.

#### 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

	3/2023	3/2022	12/2022
Advances received (kEUR)	250	283	449
Interest-bearing liabilities (kEUR)	429	646	517
Average number of shares adjusted for share issue in financial period (unit thousand shares)*	2148	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 the second quarter of 2022, the number of the company's shares changed as a result of the reverse split and the related directed free share issue. The share-specific key figures in the release have been reported according to the number of shares on 31 March 2023 also for the comparison period.

In Helsinki 27 April 2023

#### TRAINERS' HOUSE PLC

##### BOARD OF DIRECTORS

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##### DISTRIBUTION

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