

# Hemnet Group Year-end report

January-December 2021

## ***Strong growth in net sales and adjusted EBITDA***

### **Summary for the period October-December 2021**

- Net sales increased 24.2 percent to SEK 177.3m (142.7)
- Adjusted EBITDA increased 76.3 percent to SEK 84.6m (48.0)
- Operating profit increased 175.3 percent to SEK 64.7m (23.5)
- ARPL, average revenue per listing, increased 45.0 percent to SEK 3,029 (2,089)

### **Summary for the period January-December 2021**

- Net sales increased 33.8 percent to SEK 728.1m (544.1)
- Adjusted EBITDA increased 75.7 percent to SEK 355.0m (202.1)
- Operating profit increased 102.6 percent to SEK 223.9m (110.5)
- New compensation model for real estate agent offices and segmented pricing model for Hemnet Bas launched on 1 March
- Initial public offering ("IPO") on Nasdaq Stockholm, Large Cap list on 27 April
- Entered into a new SEK 500m revolving credit facility ("RCF") on 27 April, and at the same time settled and repaid the previous credit facility
- In line with the company's dividend policy, the board of directors proposes a dividend of SEK 0.55 (-) per share, corresponding to approximately one third of earnings per share, and intends to submit a proposal to the annual general meeting for the repurchase of up to ten percent of the outstanding shares

## **Financial summary**

| (SEK million, unless stated otherwise)        | Oct-Dec |       |         | Jan-Dec |       |         |
|---|---------|-------|---------|---------|-------|---------|
|   | 2021    | 2020  | Change  | 2021    | 2020  | Change  |
| Net sales                                     | 177.3   | 142.7 | 24.2%   | 728.1   | 544.1 | 33.8%   |
| Adjusted EBITDA*                              | 84.6    | 48.0  | 76.3%   | 355.0   | 202.1 | 75.7%   |
| Adjusted EBITDA-margin*, %                    | 47.7%   | 33.6% | 14.1 pp | 48.8%   | 37.1% | 11.7 pp |
| Operating profit*                             | 64.7    | 23.5  | 175.3%  | 223.9   | 110.5 | 102.6%  |
| Earnings per share, basic, SEK <sup>1</sup>   | 0.49    | 0.14  | 250.0%  | 1.55    | 0.67  | 131.3%  |
| Earnings per share, diluted, SEK <sup>1</sup> | 0.49    | 0.14  | 250.0%  | 1.55    | 0.67  | 131.3%  |

\* Alternative Performance Measure, see pages 20-22 for derivation and definitions.

<sup>1</sup> The calculation of dilution of shares is made based on the number of days that the warrant programmes that have been active during each respective period. As no market price is available to set against the exercise price and the number of warrants is limited in relation to the number of ordinary shares, the dilution effect for periods before Hemnets IPO on 27 April, 2021, has been calculated based on the maximum theoretical dilution. For periods after 27 April, 2021, the calculation of dilution is made based on the average share price during each respective period.

## Chief Executive's comments

As Hemnet presents its results for 2021, including the fourth quarter, we are summing up the busiest and most successful year in the company's history. We have kept a high pace in development throughout the year with many important changes when it comes to products, packaging and pricing. On the back of strong customer demand from both consumers and business partners, we have exceeded our full-year financial growth target and increased our profitability to be in line with our financial profitability target. We are starting the new year with great confidence that we will keep this momentum as we continue to scale and develop our business.

The fourth quarter result was driven by our revenues from listings (Hemnet Bas) and value-added services for property sellers. Net sales increased by 24.2 percent to SEK 177.3m (142.7) and adjusted EBITDA increased by 76.3 percent to SEK 84.6m (48.0). For the full year, net sales amounted to SEK 728.1m, a growth of 33.8 percent from the previous year, and adjusted EBITDA totalled SEK 355.0m, an increase of 75.7 percent.

Over the past year we have seen our value-added products growing in popularity and during the fourth quarter more than one third of home sellers upgraded their listing to Hemnet Plus or Hemnet Premium, the corresponding share for the same period 2020 was 20 percent. Looking at the fourth quarter, revenues from value-added services for property sellers almost doubled compared to the same quarter last year. This development is a result of constant product enhancements, where we during the year have made Hemnet Plus and Premium listings even more visible, built a smoother purchasing flow and improved the way agents can recommend these products to their clients.

We continue to generate growth from Hemnet Bas driven by our segmented price model. The number of listings declined slightly in the quarter (-1.5 percent) but was above pre-Covid levels and increased 4.8 percent for the full year compared to 2020. The growth in value-added services for sellers and Hemnet Bas lifted the average revenue per listing (ARPL) in the fourth quarter by 45.0 percent to SEK 3,029 (2,089).

Looking at our offering of advertising services and other revenue we continue to see a strong demand from real estate agents, which is particularly gratifying as we want to provide the best possible environment for brand building and business opportunities for our close partners, while revenue from property developers and other advertisers are decreasing. As we have moved into the new year, we have accelerated our focus on improving our offering and branding opportunities for our business-to-business customers, in particular real estate agents and property developers.

I am proud of the whole team and what we have managed to achieve together during the year in the form of constant development and forward movement. In addition to a strong operational result, we have also carried out a successful listing on Nasdaq Stockholm, thereby showcasing our great company and welcoming new shareholders. During the year, Hemnet had an average of more than 60 million visits a month to our apps and website, making us one of Sweden's most visited digital platforms, and an obvious part of the country's housing market. This trusted position within the Swedish housing market provides great opportunity to continue the journey we are still only at the beginning of.

**Cecilia Beck-Friis**

**CEO**

**February 2022**

## Operational summary

| KPI                                     | Oct-Dec |       |        | Jan-Dec |       |        |
|---|---------|-------|--------|---------|-------|--------|
|   | 2021    | 2020  | Change | 2021    | 2020  | Change |
| ARPL (average revenue per listing), SEK | 3,029   | 2,089 | 45.0%  | 2,467   | 1,760 | 40.2%  |
| Number of published listings, thousand  | 39.8    | 40.4  | -1.5%  | 198.4   | 189.3 | 4.8%   |

## Financial targets

### Growth

**15-20%**

Annual Net sales growth

### Profitability

**45-50%**

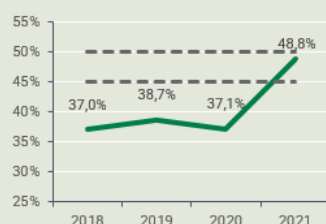
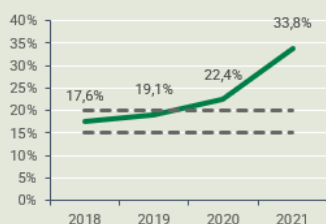
Medium term Adjusted EBITDA margin

### Leverage

**<2.0x**

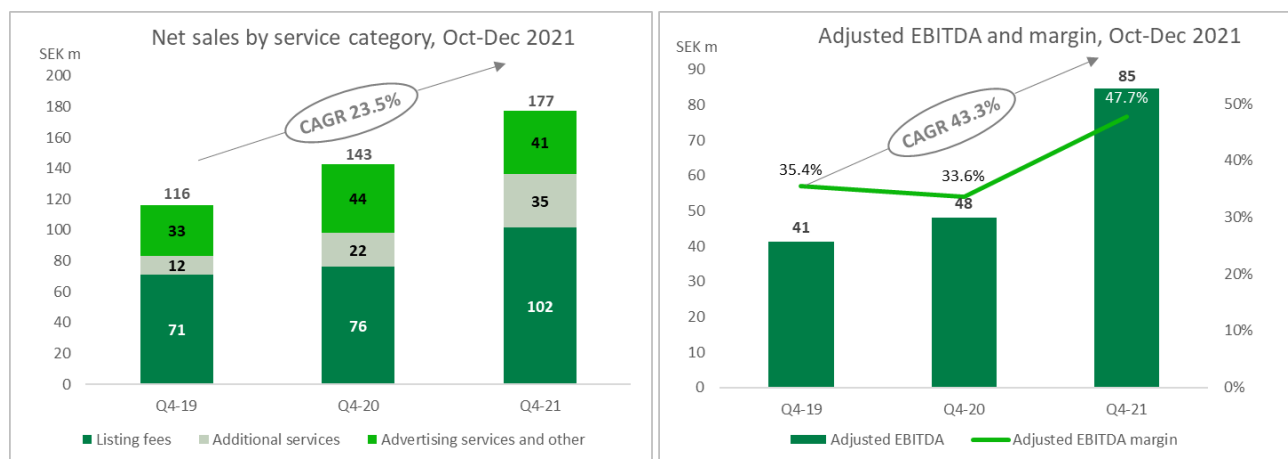
Net Debt to Adjusted EBITDA

### Accumulated 12 months (2018-2021)



## Financial summary, October-December 2021

The strong sales growth continued in the fourth quarter (+24 percent), driven by an increase in average revenue per listing (ARPL), which was strengthened by a positive development of sales of additional services to property sellers and by price adjustments. The number of published listings decreased somewhat for the quarter, compared to a fourth quarter last year with high activity. Adjusted EBITDA increased 76.3 percent to SEK 84.6m (48.0).



Quarterly net sales by service category and adjusted EBITDA, including cumulative average growth rate (CAGR).

### Net sales and profit

Net sales increased by 24.2 percent to SEK 177.3m (142.7). Revenue from property sellers continues to be the main growth driver, after focused work with product development, packaging and pricing.

Revenue from listing fees increased by 33.6 percent to SEK 101.5m (76.0), as a result of increasing average revenue per listing related to the basic listing and despite a smaller decrease (-1.5 percent) in the number of published listings.

Revenue from value-added services grew by 55.8 percent to SEK 34.9m (22.4), where a large proportion of the growth is attributable to value-added services for property sellers, consisting of Hemnet Plus, Hemnet Premium, Raketen and Förnya annons (renew ad). The conversion rate for value-added services for property sellers continues to grow at the same time as pricing is continuously adjusted.

Total average revenue per listing, ARPL, increased 45.0 percent to SEK 3,029 (2,089).

Net sales from advertising services and other decreased by 7.7 percent to SEK 40.9m (44.3). Display revenue from real estate agents increased, at the same time as revenues from property developers and programmatic decreased. Net sales from advertising services and other includes non-comparable items of SEK 0.0m (2.3) related to marketing activities carried out with Mäklarsamfundet (for further information on campaigns with Mäklarsamfundet, see Note 5 Related party transactions).

Total capitalised development SEK 0.5m (1.4m) and relate to investments in new products for property developers.

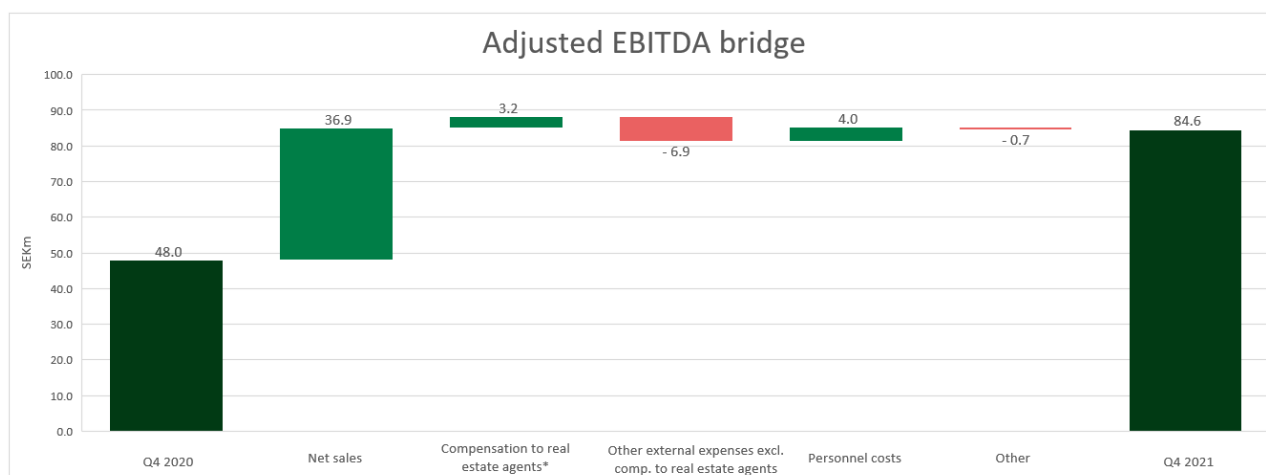
Other external expenses decreased by 5.3 percent to SEK 60.7m (64.1), out of which SEK 0.2m (7.2) were items affecting comparability, consisting of SEK 0.2m (4.0) for the marketing campaigns conducted together with Mäklarsamfundet and SEK - m (3.2) related to costs for listing on Nasdaq Stockholm.

Other external expenses, excluding items affecting comparability, increased by 6.0 percent to 60.5 (57.1) MSEK. Administration and commission compensation to real estate agents decreased with 2.9 percent to SEK 36.2m (37.3). The education compensation to real estate agents was also a source of reduced costs of SEK 2.1m in the quarter, as a previous cost reserve was reversed – the educational compensation could be obtained up until the end of 2021, after which it expired.

The remaining part of other external expenses increased 33.3 percent to SEK 26.4m (19.8), where other selling costs increased by SEK 3.2m and consultancy costs by SEK 4.9m.

Personnel costs decreased with 10.8 percent to SEK 32.9m (36.9), mainly related to lower costs for variable compensation.

Adjusted EBITDA, excluding items affecting comparability totalling SEK 0.2m (4.8), increased 76.3 percent to SEK 84.6m (48.0) and the adjusted EBITDA margin was 47.7 percent (33.6).



\* Compensation to real estate agents here also include educational compensation of SEK +2.1m.

EBITDA increased 95.8 percent to SEK 84.4m (43.1), corresponding to an EBITDA margin of 47.6 (30.2) percent.

Depreciation amounted to SEK 19.7m (19.6), whereof depreciation of intangible assets, mainly from the acquisition of Hemnet, amounted to SEK 17.6m (17.5) and depreciation of right-to-use assets amounted to SEK 1.8m (1.8).

Operating profit increased 175.3 percent to SEK 64.7m (23.5), corresponding to an operating margin of 36.5 (16.4) percent. The increase in operating margin is a result of the increased net sales and the effect of the new compensation model for real estate agents.

Financial items - net, improved from negative SEK 5.5m to negative SEK 1.6m, mainly due to lower interest costs on bank loans following both lower borrowing and lower interest rate on bank loans. Interest cost on bank loans was SEK 1.3m (4.2m).

Tax expenses amounted to SEK 13.1m (4.1), corresponding to an effective tax rate of 20.8 (22.5) percent. The decrease in effective tax rate is mainly due to the decrease in corporate income tax rate in Sweden from 21.4 percent to 20.6 percent.

Net profit for the period increased with SEK 36.1m and amounted to SEK 50.0m (13.9).

## Cash flow and financial position

Cash flow from operating activities increased by SEK 16.1m and amounted to SEK 69.9m (53.8). The increase is mainly driven by the increased operating profit, with some positive effects also from lower interest payments, but was partly offset by mainly higher tax payments following the higher profit in 2021. The change in working capital was positive SEK 8.3m (15.8), which is a normal seasonal variation, as revenue and therefore accounts receivable are generally lower in December than in September. Taxes paid during the quarter amounted to SEK -21.5m (-1.6).

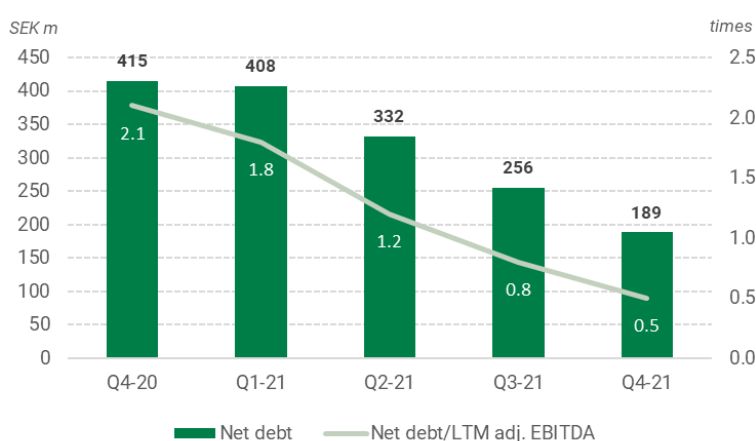
The cash flow from investment activities was SEK -1.0m (-2.3). The cash flow was related to investments in intangible and tangible fixed assets and consisted almost entirely of capitalised development expenses, SEK -0.8m (-1.9).

Cash flow from financing activities was SEK -86.9m (-1.3), mainly following voluntary repayments of bank loans of SEK -85.0m. Amortisation of lease liabilities resulted in a cash outflow of SEK 1.9m.

Cash and cash equivalents, including interest bearing securities, amounted to SEK 94.5m (271.6) and total interest-bearing liabilities amounted to SEK 283.1m (686.7). Net debt thereby amounted to SEK 188.6m (415.1) which correspond to 0.5 (2.1) times adjusted EBITDA for the last twelve months.

Total shareholders' equity was SEK 1,516.9m (1,349.6), which is equivalent to an equity-to-assets ratio of 71.1 percent (56.9).

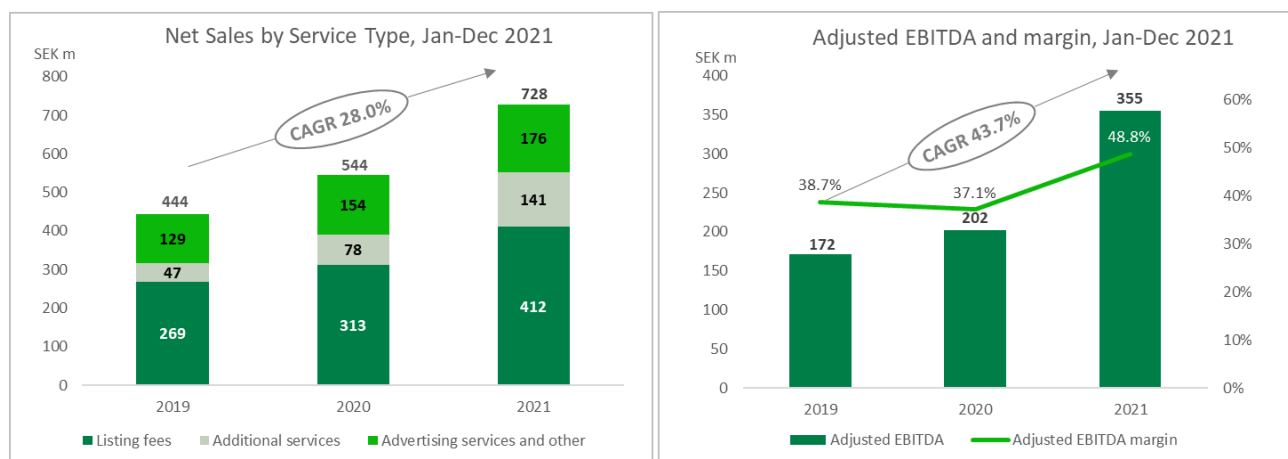
## Financial position



Historical development of the Group's net debt and net debt in relation to rolling twelve months adjusted EBITDA.

## Financial summary, January-December 2021

The fourth quarter ends a year of strong growth in net sales for all three service categories, which in combination with good cost control has resulted in significant margin expansion on all levels. Revenue from property sellers is the main driver, where both volumes and the average revenue per listing (ARPL) have increased. In total net sales increased by 33.8 percent to SEK 728.1 (544.1) and adjusted EBITDA increased by 75.7 percent to SEK 355.0m (202.1).



Quarterly net sales by service category and adjusted EBITDA, including cumulative average growth rate (CAGR).

### Net sales and profit

Net sales increased 33.8 percent to SEK 728.1m (544.1), mainly from a positive development from listing revenue and value-added services.

Listing revenue increased with 31.6 percent to SEK 411.5m (312.7), with both average revenue per listing related to base listing and listing volume increasing. The increase in the number of listings for the full year was 4.8 percent, which is higher than the historical annual growth rate.

Value-added services grew by 81.8 percent to SEK 140.9m (77.5), with the positive development coming from value-added services for property sellers, for which the conversion rate has gradually increased at the same time as price adjustments have been implemented.

Total average revenue per listing, ARPL, increased with 40.2 percent to SEK 2,467 (1,760).

Net sales from advertising services and other increased with 14.2 percent to SEK 175.7m (153.9) where sales to real estate agents and other content-close customers accounting for the largest increases. Net sales from advertising services and other also included items affecting comparability of SEK 5.7m (4.3) related to marketing activities carried out together with Mäklarsamfundet (for further details about the campaign with Mäklarsamfundet see Note 5 Related party transactions).

Total capitalised development expenses amounted to SEK 4.6m (3.9), after the company invested in development of new products and services to core customers.

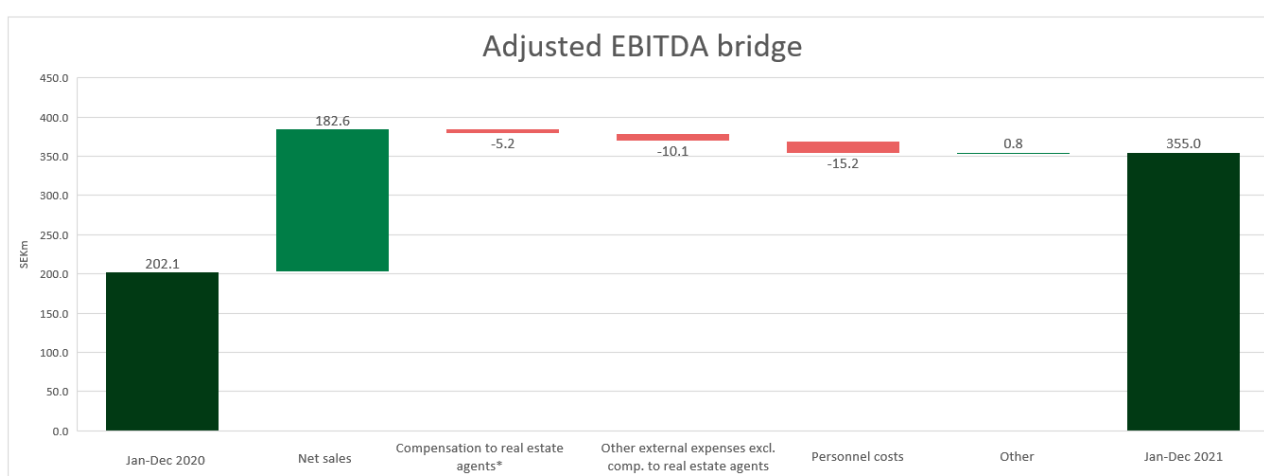
Other external expenses increased 22.3 percent to SEK 299.9m (245.3), out of which 57.8m (18.5) were items affecting comparability, consisting of SEK 48.7m (5.1) related to costs for listing on Nasdaq Stockholm and

SEK 9.1m (13.4) for marketing campaigns conducted together with Mäklarsamfundet (for further details regarding campaigns with Mäklarsamfundet see Note 5 Related party transactions).

Other external expenses, excluding items affecting comparability increased 6.7 percent to SEK 242.1m (226.8). Administration and commission compensation to real estate agent offices decreased with 0.7 percent to SEK 150.1m (151.2), but the total compensation increased as the education compensation of SEK 6.3m was added in 2021. The remaining part of other external expenses increased by 13.4 percent to SEK 85.7m (75.6). The main reason is increased other selling costs.

Personnel costs increased 13.2 percent to SEK 130.0m (114.8), as the company's continued to investment in new personnel.

Adjusted EBITDA increased 75.7 percent to SEK 355.0m (202.1) and the adjusted EBITDA margin was 48.8 percent (37.1).



\* Compensation to real estate agents here also include educational compensation of SEK -6.3m.

EBITDA increased to SEK 302.9m (187.9), corresponding to an EBITDA margin of 41.6 (34.5) percent.

Depreciation amounted to SEK 79.0m (77.4), whereof depreciation of intangible assets, mainly from the acquisition of Hemnet, amounted to SEK 70.7m (69.2) and depreciation of right-to-use assets amounted to SEK 7.3m (7.2).

Operating profit increased 102.6 percent to SEK 223.9m (110.5), corresponding to an operating margin of 30.8 (20.3) percent. The operating margin increased because of the growth in net sales, even with items affecting comparability of SEK 52.1 (14.2) and the educational compensation of SEK 6.3m which is 2021 specific.

Financial items - net, decreased from a negative SEK 23.7m to a negative SEK 25.8m, mainly due to the expensed capitalised arrangement fees of the previous loan facility, which amounted to SEK 13.6m and was treated as cost during the period. Interest on bank loans decreased to SEK 9.7m (18.3), after both borrowing and interest rate on bank loans decreased in the new credit facility entered into during the year.

Tax expenses amounted to SEK 41.6m (19.1), corresponding to an effective tax rate of 21.0 (22.0) percent. The decrease in effective tax rate is mainly due to the decrease in corporate income tax rate in Sweden from 21.4 percent to 20.6 percent.

Net profit for the period increased SEK 88.8m and amounted to SEK 156.5m (67.7).



## Cash flow and financial position

Cash flow from operating activities increased by SEK 108.0m and amounted to SEK 235.0m (127.0), substantially due to the increased operating profit, with some contribution also from lower interest payments. Offsetting effects are mainly seen from taxes paid which, during the period, increased SEK 10.6m compared to the same period last year.

The cash flow from investment activities was SEK 17.7m (-7.0). During the year all interest-bearing securities were divested, which lead to a cash inflow of SEK 24.7m. Investments in intangible and tangible fixed assets were in total SEK 7.0m (7.0) and almost entirely related to capitalised development expenses, SEK 6.5m (6.0).

Cash flow from financing activities amounted SEK -405.3m (-92.3), mainly following a scheduled amortisation payment for bank loans of SEK -5.1m, full repayment of the previous loan facility SEK -683.5m and the subsequent draw-down on the new loan facility SEK +280.0m. Additionally, share and warrant issues resulted in a cash inflow of SEK 10.8m, while amortisation of lease liabilities resulted in a cash outflow of SEK 7.5m. During the same period last year, the financing activities resulted in a cash outflow of SEK 92.3m which, besides instalment payments for bank loans of SEK -10.2m and amortisation of leasing liabilities of SEK -7.0m, included the pay-out of the last contingent consideration of SEK -76.5m, as well as share issues of SEK +4.1m and a share redemption of SEK -2.7m.

Cash and cash equivalents, including interest bearing securities, amounted to SEK 94.5m (271.6) and total interest-bearing liabilities amounted to SEK 283.1m (686.7). Net debt thereby amounted to SEK 188.6m (415.1) which correspond to 0.5 (2.1) times adjusted EBITDA for the last twelve months.

Total shareholders' equity was SEK 1,516.9m (1,349.6), which is equivalent to an equity-to-assets ratio of 71.1 percent (56.9).

## Parent company, financial development January-December

Net sales for the Parent company was SEK 5.6m (7.1). All revenue refers to services to other Group companies. Operating profit/loss was SEK -53.7m (-8.3) and includes costs for consultants related to the listing process on Nasdaq Stockholm of SEK 46.9m (4.6).

The Parent company's assets essentially consist of participations in Group companies and Group receivables. Operations are financed by equity, bank loans and Group liabilities. Equity in the Parent company at period end was SEK 996.9m (1,188.8) and the equity ratio was 59.3 percent (86.3).

## Other information

### Covid-19 effects

The Covid-19 pandemic continued to have a major impact on society during the period but has not had any significant negative impact on Hemnet's financial results. The number of visits to Hemnet.se increased during the beginning of the pandemic and during the first half of 2021 and returned to more normal levels in the end of 2021. ARPL (average revenue per listing) has steadily increased in 2021. Overall increased remote working during the pandemic has likely benefitted the interest in Hemnet, as the home and living environment became an even more important part of people's everyday life.

## Employees

The number of employees at the end of the period was 112 compared to 108 at the end of December 2020. The increase is primarily in the area of product development.

## Seasonality

Hemnet's sales and earnings are partly affected by seasonal fluctuations, mainly linked to vacation seasons and major holidays, as the number of listings and activity on Hemnets platforms tend to be lower during these periods than during other periods of the year. Seen over a financial year, the year begins with low volumes that gradually increase until the summer months where volumes decrease to lower levels and then increase again after the summer holiday period, before they decrease again ahead of the Christmas holidays.

Overall, the first quarter in particular tends to be weaker seasonally, both in terms of sales and earnings, while the second quarter tends to be the strongest.

Average revenue per listing, ARPL, is affected by certain seasonal effects. Listing revenue and revenue from listing related value-added services is, in accordance with IFRS, recognised over the average duration of a listing on Hemnet. The effect is that quarters that are preceded by a month with a high volume of listings and value-added services benefit. Historically, March and September have been such months with high volume of listings, giving a positive contribution to revenue and ARPL in the following month and therefore the second and the fourth quarter respectively.

## Risks and uncertainties

Hemnet is through its operations exposed to risks and uncertainties.

The income from listing fees is a significant part of sales. Hemnet's operations are therefore dependent on an efficient, well-functioning housing market with high mobility. Hemnet's advertising business has continued to develop positively, and we offer advertising both through direct sales and through programmatic trading. The development and trends for advertising purchases in the market can affect Hemnet's revenue both positively and negatively. For Hemnet, it is of great importance to have a good relationship with the brokers and to have a substantial range of listings. Hemnet's future business may be threatened if a deteriorating broker relationship would result in a reduction in the number of listings.

In addition to its own funds, the Group's operations are also financed through borrowing. As a result, the business is exposed to financing risks and interest rate risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimise potential adverse effects on the Group's financial results.

For a detailed description of the risk factors and how they are managed, please refer to Hemnet's Annual Report 2020, pages 47-48, as well as the IPO Prospectus, pages 9-19. Hemnet's assessment is that no other significant risks or uncertainties have arisen during the period.

## Annual General Meeting 2022

Hemnet Group AB's Annual General Meeting 2022 will be held on 29 April, 2022. Additional information about Hemnet's Annual General Meeting will be available on Hemnet's website, [www.hemnetgroup.se](http://www.hemnetgroup.se).

Hemnet's audited Annual Report for 2021 will be available at the company's head office and website on 25 March, 2022.

## Proposed disposition of earnings

The Board of Directors' proposal to the Annual General Meeting is a dividend of SEK 0.55 per share for the fiscal year 2021. The dividend is proposed to be paid out with proposed record date 3 May, 2022, and proposed payment date 6 May, 2022.

## Proposed share buy-back program

The Board of Directors propose to the Annual General Meeting to resolve on a share buy-back program of in total maximum ten percent of the outstanding volume of shares, to be carried out during the period up until the date of the following Annual General Meeting. The purpose is to cancel the repurchased shares and reduce the share capital. The reduction of the share capital will be met by a corresponding bonus issue of shares so that the size of the share capital is restored.

This report has not been subject to a review by Hemnet's auditor.

Stockholm, 1 February, 2022

Hemnet Group AB (publ)

Håkan Erixon  
*Chair of the board*

Cecilia Beck-Friis  
*CEO*

Christopher Caulkin  
*Member of the board*

Anders Edmark  
*Member of the board*

Tracey Fellows  
*Member of the board*

Kerstin Lindberg Göransson  
*Member of the board*

Håkan Hellström  
*Member of the board*

Nick McKittrick  
*Member of the board*

Pierre Siri  
*Member of the board*

## Condensed consolidated income statement

| (SEK million)  |   | Oct-Dec       |               | Jan-Dec       |               |
|--|---|---------------|---------------|---------------|---------------|
|  |   | 2021          | 2020          | 2021          | 2020          |
| Net sales  | 2 | 177.3         | 142.7         | 728.1         | 544.1         |
| Other operating income                                 |   | 0.5           | 0.7           | 1.8           | 1.7           |
| <b>Total revenue</b>                                   |   | <b>177.8</b>  | <b>143.4</b>  | <b>729.9</b>  | <b>545.8</b>  |
| Capitalised development                                |   | 0.5           | 1.4           | 4.6           | 3.9           |
| Other external expenses                                | 3 | -60.7         | -64.1         | -299.9        | -245.3        |
| Personnel costs  |   | -32.9         | -36.9         | -130.0        | -114.8        |
| Depreciation   |   | -19.7         | -19.6         | -79.0         | -77.4         |
| Other operating costs                                  |   | -0.3          | -0.7          | -1.7          | -1.7          |
| <b>Total operating expenses</b>                        |   | <b>-113.6</b> | <b>-121.3</b> | <b>-510.6</b> | <b>-439.2</b> |
| <b>Operating profit</b>                                |   | <b>64.7</b>   | <b>23.5</b>   | <b>223.9</b>  | <b>110.5</b>  |
| Financial items - net                                  |   | -1.6          | -5.5          | -25.8         | -23.7         |
| <b>Profit before taxes</b>                             |   | <b>63.1</b>   | <b>18.0</b>   | <b>198.1</b>  | <b>86.8</b>   |
| Income tax   |   | -13.1         | -4.1          | -41.6         | -19.1         |
| <b>Net profit for the period</b>                       |   | <b>50.0</b>   | <b>13.9</b>   | <b>156.5</b>  | <b>67.7</b>   |
| <i>Net profit attributable to controlling interest</i> |   | <i>50.0</i>   | <i>13.9</i>   | <i>156.5</i>  | <i>67.7</i>   |
| Other comprehensive income                             |   | -             | -             | -             | -             |
| <b>Total comprehensive income</b>                      |   | <b>50.0</b>   | <b>13.9</b>   | <b>156.5</b>  | <b>67.7</b>   |
| <b>Earnings per share</b>                              |   |               |               |               |               |
| before dilution, SEK                                   |   | 0.49          | 0.14          | 1.55          | 0.67          |
| after dilution, SEK                                    |   | 0.49          | 0.14          | 1.55          | 0.67          |
| <b>Number of shares<sup>1</sup></b>                    |   |               |               |               |               |
| Average before dilution                                |   | 101,131,478   | 100,701,776   | 100,999,394   | 100,701,011   |
| Average after dilution                                 |   | 101,173,173   | 101,113,833   | 101,180,647   | 101,113,068   |
| At period end  |   | 101,131,478   | 100,719,421   | 101,131,478   | 100,719,421   |

<sup>1</sup> The calculation of dilution of shares is made based on the number of days that the warrant programmes that have been active during each respective period. As no market price is available to set against the exercise price and the number of warrants is limited in relation to the number of ordinary shares, the dilution effect for periods before Hemnets IPO on 27 April, 2021, has been calculated based on the maximum theoretical dilution. For periods after 27 April, 2021, the calculation of dilution is made based on the average share price during each respective period.

## Condensed consolidated statement of financial position

| (SEK million)  | 2021-12-31     | 2020-12-31     |
|--|----------------|----------------|
| <b>ASSETS</b>  |                |                |
| Intangible assets  | 1,971.6        | 2,035.7        |
| Other non-current assets                                   | 8.3            | 14.7           |
| <b>Total non-current assets</b>                            | <b>1,979.9</b> | <b>2,050.4</b> |
| Current receivables  | 59.1           | 51.3           |
| Interest-bearing securities, current                       | -              | 24.5           |
| Cash and cash equivalents                                  | 94.5           | 247.1          |
| <b>Total current assets</b>                                | <b>153.6</b>   | <b>322.9</b>   |
| <b>TOTAL ASSETS</b>  | <b>2,133.5</b> | <b>2,373.3</b> |
| <b>EQUITY AND LIABILITIES</b>                              |                |                |
| <b>Total equity (attributable to controlling interest)</b> | <b>1,516.9</b> | <b>1,349.6</b> |
| Non-current interest-bearing liabilities                   | 277.9          | 673.5          |
| Deferred tax liabilities                                   | 220.1          | 234.4          |
| <b>Total non-current liabilities</b>                       | <b>498.0</b>   | <b>907.9</b>   |
| Current interest-bearing liabilities                       | 5.2            | 13.2           |
| Current non-interest-bearing liabilities                   | 113.4          | 102.6          |
| <b>Total current liabilities</b>                           | <b>118.6</b>   | <b>115.8</b>   |
| <b>Total liabilities</b>                                   | <b>616.6</b>   | <b>1,023.7</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>2,133.5</b> | <b>2,373.3</b> |

## Condensed consolidated statement of changes in equity

| (SEK million)                               | Jan-Dec        |                |
|---|----------------|----------------|
|   | 2021           | 2020           |
| <b>Equity, opening balance</b>              | <b>1,349.6</b> | <b>1,280.5</b> |
| Net profit for the period                   | 156.5          | 67.7           |
| Other comprehensive income                  | -              | -              |
| <b>Total comprehensive income</b>           | <b>156.5</b>   | <b>67.7</b>    |
| Share and warrant issues                    | 5              | 4.1            |
| Share redemption                            | -5.0           | -2.7           |
| Issue expenses                              | -1.0           | -              |
| <b>Total transactions with shareholders</b> | <b>10.8</b>    | <b>1.4</b>     |
| <b>Equity, closing balance</b>              | <b>1,516.9</b> | <b>1,349.6</b> |

## Condensed consolidated statement of cash flow

| (SEK million)  | Oct-Dec      |              | Jan-Dec       |              |
|--|--------------|--------------|---------------|--------------|
|  | 2021         | 2020         | 2021          | 2020         |
| <b>Operating activities</b>  |              |              |               |              |
| Operating profit   | 64.7         | 23.5         | 223.9         | 110.5        |
| Adjustments for non-cash items   | 19.7         | 19.5         | 79.0          | 77.4         |
| Interest paid and received   | -1.3         | -3.4         | -15.0         | -23.3        |
| Paid income tax  | -21.5        | -1.6         | -49.6         | -39.0        |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>61.6</b>  | <b>38.0</b>  | <b>238.3</b>  | <b>125.6</b> |
| Changes in working capital, net  | 8.3          | 15.8         | -3.3          | 1.4          |
| <b>Cash flow from operating activities</b>                                   | <b>69.9</b>  | <b>53.8</b>  | <b>235.0</b>  | <b>127.0</b> |
| <b>Investing activities</b>  |              |              |               |              |
| Investments in intangible assets, net  | -0.8         | -1.9         | -6.5          | -6.0         |
| Investments in tangible assets, net  | -0.2         | -0.4         | -0.5          | -1.0         |
| Divestment of interest-bearing securities                                    | -            | -            | 24.7          | -            |
| <b>Cash flow from investing activities</b>                                   | <b>-1.0</b>  | <b>-2.3</b>  | <b>17.7</b>   | <b>-7.0</b>  |
| <b>Financing activities</b>  |              |              |               |              |
| Borrowings   | -            | -            | 500.0         | -            |
| Repayment of loans and contingent consideration                              | -85.0        | -            | -908.6        | -86.7        |
| Amortisation of lease liabilities  | -1.9         | -2.1         | -7.5          | -7.0         |
| Issue of shares and warrants   | -            | 3.5          | 11.8          | 4.1          |
| Issue expenses   | -            | -            | -1.0          | -            |
| Paid dividend and share redemption   | -            | -2.7         | -             | -2.7         |
| <b>Cash flow from financing activities</b>                                   | <b>-86.9</b> | <b>-1.3</b>  | <b>-405.3</b> | <b>-92.3</b> |
| Net change in cash and cash equivalents                                      | -18.0        | 50.2         | -152.6        | 27.7         |
| Cash and cash equivalents, beginning of period                               | 112.5        | 196.9        | 247.1         | 219.4        |
| <b>Cash and cash equivalents, end of period</b>                              | <b>94.5</b>  | <b>247.1</b> | <b>94.5</b>   | <b>247.1</b> |

## Condensed parent company income statement

| (SEK million)                     | Oct-Dec      |             | Jan-Dec      |              |
|-----------------------------------|--------------|-------------|--------------|--------------|
|                                   | 2021         | 2020        | 2021         | 2020         |
| Net sales                         | 1.2          | 2.5         | 5.6          | 7.1          |
| <b>Total revenue</b>              | <b>1.2</b>   | <b>2.5</b>  | <b>5.6</b>   | <b>7.1</b>   |
| Other external costs              | -2.5         | -4.2        | -53.4        | -8.2         |
| Personnel costs                   | -2.7         | -3.2        | -5.7         | -7.2         |
| Other operating costs             | -            | -           | -0.2         | -            |
| <b>Total operating expenses</b>   | <b>-5.2</b>  | <b>-7.4</b> | <b>-59.3</b> | <b>-15.4</b> |
| <b>Operating profit/loss</b>      | <b>-4.0</b>  | <b>-4.9</b> | <b>-53.7</b> | <b>-8.3</b>  |
| Financial items - net             | -1.7         | -           | -5.5         | 0.0          |
| <b>Profit before taxes</b>        | <b>-5.7</b>  | <b>-4.9</b> | <b>-59.2</b> | <b>-8.3</b>  |
| Allocations - Group contributions | 286.2        | 8.3         | 286.2        | 8.3          |
| Income tax                        | -46.8        | -           | -46.8        | -            |
| <b>Net income (loss)</b>          | <b>233.7</b> | <b>3.4</b>  | <b>180.2</b> | <b>0.0</b>   |

## Parent company statement of comprehensive income

| (SEK million)                                    | Oct-Dec      |            | Jan-Dec      |            |
|--|--------------|------------|--------------|------------|
|  | 2021         | 2020       | 2021         | 2020       |
| <b>Net income (loss)</b>                         | <b>233.7</b> | <b>3.4</b> | <b>180.2</b> | <b>0.0</b> |
| Other comprehensive income                       | -            | -          | -            | -          |
| <b>Total comprehensive income for the period</b> | <b>233.7</b> | <b>3.4</b> | <b>180.2</b> | <b>0.0</b> |

## Condensed parent company balance sheet

| (SEK million)                       | 2021-12-31     | 2020-12-31     |
|-------------------------------------|----------------|----------------|
| <b>ASSETS</b>                       |                |                |
| Non-current assets                  | 1,660.0        | 1,359.3        |
| Current assets                      | 21.6           | 18.3           |
| <b>TOTAL ASSETS</b>                 | <b>1,681.6</b> | <b>1,377.6</b> |
| <b>EQUITY AND LIABILITIES</b>       |                |                |
| <b>Equity</b>                       |                |                |
| Restricted equity                   | 77.4           | 68.3           |
| Non-restricted equity               | 919.5          | 1,120.5        |
| <b>Total equity</b>                 | <b>996.9</b>   | <b>1,188.8</b> |
| Non-current liabilities             | 277.9          | 175.0          |
| Current liabilities                 | 406.8          | 13.8           |
| <b>Total liabilities</b>            | <b>684.7</b>   | <b>188.8</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>1,681.6</b> | <b>1,377.6</b> |

## Notes

### Note 1 Accounting principles

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Interpretation Statements of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The Group applies the same accounting principles as described in Note 1 in the annual report for 2020 and no new or IFRS or IFRIC interpretations that have not yet come into force are expected to have a material impact on the Group.

#### Segment reporting

For Hemnet, the chief operating decision-maker is the CEO, as the CEO is primarily responsible for allocating resources and evaluating results. The assessment of the Group's operating segments is based on the financial information reported to the CEO. The financial information reported to the CEO, as a basis for allocating resources and assessing the Group's results, refers to the Group as a whole. Considering this, Hemnet has determined that the Group as a whole constitutes an operating segment.

#### Earnings per share

##### (i) Earnings per share before dilution (basic)

Earnings per share before dilution are calculated by dividing net profit attributable to the Parent Company's shareholders by the average number of outstanding ordinary shares during the period, adjusted for aggregation of shares and bonus issues.

##### (ii) Earnings per share after dilution (diluted)

For the calculation of earnings per share after dilution, the amounts used to calculate earnings per share before dilution are adjusted by considering the additional ordinary shares, calculated on the basis of the difference between the average share price during the period and the exercise price, which would have been added when converting all potential ordinary shares.

The Parent company, Hemnet Group AB (publ), applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation (RFR 2), accounting for legal entities. The accounting principles are consistent with those of the previous year and, where applicable, with the Group's accounting principles.

Amounts are expressed in SEK million unless stated otherwise. Amounts and figures in brackets refer to comparative figures for the corresponding period last year. In some cases, roundings have been made, which means that tables and calculations do not always sum up exactly.

### Note 2 Net sales

Net sales from external customers by customer category and service category:

| Net sales by customer category<br>(SEK million) | Oct-Dec      |              | Jan-Dec      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2021         | 2020         | 2021         | 2020         |
| Property sellers                                | 118.3        | 82.6         | 482.3        | 325.8        |
| Real estate agents                              | 23.2         | 20.0         | 95.4         | 80.7         |
| Real estate developers                          | 11.6         | 14.1         | 54.4         | 56.5         |
| Advertisers                                     | 24.2         | 26.0         | 96.0         | 81.1         |
| <b>Total net sales</b>                          | <b>177.3</b> | <b>142.7</b> | <b>728.1</b> | <b>544.1</b> |



| Net sales by service category<br>(SEK million) | Oct-Dec      |              | Jan-Dec      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2021         | 2020         | 2021         | 2020         |
| Listing fees                                   | 101.5        | 76.0         | 411.5        | 312.7        |
| Value-added services                           | 34.9         | 22.4         | 140.9        | 77.5         |
| Advertising services and other                 | 40.9         | 44.3         | 175.7        | 153.9        |
| <b>Total net sales</b>                         | <b>177.3</b> | <b>142.7</b> | <b>728.1</b> | <b>544.1</b> |

Revenues are in their entirety attributable to services rendered to private individuals and companies. Property sellers revenue consists of sales to consumers (B2C), while Real estate agents, Real estate developers and Advertisers represent sales to business (B2B). Revenue is recognized over time as performance obligations are fulfilled. The revenues are almost entirely attributable to Swedish customers.

### Note 3 Other external expenses

| (SEK million)                              | Oct-Dec      |              | Jan-Dec       |               |
|--|--------------|--------------|---------------|---------------|
|  | 2021         | 2020         | 2021          | 2020          |
| Administration and commission compensation | -36.2        | -37.3        | -150.1        | -151.2        |
| Other external expenses                    | -24.5        | -26.8        | -149.8        | -94.1         |
| <b>Total other external expenses</b>       | <b>-60.7</b> | <b>-64.1</b> | <b>-299.9</b> | <b>-245.3</b> |

Administration and commission compensation refers to compensation to real estate agent offices regarding administration of property listings on Hemnet's platform and, for real estate agent offices having entered into a commission agreement regarding sale of Hemnet's value-added services, commission.

Other external expenses have increased during 2021, mainly due to one-off costs related to Hemnet's listing on Nasdaq OMX Stockholm, which amount to SEK 48.7m (5.1).

### Note 4 Financial instruments

Hemnet's financial instruments consist mainly of accounts receivables, other current receivables, liabilities to credit institutions, accounts payable and accrued expenses.

Liabilities to credit institutions carries a floating interest that is estimated in all material respects to correspond to current market rate, whereby fair value is deemed to approximately correspond to booked value adjusted for accrued borrowing costs (level 2). For other financial assets and liabilities, their book values are an approximation of fair value, why these items are not split according to the fair value hierarchy.

### Note 5 Related party transactions

Transactions with related parties and management incentive program are described in notes G27 and G8 in the annual report for 2020.

#### Marketing activities in cooperation with Mäklarsamfundet

Hemnet has, in cooperation with Mäklarsamfundet ("MSF"), planned marketing activities during 2020-2021. These consist of two parts; one part, totalling SEK 12.5m, in external media which is administered by MSF, and one part, totalling SEK 10.0m, in Hemnet's own channels.

For the external part, activities amounting to SEK 9.1m were expensed during 2020 and a further SEK 3.4m were expensed during 2021. The part in external channels has thus been completed by the end of December 2021. For the part in Hemnet's own channels, revenues and expenses of SEK 4.3m and SEK 4.3m, respectively, were reported in 2020, and additional revenues and expenses of SEK 5.7m and SEK 5.7m, respectively, was reported during the first nine months of 2021. The part in Hemnet's own channels has thus been completed by the end of September 2021.

#### Management incentive program

From 2017 up until the IPO of the Group, members of the Board of Directors and the management team were given the possibility to participate in a management incentive program (MIP). As of 31 December, 2020, six members of the

management team and five members of the Board of Directors held a total of 11,810,678 ordinary shares class C. The subsequent conversion of these shares into ordinary shares class A in conjunction with the initial public offering resulted in 5,777,110 ordinary shares held by related parties.

#### *Care of Hemnet dividend-in-kind*

On April 23, 2021, the extraordinary general meeting in Care of Hemnet AB (publ) resolved a dividend-in-kind to be paid to shareholders, which resulted in six related parties receiving 3,050,919 ordinary class A shares in Hemnet Group AB (publ).

#### *2019/2022 Warrant conversion*

On March 17, 2021 the Board of Directors resolved to advance the exercise period for warrants of series of 2019/2022 to April 15 - April 23, 2021. As a result of exercising the warrants, 221,558 new ordinary class B shares were issued, which then, in conjunction with the initial public offering, were converted from ordinary class B shares into ordinary class A shares. This resulted in one member of the management team acquiring 7,097 ordinary class A shares in Hemnet Group AB (publ).

#### *Long-term incentive program*

On April 26, 2021, the extraordinary general meeting resolved on an issue of warrants of series 2021/2024 to the company and to managers and certain other employees with key competence in the Group participating in the warrant program. It is the Board of Directors' intention that the structure of the warrant program shall be on a long-term basis and the Board of Directors therefore intends to, following evaluation of the program for 2021/2024, present corresponding proposals regarding the implementation of warrant programs for 2022/2025 and 2023/2026 to the annual general meetings 2022 and 2023.

During April-May 2021, 234,390 warrants were subscribed to by related parties in the management team. The market price for the warrants, calculated using the Black-Scholes option pricing model, was SEK 11.89. In total, the warrant program series 2021/2024 will comprise up to 40 individuals and not more than 469,253 warrants.

The strike price corresponds to 135 percent of the final price in the IPO (corresponding to a share price of SEK 155.25), with an upper limit for the outcome of the program at 250 per cent of the final price in the IPO, meaning that the warrants do not generate additional returns at share prices over SEK 287.50. The complete terms of the warrants also include customary vesting terms and recalculation provisions, including for dividend payments made prior to the exercise of the warrants.

#### *Framework Agreement with Mäklarsamfundet Bransch i Sverige AB ("Mäklarsamfundet") and conversion of shares to class A1*

Following the shareholders' agreement that was in force until the completion of the listing of the Group on Nasdaq Stockholm, the company and Mäklarsamfundet entered into a new framework agreement which came into force on 27 April, 2021. The agreement sets out certain principles for the real estate agencies' relationship to Hemnet, in order to create long-term conditions and stability for real estate agencies and to secure a sound commercial development of Hemnet. The agreement is valid until 31 December, 2045 – see prospectus for further details. Also, in connection with the listing, 5 percent of the shares in the Group was converted to class A1 shares which are held by Mäklarsamfundet. The shares grant a veto right in relation to changes of the business purpose of the company as described in the company's Articles of Association.

#### *Agreement with Svensk Mäklarstatistik AB ("Svensk Mäklarstatistik") regarding purchase of data*

Hemnet has entered into an agreement with Svensk Mäklarstatistik, wholly owned by Mäklarsamfundet Bransch i Sverige AB, whereby Hemnet, for a market-based compensation, gets access to certain data.

## **Note 6 Significant events after the end of the period**

No material events have occurred after the reporting period which have had a material impact on the operation or assumptions and assessments used in preparation of this report.

## Group key ratios

| (SEK million, unless stated otherwise)                   | Oct-Dec |       | Jan-Dec |       |
|--|---------|-------|---------|-------|
|  | 2021    | 2020  | 2021    | 2020  |
| EBITDA   | 84.4    | 43.1  | 302.9   | 187.9 |
| EBITDA margin, %   | 47.6%   | 30.2% | 41.6%   | 34.5% |
| Adjusted EBITDA  | 84.6    | 48.0  | 355.0   | 202.1 |
| Adjusted EBITDA margin, %                                | 47.7%   | 33.6% | 48.8%   | 37.1% |
| Operating profit   | 64.7    | 23.5  | 223.9   | 110.5 |
| Operating margin, %                                      | 36.5%   | 16.5% | 30.8%   | 20.3% |
| Net profit for the period                                | 50.0    | 13.9  | 156.5   | 67.7  |
| Profit margin %  | 28.2%   | 9.7%  | 21.5%   | 12.4% |
| Earnings per share, basic, SEK                           | 0.49    | 0.14  | 1.55    | 0.67  |
| Earnings per share, diluted, SEK                         | 0.49    | 0.14  | 1.55    | 0.67  |
| Average revenue per listing (ARPL), SEK                  | 3,029   | 2,089 | 2,467   | 1,760 |
| Net debt   | 188.6   | 415.1 | 188.6   | 415.1 |
| Net debt/EBITDA (LTM), times                             | 0.6     | 2.2   | 0.6     | 2.2   |
| Net debt/Adjusted EBITDA (LTM), times                    | 0.5     | 2.1   | 0.5     | 2.1   |
| Debt/Equity ratio, times                                 | 0.2     | 0.5   | 0.2     | 0.5   |
| Equity/Assets ratio, %                                   | 71.1%   | 56.9% | 71.1%   | 56.9% |
| Number of published listings during the period, thousand | 39.8    | 40.4  | 198.4   | 189.3 |
| Number of employees at period end                        | 112     | 108   | 112     | 108   |

See pages 20-22 for derivation and definitions.

## Derivation of alternative performance measures

Certain statements and analyses presented in this interim report include alternative performance measures (AMPs) that are not defined by IFRS. The company believes that this information, together with comparable defined IFRS metrics, are useful to investors as they provide a basis for measuring operating profit and ability to repay debt and invest in operations. Corporate management use these financial measurements, along with the most directly comparable financial metrics under IFRS, to evaluate operational results and value added. The APMs should not be assessed in isolation from, or as a substitute for, financial information presented in the financial statements in accordance with IFRS. The APMs reported need not necessarily be comparable to similar metrics presented by other companies. The reconciliations are presented in the tables below.

| (SEK million, unless stated otherwise)                                   | Oct-Dec      |              | Jan-Dec      |              |
|--|--------------|--------------|--------------|--------------|
|  | 2021         | 2020         | 2021         | 2020         |
| Operating profit   | 64.7         | 23.5         | 223.9        | 110.5        |
| Depreciation   | 19.7         | 19.6         | 79.0         | 77.4         |
| <b>EBITDA</b>  | <b>84.4</b>  | <b>43.1</b>  | <b>302.9</b> | <b>187.9</b> |
| Net sales  | 177.3        | 142.7        | 728.1        | 544.1        |
| <b>EBITDA-margin, %</b>  | <b>47.6%</b> | <b>30.2%</b> | <b>41.6%</b> | <b>34.5%</b> |
| EBITDA   | 84.4         | 43.1         | 302.9        | 187.9        |
| <i>Items affecting comparability:</i>                                    |              |              |              |              |
| Advertising revenue (see note 5)   | -            | -2.3         | -5.7         | -4.3         |
| Marketing costs (see note 5)   | 0.2          | 4.0          | 9.1          | 13.4         |
| Consultant costs   | -            | 3.2          | 48.7         | 5.1          |
| <b>Adjusted EBITDA</b>   | <b>84.6</b>  | <b>48.0</b>  | <b>355.0</b> | <b>202.1</b> |
| Net sales  | 177.3        | 142.7        | 728.1        | 544.1        |
| <b>Adjusted EBITDA-margin, %</b>   | <b>47.7%</b> | <b>33.6%</b> | <b>48.8%</b> | <b>37.1%</b> |
| Operating profit   | 64.7         | 23.5         | 223.9        | 110.5        |
| Net sales  | 177.3        | 142.7        | 728.1        | 544.1        |
| <b>Operating margin, %</b>   | <b>36.5%</b> | <b>16.5%</b> | <b>30.8%</b> | <b>20.3%</b> |
| Net sales  | 177.3        | 142.7        | 728.1        | 544.1        |
| Revenue not arising from listings  | -56.8        | -58.3        | -238.8       | -211.0       |
| Revenue from listings  | 120.5        | 84.4         | 489.3        | 333.1        |
| Number of published listings, thousands                                  | 39.8         | 40.4         | 198.4        | 189.3        |
| <b>ARPL, SEK</b>   | <b>3,029</b> | <b>2,089</b> | <b>2,467</b> | <b>1,760</b> |
| Non-current interest-bearing liabilities                                 | 277.9        | 673.5        | 277.9        | 673.5        |
| Current interest-bearing liabilities                                     | 5.2          | 13.2         | 5.2          | 13.2         |
| Cash and cash equivalents, including current interest-bearing securities | 94.5         | 271.6        | 94.5         | 271.6        |
| <b>Net debt</b>  | <b>188.6</b> | <b>415.1</b> | <b>188.6</b> | <b>415.1</b> |
| EBITDA, LTM  | 302.9        | 187.9        | 302.9        | 187.9        |
| <b>Net debt/ LTM EBITDA, times</b>                                       | <b>0.6</b>   | <b>2.2</b>   | <b>0.6</b>   | <b>2.2</b>   |
| Net debt   | 188.6        | 415.1        | 188.6        | 415.1        |
| Adjusted EBITDA, LTM   | 355.0        | 202.1        | 355.0        | 202.1        |
| <b>Net debt/ LTM adjusted EBITDA, times</b>                              | <b>0.5</b>   | <b>2.1</b>   | <b>0.5</b>   | <b>2.1</b>   |
| Equity   | 1,516.9      | 1,349.6      | 1,516.9      | 1,349.6      |
| Total assets   | 2,133.5      | 2,373.3      | 2,133.5      | 2,373.3      |
| <b>Equity/Assets ratio, %</b>  | <b>71.1%</b> | <b>56.9%</b> | <b>71.1%</b> | <b>56.9%</b> |

| (SEK million, unless stated otherwise)    | Oct-Dec      |              | Jan-Dec      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2021         | 2020         | 2021         | 2020         |
| Non-current interest-bearing liabilities  | 277.9        | 673.5        | 277.9        | 673.5        |
| Current interest-bearing liabilities      | 5.2          | 13.2         | 5.2          | 13.2         |
| <b>Total interest-bearing liabilities</b> | <b>283.1</b> | <b>686.7</b> | <b>283.1</b> | <b>686.7</b> |
| Equity                                    | 1,516.9      | 1,349.6      | 1,516.9      | 1,349.6      |
| <b>Debt/Equity ratio, times</b>           | <b>0.2</b>   | <b>0.5</b>   | <b>0.2</b>   | <b>0.5</b>   |

## Definitions

Alternative Performance Measures (APMs) are financial measures of historical or future financial performance, financial position or cash flows that are not defined in applicable accounting regulations (IFRS). These measures are not directly comparable to similar key ratios presented by other companies.

| Alternative key ratio  | Definition  |
|--|---|
| <b>ARPL (Average revenue per listing)</b>                                      | Average revenue per listing, calculated as revenue from home sellers published listings including related value-added products during the period, in relation to the number of published listings during the period.<br>It is a measure that shows the company's earning capacity per published listing.  |
| <b>Adjusted EBITDA</b>   | EBITDA plus items affecting comparability.<br>This measure enables comparison of profitability over time, regardless of depreciation of tangible and intangible assets as well as right-of-use assets, and independent of taxes and the company's financing structure. The measure is also adjusted for the impact of items affecting comparability to increase comparability over time.                                    |
| <b>Adjusted EBITDA-margin</b>  | Adjusted EBITDA in relation to sales.<br>The measure reflects the business's operating profitability before depreciation of tangible and intangible assets as well as right-of-use assets. The measure is an important component, together with net sales growth, to follow the company's value creation. The measure is also adjusted for the impact of items affecting comparability to increase comparability over time. |
| <b>EBITDA (earnings before interest, taxes, depreciation and amortisation)</b> | Operating profit plus depreciation of tangible and intangible assets as well as right-of-use assets.<br>The measure enables comparison of profitability over time, regardless of amortisation and depreciation of intangible and tangible fixed assets as well as independent of taxes and the company's financing structure.   |
| <b>EBITDA-margin</b>   | EBITDA in relation to net sales.<br>The measure reflects the business's operating profitability before depreciation of tangible and intangible assets as well as right-of-use assets. The measure is an important component, together with net sales growth, to follow the company's value creation.  |
| <b>Equity/Assets ratio</b>   | Equity in relation to total assets.<br>The measure reflects the company's financial position. A high equity ratio provides a readiness to be able to handle periods of weak economic growth. At the same time, a higher equity ratio creates a lower financial leverage.  |
| <b>Financial items - net</b>   | Financial income less financial expenses.<br>The measure reflects the company's financial activities.   |
| <b>Interest-bearing liabilities</b>  | Interest-bearing liabilities consists of debt to credit institutions and leasing debt.  |
| <b>Items affecting comparability</b>   | Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities.   |

| <b>Alternative key ratio</b>                              | <b>Definition</b>  |
|---|--|
|   | A separate disclosure of items affecting comparability clarifies the development of the underlying business.   |
| <b>Debt/Equity ratio</b>                                  | Interest-bearing liabilities in relation to equity.<br>The measure shows the relation between the company's two forms of financing. The measure shows how large a share the debt financing has in relation to the owners' invested capital. The measure reflects the financial strength, but also the leverage effect of the debt. A higher debt/equity ratio means a higher financial risk and a higher financial leverage on invested capital. |
| <b>Net debt</b>   | Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities.<br>Net debt is a measure used to follow the development of debt and the size of the refinancing need. Since cash and cash equivalents can be used to pay off debt at short notice, net debt is used instead of gross debt as a measure of the total loan financing.   |
| <b>Net debt/EBITDA</b><br><b>Net debt/adjusted EBITDA</b> | Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities in relation to EBITDA or adjusted EBITDA.<br>The measure is a debt ration that shows how many years it would take to pay off the company's debt, provided that its net debt and EBITDA or adjusted EBITDA are constant and without taking into account the cash flows regarding interest, taxes and investments.                             |
| <b>Operating margin</b>                                   | Operating profit/loss in relation to net sales.<br>The measure reflects the operational profitability of the business. The measure is an important component, together with net sales growth, to follow the company's value creation.  |
| <b>Operating profit/loss</b>                              | Total revenue less total operating expenses.<br>The measure indicates the company's operation profit/loss before financing and taxes and is used to measure the profit generated by operating activities.  |
| <b>Profit margin</b>                                      | Net profit in relation to net sales.<br>The measure indicates the company's profit after financing and taxes and is used to measure the profit generated by operating activities.  |

## Consolidated quarterly financial information

The table below presents the Group's condensed financial performance for the last nine quarters.

| (SEK million)                                    | 2019         | 2020         |              |              |              | 2021         |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           |
| Net sales  | 116.3        | 115.3        | 144.2        | 141.9        | 142.7        | 142.5        | 212.5        | 195.8        | 177.3        |
| Other operating income                           | 0.9          | 0.5          | 0.3          | 0.2          | 0.7          | 0.3          | 0.3          | 0.7          | 0.5          |
| <b>Total revenue</b>                             | <b>117.2</b> | <b>115.8</b> | <b>144.5</b> | <b>142.1</b> | <b>143.4</b> | <b>142.8</b> | <b>212.8</b> | <b>196.5</b> | <b>177.8</b> |
| Capitalised development                          | 2.9          | 1.1          | 0.5          | 0.9          | 1.4          | 2.6          | 1.2          | 0.3          | 0.5          |
| Other external costs                             | -53.0        | -56.1        | -67.9        | -57.2        | -64.1        | -80.3        | -96.9        | -62.0        | -60.7        |
| Personnel costs                                  | -25.6        | -27.4        | -27.1        | -23.4        | -36.9        | -31.3        | -33.6        | -32.2        | -32.9        |
| Other operating expenses                         | -0.3         | -0.4         | -0.3         | -0.3         | -0.7         | -0.6         | -0.3         | -0.5         | -0.3         |
| <b>EBITDA</b>                                    | <b>41.2</b>  | <b>33.0</b>  | <b>49.7</b>  | <b>62.1</b>  | <b>43.1</b>  | <b>33.2</b>  | <b>83.2</b>  | <b>102.1</b> | <b>84.4</b>  |
| Depreciation and amortisation                    | -18.7        | -18.9        | -19.5        | -19.4        | -19.6        | -19.6        | -20.3        | -19.4        | -19.7        |
| <b>Operating profit</b>                          | <b>22.5</b>  | <b>14.1</b>  | <b>30.2</b>  | <b>42.7</b>  | <b>23.5</b>  | <b>13.6</b>  | <b>62.9</b>  | <b>82.7</b>  | <b>64.7</b>  |
| Financial items, net                             | -1.0         | -6.1         | -6.0         | -6.1         | -5.5         | -5.2         | -16.8        | -2.2         | -1.6         |
| <b>Profit before taxes</b>                       | <b>21.5</b>  | <b>8.0</b>   | <b>24.2</b>  | <b>36.6</b>  | <b>18.0</b>  | <b>8.4</b>   | <b>46.1</b>  | <b>80.5</b>  | <b>63.1</b>  |
| Taxes  | -4.7         | -1.7         | -5.2         | -8.1         | -4.1         | -1.7         | -10.0        | -16.8        | -13.1        |
| <b>Net profit for the period</b>                 | <b>16.8</b>  | <b>6.3</b>   | <b>19.0</b>  | <b>28.5</b>  | <b>13.9</b>  | <b>6.7</b>   | <b>36.1</b>  | <b>63.7</b>  | <b>50.0</b>  |
| Other comprehensive income                       | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total comprehensive income for the period</b> | <b>16.8</b>  | <b>6.3</b>   | <b>19.0</b>  | <b>28.5</b>  | <b>13.9</b>  | <b>6.7</b>   | <b>36.1</b>  | <b>63.7</b>  | <b>50.0</b>  |

## Group key ratios by quarter

| (SEK million, unless stated otherwise)                   | 2019  | 2020  |       |       |       | 2021  |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    |
| EBITDA   | 41.2  | 33.0  | 49.7  | 62.1  | 43.1  | 33.2  | 83.2  | 102.1 | 84.4  |
| EBITDA margin, %   | 35.4% | 28.6% | 34.5% | 43.8% | 30.2% | 23.3% | 39.2% | 52.1% | 47.6% |
| Adjusted EBITDA  | 41.2  | 36.4  | 54.4  | 63.3  | 48.0  | 57.2  | 110.9 | 102.3 | 84.6  |
| Adjusted EBITDA margin, %                                | 35.4% | 31.6% | 37.7% | 44.6% | 33.6% | 40.1% | 52.2% | 52.2% | 47.7% |
| Operating profit   | 22.5  | 14.1  | 30.2  | 42.7  | 23.5  | 13.6  | 62.9  | 82.7  | 64.7  |
| Operating margin, %                                      | 19.3% | 12.2% | 20.9% | 30.1% | 16.5% | 9.5%  | 29.6% | 42.2% | 36.5% |
| Net profit for the period                                | 16.8  | 6.3   | 19.0  | 28.5  | 13.9  | 6.7   | 36.1  | 63.7  | 50.0  |
| Profit margin, %   | 14.4% | 5.5%  | 13.2% | 20.1% | 9.7%  | 4.7%  | 17.0% | 32.5% | 28.2% |
| Average revenue per listing (ARPL), SEK                  | 1,875 | 1,501 | 1,775 | 1,719 | 2,089 | 1,898 | 2,363 | 2,642 | 3,029 |
| Net debt   | 521.4 | 558.2 | 496.7 | 465.4 | 415.1 | 407.5 | 332.1 | 255.7 | 188.6 |
| Net debt/EBITDA LTM, times                               | 3.0   | 3.3   | 2.9   | 2.5   | 2.2   | 2.2   | 1.5   | 1.0   | 0.6   |
| Net debt/ adjusted EBITDA (LTM), times                   | 3.0   | 3.2   | 2.8   | 2.4   | 2.1   | 1.8   | 1.2   | 0.8   | 0.5   |
| Debt/Equity ratio, times                                 | 0.6   | 0.5   | 0.5   | 0.5   | 0.5   | 0.5   | 0.3   | 0.3   | 0.2   |
| Equity/Assets ratio, %                                   | 53.4% | 55.1% | 55.4% | 56.4% | 56.9% | 56.7% | 62.8% | 66.4% | 71.1% |
| Number of published listings during the period, thousand | 37.1  | 46.8  | 52.6  | 49.5  | 40.4  | 44.0  | 62.5  | 52.1  | 39.8  |
| Number of employees at period end                        | 92    | 100   | 102   | 104   | 108   | 111   | 115   | 113   | 112   |



## Financial calendar

|                  |                             |
|------------------|-----------------------------|
| 25 March, 2022   | Annual report 2021          |
| 28 April, 2022   | Interim report, Q1 2022     |
| 29 April, 2022   | Annual general meeting 2021 |
| 21 July, 2022    | Interim report, Q2 2022     |
| 20 October, 2022 | Interim report, Q3 2022     |

### PUBLICATION

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### PRESENTATION OF THE INTERIM REPORT

Hemnet invites analysts, investors and media to participate in the results presentation of the fourth quarter on 1 February, 2022 at 10:00 CET. The results will be presented by CEO Cecilia Beck-Friis and CFO Carl Johan Åkesson. The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the link or phone, see details below.

#### Dial-in numbers:

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Webcast link: <https://tv.streamfabriken.com/hemnet-q4-2021>

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*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 your property journey, supplying products and services to improve efficiency, transparency and mobility on the housing market.*

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