

Q2 2021

Interim Report

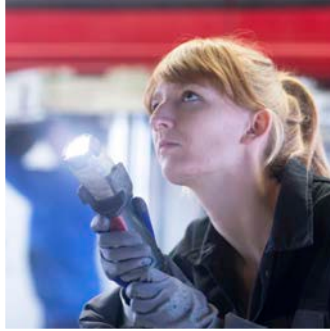
YA Holding AB (publ)
Second quarter 2021



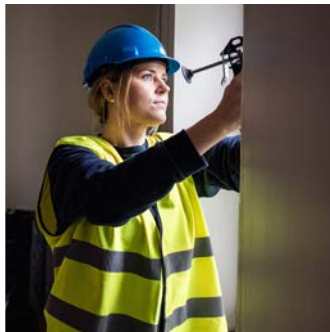
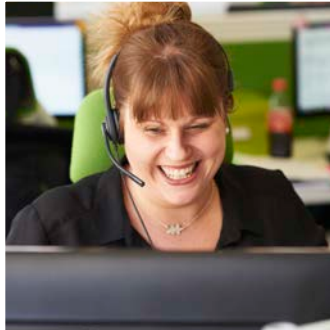
**Yrkes
Akademin**



YA Holding, including subsidiaries, is a Sweden based educational company holding a leading position in the vocational education and employment training. The business is primarily conducted in **YrkesAkademin** and **YrkesAkademin YH**.



YrkesAkademin conducts employment training 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.



Second Quarter April–June 2021

Second quarter highlights

During the quarter, the Swedish Public Employment Service (AF) has completed the procurement process of training for professional truck drivers and bus drivers. YrkesAkademin (YA) has won contracts in 25 out of 27 locations regarding truck drivers. YA has also won contracts in 20 out of 23 locations regarding bus drivers.

Previously YA had contracts in 13 locations for truck drivers and 21 locations for bus drivers. The new contract period is one year, and it was intended to start at August 1 this year with a possibility of extension for another two years, one at the time. The annual value of the new contract for truck drivers is estimated at approximately 200 mnkr, which would lead to an increase of YA's annual turnover by approximately 80 mnkr. The annual value of the contract for bus drivers is approximately 100 mnkr, which roughly corresponds to the level of the current contract.

Appeals have been submitted to the Administrative Court to challenge the outcome of these both procurement processes. This has caused a temporary delay in start-up of the training programs. YA has implemented a cost adaptation program to balance the delay in start-up of the appealed contracts. A resolution by the Administrative Court is expected during this year. YA is preparing to get started as soon as these appeals have been resolved.

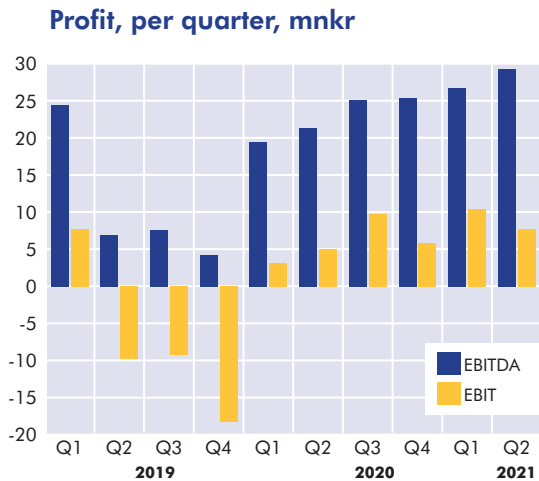
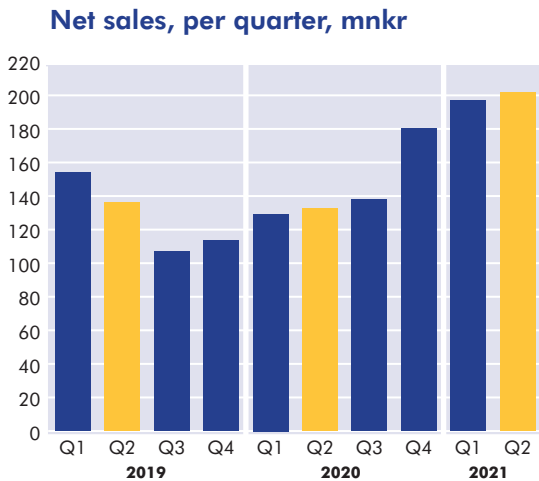
Financial Overview Q2 2021

Second Quarter (April–June)	Six months period (January - June)
<ul style="list-style-type: none">• Net sales increased by 52.1% to 201.6 mnkr (132.6).• Operating profit (EBIT) for the quarter amounted to 7.8 mnkr (5.0).• Total cash flow for the quarter was 10.3 mnkr (7.5).• The average number of students was 6 537 (3 865).• The share of participants employed three months after the training was 64% (54%) for the quarter.	<ul style="list-style-type: none">• Net sales increased by 51.7% to 398.7 mnkr (262.8).• Operating profit (EBIT) for the period amounted to 18.3 mnkr (8.2).• Total cash flow for the period was 11.8 mnkr (6.7).• The average number of students was 6 587 (3 878).• The share of participants employed three months after the training was 51% (61%) for the period.

Interim report Q2 2021

Financial overview	Second quarter			January–June		
	2021	2020	Difference	2021	2020	Difference
Net sales	201,6	132,6	69,0	398,7	262,8	135,9
EBITDA	29,3	21,3	8,0	56,0	40,7	15,3
EBITDA-margin, %	14,5%	16,0%	-1,5 ppt	14,1%	15,5%	-1,4 ppt
EBIT	7,8	5,0	2,8	18,3	8,2	10,2
EBIT-margin, %	3,9%	3,8%	0,1 ppt	4,6%	3,1%	1,5 ppt
Non-recurring items	-	-	-	-	-	-
EBITDA excl. non-recurring items	29,3	21,3	8,0	56,0	40,7	15,3
EBITDA-margin excl. non-recurring items	14,5%	16,0%	-1,5 ppt	14,1%	15,5%	-1,4 ppt
EBIT excl. non-recurring items	7,8	5,0	2,8	18,3	8,2	10,2
EBIT-margin excl. non-recurring items	3,9%	3,8%	0,1 ppt	4,6%	3,1%	1,5 ppt
Net debt	488,8	464,7	24,1	488,8	464,7	24,1
Cash flow	10,3	7,5	2,8	11,8	6,7	5,1
Number of participants avg	6 537	3 865	2 672	6 587	3 878	2 709
Share of participants employed	64%	54%	10 ppt	51,0%	61%	-10 ppt
Leverage (Net debt/EBITDA past 12 months)	4,6	9,3	-4,7	4,6	9,3	-4,7
Interest Coverage (EBITDA/Net financing cost)	7,0	3,3	3,7	7,0	3,3	3,7

The content of the Alternative Performance Measures (APM) applied is defined at the end of this report.



Second Quarter performance shows improvement over the previous year

The high level of unemployment has led to an increased need of education and matching services. Number of people attending in employment training (AUB) in Sweden has increased by 68% from 5 082 in June 2020 to 8 527 in June 2021. The average number of people attending all YA’s training and education programs has increased by 69% from 3 865 in the 2nd quarter of 2020 to 6 537 in the 2nd quarter of 2021. The current appeal process of contracts for professional driver training will constitute a challenge to the development in the coming months.

YA’s financial performance shows an improvement over the previous year. EBIT for the quarter amounted to 7.8 mnkr (3.9%) compared to 5.0 mnkr (3.8%) last year. The achieved improvement is a combination of market growth in AUB, investments to develop vocational university (YH) and VUX and better optimized course occupation rate.

During the quarter, YA has been granted eight short education programs in YH. YA has also gained new contracts in AUB and VUX. YA has also signed a frame agreement with the Swedish Police regarding driving license training in eleven locations. This contract is covering the period from autumn 2021 to autumn 2025. For more details, please refer to the chapter ‘tenders and contracts during the quarter’ below.

YA is, by the end of June, approaching break-even volumes in new AUB programs for restaurant and catering, construction technician and vehicle mechanic trainings, that were launched in the 1st quarter. YA has also continued to invest in matching services. YA is operating in 28 locations at the end of the quarter. Due to the highly retrospective compensation, newly established locations for matching services also had a negative impact in the results during the 2nd quarter.

It is not unusual for the AFs allocation decision to be appealed. Often there is no change in substance. However, the appeal process can take time and thus have negative effects on YA’s financial performance. YA is therefore hoping for a quick resolution for the transport contracts.

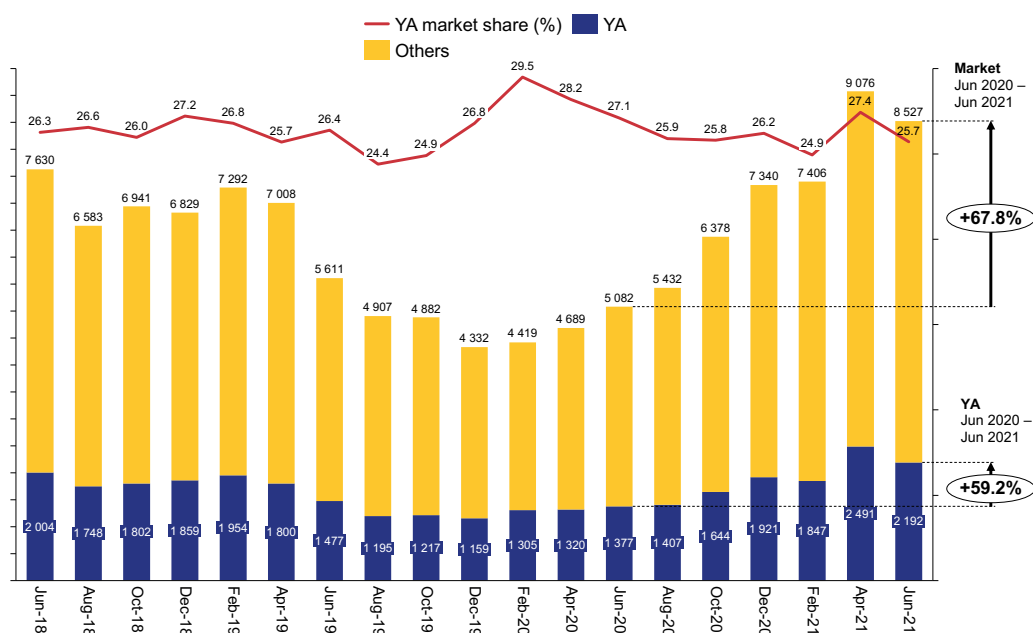
YA has been growing strongly in AUB. At the same time YA has invested strongly in development of matching services, YH, Vux, and private corporate segment.

Martin Modig, CEO, YA Holding AB (publ)

Segment information

Number of people in Employment Training (AUB)

Total participants in AUB, YA participants and YA's market share during 2018–2021

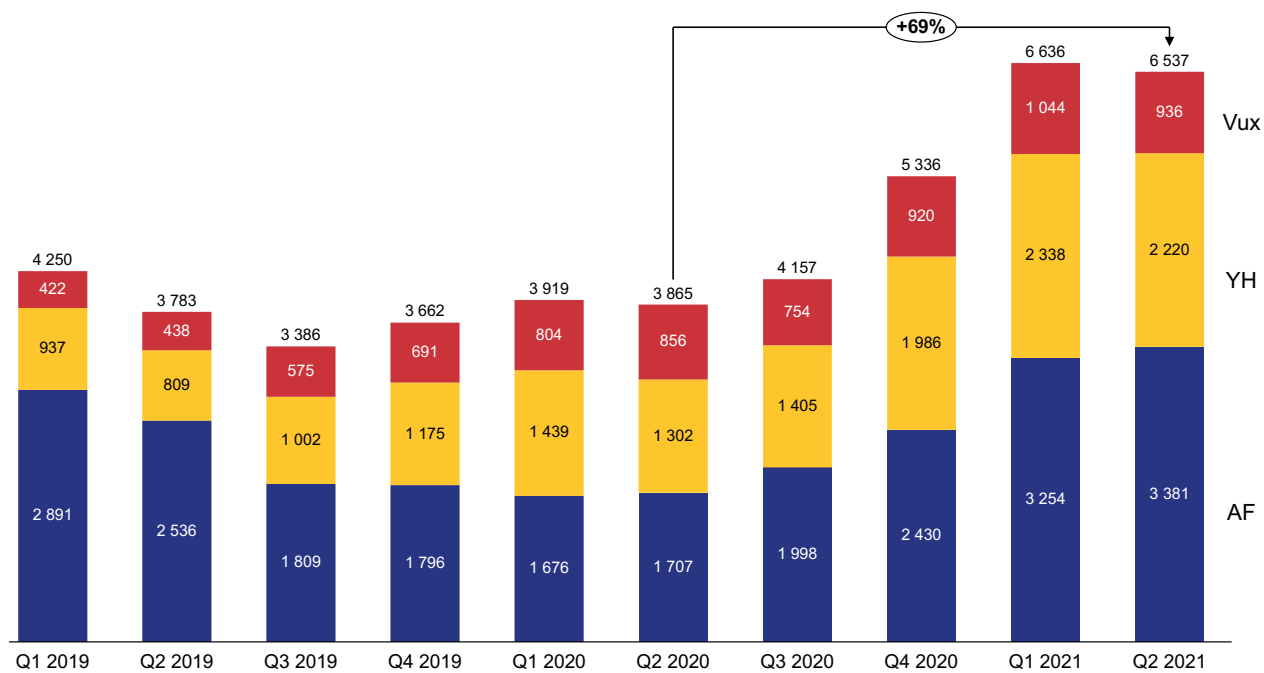


Source: Public Employment Service, Monthly Statistics

- Total number of attendants in AUB in Sweden increased by 68% from 5 082 students in June 2020 to 8 527 students in June 2021. YAs is the leading provider of AUB in Sweden.
- In YA's AF programs (AUB + Matching), the number of participants increased by 98% from 1 707 students in the 2nd quarter of 2020 to 3 381 students the 2nd quarter of 2021. Number of attendants in newly launched programs for restaurant and catering, construction technician and vehicle mechanic training has developed slower than expected and YA is expecting to reach the planned number of participants in the coming months. During the quarter, AF has, according to the existing contract terms, discontinued to address new students to the existing AUB transport programs as the related contract expired in July 31. By the end of June, YA has opened 27 locations for Matching and has about 400 attendants.
- YH's financial performance is developing positively. The number of participants in YH program increased by 71% from 1 302 students in the 2nd quarter of 2020 to 2 220 students the 2nd quarter of 2021. During the quarter, YH has been granted incremental eight short education programs. These programs start generating revenues during the autumn of 2021. YA has strengthened its position as one of the leading players in this segment.
- In VUX, YA reached an average number of 936 participants in the quarter, which is 9% above the level of the same period last year (856). YA has defined VUX as one of the strategic growth areas and implementation of the defined growth strategy is in progress. YA is preparing to launch education programs for professional drivers in two new locations and for earth-moving machine operators in one new location during the Autumn.
- The successful deployment of YAs growth strategy together with the market growth is visible in the growing number of students and improvement in financial performance.
- The number of students and financial information by segment appears in tables below.

Number of participants in YA-courses

Average number of participants in AF, YH and VUX per quarter.



2021 Second quarter by segment								
	Avg n:o of students		Sales mnkr		EBIT by segment		EBIT in %	
	2021	2020	2021	2020	2021	2020	2021	2020
Employment training *	3 381	1 707	128,0	77,4	2,0	-0,0	1,6%	0,0%
Vocational University	2 220	1 302	38,1	22,8	4,1	1,2	10,7%	5,2%
Vocational secondary educ.	936	856	26,8	24,0	1,4	4,3	5,4%	18,0%
Other training			8,7	8,4	0,3	-0,5	3,5%	-5,8%
Total	6 537	3 865	201,6	132,6	7,8	5,0	3,9%	3,8%

	Interest income and expenses		Profit before taxes	
	2021	2020	2021	2020
YA Holding group	-6,7	-3,8	1,1	1,2

* Total AF volume - including also preparatory training (FUB) and matching.

Six months period January - June by segment								
	Avg n:o of students		Sales mnkr		EBIT by segment		EBIT in %	
	2021	2020	2021	2020	2021	2020	2021	2020
Employment training *	3 318	1 654	247,1	150,4	4,3	-3,8	1,7%	-2,5%
Vocational University	2 279	1 381	80,2	46,1	9,5	3,6	11,8%	7,9%
Vocational secondary educ.	990	843	54,9	49,0	3,3	7,5	6,0%	15,4%
Other training			16,5	17,3	1,3	0,8	7,9%	4,6%
Total	6 587	3 878	398,7	262,8	18,3	8,2	4,6%	3,1%

	Interest income and expenses		Profit before taxes	
	2021	2020	2021	2020
YA Holding group	-11,4	-7,5	7,0	0,7

* Total AF volume - including also preparatory training (FUB) and matching.

Tenders and contracts during the quarter

New contracts awarded

During the quarter, YA has been awarded new AUB contracts for property maintenance in Borlänge, vehicle technician in Örebro and Arvika, vehicle repair technician and refinisher in Göteborg, industrial technician in Hedemora and restaurant and catering in Kumla. These programs will be launched during third and fourth quarter of 2021.

YA has also been awarded new VUX contract in Falköping and Tidaholm for professional driver education and new contracts for professional driver and earth-moving machine operator education in Jönköping. The contract with the Municipality of Jönköping is appealed in the Administrative Court and YA is looking forward to a fast resolution.

Under category 'other training', YA has signed a contract with the Swedish Police regarding driving license training in eleven locations. This contract is covering the period from autumn 2021 to autumn 2025.

YA has been granted 8 short vocational university programs as announced in June by the respective authority. The lead time for such short programs is one semester at maximum.

Audit by the Transport Agency (TS)

TS has conducted an audit as communicated earlier. YA is expecting a resolution during the coming weeks.

Events after the quarter

The Swedish Defence force has in July awarded to YA contracts for driving license training covering altogether 22 locations. YA has in August been awarded a new VUX contract for driving license training in Kalmar Region and vehicle maintenance, transport, and industrial technicians training in Umeå.

Significant risks and uncertainties

Changes in financial risks and expected credit losses

There are no material changes in the company's long-term risk exposure. YA does not have significant overdue receivables. The public customers are deemed as credit-worthy stakeholders. YA keeps following a consistent policy also under the outbreak of Covid-19. A possible further escalation of the appeal process by professional driver contracts could, however, have a negative impact on YA's financial performance in a short-term.

Provisions and impairment related to loss-making contracts

YA is recognizing a provision of 3.2 mnkr for start-up cost of the new transport programs in the statement of financial position as of June 30, 2021. The carried value of rental facilities that are not utilized is impaired according to the applicable financial reporting principles.

Effects of COVID-19, measures taken and expected future impact

YA has not experienced any business interruption due to the Covid-19. YAs revenues originate mostly from public sector. The demand for these segments is growing and the business risk related to Covid-19 is considered being under control.

After the outbreak of Covid-19, AF and municipalities have imposed remote training and education. The number of attendants in YAs programs has been steadily growing.

The demand for employment and matching services is foreseen to grow motivated by the increased unemployment. The growth in demand is expected to open further business opportunities to YA.

Financial performance

Revenues

Second quarter April–June 2021

Revenue amounted to 201.6 mnkr for the quarter, showing an increase of 52% compared to the 2nd quarter of 2020 (132.6). The revenues from AUB have improved from the low level at the 2nd quarter of the year 2020. Investments in developing YH have contributed to increased revenues together with several new education programs in VUX. YA has invested in Matching services to prepare for the ongoing privatization, which is also contributing to the growth in revenues.

Six months period January–June 2021

Revenue amounted to 398.7 mnkr for the period, which corresponds to a growth of 51.7% compared with the same period in 2020 (262.8). AUB, YH and VUX are all contributing to the achieved improvement. The development of revenues from private corporates included in the segment 'other training' has been a challenge during the pandemic. Overall positive development achieved year-to-date 2021 compared to the previous year is temporarily challenged by appeal processes. The contracts for professional truck drivers and bus drivers are the most significant customer contracts of YA. A possible delay or further escalation of the appeal process would have a negative impact on the development of revenues in the coming months. This should, however, not have a material impact YAs potential for long-term value creation.

Earnings

Second quarter April–June 2021

EBITDA amounted to 29.3 mnkr (21.3) for the quarter. EBIT amounted to 7.8 mnkr (5.0) for the quarter. YAs continuous efforts to improve the operating efficiency are visible in the financial performance.

The development of the number of students in newly launched programs for restaurant and catering, construction technician and vehicle mechanic trainings has been slower than expected and YA is approaching break-even volumes at the end of June. Hence, the profit for the quarter has been negatively affected these programs.

YA has continued to invest in matching services and is operating in 28 locations at the end of June. The compensation model in matching is mostly result-based and retrospective. The result-based compensation is recognized after an attendant has been employed full-time until further notice under the period of fourth months. Hence, the return on the matching investment is expected to start materializing several months after launch of the service in each respective location. This share of the compensation has started to materialize in June and it is expected to develop further.

Six months period January–June 2021

EBITDA amounted to 56.0 mnkr (40.7) for the period. EBIT amounted to 18.3 mnkr (8.2) for the period. The growth in demand, new education programs and the continued high course utilization rate are contributing to the year-to-date performance.

Contracts for AUB transport programs have expired in July 31 and no new students have been assigned since May 1st. Start-up of the new training programs is subject to the outcome of the legal proceeding. According to the expired contract, students can have an opportunity to complete their education no later than six months after the expiration of the contract. Accordingly, all the students must have completed the training latest on January 31, 2022. Hence, the appeal process is leading to a declining number of attendants during the 3rd and 4th quarter of 2021. YA has in June implemented a capacity adaptation program as a response to the foreseen decline in revenues with the aim of adjusting capacity in line with the volume reductions.

YA has a confirmed tax-loss carried forward of 90.2 mnkr effective 31 December 2020. The annual profit of the year 2021 will be completely covered by the tax losses from the earlier periods. Hence, YA is not recognizing any material income taxes in the profit and loss statement in 2021.

Cash flow and the financial position

- Cash flow from operating activities amounted to 30.1 mnkr (46.4) during the quarter. The higher operating cash-flow last year is explained by a temporary increase in net working capital in the 2nd quarter of 2020. For the six months-period operating cash flow amounted to 51.5 mnkr (54.6). The operating cash flow is not reflecting payments for rental facilities and leasing.
- Cash flow from investing activities amounted to -2.4 mnkr (-10.7) during the quarter and -3.7 mnkr (-11.4) for the six months-period. YA is mainly financing its investments with right-to-use -assets (leased assets and rental facilities).
- Cash flow from financing activities amounted to SEK -17.4 mnkr (-28.2) during the quarter and SEK -36.0 mnkr (-36.5) for the six months-period. YA has entered into several rental agreements for the newly launched training programs during the year 2021.
- Total cash flow amounted to SEK 10.3 million (7.5) during the quarter and SEK 11.8 million (6.8) for the six months-period. The liquidity covenant according to bond terms has been satisfied i.e. the revolving facility provided by Swedbank (27 mnkr as of June 30) has been not utilized for an adequate period.
- The consolidated equity as of June 30, 2021 amounted to 85.3 mnkr (78.2). The interest-bearing net liabilities including leasing liabilities and rental facilities amounted to 488.8 mnkr (464.7). Net debt in relation to EBITDA (rolling 12 months) amounted to 4.6 (9.3). The interest coverage (EBITDA/Net financing cost rolling 12 months) amounted to 7.0 (3.3).
- The financial covenant for the period July 1, 2020–June 30, 2021, according to the bond terms is met. EBITDA for the past 12 months is 107 mnkr. The covenant requires 79 mnkr, at minimum.

Other disclosures

Transactions with related parties

No transactions with related parties have taken place other than fees to board members.

Dividends paid

YA has not paid any dividends during the financial year.

Financial information of the parent Company

The parent company, YA Holding AB is included in the consolidated income statement, statement of financial position and cash-flow statement. YA Holding AB does not conduct any operating activities, which appears in the income statements of the parent company at the end of this report. YA has entered into an agreement with a consultancy firm to accelerate the strategy deployment, to capture the growth opportunities and to ensure operating excellence. The agreement covers the period from 2020 to 2022. The related fees are recognised by YA Holding AB throughout the project as they occur.

Average number of employees in the Group

For the quarter, the average number of employees counted as Full-Time-Equivalents (FTE) in the Group was 591 (428).

Reporting dates

- Interim report Q3November 26, 2021
- Interim report Q4February 24, 2022

Significant risks and uncertainty factors

Significant risks and uncertainties are described in the annual report. YA has not experienced any material changes in its risk exposure.

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

Stockholm August 20, 2021

The Board of Directors

Katarina Axelsson, Chairman

Joachim Berner

Conny Karlsson

Tobias Karte

Pia Käll

Leif Pagrotsky

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Financial Statements

Condensed consolidated statements of income, YA Holding Group				
(SEK thousands)	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30
Net sales	201 620	132 591	398 711	262 784
Other operating income	1 615	2 976	1 907	3 666
Total	203 235	135 568	400 618	266 451
<i>Operating expenses</i>				
Other external costs	-80 735	-50 142	-162 026	-98 875
Employee benefit expenses	-93 198	-64 113	-182 546	-126 684
Amortisation and depreciation of intangible and tangible fixed assets	-21 467	-16 252	-37 692	-32 528
Other operating expenses	-7	-58	-13	-181
Operating result	7 827	5 002	18 341	8 183
<i>Profit/loss from financial items</i>				
Other interest income and similar profit items	15	16	26	41
Interest expense and similar loss items	-6 699	-3 809	-11 392	-7 535
Result after financial items	1 143	1 209	6 975	689
Tax on result for the period	94	110	189	220
Net result for the period	1 237	1 319	7 163	909

Consolidated statements of comprehensive income, YA Holding Group				
(SEK thousands)	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30
Net result for the period	1 237	1 319	7 163	909
Foreign currency translation reserve	-30	533	16	553
Comprehensive income for the period	1 207	1 852	7 179	1 462

Condensed consolidated statements of financial position, YA Holding Group			
(SEK thousands)	2021-06-30	2020-06-30	2020-12-31
Non-current assets			
<i>Intangible fixed assets</i>	438 223	438 291	438 257
<i>Tangible fixed assets</i>	179 600	154 181	160 719
<i>Financial assets</i>	4 457	6 547	4 258
Current assets			
<i>Current receivables</i>	74 872	57 821	65 785
Cash and bank balances	27 470	12 084	15 654
Total assets	724 622	668 924	684 674
Equity	85 284	78 209	78 105
Liabilities			
<i>Other provisions</i>	687	5 209	899
<i>Non-current interest-bearing debt</i>	407 393	411 446	396 995
Bond loans	341 496	326 819	339 719
Other non-current liabilities	65 897	84 627	57 276
<i>Short-term interest-bearing debt</i>	108 911	65 353	99 507
<i>Current liabilities</i>	122 346	108 707	109 168
Total equity and liabilities	724 622	668 924	684 674

Statement of changes in equity, YA Holding Group

(SEK thousands)	Share capital	Other paid in capital	Foreign currency translation reserve	Retained earnings	Total
Opening balance as of January 1, 2021	500	318 952	-138	-241 209	78 105
Net profit				7 163	7 163
Foreign currency translation reserve			16		16
Closing balance as of June 30, 2021	500	318 952	-122	-234 046	85 284
Opening balance as of January 1, 2020	500	308 952	-51	-242 653	66 748
Net profit				909	909
Shareholder's contribution		10 000			10 000
Foreign currency translation reserve			553		553
Closing balance as of June 30, 2020	500	318 952	502	-241 744	78 209
Opening balance as of January 1, 2020	500	308 952	-51	-242 653	66 748
Net profit				1 444	1 444
Shareholder's contribution		10 000			10 000
Foreign currency translation reserve			-87		-87
Closing balance as of December 31, 2020	500	318 952	-138	-241 209	78 105

Condensed consolidated statements of cash-flows, YA Holding Group				
	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30
Operating profit (EBIT) for the period	7 833	5 003	18 352	8 183
Depreciation/amortization	22 248	16 374	38 473	32 528
Interest paid/received	-6 330	-3 267	-10 129	-7 357
Other non-cash items	-71	-2 659	-212	-4 676
Income tax paid	-936	-1 061	-1 742	-1 712
Cash flow from operating activities before change in operating capital	22 744	14 390	44 742	26 966
Change in operating working capital	7 318	31 997	6 774	27 640
Cash flow from operating activities	30 062	46 387	51 516	54 606
Cash flow from investing activities	-2 409	-10 718	-3 666	-11 412
Cash flow from financing activities	-17 394	-28 209	-36 034	-36 455
Cash flow for the period	10 259	7 460	11 816	6 739
Cash and cash equivalents, opening balance	17 211	4 624	15 654	5 345
Cash and cash equivalents, closing balance	27 470	12 084	27 470	12 084

Condensed statements of income, Parent company				
(SEK thousands)	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30
Net sales	6 100	-	6 100	-
<i>Operating expenses</i>				
Other external costs	-4 986	-740	-9 584	-707
Employee benefit expenses	-2 198	-1 714	-5 658	-3 189
Operating result	-1 084	-2 454	-9 142	-3 896
<i>Profit/loss from financial items</i>				
Interest expense and similar loss items	-4 276	-2 942	-8 514	-5 500
Result after financial items	-5 360	-5 396	-17 656	-9 396
Tax on profit for the period	-	-	-	-
Net result for the period	-5 360	-5 396	-17 656	-9 396

Statements of comprehensive income, Parent company				
(SEK thousands)	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30
Net result for the period	-5 360	-5 396	-17 656	-9 396
Comprehensive income for the period	-5 360	-5 396	-17 656	-9 396

Condensed statements of financial position, Parent company			
(SEK thousands)	2021-06-30	2020-06-30	2020-12-31
Non-current assets			
<i>Financial assets</i>	320 038	320 038	320 038
Current assets			
<i>Current receivables</i>	163 648	140 620	163 696
Cash and bank balances	345	222	400
Total assets	484 031	460 880	484 134
Equity	57 608	71 763	75 264
Liabilities			
<i>Long-term interest-bearing debt</i>	341 496	326 820	339 719
<i>Current liabilities</i>	84 927	62 297	69 151
Total equity and liabilities	484 031	460 880	484 134

Statement of changes in equity, Parent company				
(SEK thousands)	Share capital	Other paid in capital	Retained earnings	Total
Opening balance as of January 1, 2021	500	318 953	-244 189	75 264
Net profit			-17 656	-17 656
Closing balance as of June 30, 2021	500	318 953	-261 845	57 608
Opening balance as of January 1, 2020	500	308 953	-238 294	71 159
Net profit			-9 396	-9 396
Shareholder's contribution		10 000		10 000
Closing balance as of June 30, 2020	500	318 953	-247 690	71 763
Opening balance as of January 1, 2020	500	308 953	-238 294	71 159
Net profit			-5 895	-5 895
Shareholder's contribution		10 000		10 000
Closing balance as of December 31, 2020	500	318 953	-244 189	75 264

Notes

Accounting principles

Interim Financial Reporting, as well as applicable stipulations in the Annual Accounts Act. The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act.

The accounting policies and basis of calculation applied are the same as those described in YA Holding's Annual Report, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

For a description of the Group's accounting policies, reference is made to the annual financial report.

Goodwill is tested annually for impairment in accordance with IAS 36.

Disaggregation of revenue				
(SEK thousands)	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30
Income from educational services	197 128	131 742	390 424	261 500
Income from matching	4 492	849	8 287	1 284
Public subsidies	297	1 281	495	1 281
Other income	1 318	1 695	1 412	2 385
Total income	203 235	135 568	400 618	266 451

Revenue from contracts with customers

Revenue from contracts with customers is recognized when the related services are delivered to the provided students, at an amount that reflects to which extend YA is contractually entitled to compensation. If the contract includes a variable amount, YA recognizes the amount of compensation to which it will be entitled after YA has fully completed its contractual obligations towards the customer.

Variable compensation from VUX is, however, recognized during the education period by acknowledging estimates of the number of participants that do not complete the education. Related contracts with the municipalities provide customers with a right to refrain from payment if the student interrupts the education or does not pass full grades.

The variable share on compensation from matching services is only recognized when it becomes undisputed that YA is entitled to such compensation, i.e. after the student has been employed four months full-time until further notice.

Public subsidies are reported as they are received with reasonable certainty that YA is meeting the conditions attached to the subsidies. Subsidies received to cover costs are reported as a cost reduction of the applicable cost item. Other income refers to income that is not directly related to education or matching.

Interest of the renewed bond loan

The interest rate of the renewed bond loan is 0% in 2019, 3 % in 2020, 4% in 2021 and 5% in 2022. The transactions cost of 9.8 mnkr and incremental repayment of 3% at maturity are treated as interest expenses until the maturity of the loan according to the effective interest method. The average borrowing rate has been deemed at 5.3%. The unpaid effective interest is allocated to the bond loan in the statement of financial position.

Fair value of financial instruments

YA's financial instruments (assets and liabilities) consisting of trade receivables, other receivables, cash and cash equivalents, liabilities to credit institutions, accounts payable, bond loan and other liabilities are valued in the accounts at accrued acquisition value.

Since loans to credit institutions are at variable interest, which essentially are deemed to correspond to current market interest rates, the book value excluding transactions costs is considered to correspond to fair value. Other financial assets and liabilities have short terms.

It is deemed that, for these instruments, the fair values are approximately equal to their book values. Therefore, the carrying amount is considered to correctly reflect the fair value.

Contingent liabilities

Contingent liabilities are described in annual accounts as part of note n:o 30.

Translations	
Arbetsförmedlingen (AF)	The Swedish Public Employment Service
Yrkehögskola (YH)	Vocational University
Arbetsmarknadsutbildning (AUB)	Employment Training
Förberedande utbildning (FUB)	Preparatory Training
Yrkesvux (VUX)	Vocational Secondary Education
Stöd och matchning (STOM)	Support and Matching
Yrkesvenska	Professional Swedish Education
Kundval, Rusta och Matcha (KROM)	Privatized Employment Service

Definitions

Non-IFRS financial measures (APM) are presented to enhance stakeholders' possibility to evaluate the operating performance and to facilitate meaningful comparison between periods. The APMs in this report may differ from similar-titled measures used by other companies.

Calculation of performance measures

Operational Performance Measures		
Performance measure	Description	Reason for use of the measure
Number of students	Average number of students enrolled during the specified period.	The number of students is the most important driver for revenues.
Number of full-time employees	Average number of full-time employees during the period, counted as full-time equivalents (FTE).	Number of employees is the main cost driver for Operating Expenses (OPEX).
Share of participants employed	Percentage of students that were employed (part time or full time) 90 days after graduation.	This is the most important measure of the effect of YA's education programs.

Alternative Performance Measures (APM)		
Performance measure	Description	Reason for use of the measure
Operating Expenses (OPEX)	Cost of all the resources the company needs to maintain its operations (personnel, consultants, premises, vehicles, etc) excluding interest and taxes. $(80.7+93.2+21.5=195.4 \text{ mnkr})$	OPEX in proportion to the company's revenues is used to measure the operating efficiency of the company.
EBIT	Net sales plus other income minus OPEX (Earnings Before Interests and Taxes) $(201.6+1.6-195.4=7,8 \text{ mnkr})$	EBIT is used to measure the operating performance after deduction of all its operating expenses.
EBIT-margin	EBIT divided by net sales.	EBIT-margin is used to measure EBIT in proportion to net sales and it indicates the operating efficiency of the company.
(7.8/201.6=3.9%)	EBIT-margin is used to measure EBIT in proportion to net sales and it indicates the operating efficiency of the company.	EBITDA is used to measure the operating performance before deducting the depreciation costs
EBITDA	Net sales plus other income minus all the other expenses than interest, tax, depreciation and amortization According to the standard IFRS16 EBITDA is excluding cost of leasing and rental cost. $(201.6+1.6-195.4+21.5=29.3 \text{ mnkr})$	EBITDA is used to measure the operating performance before deducting the depreciation costs
EBITDA-margin	EBITDA divided by net sales. $(29.3/201.6=14.5\%)$	EBITDA-margin is used to measure EBITDA in proportion to net sales
Non-recurring items	Income and expenses that are of temporary nature and hence affecting comparability between the reporting periods (goodwill impairment, restructuring cost and items that belong to earlier reporting periods) - n/a Q2 2021.	Non-recurring items are used to clarify the profit and loss items that are of temporary nature to create a clearer picture of the underlying performance
EBIT excl non-recurring items	Net sales plus other income minus OPEX excluding income and expenses affecting comparability.	EBIT excl. non-recurring items allows meaningful comparison between accounting periods as the influence of one-time items is excluded
EBITDA excl non-recurring items	Net sales plus other income minus all the other expenses than interest, tax, depreciation and amortization but excluding items affecting comparability.	EBITDA excl. non-recurring items allows meaningful comparison between accounting periods (w/o depreciations) as the influence of one-time items is excluded
Net debt	Bond load, other non-current liabilities, revolving facility and leasing liability minus cash balances. $(407.4+108.9-27.5=488.8 \text{ mnkr})$	The net debt is used to measure the net value of the company's liabilities after deducting the value of cash balances
Leverage	Net debt divided by EBITDA excl non-recurring items for the past 12 months. $(488.8/107.1=4.6 \text{ x})$	Leverage indicates how many years the company would need to operate with the current profitability to repay all its interest-bearing liabilities
Interest coverage	EBITDA excl non-recurring items divided by net interest expenses for the past 12 months $(107/15,3=7.0 \text{ x})$	The interest coverage is used to measure the company's ability to cover the interest costs

