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## **Hemnet intends to list its shares on Nasdaq Stockholm**

**Stockholm, 8 April 2021: Hemnet Group AB (publ) ("Hemnet" or the "Company"), the leading property platform in Sweden, today announces its intention to launch an initial public offering of its shares (the "Offering") and to list its shares on Nasdaq Stockholm (the "Listing"). The Offering is expected to consist of existing shares in the Company offered by selling shareholders.**

The Board of Directors of Hemnet, together with the two major shareholders General Atlantic RR B.V. (together with its affiliated investment entities, "General Atlantic") and Sprints Euphrasia S.à r.l. ("Sprints Capital") believes that a listing of the Company's shares on Nasdaq Stockholm represents an important step in the continued development of the Company. It is expected that a listing of Hemnet's shares will benefit the Company by providing access to the Swedish and international capital markets supported by a broad and long-term shareholder base. It is also the opinion of the Board of Directors and the two major shareholders that the opportunity to own shares in Hemnet may lead to increased engagement from consumers, business partners as well as employees. In addition, the Offering allows the selling shareholders (referring to, among others, General Atlantic, Sprints Capital and Care of Hemnet AB (publ)) to sell a portion of their current shareholding and thereby create a liquid market for the shares.

Nasdaq Stockholm's listing committee has made the assessment that Hemnet fulfils the applicable listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm, provided that certain customary conditions are fulfilled. Depending on market conditions, the Offering and Listing on Nasdaq Stockholm is expected to be completed during the second quarter of 2021.

### **Cecilia Beck-Friis, CEO:**

"I am proud to announce our intention to list on Nasdaq Stockholm. Hemnet has developed into a 'win-win' value proposition for the entire housing market by creating the best possible experience and products for our visitors and business partners. This has led to a strong financial track record with an annual average sales growth of approximately 21 percent between 2018 and 2020, and a 21 percent CAGR of adjusted EBITDA during the same period. I look forward to continuing building on our strong foundation as the number one property platform in Sweden."

### **Håkan Erixon, Chairman:**

"We have come a long way towards meeting our objectives to make Hemnet a world-class property platform and to achieve corporate governance on par with the best public companies. With today's

announcement, I look forward to continue working with the board and management to deliver excellent value for our customers, business partners and shareholders.”

**Chris Caulkin, Managing Director at General Atlantic:**

“Hemnet is one of a kind. General Atlantic seeks out disruptive high growth technology companies all over the world. Rarely - if ever - do we find brands and products that resonate with their customers as strongly as Hemnet. We are delighted to have supported management’s delivery of innovation and growth over the last four years, together with our partners at Sprints and Mäklarsamfundet.”

**Pierre Siri, Operating Partner at Sprints Capital:**

“Since investing in Hemnet in 2017, we have used our unique sector experience from building some of the most successful internet companies in Europe to transform Hemnet into an innovator that drives transparency and mobility on the Swedish housing market.”

**Anders Edmark, Chairman of the Board at Mäklarsamfundet, the industry and member organization for Swedish real estate agents and shareholder of Hemnet:**

“Mäklarsamfundet has been a part of Hemnet’s journey from the very start and we look forward to continuing our close partnership and creating value for the Swedish housing market together with Hemnet in the company’s important step.”

### **The Offering in brief**

Should the Company proceed with the IPO, the shares will be offered to

- The general public in Sweden
- Institutional investors in Sweden and abroad

Registered real estate agents may be given special consideration in the allocation, and employees will be given priority for allocation with a value amounting to SEK 30,000 per employee.

The offer to institutional investors will only be made (i) to certain institutional investors outside the United States, pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”); and (ii) in the United States, only to those reasonably believed to be Qualified Institutional Buyers (“QIBs”) as defined in, and in reliance on, Rule 144A under the U.S. Securities Act, or other exemptions from the registration requirements under the U.S. Securities Act.

The Offering is expected to consist of existing shares, sold by, among others, General Atlantic, Sprints Capital and Care of Hemnet AB (publ). Full terms, conditions and instructions for the Offering will be included in the prospectus expected to be published by the Company in connection with the Offering and the Listing. The prospectus will, if published, be available on the Company’s website [www.hemnetgroup.com](http://www.hemnetgroup.com).

## About Hemnet

Hemnet operates the leading property platform in Sweden. The company emerged as an industry initiative in 1998 and has since transformed into a "win-win" value proposition for the housing market. By offering a unique combination of relevant products, insights and inspiration, Hemnet has built lasting relationships with buyers, sellers, and agents for more than 20 years. Hemnet shares a mutual passion for homes with its stakeholders and is driven by being an independent go-to-place for people to turn to for the various housing needs that arise through life. This is mirrored in the Company's vision to be the key to property journeys, supplying products and services to improve efficiency, transparency and mobility on the housing market.

Hemnet is the property platform in Sweden that gathers the largest number of visitors and the largest selection of listings in one single place. With superior traffic and leading brand recognition, Hemnet is one of the most recognised and trustworthy Swedish media brands, and an online destination with a large and loyal visitor base, showcased by its average monthly visits count of 62.5 million. In 2020, 64.6 million hours were spent browsing on Hemnet, which corresponds to an average monthly time spent of 38 minutes per capita.

## Key strengths and competitive advantage

- *Uniquely stable and efficient housing market and resilient business model*

The Swedish housing market is highly structured, efficient, and has proven resilient to market downturns. It is supported by a stable macroeconomic environment, increasing property prices, increasing urbanisation, and a supply and demand imbalance where the demand is growing faster than the level of newly built residential properties. Additionally, Hemnet earns the majority of net sales from listing revenues, which is primarily driven by transaction volumes rather than listing prices.

- *The go-to marketplace with unmatched traffic and brand recognition*

Hemnet has become the market leader with an unmatched traffic to its platform. The average Swede spends 38 minutes<sup>1)</sup> on Hemnet every month, and Hemnet has approximately 62.5 million monthly<sup>2)</sup> visits to its platform. Hemnet benefits from being one of the most recognised media brands in Sweden and being the preferred real estate platform.

- *Unbundled and seller-paid business model demonstrates higher monetisation potential*

The online digital industry is a winner-takes-most market where so called "network effects" enable the opportunity for high profitability and cash generation. These network effects support Hemnet's revenue growth through increased income from listing fees, value-added service fees, and other closely related sources. Moreover, Hemnet's business model is different to peers' as home sellers pay Hemnet directly rather than real estate agents. Hemnet believes this model has a number of advantages, including that the home seller is more willing to invest to maximise the sales price.

- *Hemnet is growing faster than any developed market peer<sup>3)</sup>*

Hemnet has maintained high growth momentum by continuously enriching its offers through innovation and product development, leveraging its extensive market insight and long-standing relationships with market participants. Hemnet's net sales amounted to SEK 544 million in 2020 and the Company has experienced stable organic growth since it was founded. Hemnet's net sales growth makes it one of the fastest growing developed real estate marketplaces in the world.

A comprehensive description of Hemnet key strengths will be included in the prospectus expected to be published ahead of a possible listing of Hemnet.

<sup>1</sup> Company information and SCB Population statistics January 2021. Excluding the part of the population under 14 years.

<sup>2</sup> Google analytics, January-December 2020.

<sup>3</sup> Denote sales growth for 2019 for Hemnet, Scout24 and Rightmove and the fiscal year 2018-19 for REA Group.

## Financial highlights

Hemnet has delivered sales growth of 20.8 percent per annum since 2018 reaching SEK 544.1 million in 2020. The growth has been driven by increasing listing revenues, with Average Revenue Per Listing (ARPL) growing 27.7 percent annually, as well as increasing revenues from advertising and additional services. During the same period, adjusted EBITDA has increased from SEK 138.1 million to SEK 202.1 million, corresponding to a CAGR of 21.0 percent.

The following table sets forth the key figures<sup>1)</sup> of Hemnet:

	For the year ended 31 December		
	2020	2019	2018
Net sales, MSEK	544.1	444.4	373.1
Sales growth <sup>2)</sup> , %	22.4	19.1	17.6
Adjusted EBITDA <sup>3)</sup> , MSEK	202.1	171.9	138.1
Adjusted EBITDA margin <sup>3)</sup> , %	37.1	38.7	37.0
Free cash flow <sup>4)</sup> , MSEK	182.3	165.0	117.6
Cash conversion <sup>5)</sup> , %	97.0	96.0	85.2
ARPL <sup>6)</sup> (Average revenue per listing), SEK	1,760	1,414	1,079

<sup>1</sup> IFRS performance metrics: Net sales derived from the Company's consolidated financial statements audited by EY. Remaining metrics being alternative performance metrics not defined according to IFRS derived from the Company's internal accounts and has neither been audited nor reviewed by the Company's auditor.

<sup>2</sup> Sales growth defined as period-over-period growth of net sales.

<sup>3</sup> Adjusted EBITDA and adjusted EBITDA margin defined as operating profit before amortisation and impairment of intangible and tangible assets plus items affecting comparability, and in relation to the Company's net sales.

<sup>4</sup> Free cash flow defined as EBITDA less increase/plus decrease in net working capital and minus capital expenditures.

<sup>5</sup> Cash conversion defined as Free cash flow in relation to EBITDA.

<sup>6</sup> ARPL (Average revenue per listing) defined as revenue from home sellers' published listings including related add-on products during the period, in relation to the number of published listings during the period.

Comprehensive information of Hemnet's historical financial information will be included in the prospectus expected to be published by Hemnet.

## Hemnet financial targets and dividend policy

Prior to the listing on Nasdaq Stockholm, the Board of Directors of Hemnet has adopted financial targets linked to Company's growth strategy:

- **Growth:** Hemnet targets an annual revenue growth of 15-20 percent
- **Profitability:** Hemnet aims to achieve a medium term adjusted EBITDA margin of 45-50 percent
- **Leverage:** Hemnet aims to achieve a Net Debt to Adjusted EBITDA below 2.0x

- **Dividend policy:** *Hemnet targets a minimum annual dividend of one third of net income after tax. In the event that the Company retains excess cash, this will be returned to shareholders e.g. through special dividends or share repurchases*

Hemnet's financial targets stated above constitute forward-looking information. The financial targets are based upon a number of estimates and assumptions relating to, among others, the development of Hemnet's industry, business, result of operations and financial position, and are subject to risks and uncertainties. The executive management team's key assumptions underpinning the financial targets set out above will be described further in the prospectus expected to be published by Hemnet.

## **Notes to editors**

### **About General Atlantic**

General Atlantic is a leading global growth equity firm providing capital and strategic support for growth companies. Established in 1980, General Atlantic combines a collaborative global approach, sector specific expertise, a long-term investment horizon and a deep understanding of growth drivers to partner with great entrepreneurs and management teams to build market-leading businesses worldwide. General Atlantic has more than 175 investment professionals based in New York, Amsterdam, Beijing, Greenwich, Hong Kong, Jakarta, London, Mexico City, Mumbai, Munich, Palo Alto, São Paulo, Shanghai and Singapore.

### **About Sprints Capital**

Sprints Capital is an investment firm that provides growth capital and partners with technology-enabled growth companies with proven business models, strong and durable market positions and excellent teams. The team behind Sprints has invested more than two billion euros in over 50 companies in the last 20 years and has helped create some of the largest technology-enabled companies in Europe and beyond. With offices in London and Stockholm, its current portfolio includes Hemnet, Vivino, Revolut, Vinted, Booksy and Chrono24.

### **Advisors**

Morgan Stanley & Co. International plc, Carnegie Investment Bank AB (publ) and Citigroup Global Markets Europe AG are acting as Joint Global Coordinators and Joint Bookrunners in the IPO (together the "Joint Global Coordinators"). Barclays Bank Ireland PLC and Nordea Bank Abp, filial i Sverige are acting as Joint Bookrunners (together with the Joint Global Coordinators; the "Managers"). Roschier Advokatbyrå and Paul, Weiss, Rifkind, Wharton & Garrison LLP are acting as legal advisors to the Company. Linklaters Advokatbyrå AB & Linklaters LLP is acting as legal advisor to the Managers.

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This announcement does not constitute a prospectus in any jurisdiction, including for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the “**Prospectus Regulation**”), and has not been approved by any regulatory authority in any jurisdiction. A prospectus in connection with the Offering will be prepared and published by the Company on the Company website. Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

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