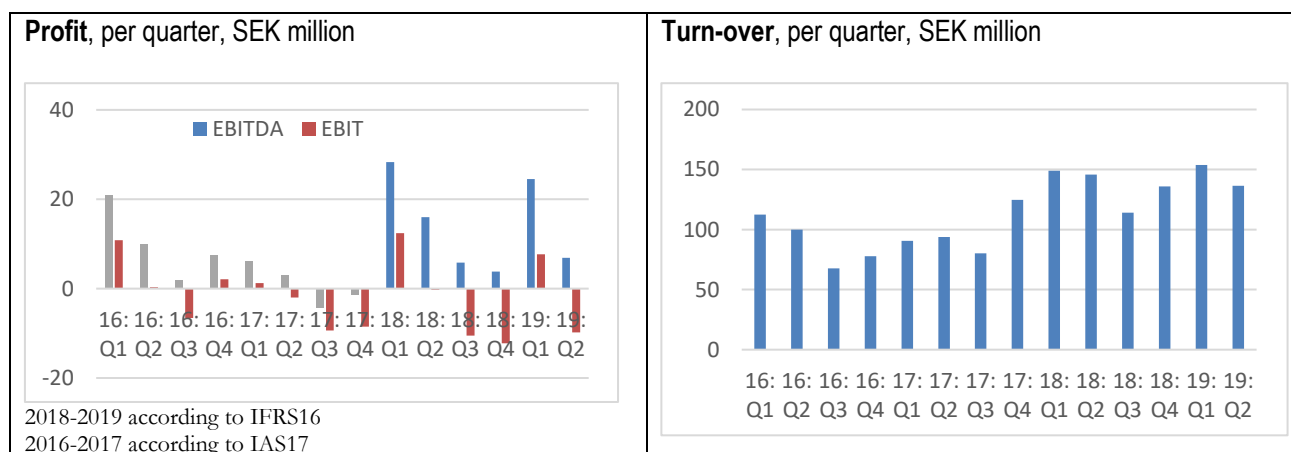


YrkesAkademin
Second Quarter interim report

| FINANCIAL OVERVIEW | Q2 2019 SEKm | Q2 2018 SEKm | Differ- ence | YTD 2019 SEKm | YTD 2018 SEKm | Differ- ence |
|-----------------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net sales, | 136.4 | 145.9 | -9.5m | 290.2 | 295.0 | -4.8m |
| EBITDA* | 6.9 | 16.0 | -9.1m | 31.5 | 44.3 | -12.8m |
| EBITDA-margin | 5.1% | 11.0% | -5.9pp | 10.8% | 15.0% | -4.2pp |
| EBIT* | -9.8 | -0.3 | -9.5m | -2.1 | 12.2 | -14.3m |
| EBIT-margin | -7.2% | -0.2% | -7.0pp | -0.7% | 4.1% | -4.8pp |
| One-off items* | -9.4 | - | -9.4m | -6.8 | - | -6.8m |
| EBITDA excl. one-off items | 16.3 | 16.0 | +0.3m | 38.2 | 44.3 | -6.1m |
| EBITDA-margin excl. one-off items | 12.0% | 11.0% | +1.0pp | 13.2% | 15.0% | -1.8pp |
| EBIT excl. one-off items | -0.4 | -0.3 | +0.1m | 4.7 | 12.2 | -7.5m |
| EBIT-margin excl. one-off items | -0.3% | -0.2% | -0.1% | 1.6% | 4.1% | -2.5pp |
| Cashflow | 1.8 | 0.5 | +1.3m | -5.6 | -1.1 | -4.5m |
| Share of participants employed** | 78% | 74% | +4 | 79% | 70% | +9 |

*Including cost of refinancing and restructuring

**Measured three months after end of course



CEO COMMENT

The underlying results in the quarter are in line with the second quarter 2018, despite the lower income. But one-off costs for the refinancing process and cost reduction program had a significant negative impact on EBITDA and EBIT. In addition, the termination of AUB earth-moving machine operator courses had a negative impact both on income and via close-down expenses. YA has also had substantial start-up costs for new Vocational university courses that will start to generate income in the autumn.

The market is still held back, primarily by political uncertainty and the large reduction of staff in the National Employment Service (AF). Volumes in labour courses (AUB) decreased by 25% in 12 months, reducing YA's income in Q2 by more than SEK 20m. The decline was partly counter balanced by increased income from Secondary vocational education (VUX) by SEK 5m, Vocational university (YH) by SEK 5m and corporate customers by SEK 3m. But total income is down by almost SEK 10m.

Together with the decision of AF to withdraw the tender process for earth-moving machine operator courses and a lower than forecasted volume of AUB in June and July, these exogenous factors mean that YA most likely will not reach the forecasted turnover for 2019, but will probably reach a somewhat lower turn-over and somewhat higher EBITDA than the full year of 2018.



About YrkesAkademin: YA Holding, including subsidiaries, is a Sweden based educational company holding a leading position in the vocational education and labour market training industry. The business is primarily conducted in YrkesAkademin and YrkesAkademin YH. YrkesAkademin conducts labour policy and secondary vocational education in several areas, including professional drivers, earth moving machine operators, industry, restaurant, real estate maintenance, construction and vehicle mechanics. YrkesAkademin YH is specialised on vocational university education.

RECENT DEVELOPMENT AND FORECAST

Participant volumes

The market volumes until April 2019 were fairly stable on levels around 7.000 participants. In the forecasts, AF did not foresee a dip over the summer, but in May and particularly June, the volumes dropped sharply, despite AF:s forecasts of fairly stable volumes.

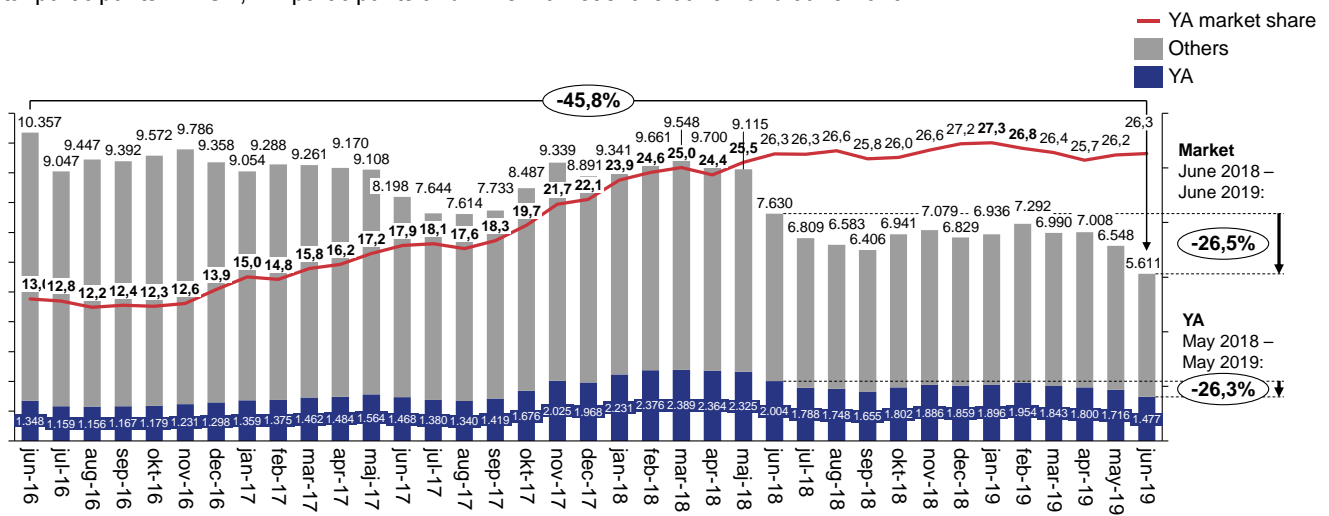
In the last years, since June 2016, the volumes have dropped to half the level, or down 46%. Since June last year, volumes are down by 26,5%. The number of participants in employment education (AUB) has in the month of June not been this low since the 1950's – i.e. in 60 years!

The last forecast from Af (in July) show that they expect volumes to increase after the summer to levels somewhat lower than in the spring. But after 2019, they foresee a continuation of the reduction of both employment education and other unemployment measures in the coming years.

YA was affected by the drop in total number of participants in AUB as well as in preparatory courses (FUB) such as professional Swedish and by the close-down of earth-moving machine operator courses. In total, YA's volumes were reduced by more than 25%, or 500 participants, which over the quarter reduced income from Af by close to SEK 25m compared with the same period last year.

Number of people in Employment Training

Total participants in AUB, YA participants and YA's market share June 2016-June 2019



Source: Public Employment Service, Monthly statistics

In secondary vocational training, YA has had a stable level of close to 500 participants through the quarter. That is substantially higher than last year and increased income by SEK 5m, or close to 50%.

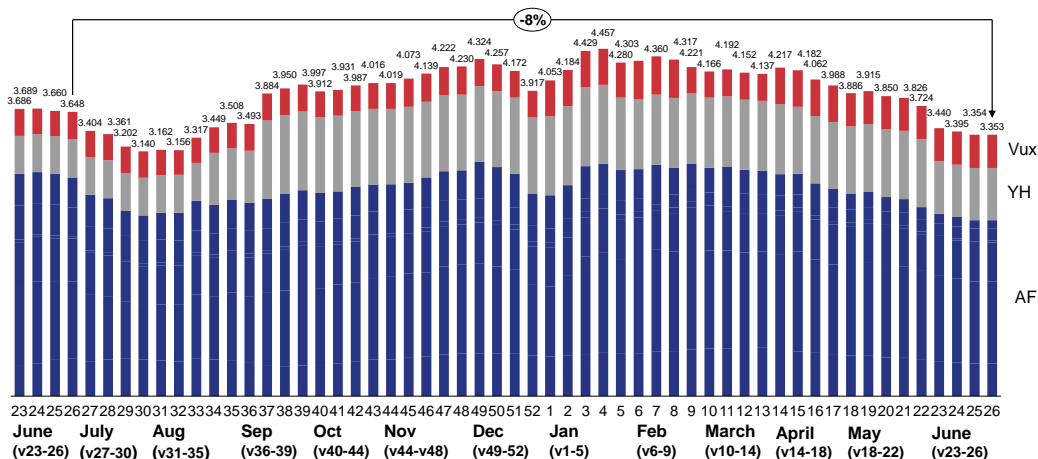
Also within Vocational University courses the volumes, around 900 students until graduation reduced the number in June, was substantially higher than last year. Vocational University income also grew by SEK 5m or around 50% compared to last year's Q2.

Corporate sales increased by SEK 3m compared to Q2 2018.

However, the total number of people enrolled in different public courses fell by 8% compared to Q2 2019, and income was accordingly reduced by some SEK 10m.

Number of participants in YA-courses

Total participants in AUB, FUB, YH and Vux



Tenders and new contracts

The close-down of the earth-moving machine operator courses has been intense through the spring. By August, YA still has AF-financed activity in three locations with decreasing group sizes. Income is down to 10 percent of what it was in January 2019. The close-down is thus not fully implemented yet, but most cost should be taken.

Out of the six won contracts for real estate maintenance/janitor courses, now two have started up and we expect more to start in the autumn.

In the quarter, YA has been authorized to pursue secondary vocational training in more municipalities around Stockholm, and focus primarily on developing activity in Huddinge, Botkyrka and Upplands Bro.

YA won a contract with AF to train future electricians in Borlänge. That is our first electrician education and will give us an even broader competence in broader construction skills.

In parallel to evaluating new tenders within AF and VUX, YA is exploring the opportunities in the market for matching activities that will emerge in the ongoing reform process of AF, due to be initiated in 2020 and fully implemented in 2021 according to the government agreement with the supporting parties.

Prolongation of the bond program

The existing bond program of YA Holding AB has been prolonged with amended terms by three years until June 18, 2022.

The proposal to prolong YA Holding's bonds with amended terms and conditions was approved by bondholders in June in a written procedure initiated in May.

With the capital injection and lower interest costs the coming three years, YA has a good foundation for meeting the large changes foreseen in the labor policy and market for vocational training.

The amendments are effective as per June 11, 2019 and the amended terms and conditions are available on the company's website (www.ya.se).

Events after the first quarter

AF has decided to withdraw its procurement of earth-moving machine operator courses, following the appeal of their decision to grant YA four education locations, worth some SEK 40m in income per year.

It is still unclear if there will be any earth-moving machine operator courses going forward, but AF has declared that they will investigate the demand for such training regionally within AF. In previous years, these courses have contributed to income in YA by approximately SEK 100m per year.

YA won the contract to educate auto repair staff in Gävleborg, which is an education that will fit nicely with the other courses we are giving in that region. YA also won a new VUX-contract with Hässleholm in August.

In addition, the National Institute of Economic Research, Konjunkturinstitutet, published statistics and a forecast showing the Swedish GDP growth was slowing down, and expected it to approach one percent in the coming years. The trade conflict between USA and China could also have an instrumental effect on Swedish economy. Traditionally, a downturn would lead to larger spend on employment training and other adult education activities, and a lower demand of education from private corporations. But in the paradigm shift that the reform of AF is, it is uncertain if that correlation still is valid.

Forecast

In the report for the first quarter, a forecast for the coming five years was published.

Since then, the Employment Service (AF) has revised its forecast two times. In May, it reduced its forecast for spend in 2019 by SEK 124, and in July by SEK 264m. In total, the expected spend has thus been reduced by 12% since the forecast was made. For the coming years, the reduction in forecasts has been smaller, but altogether the effects from these cuts will be substantially negative on the market.

In addition, the decisions not to continue with earth-moving machine operator courses will be clearly negative for YA, since it took away some SEK 40m in turn-over, and imposed larger than expected close-down costs. The slow demand of the real estate maintenance courses is yet another negative exogenous factor.

With this new input, the forecast for 2019 has been revised to a turn-over somewhat lower than the full year 2018 and profit levels somewhat higher.

In addition, the forecasts for coming years have become even more uncertain than was flagged for when the forecast was published. Its prediction ability of that forecast has become very low, and the numbers are not valid as a forecast. It is not likely that a new forecast can be done before there is substantially better visibility on what will happen with AF in the future.

KEY FINANCIAL INFORMATION

| (MSEK) | Quarter | | Ackumulated | |
|----------------------------------|-------------|-------------|-------------|-------------|
| | (Apr - Jun) | (Apr - Jun) | (Jan - Jun) | (Jan - Jun) |
| | 2019 | 2018 | 2019 | 2018 |
| Net sales | 136,4 | 145,9 | 290,2 | 295,0 |
| EBITDA IFRS16 | 6,9 | 16,0 | 31,5 | 44,3 |
| EBITDA margin, % | 5,1% | 11,0% | 10,8% | 15,0% |
| EBIT | -9,8 | -0,3 | -2,1 | 12,2 |
| EBIT margin, % | -7,2% | -0,2% | -0,7% | 4,1% |
| Net debt | 544,1 | 544,9 | 544,1 | 544,9 |
| One-off items | -9,4 | 0,0 | -6,8 | 0,0 |
| EBITDA IFRS16 excl one-off items | 16,3 | 16,0 | 38,2 | 44,3 |
| EBITDA margin, % | 12,0% | 11,0% | 13,2% | 15,0% |
| EBIT excl one-off items | -0,4 | -0,3 | 4,7 | 12,2 |
| EBIT margin, % | -0,3% | -0,2% | 1,6% | 4,1% |

Key ratios

| | |
|--|------|
| Leverage (net debt/EBITDA for the past 12 months) | 13x |
| Interest coverage (EBITDA/Net finance charges – 12 months) | 1,4x |

BUSINESS DEVELOPMENT DURING THE SECOND QUARTER

Revenues

Second quarter April - June 2019

Revenue amounted to SEK 136.4 million (145.9) for the quarter. The ongoing restructuring of Arbetsförmedlingen (Swedish Public Employment Service) is reflected to decrease in employment training and affecting the revenues.

Six months period January – June 2019

Revenue amounted to SEK 290.2 million (295.0) for the period. Revenue includes 8.0 million retrospectively invoiced education days from year 2018 and 2017.

Earnings

Second quarter April - June 2019

EBITDA (IFRS16) amounted to SEK 6.9 million (16.0) for the quarter. This includes a negative net impact of 9.4 million deriving from the retrospective revenues of 2.4 million and one-time costs of 11.8 million mainly related to refinancing and restructuring.

Six months period January – June 2019

EBITDA (IFRS16) amounted to SEK 31.5m (44.3) for the period. EBITDA is affected by a negative net impact of SEK 6.8m deriving from the retrospective revenues of 8.0 million and one-time costs of SEK

14.8m. Out of the 14.8 million, 10.9 million is related to refinancing and the remaining 3.9 million is related to other restructuring.

The investment to build-up the new education programs for vocational university is affecting the earnings in 2019 and the pay-back is expected from third quarter 2019 onwards. Discontinuing and closing down the earth-moving machine operator education is also affecting the results in the first six months period. These activities shall be completed by the end of August and no more related losses are foreseen.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 5.2m (11.1) during the quarter. For the six months-period operating cash flow amounted to SEK 12.7m (25.0).

Cash flow from investing activities amounted to SEK 2.6m (-9.0) during the quarter and SEK -0.3m (-6.3) for the six months-period.

Cash flow from financing activities amounted to SEK -6.0m (-1.6) during the quarter and SEK -18.1m (0.2) for the six months-period. According to IFRS16 for Leases (refer to the other disclosures below) leasing payments are treated as amortizations of the leasing liability. This is included in financing activities in cash-flow statement.

Total cash flow amounted to SEK 1.8m (0.5) during the quarter and SEK -5.6m (-1.1) for the six months-period.

OTHER DISCLOSURES

IFRS16

IFRS16 for Leases has been applied as from January 2019. 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 164m to leasing assets (operating lease) and respectively SEK 165m to the leasing liability. Annual leasing cost of SEK 47 million is re-distributed to depreciations and interest expenses. The opening balance of shareholders equity is adjusted by SEK -1.1m reflecting the difference in value between leasing assets and the leasing liability.

The balance sheet, income statement and cash-flow statement of 2018 are adjusted respectively reflecting the IFRS16.

Average number of employees in the Group

For the six month period, the average number of employees (FTE) in the Group was 447 (445).

Reporting dates

| | |
|-------------------|-------------------|
| Interim report Q3 | November 22, 2019 |
| Interim report Q4 | February 18, 2020 |

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. 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.

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

Falun, August 23, 2019

The Board of Directors

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FINANCIAL STATEMENTS

Income statement and other comprehensive income

| | 2019-04-01 | 2018-04-01 | 2019-01-01 | 2018-01-01 |
|---|----------------|----------------|----------------|----------------|
| (SEK thousands) | 2019-06-30 | 2018-06-30 | 2019-06-30 | 2018-06-30 |
| Net sales | 136 398 | 145 931 | 290 209 | 295 020 |
| Other operating income | 4 453 | 366 | 4 829 | 1 016 |
| Total | 140 851 | 146 297 | 295 038 | 296 036 |
| <i>Operating expenses</i> | | | | |
| Other external costs | -65 764 | -63 112 | -130 168 | -122 618 |
| Employee benefit expenses | -67 025 | -67 157 | -132 134 | -129 005 |
| Amortisation and depreciation of intangible and tangible fixed assets | -16 739 | -16 259 | -33 531 | -32 133 |
| Other operating expenses | -1 123 | -27 | -1 265 | -115 |
| Operating result(*) | -9 800 | -258 | -2 060 | 12 165 |
| <i>Profit/loss from financial items</i> | | | | |
| Other interest income and similar profit items | 14 | 5 | 16 | 18 |
| Interest expense and similar loss items | -6 348 | -7 028 | -15 081 | -14 216 |
| Result after financial items | -16 134 | -7 281 | -17 125 | -2 033 |
| Tax on profit for the period | 1 181 | 1 613 | 1 269 | 589 |
| Net result for the period | -14 953 | -5 668 | -15 856 | -1 444 |
| (*)Operating Result excl one-off items | -430 | -258 | 4 710 | 12 165 |

BALANCE SHEET

| (SEK thousands) | 2019-06-30 | 2018-06-30 | 2018-12-31 |
|---|----------------|----------------|----------------|
| Non-current assets | | | |
| <i>Intangible assets</i> | 438 359 | 488 660 | 438 393 |
| <i>Tangible fixed assets</i> | 203 463 | 230 774 | 227 769 |
| <i>Financial assets</i> | 10 960 | 3 324 | 10 631 |
| Current assets | | | |
| <i>Current receivables</i> | 64 277 | 79 765 | 62 846 |
| Cash and bank balances | 3 128 | 4 933 | 8 772 |
| Total assets | 720 187 | 807 456 | 748 411 |
| Equity | 75 496 | 144 745 | 91 256 |
| Liabilities | | | |
| <i>Deferred tax</i> | | | - |
| <i>Other provisions</i> | 4 404 | - | - |
| <i>Long-term interest-bearing debt</i> | 474 560 | 495 388 | 143 973 |
| Bond loans | 335 000 | 335 000 | - |
| Other non-current liabilities | 139 560 | 160 388 | 143 973 |
| <i>Short-term interest-bearing debt</i> | 72 686 | 54 458 | 421 899 |
| <i>Current liabilities</i> | 93 041 | 112 865 | 91 283 |
| Total equity and liabilities | 720 187 | 807 456 | 748 411 |

STATEMENT OF CHANGES IN EQUITY

| (SEK thousands) | Share capital | Other paid in capital | Retained earnings | Total |
|---------------------------------------|---------------|-----------------------|-------------------|---------|
| Opening balance as of January 1, 2019 | 500 | 268 952 | - | 178 100 |
| Net profit | | | - | 15 856 |
| Closing balance as of June 30, 2019 | | | - | 178 100 |

CASH-FLOW STATEMENT

| | 2019-04-01 | 2018-04-01 | 2019-01-01 | 2018-01-01 |
|---|------------|------------|------------|------------|
| (SEK thousands) | 2019-06-30 | 2018-06-30 | 2019-06-30 | 2018-06-30 |
| Operating profit (EBIT) for the period | -9 800 | -258 | -2 061 | 12 165 |
| Depreciation/amortization | 9 203 | 16 267 | 23 476 | 32 151 |
| Interest paid/received | -6 902 | -7 023 | -15 298 | -14 198 |
| Other non-cash items | | | -1 117 | |
| Income tax paid | -843 | -848 | -1 619 | -1 624 |
| Cash flow from operating activities before change in operating capital | -8 342 | 8 138 | 3 381 | 28 494 |
| Change in operating working capital | 13 571 | 3 000 | 9 333 | -3 404 |
| Cash flow from operating activities | 5 229 | 11 138 | 12 714 | 25 090 |
| Cash flow from investing activities | 2 584 | -9 008 | -255 | -26 353 |
| Cash flow from financing activities | -6 052 | -1 602 | -18 103 | 201 |
| Cash flow for the period | 1 761 | 528 | -5 644 | -1 062 |
| Cash and cash equivalents, opening balance | 1 367 | 4 405 | 8 772 | 5 995 |
| Cash and cash equivalents, closing balance | 3 128 | 4 933 | 3 128 | 4 933 |

DEFINITIONS

| | |
|---------------------|---|
| EBIT | Earnings before interest and tax. |
| EBITDA (IFRS16) | Earnings before interest, tax, depreciation and amortization. |
| EBIT-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 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 AND ABBREVIATIONS

| | |
|--------------------------------|---------------------------------------|
| Arbetsförmedlingen (AF) | The Swedish Public Employment Service |
| Yrkeshögskola (YH) | Vocational University |
| Arbetsmarknadsutbildning (AUB) | Employment Training |
| Förberedande utbildning (FUB) | Preparatory Employment Education |
| Stöd och matchning (STOM) | Support and Matching Program |
| Yrkesvux (VUX) | Vocational Secondary School Education |
| Yrkessvenska (YS) | Professional Swedish Education |