



TRAINERS' HOUSE GROUP INTERIM REPORT 1 JANUARY – 31 MARCH 2022

Trainers' House: good profitability and excellent customer activity.

January-March 2022 in brief

- net sales EUR 2.7 million (EUR 2.8 million), change of -2.7 % compared to the corresponding period of the previous year
- operating profit EUR 0.4 million (EUR 0.6 million), 13.4 % of net sales (20.2 %)
- operating result EUR 0.4 million (EUR 0.6 million), 13.4 % of net sales (20.2 %)
- cash flow from operations EUR 0.3 million (EUR 0.3 million)
- earnings per share EUR 0.02 (EUR 0.03)

*Number of shares changed after the review period. Figures per share in the release reported according to the number of shares on 31 March 2022.

Key figures at the end of the first quarter of 2022

- cash and cash equivalents EUR 3.5 million (EUR 3.4 million)
- interest-bearing liabilities of EUR 0.6 million (EUR 1.0 million) and interest-bearing net debt of EUR -2.9 million (EUR -2.4 million).
- equity ratio 54.7 % (69.5 %)

OUTLOOK FOR 2022

The company estimates that the operating result for 2022 will be EUR 1.0-1.5 million.

CEO ARTO HEIMONEN

Uncertainty in the operational environment increased in the early part of the year following Russia's invasion into Ukraine. Despite this, customers bought the company's services as much as a year earlier.

The work of creating a market for the customers of the subsidiary Ignis Oy became more efficient. Business decision makers are keen on accepting meetings.

Trainers' House continued reforming its business model. The company commercialized products that deliver continuous customer value and billing, such as Growth Academy and Lean Leadership – education, progression, and physical training. In addition, the company began testing solutions leveraged with customer financing during the review period. The company also continued recruiting in accordance with its business model.

As compensation for the risk of the owners, the company decided to pay a total dividend of EUR 1.5 million in two installments in 2022 in accordance with its dividend policy. The first part of dividend was paid in April.

Healthy cash flow and profitability will remain as the most important business goals also in 2022. The company will continue to strengthen its Ignis business and increasing the flow efficiency of its training operations. In the media business, the company is looking for breakthroughs.

Customer activity and the personnel's morale were at a high level. A warm thank you.

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OPERATIONAL REVIEW

The business impact of the Covid 19-pandemic decreased during the review period compared to the previous year. In the new normal situation, the majority of customer meetings are still carried out remotely.

Due to the Covid 19-pandemic, the Annual General Meeting was held on 30 March 2022 with exceptional arrangements. In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to cut the number of shares in the company to one tenth of the previous number and to carry out a directed share issue to avoid a fraction of the shares. In addition, in accordance with the proposal of the Board of Directors, the Annual General Meeting decided that the company will pay a dividend of EUR 0.70 for each share in the company after the merger described above. The dividend will be paid in two installments, with EUR 0.60 to be paid on 14 April 2022 (record date for dividend payment on 7 April 2022) and EUR 0.10 to be paid on 22 December 2022 (record date for dividend payment on 15 December 2022). The Annual General Meeting confirmed the number of Board members as four. Aarne Aktan, Jarmo Hyökyvaara, Jari Sarasvuo and Elma Palsila were elected as members. At the inaugural meeting held after the Annual General Meeting, the Board elected Jari Sarasvuo as its Chairperson.

FINANCIAL PERFORMANCE

Net sales for the reporting period were EUR 2.7 million (EUR 2.8 million). Operating profit was EUR 0.4 million, 13.5 % of net sales (EUR 0.6 million, 20.2 %). The result for the period was EUR 0.4 million, 13.3 % of net sales (EUR 0.6 million, 20.1 %).

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

(kEUR)	1-3/2022	1-3/2021
Net sales	2 687	2 762
Other operating income	6	0
Expenses:		
Personnel-related expenses	-1 580	-1 382
Other expenses	-638	-692
EBITDA	475	688
Depreciation and impairment losses	-114	-129
EBIT	361	559
EBIT % of net sales	13.4 %	20.2 %
Financial income and expenses	-4	-7
Profit before taxes	358	553
Income taxes	1	3
Profit for the period	358	556
Profit % of net sales	13.3 %	20.1 %

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)

	1-3/2022	1-3/2021
Cash flow from operations before financial items	0,3	0,3
Cash flow from operations after financial items	0,3	0,3
Cash flow from investments	0.0	-0.1
Cash flow from financing	-0.1	-0.1
Total cash flow	0.1	0.1
	3/2022	3/2021
Cash	3,5	3,4
Interest-bearing debt	0,6	1,0
Equity ratio %	54,7 %	69,5 %



MAJOR RISKS AND UNCERTAINTIES

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

The general economic situation involves significant risks internationally and in Finland. The evolution of the Covid 19-pandemic and its impact on economic activity remains uncertain. The tense world political situation can cause rapid changes in the operating environment. Rising inflation could lead to a faster-than-expected tightening of monetary policy. The overheating of the labor market makes it difficult to recruit and retain key personnel. When the above risks materialize alone or together, they significantly affect the company's operations.

Changes in Europe's openness, freedom in world trade, and the world political situation affect the exports of Finnish companies, which is reflected in domestic demand. This is reflected in the number of assignments of Trainers' House.

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 1.2 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 114 (111) employees. As before, the company's definition is to report 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 30 March 2022, in Helsinki with exceptional arrangements due to the Covid 19-pandemic. Shareholders and their proxies had the opportunity to attend the Annual General Meeting and exercise their rights only by voting in advance and submitting counterproposals and questions in advance. Attending the meeting on the spot was not possible.

The meeting approved the financial statements and consolidated financial statement for the financial year 2021 and discharged the CEO and the members of the Board of Directors from liability. The Annual General Meeting also approved the presented remuneration report for the institutions.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that the number of the company's shares will be reduced without reducing the share capital in accordance with Chapter 15, Section 9 of the Companies Act by merging each ten shares into one share. The purpose of the share consolidation is to improve the conditions for trading and to increase flexibility in the distribution of dividends. The combination of shares will not affect the company's equity.

In order to avoid the creation of fractions of shares, the Board of Directors was authorized to decide on a directed share issue in which the company's new shares will be transferred free of charge by dividing the number of shares according to each shareholder's book-entry account by ten. The maximum number of new shares issued by the company is a maximum of 10,000 new shares. The company's Board of Directors has the right to decide on the exact number of new shares to be issued and on all other matters related to the issue of shares. The authorization is valid until 30 June 2022.

The merger will be carried out in such a way that, at the same time as the above-mentioned new shares are issued, the company will redeem free of charge from all shareholders the number of shares in each shareholder's book-entry account multiplied by 9/10, nine shares will be redeemed. The number of shares held by a shareholder is estimated on a book-entry basis. Shares redeemed free of charge will be cancelled immediately upon redemption. The date of the share combination is 1 April 2022. The combination of shares will take place on the day of the combination in the book-entry system after the end of stock exchange trading. If necessary, trading in the company's share on Nasdaq Helsinki Ltd will be suspended in order to make technical arrangements in the trading system after the date of the merger. The cancellation of the shares and the new total number will be registered in the Trade Register by approximately 4 April 2022, and trading in the new total number of the company's shares will begin under the new ISIN code on 4 April 2022. The company's Board of Directors has the right to decide on all other matters related to the redemption of shares. The arrangement does not require any action from shareholders.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that the company will pay a dividend of EUR 0.70 for each share after the merger of shares described above. The dividend will be paid in two installments, with EUR 0.60 to be paid on 14 April 2022 (record date for dividend payment on 7 April 2022) and EUR 0.10 to be paid on 22 December 2022 (record date for dividend payment on 15 December 2022). The dividend will be paid to a shareholder who is entered in the company's shareholder register on the record date of the dividend payment.

The number of Board members was confirmed to be four (4). Aarne Aktan, Jarmo Hyökyaara, Jari Sarasvuo and Elma Palsila were elected as members. At the inaugural meeting held after the Annual General Meeting, the Board elected Jari Sarasvuo as its Chairperson.

The Annual General Meeting decided on a remuneration of EUR 1,500 per month for the Board member and EUR 3,500 per month for the Chairperson.

Ernst & Young Oy was re-elected as the company's auditor. The auditor is remunerated 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 21,471,412 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.

After the review period, 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 new number of shares of Trainers' House is 2,147,826.



Share performance and trading

During the period under review, a total of 3.2 million shares, or 15.0 % of the average number of all company shares (2.5 million shares, 11.6 %), were traded on the Helsinki Stock Exchange for a value of EUR 2.4 million (EUR 1.2 million). The period's highest share quotation was EUR 0.94 (EUR 0.70), the lowest EUR 0.66 (EUR 0.36) and the closing price EUR 0.92 (EUR 0.65). The weighted average price was EUR 0.76 (EUR 0.48). At the closing price on 31 March 2022, the company's market capitalization was EUR 19.8 million (EUR 13.8 million).

SUMMARY OF FINANCIAL STATEMENTS AND NOTES

The report has been prepared in accordance with IAS 34. 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 2022.

In this financial statement bulletin, Trainers' House has followed the same accounting policies and calculation methods as in the 2021 annual financial statements.

The figures given in the interim report are unaudited.

INCOME STATEMENT IFRS

(kEUR)

	1-3/2022	1-3/2021	1-12/2021
NET SALES	2 687	2 762	10 340
Other operating income	6	0	0
Expenses:			
Materials and services	-110	-202	-717
Personnel-related expenses	-1 580	-1 382	-5 916
Depreciation and impairment losses	-114	-129	-535
Other operating expenses	-528	-489	-1 856
Total expenses	-2 332	-2 203	-9 024
Operating result	361	559	1 316
Financial income and expenses	-4	-7	-26
Profit before taxes	358	553	1 291
Income taxes	1	3	0
PROFIT FOR THE PERIOD	358	556	1 291
Profit attributable to owners of the parent company	358	556	1 291
Earnings per share, EUR	0,02	0,03	0,06
Earnings per share attributable to owners of the parent company, EUR	0,02	0,03	0,06

**BALANCE SHEET IFRS**

(kEUR)

ASSETS	3/2022	3/2021	12/2021
Non-current assets			
Tangible assets	807	1 088	907
Goodwill	2 129	2 129	2 129
Other intangible assets	1 153	1 165	1 123
Long-term receivables			
Other receivables, long-term	106	0	104
Deferred tax receivables	200	203	200
Total long-term receivables	306	204	304
Total non-current assets	4 395	4 587	4 463
Current assets			
Inventories	0	6	0
Account receivables and other receivables	1 182	1 485	1 045
Cash and cash equivalents	3 513	3 390	3 378
Total current assets	4 695	4 881	4 424
TOTAL ASSETS	9 090	9 468	8 887

(kEUR)

SHAREHOLDERS' EQUITY AND LIABILITIES	3/2022	3/2021	12/2021
Equity attributable to the owners of the parent company			
Share capital	881	881	881
Distributable non-restricted equity fund	37	37	37
Retained earnings	3 540	4 826	3 752
Profit for the period	358	556	1 291
Total shareholders' equity	4 816	6 300	5 961
Long-term liabilities			
Deferred tax liabilities	227	233	229
Long-term financial liabilities	364	621	408
Other long-term liabilities	0	0	0
Total long-term liabilities	590	854	637
Short-term liabilities			
Short-term financial liabilities	282	331	317
Accounts payable and other liabilities	3 401	1 983	1 971
Total short-term liabilities	3 683	2 315	2 288
Total liabilities	4 274	3 168	2 925
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9 090	9 468	8 887



CASH FLOW STATEMENT IFRS

(kEUR)	1-3/2022	1-3/2021	1-12/2021
Profit for the period	358	556	1 291
Adjustments to profit for the period	116	133	543
Changes in working capital	-212	-358	-11
Cash flow from operations before financial items and taxes	262	330	1 823
Financial items and taxes	-4	-7	-30
CASH FLOW FROM OPERATIONS	258	323	1 793
Investments in tangible and intangible assets	-44	-107	-175
CASH FLOW FROM INVESTMENTS	-44	-107	-175
Repayment of lease liabilities	-80	-94	-433
Dividends paid	0	0	-1 074
CASH FLOW FROM FINANCING	-80	-94	-1 507
TOTAL CASH FLOW	135	123	111
Opening balance of cash and cash equivalents	3 378	3 267	3 267
Closing balance of cash and cash equivalents	3 513	3 390	3 378
CHANGE IN CASH AND CASH EQUIVALENTS	135	123	111

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 2021	881	37	4 826	5 744
Other comprehensive income			556	556
Dividends paid			0	0
Equity 31 March 2021	881	37	5 382	6 300
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

RELATED PARTY TRANSACTIONS

During the period under review, Trainers' House had transactions with Causa Prima Ltd, a company controlled by Jari Sarasvuo, a member 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:

	1-3/2022	1-3/2021	1-12/2021
Purchases	94	37	164
	3/2022	3/2021	12/2021
Liabilities at the end of the period	47	41	45

**RESTRUCTURING PROVISION**

(kEUR)	3/2022	3/2021	12/2021
Provisions at the beginning of the period	0	17	17
Provisions used	0	-3	-17
Provisions at the end of the period	0	14	0

PERSONNEL*

	1-3/2022	1-3/2021	1-12/2021
Average number of personnel	114	108	118
Personnel at the end of the period	114	111	126

*Converted to full-time employees

COMMITMENTS AND CONTINGENT LIABILITIES

	3/2022	3/2021	12/2021
Collaterals and contingent liabilities given for own commitments	136	134	136

OTHER KEY FIGURES

	3/2022	3/2021	12/2021
Equity ratio (%)	54,7 %	69,5 %	69,8 %
Shareholders' equity/share (EUR)	0,22	0,29	0,28

Calculation formulas for key figures

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

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

	3/2022	3/2021	12/2021
Advances received (kEUR)	283	402	344
Interest-bearing liabilities (kEUR)	646	952	725
Average number of shares adjusted for share issue in financial period (unit thousand shares)	21 471	21 471	21 471
Number of shares adjusted for share issue at the end of the financial period (unit thousand shares)	21 471	21 471	21 471

In Helsinki 28.4.2022

TRAINERS' HOUSE PLC

BOARD OF DIRECTORS

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DISTRIBUTION

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www.trainershouse.fi – For investors