FINANCIAL OVERVIEW

Fourth quarter, October-December, 2016
- Net sales amounted to SEK 77.9 million (Q4 2015: 103.8), a decrease of 25%
- EBITDA amounted to SEK 7.6 million (9.2), reaching an EBITDA-margin of 9.8% (8.9%)
- EBIT amounted to SEK 2.1 million (-0.9), reaching an EBIT-margin of 2.7% (-0.9%)
- Operating cash flow amounted to SEK 10.4 million (10.3).
- Net debt amounted to SEK 363.2 million (392.1)

Full year 2016, January-December
- Net sales amounted to SEK 358.0 million (FY 2015: 375.5), a decrease of 4.7%
- EBITDA amounted to SEK 40.7 million (40.3), reaching an EBITDA-margin of 11.4% (10.7%)
- EBIT amounted to SEK 6.6 million (-6.6), reaching an EBIT-margin of 1.8% (-1.7%)
- Operating cash flow amounted to SEK 22.2 million (11.5).

CEO COMMENT

In a comment to the report, CEO Jan Larsson says:
- As expected, turn-over and profit remained subdued in the fourth quarter due to both the close down of truck and bus driver courses and startup costs for vehicle mechanics, construction worker courses as well as municipality governed transport education. However, the upturn from the third quarter is a positive indication of the healthy underlying business.
- We continue to execute on our profitable growth strategy, where YA maintain a high ambition in broadening its education programs and initiating efficient work processes and cost effective structures to maintain its position as a modern education and skills provider.
MARKET DEVELOPMENT

The unemployment statistics reported by the Employment Service (Arbetsförmedlingen, AF), shows a continued decrease of unemployment in Sweden. In December, 372,000 people or 7.8%, were unemployed, which is 9,000 fewer than a year earlier. The total number of people in employment training (arbetsmarknadsutbildning, AUB) decreased by approximately 1,700 people, or 6% from December 2015 to 2016. Despite YA’s close down of the truck and bus driver education, as well as the warehouse worker education, YrkesAkademin’s number of participants decreased by 9%, just above the market. To a large extent, the decreased number of participants in lost courses have been compensated by a growing number of participants, primarily in real estate and machine operator courses, and new established courses in construction and mechanics.

Number of people in employment training
Total AUB, YA courses and change compared to end of 2015.

In the quarter
During the last quarter of 2016, YrkesAkademin won tenders worth some SEK 60m in turn-over, including Professional Swedish for Arbetsförmedlingen, industrial courses for the penitential of Västervik and vocational training in the municipality of Örebro and Falun.

The restructuring of truck and bus driver training to smaller volumes and a more diversified customer base did affect the result in the quarter negatively, only partly compensated by income from divestment of vehicles. Losses from transport education have steadily decreased through the quarter and in the first quarter of 2017 a number of courses will start which should make it possible to maintain competence in the transport education and generate positive results.
In parallel, the start-up costs of construction and vehicle mechanics education have affected the results negatively. Some of the construction educations have been appealed and we are waiting for the court decision before we can start the full range of new courses, indicating some further start-up costs also in 2017.

Other business areas – vocational university, machine operation (excavator) and services are all delivering healthy results and relatively steady participation rates.

### KEY FINANCIAL INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>Quarter (Oct-Dec)</th>
<th>Quarter (Oct-Dec)</th>
<th>Full Year (Jan-Dec)</th>
<th>Full Year (Jan-Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Net sales</td>
<td>77,9</td>
<td>103,8</td>
<td>358,0</td>
<td>375,5</td>
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<tr>
<td>EBITDA</td>
<td>7,6</td>
<td>9,2</td>
<td>40,7</td>
<td>40,3</td>
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<tr>
<td>EBITDA margin, %</td>
<td>9,8%</td>
<td>8,9%</td>
<td>11,4%</td>
<td>10,7%</td>
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<tr>
<td>EBIT</td>
<td>2,1</td>
<td>-0,9</td>
<td>6,6</td>
<td>-6,6</td>
</tr>
<tr>
<td>EBIT margin, %</td>
<td>2,7%</td>
<td>-0,9%</td>
<td>1,8%</td>
<td>-1,7%</td>
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<tr>
<td>Net debt</td>
<td>363,2</td>
<td>392,1</td>
<td>363,2</td>
<td>392,1</td>
</tr>
</tbody>
</table>

### KEY RATIOS

- Leverage (net debt/EBITDA) 8.3x
- Interest coverage (EBITDA/Net finance charges) 1.6x
BUSINESS DEVELOPMENT DURING THE FOURTH QUARTER

Revenues

Fourth quarter October - December 2016

Revenue amounted to SEK 77.9 million (103.8) for the quarter. The average number of students in AUB has been 1,291 (1,545) for the period. The decline versus prior year is due to terminated business within truck and bus education.

Twelve months' period January - December 2016

Revenue amounted to SEK 358.0 million (375.5) for the period. The average number of students in AUB has been 1,464 (1,450). The terminated business within truck and bus education has impacted the revenues with 46 SEK million compared to prior year. Higher sales in business areas Service and Machine operation have compensated for part of the lost volume.

Earnings

Fourth quarter October - December 2016

EBITDA amounted to SEK 7.6 million (9.2) for the quarter. The result has been effected by cost for terminated business and startup cost for new educations. Divestures of excess vehicles has been made during the period which have offset the costs above. The result is also positively impacted by the divesture of Fastighetsakademin.

A new assessment has been done regarding the useful economic life for tangible fixed assets based on the divestures of vehicles during the quarter. The useful economic life has been changed from in average 5 to 7 years. This have impacted depreciation positively during the quarter with SEK 2.8 million.

Twelve months' period January - December 2016

EBITDA amounted to SEK 40.7 million (40.3) for the period. The termination of truck and bus education have strongly impacted profit negatively compared to prior year but has been compensated by better results in other business areas. EBITDA was affected by SEK 3.0 million in non-recurring cost in relation to the close down of truck and bus educations.

Cash flow and financial position

In the quarter, cash flow from operating activities amounted to SEK 10.4 million (10.3). For the twelve-months-period operating cash flow amounted to SEK 22.2 million (11.5).

Cash flow from investing activities amounted to SEK 4.8 million (-0.7) during the quarter and SEK 6.8 million (-7.5) for the full year.
Cash flow from financing activities amounted to SEK -11.4 million (-7.5) during the quarter and SEK -18.5 million (-18.7) for the full year.

OTHER DISCLOSURES

Events after the fourth quarter

In the beginning of the year, a number of events have had effect on YrkesAkademin:

- **Support and matching.** YA has been accredited to conduct labour programmes within the Support and Matching program (Stöd och matchning, STOM). Operational start is expected during the first quarter in 2017, in the regions of Dalarna and Örebro.

- **Taxi education.** YrkesAkademin won contracts for taxi driver education for Arbetsförmedlingen, in 15 districts, including the large urban areas of Stockholm, Göteborg and Malmö.

- **Vocational university.** YrkesAkademin doubled its win rate of new courses within the national program for higher vocational training, Yrkeshögskolan. In total five renewed educations and 10 new courses were approved.

- **Truck and bus driver education.** The appeal court has ruled in favor of YrkesAkademin in the ongoing process on the tender process for truck and bus drivers. The Employment Agency have subsequently announced that a new procurement process will be initiated in February.

In addition, an efficiency program has been initiated to increase efficiency and quality in the operations. One visible part of the program is that YA have launched a new web-shop that adds an additional revenue stream which facilitates sales to small and medium sized enterprises.

Average number of employees in the Group

For the period the average number of employees (FTE) in the Group was 260 (343).

Reporting dates

- Annual report 2016 : April 28, 2017
- Interim report Q1, 2017 : May 26, 2017
- Interim report Q2, 2017 : August 31, 2017
- Interim report Q3, 2017 : November 30, 2017
Accounting principles
This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For a description of the Group's accounting policies, reference is made to the annual report for 2015. Goodwill is tested annually for impairment in accordance with IAS 36.

Significant risks and uncertainty factors
Significant risks and uncertainties are described in the annual report for 2015.

This interim report has not been reviewed by the Company's auditors.

Falun, February 24, 2017

The Board of Directors

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YA Holding AB
Pelle Bergs backe 3
PO Box 127
SE-791 23 Falun, Sweden
www.ya.se
+43 23 585 00
FINANCIAL REPORTS

Income statement and other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>2016-10-01</th>
<th>2015-10-01</th>
<th>2016-01-01</th>
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<td>(SEK thousands)</td>
<td>2016-12-31</td>
<td>2015-12-31</td>
<td>2016-12-31</td>
<td>2015-12-31</td>
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<tr>
<td>Net sales</td>
<td>77 931</td>
<td>103 763</td>
<td>358 034</td>
<td>375 461</td>
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<tr>
<td>Other operating income</td>
<td>12 923</td>
<td>1 139</td>
<td>17 508</td>
<td>9 726</td>
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<td><strong>Total</strong></td>
<td><strong>90 854</strong></td>
<td><strong>104 902</strong></td>
<td><strong>375 542</strong></td>
<td><strong>385 187</strong></td>
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**Operating expenses**

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<tr>
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<tr>
<td>Other external costs</td>
<td>-43 096</td>
<td>-49 557</td>
<td>-170 697</td>
<td>-172 643</td>
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<td>Employee benefit expenses</td>
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<td>-46 114</td>
<td>-161 010</td>
<td>-172 219</td>
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<tr>
<td>Amortisation and depreciaton of intangible and tangible fixed assets</td>
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<td>-10 174</td>
<td>-34 133</td>
<td>-46 892</td>
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<tr>
<td>Other operating expenses</td>
<td>-3 106</td>
<td></td>
<td>-3 149</td>
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<tr>
<td><strong>Operating result</strong></td>
<td><strong>2 091</strong></td>
<td><strong>-943</strong></td>
<td><strong>6 553</strong></td>
<td><strong>-6 567</strong></td>
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</tbody>
</table>

**Profit/loss from financial items**

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<td>Profit from participations in group companies</td>
<td>579</td>
<td>3 529</td>
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<td>Other interest income and similar profit items</td>
<td>45</td>
<td>101</td>
<td></td>
<td>26</td>
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<tr>
<td>Interest expense and similar loss items</td>
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<td>-28 351</td>
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<tr>
<td><strong>Result after financial items</strong></td>
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<td><strong>-8 005</strong></td>
<td><strong>-18 168</strong></td>
<td><strong>-35 009</strong></td>
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<th></th>
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<th>2015-10-01</th>
<th>2016-01-01</th>
<th>2015-01-01</th>
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</thead>
<tbody>
<tr>
<td>Tax on profit for the period</td>
<td>2 704</td>
<td>1 614</td>
<td>5 638</td>
<td>6 717</td>
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<td><strong>Net result for the period</strong></td>
<td><strong>-826</strong></td>
<td><strong>-6 392</strong></td>
<td><strong>-12 530</strong></td>
<td><strong>-28 292</strong></td>
</tr>
</tbody>
</table>
### BALANCE SHEET

**2016-12-31** | **2015-12-31**
--- | ---
**Non-current assets** |  |
**Intangible assets** | 490 233 | 490 894 |
**Tangible fixed assets** | 78 780 | 115 400 |
**Financial assets** | 60 | 116 |

**Current assets** |  |
**Inventories etc.** | - | 664 |
**Current receivables** | 40 590 | 57 734 |
**Cash and bank balances** | 22 399 | 11 941 |

**Total assets** | **632 062** | **676 749** |

**Equity** |  |
**Opening balance as of January 1, 2016** | 500 | 241 700 | -46 208 | 195 992 |

**Liabilities** |  |
**Deferred tax** | 8 537 | 14 288 |
**Other provisions** | 653 | - |
**Long-term interest-bearing debt** | 370 541 | 404 002 |
**Bond loans** | 335 000 | 335 000 |
**Other non-current liabilities** | 35 541 | 69 002 |
**Short-term interest-bearing debt** | 15 100 | 11 669 |
**Current liabilities** | 54 381 | 50 798 |

**Total equity and liabilities** | **632 062** | **676 749** |

### STATEMENT OF CHANGES IN EQUITY

**2016-12-31**
---
**Share capital** | **Other paid in capital** | **Retained earnings** | **Total**
--- | --- | --- | ---
**Opening balance as of January 1, 2016** | 500 | 241 700 | -46 208 | 195 992 |
**Net profit** |  | -12 530 | -12 530 |
**Closing balance as of December 31, 2016** | 500 | 241 700 | -58 738 | 183 462 |
## CASH-FLOW STATEMENT

<table>
<thead>
<tr>
<th>(SEK thousands)</th>
<th>2016-10-01</th>
<th>2015-10-01</th>
<th>2016-01-01</th>
<th>2015-01-01</th>
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<tbody>
<tr>
<td></td>
<td>2016-12-31</td>
<td>2015-12-31</td>
<td>2016-12-31</td>
<td>2015-12-31</td>
</tr>
<tr>
<td>Operating profit (EBIT) for the period</td>
<td>2 091</td>
<td>-943</td>
<td>6 553</td>
<td>-6 567</td>
</tr>
<tr>
<td>Depreciation/amortization</td>
<td>5 538</td>
<td>10 174</td>
<td>34 133</td>
<td>46 892</td>
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<tr>
<td>Interest paid/received</td>
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<td>-8 012</td>
<td>-28 250</td>
<td>-28 442</td>
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<tr>
<td>Income tax paid</td>
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<td>-1 959</td>
<td>4 728</td>
<td>-9 417</td>
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<tr>
<td><strong>Cash flow from operating activities before</strong></td>
<td><strong>8 339</strong></td>
<td><strong>-740</strong></td>
<td><strong>17 164</strong></td>
<td><strong>2 466</strong></td>
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<tr>
<td><strong>change in operating capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Change in operating working capital</td>
<td>2 108</td>
<td>11 022</td>
<td>5 033</td>
<td>9 015</td>
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<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>10 447</strong></td>
<td><strong>10 282</strong></td>
<td><strong>22 197</strong></td>
<td><strong>11 481</strong></td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>4 801</strong></td>
<td><strong>-661</strong></td>
<td><strong>6 792</strong></td>
<td><strong>-7 469</strong></td>
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<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td><strong>-11 385</strong></td>
<td><strong>-7 526</strong></td>
<td><strong>-18 531</strong></td>
<td><strong>-18 659</strong></td>
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<tr>
<td><strong>Cash flow for the period</strong></td>
<td><strong>3 863</strong></td>
<td><strong>2 234</strong></td>
<td><strong>10 458</strong></td>
<td><strong>-14 647</strong></td>
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<tr>
<td>Cash and cash equivalents, opening balance</td>
<td>18 536</td>
<td>9 707</td>
<td>11 941</td>
<td>26 588</td>
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<tr>
<td>Cash and cash equivalents, closing balance</td>
<td>22 399</td>
<td>11 941</td>
<td>22 399</td>
<td>11 941</td>
</tr>
</tbody>
</table>
DEFINITIONS

EBIT
Earnings before interest and tax.

EBITDA
Earnings before interest, tax, depreciation and amortization.

EBIT-margin
EBIT 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.

Translation
Arbetsförmedlingen, AF
The Swedish Public Employment Service

Yrkeshögskola
Vocational university

Arbetsmarknadsutbildning, AUB
Employment training

Kunskapslyftet
Adult education initiative

Komvux
Vocational secondary school education