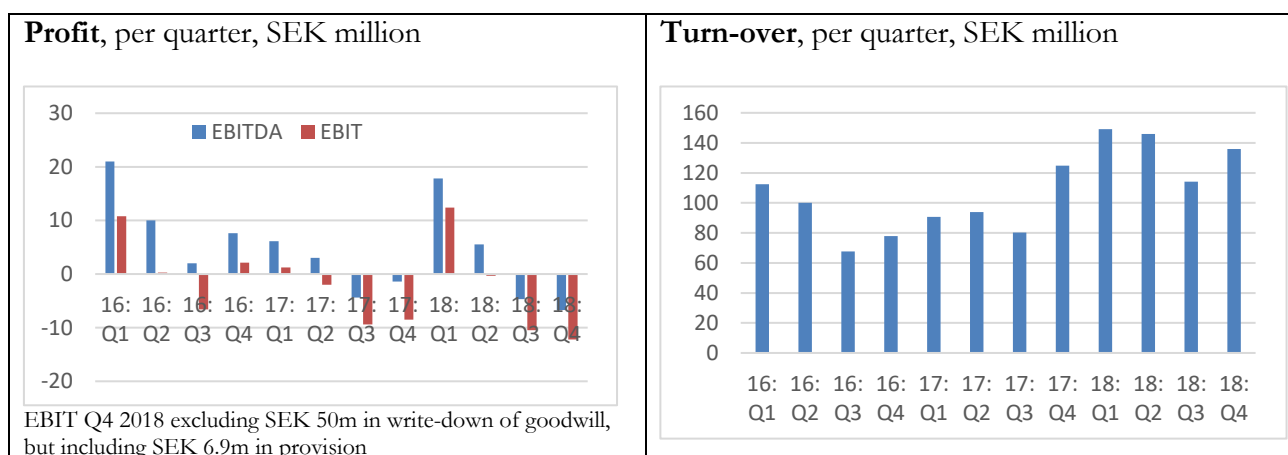


YrkesAkademin Fourth quarter and full year interim report

FINANCIAL OVERVIEW	Q4 2018 SEKm	Q4 2017 SEKm	Differ- ence	FY 2018 SEKm	FY 2017 SEKm	Differ- ence
Net sales,	135.9	124,8	+8,2%	545.0	389,4	+40%
EBITDA	-6.7	-1.4	-5.4m	11.8	3.3	+8,5m
Provision due to cost adaptation	6.9	-		6.9	-	
EBITDA excl provisions	0.2	-1.4	+1.6m	18.7	3.3	+15.4m
Write-down of goodwill	50	-		50	-	
EBIT	-62,2*	-8.5	-53.7m	-60,6*	-18.7	-41.9m
EBIT excl provisions and write-down	-5.3	-8.5	+3.2	-3.7	-18.7	+15.0m
Cash flow	6.8	1.0	+5.8m	2.8	-16.4	+19.2m
Share of participants employed**	79%	69%	+10pu	75%	75%	0

*Including write-down of goodwill by SEK 50m and SEK 6.9m in provisions for costs in relation to the cost adaptation program made in the autumn of 2018

**Measured three months after end of course



CEO COMMENT

Due to increasing uncertainty and weakened market for vocational education, YA Holding Group has made a write-down of goodwill by SEK 50m. YA Holding AB has made a write-down of subsidiary shares by SEK 80m, which is not affecting the Group accounts. In addition, the cost adaptation program implemented in the quarter has led to one-off provisions that affect EBITDA by SEK -6,9m.

2018 has been a turbulent year. On the one hand, YrkesAkademin has dramatically grown its sales and increased turn-over by 50% compared to 2017. With around 3000 participants in Labor market training, 1000 participants in Vocational University and 400 in secondary vocational education, YA has never had as large market shares in any of these education forms as it had in the end of 2018. Despite the rapid growth, quality has been maintained. Three of four participants were employed within three months after their training, and four of five stated that they enjoyed participating in their course.

On the other hand, the sharp reduction of the number of participants in employment courses decided by the Government and the Public Employment Service in May had a severe impact on YA's results. Over the summer, the monthly spend on education by the Employment Service was reduced by 30%, leading to a drop in the number of participants in many classes and a corresponding reduction of profitability.

From the first quarter's EBITDA of SEK 18m, profit fell to close to minus five million in the third quarter. Results recovered somewhat in the fourth quarter to an EBITDA (excl. provisions) of SEK 0,2m, but are still subdued.

RECENT DEVELOPMENT AND FORECAST

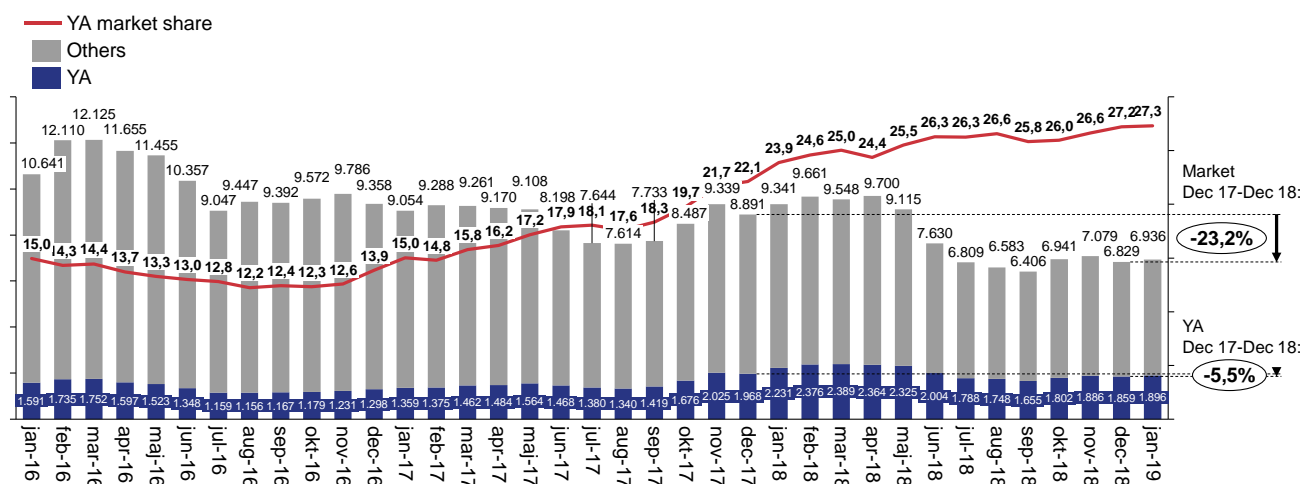
The demand from YA's largest customers has been volatile through 2018. From December 2017 to April 2018, the number of participants in Employment courses (Arbetsmarknadsutbildning, AUB) increased by 800, primarily driven by a rapid increase of participants in Transport education, of which the majority started in YA courses.

However, after April, the total number of participants in AUB fell quickly from close to 10.000, levelling out in September at a new low point of 6.400 participants. The reduction by close to 35% in five months affected YA, that lost just below 30% of its participants in the same period. In the fourth quarter, the number of AUB participants increased by about 400 by the end of fourth quarter. About half of those came to an YA-arranged course.

To summarize the year, total AUB volumes decreased by 2.000, or 23% from December 2017 to December 2018. In the same period, YA participants fell by 100 or 5,5% - leading to an increase of the market share from 22 to 27%. At the end of the year, YA was the largest provider of AUB education, both in participants and in turn-over.

Number of people in Employment Training

Total participants in AUB, YA participants and market share 2016-2018



Source: Public Employment Service, Monthly statistics

Next to the AUB-courses, The Public Employment Service also procures preparatory courses (Förberedande utbildning, FUB), that are designed to equip participants to either get a job directly or enable them to move into regular education or an AUB course. The total number of participants in such preparatory courses fell by 4000 from December 2017 to December 2018. YA increased its number of participants by a few hundred, primarily in professional Swedish courses. YA's market share of AUB and FUB increased from 9% in December 2017 to 14% in December 2018.

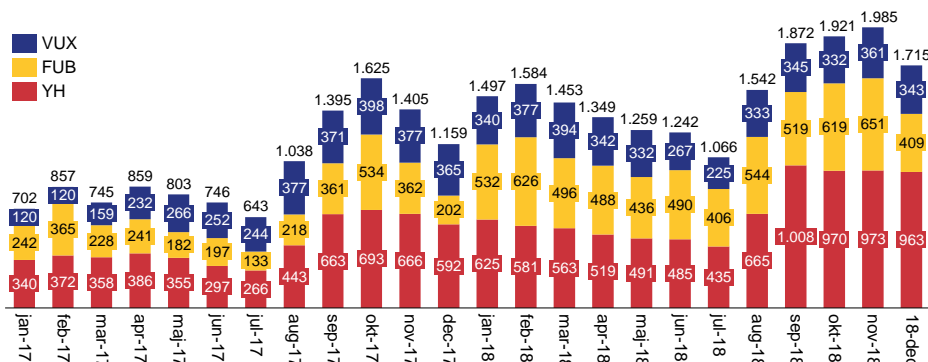
In the year, the students in Vocational University (Yrkeshögskola, YH) continued to grow. In December 2017, 33.800 persons studied at a YH course. In December 2018, the number had grown by 9.5% to 37.000. In the same period, the number of YA students increased by more than 60% to close to 1.000 students.

Vocational secondary education (Yrkesvux) is procured or operated by municipalities, why it is difficult to get a detailed view of the actual size of the number of participants at an aggregate level.

However, in Yrkesvux, YA has maintained the number of participants from last year, at a level of close to 400 pupils. That is an increase of more than 200% since the turn of the year 2016/17. A number of tenders were won throughout the year, leading to education starts in the spring of 2019.

Number of people in other courses

YA participants in Vocational University (YH), Preparatory Courses (FUB) and Secondary Vocational training (VUX) 2017-2018



Tenders and establishment

In the quarter, YA won six of the procured education sites in real estate maintenance / janitor. That is a lower number than YA had earlier, but since the previous contract already has been terminated, the won contracts will have a positive effect on turn-over compared to Q4 2018.

In addition, YA was certified to conduct yrkesvux-education in Larger Stockholm.

Events after the fourth quarter

New contracts in YH

After the fourth quarter YA has won 28 new Vocational University educations (YH) from Myndigheten för Yrkeshögskola (MYH) in January. That means that YA expects to double participation numbers and income from YH in 2020 compared to 2018. In 2020 and 2021 the courses are estimated to contribute with approximately SEK 50 million annually in revenue.

New contracts in Finland

YrkesAkademin runs vocational training in Finland under the name of Suomen Ammattiakatemia and was awarded a number of new contracts in the beginning of 2019, securing a contract value of about SEK 5m for 2019.

New CFO

Antti Rokala has joined YrkesAkademin as CFO, effective as of February 11, 2019. He is succeeding Mikael Vesterlund, who has chosen to leave YA.

Discussions with bondholder committee regarding capitalization

As previously announced, YA has implemented a cost adjustment program and is developing its business plan to improve the group's financial position and put the group towards a path of sustainable and profitable long-term growth in the new market environment. To deliver on this plan and reach a sustainable profitable level requires

ongoing investments in new educations and an adequate liquidity buffer to absorb start-up costs.

Over the past few months, YA has therefore explored its options to restructure its balance sheet and raise additional capital to improve its financial situation. As part of these efforts, management and the majority owner, funds managed by CapMan, have initiated discussions with a committee comprising of a group of larger bondholders with regards to certain amendments of the terms and conditions of the bond loan in conjunction with a capital injection from the owners. The amendments aim to improve YA's liquidity situation, reduce its debt burden and allow sufficient time to improve the operating performance of the group before maturity of the bond loan.

Certain amendments and actions being discussed are, *inter alia*, an extension of the tenor, capitalised interest rate margin, write-down of the outstanding nominal amount and a capital injection from the owners. The discussions are still at an early stage and more information regarding the process will be announced when available.

Forecast

Assumptions

In 2019, the Public Employment Service predicts the demand for employment courses to be between SEK 85m and 93m per month, which is in line with the levels of the autumn of 2018. YrkesAkademin will be able to adjust its production capacity to the generally lower level of participants in labour market education. That creates opportunities to increase efficiency and profitability despite a potential loss of contracts in for example earthmoving machine operators.

In addition, YA has already won a high number of YH courses that will start in the autumn of 2019. Even though the full impact on turn-over and profitability will not be visible until 2020 and 2021, there will be a positive effect also in 2019. The market for secondary vocational education and private corporate competence development is assumed to be constant over 2019.

The budget

The budget for 2019 is based on two parts. First, a base budget consisting of the expected growth and profitability within existing contracts. Second, a growth budget which includes an expectation of new contract wins.

The base budget is developed from what is known about expected volumes, duration of contracts, and political decisions. Still, in the political turmoil it is a budget consisting of a large degree of uncertainty since more than 90 percent of the income stems from the public sector.

The growth budget is even more uncertain. It is very difficult to foresee both which new educations will be procured and what win rates YA will have, even if the estimates are based on historical win-rates and announcements from the authorities. Not only growth rates, but also profitability in various education sites, depend on volumes both nationally and locally.

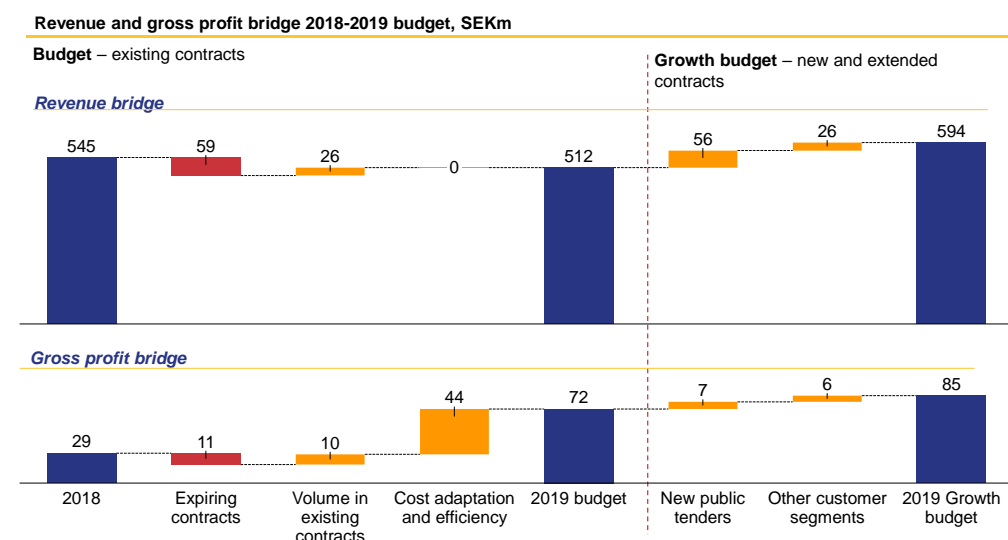
Given those uncertainties, YA expects expiring contracts to reduce turn-over by SEK 59m, and growth in existing contracts to be SEK 26m. In addition, SEK 56 m is estimated to be gained from new won contracts in the year, and an additional growth of SEK 26m is estimated from other customer segments, primarily corporate customers.

The loss in gross profit from lost contracts is expected to be SEK 11m, but the growing volumes in existing contracts will add SEK 10m to profit. The largest effect of profitability – SEK 44m – comes from the cost adaptation program and other efficiency measures that can be made compared to 2018 as volumes are expected to be more stable through 2019, following the Employment Service’s forecasts.

In the growth budget, new public tenders are estimated to add SEK 7m to profitability and other customer segments are estimated to contribute with the same amount.

Budget 2019

Revenue and gross profit 2019



The base budget, with a revenue of SEK 512m and gross profit of SEK 72m would mean an EBITDA of approximately SEK 43m. The cash flow for 2019 is estimated to SEK 5m.

The 2019 budget is based on the same accounting principles as used in 2018 and does not take the new IFRS treatment of leasing costs into account. Also, the 2019 budget does not take any result from the ongoing discussions with bondholders into account, due to the uncertain outcome.

KEY FINANCIAL INFORMATION

(MSEK)	Quarter		Full Year	
	(Oct - Dec)	(Oct - Dec)	(Jan - Dec)	(Jan - Dec)
	2018	2017	2018	2017
Net sales	135,9	124,8	545,0	389,4
EBITDA	-6,7	-1,4	11,8	3,3
EBITDA margin, %	-4,9%	-1,1%	2,2%	0,9%
EBIT	-62,2	-8,5	-60,6	-18,8
EBIT margin, %	-45,8%	-6,8%	-11,1%	-4,8%
Net debt	392,4	378,2	392,4	378,2

Key ratios

Leverage (net debt/EBITDA)	33x
Interest coverage (EBITDA/Net finance charges)	0.41x

BUSINESS DEVELOPMENT DURING THE FOURTH QUARTER

Revenues

Fourth quarter October-December 2018

Revenue amounted to SEK 135.9 million (124.8) for the quarter. The average number of students in AUB was 2530 (2286) for the period. The increase versus prior year is primarily due to the start-up of transport education.

Full Year January - December 2018

Revenue amounted to SEK 545 million (389.4) for the period. The average number of students in AUB has been 2689 (1776) for the period. The increase versus prior year is primarily due to the start-up of transport education.

Earnings

Fourth quarter October-December 2018

EBITDA amounted to SEK -6.7 million (-1.4) for the quarter. This includes a one-timer reservation of SEK 6.9 million mainly due to closing of education facilities.

Full Year January - December 2018

EBITDA amounted to SEK 11.8 million (3.3) for the period and was SEK 18.7 million excluding one-time reservations.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 9.5 million (21.6) for the quarter. For the full year 2018 operating cash flow amounted to SEK 1.8 million (0.6).

Cash flow from investing activities amounted to SEK 9.7 million (-5.0) during the quarter and SEK -14.6 million (-12.7) for the full year 2018.

Cash flow from financing activities amounted to SEK -12.4 million (-15.7) during the quarter and SEK 15.6 million (-4.2) for the full year 2018.

Total cash flow amounted to SEK 6.8 million (1.0) during the quarter and SEK 2.8 million (-16.4) for the full year 2018.

OTHER DISCLOSURES

IFRS16

IFRS16 for Leases shall be applied as from the financial year 2019. The Company applies the simplified transition method and the main impact on the Company's accounts derives from the accounting of leases for premises and vehicles. The effect on the balance sheet as of January 1, 2019 is SEK 165 million to leasing assets (operating lease) and respectively to the leasing liability. Annual leasing cost of SEK 44 million shall be re-distributed to depreciations and interest expenses.

Goodwill impairment

The goodwill value as of December 31, 2018 has been subject to an impairment test in which a sensitivity analysis covering various scenarios has been conducted. Based on the outcome of this analysis and in light of a weakened market environment and decreasing predictability of the market development, the Board of Directors has decided to write down the Group's goodwill by SEK 50m, effective December 31, 2018.

Furthermore, the Board of Directors has decided to write down the value of subsidiary shares held by YA Holding AB by SEK 80m effective December 31, 2018. This is not affecting the Group accounts.

Shareholder's contribution

YA Holding has received a group contribution of SEK 27m from YA Invest AB (shareholder of YA Holding AB), effectively December 31, 2018.

Average number of employees in the Group

For the period, the average number of employees (FTE) in the Group was 460 (410).

Reporting dates 2019

Annual report 2018	April 28, 2019
Interim report Q1	May 31, 2019
Interim report Q2	August 31, 2019
Interim report Q3	November 30, 2019

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 2017. 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 2017.

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

Falun, February 22, 2019

The Board of Directors

For further information, please contact

Antti Rokala, CFO
YA Holding AB
Pelle Bergs backe 3
PO Box 127

SE-791 23 Falun, Sweden
www.ya.se
+46 76 899 4973

FINANCIAL STATEMENTS

Income statement and other comprehensive income

	2018-10-01	2017-10-01	2018-01-01	2017-01-01
(SEK thousands)	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Net sales	135 931	124 804	545 010	389 437
Other operating income	1 837	564	8 687	1 835
Total	137 768	125 368	553 697	391 272
<i>Operating expenses</i>				
Other external costs	-80 798	-69 694	-288 753	-206 705
Employee benefit expenses	-65 641	-56 401	-251 940	-179 413
Amortisation and depreciation of intangible and tangible fixed assets	-55 488	-7 157	-72 358	-22 108
Other operating expenses	1 950	-656	-1 221	-1 810
Operating result	-62 209	-8 540	-60 575	-18 764
<i>Profit/loss from financial items</i>				
Other interest income and similar profit items	8	7	38	55
Interest expense and similar loss items	-7 023	-7 052	-28 606	-28 747
Result after financial items	-69 224	-15 585	-89 143	-47 456
Tax on profit for the period	3 587	2 107	8 146	10 819
Net result for the period	-65 637	-13 478	-80 997	-36 637

BALANCE SHEET

(SEK thousands)	2018-12-31	2017-12-31
Non-current assets		
<i>Intangible assets</i>	438 393	489 178
<i>Tangible fixed assets</i>	64 201	71 129
<i>Financial assets</i>	10 631	2 485
Current assets		
<i>Current receivables</i>	62 846	67 202
Cash and bank balances	8 772	5 995
Total assets	584 843	635 989
Equity	92 393	146 209
Liabilities		
<i>Deferred tax</i>	-	-
<i>Long-term interest-bearing debt</i>	27 268	370 212
Bond loans	-	335 000
Other non-current liabilities	27 268	35 212
<i>Short-term interest-bearing debt</i>	373 899	13 948
<i>Current liabilities</i>	91 283	105 620
Total equity and liabilities	584 843	635 989

STATEMENT OF CHANGES IN EQUITY

(SEK thousands)	Share capital	Other paid in capital	Retained earnings	Total
Opening balance as of January 1, 2018	500	241 700	- 95 991	146 209
Net profit			-	80 997
Shareholder's contribution		27 252		27 252
			-	71
Closing balance as of December 31, 2018	500	268 952	- 177 059	92 393

CASH-FLOW STATEMENT

	2018-10-01	2017-10-01	2018-01-01	2017-01-01
(SEK thousands)	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Operating profit (EBIT) for the period	-62 209	-8 540	-60 575	-18 764
Depreciation/amortization	55 489	7 157	72 359	22 108
Interest paid/received	-7 015	-7 045	-28 568	-28 692
Income tax paid	2 354	2 107	-117	39
Cash flow from operating activities before change in operating capital	-5 860	-6 321	-11 380	-25 309
Change in operating working capital	15 383	27 928	13 136	25 877
Cash flow from operating activities	9 523	21 607	1 756	568
Cash flow from investing activities	9 730	-4 962	-14 646	-12 747
Cash flow from financing activities	-12 445	-15 659	15 667	-4 225
Cash flow for the period	6 808	986	2 777	-16 404
Cash and cash equivalents, opening balance	1 964	5 009	5 995	22 399
Cash and cash equivalents, closing balance	8 772	5 995	8 772	5 995

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	Average number of employees for the period
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

Yrkesvux

Vocational Secondary School Education

Yrkesvenska

Professional Swedish Education