FINANCIAL OVERVIEW

Second quarter, April-June, 2016
- Net sales amounted to SEK 100.0 million (91.8), an increase of 8.9%
- EBITDA were SEK 10.0 million (10.0), or 10.0% (10.9%). EBIT were SEK 0.3 million (-2.2), or 0.3% (-2.4%)
- Operating cash flow amounted to SEK 11.1 million (6.3).
- Net debt amounted to SEK 370.7 million (402.3)

Six months period January-June 2016
- Net sales amounted to SEK 212.4 million (194.6), an increase of 9.1%
- EBITDA was SEK 31.0 million (23.2), or 14.6% (11.9%). EBIT was SEK 11.1 million (-1.3), or 5.2% (-0.7%)
- Operating cash flow amounted to SEK 21.6 million (1.6).

CEO COMMENT
In a comment to the report, CEO Jan Larsson says:
- Despite the gradual reduction of participants in truck and bus education following the lost tender in the spring, both turn-over and profit exceed last year’s results. That is a result of a strong underlying business in other business areas and the prompt adaptation to the new situation in truck and bus education. A reservation is made in this result for the expected SEK 3m in restructuring costs.
- To counteract the negative effects from future income losses in truck and bus, a “profitable growth strategy” has been implemented in the second quarter. The execution of the strategy continues in H2 2016 and 2017.
- In May and June, YA won tenders worth SEK 50-70m in annual turn-over, regaining half of the truck and bus loss of turn-over. These new contracts should contribute positively to YA’s result from H1 2017.
MARKET DEVELOPMENT

The Swedish labor force continues to improve. At the end of the second quarter more than 5 million people were employed, which was 116,000 more than previous year. Unemployment rates were down 0.9 percentage points to 7.6%

Arbetsförmedlingen (AF, National Employment Authority) reports continued two track development, with unemployment among people born in Sweden falling to 4.1% whereas 21.1% of people born abroad are unemployed. The explanation presented is the increasing number of people born outside of the country that is entering the labor market.

In June AF also published a report on the occupations that had the largest excess demand of skilled labor. Sweden will among others need more chefs, truck mechanics, construction workers and assistant nurses the coming years. YA’s existing or newly signed educations for AF or municipalities cover all top-ten demanded blue collar skills.

The number of people in employment training (arbetsmarknadsutbildning, AUB) seems to have levelled out after the last years’ decrease. Compared to 2015 the participants were 4% fewer. YA educated practically the same number of people in June 2016 as in June 2015, despite the close down of warehouse and terminal in the first quarter and heavy traffic education in the second. Still, in the last half year, YA participants have fallen faster than the total number of unemployed participating in various programs.

Number of people in employment training
Total and YA arranged courses, number of people and 12 months change
During the quarter, YA has acted to counter balance the effects of the lost contracts with AF on truck and bus education. The business area was the largest in YA, and the loss will have an estimated stand-alone negative impact on turn-over of approximately SEK 120m.

Legally, YA has appealed the two tender processes (truck driver and bus driver) on the basis of insufficient assessments of the quality in the various bids and intransparency in the evaluation methods. The first instance court (Förvaltningsdomstolen) ruled in favour of AF and against YA on truck driver education. The second instance (Kammarrätten) is evaluating whether to try the ruling of the first instance court. No court decision is made yet on the bus driver education.

Financially, YA has adopted its operations within truck and bus education to the new situation and is gradually reducing cost. Due to labor right and obligations to ensure that participants that have started their education also can finalize it if possible within six months, it is not possible to fully reduce costs as fast as income is reduced. Thus YA estimate adoption costs to be approximately SEK3m in the autumn and has reserved that amount affecting the results for the second quarter.

Strategically, YA has launched a profitable growth plan and has won contracts with a turn-over value of more than SEK50m in May and June, both by winning new contracts with AF (in truck mechanics training) and to various municipalities in for example truck driver, construction worker, hotel and tourism, real estate maintenance and warehouse worker education.

**KEY FINANCIAL INFORMATION**

<table>
<thead>
<tr>
<th>(MSEK)</th>
<th>Quarter (Apr-Jun)</th>
<th>Quarter (Apr-Jun)</th>
<th>Full Year (Jan - Jun)</th>
<th>Full Year (Jan - Jun)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100,0</td>
<td>91,8</td>
<td>212,4</td>
<td>194,6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10,0</td>
<td>10,0</td>
<td>31,0</td>
<td>23,2</td>
</tr>
<tr>
<td>EBITDA margin, %</td>
<td>10,0%</td>
<td>10,9%</td>
<td>14,6%</td>
<td>11,9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>0,3</td>
<td>-2,2</td>
<td>11,1</td>
<td>-1,3</td>
</tr>
<tr>
<td>EBIT margin, %</td>
<td>0,3%</td>
<td>-2,4%</td>
<td>5,2%</td>
<td>-0,7%</td>
</tr>
<tr>
<td>Net debt</td>
<td>370,7</td>
<td>402,3</td>
<td>370,7</td>
<td>402,3</td>
</tr>
</tbody>
</table>

**KEY RATIOS**

- Leverage (net debt/EBITDA) 7.0x
- Interest coverage (EBITDA/Net finance charges) 2.0x
BUSINESS DEVELOPMENT DURING THE SECOND QUARTER

Revenues

Second quarter April-June 2016
Revenue amounted to SEK 100.0 million (91.8) for the quarter. The average number of students in AUB has been 1624 (1491) for the period. A decline in truck and bus education is compensated with higher activity in other business areas.

Six months period January - June 2016
Revenue amounted to SEK 212.4 million (194.6) for the period. The average number of students in AUB has been 1720 (1546) for the period. The increased volume comes from higher number of students in education for machine operators and facility services.

Earnings

Second quarter April-June 2016
EBITDA amounted to SEK 10.0 million (10.0) for the quarter. Increased revenues have generated a better result during the quarter but the result is also affected by non-recurring cost of SEK 3 million. This is redundancy cost for closing down truck and bus education.

Six months period January - June 2016
EBITDA amounted to SEK 31.0 million (23.2) for the period. Increased revenues have generated a better result for the period. EBITDA is affected by SEK 3 million in non-recurring cost.

Cash flow and financial position
Cash flow from operating activities amounted to SEK 11.1 million (6.3) during the quarter. For the six months-period operating cash flow amounted to SEK 21.7 million (1.6).

Cash flow from investing activities amounted to SEK -0.4 million (-1.2) during the quarter and SEK 0.6 million (-2.0) for the six months-period. Net investments is positively affected by the divesture of the business unit Study Abroad.

Cash flow from financing activities amounted to SEK -2.6 million (-5.0) during the quarter and SEK -5.4 million (-16.4) for the six months-period.

Total cash flow amounted to SEK 8.0 million (0.1) during the quarter and SEK 16.9 million (-16.9) for the six months-period.

OTHER DISCLOSURES
Events after the second quarter
In August, the Swedish Armed Forces decided to let YA educate enrolled soldiers and officers in eight different regions. The estimated turn-over value of the contract is SEK 4-8m.
Average number of employees in the Group
For the period the average number of employees (FTE) in the Group was 317 (357).

Reporting dates
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, August 26, 2016

The Board of Directors

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YA Holding AB
PO Box 127
SE-791 23 Falun, Sweden
www.ya.se
### FINANCIAL REPORTS

**Income statement and other comprehensive income**

<table>
<thead>
<tr>
<th></th>
<th>2016-04-01</th>
<th>2015-04-01</th>
<th>2016-01-01</th>
<th>2015-01-31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>99 967</td>
<td>91 805</td>
<td>212 374</td>
<td>194 639</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>1 705</td>
<td>2 976</td>
<td>2 635</td>
<td>3 470</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>101 672</td>
<td>94 781</td>
<td>215 009</td>
<td>198 109</td>
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</table>

**Operating expenses**

<table>
<thead>
<tr>
<th></th>
<th>2016-04-01</th>
<th>2015-04-01</th>
<th>2016-01-01</th>
<th>2015-01-31</th>
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</thead>
<tbody>
<tr>
<td>Other external costs</td>
<td>-42 937</td>
<td>-41 454</td>
<td>-91 867</td>
<td>-85 010</td>
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<tr>
<td>Employee benefit expenses</td>
<td>-48 708</td>
<td>-43 309</td>
<td>-92 121</td>
<td>-89 850</td>
</tr>
<tr>
<td>Amortisation and depreciation of intangible and tangible fixed assets</td>
<td>-9 762</td>
<td>-12 213</td>
<td>-19 959</td>
<td>-24 518</td>
</tr>
<tr>
<td><strong>Operating profit/ loss</strong></td>
<td>265</td>
<td>-2 195</td>
<td>11 062</td>
<td>-1 269</td>
</tr>
</tbody>
</table>

**Profit/loss from financial items**

<table>
<thead>
<tr>
<th></th>
<th>2016-04-01</th>
<th>2015-04-01</th>
<th>2016-01-01</th>
<th>2015-01-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit from participations in group companies</td>
<td>2 950</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other interest income and similar profit items</td>
<td>2</td>
<td>-7</td>
<td>25</td>
<td>21</td>
</tr>
<tr>
<td>Interest expense and similar loss items</td>
<td>-7 051</td>
<td>-6 626</td>
<td>-14 108</td>
<td>-14 161</td>
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<tr>
<td><strong>Profit after financial items</strong></td>
<td>-6 784</td>
<td>-8 828</td>
<td>-71</td>
<td>-15 409</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016-04-01</th>
<th>2015-04-01</th>
<th>2016-01-01</th>
<th>2015-01-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax on profit for the period</td>
<td>1 439</td>
<td>114</td>
<td>-105</td>
<td>1 255</td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td>-5 345</td>
<td>-8 714</td>
<td>-176</td>
<td>-14 154</td>
</tr>
</tbody>
</table>
# BALANCE SHEET

(SEK thousands) 2016-06-30 2015-06-30 2015-12-31

### Non-current assets

- **Intangible assets**
  - 490 400
  - 491 387
  - 490 894

- **Tangible fixed assets**
  - 99 062
  - 131 640
  - 115 400

- **Financial assets**
  - 38
  - 37
  - 116

### Current assets

- **Inventories etc.**
  - 664
  - 1 099
  - 664

- **Current receivables**
  - 49 978
  - 55 854
  - 57 734

- **Cash and bank balances**
  - 28 815
  - 9 707
  - 11 941

### Total assets

- 668 957
- 689 724
- 676 749

### Equity

- 195 815
- 211 754
- 195 992

### Liabilities

- **Deferred tax**
  - 12 585
  - 20 660
  - 14 288

- **Other provisions**
  - 175
  - -
  - -

- **Long-term interest-bearing debt**
  - 384 395
  - 412 023
  - 388 902

- **Bond loans**
  - 335 000
  - 335 000
  - 335 000

- **Other non-current liabilities**
  - 49 395
  - 77 023
  - 53 902

- **Short-term interest-bearing debt**
  - 15 100
  - 11 669
  - 15 100

### Total equity and liabilities

- 668 957
- 697 438
- 676 749

# STATEMENT OF CHANGES IN EQUITY

<table>
<thead>
<tr>
<th>(SEK 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, 2016</td>
<td>500</td>
<td>241 700</td>
<td>-46 208</td>
<td>195 992</td>
</tr>
<tr>
<td>Net profit</td>
<td></td>
<td></td>
<td>-176</td>
<td>-176</td>
</tr>
<tr>
<td>Closing balance as of June 30, 2016</td>
<td>500</td>
<td>241 700</td>
<td>-46 384</td>
<td>195 816</td>
</tr>
</tbody>
</table>
**CASH-FLOW STATEMENT**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit (EBIT) for the period</td>
<td>265</td>
<td>-2 194</td>
<td>11 062</td>
<td>-1 269</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation/amortization</td>
<td>9 763</td>
<td>12 213</td>
<td>19 959</td>
<td>24 518</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid/received</td>
<td>-7 383</td>
<td>-5 342</td>
<td>-14 083</td>
<td>-13 350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-167</td>
<td>-2 160</td>
<td>-1 564</td>
<td>-5 323</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities before change in operating capital</td>
<td>2 478</td>
<td>2 517</td>
<td>15 374</td>
<td>4 576</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in operating working capital</td>
<td>8 621</td>
<td>3 791</td>
<td>6 233</td>
<td>-2 978</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>11 099</td>
<td>6 308</td>
<td>21 607</td>
<td>1 598</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-447</td>
<td>-1 195</td>
<td>636</td>
<td>-2 053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-2 636</td>
<td>-4 980</td>
<td>-5 369</td>
<td>-16 426</td>
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<tr>
<td>Cash flow for the period</td>
<td>8 016</td>
<td>133</td>
<td>16 874</td>
<td>-16 881</td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash equivalents, opening balance</td>
<td>20 799</td>
<td>9 574</td>
<td>11 941</td>
<td>26 588</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents, closing balance</td>
<td>28 815</td>
<td>9 707</td>
<td>28 815</td>
<td>9 707</td>
<td></td>
<td></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