



TRAINERS' HOUSE GROUP HALF YEAR REPORT 1 JANUARY – 30 JUNE 2022

Trainers' House holding positions in the beginning of the year.

January-June 2022 in brief

- net sales EUR 5.5 million (EUR 5.7 million), change of -3.5 % compared to the corresponding period of the previous year
- operating result EUR 0.7 million (EUR 1.0 million), 13.6 % of net sales (17.7 %)
- cash flow from operations EUR 0.7 million (EUR 1.2 million)
- earnings per share* EUR 0.35 (EUR 0.47)

April-June 2022 in brief

- net sales EUR 2.8 million (EUR 2.9 million), change of -4.2 % compared to the corresponding period of the previous year
- operating result EUR 0.4 million (EUR 0.5 million), 13.7 % of net sales (15.3 %)
- cash flow from operations EUR 0.4 million (EUR 0.8 million)
- earnings per share* EUR 0.18 (EUR 0.21)

*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 June 2022 also for the comparison period.

Key figures at the end of the second quarter of 2022

- cash and cash equivalents EUR 2.6 million (EUR 3.7 million)
- interest-bearing liabilities of EUR 0.6 million (EUR 0.8 million) and interest-bearing net debt of EUR -2.0 million (EUR -2.8 million).
- equity ratio 65.5 % (68.8 %)

OUTLOOK FOR 2022

The company estimates the operating profit for 2022 to be EUR 0.7–1.0 million.

CEO ARTO HEIMONEN

Despite the changed global situation, the company managed to acquire the same number of new orders in the first half of the year as the year before. Performance of market creating Ignis remained strong. The profit of the review period of 0.7 million euro was a little below the target. Customer satisfaction remained at a high level. Many thanks to customers, employees, and partners.

The rise in interest rates and other risks related to economic development have increased decision-makers' uncertainty. This is reflected in the workload of acquiring assignments. At the same time, the labor market is less overheated compared to the turn of the year.

During the rest of the year, the company focuses on understanding and serving customers' needs. High customer activity and finding more efficient ways of working is essential.

Healthy cash flow and profitability are the most important goals of the company's business in 2022 as well. The company continues to strengthen the Ignis business and increase the flow efficiency of the training business. The company is looking for breakthroughs in the media business.

The purpose of Trainers' House is to help people forward. The company's strategy is to touch people, electrify management and produce verifiable results.

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OPERATIONAL REVIEW

During the review period, the company focused on sales and implementing customer projects.

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

During the review period, 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.

During the review period, the company paid its owners the first instalment of a dividend of EUR 0.60 per share after the merger of shares described above. The last part of the dividend payment of EUR 0.10 per share will be paid on 22 December 2022.

FINANCIAL PERFORMANCE

Net sales for the reporting period were EUR 5.5 million (EUR 5.7 million). Operating profit was EUR 0.7 million, 13.6 % of net sales (EUR 1.0 million, 17.7 %). The result for the period was EUR 0.7 million, 13.5 % of net sales (EUR 1.0 million, 17.6 %).

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

(kEUR)	1-6/2022	1-6/2021
Net sales	5 502	5 699
Other operating income	6	0
Expenses:		
Personnel-related expenses	-3 225	-3 089
Other expenses	-1 307	-1 341
EBITDA	976	1 269
Depreciation and impairment losses	-229	-259
EBIT	747	1 010
EBIT % of net sales	13.6%	17.7%
Financial income and expenses	-8	-12
Profit before taxes	739	998
Income taxes	3	6
Profit for the period	742	1 004
Profit % of net sales	13.5 %	17.6 %

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)

	1-6/2022	1-6/2021
Cash flow from operations before financial items	0.7	1.2
Cash flow from operations after financial items	0.7	1.2
Cash flow from investments	0.0	-0.1
Cash flow from financing	-1.4	-0.6
Total cash flow	-0.8	0.4
	6/2022	6/2021
Cash	2.6	3.7
Interest-bearing debt	0.6	0.8
Equity ratio %	65.5 %	68.8 %



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 overheating of the labor market makes it difficult to recruit and engage 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.



PERSONNEL

At the end of the review period, the Group had 143 (139) 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 452 thousand shares, or 21.1 % of the average number of all company shares (500 thousand shares, 23.4 %), were traded on Nasdaq Helsinki for a value of EUR 3.4 million (EUR 3.0 million). The period's highest share quotation was EUR 9.80 (EUR 9.00), the lowest EUR 5.86 (EUR 3.66) and the closing price EUR 5.98 (EUR 5.78). The weighted average price was EUR 7.53 (EUR 5.91). At the closing price on 30 June 2022, the company's market capitalization was EUR 12.8 million (EUR 12.4 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 interim report, 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)	1-6/2022	1-6/2021	1-12/2021
NET SALES	5 502	5 699	10 340
Other operating income	6	0	0
Expenses:			
Materials and services	-261	-421	-717
Personnel-related expenses	-3 225	-3 089	-5 916
Depreciation and impairment losses	-229	-259	-535
Other operating expenses	-1 046	-920	-1 856
Total expenses	-4 760	-4 690	-9 024
Operating result	747	1 010	1 316
Financial income and expenses	-8	-12	-26
Profit before taxes	739	998	1 291
Income taxes	3	6	0
PROFIT FOR THE PERIOD	742	1 004	1 291
Profit attributable to owners of the parent company	742	1 004	1 291
Earnings per share, EUR*	0,35	0,47	0,60
Earnings per share attributable to owners of the parent company, EUR*	0,35	0,47	0,60

*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 June 2022 also for the comparison period.

**BALANCE SHEET IFRS**

(kEUR)

ASSETS	6/2022	6/2021	12/2021
Non-current assets			
Tangible assets	716	984	907
Goodwill	2 129	2 129	2 129
Other intangible assets	1 132	1 151	1 123
Long-term receivables			
Other receivables, long-term	190	0	104
Deferred tax receivables	200	203	200
Total long-term receivables	390	204	304
Total non-current assets	4 367	4 468	4 463
Current assets			
Account receivables and other receivables	1 265	1 281	1 045
Cash and cash equivalents	2 559	3 666	3 378
Total current assets	3 824	4 947	4 424
TOTAL ASSETS	8 191	9 415	8 887

(kEUR)

SHAREHOLDERS' EQUITY AND LIABILITIES	6/2022	6/2021	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	4 396	3 752
Profit for the period	742	1 004	1 291
Total shareholders' equity	5 200	6 318	5 961
Long-term liabilities			
Deferred tax liabilities	225	230	229
Long-term financial liabilities	307	436	408
Total long-term liabilities	532	666	637
Short-term liabilities			
Short-term financial liabilities	259	406	317
Accounts payable and other liabilities	2 200	2 024	1 971
Total short-term liabilities	2 459	2 431	2 288
Total liabilities	2 991	3 097	2 925
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8 191	9 415	8 887



CASH FLOW STATEMENT IFRS

(kEUR)

	1-6/2022	1-6/2021	1-12/2021
Profit for the period	742	1 004	1 291
Adjustments to profit for the period	233	273	543
Changes in working capital	-292	-115	-11
Cash flow from operations before financial items and taxes	683	1 162	1 823
Financial items and taxes	-8	-12	-30
CASH FLOW FROM OPERATIONS	675	1 150	1 793
Investments in tangible and intangible assets	-47	-104	-175
CASH FLOW FROM INVESTMENTS	-47	-104	-175
Repayment of lease liabilities	-159	-217	-433
Dividends paid	-1 289	-429	-1 074
CASH FLOW FROM FINANCING	-1 448	-647	-1 507
TOTAL CASH FLOW	-820	399	111
Opening balance of cash and cash equivalents	3 378	3 267	3 267
Closing balance of cash and cash equivalents	2 559	3 666	3 378
CHANGE IN CASH AND CASH EQUIVALENTS	-820	399	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			1 004	1 004
Dividends			-429	-429
Equity 30 June 2021	881	37	5 400	6 318
Equity 1 January 2022	881	37	5 043	5 961
Other comprehensive income			742	742
Dividends			-1 503	-1 503
Equity 30 June 2022	881	37	4 282	5 200

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:

	1-6/2022	1-6/2021	1-12/2021
Purchases	160	68	164
Liabilities at the end of the period	60	36	45

**RESTRUCTURING PROVISION**

(kEUR)	6/2022	6/2021	12/2021
Provisions at the beginning of the period	0	17	17
Provisions used	0	-6	-17
Provisions at the end of the period	0	11	0

PERSONNEL

	1-6/2022	1-6/2021	1-12/2021
Average number of personnel	121	119	118
Personnel at the end of the period	143	139	126

COMMITMENTS AND CONTINGENT LIABILITIES

	6/2022	6/2021	12/2021
Collaterals and contingent liabilities given for own commitments	140	134	136

OTHER KEY FIGURES

	6/2022	6/2021	12/2021
Equity ratio (%)	65.5 %	68.8 %	69.8 %
Shareholders' equity/share (EUR)*	2.42	2.94	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 30 June 2022 also for the comparison period.

Calculation formulas for key figures

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

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

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

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

Items affecting the calculation of key figures

	3/2022	3/2021	12/2021
Advances received (kEUR)	251	226	344
Interest-bearing liabilities (kEUR)	566	842	725
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 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 June 2022 also for the comparison period.

In Helsinki 21.7.2022

TRAINERS' HOUSE PLC

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DISTRIBUTION

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