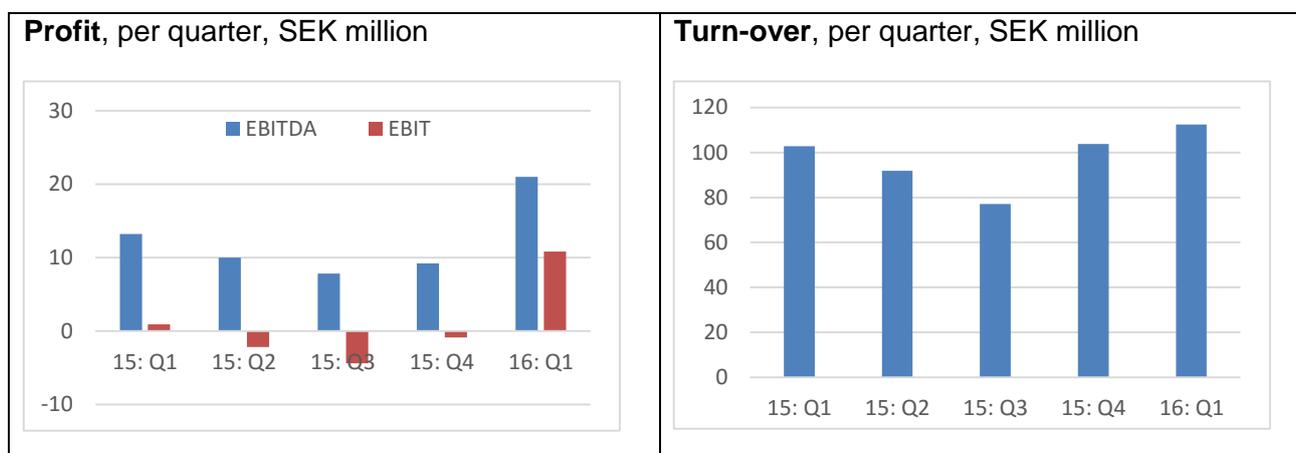


YrkesAkademin First quarter 2016

FINANCIAL OVERVIEW

First quarter, January-March, 2016

- Net sales amounted to SEK 112.4 million (102.8), an increase of 9.4%
- EBITDA amounted to SEK 21.0 million (13.2), reaching an EBITDA-margin of 18.7% (12.9%)
- EBIT amounted to SEK 10.8 million (0.9), reaching an EBIT-margin of 9.6% (-0.9%)
- Operating cash flow amounted to SEK 10.5 million (-4.7).
- Net debt amounted to SEK 380.8 million (402.4)



CEO COMMENT

In a comment to the report, CEO Jan Larsson says:

- The efforts to maintaining high participation rates across educations and work actively to keep costs low and efficiency high has paid off. The quarter has a record level turn-over and strong profit across the organization.
- The number of participants in employment programs in general in Sweden continued to be significantly lower than the same period a year ago but participants in YrkesAkademin's educations increased by close to 20% between March 2015 and March 2016.
- After the quarter, the Employment Agency has decided not to sign any contracts with YA on truck and bus driver education after a competitive tender. It is difficult to see how it would have been possible for us to deliver the necessary education quality at the winning price levels. The truck driver tender has been appealed by YA due to its inconsistencies in quality evaluation. We are now considering that option also regarding the bus education. Turn-over in YA's truck and bus driver education 2015 was about SEK 125m.
- A cost adjustment program has been initiated and the lost tender confirms the strategic importance of a continuous growth agenda and increased diversity in customers, timing and areas of education. We have in April and May had full focus on growth in other businesses.

MARKET DEVELOPMENT

According to employment statistics by the agency Statistics Sweden, unemployment was 7.7% or just above 400 000 people in March 2016. Unemployment rates have stopped to decrease over the quarter due to increasing unemployment among men.

The number of unemployed reported to Arbetsförmedlingen (National Employment Authority) decreased somewhat to 372 000 in March. The unemployment rate among Swedish born is down to 4.7%, whereas it is 21.4% among people born abroad. More than half of the unemployed were born in another country than Sweden.

The number of people in employment training (arbetsmarknadsutbildning, AUB) was down by 12% in March compared to March 2015. However, the number of participants in courses operated by YrkesAkademin (YA) increased by 19% March to March, leading to a significant increase in market shares for YA.

Number of people in employment training

Total, YA courses and change compared March 2015 to March 2016



During the quarter, YA initiated actions to adapt staff, locations and costs to the previously announced termination of the warehouse and terminal worker training programs. That will result in a turn-over reduction of approximately SEK 15-20 million for YA. The effect will be counteracted by an expected increase in revenue from the industry programs. The court ruled against a tender appeal in the quarter, allowing us to open up the final industry program site in Mjölby.

Furthermore, large industry companies like Volvo, SSAB and Sandvik have all initiated tests of our eLearning system for basic industrial skills training.

KEY FINANCIAL INFORMATION

| (MSEK) | Quarter | | Full Year |
|------------------|-----------|-----------|-------------|
| | (Jan-Mar) | (Jan-Mar) | (Jan - Dec) |
| | 2016 | 2015 | 2015 |
| Net sales | 112,4 | 102,8 | 375,5 |
| EBITDA | 21,0 | 13,2 | 40,3 |
| EBITDA margin, % | 18,7% | 12,9% | 10,7% |
| EBIT | 10,8 | 0,9 | -6,6 |
| EBIT margin, % | 9,6% | 0,9% | -1,7% |
| Net debt | 380,4 | 402,4 | 392,1 |

KEY RATIOS

| | |
|------------------------------------------------|------|
| Leverage (net debt/EBITDA) | 7.5x |
| Interest coverage (EBITDA/Net finance charges) | 1.9x |

BUSINESS DEVELOPMENT DURING THE FIRST QUARTER

Revenues

Revenue amounted to SEK 112.4 million (102.8) for the quarter. The average number of students in AUB has been 1817 (1601) for the period. Sales has increased in all business areas during the period due to higher activity within AUB.

Earnings

EBITDA amounted to SEK 21.0 million (13.2) for the quarter. Increased revenues have generated a better result during the quarter.

Cash flow and financial position

In the quarter, cash flow from operating activities amounted to SEK 10.5 million (-4.7). The increase compared to prior year is due to increased operating profit.

Cash flow from investing activities amounted to SEK 1.1 million (-0.9) during the quarter. Net investments is positively affected by the divesture of the business unit Study Abroad.

Cash flow from financing activities amounted to SEK -2.7 million (-11.4) during the quarter.

Total cash flow amounted to SEK 8.9 million (-17.0)

OTHER DISCLOSURES

Events after the first quarter

After the quarter it was decided by the National Employment Agency, Arbetsförmedlingen, that YA would not be assigned any renewed contracts in professional truck and bus driver education after a competitive tender. YA offered prices at today's level down to 15% lower than today despite change demands in education time and pedagogic support that would make

education approximately 15% more expensive. The winning price levels, however, were on average about 15% lower than those offered by YA.

At the winning price levels, YA cannot see how it could have delivered the needed and required quality in education to make participants employable. In the total of 50 education sites procured, YA ended up with the second best offer despite the large price difference.

The truck driver tender results that were announced in April, have been appealed by YA due to its inconsistencies in quality evaluation. The bus driver procurement followed the same basic tender structure and YA is now assessing whether to appeal also that process. The appeal period is ten days from the decision date April 23. The turn-over from the contracts with Arbetsförmedlingen in truck and bus driver courses represented last year about SEK 125 million in income.

In the period after the tender decision, YA has submitted new offers in other areas and markets with a total potential turn-over larger than the level of income at risk due to the truck and bus driver procurements. YA is unlikely to win all, but in a growing market for professional labour education there will continue to be opportunities for diversification and growth.

Average number of employees in the Group

For the period the average number of employees (FTE) in the Group was 328 (355).

Reporting dates

| | |
|-------------------------|-------------------|
| Interim report Q2, 2016 | August 26, 2016 |
| Interim report Q3, 2016 | November 25, 2016 |
| Interim report Q4, 2016 | February 28, 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, May 27, 2016

The Board of Directors

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FINANCIAL REPORTS

Income statement and other comprehensive income

| | 2016-01-01 | 2015-01-01 | 2015-01-31 |
|-----------------------------------------------------------------------|----------------|----------------|----------------|
| (SEK thousands) | 2016-03-31 | 2015-03-31 | 2015-12-31 |
| Net sales | 112 407 | 102 834 | 375 461 |
| Other operating income | 930 | 494 | 9 726 |
| Total | 113 337 | 103 328 | 385 187 |
| <i>Operating expenses</i> | | | |
| Other external costs | -48 930 | -43 556 | -172 643 |
| Employee benefit expenses | -43 413 | -46 541 | -172 219 |
| Amortisation and depreciation of intangible and tangible fixed assets | -10 197 | -12 305 | -46 892 |
| Other operating expenses | | | |
| Operating profit/ loss | 10 797 | 926 | -6 567 |
| <i>Profit/loss from financial items</i> | | | |
| Profit from participations in group companies | 2 950 | | |
| Other interest income and similar profit items | 23 | 28 | 26 |
| Interest expense and similar loss items | -7 057 | -7 535 | -28 468 |
| Profit after financial items | 6 713 | -6 581 | -35 009 |
| Tax on profit for the period | -1 544 | 1 141 | 6 717 |
| Net profit for the period | 5 169 | -5 440 | -28 292 |

BALANCE SHEET

| (SEK thousands) | 2016-03-31 | 2015-03-31 | 2015-12-31 |
|-----------------------------------------|----------------|----------------|----------------|
| Non-current assets | | | |
| <i>Intangible assets</i> | 490 647 | 491 450 | 490 894 |
| <i>Tangible fixed assets</i> | 107 011 | 142 596 | 115 400 |
| <i>Financial assets</i> | 38 | 37 | 116 |
| Current assets | | | |
| <i>Inventories etc.</i> | 664 | 1 099 | 664 |
| <i>Current receivables</i> | 61 387 | 59 771 | 57 734 |
| Cash and bank balances | 20 799 | 9 575 | 11 941 |
| Total assets | 680 546 | 704 528 | 676 749 |
| Equity | 201 161 | 218 844 | 195 992 |
| Liabilities | | | |
| <i>Deferred tax</i> | 13 398 | 20 660 | 14 288 |
| <i>Other provisions</i> | 344 | - | |
| <i>Long-term interest-bearing debt</i> | 386 131 | 412 023 | 388 902 |
| Bond loans | 335 000 | 335 000 | 335 000 |
| Other non-current liabilities | 51 131 | 77 023 | 53 902 |
| <i>Short-term interest-bearing debt</i> | 15 100 | 11 669 | 15 100 |
| <i>Current liabilities</i> | 64 412 | 41 332 | 62 467 |
| Total equity and liabilities | 680 546 | 704 528 | 676 749 |

STATEMENT OF CHANGES IN EQUITY

| (SEK thousands) | 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 | | | 5 169 | 5 169 |
| Closing balance as of March 31, 2016 | 500 | 241 700 | -41 039 | 201 161 |

CASH-FLOW STATEMENT

| | 2016-01-01 | 2015-01-01 |
|-------------------------------------------------------------------------------|-------------------|-------------------|
| (SEK thousands) | 2016-03-31 | 2015-03-31 |
| Operating profit (EBIT) for the period | 10 797 | 925 |
| Depreciation/amortization | 10 196 | 12 305 |
| Interest paid/received | -6 700 | -8 008 |
| Income tax paid | -1 397 | -3 163 |
| Cash flow from operating activities before change in operating capital | 12 896 | 2 059 |
| Change in operating working capital | -2 388 | -6 769 |
| Cash flow from operating activities | 10 508 | -4 710 |
| Cash flow from investing activities | 1 083 | -858 |
| Cash flow from financing activities | -2 733 | -11 446 |
| Cash flow for the period | 8 858 | -17 014 |
| Cash and cash equivalents, opening balance | 11 941 | 26 588 |
| Cash and cash equivalents, closing balance | 20 799 | 9 574 |

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 |