

Interim report Q2

January-June 2022

“Strong growth as both increasing demand for value-added services and price adjustments drive ARPL”

Net sales growth, %

26.9%

ARPL growth, %

33.9%

Adjusted EBITDA-margin, %

53.9%



Summary for the period April-June 2022

- ▶ **Net sales** increased by 26.9 percent to SEK 269.7m (212.5)
- ▶ **Adjusted EBITDA** increased 31.0 percent to SEK 145.3m (110.9)
- ▶ **Operating profit** increased 102.7 percent to SEK 127.5m (62.9)
- ▶ **ARPL, average revenue per listing**, increased 33.9 percent to SEK 3,163 (2,363)

Summary for the period January-June 2022

- ▶ **Net sales** increased by 26.6 percent to SEK 449.3m (355.0)
- ▶ **Adjusted EBITDA** increased 37.3 percent to SEK 230.8m (168.1)
- ▶ **Operating profit** increased 155.3 percent to SEK 195.3m (76.5)
- ▶ **ARPL, average revenue per listing**, increased 36.5 percent to SEK 2,963 (2,171)

| (SEK million, unless stated otherwise) | Apr-Jun | | | Jan-Jun | | | Last twelve months | FY |
|---|---------|-------|--------|---------|-------|--------|--------------------|-------|
| | 2022 | 2021 | Change | 2022 | 2021 | Change | ending Jun 2022 | 2021 |
| Net sales | 269.7 | 212.5 | 26.9% | 449.3 | 355.0 | 26.6% | 822.4 | 728.1 |
| Adjusted EBITDA* | 145.3 | 110.9 | 31.0% | 230.8 | 168.1 | 37.3% | 417.7 | 355.0 |
| Adjusted EBITDA-margin*, % | 53.9% | 52.2% | 1.7 pp | 51.4% | 47.4% | 4.0 pp | 50.8% | 48.8% |
| Operating profit* | 127.5 | 62.9 | 102.7% | 195.3 | 76.5 | 155.3% | 342.7 | 223.9 |
| Earnings per share, basic, SEK ¹ | 0.99 | 0.36 | 175.0% | 1.51 | 0.42 | 259.5% | 2.63 | 1.55 |
| Earnings per share, diluted, SEK ¹ | 0.99 | 0.36 | 175.0% | 1.51 | 0.42 | 259.5% | 2.63 | 1.55 |
| Cash flow from operating activities | 141.3 | 76.2 | 85.4% | 214.0 | 88.0 | 143.2% | 361.0 | 235.0 |

* Alternative Performance Measure, see pages 17-19 for derivation and definitions.

¹ 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 beginning after 27 April, 2021, the calculation of dilution is made based on the average share price during each respective period.

Chief Executive's comments

Operational highlights

- **Average revenue per listing (ARPL) increased by 33.9 percent to SEK 3,163 (2,363)**, as demand for our products continued to increase in combination with price adjustments across all products for property sellers.
- **Number of published listings increased by 3.2 percent** compared to the same period last year.
- **Business-to-business revenue increased 4.3 percent** as real estate agents continued to invest in display, Hemnet Business and the new section to find sellers.

Comments

Net sales increased by 26.9 percent to SEK 269.7m (212.5) and adjusted EBITDA increased by 31.0 percent to SEK 145.3m (110.9) in the second quarter.

Revenue from property sellers grew by 37.3 percent as the share of sellers that choose one of our larger marketing packages, Hemnet Plus or Hemnet Premium, continued to increase. We keep improving our strong offering for property sellers, and drive growth in ARPL through a combination of product development, conversion and price.

The number of published listings exceeded last year's high volumes by 3.2 percent, and thereby contributed with a tenth of the total growth in revenue from property sellers. Thus, despite higher inflation and interest rates, the number of new listings coming to market continues apace.

We are seeing a shift towards more of a buyer's market with lower property prices and longer selling times. One of Hemnet's strengths is that our business is also well positioned for this type of market, as we are paid for each new listing rather than a completed property transaction. In addition, our larger marketing packages become even more valuable as sellers seek to maximise the exposure of their home for sale, in order to secure a sale and get the right price.

After building momentum in property sellers' products, we also have traction on the business-to-business side. Sales to other customer categories increased by 4.3 percent during the quarter, and 7.6 percent excluding items affecting comparability, reversing the trend of the previous two quarters. The high demand from real estate agents for existing products continued, and we have due to the high demand started to build awareness for the new section where agents are visible for new potential sellers.

This quarter, which was marked by many uncertainties and challenges for businesses around the world, has highlighted Hemnet's robust position. With visitors spending an incredible 880 million minutes on our platforms during the second quarter we have by far the largest and most engaged home-moving audience in Sweden, and the fact that nine out of ten properties that are sold in Sweden are listed on Hemnet adds further weight to that position. We have a strong financial position and in May we paid our first dividend as a public company, as well as launched a share buy-back program of SEK 450m.

In August I look forward to welcoming new members to our management team. We continue to build an increasingly strong team, and we are well equipped to continue delivering sustainable and profitable growth for the long term.

Cecilia Beck-Friis, CEO
July 2022

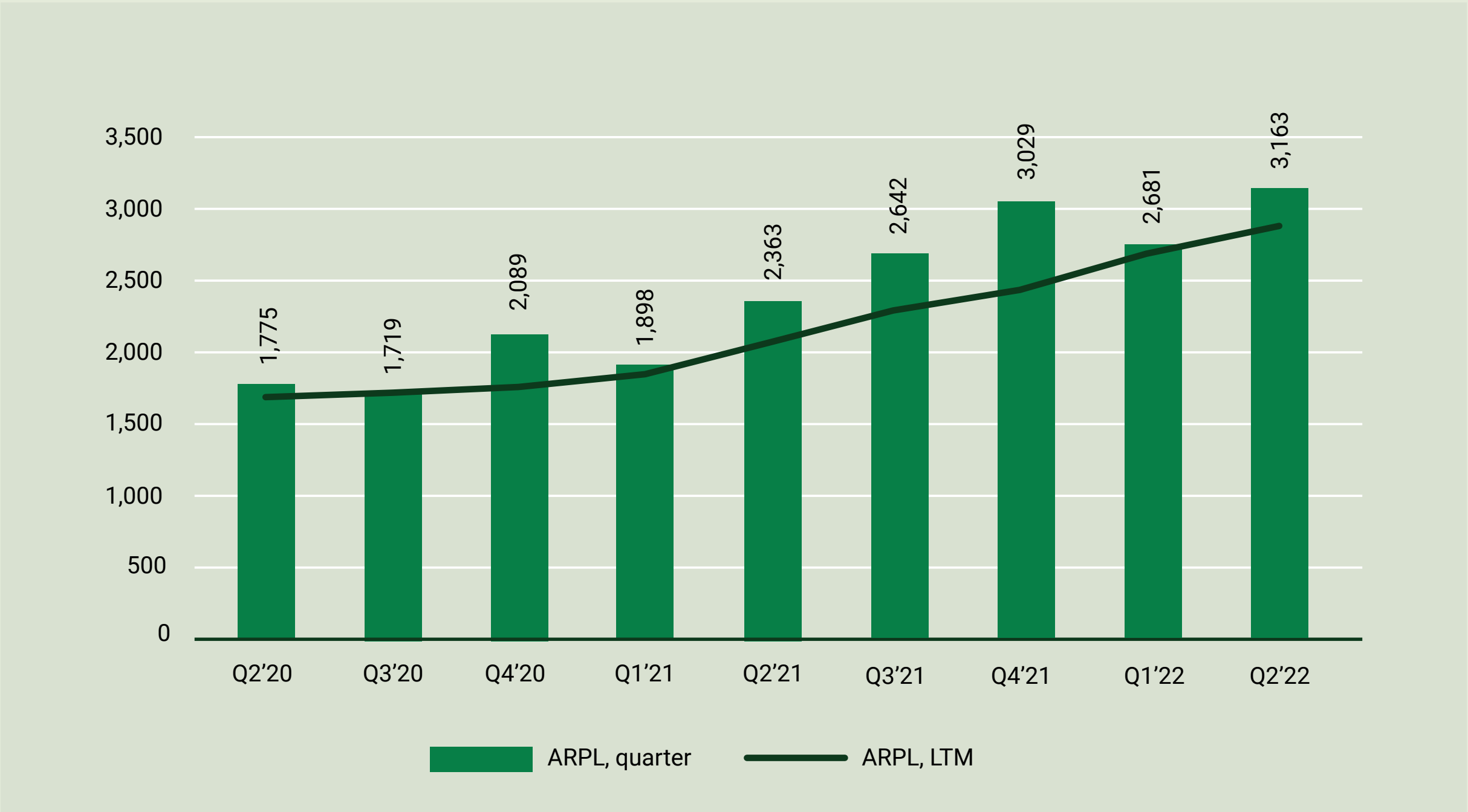


Operational indicators

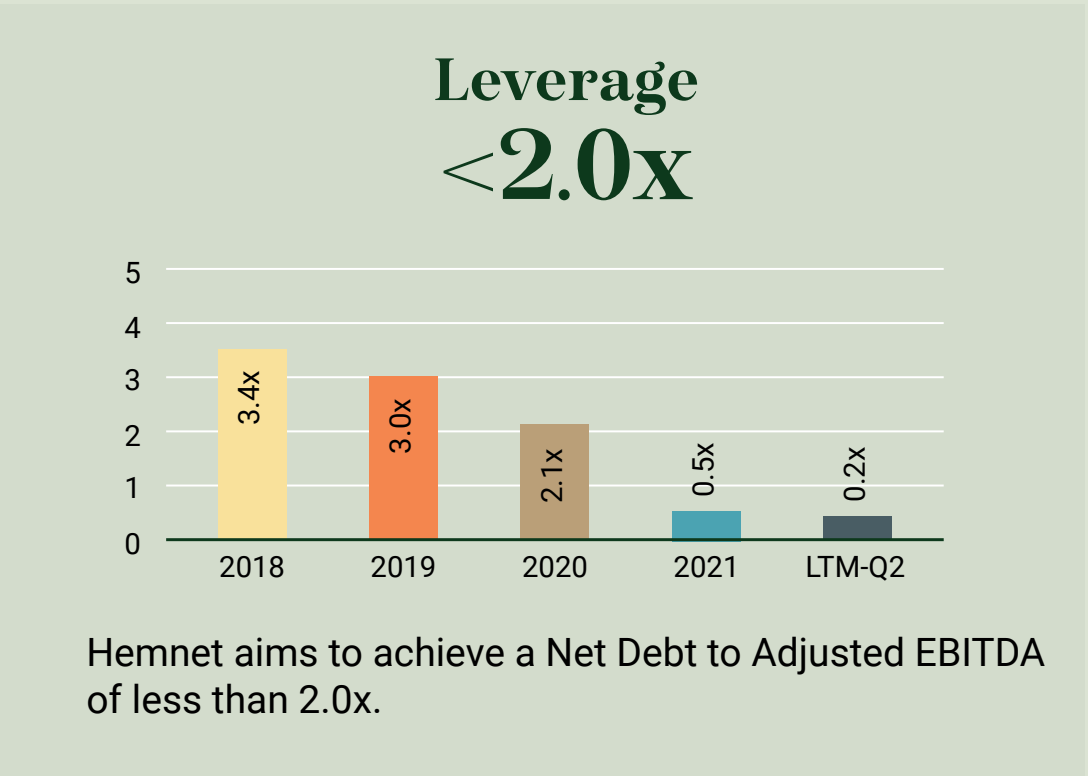
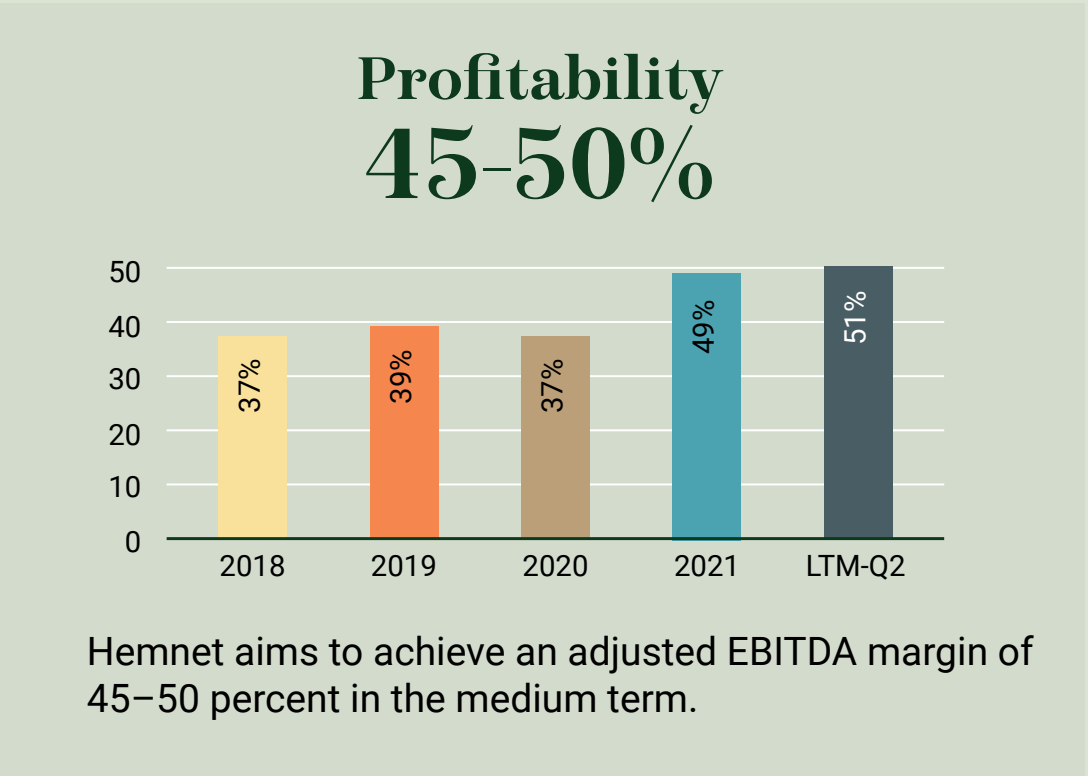
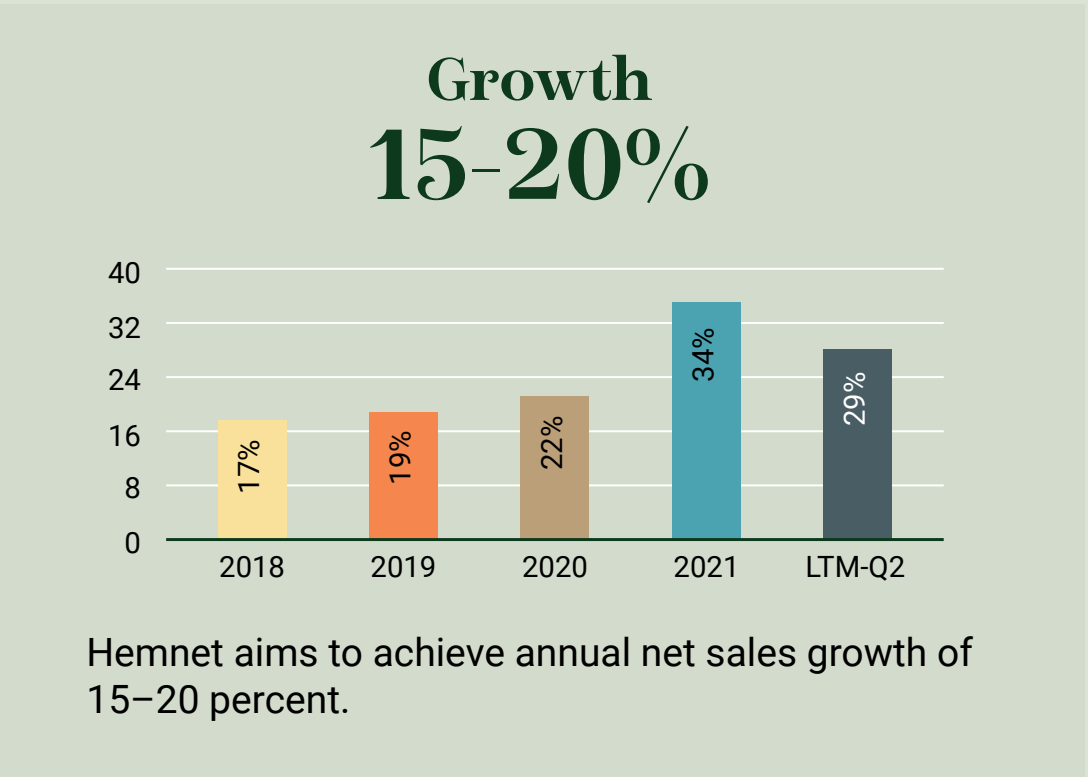
| | Apr-Jun | | | Jan-Jun | | | Last twelve months | FY |
|---|---------|-------|--------|---------|-------|--------|--------------------|-------|
| | 2022 | 2021 | Change | 2022 | 2021 | Change | ending Jun 2022 | 2021 |
| ARPL (average revenue per listing), SEK | 3,163 | 2,363 | 33.9% | 2,963 | 2,171 | 36.5% | 2,893 | 2,467 |
| Number of published listings, thousand | 64.5 | 62.5 | 3.2% | 110.2 | 106.5 | 3.5% | 202.1 | 198.4 |

ARPL

The below graph shows Hemnets ARPL development during the last nine quarters, both as isolated quarters and on LTM basis.



Financial targets



Financial summary, April-June 2022

Continued strong growth in net sales, because of continued increase in average revenue per listing (ARPL), as well as a somewhat higher number of published listings. Adjusted EBITDA increased 31.0 percent to SEK 145.3m (110.9).

Net sales and profit

Net sales increased by 26.9 percent to SEK 269.7m (212.5).

Revenue from property sellers increased by 37.3 percent to SEK 200.0 (145.7). The sales of value-added services for property sellers - Hemnet Plus, Hemnet Premium, Raketen, Förnya annons (Renew ad) - continued to increase, which in combination with price adjustments across all products led to ARPL growing by 33.9 percent to SEK 3,163 (2,363). The number of published listings increased by 3.2 percent.

Net sales from other customers increased by 4.3 percent to SEK 69.7m (66.8). Last year included items affecting comparability of SEK 2.0m in the period, related to marketing activities carried out with Mäklarsamfundet (for further information on campaigns with Mäklarsamfundet, see Note K28 Related Party Transactions in the Annual and sustainability report for 2021). The remaining part of net sales from other customers increased by 7.6 percent to SEK 69.7 (64.8). Display revenue from real estate agents and banks continued to increase while the corresponding revenue from property developers and other customers decreased. Revenue from value-added services for real estate agents increased.

Capitalised development was SEK 2.9m (1.2) and related to investments in new products for property sellers and buyers, as well as new products for property developers and real estate agents.

Other external expenses decreased by 10.4 percent to SEK 86.8m (96.9). However, the first quarter 2021 included items affecting comparability of SEK 29.7m, consisting of SEK 25.9m related to IPO-preparations and SEK 3.8m for marketing campaigns carried out together with Mäklarsamfundet.

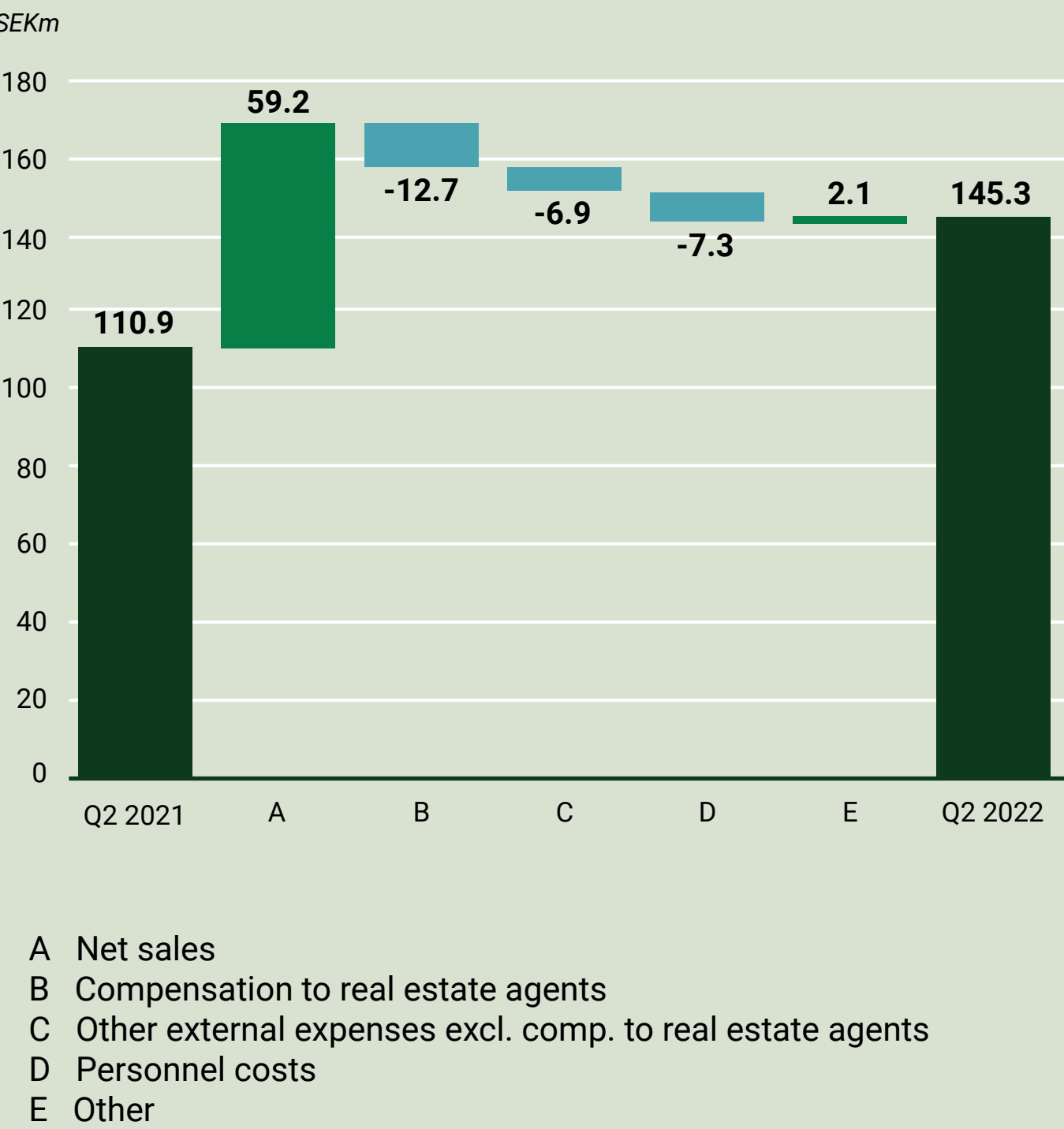
Other external expenses, excluding items affecting comparability, increased by 29.2 percent to SEK 86.8m (67.2). Most of these expenses was SEK 57.6m (42.8) administration and commission expenses to real estate agents, which increased by 34.6 percent because of the increasing revenue from listing related services. In addition, the second quarter last year also included SEK 2.2m related to education compensation to real estate agents. The remaining part increased by 19.7 percent to SEK 29.2m (24.4), mainly related to higher consultancy costs due to the continued focus on product development.

Personnel costs increased by 22.0 percent to SEK 41.0m (33.6), as the company continued to invest in new and existing personnel.

Adjusted EBITDA increased 31.0 percent to SEK 145.3m (110.9) and the adjusted EBITDA-margin was 53.9 percent (52.2).

EBITDA increased 74.6 percent to SEK 145.3m (83.2), corresponding to an EBITDA-margin of 53.9 (39.2) percent.

Adjusted EBITDA



Depreciation & amortisation amounted to SEK 17.8m (20.3), whereof amortisation of intangible assets, mainly from the acquisition of Hemnet, amounted to SEK 15.6m (18.2) and depreciation of right-of-use assets amounted to SEK 1.9m (1.8).

Operating profit increased 102.7 percent to SEK 127.5m (62.9), corresponding to an operating margin of 47.3 (29.6) percent. The increase in operating margin is due to both the fact that the second quarter of 2021 included SEK 29.7m of items affecting comparability as well as increasing net sales.

Financial items - net, improved from negative SEK 16.8m to negative SEK 1.2m, partly due to lower interest costs on bank loans because of both lower borrowing and lower interest rate on bank loans, but also partly due to the impact of capitalised arrangement fees for a previous credit facility in the same period last year. Interest costs on bank loans amounted to SEK 1.1m (2.6).

Tax expense amounted to SEK 26.3m (10.0), corresponding to an effective tax rate of 20.8 (21.6) percent.

Net profit for the period increased by SEK 63.9m and amounted to SEK 100.0m (36.1).

Cash flow and financial position

Cash flow from operating activities increased by SEK 65.1m and amounted to SEK 141.3m (76.2). The increase was primarily due to higher operating profit, with lower interest payments also having a positive effect, but this was partly offset by mainly higher tax payments following the higher profit in 2022. The change in working capital was positive at SEK 9.2m (3.3). Taxes paid during the quarter amounted to SEK -12.1m (-3.8).

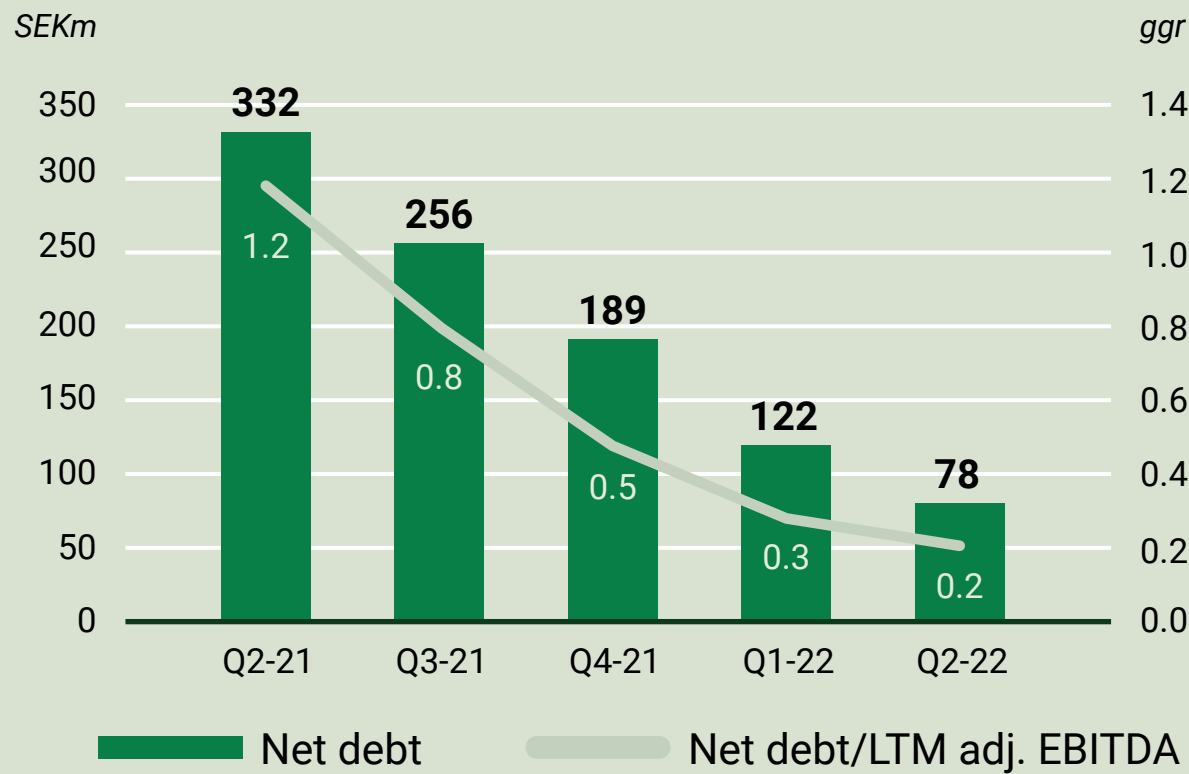
Cash flow from investing activities amounted to SEK -4.1m (-1.5). Investments in intangible and tangible fixed assets totalled SEK -4.1m (-1.5) and related almost exclusively to capitalised development expenses of SEK 3.7m (-1.4).

Cash flow from financing activities totalled SEK -95.3m (-224.5), mainly as a result of the dividend payment of SEK -55.6m and share buybacks of SEK -40.3m. Amortisation of lease liabilities resulted in a cash flow of SEK -2.0m. During the same period last year, financing activities resulted in a cash flow of SEK -224.5m, mainly consisting of repayment of a previous credit facility of SEK -683.5m, drawdown of a new credit facility of SEK 500.0m and voluntary repayments on the new credit facility of SEK -50.0m.

Cash and cash equivalents amounted to SEK 138.2m (94.5) and total interest-bearing liabilities amounted to SEK 216.1m (283.1). Net debt thus amounted to SEK 77.9m (188.6), which corresponds to 0.2 (0.5) times adjusted EBITDA for the last twelve months.

Total shareholders' equity amounted to SEK 1,576.1m (1,516.9), corresponding to an equity-to-assets ratio of 72.5 percent (71.1).

Financial position



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

Financial summary, January-June 2022

Continued strong growth in net sales, because of continued increase in average revenue per listing (ARPL), as well as a somewhat higher number of published listings. Adjusted EBITDA increased 37.3 percent to SEK 230.8m (168.1).

Net sales and profit

Net sales increased by 26.6 percent to SEK 449.3m (355.0).

Revenue from property sellers increased by 40.8 percent to SEK 320.8 (227.8). The sales of value-added services for property sellers - Hemnet Plus, Hemnet Premium, Raketen, Förnya annons (Renew ad) - increased, which in combination with price adjustments across all products led to ARPL growing by 36.5 percent to SEK 2,963 (2,171). The number of published listings increased by 3.5 percent.

Net sales from other customers increased by 1.0 percent to SEK 128.5m (127.2). Previous year included items affecting comparability of SEK 4.0m related to marketing activities carried out with Mäklarsamfundet (for further information on campaigns with Mäklarsamfundet, see Note K28 Related Party Transactions in the Annual and sustainability report for 2021). The remaining part of net sales from other customers increased by 4.3 percent to SEK 128.5 (123.2). Display revenue from real estate agents and banks increased while the corresponding revenue from property developers and other customers decreased. Revenue from value-added services for real estate agents increased.

Capitalised development was SEK 5.4m (3.8) and related to investments in new products for property sellers and buyers, as well as new products for property developers and real estate agents.

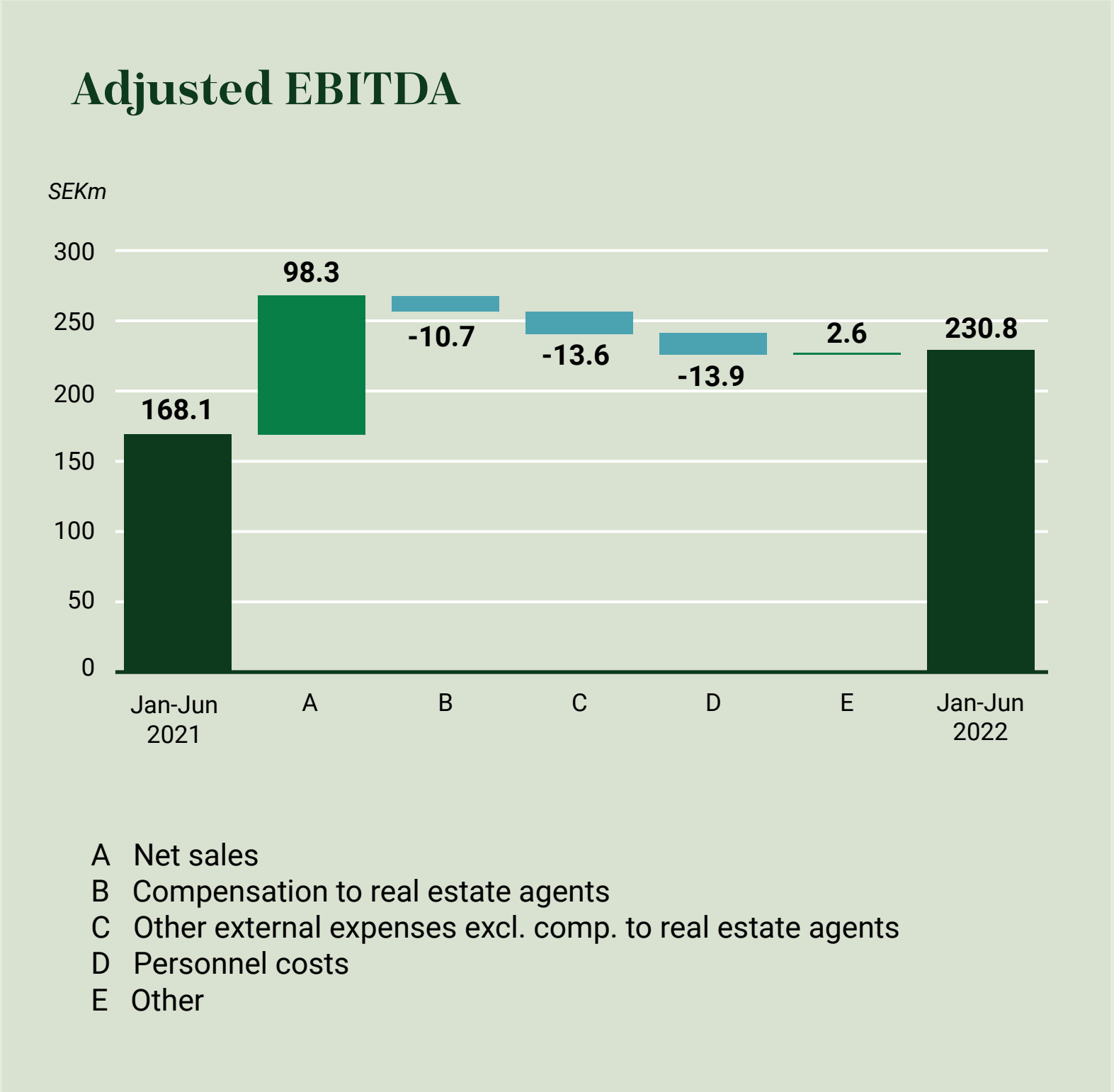
Other external expenses decreased by 17.7 percent to SEK 145.8m (177,2). However, the first six months of 2021 included items affecting comparability of SEK 55.7m, consisting of SEK 49.3m related to IPO-preparations and SEK 6.4m for marketing campaigns carried out together with Mäklarsamfundet.

Other external expenses, excluding items affecting comparability, increased by 20.0 percent to SEK 145.8m (121.5). Most of these expenses was SEK 92.6m (74.3) administration and commission expenses to real estate agents, which increased by 24.6 percent because of the increasing revenue from listing related services. In addition, the first six months of last year also included SEK 7.7m related to education compensation to real estate agents. The remaining part increased by 12.7 percent to SEK 53.2m (47.2), mainly related to higher consultancy costs due to the continued focus on product development.

Personnel costs increased by 21.4 percent to SEK 78.8m (64.9), as the company continued to invest in new and existing personnel.

Adjusted EBITDA increased 37.3 percent to SEK 230.8m (168.1) and the adjusted EBITDA-margin was 51.4 percent (47.4).

EBITDA increased 98.3 percent to SEK 230.8m (116.4), corresponding to an EBITDA-margin of 51.4 (32.8) percent.



Depreciation & amortisation amounted to SEK 35.5m (39.9), whereof amortisation of intangible assets, mainly from the acquisition of Hemnet, amounted to SEK 31.1m (35.7) and depreciation of right-of-use assets amounted to SEK 3.8m (3.6).

Operating profit increased 155.3 percent to SEK 195.3m (76.5), corresponding to an operating margin of 43.5 (21.5) percent. The increase in operating margin is due to both the fact that the first six month of 2021 included SEK 55.7m of items affecting comparability, as well as increasing net sales and the effect of the new compensation model for real estate agents that was launched 1 March 2021.

Financial items - net, improved from negative SEK 22.0m to negative SEK 2.8m, partly due to lower interest costs on bank loans because of both lower borrowing and lower interest rates on bank loans, but also partly due to the impact of capitalised arrangement fees for a previous credit facility in the same period last year. Interest costs on bank loans amounted to SEK 2.3m (6.5).

Tax expense amounted to SEK 40.0m (11.7), corresponding to an effective tax rate of 20.8 (21.5) percent.

Net profit for the period increased by SEK 109.7m and amounted to SEK 152.5m (42.8).

Cash flow and financial position

Cash flow from operating activities increased by SEK 126.0m and amounted to SEK 214.0m (88.0). The increase was primarily due to higher operating profit, with lower interest payments also having a positive effect, but this was partly offset by mainly higher tax payments following the higher profit in 2022. The change in working capital was positive at SEK 24.5m (1.3). Taxes paid during the period amounted to SEK -39.0m (-18.1).

Cash flow from investing activities amounted to SEK -8.1m (19.2). Investments in intangible and tangible fixed assets were in total SEK -8.1m (-5.5) and related almost exclusively to capitalised development expenses of SEK 7.0m (-5.2). During the same period last year, all interest-bearing securities were divested, which lead to a positive cash flow of SEK 24.7m.

Cash flow from financing activities totalled SEK -162.2m (-231.5), mainly because of voluntary repayments of bank loans of SEK -65.0m, dividend payment of SEK -55.6m and share buybacks of SEK -40.3m. Amortisation of lease liabilities resulted in a cash flow of SEK -3.9m. During the same period last year, financing activities resulted in a cash flow of SEK -231.5m, mainly consisting of repayment of a previous credit facility of SEK -688.6m, drawdown of a new credit facility of SEK 500.0m and voluntary repayments on the new credit facility of SEK -50.0m.

Cash and cash equivalents amounted to SEK 138.2m (94.5) and total interest-bearing liabilities amounted to SEK 216.1m (283.1). Net debt thus amounted to SEK 77.9m (188.6) which corresponds to 0.2 (0.5) times adjusted EBITDA for the last twelve months.

Total shareholders’ equity was SEK 1,576.1m (1,516.9), corresponding to an equity-to-assets ratio of 72.5 percent (71.1).

Parent company, financial development January-June

Net sales of the Parent company amounted to SEK 4.9m (3.5). All revenue refers to services to other Group companies. Operating profit/loss was SEK -3.3m (-48.8), where the previous year’s result included expenses related to the preparation of the IPO amounting to SEK 47.5m, which were classified as items affecting comparability.

The assets of the Parent company consist mainly of investments in Group companies and Group receivables. The operations are financed by equity, bank loans and Group liabilities. The Parent company equity at the end of the period amounted to SEK 897.3m (996.9) and the equity ratio was 60.6 percent (59.3).

Other information

Covid-19 effects and the war in Ukraine

The Covid-19 pandemic have had a major impact on society but has not had any significant negative impact on Hemnet’s financial results. The number of visits to Hemnet increased during the beginning of the pandemic and during the first half of 2021, after which the number of visits now has returned to more normal levels. During the period, the number of published listings increased as well as ARPL (average revenue per listing). 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.

The war in Ukraine may have had a negative impact on traffic to Hemnet during a period of time. However, the company’s assessment is that this has not had any material financial impact.

Employees

The number of employees at the end of the period was 121 compared to 115 at the end of June 2021 and 112 at the end of December 2021. The increase is primarily in the area of product development.

Repurchase and holding of treasury shares

The Annual General Meeting authorized the Board of Directors to, on one or more occasions during the period until the next Annual General Meeting, decide on the repurchase of own shares to such an extent that the

Company holds no more than ten (10) percent of all shares in the Company at any time after the acquisition. The maximum amount for repurchases during the period shall be SEK 450 million. Acquisitions shall be made on Nasdaq Stockholm at a price per share within the price interval registered at any given time. The purpose of the authorization is to adjust the Company’s capital structure by reducing the share capital. The Board of Directors therefore intends to propose to the Annual General Meeting 2023 that the repurchased shares be cancelled.

In addition to the decision to launch the share repurchase program, Hemnet’s Board of Directors has decided to use the authorization of the Annual General Meeting to resolve the acquisition of a maximum of 57,200 ordinary shares to ensure the delivery of shares to the participants of the 2022/2025 Share Savings Program. Acquisitions shall take place on Nasdaq Stockholm at a price per share within the price interval registered at any given time.

During the quarter – after the Annual General Meeting on April 27, 2022 – 252,177 shares were repurchased for a total of SEK 32.8m under the share repurchase program of SEK 450 million. In addition, 57,000 shares were repurchased for a total of SEK 7.5m as part of the company’s commitment under the 2022/2025 Share Savings Program. The total number of treasury shares at the end of the quarter thus amounts to 309,177. The number of shares outstanding, excluding treasury shares, as of June 30, 2022, is 100,822,301. The total number of shares in the Company is 101,131,478.

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 real estate agents and to have a substantial range of listings. Hemnet’s future business may be threatened if a deteriorating agent 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 2021, pages 57-58. Hemnet’s assessment is that no other significant risks or uncertainties have arisen during the period.

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

The key to your property journey

We increase efficiency, transparency and mobility on the housing market.

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

The Board of Directors and the CEO certify that the interim report for the period January - June 2022 gives a fair view of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, 21 July, 2022
Hemnet Group AB (publ)

Håkan Erixon
Chair

Cecilia Beck-Friis
CEO

Christopher Caulkin
Member of the board

Anders Edmark
Member of the board

Tracey Fellows
Member of the board

Håkan Hellström
Member of the board

Nick McKittrick
Member of the board

Maria Redin
Member of the board

Pierre Siri
Member of the board

Condensed consolidated income statement

| | | Apr-Jun | | Jan-Jun | | Last twelve months | FY |
|---|---|-------------|-------------|-------------|-------------|--------------------|-------------|
| (SEK million) | | 2022 | 2021 | 2022 | 2021 | ending Jun 2022 | 2021 |
| Net sales | 2 | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |
| Other operating income | | 0.8 | 0.3 | 1.3 | 0.6 | 2.5 | 1.8 |
| Total revenue | | 270.5 | 212.8 | 450.6 | 355.6 | 824.9 | 729.9 |
| Capitalised development | | 2.9 | 1.2 | 5.4 | 3.8 | 6.2 | 4.6 |
| Other external expenses | 3 | -86.8 | -96.9 | -145.8 | -177.2 | -268.5 | -299.9 |
| Personnel costs | | -41.0 | -33.6 | -78.8 | -64.9 | -143.9 | -130.0 |
| Depreciation & amortisation | | -17.8 | -20.3 | -35.5 | -39.9 | -74.6 | -79.0 |
| Other operating costs | | -0.3 | -0.3 | -0.6 | -0.9 | -1.4 | -1.7 |
| Total operating expenses | | -145.9 | -151.1 | -260.7 | -282.9 | -488.4 | -510.6 |
| Operating profit | | 127.5 | 62.9 | 195.3 | 76.5 | 342.7 | 223.9 |
| Net financial items | | -1.2 | -16.8 | -2.8 | -22.0 | -6.6 | -25.8 |
| Profit before taxes | | 126.3 | 46.1 | 192.5 | 54.5 | 336.1 | 198.1 |
| Income tax | | -26.3 | -10.0 | -40.0 | -11.7 | -69.9 | -41.6 |
| Net profit for the period | | 100.0 | 36.1 | 152.5 | 42.8 | 266.2 | 156.5 |
| Net profit attributable to controlling interest | | 100.0 | 36.1 | 152.5 | 42.8 | 266.2 | 156.5 |
| Other comprehensive income | | - | - | - | - | - | - |
| Total comprehensive income | | 100.0 | 36.1 | 152.5 | 42.8 | 266.2 | 156.5 |
| Earnings per share ¹ | | | | | | | |
| before dilution, SEK | | 0.99 | 0.36 | 1.51 | 0.42 | 2.63 | 1.55 |
| after dilution, SEK | | 0.99 | 0.36 | 1.51 | 0.42 | 2.63 | 1.55 |
| Number of shares | | | | | | | |
| Average before dilution | | 101,044,541 | 101,009,219 | 101,087,769 | 100,865,121 | 101,109,803 | 100,999,394 |
| Average after dilution | | 101,044,541 | 101,195,780 | 101,087,769 | 101,164,430 | 101,126,943 | 101,180,647 |
| Outstanding at period end | | 100,822,301 | 101,131,478 | 100,822,301 | 101,131,478 | 100,822,301 | 101,131,478 |

Condensed consolidated statement of financial position

| (SEK million) | 2022-06-30 | 2021-06-30 | 2021-12-31 |
|---|------------|------------|------------|
| ASSETS | | | |
| Intangible assets | 1,947.5 | 2,005.2 | 1,971.6 |
| Other non-current assets | 6.3 | 10.7 | 8.3 |
| Total non-current assets | 1,953.8 | 2,015.9 | 1,979.9 |
| Current receivables | 82.4 | 94.5 | 59.1 |
| Cash and cash equivalents | 138.2 | 122.8 | 94.5 |
| Total current assets | 220.6 | 217.3 | 153.6 |
| TOTAL ASSETS | 2,174.4 | 2,233.2 | 2,133.5 |
| EQUITY AND LIABILITIES | | | |
| Total equity (attributable to controlling interest) | 1,576.1 | 1,403.2 | 1,516.9 |
| Non-current interest-bearing liabilities | 213.5 | 449.3 | 277.9 |
| Deferred tax liabilities | 215.2 | 227.1 | 220.1 |
| Total non-current liabilities | 428.7 | 676.4 | 498.0 |
| Current interest-bearing liabilities | 2.6 | 5.6 | 5.2 |
| Current non-interest-bearing liabilities | 167.0 | 148.0 | 113.4 |
| Total current liabilities | 169.6 | 153.6 | 118.6 |
| Total liabilities | 598.3 | 830.0 | 616.6 |
| TOTAL EQUITY AND LIABILITIES | 2,174.4 | 2,233.2 | 2,133.5 |

¹The 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 beginning after 27 April, 2021, the calculation of dilution is made based on the average share price during each respective period.

Condensed consolidated statement of changes in equity

| (SEK million) | Jan-Jun | | FY |
|--------------------------------------|---------|---------|---------|
| | 2022 | 2021 | 2021 |
| Equity, opening balance | 1,516.9 | 1,349.6 | 1 349,6 |
| Net profit for the period | 152.5 | 42.8 | 156,5 |
| Other comprehensive income | - | - | - |
| Total comprehensive income | 152.5 | 42.8 | 156,5 |
| Dividend distribution | -55.6 | - | - |
| Repurchase of shares | -40.3 | - | - |
| Share and warrant issues | 3.5 | 16.8 | 16,8 |
| Share and warrant redemption | -0.7 | -5.0 | -5,0 |
| Issue expenses | -0.2 | -1.0 | -1,0 |
| Total transactions with shareholders | -93.3 | 10.8 | 10,8 |
| Equity, closing balance | 1,576.1 | 1,403.2 | 1 516,9 |

Condensed consolidated statement of cash flow

| (SEK million) | Apr-Jun | | Jan-Jun | | FY |
|---|---------|--------|---------|--------|--------|
| | 2022 | 2021 | 2022 | 2021 | 2021 |
| Operating activities | | | | | |
| Operating profit | 127.5 | 62.9 | 195.3 | 76.5 | 223.9 |
| Adjustments for non-cash items | 17.7 | 20.4 | 35.4 | 39.9 | 79.0 |
| Interest paid and received | -1.0 | -6.6 | -2.2 | -11.6 | -15.0 |
| Paid income tax | -12.1 | -3.8 | -39.0 | -18.1 | -49.6 |
| Cash flow from operating activities before changes in working capital | 132.1 | 72.9 | 189.5 | 86.7 | 238.3 |
| Changes in working capital, net | 9.2 | 3.3 | 24.5 | 1.3 | -3.3 |
| Cash flow from operating activities | 141.3 | 76.2 | 214.0 | 88.0 | 235.0 |
| Investing activities | | | | | |
| Investments in intangible assets, net | -3.7 | -1.4 | -7.0 | -5.2 | -6.5 |
| Investments in tangible assets, net | -0.4 | -0.1 | -1.1 | -0.3 | -0.5 |
| Divestment of interest-bearing securities | - | - | - | 24.7 | 24.7 |
| Cash flow from investing activities | -4.1 | -1.5 | -8.1 | 19.2 | 17.7 |
| Financing activities | | | | | |
| Borrowings | - | 500.0 | - | 500.0 | 500.0 |
| Repayment of loans | - | -733.5 | -65.0 | -738.6 | -908.6 |
| Amortisation of lease liabilities | -2.0 | -1.8 | -3.9 | -3.7 | -7.5 |
| Issue of shares and warrants | 3.5 | 11.8 | 3.5 | 11.8 | 11.8 |
| Issue expenses | -0.2 | -1.0 | -0.2 | -1.0 | -1.0 |
| Warrant redemption | -0.7 | - | -0.7 | - | - |
| Repurchase of shares | -40.3 | - | -40.3 | - | - |
| Paid dividend | -55.6 | - | -55.6 | - | - |
| Cash flow from financing activities | -95.3 | -224.5 | -162.2 | -231.5 | -405.3 |
| Net change in cash and cash equivalents | 41.9 | -149.8 | 43.7 | -124.3 | -152.6 |
| Cash and cash equivalents, beginning of period | 96.3 | 272.6 | 94.5 | 247.1 | 247.1 |
| Cash and cash equivalents, end of period | 138.2 | 122.8 | 138.2 | 122.8 | 94.5 |

Condensed parent company income statement

| (SEK million) | Apr-Jun | | Jan-Jun | | FY |
|-----------------------------------|---------|-------|---------|-------|-------|
| | 2022 | 2021 | 2022 | 2021 | 2021 |
| Net sales | 1.9 | 1.2 | 4.9 | 3.5 | 5.6 |
| Total revenue | 1.9 | 1.2 | 4.9 | 3.5 | 5.6 |
| Other external costs | -2.5 | -26.6 | -5.4 | -50.1 | -53.4 |
| Personnel costs | -1.8 | -1.1 | -2.8 | -2.1 | -5.7 |
| Other operating costs | - | 0.1 | - | -0.1 | -0.2 |
| Total operating expenses | -4.3 | -27.6 | -8.2 | -52.3 | -59.3 |
| Operating profit/loss | -2.4 | -26.4 | -3.3 | -48.8 | -53.7 |
| Net financial items | -1.3 | -1.6 | -2.9 | -1.6 | -5.5 |
| Profit before taxes | -3.7 | -28.0 | -6.2 | -50.4 | -59.2 |
| Allocations - Group contributions | - | - | - | - | 286.2 |
| Income tax | - | - | - | - | -46.8 |
| Net income (loss) | -3.7 | -28.0 | -6.2 | -50.4 | 180.2 |

Parent company statement of comprehensive

| (SEK million) | Apr-Jun | | Jan-Jun | | FY |
|---|---------|-------|---------|-------|-------|
| | 2022 | 2021 | 2022 | 2021 | 2021 |
| Net income (loss) | -3.7 | -28.0 | -6.2 | -50.4 | 180.2 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | -3.7 | -28.0 | -6.2 | -50.4 | 180.2 |

Condensed parent company balance sheet

| (SEK million) | 2022-06-30 | 2021-06-30 | 2021-12-31 |
|------------------------------|------------|------------|------------|
| ASSETS | | | |
| Non-current assets | 1,417.0 | 1,146.6 | 1,660.0 |
| Current assets | 64.8 | 477.2 | 21.6 |
| TOTAL ASSETS | 1,481.8 | 1,623.8 | 1,681.6 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Restricted equity | 77.4 | 77.4 | 77.4 |
| Non-restricted equity | 819.9 | 688.9 | 919.5 |
| Total equity | 897.3 | 766.3 | 996.9 |
| Non-current liabilities | 213.5 | 447.4 | 277.9 |
| Current liabilities | 371.0 | 410.1 | 406.8 |
| Total liabilities | 584.5 | 857.5 | 684.7 |
| TOTAL EQUITY AND LIABILITIES | 1,481.8 | 1,623.8 | 1,681.6 |

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 2021 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.

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 (SEK million) | Apr-Jun | | Jan-Jun | | Last twelve months ending Jun 2022 | FY 2021 |
|---|---------|-------|---------|-------|---------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 | | |
| Property sellers | 200.0 | 145.7 | 320.8 | 227.8 | 575.3 | 482.3 |
| Real estate agents | 32.4 | 24.8 | 59.1 | 48.1 | 106.4 | 95.4 |
| Real estate developers | 13.6 | 15.5 | 25.4 | 30.1 | 49.7 | 54.4 |
| Advertisers | 23.7 | 26.5 | 44.0 | 49.0 | 91.0 | 96.0 |
| Total net sales | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |

| Net sales by service category (SEK million) | Apr-Jun | | Jan-Jun | | Last twelve months ending Jun 2022 | FY 2021 |
|--|---------|-------|---------|-------|---------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 | | |
| Listing related services | 209.2 | 152.0 | 336.2 | 239.9 | 604.6 | 508.3 |
| Other services | 60.5 | 60.5 | 113.1 | 115.1 | 217.8 | 219.8 |
| Total net sales | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |

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

The categorising per service has been updated from the Q1 report 2022 and now consists of Listings services and Other services. The new category Listing services consists of (i) what in previous reports was called Listing fees, as well as (ii) the part of the previous category Value-added services that related to publishing of listings (Hemnet Plus, Hemnet Premium, Raketen, Förnya annons). The new category Other services consists of (i) what in previous reports was called Advertising and other, as well as (ii) the remaining part of the previous category Value-added services.

Note 3 Other external expenses

| | Apr-Jun | | Jan-Jun | | Last twelve months | FY |
|--|---------|-------|---------|--------|--------------------|--------|
| (SEK million) | 2022 | 2021 | 2022 | 2021 | ending Jun 2022 | 2021 |
| Administration and commission compensation | -57.7 | -42.8 | -92.6 | -74.3 | -168.4 | -150.1 |
| Other external expenses | -29.1 | -54.1 | -53.2 | -102.9 | -100.1 | -149.8 |
| Total | -86.8 | -96.9 | -145.8 | -177.2 | -268.5 | -299.9 |

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.

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 G28 and G8 in the annual report for 2021.

Agreement with Svensk Fastighetsförmedling AB (“Svensk Fastighetsförmedling”) regarding mediation of Hemnets advertising services

Hemnet has entered into an agreement with Svensk Fastighetsförmedling regarding mediation and coordination of display and native campaigns.

In other respects, the scope and focus of these transactions did not change significantly during the period.

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

| | Apr-Jun | | Jan-Jun | | Last twelve months | FY |
|--|---------|--------|---------|--------|--------------------|-------|
| (SEK million, unless stated otherwise) | 2022 | 2021 | 2022 | 2021 | ending Jun 2022 | 2021 |
| EBITDA | 145.3 | 83.2 | 230.8 | 116.4 | 417.3 | 302.9 |
| EBITDA margin, % | 53.9% | 39.2% | 51.4% | 32.8% | 50.7% | 41.6% |
| | | | | | | |
| Adjusted EBITDA | 145.3 | 110.9 | 230.8 | 168.1 | 417.7 | 355.0 |
| Adjusted EBITDA margin, % | 53.9% | 52.2% | 51.4% | 47.4% | 50.8% | 48.8% |
| | | | | | | |
| Operating profit | 127.5 | 62.9 | 195.3 | 76.5 | 342.7 | 223.9 |
| Operating margin, % | 47.3% | 29.6% | 43.5% | 21.5% | 41.7% | 30.8% |
| | | | | | | |
| Net profit for the period | 100.0 | 36.1 | 152.5 | 42.8 | 266.2 | 156.5 |
| Profit margin % | 37.1% | 17.0% | 33.9% | 12.1% | 32.4% | 21.5% |
| | | | | | | |
| Earnings per share, basic, SEK | 0.99 | 0.36 | 1.51 | 0.42 | 2.63 | 1.55 |
| Earnings per share, diluted, SEK | 0.99 | 0.36 | 1.51 | 0.42 | 2.63 | 1.55 |
| | | | | | | |
| ARPL (average revenue per listing), SEK | 3,163 | 2,363 | 2,963 | 2,171 | 2,893 | 2,467 |
| | | | | | | |
| Net debt | 77.9 | 332.1 | 77.9 | 332.1 | 77.9 | 188.6 |
| Net debt/EBITDA (LTM), times | 0.2 | 1.5 | 0.2 | 1.5 | 0.2 | 0.6 |
| Net debt/Adjusted EBITDA (LTM), times | 0.2 | 1.2 | 0.2 | 1.2 | 0.2 | 0.5 |
| | | | | | | |
| Debt/Equity ratio, times | 0.1 | 0.3 | 0.1 | 0.3 | 0.1 | 0.2 |
| | | | | | | |
| Equity/Assets ratio, % | 72.5% | 62.8% | 72.5% | 62.8% | 72.5% | 71.1% |
| | | | | | | |
| Cash conversion, % | 102.5% | 105.8% | 102.5% | 105.8% | 102.5% | 97.1% |
| | | | | | | |
| Number of published listings during the period, thousand | 64.5 | 62.5 | 110.2 | 106.5 | 202.1 | 198.4 |
| | | | | | | |
| Number of employees at period end | 121 | 115 | 121 | 115 | 121 | 112 |

See pages 17-19 for derivation and definitions.

Derivation of alternative performance measures

Certain statements and analyses presented in this interim report include alternative performance measures (APMs) 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) | Apr-Jun | | Jan-Jun | | Last twelve months | FY |
|--|---------|-------|---------|-------|--------------------|-------|
| | 2022 | 2021 | 2022 | 2021 | ending Jun 2022 | 2021 |
| Operating profit | 127.5 | 62.9 | 195.3 | 76.5 | 342.7 | 223.9 |
| Depreciation & amortisation | 17.8 | 20.3 | 35.5 | 39.9 | 74.6 | 79.0 |
| EBITDA | 145.3 | 83.2 | 230.8 | 116.4 | 417.3 | 302.9 |
| Net sales | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |
| EBITDA margin, % | 53.9% | 39.2% | 51.4% | 32.8% | 50.7% | 41.6% |
| EBITDA | 145.3 | 83.2 | 230.8 | 116.4 | 417.3 | 302.9 |
| Items affecting comparability: | | | | | | |
| Advertising revenue | - | -2.0 | - | -4.0 | -1.7 | -5.7 |
| Marketing costs | - | 3.8 | - | 6.4 | 2.7 | 9.1 |
| Consultant costs | - | 25.9 | - | 49.3 | -0.6 | 48.7 |
| Adjusted EBITDA | 145.3 | 110.9 | 230.8 | 168.1 | 417.7 | 355.0 |
| Net sales | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |
| Adjusted EBITDA margin, % | 53.9% | 52.2% | 51.4% | 47.4% | 50.8% | 48.8% |
| Operating profit | 127.5 | 62.9 | 195.3 | 76.5 | 342.7 | 223.9 |
| Net sales | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |
| Operating margin, % | 47.3% | 29.6% | 43.5% | 21.5% | 41.7% | 30.8% |

| (SEK million, unless stated otherwise) | Apr-Jun | | Jan-Jun | | Last twelve months | FY |
|--|---------|---------|---------|---------|--------------------|---------|
| | 2022 | 2021 | 2022 | 2021 | ending Jun 2022 | 2021 |
| Net sales | 269.7 | 212.5 | 449.3 | 355.0 | 822.4 | 728.1 |
| Revenue not arising from published listings | -65.6 | -64.9 | -122.7 | -123.9 | -237.6 | -238.8 |
| Revenue from published listings | 204.1 | 147.6 | 326.6 | 231.1 | 584.8 | 489.3 |
| Number of published listings, thousands | 64.5 | 62.5 | 110.2 | 106.5 | 202.1 | 198.4 |
| ARPL, SEK | 3,163 | 2,363 | 2,963 | 2,171 | 2,893 | 2,467 |
| Non-current interest-bearing liabilities | 213.5 | 449.3 | 213.5 | 449.3 | 213.5 | 277.9 |
| Current interest-bearing liabilities | 2.6 | 5.6 | 2.6 | 5.6 | 2.6 | 5.2 |
| Cash and cash equivalents, including current interest-bearing securities | 138.2 | 122.8 | 138.2 | 122.8 | 138.2 | 94.5 |
| Net debt | 77.9 | 332.1 | 77.9 | 332.1 | 77.9 | 188.6 |
| EBITDA, LTM | 417.3 | 221.6 | 417.3 | 221.6 | 417.3 | 302.9 |
| Net debt/ LTM EBITDA, times | 0.2 | 1.5 | 0.2 | 1.5 | 0.2 | 0.6 |
| Net debt | 77.9 | 332.1 | 77.9 | 332.1 | 77.9 | 188.6 |
| Adjusted EBITDA, LTM | 417.7 | 279.4 | 417.7 | 279.4 | 417.7 | 355.0 |
| Net debt/ LTM adjusted EBITDA, times | 0.2 | 1.2 | 0.2 | 1.2 | 0.2 | 0.5 |
| Equity | 1,576.1 | 1,403.2 | 1,576.1 | 1,403.2 | 1,576.1 | 1,516.9 |
| Total assets | 2,174.4 | 2,233.2 | 2,174.4 | 2,233.2 | 2,174.4 | 2,133.5 |
| Equity/Assets ratio, % | 72.5% | 62.8% | 72.5% | 62.8% | 72.5% | 71.1% |
| Non-current interest-bearing liabilities | 213.5 | 449.3 | 213.5 | 449.3 | 213.5 | 277.9 |
| Current interest-bearing liabilities | 2.6 | 5.6 | 2.6 | 5.6 | 2.6 | 5.2 |
| Total interest-bearing liabilities | 216.1 | 454.9 | 216.1 | 454.9 | 216.1 | 283.1 |
| Equity | 1,576.1 | 1,403.2 | 1,576.1 | 1,403.2 | 1,576.1 | 1,516.9 |
| Debt/Equity ratio, times | 0.1 | 0.3 | 0.1 | 0.3 | 0.1 | 0.2 |
| Adjusted EBITDA, LTM | 417.7 | 279.4 | 417.7 | 279.4 | 417.7 | 355.0 |
| Decrease / (Increase) in net working capital, LTM | 19.9 | 0.4 | 19.9 | 0.4 | 19.9 | -3.3 |
| Capital expenditures, LTM | -9.6 | 15.7 | -9.6 | 15.7 | -9.6 | -7.0 |
| Free cash flow, LTM | 428.0 | 295.5 | 428.0 | 295.5 | 428.0 | 344.7 |
| Adjusted EBITDA, LTM | 417.7 | 279.4 | 417.7 | 279.4 | 417.7 | 355.0 |
| Cash conversion, % | 102.5% | 105.8% | 102.5% | 105.8% | 102.5% | 97.1% |

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 |
|---|--|
| ARPL (Average revenue per listing) | <p>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.</p> <p>It is a measure that shows the company’s earning capacity per published listing.</p> |
| Adjusted EBITDA | <p>EBITDA adjusted for items affecting comparability.</p> <p>This measure enables comparison of profitability over time, regardless of depreciation of tangible and right-of-use assets as well as amortisation of intangible 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.</p> |
| Adjusted EBITDA-margin | <p>Adjusted EBITDA in relation to net sales.</p> <p>The measure reflects the business’s operating profitability before depreciation of tangible and right-of-use assets as well as amortisation of intangible 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.</p> |
| Cash conversion | <p>Free cash flow in relation to adjusted EBITDA. Free cash flow is defined as adjusted EBITDA, adjusted for changes in working capital and reduced with investments in tangible and intangible assets. The measure is always calculated for the last twelve month period.</p> <p>This measure shows the percentage of profit that is converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.</p> |
| Debt/Equity ratio | <p>Interest-bearing liabilities in relation to total equity.</p> <p>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.</p> |
| EBITDA (earnings before interest, taxes, depreciation and amortisation) | <p>Operating profit plus depreciation of tangible and right-of-use assets as well as amortisation of intangible assets.</p> <p>The measure enables comparison of profitability over time, regardless of depreciation of tangible and right-of-use assets as well as amortisation of intangible assets, as well as independent of taxes and the company’s financing structure.</p> |

| Alternative key ratio | Definition |
|---|--|
| EBITDA-margin | <p>EBITDA in relation to net sales.</p> <p>The measure reflects the business’s operating profitability before depreciation of tangible and right-of-use assets as well as amortisation of intangible assets. The measure is an important component, together with net sales growth, to follow the company’s value creation.</p> |
| Equity/Assets ratio | <p>Total equity in relation to total assets.</p> <p>The measure reflects the Company’s financial position. A high equity/assets ratio provides a readiness to be able to handle periods of weak economic growth. At the same time, a higher equity/assets ratio creates a lower financial leverage.</p> |
| Interest-bearing liabilities | <p>Interest-bearing liabilities consists of debt to credit institutions and leasing debt.</p> |
| Items affecting comparability | <p>Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities.</p> <p>A separate disclosure of items affecting comparability clarifies the development of the underlying business.</p> |
| Net financial items | <p>Financial income less financial expenses.</p> <p>The measure reflects the company’s financial activities.</p> |
| Net debt | <p>Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities.</p> <p>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.</p> |
| Net debt/EBITDA Net debt/adjusted EBITDA | <p>Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities in relation to EBITDA or adjusted EBITDA.</p> <p>The measure is a debt ratio 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.</p> |
| Operating margin | <p>Operating profit/loss in relation to net sales.</p> <p>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.</p> |
| Operating profit/loss | <p>Total revenue less total operating expenses.</p> <p>The measure indicates the company’s operation profit/loss before financing and taxes and is used to measure the profit generated by operating activities.</p> |
| Profit margin | <p>Net profit in relation to net sales.</p> <p>The measure indicates the company’s profit after financing and taxes and is used to measure the profit generated by operating activities.</p> |

Consolidated quarterly financial information

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

| (SEK million) | 2020 | | | 2021 | | | | 2022 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Net sales | 144.2 | 141.9 | 142.7 | 142.5 | 212.5 | 195.8 | 177.3 | 179.6 | 269.7 |
| Other operating income | 0.3 | 0.2 | 0.7 | 0.3 | 0.3 | 0.7 | 0.5 | 0.5 | 0.8 |
| Total revenue | 144.5 | 142.1 | 143.4 | 142.8 | 212.8 | 196.5 | 177.8 | 180.1 | 270.5 |
| Capitalised development | 0.5 | 0.9 | 1.4 | 2.6 | 1.2 | 0.3 | 0.5 | 2.5 | 2.9 |
| Other external costs | -67.9 | -57.2 | -64.1 | -80.3 | -96.9 | -62.0 | -60.7 | -59.0 | -86.8 |
| Personnel costs | -27.1 | -23.4 | -36.9 | -31.3 | -33.6 | -32.2 | -32.9 | -37.8 | -41.0 |
| Other operating expenses | -0.3 | -0.3 | -0.7 | -0.6 | -0.3 | -0.5 | -0.3 | -0.3 | -0.3 |
| EBITDA | 49.7 | 62.1 | 43.1 | 33.2 | 83.2 | 102.1 | 84.4 | 85.5 | 145.3 |
| Depreciation & amortisation | -19.5 | -19.4 | -19.6 | -19.6 | -20.3 | -19.4 | -19.7 | -17.7 | -17.8 |
| Operating profit | 30.2 | 42.7 | 23.5 | 13.6 | 62.9 | 82.7 | 64.7 | 67.8 | 127.5 |
| Net financial items | -6.0 | -6.1 | -5.5 | -5.2 | -16.8 | -2.2 | -1.6 | -1.6 | -1.2 |
| Profit before taxes | 24.2 | 36.6 | 18.0 | 8.4 | 46.1 | 80.5 | 63.1 | 66.2 | 126.3 |
| Taxes | -5.2 | -8.1 | -4.1 | -1.7 | -10.0 | -16.8 | -13.1 | -13.7 | -26.3 |
| Net profit for the period | 19.0 | 28.5 | 13.9 | 6.7 | 36.1 | 63.7 | 50.0 | 52.5 | 100.0 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | 19.0 | 28.5 | 13.9 | 6.7 | 36.1 | 63.7 | 50.0 | 52.5 | 100.0 |

Group key ratios by quarter

| (SEK million, unless stated otherwise) | 2020 | | | 2021 | | | | 2022 | |
|--|-------|-------|-------|--------|-------|-------|-------|--------|--------|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Net sales | 144.2 | 141.9 | 142.7 | 142.5 | 212.5 | 195.8 | 177.3 | 179.6 | 269.7 |
| Net sales growth YoY, % | 17.9% | 27.4% | 22.7% | 23.6% | 47.4% | 38.0% | 24.2% | 26.0% | 26.9% |
| EBITDA | 49.7 | 62.1 | 43.1 | 33.2 | 83.2 | 102.1 | 84.4 | 85.5 | 145.3 |
| EBITDA margin, % | 34.5% | 43.8% | 30.2% | 23.3% | 39.2% | 52.1% | 47.6% | 47.6% | 53.9% |
| Adjusted EBITDA | 54.4 | 63.3 | 48.0 | 57.2 | 110.9 | 102.3 | 84.6 | 85.5 | 145.3 |
| Adjusted EBITDA margin, % | 37.7% | 44.6% | 33.6% | 40.1% | 52.2% | 52.2% | 47.7% | 47.6% | 53.9% |
| Operating profit | 30.2 | 42.7 | 23.5 | 13.6 | 62.9 | 82.7 | 64.7 | 67.8 | 127.5 |
| Operating margin, % | 20.9% | 30.1% | 16.5% | 9.5% | 29.6% | 42.2% | 36.5% | 37.8% | 47.3% |
| Net profit for the period | 19.0 | 28.5 | 13.9 | 6.7 | 36.1 | 63.7 | 50.0 | 52.5 | 100.0 |
| Profit margin, % | 13.2% | 20.1% | 9.7% | 4.7% | 17.0% | 32.5% | 28.2% | 29.2% | 37.1% |
| ARPL (average revenue per listing), SEK | 1,775 | 1,719 | 2,089 | 1,898 | 2,363 | 2,642 | 3,029 | 2,681 | 3,163 |
| Net debt | 496.7 | 465.4 | 415.1 | 407.5 | 332.1 | 255.7 | 188.6 | 121.5 | 77.9 |
| Net debt/EBITDA LTM, times | 2.9 | 2.5 | 2.2 | 2.2 | 1.5 | 1.0 | 0.6 | 0.3 | 0.2 |
| Net debt/ Adjusted EBITDA (LTM), times | 2.8 | 2.4 | 2.1 | 1.8 | 1.2 | 0.8 | 0.5 | 0.3 | 0.2 |
| Debt/Equity ratio, times | 0.5 | 0.5 | 0.5 | 0.5 | 0.3 | 0.3 | 0.2 | 0.1 | 0.1 |
| Equity/Assets ratio, % | 55.4% | 56.4% | 56.9% | 56.7% | 62.8% | 66.4% | 71.1% | 73.8% | 72.5% |
| Cash conversion, % | 91.1% | 90.8% | 97.2% | 107.3% | 96.9% | 98.7% | 97.1% | 101.8% | 102.5% |
| Number of published listings during the period, thousand | 52.6 | 49.5 | 40.4 | 44.0 | 62.5 | 52.1 | 39.8 | 45.7 | 64.5 |
| Number of employees at period end | 102 | 104 | 108 | 111 | 115 | 113 | 112 | 121 | 121 |

Presentation of the interim report

Hemnet invites analysts, investors and media to participate in the results presentation of the second quarter on 21 July, 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:

Sweden: +46 8 505 163 86
UK: +44 20 31 98 48 84
US: +1 41 23 17 63 00

Webcast link:

<https://tv.streamfabriken.com/hemnet-q2-2022>

For further information, please contact:

CFO Carl Johan Åkesson
Phone: +46 708 30 70 57
Email: cj.akesson@hemnet.se

IR Manager Nick Lundvall
Phone: +46 761 45 21 78
Email: nick.lundvall@hemnet.se

Address

Klarabergsgatan 60
111 21 Stockholm

Contact

Phone: +46 8 509 068 00
Email: ir@hemnet.se
<https://www.hemnetgroup.se>

Financial calendar

| | |
|------------------|-------------------------|
| 20 October, 2022 | Interim report, Q3 2022 |
| 27 January, 2023 | Year-end report 2022 |

Publication

This is information that Hemnet Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, on 21 July, 2022 at 08:00 CET.