

Hemnet Group AB (publ) - Proposal by the board of directors for resolution on a long-term share savings program, including the purchase and transfer of ordinary shares under the program – item 21

The board of directors proposes that the annual general meeting 2022 resolves on (A) the implementation of a long-term share savings program ("**Share Savings Program 2022/2025**") and (B) purchase and transfer of ordinary shares to participants under the Share Savings Program 2022/2025. If the annual general meeting does not support item (B), the board of directors proposes that (C) delivery of shares under the Share Savings Program 2022/2025 shall be conducted through entering into a share swap agreement with a third party.

Background and rationale

The board of directors believes that the implementation of the Share Savings Program 2022/2025 would contribute to the Company's possibilities to retain and attract employees and that it would be beneficial for the Company and the shareholders to encourage the employee's long-term ownership of Hemnet shares, thereby aligning the employees' interests with the interests of the shareholders.

It is the board of directors' intention that the structure of the share savings program shall be on a long-term basis and the board of directors therefore intends to, following evaluation of the implementation of the Share Savings Program 2022/2025, present corresponding proposals regarding the implementation of share savings programs also to the upcoming annual general meetings.

The board of directors' proposal includes (A) the implementation of the Share Savings Program 2022/2025, (B) the purchase and transfer of ordinary shares to participants in the Share Savings Program 2022/2025 and, in the event the annual general meeting does not support item (B), (C) delivery of shares through the Company entering into a share swap agreement with a third party.

A. The board of directors' proposal for resolution on implementation of the Share Savings Program 2022/2025

The board of directors proposes that the annual general meeting of the Company resolves that the Share Savings Program 2022/2025 is implemented in accordance with the following.

The board of directors proposes that all employees of Hemnet Group AB (publ) and its subsidiaries as per 3 November 2022 (approximately 143 employees) are offered participation in the Share Savings Program 2022/2025.

Participation in the Share Savings Program 2022/2025 requires that the participant makes a private investment in ordinary shares in the Company, by acquiring 200, 400 or 800 shares on Nasdaq Stockholm during the period 2 May 2022 to 2 November 2022 (the "**Savings Shares**").

If a participant retains ownership of the Savings Shares during the period starting on 3 November 2022 and ending on 3 November 2025 (the "**Vesting Period**") and the participant remains employed by the Company during the Vesting Period, two (2) Savings Shares will entitle the participant to receive, without consideration, one (1) ordinary share in Hemnet Group AB (publ) (a "**Matching Share**"). Matching Shares will be transferred to the participants within 45 days from the end of the Vesting Period.

The number of Matching Shares that can be allotted as a result of the retained Savings Shares shall be re-calculated in the event of a bonus issue, share split, reverse share split, and, if deemed reasonable and practicable by the board of directors, similar events impacting the number of shares in Hemnet Group AB (publ).

A decision on participation or implementation of the Share Saving Program 2022/2025 requires that the participation is legally possible and that the board of directors deems the participation or implementation possible with reasonable administrative costs and financial efforts.

The board of directors shall be responsible for the details and management of the Share Savings Program 2022/2025 within the framework of the main terms set out above, and the board of directors shall be authorized to make the minor adjustments to these conditions as required by law or for administrative reasons. The board of directors shall also be authorized to adjust or deviate from the terms as required by local laws and regulations and existing market practices.

B. The board of directors' proposal for purchase and transfer of the Company's ordinary shares to participants in the Share Saving Program 2022/2025

The board of directors proposes that the annual general meeting resolves to authorize the board of directors, for the period until the end of the next annual general meeting, to resolve on purchase of a maximum of 57,200 ordinary shares in Hemnet on Nasdaq Stockholm.

The purpose of the proposed authorization of the board of directors to purchase ordinary shares in Hemnet is to enable delivery of Matching Shares to the participants under the Share Savings Program 2022/2025.

The board of directors further proposes that the annual general meeting resolves that transfer of a maximum of 57,200 ordinary shares in Hemnet may be carried out in accordance with the conditions set out below. The number of shares is calculated on the basis of maximum participation in the Share Savings Program 2022/2025, and corresponds to approximately 0.057 percent of the total number of registered shares in the Company as of the date of this proposal.

Purchases of ordinary shares shall be made on Nasdaq Stockholm at a price per share within the prevailing price interval in accordance with applicable rules.

Ordinary shares in Hemnet may be transferred to participants in the Share Savings Program 2022/2025. Transfers of shares to the participants in the Share Savings Program 2022/2025 shall be made without consideration and shall be carried out at the time and subject to the conditions under which participants in the Share Savings Program 2022/2025 have the right to receive Matching Shares.

The number of ordinary shares in Hemnet that may be transferred under the Share Savings Program 2022/2025 may be subject to re-calculation in the event of a bonus issue, share split, reversed split, preferential rights issue and similar events impacting the number of shares in Hemnet Group AB (publ).

The board of directors' statement in accordance with chapter 19 section 22 of the Swedish Companies Act is appended to this proposal.

C. The board of directors' proposal for a share swap agreement with a third party

The board of directors proposes that the annual general meeting, in the even that necessary majority is not obtained for item B above, resolves to secure delivery of shares under the Share Savings Program 2022/2025 by the Company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer the Company's shares to the participants in the Share Savings Program 2022/2025. The relevant number of shares in this context shall correspond to the number of shares proposed for in item B above.

Costs for the Share Savings Program 2022/2025

The cost for the Share Savings Program 2022/2025 will be accounted for in accordance with IFRS 2 – Share-based Payments, and the Company's cost for the Share Savings Program 2022/2025 is not expected to exceed approximately SEK 8,294 thousand, assuming a share price at grant of SEK 145 and that 100 percent of the maximum number of Matching Shares is allotted to the participants. In addition, the costs for social security charges are calculated to approximately SEK 3,909 thousand assuming a share price increase of 50 percent during the Vesting Period, that no dividends are paid to the shareholders during the Vesting Period and 31.42 percent average social security costs. The costs for administration in relation to the Share Savings Program 2022/2025 are expected to amount to approximately SEK 200,000.

The board of directors considers the positive effects expected to result from the Share Savings Program 2022/2025 to outweigh the costs attributable to the Share Savings Program 2022/2025.

Effects on key ratios and dilution

The group's net result for the last 12 months (January – December 2021) amounts to SEK 156.5 million. The estimated costs for the Share Savings Program 2022/2025 of SEK 12.2 million, in accordance with the above, corresponds to 7.8 percent of the net result for the last 12 months period. Assuming an equal distribution of costs over the Vesting Period, the annual cost of the Share Savings

Program 2022/2025 of SEK 4.1 million corresponds to 2.6 percent of the net result for the last 12 months period.

The group's net sales for the last 12 months (January – December 2021) amounts to SEK 728.1 million. The estimated cost of SEK 12.2 million for the Share Savings Program 2022/2025 corresponds to 1.7 percent of the net sales for the last 12 months period. Assuming an equal distribution of costs over the Vesting Period, the annual cost of the Share Savings Program of SEK 4.1 million corresponds to 0.6 percent of the net sales for the last 12 months period.

The group's equity as per 31 December 2021 amounted to SEK 1,517 million. The estimated social security charges cost of SEK 3.9 million corresponds to 0.3 percent of the equity.

Full allotment of Matching Shares would mean that the total number of shares under the Share Savings Program 2022/2025 amounts to no more than 57,200 ordinary shares, which corresponds to 0.057 percent of outstanding shares and votes.

Existing incentive programs in Hemnet Group AB (publ)

The Company currently has one ongoing warrant program (Warrant Program 2021/2024). Thereto, the board of directors has proposed to the annual general meeting 2022 to resolve on the implementation of Warrant Program 2022/2025. Warrant Program 2021/2024 and Warrant Program 2022/2025 are expected to entail a dilution of approximately 0.98 percent of the total number of outstanding shares if all outstanding and proposed warrants are exercised in full. The dilution effect is calculated as the relation between the additional shares that the warrants will be exercised for and the sum of the current number of shares and the additional shares that the warrants will be exercised for. The administrative costs for the two warrant programs are expected to be limited and it is the board of directors' assessment that none of these two warrant programs will trigger any costs related to social security charges.

Preparation of the proposal

The proposal has been prepared by the remuneration committee and the board of directors together with external advisors.

Majority requirements

The annual general meeting's resolution regarding the establishment of the Share Savings Program in accordance with item A above is conditional upon that the annual general meeting resolves in accordance with the board of directors' proposal in item B above or, alternatively, if item B is not supported by the annual general meeting, in accordance with the board of directors' proposal in item C above.

The resolution in accordance with item A above requires a majority of more than half of the votes cast. In order for a resolution under item B to be valid, shareholders holding no less than nine tenths (9/10) of both the votes cast and the shares represented at the meeting must vote in favour of the proposal. A resolution in accordance with item C requires a majority of more than half of the votes cast.

Stockholm, March 2022

Hemnet Group AB (publ)

The board of directors