Interim report for the second quarter, April 1 – June 30, 2015

FINANCIAL OVERVIEW

Financial information in the interim report refers, unless otherwise stated, to the YA Holding Group. The comparative figures (in parentheses) are pro forma and show comparison with previous year as if YA Holding Group was consolidated as of January 1, 2014.

SECOND QUARTER APRIL - JUNE 2015

- Net sales amounted to SEK 91.8 million (97.9), a decrease of 6.2%
- EBITDA amounted to SEK 10.0 million (13.1), reaching an EBITDA-margin of 10.9% (13.4%)
- EBITA amounted to SEK -2.2 million (2.3), reaching an EBITA-margin of -2.4% (2.4%)
- Operating cash flow amounted to SEK 6.3 million (0.9).
- Net debt amounted to SEK 397.9 million (413.8)

SIX MONTHS PERIOD JANUARY - JUNE 2015

- Net sales amounted to SEK 194.6 million (199.5), a decrease of 2.5%
- EBITDA amounted to SEK 23.2 million (32.1), reaching an EBITDA-margin of 11.9% (16.1%)
- EBITA amounted to SEK -1.3 million (11.6), reaching an EBITA-margin of -0.7% (5.8%)
- Operating cash flow amounted to SEK 1.6 million (-3.1).

ABOUT THE BUSINESS

YA Holding, including subsidiaries is a Sweden based educational company. The business is primarily conducted in YrkesAkademin, the largest subsidiary. YrkesAkademin is one of the leading companies in the vocational education and labour market training industry. YrkesAkademin conducts training in several areas, including professional drivers, machine operators, technology, restaurant and health care. Under the name of Study Abroad, YrkesAkademin mediate Swedish students to foreign universities.
FINANCIAL INFORMATION

<table>
<thead>
<tr>
<th>(MSBk)</th>
<th>(Apr-Jun) 2015</th>
<th>(Apr-Jun) 2014 *</th>
<th>(Jan - Jun) 2015</th>
<th>(Jan - Jun) 2014 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>91,8</td>
<td>97,9</td>
<td>194,6</td>
<td>199,5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10,0</td>
<td>13,1</td>
<td>23,2</td>
<td>32,1</td>
</tr>
<tr>
<td>EBITDA margin, %</td>
<td>10,9%</td>
<td>13,4%</td>
<td>11,9%</td>
<td>16,1%</td>
</tr>
<tr>
<td>EBITA</td>
<td>-2,2</td>
<td>2,3</td>
<td>-1,3</td>
<td>11,6</td>
</tr>
<tr>
<td>EBITA margin, %</td>
<td>-2,4%</td>
<td>2,4%</td>
<td>-0,7%</td>
<td>5,8%</td>
</tr>
<tr>
<td>Net debt</td>
<td>397,9</td>
<td>413,8</td>
<td>397,9</td>
<td>413,8</td>
</tr>
</tbody>
</table>

* The Group was formed on June 23, 2014. For the assumptions used in the pro forma accounts for comparable periods, see Accounting policies, Pro forma accounting.

KEY RATIOS

Leverage (net debt/EBITA) 8.5x
Interest coverage (EBITDA/Net finance charges) 1.7x

MARKET DEVELOPMENT

Public market

Arbetsförmedlingen (AF) official figures shows that the number of unemployed remains at a stable level around 8%. The process to reorganize AF started from April, and has as anticipated had a negative impact on the number of participants sent to education sessions. In the longer term, the impact of the reorganisation should be positive but during the first six months the total number of students within Arbetsmarknadsutbildning (AUB) decreased with 18% while the participants within the program “Stöd och Matchning” (STOM) has increased from a low level. YAs number of student has been stable during the period in spite of the overall decline.

The government in Sweden confirms its intention to actively address the level of unemployment. The government have recently announced a strengthened focused on Yrkeshögskola with the aim to increase number of students the coming years. This has been well received by all parties.

Private and corporate market

YA has continued the focus on activities to bring in more sales from the private and corporate market. We target companies with a national presence within our focused segments.
Sales, marketing and tenders

AF has released a tender for Industry with a total scope of 54 different cities amounting to ca SEK 250 million in total revenue. YA operates 7 out of these cities as of today.

BUSINESS DEVELOPMENT DURING THE SECOND QUARTER

Revenues

Second quarter April - June 2015

Revenue amounted to SEK 91.8 million (97.8) for the quarter. The average number of students in AUB has been 1533 (1536) for the period. A decline in students in the education for machine operators is offset by increasing volume in courses for the real estate industry.

Six months period January - June 2015

Revenue amounted to SEK 194.6 million (199.5) for the quarter. The average number of students in AUB has been 1582 (1538). The increasing volume in new courses for real estate industry is compensating a lower degree of filling of students for other educations.

Earnings

Second quarter April - June 2015

EBITDA amounted to SEK 10.0 million (13.1) for the quarter. The lower profit is due to the sales mix compared to prior year resulting in lower revenue. The costs and expenses are stable compared to prior year.

Six months period January - June 2015

EBITDA amounted to SEK 23.2 million (32.1) for the quarter. Earnings compared to prior year are affected by lower revenue due to the change in sales mix and the increased cost driven by the ramp-up of new sites for education for the real estate industry.
Cash flow and financial position

Cash flow from operating activities amounted to SEK 6.3 million (0.9) during the quarter. The increase is explained by lower paid taxes and interest and improved working capital offsetting the decreasing EBIT. For the six months-period operating cash flow amounted to SEK 1.6 million (-3.1).

Cash flow from investing activities amounted to SEK -1.2 million (-505.6) during the quarter and SEK -2.0 million (-528.7) for the six months-period.

Cash flow from financing activities amounted to SEK -5.0 million (521.6) during the quarter and SEK -16.4 million (537.7) for the six months-period.

Prior year is effected by the acquisition and forming of the Group.

OTHER DISCLOSURES

The company has listed the up to SEK 400,000,000 senior secured floating notes on the Corporate Bond list on Nasdaq Stockholm as of June 8th.

Events after the second quarter

YA have submitted an offer for the AF tender related to Industry mentioned earlier in the report. Josefin Born-Nilsson has been appointed business area manager Yrkeshögskolan in order to strengthen our focus within that segment.

Average number of employees in the Group

For the period the average number of employees (FTE) in the Group was 357 (329). The increase is related to the start-up of new locations for real estate courses.

Reporting dates

Interim report Q3, 2015 November 30, 2015
Interim report Q4, 2015 February 29, 2016
Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Goodwill should be tested annually for impairment in accordance with IAS 36.

Pro forma accounting

The Group was formed on June 23, 2014. Pro forma figures for comparative periods are based on reported numbers for the acquired YA Group prepared in accordance with K3. Hagströmska Gymnasiet is excluded from the reported numbers. An adjustment has been made to adopt the reported numbers for comparative periods to IFRS, amortization of goodwill has been reversed.

Falun, August 28, 2015

The Board of Directors

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PO Box 127
SE-791 23 Falun, Sweden
www.ya.se
+43 23 585 00
**FINANCIAL REPORTS**

**Income statement and other comprehensive income**

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<tr>
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<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>91 805</td>
<td>97 866</td>
<td>194 639</td>
<td>199 460</td>
<td></td>
<td>382 689</td>
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<tr>
<td><strong>Other operating income</strong></td>
<td>2 976</td>
<td>1 000</td>
<td>3 470</td>
<td>2 646</td>
<td></td>
<td>5 228</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>94 781</td>
<td>98 866</td>
<td>198 109</td>
<td>202 106</td>
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<td>387 917</td>
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**Operating expenses**

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<tbody>
<tr>
<td><strong>Other external costs</strong></td>
<td>-41 454</td>
<td>-41 416</td>
<td>-85 010</td>
<td>-82 350</td>
<td></td>
<td>-169 132</td>
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<tr>
<td><strong>Employee benefit expenses</strong></td>
<td>-43 309</td>
<td>-44 361</td>
<td>-89 850</td>
<td>-87 623</td>
<td></td>
<td>-170 170</td>
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<tr>
<td><strong>Amortisation and depreciation of intangible and tangible fixed assets</strong></td>
<td>-12 213</td>
<td>-10 743</td>
<td>-24 518</td>
<td>-20 527</td>
<td></td>
<td>-46 955</td>
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<tr>
<td><strong>Other operating expenses</strong></td>
<td>-356</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-356</td>
</tr>
<tr>
<td><strong>Operating profit/loss</strong></td>
<td>-2 195</td>
<td>2 346</td>
<td>-1 269</td>
<td>11 606</td>
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<td>1 304</td>
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</table>

**Profit/loss from financial items**

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</thead>
<tbody>
<tr>
<td><strong>Profit from participations in group companies</strong></td>
<td>-7</td>
<td>2</td>
<td>21</td>
<td>37</td>
<td></td>
<td>-100</td>
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<tr>
<td><strong>Other interest income and similar profit items</strong></td>
<td>-6 626</td>
<td>-3 476</td>
<td>-14 161</td>
<td>-5 325</td>
<td></td>
<td>-21 555</td>
</tr>
<tr>
<td><strong>Interest expense and similar loss items</strong></td>
<td>-8 828</td>
<td>-1 128</td>
<td>-15 409</td>
<td>6 318</td>
<td></td>
<td>-20 309</td>
</tr>
<tr>
<td><strong>Profit after financial items</strong></td>
<td>-8 714</td>
<td>-1 113</td>
<td>-14 154</td>
<td>4 928</td>
<td></td>
<td>-20 360</td>
</tr>
</tbody>
</table>

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</thead>
<tbody>
<tr>
<td><strong>Tax on profit for the period</strong></td>
<td>114</td>
<td>15</td>
<td>1 255</td>
<td>-1 390</td>
<td></td>
<td>-51</td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td>-8 714</td>
<td>-1 113</td>
<td>-14 154</td>
<td>4 928</td>
<td></td>
<td>-20 360</td>
</tr>
</tbody>
</table>

*The Group was formed on June 23, 2014. For the assumptions used in the pro forma accounts for comparable periods, see Accounting policies. Pro forma accounting.
## BALANCE SHEET

(SEC thousands) | 2015-06-30 | 2014-06-30 * | 2014-12-31
---|---|---|---

### Non-current assets
- **Intangible assets**
  - 491 387
  - 492 373
  - 491 739
- **Tangible fixed assets**
  - 131 640
  - 159 062
  - 153 756
- **Financial assets**
  - 37
  - 3
  - 37

### Current assets
- **Inventories etc.**
  - 1 099
  - 1 946
  - 1 099
- **Current receivables**
  - 55 854
  - 76 324
  - 56 357
- **Cash and bank balances**
  - 9 707
  - 12 922
  - 26 588

### Total assets

**689 724**

**742 630**

**729 576**

### Equity

**211 754**

**235 927**

**224 284**

### Liabilities
- **Deferred tax**
  - 19 848
  - 25 713
  - 21 472
- **Long-term interest-bearing debt**
  - 392 406
  - 411 583
  - 403 558
- **Bond loans**
  - 335 000
  - 335 000
  - 335 000
- **Other non-current liabilities**
  - 57 406
  - 76 583
  - 68 558
- **Short-term interest-bearing debt**
  - 15 171
  - 15 100
  - 11 669
- **Current liabilities**
  - 50 545
  - 54 307
  - 68 593

### Total equity and liabilities

**689 724**

**742 630**

**729 576**

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## STATEMENT OF CHANGES IN EQUITY

<table>
<thead>
<tr>
<th>(SEC thousands)</th>
<th>Share capital</th>
<th>Other paid in capital</th>
<th>Retained earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance as of January 1, 2015</td>
<td>500</td>
<td>241 700</td>
<td>-17 916</td>
<td>224 284</td>
</tr>
<tr>
<td>Net profit</td>
<td></td>
<td></td>
<td>-14 154</td>
<td>-14 154</td>
</tr>
<tr>
<td>Closing balance as of June 30, 2015</td>
<td>500</td>
<td>241 700</td>
<td>-32 070</td>
<td>210 130</td>
</tr>
</tbody>
</table>

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### CASH-FLOW STATEMENT

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating profit (EBIT) for the period</strong></td>
<td>-2 194</td>
<td>3 132</td>
<td>-1 269</td>
<td>12 228</td>
<td>1 304</td>
</tr>
<tr>
<td><strong>Depreciation/amortization</strong></td>
<td>12 213</td>
<td>10 529</td>
<td>24 518</td>
<td>20 701</td>
<td>46 955</td>
</tr>
<tr>
<td><strong>Interest paid/received</strong></td>
<td>-5 342</td>
<td>-12 023</td>
<td>-13 350</td>
<td>-10 194</td>
<td>-20 677</td>
</tr>
<tr>
<td><strong>Income tax paid</strong></td>
<td>-2 160</td>
<td>-2 827</td>
<td>-5 323</td>
<td>-1 583</td>
<td>-1 062</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities before change in operating capital</strong></td>
<td>2 517</td>
<td>-1 189</td>
<td>4 576</td>
<td>21 152</td>
<td>26 520</td>
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<tr>
<td><strong>Change in operating working capital</strong></td>
<td>3 791</td>
<td>2 087</td>
<td>-2 978</td>
<td>-24 238</td>
<td>9 097</td>
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<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>6 308</td>
<td>898</td>
<td>1 598</td>
<td>-3 086</td>
<td>35 617</td>
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<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>-1 195</td>
<td>-505 553</td>
<td>-2 053</td>
<td>-528 714</td>
<td>-535 454</td>
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<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>-4 980</td>
<td>521 569</td>
<td>-16 426</td>
<td>537 690</td>
<td>519 393</td>
</tr>
<tr>
<td><strong>Cash flow for the period</strong></td>
<td>133</td>
<td>16 914</td>
<td>-16 881</td>
<td>5 890</td>
<td>19 556</td>
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<tr>
<td><strong>Cash and cash equivalents, opening balance</strong></td>
<td>9 574</td>
<td>-3 992</td>
<td>26 588</td>
<td>7 032</td>
<td>7 032</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, closing balance</strong></td>
<td>9 707</td>
<td>12 922</td>
<td>9 707</td>
<td>12 922</td>
<td>26 588</td>
</tr>
</tbody>
</table>

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DEFINITIONS

EBITA  Earnings before interest, tax and amortization.

EBITDA  Earnings before interest, tax, depreciation and amortization.

EBITA-margin  EBITA as a percentage of net sales.

EBITDA-margin  EBITDA as a percentage of net sales.

Net debt  Interest-bearing liabilities less cash balances excluding shareholder loans.

Number of annual employees  The total number of hours of attendance divided by the normal working hours.

Lease contracts  Finance lease contracts are recorded as asset on the balance sheet and the value of the lease payments as debt. Depreciation is charged on the asset over the useful economic life.