



TRAINERS' HOUSE GROUP FINANCIAL STATEMENT RELEASE 1 JANUARY – 31 DECEMBER 2022

January-December 2022 in brief

- net sales EUR 9.8 million (EUR 10.3 million), change of -5.7 % compared to the corresponding period of the previous year
- operating result EUR 0.6 million (EUR 1.3 million), 5.9 % of net sales (12.7 %)
- cash flow from operations EUR 1.0 million (EUR 1.8 million)
- earnings per share* EUR 0.27 (EUR 0.60)

October-December 2022 in brief

- net sales EUR 2.5 million (EUR 2.8 million), change of -12.0 % compared to the corresponding period of the previous year
- operating result EUR 0.1 million (EUR 0.2 million), 3.1 % of net sales (8.9 %)
- cash flow from operations EUR 0.5 million (EUR 0.7 million)
- earnings per share* EUR 0.04 (EUR 0.11)

*In the second quarter, 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 30 September 2022 also for the comparison period.

Key figures at the end of 2022

- cash and cash equivalents EUR 2.2 million (EUR 3.4 million)
- interest-bearing liabilities of EUR 0.5 million (EUR 0.7 million) and interest-bearing net debt of EUR -1.7 million (EUR (-2.7 million)).
- equity ratio 68.9 % (69.8 %)

OUTLOOK FOR 2023

The company estimates the operating profit for 2023 to be EUR 0.2–0.8 million.

PROPOSAL BY THE BOARD OF DIRECTORS FOR DISTRIBUTION OF DIVIDEND

Trainers' House aims to be a company that brings frequent and predictable returns to investors.

As stated earlier, the company's goal is to distribute dividends in more than one installment totaling 1.0–1.5 million euros per year. Profit distribution decisions are based on the current year's proposal of Board of Directors to the general meeting and the decisions of the general meeting. Boundary conditions for the distribution of profit in accordance with the goal are a profitable business, a strong cash flow, the ability to make required investments in growth and a stable outlook for the future.

At the end of the fiscal year 2022, the distributable funds of the group's parent company are 2.7 million euros.

The Board of Directors proposes to the Annual General Meeting on 29 March 2023 that from the retained earnings a dividend of EUR 0.47 per share be paid out on the shares of the Company.

The dividend will be paid in two instalments:

- EUR 0.26 on 26 April 2023 (record date 19 April 2023)
- EUR 0.21 on 21 December 2023 (record date 14 December 2023)

The dividend will be paid to shareholders registered in the register of shareholders of the company on the record date of the dividend payment.



CEO ARTO HEIMONEN

We did not reach our goals in 2022. The target is higher net sales and better profitability.

There were clearly more value creation starting points, in other words customer encounters, compared to the previous year. The company's access to the customers is exceptionally good. The team met customers actively, even though the number of new assignments decreased compared to 2021. The team's effort was of a high standard. Many thanks to the employees.

The company streamlined its implementation process, which customers appreciated. The recommendation rate for us given by customers was over 90%. The work still needs to be continued.

Despite the difficult labour market situation, the company succeeded in keeping its key personnel and recruiting new employees. In addition, new opportunities within the group opened for dozens of current employees.

In 2023, the company will continue active recruitment, especially for future professionals in the early stages of their careers, for a year-long paid on-the-job training program. During the review period, the company also invited its customers to participate the Growth Academy leadership program. Its main theme is to help people forward both as a person and professional. The Growth Academy has been in operation since 2007. More than 2 000 people have graduated from the program.

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.

More information:

Arto Heimonen, CEO, +358 404 123 456

Saku Keskitalo, CFO, +358 404 111 111

OPERATIONAL REVIEW

The first half of 2022 was good for the company, the latter more difficult. This was caused by the difficulty of acquiring new assignments. Trainers' House Group's net sales decreased by six percent. The turnover was 9.8 million euros. Operating profit was 0.6 million euros, which is six percent of turnover. The profitability of Ignis services was good.

The company continued its active investor communication by arranging a capital markets day and publishing financial information about the 2022 performance quarterly, also in English.

In the second quarter the company carried out a merger of its shares (a so-called reverse split) in such a way that every ten shares were merged into one share. At the same time, a directed free share issue was implemented to avoid the creation of fractional shares. The purpose of combining the shares was to improve the trading conditions of the company's shares and to increase flexibility in connection with the distribution of dividends. The share-specific information in the financial statement release has been adjusted due to the reverse split and directed free share issue also for the comparison period.



FINANCIAL PERFORMANCE

Net sales for the reporting period were EUR 9.8 million (EUR 10.3 million). Operating result was EUR 0.6 million, 5.9 % of net sales (EUR 1.3 million, 12.7 %). The result for the period was EUR 0.6 million, 6.0 % of net sales (EUR 1.3 million, 12.5 %).

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

(kEUR)	1-12/2022	1-12/2021
Net sales	9 753	10 340
Other operating income	6	0
Expenses:		
Expenses arising from employee benefits	-6 146	-5 916
Other expenses	-2 548	-2 574
EBITDA	1 065	1 851
Depreciation and impairment losses	-491	-535
EBIT	574	1 316
EBIT, % of net sales	5.9	12.7
Financial income and expenses	-15	-26
Result before taxes	559	1 291
Income taxes	22	0
Result of the period	581	1 291
Result, % of net sales	6.0	12.5

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)

	1-12/2022	1-12/2021
Cash flow from operations before financial items	1.0	1.8
Cash flow from operations	1.0	1.8
Cash flow from investments	-0.3	-0.2
Cash flow from financing	-1.8	-1.5
Total cash flow	-1.1	0.1

	12/2022	12/2021
Cash	2.2	3.4
Interest-bearing debt	0.5	0.7
Equity ratio %	68.9	69.8



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 evolution of the Covid 19-pandemic and its impact on economic activity still contains uncertainties.

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 expen-

ses 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.



PERSONNEL

At the end of the review period, the Group had 131 (126) 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 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).

In the second quarter, 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. The share-specific data for the comparison period and the beginning of the year 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 613 thousand shares, or 28.6 % of the average number of all company shares (1 033 thousand shares, 48.1 %), were traded on Nasdaq Helsinki for a value of EUR 4.3 million (EUR 7.2 million). The period's highest share quotation was EUR 9.80 (EUR 10.85), the lowest EUR 4.80 (EUR 3.60) and the closing price EUR 4.96 (EUR 7.80). The weighted average price was EUR 7.01 (EUR 7.01). At the closing price on 31 December 2022, the company's market capitalization was EUR 10.7 million (EUR 16.7 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 2022.

In this interim report Trainers' House has followed the same accounting policies and calculation methods as in the 2021 annual financial statements, except for the new and amended standards that have come into force on 1 January 2022 .

The figures given in the interim report are unaudited.

INCOME STATEMENT IFRS

(kEUR)

	1-12/2022	10-12/2022	1-12/2021	10-12/2021
NET SALES	9 753	2 469	10 340	2 807
Other operating income	6	0	0	0
Expenses:				
Materials and services	-484	-122	-717	-185
Personnel-related expenses	-6 146	-1 600	-5 916	-1 700
Depreciation and impairment losses	-491	-147	-535	-146
Other operating expenses	-2 064	-524	-1 856	-526
Total expenses	-9 185	-2 393	-9 024	-2 558
Operating result	574	76	1 316	249
Financial income and expenses	-15	-5	-26	-8
Result before taxes	559	71	1 291	241
Income taxes	22	17	0	-9
RESULT OF THE PERIOD	581	89	1 291	232
Result attributable to owners of the parent company	581	89	1 291	232
Earnings per share, EUR*	0.27	0.04	0.60	0.11
Earnings per share attributable to owners of the parent company, EUR*	0.27	0.04	0.60	0.11

*In the second quarter, 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 December 2022 also for the comparison period.

**BALANCE SHEET IFRS**

(kEUR)	Group	Group
ASSETS	12/2022	12/2021
Non-current assets		
Tangible assets	730	907
Goodwill	2 129	2 129
Other intangible assets	1 089	1 123
Long-term receivables		
Other receivables, long-term	172	104
Deferred tax receivables	208	200
Total long-term receivables	380	304
Total non-current assets	4 328	4 463
Current assets		
Account receivables and other receivables	1 183	1 045
Cash and cash equivalents	2 247	3 378
Total current assets	3 430	4 424
TOTAL ASSETS	7 758	8 887

(kEUR)	Group	Group
SHAREHOLDERS' EQUITY AND LIABILITIES	12/2022	12/2021
Equity attributable to the owners of the parent company		
Share capital	881	881
Distributable non-restricted equity fund	37	37
Retained earnings	3 540	3 752
Result of the period	581	1 291
Total shareholders' equity	5 039	5 961
Long-term liabilities		
Deferred tax liabilities	213	229
Long-term financial liabilities	180	408
Total long-term liabilities	394	637
Short-term liabilities		
Short-term financial liabilities	337	317
Accounts payable and other liabilities	1 989	1 971
Total short-term liabilities	2 326	2 288
Total liabilities	2 719	2 925
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7 758	8 887



CASH FLOW STATEMENT IFRS

(kEUR)	Group 1-12/2022	Group 1-12/2021
Result of the period	581	1 291
Adjustments	490	543
Changes in working capital	-74	-49
Cash flow from operations before financial items and taxes	997	1 785
Financial items and taxes paid	-16	-30
CASH FLOW FROM OPERATIONS	982	1 756
Investments in tangible and intangible assets	-163	-175
Granted loans	-122	0
CASH FLOW FROM INVESTMENTS	-285	-175
Repayment of lease liabilities	-326	-433
Dividends paid*	-1 503	-1 036
CASH FLOW FROM FINANCING	-1 828	-1 469
TOTAL CASH FLOW	-1 131	111
Opening balance of cash and cash equivalents	3 378	3 267
Closing balance of cash and cash equivalents	2 247	3 378
CHANGE IN CASH AND CASH EQUIVALENTS	-1 131	111

* The financing cash flow, item Dividends paid shows the dividends paid in 2022 as a net amount. From the gross dividends, that could be withdrawn during the financial year, 1 503 kEUR, the withholding tax paid during 2023, 38 kEUR, has been deducted and the withholding tax for 2021 dividends, portion paid in January 2022, 37 kEUR, has been added.

The comparative figures 2021 have also been adjusted for the cash flow of financing in terms of dividends paid to correspond to the 2022 accounting policy. From the gross dividends that could be withdrawn during 2021, 1 074 kEUR, the withholdings paid in 2022, 38 kEUR, has been deducted. In both years, the adjustment 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 2021	881	37	4 826	5 744
Other comprehensive in-come			1 291	1 291
Dividends			-1 074	-1 074
Equity 31 December 2021	881	37	5 043	5 961
Equity 1 January 2022	881	37	5 043	5 961
Other comprehensive in-come			581	581
Dividends			-1 503	-1 503
Equity 31 December 2022	881	37	4 121	5 039

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:

	Group 1-12/2022	Group 1-12/2021
Purchases	245	164
Liabilities at the end of the period	53	45



PERSONNEL	1-12/2022	1-12/2021
Average number of personnel*	128	118
Personnel at the end of the period*	131	126

*Converted to full-time employees

COMMITMENTS AND CONTINGENT LIABILITIES	12/2022	12/2021
Collaterals and contingent liabilities given for own commitments	140	136

OTHER KEY FIGURES	12/2022	12/2021
Equity ratio (%)	68.9	69.8
Shareholders' equity/share (EUR)*	2.35	2.78

*In the second quarter, 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 December 2022 also for the comparison period.

Calculation formulas for key figures

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

$$\text{Interest-bearing net debt} = \text{Interest-bearing liabilities} - \text{cash and cash equivalents}$$

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

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

Items affecting the calculation of key figures

	Group 12/2022	Group 12/2021
Advances received (kEUR)	449	344
Interest-bearing liabilities (kEUR)	517	725
Average number of shares adjusted for share issue in financial period (unit thousand shares)*	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

*In the second quarter, 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 December 2022 also for the comparison period.

In Helsinki 23 February 2023

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