



2023 Hemnet Group

Annual and sustainability report

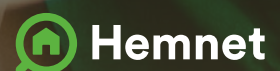


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The statutory Sustainability Report for Hemnet Group AB (publ) can be found on pages 22-29.

Pages 31-72 cover Hemnet Group AB (publ) annual report and consolidated financial statements and have been audited by the company's auditor, Ernst & Young AB.

An audit report can be found on pages 73-76. This publication is a translation of the original Swedish text. In the event of a discrepancy between the Swedish version and this publication, the Swedish language version shall prevail.



15:30

Göteborgs kommun

Till salu 1 590 Kommande 145 Slutpriser 67 266

Kartvisi Lista Beakta sökning

11 500 000 kr

4 700 000 kr - 5 400 000 kr

2 960 000 kr

80 000 kr

6 995 000 kr

7 195 000 kr

2 495 000 kr

Sök bostad Mitt hemmet Sök vidare Färdplan



Hemnet - the way home

At Hemnet, we consider it our most important job to make the journey to finding your next home as easy, efficient and smooth as possible. We want to enable home sellers and real estate agents to reach all prospective buyers – and buyers, in return, to have access to all available homes.

We believe that an open housing market benefits everyone. And we want it to fit into your pocket too, so that you can access it wherever you are. On the bus, in the restroom, at the café or the office. The way home should be clear and open for as many as possible.

What is Hemnet?

A growing and successful property portal...

1
Billion
Net sales
(+13.0%)

0.53
Billion
EBITDA
(+17.3%)



44eNPS
for Hemnet
employees. Index is
17 for the industry.

...with the largest reach...

500
Million
visits/year ¹⁾



94%
of active
agents use
Hemnet ²⁾



#4
Among Sweden's
commercial media
platforms (reach) ³⁾

...and the most engaged audience.

19x
number of visits in
average per listing vs.
the #2 property portal ⁴⁾



1.33
Billion
minutes spent on
Hemnet during 2023 ⁵⁾



~100%
Hemnet's traffic
is non-paid ⁶⁾



9/10 sold properties in Sweden
are listed on Hemnet ⁷⁾

¹⁾ Google Analytics. ²⁾ Hemnet and FMI. ³⁾ Orvesto internet 2023 average January to October. ⁴⁾ Hemnet data. ⁵⁾ Hemnet data. ⁶⁾ Hemnet data. ⁷⁾ Hemnet and SCB (the Swedish Central Bureau of Statistics), regards the second-hand market.



Hemnet

Record revenue and increased margin driven by product development and a resilient business model

Hemnet's results for 2023 demonstrate the strength and resilience of our business model, even under challenging market conditions. During the year, our net revenue increased by 13 percent and EBITDA by 17 percent, despite a 12 percent decrease in the number of listings. This increase, driven by continued investments in product development, meant that our net sales for the first time exceeded one billion SEK. These results underscore the high operational quality of our business and the effectiveness of our strategic initiatives.



2023 posed significant challenges for Sweden's property market, driven by high inflation, we saw rapidly rising interest rates, which led to an uncertain period in the market with hesitant home sellers and buyers. As a consequence, Hemnet's listing volumes in the first half of the year saw a 20 percent decrease compared to the more active 2022, to recover somewhat in the second half of the year. Despite these market fluctuations, our focus remained steadfast on areas within our control: developing new products, enhancing our offering, and continuing to deliver value to our customers.

Our revenue from property sellers increased by 22 percent and our Average Revenue Per Listing (ARPL) by 37 percent. Meanwhile, total listing volumes were down 12 percent for the full year. The main drivers behind our growth are a combination of our commitment to continuously enhance the value of our products, alongside strategic pricing and packaging initiatives.

Creating new business opportunities for real estate agents

One of our top priorities is to ensure that Hemnet offers the best possible environment and products for agents to build their brand and find new business opportunities. Throughout the year we have implemented several improvements to help agents find new customers, adding new smart ways to nudge our visitors into contact an agent. Furthermore, we continued to focus our B2B product development on finding unique marketing solutions that leverage Hemnet's extensive and relevant audience.

We are proud of the unique partnership we have with real estate agents, where a substantial portion of our revenue is reinvested into the industry. We are excited to further strengthen this partnership in 2024, with more value-creating products and a revamped, updated model for compensation and commission for agents.

“Hemnet is the largest and most relevant hub in the country for marketing or finding homes”

Enriching user experience

Many of the improvements and new features we launched during the year have been aimed at enriching the user experience on Hemnet, providing more relevant information and content to our visitors. We have improved our valuation data, ensuring that homeowners who register their home on Hemnet today gain access to a comprehensive valuation range that covers nearly all owned properties in Sweden. As

the first property portal in Sweden to do so, we have also added pictures for sold properties, a move that has noticeably increased visitor engagement for these listings. This not only enhances the user experience but also creates value for real estate agents, as our visitors often come here specifically to look for their next agent. In October, we further enhanced user convenience by introducing the 'Pay when listing is removed' option. This feature offers our customers the flexibility to choose when to pay for their Hemnet listing, either upon publication or upon its removal.

Taking responsibility and driving our ESG agenda

During the year, we have gained control over our carbon footprint by thoroughly mapping all direct and indirect emissions. We believe it is important that the efforts of the business sector to achieve global climate goals are based on research and science. This is why we joined the Science Based Targets initiative in 2022 by committing to a short-term emission target. In 2023, we complemented this target by also submitting a long-term net-zero emission target, which we are now pleased to have had approved by the SBTi.

We have continued to make progress in our commitment to being a leading employer in Sweden, another of our sustainability targets. Key initiatives include the formation of a Diversity, Inclusion and Belonging (DIB) group, which plays a crucial role in advancing our DIB agenda. Moreover, we have enhanced our approach to health and safety and executed a management education program to further strengthen our leadership. Our continued high employee satisfaction reflects our focused work on creating a work environment that supports and engages.

Sustaining our path toward continued success and growth

Reflecting on this year, I am immensely proud of our team's accomplishments and the stability of our results, especially given the challenges that have faced the property market in 2023. During the year, Hemnet demonstrated its financial strength by returning over SEK 517 million to its shareholders through a mix of dividends and a share buyback program. This led to approximately 2.2 million shares being set for redemption at our next Annual General Meeting, a testament to Hemnet's strong cash conversion.

We are here to engage our audiences and to help people successfully sell their current property and find their new dream home. With a total of over 500 million visits to our platforms during the year, and our listings receiving on average 19 times more visits than those of our nearest competitor, Hemnet is the largest and most relevant hub in the country for marketing or locating homes. These strong results have been driven by the passionate team at Hemnet, who are committed to our purpose of delivering unparalleled value to our users, as well as contribute to a more mobile, efficient, and transparent property market. I am excited about the opportunities ahead, and look forward to continuing our journey in building Sweden's most effective and value-creating property platform.

Cecilia Beck-Friis, CEO, Hemnet

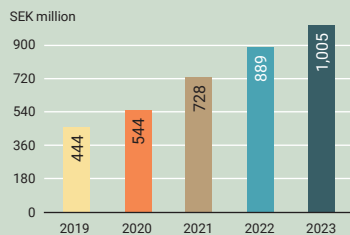


2023 in numbers

Net Sales

1
SEK billion

+13%

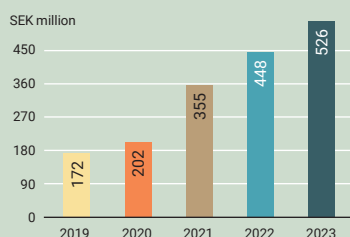


Net sales increased by 13 percent during the year, mainly driven by high demand for value-added services for property sellers, packaging and price adjustments.

Adjusted EBITDA

526
SEK million

+17%

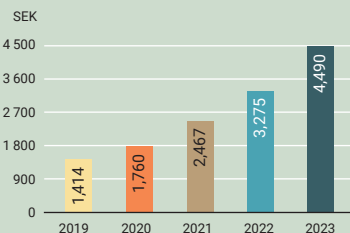


Adjusted EBITDA increased by 17 percent during the year, as a result of the business's good operating leverage combined with revenue growth and continued focus on cost control.

Average revenue per listing (ARPL)

4,490
SEK

+37%

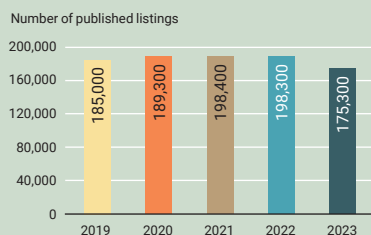


Average revenue per listing (ARPL) continued to grow as a result of strong demand for our additional services following value-creating product development, as well as price adjustments.

Number of published listings ¹⁾

175,3
Thousand listings

-12%

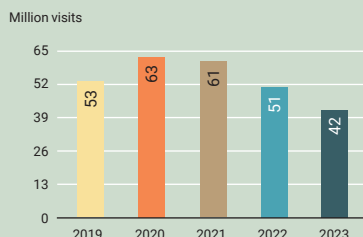


2023 was an unusually challenging year for the Swedish housing market, with inflation and interest rates affecting activity. The market during the first half of the year was cautious, but after the summer, we began to notice an increase in activity. For the full year, we had a total of 12 percent fewer listings than the year before.

Number of visits per month ¹⁾

42
Million visits

-15%



Hemnet has the largest traffic by far of any Swedish property portals. The lower activity on the property market was however mirrored in a decline of visits during the year compared to last year and the very active pandemic years of 2020 and 2021.

¹⁾ Google Analytics

Our vision

The key to your property journey.

We increase *efficiency, transparency and mobility*
in the housing market



Our strategy

Hemnet's growth strategy is based on our vision to be the key to your property journey, which for us means becoming the destination for all things related to homes. Our strategy provides the framework for how we will achieve our financial and strategic goals. It is based on three pillars focused on our key customer groups:



Consumers

ENGAGE – Increase engagement and strengthen loyalty across the property journey

Hemnet is the top player in matching property buyers and sellers in Sweden, with a strong brand, large audience, and high consumer preference. Our strong partnership with real estate agents allows us to bring the Swedish housing market together in one reliable and trusted place, contributing to a convenient, seamless, and efficient experience when selling or buying a home - or when just researching the market.

We are committed to developing functionalities that contribute to mobility on the market at the same time as creating engagement and long-lasting relationships with consumers. By providing consumers with relevant features, information, and more reasons to spend more time on Hemnet, we also create more value for our business partners.



Home sellers

GROW – Maximise seller revenues through a balance of product, packaging and price

As the largest property portal in the country, Hemnet offers the best possible conditions to anyone listing their home for sale to reach the maximum number of prospective buyers. To help home sellers get the most out of their property sale, Hemnet has developed a range of value-added products. Depending on the seller's needs, these products help maximise the visibility of the property listing to Hemnet's large audience. We continue to see a growing number of sellers that choose to invest in our value-added services as we continue to improve and develop these products while working with packaging and pricing.

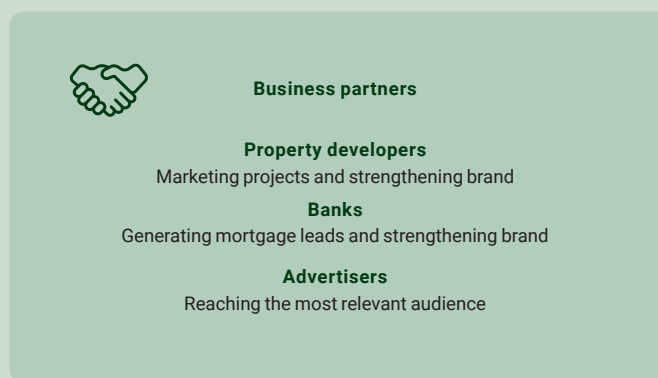
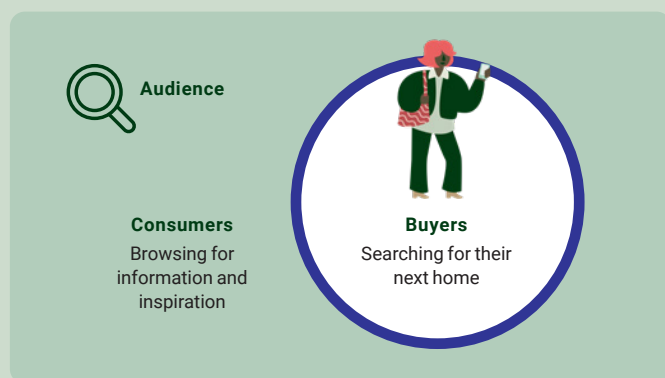
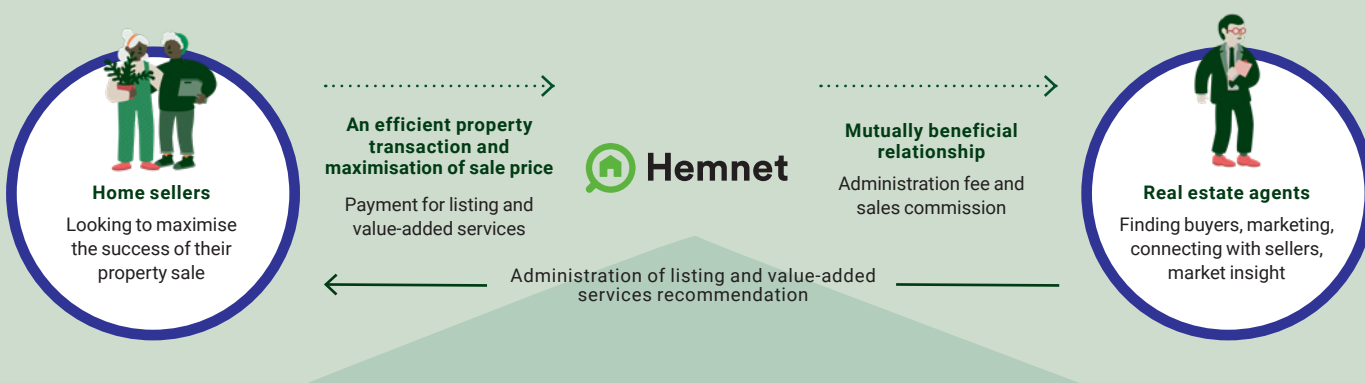



Real estate agents and business partners

TRANSFORM – Broaden our B2B-portfolio

Over the years, Hemnet has developed a close relationship with our business partners through a broad product portfolio to real estate agents, property developers, and other advertisers. We intend to deepen our relationships even further by helping our partners throughout the customer acquisition process in better ways than what can be achieved through products available on the market today. An example is the product "Sold by Us" which allows real estate agents to market themselves through previously sold properties in a way that no other market player can match in terms of relevance and visibility. As property developers and agents today spend a relatively small share of their marketing budgets on Hemnet, we see a potential in further capitalising on our strong audience reach and market position and helping our customers in even better ways than today.

Creating value to all players on the property market



 Essential factor behind Hemnet's success

A unique business model with strong network effects

Hemnet enjoys a strong, stable and scalable business model as the leading platform where all participants in the housing ecosystem can connect and fulfill their needs. It is built on a foundation of network effects, by gathering virtually all participants in the Swedish housing market in one place. Leveraging this position, Hemnet can develop products that enable a closer relationship with our consumers, as well as addressing the needs of each customer group through the most effective and relevant products and services.

By building on our position as the go-to place for buyers and sellers, we can facilitate more connections, in turn leading to a more efficient property market for all, which strengthens Hemnet's proposition to all our clients.

Consumers

9 out of 10 of all transacted properties in Sweden are at some point listed on Hemnet and we have the largest audience by far of any property portal in the country. This creates the best possible conditions for all participants in the property market to meet and contributes to a more efficient property market.

Home sellers

The majority of Hemnet's growth and revenue comes from home

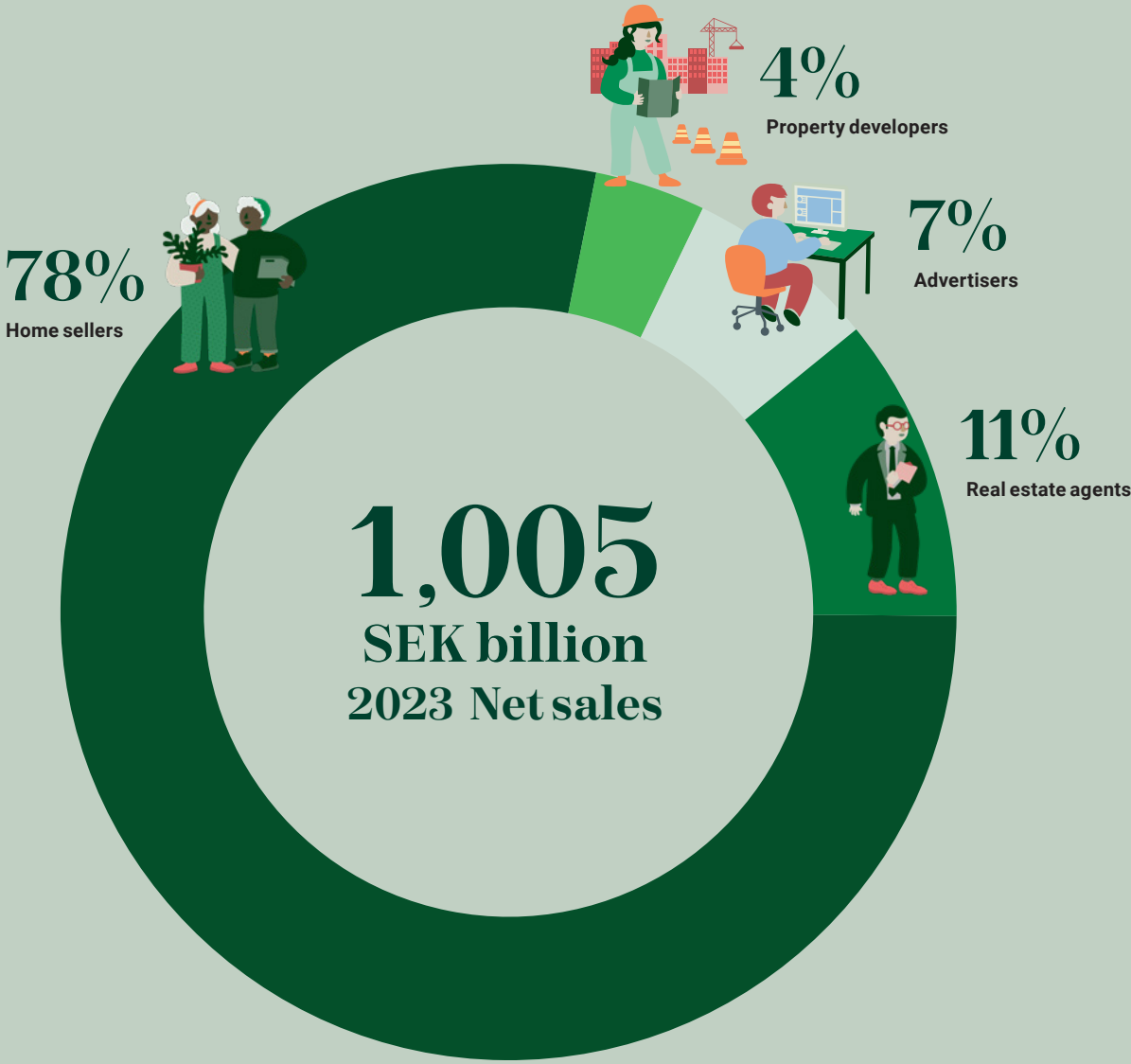
sellers, where Hemnet's business model stands out most compared to international peers. Firstly, it is the seller who pays for the listing. Hemnet has a direct relationship with the home seller, who selects a listing package and pays for the service directly to Hemnet. This provides Hemnet with an effective channel through which products aimed at home sellers can be sold. Secondly, Hemnet has a win-win partnership with the real estate agents, where Hemnet contributes a revenue stream to the agent offices. An administration fee is paid out to all agent offices for administering and publishing a listing on Hemnet, and all agent offices have the opportunity to receive a commission for the sale of value-added services.

Agents and Other Business Partners

Because virtually all all buyers and seller in Sweden are on Hemnet, it is an important marketing channel for business customers operating in the housing market or adjacent sectors. This includes real estate agents, property developers, banks and other content-close businesses. Today, much of the revenue from these groups comes from display advertising. However, Hemnet is continuously developing new products and services based on our strong market position and the large and relevant traffic to Hemnet, in order to better meet the needs of our business customers.

Net sales by customer group

Hemnet has a product portfolio catering to the needs of our four key customer groups. For **home sellers**, we create products that enable them to play a more proactive role in choosing the most effective marketing of their property listing. For **real estate agents**, our products aim to help them find their next seller, strengthen their brands (on a HQ, office and individual level) as well as to educate through market analysis and insights. For **property developers**, we are creating products that help them find a buyer throughout the life of a new construction project, as well as to strengthen their brand. For other **advertisers**, Hemnet offers the best platform through which to reach a housing-interested customer base, connecting these advertisers with the most relevant audience through our integrated products.



Our commercial offering to create value for our customers

Home sellers

Customer needs:

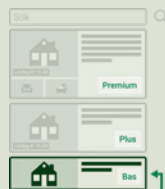
- Looking to maximize the success of their property sale
- Smooth and efficient marketing
- Great return on investment
- Ability to follow and impact the visibility of their home for sale



Hemnet products to meet the needs:

Listing packages

Hemnet
Bas



Hemnet
Plus



Hemnet
Premium



Additional services



Raketen



Republishing

Real estate agents

Customer needs:

- Finding the best buyer for their seller
- Finding their next seller to sell a property for
- Market themselves and their brand
- Stand out in a competitive market

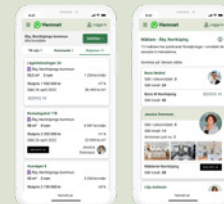


Hemnet products to meet the needs:

Subscriptions

Hemnet
Business

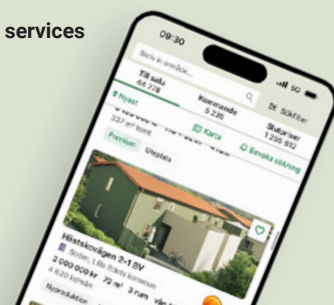
- ✓ Enhanced exposure
- ✓ Analysis and insights
- ✓ Enhanced media



Be more visible for sellers

Additional services

Broker tip
Sold by us



Display advertising

Property developers

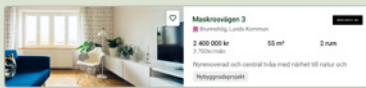
Customer needs:

- Finding sellers throughout the lifecycle of a project
- Branding and marketing



Hemnet products to meet the needs:

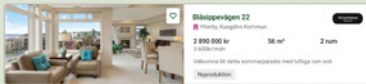
Listing packages and subscriptions



Property listing



Project listing



Project unit

Additional services



Raketen



Republishing



Display advertising

Advertisers

Customer needs:

- Cost effective way to reach the most relevant audience
- Branding and marketing



Hemnet products to meet the needs:

Native advertising products

(ads designed to seamlessly integrate with the platform's other content)



Banks

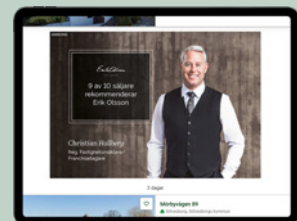


Utilities



Near core advertisers

Native and integrated products





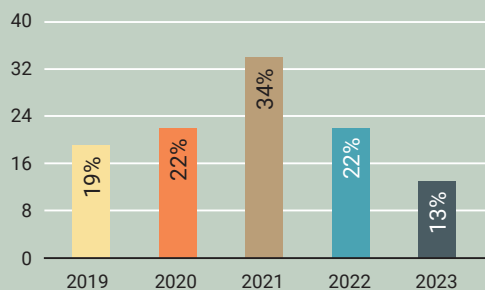
Financial targets

Hemnet has a scalable business model underpinned by multiple opportunities for future growth and margin expansion.

Growth

15-20%

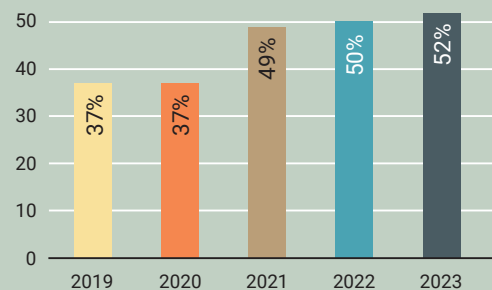
Annual revenue growth



Profitability

>55%

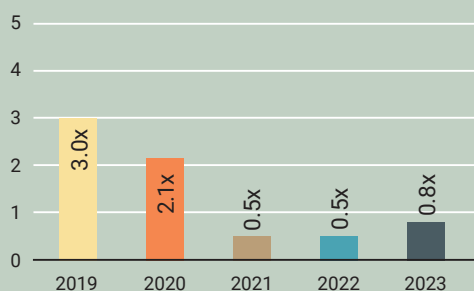
Long-term adjusted EBITDA margin



Leverage

<2.0x

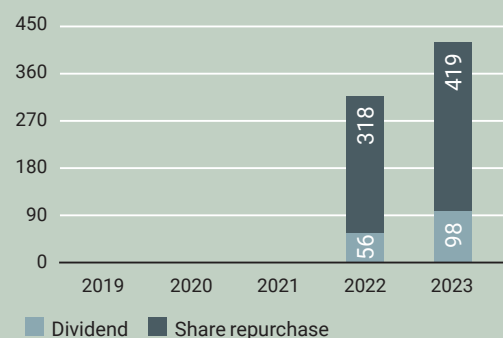
A Net Debt to adjusted EBITDA



Dividend policy

>1/3

A minimum annual dividend of one third of net income



We strive to be one of Sweden's best employers

A safe, inclusive and diverse workplace is one of our top priorities. We want Hemnet to be a place where people thrive, grow and develop, creating a work environment that ignites innovation and creativity. We simply want to be one of Sweden's best employers – and we believe we are well on our way to achieving this.



Hemnet was one of six finalists for the Human Growth Awards 2023, Sweden's most prestigious award in HR. The award recognizes and celebrates the HR team in Sweden that has been most successful in advancing HR during the year through innovation and new thinking. The Human Growth Award is presented by Wise Consulting.

Hemnet was honoured with Universum's 'Newcomer of the Year' award in the field of employer branding, a testament to our intensified work with strengthening and developing our employer brand to attract the best talents.



Attracting the best talents is one of our most important focus areas. During the year we have welcomed 32 new talents.

People from all over the world work at Hemnet. Today, our employees come from 17 different countries.



On our newcomer's day, we ask our new colleagues to describe our company culture, and above is the word cloud they create.

A value driven culture

Our core values



We listen and act



We always move forward



We succeed together

Our culture rests on three core values that guide us in our interactions within and outside the company, in our way of working and in how we behave and treat each other: We listen and act, We always move forward and We succeed together. Our values help us when setting our strategies as well as in making everyday decisions. We have also translated them into good and great leadership practices.

A few Hemnet voices:



“To work on developing one of Sweden’s most used and popular products, alongside incredibly talented colleagues who challenge and push each other every day, is tremendously motivating. We listen and take action, constantly move forward, and achieve successes together. The culture here is unparalleled and truly a great strength for us as a company in our ongoing journey to grow alongside our partners.”

Henrik, Product Manager



“Working at Hemnet is an extraordinary experience marked by a vibrant culture and a welcoming atmosphere. Our commitment to innovation is fearless, consistently exploring new ideas to elevate the value we provide to users and customers. We thrive on collaboration, challenging each other across teams to enhance both our working processes and our product. Hemnet places a high priority on maintaining a crucial balance between work and life, offering flexible hours and remote work options to foster a positive and supportive professional environment.”

Johanna, Key Account Manager



“When I started at Hemnet and visited our beautiful office for the first time, I was greeted by warm and friendly people who were eager to help me settle in. I immediately felt like I had landed in the right place. At Hemnet, we have a strong focus on delivering high quality and a great user experience. Here, everyone has the opportunity to dive into new challenges and fully realise their potential. The culture is incredibly inclusive, where experimentation and constant change are not only accepted but actively encouraged.”

Alireza, Developer

Välkommen!

På Hemnet ser vi det som vår viktigaste uppgift att göra resan att hitta ett nytt hem så enkel, effektiv och smidig som möjligt. Vi tycker att du som säljer ska få möjlighet att nå ut till alla som vill köpa, och att de i sin tur ska få tillgång till alla tillgängliga i en öppen bostadsmarknad helt enkelt, som gynnar alla. Du har tillgång till i din ficka var du än är. Så att vägen öppnar för fler.

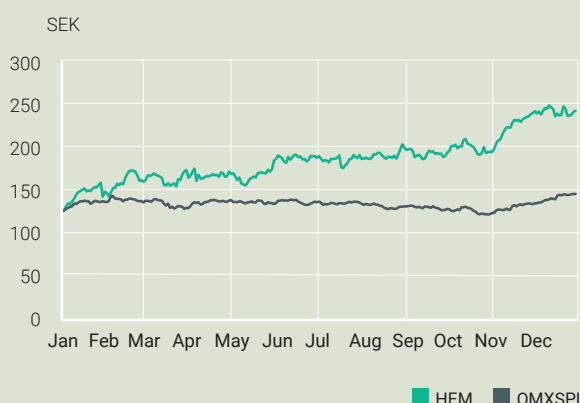
 **Hemnet**
öppnar vägen hem



The Hemnet share

The Hemnet share price increased 85% in 2023, and was the second-best performing among all large cap equities on NASDAQ Stockholm. This can be compared to a 14% increase in the NASDAQ OMXSPI during the same time period. Since the IPO, the Hemnet share price has increased 110%.

The Hemnet share
2023, OMXSPI rebased to Hemnet share price



Turnover

In 2023, the turnover of Hemnet's ordinary shares on Nasdaq Stockholm amounted to 47.8 million shares, accounting for 29 percent of the total share turnover across all exchanges. On average, approximately 190,000 Hemnet shares were traded per day on Nasdaq Stockholm.

Ownership structure

Hemnet had a total of 9,417 shareholders as of 31 December 2023. In terms of numbers, Swedish private individuals make up the largest category of owners, while institutional owners dominate in terms of share capital.

Facts in brief

Stock exchange	Nasdaq Stockholm (Large Cap)
ISIN code / Ticker	SE0015671995 / HEM
Listing date	27 April 2021
Share classes	There are two classes of shares in the company: ordinary shares and series A1 shares. Both share classes have the same voting and dividend rights. The main difference is that series A1 shares have a veto right against alteration of the business object in the articles of association. These shares are owned by Mäklarsamfundet. For complete information on the rights of the share classes, see the company's prospectus.
Total registered shares:	98,351,050, of which 93,294,476 ordinary shares and 5,056,574 series A1 shares
Share price and market capitalisation as of 31 December 2023	SEK 241.1 / SEK 23.7 billion
Highest / lowest price 2023	SEK 250.0 / SEK 136.0
Companies that perform analysis of Hemnet AB	Barclays, Carnegie, Citi, Jeffries, Morgan Stanley, Nordea, Pareto
Consensus estimate	Available via Modular Finance and Infront

Ownership by employees

An up-to-date description of Hemnet's long-term incentive programs (LTIP) for key individuals and the share savings program for employees can be found on our corporate website: <https://www.hemnetgroup.se/en/governance/incentive-programs/>.

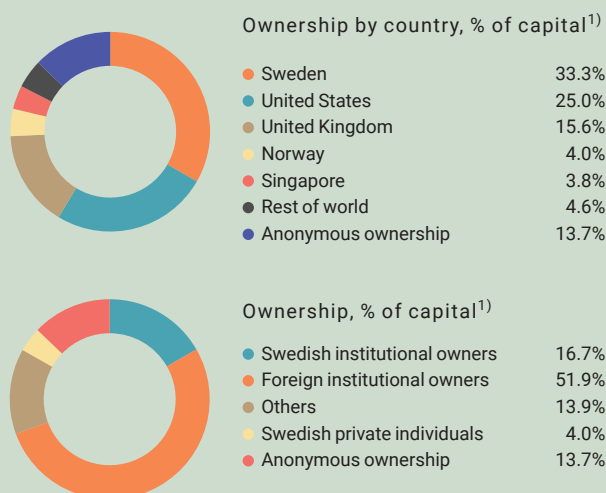
Dividend policy and proposal to the Annual General Meeting 2024

Hemnet's dividend policy is to distribute at least one third of the annual profit after tax. If the company has surplus liquidity, it shall be returned to the shareholders through, for example, special dividends or share buybacks. The proposal to the 2024 AGM is a dividend of SEK 1.20 per share and that the AGM authorises the Board of Directors to implement a buy-back programme over a twelve-month period, amounting to a maximum of 10 percent of the total shares outstanding.

Ownership structure - the 10 largest owners

Name	Number of shares*	Capital	Verified
Vor Capital LLP	10,283,243	10.5%	2023-08-31
Mäklarsamfundet Bransch I Sverige	10,263,148	10.4%	2023-12-27
Capital Group	5,572,602	5.7%	2023-12-31
Didner & Gerge Fonder	5,481,338	5.6%	2023-12-31
Fidelity Investments (FMR)	4,030,774	4.1%	2023-12-31
Brown Capital Management, LLC	3,899,762	4.0%	2023-09-30
Government Of Singapore (GIC)	3,773,720	3.8%	2023-12-27
Swedbank Robur Fonder	3,751,277	3.8%	2023-12-31
Vanguard	3,295,742	3.4%	2023-12-31
Alfreton Capital LLP	2,800,000	2.8%	2023-04-17

* Holdings as of 31 December 2023. Direct and nominee registered holdings with NCSD. Filing dates for foreign owners may vary.
Source: Modular Finance



¹⁾ Source: Modular Finance. Data compiled by Modular Finance. Sources include: Euroclear, Morningstar, Swedish FSA.

Sustainability Report

As one of Sweden's most visited digital platforms and a hub for the country's housing businesses, Hemnet plays an important role in the Swedish housing market. With our position comes great responsibility and we want to leverage our influence to have a positive and sustainable impact both within the market and across society at large.

Our sustainability efforts during 2023

Throughout 2023, Hemnet has undertaken several key initiatives to advance our sustainability goals. Here are some notable ESG efforts that we have made this past year:

- Consistent with our 2023 ambitions outlined in the previous report, we have completed a full green house gas screening.
- We had our long-term target to reach net-zero emissions by 2050 approved by the Science Based Targets initiative.
- We have integrated an energy efficiency label on property listings to help our visitors to make sustainable housing choices.
- We established an internal Diversity, Inclusion, and Belonging (DIB) group dedicated to advancing Hemnet's DIB agenda and driving internal engagement in these important areas.
- We launched a comprehensive leadership training program, in which all of our leaders participated.
- We have enhanced our community engagement through initiatives such as providing employee volunteer opportunities with Stockholm's City Mission, organizing a fundraiser for Sweden for UNHCR, and using our platforms to raise awareness about the key issues these organisations tackle.

Approach to reporting standards

We are currently making necessary preparations to ensure that Hemnet is ready for the upcoming Corporate Sustainability Reporting Directive (CSRD) and ESRS reporting standard which will come into force on 1 January 2026 for companies of Hemnet's size. During 2024 we will perform a double materiality analysis and gap analysis that will be the base for our future sustainability reporting. We have chosen to

start early in order to get an overview and create a common understanding of the scope, and to allocate the resources required to meet the demands. As part of the work with the upcoming reporting, Hemnet uses a digital platform to report and follow up on our data. Until we have our new reporting structure in place, we are not making any changes to our current sustainability framework and structure.

In our sustainability efforts, we also take guidance from the UN:s Sustainable Development Goals (SDGs), where we, in particular, contribute to goals 5, 8, 9 and 13:



In our committed work to become one of Sweden's best employers, diversity, inclusion and belonging are a key focus. We strive towards gender equality within all layers of our organisation and support the industry initiative Women in Tech to inspire more women to choose a career within tech.



As a digital and comprehensive marketplace, Hemnet enables faster and easier property transactions for all market participants. This creates a more efficient property market and contributes to sustainable economic growth. Through our civic engagement and by supporting Stockholm City Mission and Sweden for UNHCR, we help to improve living standards for people in vulnerable situations.



Hemnet is an independent and transparent marketplace. Through our platform, we provide a high-quality and reliable digital infrastructure for the Swedish property market giving equal access to all market participants.



We strive to limit our emissions and we review how we can help our customers make more sustainable housing choices through our services and platforms.

Sustainability framework and focus areas

The core of our sustainability approach: Being a trusted and independent marketplace enabling a mobile, efficient and transparent property market

As an independent platform, we offer homebuyers, sellers and real estate agents equal access to the market we represent. Hemnet is to be a reliable partner that can be trusted at all times. Thus, ensuring the accuracy, credibility, and high quality of content on Hemnet is a priority. We maintain strict standards for real estate agents listing properties on our platform and monitor adherence to our publication guidelines. We constantly invest in our services to ensure the best quality in our offering and high accessibility to the millions of Swedish consumers turning to our platforms weekly.

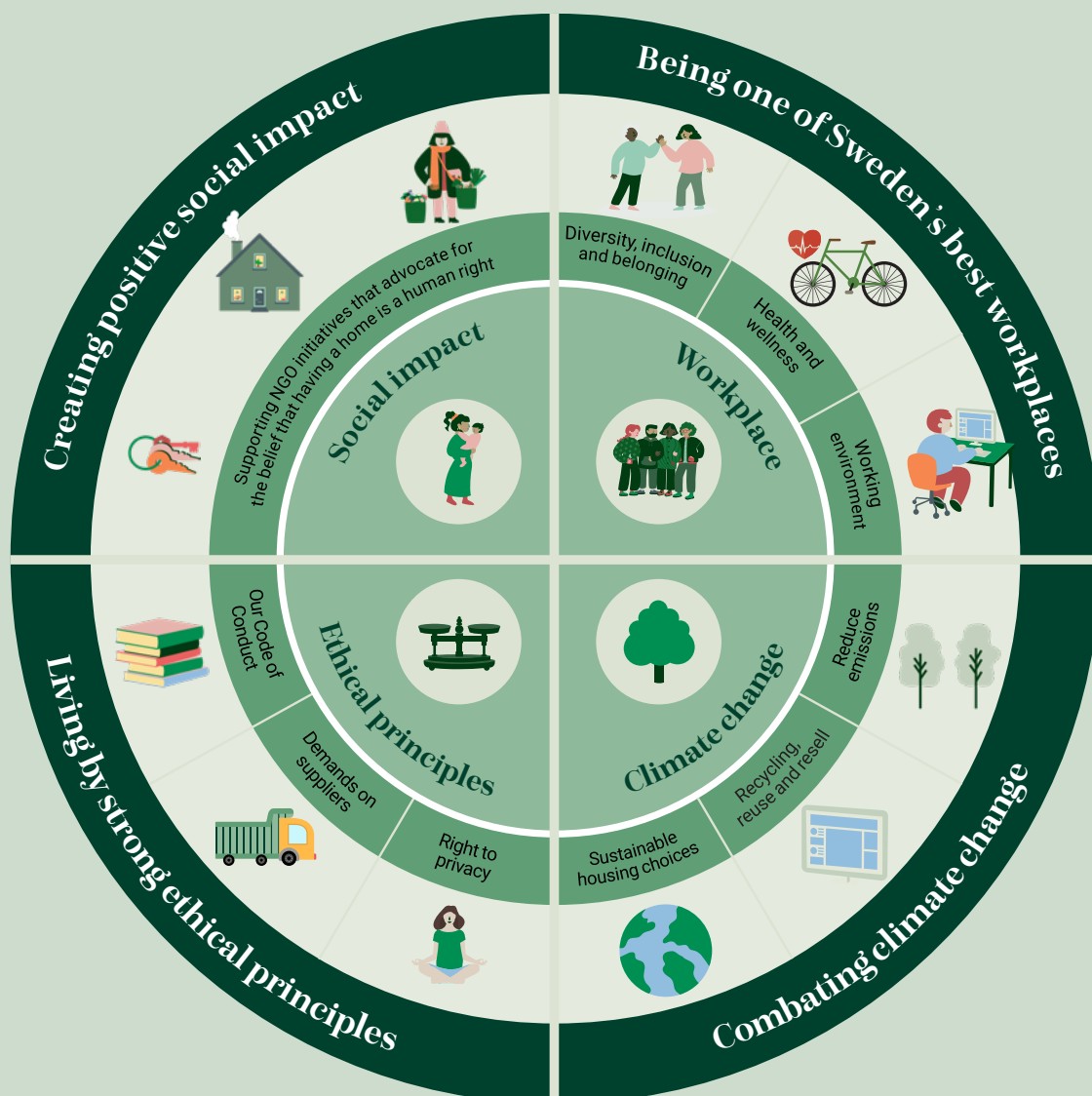
We enhance market efficiency and mobility by consolidating a substantial portion of the Swedish housing market in one location. Coupled with our high visitor traffic, this creates an ideal environment for various market players to connect. With nine out of ten properties that are sold in Sweden over a year listed on Hemnet, we contribute to the effectiveness on the property market, and thorough information

also about sold objects, including pictures, contributes further to transparency and mobility.

Sustainability focus areas

As described above, contributing to a sustainable and well-functioning market for buying and selling real estate in Sweden is at the core of our business model and vision to enable a mobile, transparent and efficient property market. It is also the core of our sustainability framework. In addition to this our sustainability efforts focus on four areas in which we strive to create positive change:

- **Being one of Sweden's best workplaces**
- **Contributing in the combat against climate change**
- **Living by strong ethical principles**
- **Creating positive social impact**



Focus area 1: Being one of Sweden’s best workplaces

Working environment

We want to offer our employees the best possible organisational, social and physical working environment built on mutual respect and free from harassment and discrimination. We believe in a sustainable work-life balance and strive for zero cases of stress and work-related illness. At Hemnet, we offer our employees flexibility depending on whether they want to work from home or in the office. At the same time, the collective presence in the office is important from both business and social aspects, and all employees are expected to be in the office 1-2 days a week and when physical meetings require presence. We monitor our work environment regularly through surveys, ongoing conversations with employees and our Health & Safety committee. This helps us identify risks, conduct risk assessments, and take remedial actions when needed.

In the recent years of rapid company growth and expansion, we have managed to maintain our strong inclusive and collaborative culture, which is one of our key strengths in recruiting new employees and employee retention. Our culture and high employee satisfaction are reflected in our very high employee Net Promoter Score (eNPS), where most of our employees say they would recommend Hemnet as a great place to work.

Health and wellness

We prioritise the health and well-being of our employees and believe that well-designed wellness practices increase employee engagement, motivation and satisfaction at work while preventing injuries and accidents. At Hemnet, all employees receive an annual wellness allowance. We also allocate a budget to encourage and promote social health and wellness initiatives that can come from anywhere in the organisation. To proactively work on maintaining mental health, all employees have access to counselling for personal or work-related problems.

Diversity, inclusion and belonging (DIB)

Hemnet has grown with more than 50 employees in the last two years and today we have colleagues from over 15 different countries working with us. His higher level of diversity has resulted in a more dynamic, creative and innovative company. A growing organisation also places greater demands on us as an employer and requires us to take responsibility for making all colleagues feel connected and included. Hemnet should be a workplace where we see our employees’ differences as an asset, and where everyone feels included regardless of cultural or religious background, language, gender, or sexual

orientation. In early 2023 our first DIB group was created, a cross-functional group that meets regularly to share different views and perspectives on all aspects of diversity, inclusion and belonging. Topics like language barriers, different communication styles and cross-functional collaboration have led to concrete activities including English training, communication seminars and our “Swedish lunches” where international colleagues are invited to practise Swedish during their lunch hour.

The key indicators in Hemnet’s equality plan are reviewed annually to ensure that we maintain a high standard in our equality work. Salary surveys are conducted annually to detect, correct and prevent unequal salary differences between men and women.

Increasing the share of women in tech

We truly believe that we can and should challenge the male dominance in the tech industry and reach a 40/60 gender representation also within our product development organisation by the end of 2025. We are pleased to have made significant progress and to have welcomed seven new female colleagues to our tech teams over the year.

To support this ambition we have increased our employer branding efforts and further strengthened our collaboration and sponsorship with the Women in Tech initiative. Besides the main Women in Tech event in March, we have hosted three internal Women in Tech events/meetups at our office with over 300 women attending.

Building strong leaders

Our leaders play important roles for the future growth of our people and our business. During the year, we have identified key leadership practices, based on our core values, capturing the leadership strengths that we are eager to keep, as well as the areas where we want to improve. To support the development of these practices and to build an even stronger leadership community, we have invested in a six-month training programme for all Hemnet leaders, providing a safe space for practising new leadership behaviours and peer support.



Long-term goals for being one of Sweden’s best workplaces:

- Excellent employee Net Promoter Score (eNPS) of 50 or above
- Even gender distribution within all parts of the company, including the Board, with a proportion of women and men in a group being 40/60 percent or more equal
- Zero cases of work-related sick leave

Performance indicators:	2021	2022	2023
eNPS	N/A	55	44
Gender Distribution			
Share of women/men in the Board	25/75%	29/71%	29/71%
Share of women/men in Management	57/43%	63/37%	67/33%
Share of women/men other managers	62/38%	61/39%	55/45%
Share of women/men developers/technical staff	20/80%	28/72%	32/68%
Share of women/men all staff	40/60%	43/57%	44/56%
Work-related sick leave	0%	0%	0%
Leadership	-	-	8.3
Staff turnover	17%	20%	8%

Focus area 2: Combating climate change

Due to Hemnet’s digital business model, we have a low impact on the climate and the environment. Nevertheless, we are determined to take responsibility and do our part to create a well-functioning real estate market within the planetary boundaries. Hemnet strives to have no local physical IT operations and we only use cloud services, meaning there is no server equipment that Hemnet manages directly on-site. Today, Hemnet has two primary IT solutions providers, both with their own ambitious CO2e emissions targets.

Hemnet is committed to bringing hardware returned by former employees back into service. Obsolete computers, monitors and mobile phones that no longer meet the company’s needs are sold to companies that specialise in buying back this type of equipment. The idea is that the products should be reused as much as possible in the local area by, for example, schools, businesses, and individuals. Other technical equipment that no longer functions or meets the company’s needs is first examined to see if there are components that can be reused or resold within the company. What is considered e-waste is forwarded to certified recycling companies.

Hemnet’s office is located in a building owned by Vasakronan. Vasakronan has been ranked as one of the world’s most sustainable property owners by the organisation GRESB (gresb.com) and applies very high standards within areas such as circularity and climate impact. This affects our office’s energy consumption (described under “Scope 2” below) and waste management. We separate all waste in our kitchenette, where it is collected daily and transported to the building’s environmental room. From there it is taken further in the waste cycle in a service provided by Vasakronan.

Promoting sustainable housing choices

We have a unique possibility to guide Swedish property buyers toward more sustainable choices in their home purchases, as well as to motivate sellers to see the benefits of climate-positive home improvements. A recent initiative that underscores our dedication to promoting environmentally responsible housing choices is the integration of an energy efficiency label on property listings.

Getting in full control of CO2e emissions

During 2023, we completed our task of tracking all of our significant direct and indirect emissions within all three scopes. We also complemented our short-term emission target of reducing CO2e emissions by 42 percent by 2030, submitted to and approved by the Science Based Targets initiative (SBTi) in 2022, with a long-term target of reaching net-zero emissions by 2050. This long-term target was approved by the SBTi in December.

Emissions within Scope 1

Hemnet has no company cars or other direct emissions that fall under scope 1.

Emissions within Scope 2

An essential part of our climate efforts is reducing energy consumption in our office, which is our only source of CO2e emissions within Scope 2. Our office building is powered by renewable electricity and for our office space, we have an additional service from our electricity provider that includes electricity from 100 percent renewable sources (solar, hydro or wind). The building in which our office is located, which we moved into in February 2023, meets high environmental standards and has a platinum certificate under the green building rating system LEED. Most of the heating and cooling in our new office building is provided by a geothermal system and produces no CO2e emissions. The building is not (yet) fully self-sufficient and additional district heating is supplied. However, property owner Vasakronan always buys the cleanest available product and if energy from renewable sources is unavailable, Vasakronan climate compensates for the emissions.

Emissions within Scope 3

In 2023, we undertook an extensive project to assess our company’s indirect emissions (Scope 3), identifying relevant emission categories in both upstream and downstream activities. We based our emissions data on specific supplier information and, when unavailable, on our expenses. Our analysis revealed that the largest emissions are generated within Scope 3, category 1, Purchased Goods and Services. We were pleased to find that emissions generated by Hemnet as a platform (web and apps) are minimal, thanks to partnerships with global companies like AWS and Google, who have ambitious climate agendas. Higher emissions stem from other purchases such as consultancy services and, primarily, the commissions paid to the real estate agent industry for their work and sales related to Hemnet’s products. We have chosen to classify these activities as Purchased Goods and Services, which is why the emissions fall under Scope 3, Category 1. Since we lack actual emissions data from real estate agents, standard calculations have been performed based on spend. In 2024, our focus will be on improving data quality, which is likely to reduce emissions in this category.



Long-term goal for combating climate change:

- Reducing absolute scope 1 and scope 2 GHG emissions with 42% by 2030
- Reaching net-zero emissions in all three scopes by 2050

Performance indicators: Carbon dioxide emissions, tonnes CO2e.	2021	2022	2023
Scope 1			
Hemnet has no company cars	0	0	0
Scope 2			
Electricity	0	0	0
District heating	3	2.18*	0.31
District cooling	0	0	0
Scope 3			
Purchased goods and services		1,219.489	1,802.301
Capital goods		14.708	17.803
Fuel and energy related activities		0.45	1.235
Upstream transportation and distribution		0.086	0.073
Waste generated in operations		0.037	0.018
Business travel		33.599	14.642
Employee commuting		61.726	47.873
Use of sold products	N/A	2.389	0.873
Total emissions scope 1-3	135.223	1,334.663	1,885.128

*Due to an update to more accurate emission factors, the emissions from district heating for 2022 have been adjusted in this year’s reporting.

Focus area 3: Living by strong ethical principles

Our Code of Conduct gives us a strong ethical foundation

Hemnet's business is run on the basis of principles of ethics and responsibility that permeate all aspects of our operations and are summarised in our Code of Conduct. The Code of Conduct provides clear ethical and moral guidance and sets the expectations of Hemnet in relation to our employees. It helps us to ensure that principles of ethics and responsibility are integrated into all aspects of our business and that we act in a trustworthy and transparent manner in all aspects of our operations.

The code articulates the company's zero tolerance for bullying, harassment, intimidation, bribery and corruption. Our approach to Human Rights is also a part of our Code of Conduct, stating that Hemnet and its employees respect the internationally recognised human rights as described in the UN Universal Declaration on Human Rights. In this regards, we are guided by the UN Guiding Principles on Human Rights in Business and we conduct our business with respect for the human rights of all individuals. We expect the same from our suppliers.

Our employees must know about our Code of Conduct, what it stands for and what responsibilities it comes with for them as Hemnet employees. In the beginning of 2023, we implemented a new e-learning course to give all employees solid training on the code, while at the same time giving the company solid tracking of how many employees have completed the course. All new colleagues are obliged to complete the e-learning as they start at Hemnet, and there is also a mandatory yearly refresh of the code for all employees.

We promote a culture of openness where everyone is encouraged to speak their mind and raise any issues relating to non-compliance with the code. Violations of our ethical guidelines are reported internally through managers or anonymously through our whistleblower service, which is available through our website hemnetgroup.com and on our intranet.

Demands on suppliers

We expect our suppliers to conduct their business in a responsible manner compatible with the law and our values. No part of our supply chain must go against the principles of our Code of Conduct. Hemnet's Supplier Code of Conduct sets out our expectations on our suppliers regarding basic ethical and

moral principles related to sustainability and human rights. We have zero tolerance for child labour and slave-like conditions.

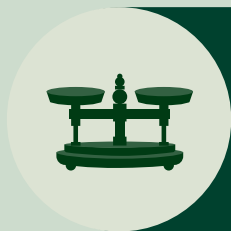
Right to privacy

Data is a key asset for Hemnet and we collect and process large amounts of data that can be directly or indirectly associated with an individual. All processing of such information (personal data) is carried out in a transparent manner, with respect for privacy and in accordance with applicable data protection legislation.

We do not share personal data with suppliers unless a data processing agreement is in place. If the supplier is located outside the EU/EEA, we will only transfer personal data if we have ensured that there is a legal basis for the transfer and that appropriate safeguards are in place for it.

As we further develop our technology and business or change how we handle personal data, we ensure that these changes are properly addressed from a data protection perspective.

These principles form the basis for all of our work related to personal data protection and are described in our Code of Conduct and in more detail in Hemnet's Guidelines for data protection. Since 2020 Hemnet's legal team has carried out yearly privacy awareness activities. In 2023, a new e-learning course was launched, providing training in applicable rules and Hemnet's approach to personal data processing.



Long-term goal – Living by strong ethical principles:

- 100% of Hemnet's employees should acquaint themselves with Hemnet's Code of Conduct and go through the yearly training

Performance indicators:	2021	2022	2023
Communication and training on anti-corruption policies and procedures			
Share of employees informed about the company's Code of Conduct	100%	100%	100%
Share of employees who complete and passed e-training in Code of Conduct*	N/A	98%	77%
Confirmed incidents of corruption and actions taken	0	0	0
Number of incidents reported through Hemnet's whistleblowing function	0	0	0
Data protection incidents			
Number of personal data incidents related to customer data reported to the Swedish Authority for Privacy Protection	0	0	0

* E-learning module was implemented in the beginning of 2023 and results are from February.

Focus area 4: Creating positive social impact

Hemnet represents a well-functioning part of the property market for people with the opportunities and means to own a home. Having a roof over your head is a prerequisite for other aspects of life to function. Our basic principle of civic participation is to contribute to organisations and initiatives that operate from the belief that having a place to call home is a human right. We are committed to providing financial and human resources to projects and organisations whose beliefs we share, and who support everybody's right to a place to call their own home.

Homelessness is devastating to individuals and comes at a high cost to society. Despite this, over 30,000 people in Sweden today live without a home to call their own. Many of them are found in Stockholm. Since 2019, Hemnet has been a proud partner of the NGO Stockholm City Mission and its initiative "Bobyran". Bobyrån is part of Stockholm City Mission, which helps socially vulnerable people find a permanent housing solution. The target group for the initiative is people who are homeless, have a psychosocial problem and need some form of support. The principle is that people in need are given the opportunity to find their own housing without having to go through several steps, for example, in the form of social housing. In 2023, Bobyrån helped 72 people to a long-term home with reasonable rent.

In 2022, we expanded our social commitment by supporting people in need beyond Sweden's borders through continuous contributions to Sweden for UNHCR. UNHCR is the refugee agency within the UN, whose mission is to protect the world's refugees and actively advocate the right of all people to a safe home.

Apart from supporting Stockholm City Mission and Sweden for UNHCR with monetary donations, we strive to also utilise our platforms to spread knowledge about their work, hopefully leading to new members and donations. In February 2023, we hosted a streamed video interview with representatives from Stockholm City Mission, talking about their work with Bobyrån and what companies and civilians can do to contribute. Stockholm City Mission also visited our office to educate employees in their projects, and in December they invited interested employees to come and do voluntary work for them, something we enabled during work hours. In December, we also initiated a Christmas fundraising campaign together with Sweden for UNHCR.



Long-term goal:

- Hemnet should yearly allocate financial and personnel resources to support causes that strive towards helping people in vulnerable situations to get a place to call home

Performance indicators:

	2021	2022	2023
Direct economic value generated and distributed (GRI 201-1)			
Contribution to Stockholm City Mission	SEK 300,000	SEK 400,000	SEK 500,000
Contribution to Sweden for UNHCR	N/A	SEK 200,000	SEK 155,000

Risk analysis

In this section, we describe Hemnet's most significant sustainability risks and how we manage them. There are no identified risks linked to combating climate change and creating social impact as these areas are not considered to constitute a significant risk for the company.

A trusted and independent marketplace, enabling a mobile, efficient and transparent property market

Significant risk

Inaccuracies in residential property advertisements on Hemnet or content in advertisements that may give a misleading perception of the property for sale can have a negative impact on consumers and home buyers. This can lead to home buyers relying on incorrect information before buying, but also distort competition between real estate agents.

Given the volume of information on Hemnet, there is always a risk that situations arise where a seller or buyer does not feel comfortable with, or in control of, the data we publish despite our communication efforts. Although we do our utmost to present information relating to cookies and personal data processing as simply and clearly as possible, there is always a risk that visitors will have difficulties fully comprehending information on, for example, personalisation, tracking and data sharing within the framework of advertising networks with which we collaborate.

If Hemnet as a platform were to lose its accessibility, supply and quality, it could negatively affect the ability of private individuals and real estate agents to carry out property transactions. Without access to Hemnet, the home buyers' ability to access the property supply is hampered, as is the home seller's ability to advertise his or her home – and the real estate agent's ability to do business.

Risk management

All property listings on Hemnet are administered by a registered real estate agent who mediates Hemnet's listing agreement with the home seller. This professional body of certified agents is an important guarantor of Hemnet's quality, as the content of any home listing is the real estate agent's responsibility. To ensure common rules for all players, we make publication rules clear and available to all real estate agents. We also have a function within our customer service organisation that reviews and samples property listings on Hemnet on a daily basis and contacts real estate agents whose advertisements deviate in various ways from the publication rules.

We have established processes in collaboration with the real estate agent industry to ensure that sellers and buyers are aware of what information is published on Hemnet. Our policy is to respect each individual's choice with regard to the information that we publish about objects that have been sold or bought, respectively, and that can be perceived as sensitive from a privacy perspective, such as price data and photos of properties sold. Transparency is key to ensuring that our visitors make informed decisions about personal data processing requiring customer consent. We regularly review our privacy information to ensure this.

All development work at Hemnet is carried out within the company, which means that we immediately can act upon and handle operational disruptions and other problems that may arise on our platforms. Furthermore, our large developer organisation works daily to improve our products as well as the user experience, to enable the very best conditions for real estate agents and home sellers to list a property on Hemnet. This, together with our strong market position, leads to a maintained and stable volume of listings year to year, where approximately nine out of ten homes sold through a real estate agent in Sweden have been advertised on Hemnet.

Organisational related risks

Significant risk

Managing to retain our talents, as well as attracting new ones, is key for the development of our business and company.

Risk management

To ensure a more long-term, solid and sustainable people and culture strategy, Hemnet in 2022 hired a skilled Chief People and Culture Officer, as well as adding this role to the management team (the People and Culture function was previously a part of the Communications department). This step has significantly increased the scope of our work within HR- and people-related issues, while also enabling a more proactive approach towards employee happiness and retention during 2023.

Hemnet has, over the years, had a great need to recruit developers, an area in which competition for competence is extremely high. The vast majority of our recruitments are handled internally, increasing our level of control and providing the possibility to build our own candidate pool. During the last three years, we have increasingly hired employees from outside of Sweden. This way, we have gained a lot of experience in, and set up solid processes for, international recruitment. These various steps to improve our processes have helped us speed up our recruitment and taken us to a much better place in terms of hiring the competences we need. As of now, our recruitment needs are on significantly lower levels than what has been the case over the last years.

Governance-related risks

Significant risk

Failure to comply with laws and regulations against bribery can have serious consequences for Hemnet and for the individuals concerned. Possible situations where violations could occur are, for example, in customer care or representation in the event that activities would go beyond what is considered appropriate, or that a real estate agent or home seller with contacts at Hemnet would manage to gain advantages for their property listing outside the company's regular processes and routines. In addition to the obvious legal risks, any such misconduct would potentially be a breach of trust and detrimental to the Hemnet brand.

Risk management

Anti-corruption is an important part of our Code of Conduct, which is central to counteracting all forms of bribery, misconduct and corruption within the company. A benefit or advantage offered to an employee by an external person is not allowed if it influences or risks influencing the employee's objectivity and ability to make commercially sound decisions. The Code of Conduct addresses the company's internal guidelines on bribery and corruption and supports employees in their assessment. Employees are asked to report violations to their manager, their manager's manager, Hemnet's People and Culture Officer, Hemnet's General Counsel or via Hemnet's whistleblower service. Hemnet takes relevant measures to investigate reported breaches and violations.

Approach

In the process of identifying relevant areas for Hemnet regarding sustainability, we carried out a materiality analysis prior to our first sustainability report in 2019. The analysis was based on risks and opportunities related to running a sustainable business, as well as aspects concerning the environment, social conditions, human resources, respect for human rights, anti-corruption and governance issues.

In 2021, we supplemented the materiality analysis with stakeholder dialogues and in-depth interviews with employees, owners, ESG analysts and investors. The overall picture from these dialogues was that Hemnet has a good starting point to further strengthen its work and governance in the most essential areas. Personal privacy and security are considered to make up the most important area for Hemnet, also from a risk perspective, while the climate issue is not considered material for Hemnet. However, there are expectations from our stakeholders that Hemnet will report and comment on its carbon footprint in a clear and comparable way. Finally, many stakeholders note that through its platform, Hemnet has great potential to be a positive force in society.

In 2022, we continued to develop our focus areas based on the materiality analysis carried out in 2019 and the stakeholder dialogues in 2021, but further simplified the framework for our focus areas to clarify that our sustainability efforts derive from our business model and vision. This year's report continues to follow the updates from 2022 and we plan to make no changes to our sustainability reporting or framework until we have a new structure in place that will be compliant with the upcoming CSRD and ESRS reporting framework.



Governance and responsibility for sustainability within the business

The Board has overall responsibility for the management of the Company, which includes issues relating to sustainable management and the Company's sustainability report. The CEO is responsible for implementing the Board's decisions and strategies. The Chief Communication and Brand Officer (CCBO) is responsible for sustainability issues within the management team and, with the support of the General Counsell, must ensure that sustainability efforts and reporting on them are done correctly and that the Company continuously develops its sustainability efforts and raises its ambitions in line with Hemnet's Sustainability policy (adopted by the Board in December 2022). Managers at the management team level are responsible for ensuring that the work of each department is carried out in a way that supports the Company's sustainability efforts. The CEO reports sustainability developments and steps to the Board on a quarterly basis.

Clear values and ethical guidelines guide our actions

Hemnet's values describe how we act and what we stand for. Our Code of Conduct provides clear ethical and moral guidance and sets the expectations from Hemnet for both employees and external partners. This helps us to act in a trustworthy and transparent way, which ultimately helps strengthen the Hemnet brand. All managers and employees are responsible for reading and complying with the

Company's Code of Conduct as well as to complete the yearly e-learning on this topic.

Training and compliance monitoring

During the year, we continued to train new and current employees in our Code of Conduct. We also have a Supplier Code of Conduct in place to ensure that the moral and ethical business principles that Hemnet follows are also clear to our suppliers. In 2023 we implemented a new e-learning system to give our employees better possibilities to learn and understand our most crucial governing documents and improve how we track and follow up our employees' knowledge. The first e-learning, covering our Code of Conduct, was rolled out in February 2023 and followed up in December 2023. We also initiated an e-learning course in Information Security and Privacy during 2023. We will continue to repeat both these e-learning courses yearly to ensure our employees have up-to-date knowledge of the company's most important policies and procedures.

Breaches of our Code of Conduct are followed up annually. No violations of our Code of Conduct came to our attention in 2023, either through internal reporting channels or through our whistleblowing system.

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Hemnet Group AB (publ), corporate identity number 559088-4440

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2023 which is defined on page 33 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Stockholm the day of our electrical signature
Ernst & Young AB

Anna Svanberg
Authorized Public Accountant

Administration report

The financial year 2023

The Board of Directors and the CEO of Hemnet Group AB (publ), hereinafter Hemnet, with corporate identity number 559088-4440 and its registered office in Stockholm, hereby submit annual report and consolidated financial statements for the financial year 1 January–31 December 2023.

Operations

Hemnet Group AB (publ) is parent company to the Hemnet Group ("the Group"). The main operations of the Group are carried out by the subsidiary company Hemnet AB. Hemnet aims to be the marketplace for property and related services that is the most appreciated and visited by estate agents, site visitors and advertisers.

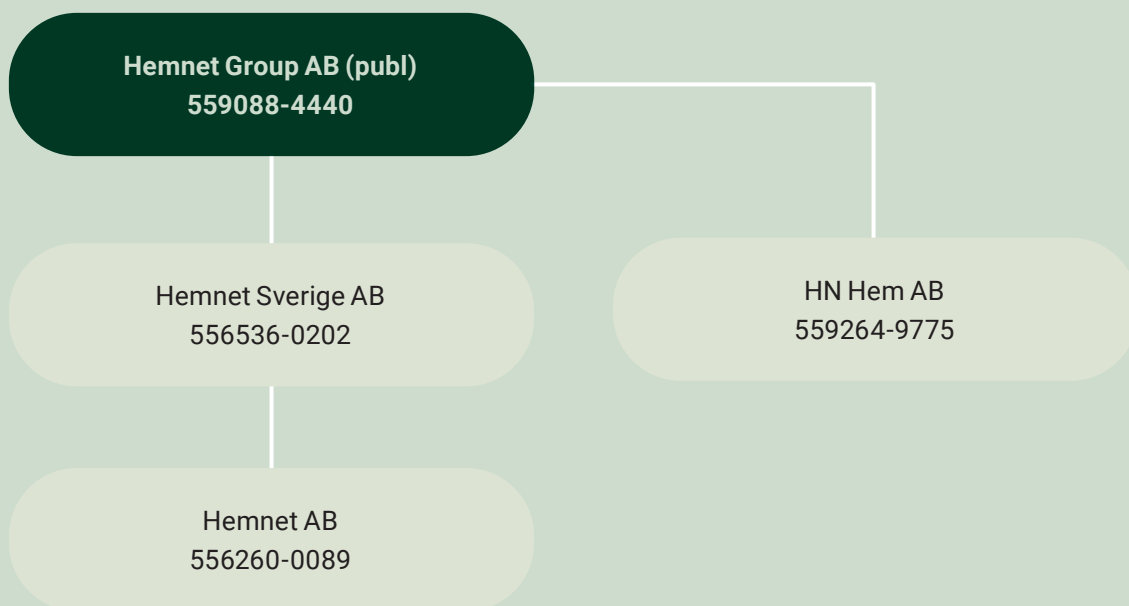
Hemnet is Sweden's largest real estate platform and offers virtually the entire residential property stock of the country. Hemnet's services are offered on Hemnet.se and its platforms for Android and iOS. Hemnet had good visitor numbers in 2023, with an average of over 42 million visits per month. Visitors also spent a total of 1.33 billion minutes on Hemnet's platforms during the year.

In 2023, a total of 175,343 home listings were published on Hemnet, 12 percent below the 198,259 homes that were published in 2022. The lower listing volume is an effect of a slower property market in 2023, following the high inflation and rapidly increased interest rates. During the year, Hemnet has continued to develop its product portfolio, both with regards for services to home sellers and for business customers. The value-added services for home sellers launched in previous years have been gradually improved, which all in all led to an increased use of these services.

The trend for the number of property listings, sales rate and listing prices also has a direct impact on the Group's financial results. Therefore, Hemnet continuously analyses developments in the property market and communicates these insights to the media and the public.

Group structure

The group structure is illustrated below. All companies are owned 100 percent.



Significant events during the fiscal year

Share repurchases

The 2022/2023 Share Repurchase Program was ended, as planned, just before the 2023 Annual General Meeting, and a total of 2,780,428 repurchased shares were cancelled as per the AGM decision.

The 2023 Annual General Meeting also resolved to mandated the board to commence a new share buy-back program, and the Board decided on a new share repurchase programme of maximum SEK 450 million until the 2024 Annual General Meeting. The purpose of the program 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 2024 that the repurchased shares be cancelled. During 2023, the Company has repurchased a total of 2,302,862 shares for a total amount of SEK 418.1 million under both programs.

Board and management team changes

At the 2023 AGM on 27 April 2023, Anders Nilsson was elected new Chair, replacing Christopher Caulkin who had been interim Chair since 31 August 2022. On 2 May 2023 Anders Örnulf joined Hemnet as CFO, replacing Jens Melin who had been interim CFO since August 2022. On 6 November 2023, Lisa Farrar joined Hemnet in a new role as Chief Operating Officer (COO).

Changes to the group structure

During the year, Hemnet made a number of changes to the group structure, merging and liquidating passive subsidiaries in order to simplify administration. This has resulted in the group shrinking from 8 to 4 legal entities.

Macro economic development

The macroeconomic environment has presented some challenges in recent years with the war in Ukraine, high inflation both in Sweden and globally, and sharp changes in interest rates. These factors contribute to increased market uncertainty, which affects Hemnet both indirectly, through a cooler housing market with fewer transactions and lower demand from Hemnet's business customers as they reduce their spending, and directly, through higher interest rates on the company's external financing.

Financial overview

Below is a multi-year comparison for the Group's five latest fiscal years.

	2023	2022	2021	2020	2019
Net sales	1,004.7	889.2	728.1	544.1	444.4
EBITDA	525.5	448.1	302.9	188.0	171.9
EBITDA margin, %	52.3%	50.4%	41.6%	34.5%	38.7%
Adjusted EBITDA	525.5	448.1	355.0	202.1	171.9
Adjusted EBITDA margin, %	52.3%	50.4%	48.8%	37.1%	38.7%
Operating profit	448.2	377.5	223.9	110.5	98.7
Operating margin, %	44.6%	42.5%	30.8%	20.3%	22.2%
Income after financial items	427.4	370.7	198.1	86.8	83.6
Profit after tax	338.7	293.8	156.5	67.7	65.6
Profit margin, %	33.7%	33.0%	21.5%	12.5%	14.8%
Average revenue per published listing (ARPL), SEK	4,490	3,275	2,467	1,760	1,414
Equity/Assets ratio, %	58.4%	68.4%	71.1%	56.9%	53.4%
Net debt	438.1	228.1	188.6	415.1	521.4
Net debt/EBITDA, times	0.8	0.5	0.6	2.2	3.0
Net debt/adjusted EBITDA, times	0.8	0.5	0.5	2.1	3.0
Debt/Equity ratio, times	0.4	0.2	0.2	0.5	0.6
Number of employees	154	135	112	108	92
Number of published listings in the period	175.3	198.3	198.4	189.3	185.0

Net sales

Net sales increased by 13.0 percent and amounted to SEK 1,004.7 (889.2) million. Both service categories grew during the year. Property listing related revenues increased by 21.0 percent to SEK 808.7 (668.4) million, mainly through higher average prices but also through higher conversion rate for value-added services for home sellers, which has continued to increase and has thus contributed, together with a segmented price model, to a significant growth in revenue. The growth in listings revenue has meant that the average revenue per published listing, ARPL, increased by 37.1 percent to SEK 4,490 (3,275). Turnover from other services decreased by -11.2 percent to SEK 196.0 (220.8) million, mainly driven by a lower income from display ads from property developers and other advertisers.

Operating profit

Operating profit increased by 18.7 percent to SEK 448.2 (377.5) million, corresponding to an operating margin of 44.6 (42.5) percent. Other external costs increased by 8.3 percent and amounted to SEK 323.7 (299.0) million. Administration and commission compensation to affiliated real estate offices together constitute the largest item in other external costs and increased by 22.2 percent to SEK 225.3 (184.3) million, primarily as an effect of the increased revenues from property sellers. The remaining part of other external expenses decreased by -14.2 percent and amounted to SEK 98.4 (114.7) million. This is primarily due to lower costs for marketing and consultants.

Personnel costs increased by 10.7 percent and amounted to SEK 169.6 (153.2) million as a result of a growing organisation where personnel reinforcements took place primarily within the product development teams to continue strengthening Hemnet's customer offering through the development of new and existing products.

Net financial items

The net from financial income and financial expenses amounted to SEK -20.8 (-6.8) million and consists mainly of interest expenses on the Group's bank loan. Profit before tax amounted to SEK 427.4 (370.7) million.

Taxes

Reported total tax expense amounts to SEK 88.7 (76.9) million, which corresponds to an effective tax of 20.7 (20.8) percent. Current tax expense amounted to SEK 95.5 (86.8) million, while deferred tax income amounted to SEK 6.8 (9.9) million.

Profit for the year

Profit for the year after tax amounted to SEK 338.7 (293.8) million.

Earnings per share

Earnings per share, basic & diluted, amounted to SEK 3.47 (2.93).

Investments

During the year, as in the previous years, the company worked on developing its product offering. Development took place with both the company's own staff and with external consultants. Some specific development projects have been deemed of such a nature and with such expected future earnings that they have been treated as capitalised development expenses. In total for the year, SEK 31.5 (13.7) million has been capitalised, thus increasing intangible fixed assets. Otherwise, the business has only a minor need for investment in equipment, with the year's new purchases amounting to SEK 7.3 (1.8) million.

Cash flow

Cash flow from operating activities amounted to SEK 395.9 (356.0) million, of which changes in working capital amounted to SEK -4.2 (+8.2) million. The increase in cash flow is mainly attributable to the higher profit from operations. Cash flow from investing activities in tangible and intangible assets resulted in a cash flow of SEK -38.8 (-15.5) million. Cash flow from financing operations amounted to SEK -354.9 (-334.6) million, primarily due to share buybacks of -418.5 million SEK and paid dividends of -98.0 million SEK, partially offset by increased utilisation of the credit facility, net, of +170.0 million SEK.

Financial position

The Group's cash and cash equivalents, including interest bearing securities, amounted to SEK 102.6 (100.4) million at the end of the period and total interest bearing liabilities to SEK 102.6 (328.5) million. Net debt thus amounted to SEK 438.1 (228.1) million, which corresponds to a debt/equity ratio of 0.8 (0.5) times rolling twelve-month adjusted EBITDA.

Equity amounted to SEK 1,259.6 (1,432.7) million, which corresponded to an equity/assets ratio of 58.4 (68.4) percent.

Quality and sustainability

Hemnet's sustainability work is carried out as an integral part of its ongoing operations. Hemnet Group AB (publ) has drawn up a statutory sustainability report according to ÅRL which can be found on pages 22-29. The statutory sustainability report also covers the Group.

The company does not conduct any permit or notification activities according to the Swedish Environmental Code.

Hemnet is currently undertaking necessary preparations to ensure that we are ready for the upcoming EU directive on corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD) and the reporting standard ESRS, which will come into effect on January 1, 2026, for companies of Hemnet's size.

Research and development

Hemnet's corporate culture is characterised by a constant desire to refine and improve our products and services. The property platform is built and managed by specialist teams in development, sales, market and product. Learning and development occurs naturally in everyday life between teams. Testing, exploring and taking on new challenges to strengthen our position in the market by building simple and efficient services for our users is a key part of our business. A business characterised by a high rate of development. The vision to be the key to your home journey guides Hemnet's development work. During the year, SEK 31.5 million (13.7) was capitalised regarding development expenses. The capitalised development expenses are recognised in the balance sheet as intangible assets.

Outlook

Hemnet is by far Sweden's largest residential property platform and during the pandemic we saw a record high activity in the housing market, which have decreased somewhat since as a result of macroeconomic changes. In the longer term, however, we do not see that interest in the residential property market will decrease.

The company will continue to develop and improve the product portfolio that is now in place for the main customer groups: property sellers, real estate agents and property developers, as well as to evaluate and prioritise which additional needs of the housing market players that the company can meet through new or improved services. Furthermore, the focus will continue to be on strengthening our cooperation and our relationships with real estate agents and property developers, which are important partners.

Group risks and risk factors

All operations are associated with a certain degree of risk-taking, risks that can affect operations, standing and results. Risks related to Hemnet's operations, as well as its expectations and management, are analysed annually by the Board and Group management.

There is a pressure from both old and new competitors, and with that competition comes a risk that both visitors, real estate agents and advertisers use services other than Hemnet, which could have a negative impact on the business.

In recent years, Hemnet has diversified its revenue streams through a number of changes, including by developing value-added services that give property sellers the opportunity to influence their sale. Hemnet has also introduced new products for companies operating in the residential property market such as real estate agents, property developers and banks. It is important for the company to continue developing new and existing services that meet the needs of current and future customer groups.

The income from property listings is a significant part of sales. Developments in the Swedish housing market can therefore have a significant effect on Hemnet's operations. Hemnet's advertising business has continued to develop positively and the company offers advertising both through direct sales and through programmatic trading. The development and trends for ad purchases in the market can affect Hemnet's revenue both positively and negatively.

For Hemnet, it is central to have a good relationship with real estate agents and to have a substantial range of property listings. Hemnet's future business may be threatened if a deteriorating estate agent relationship would lead to a deterioration in the range of property 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, interest rate

and credit risks. The Group has a long-term credit agreement that extends until April 2026. Further information on the Group's debt can be found in notes K21 and K21.

For further information on risks, see the section on *Internal controls and risk management* on page 38.

Management and employees

The organisation has continued to grow and the number of employees at the end of the year amounted to 154 people, which is an increase of 19 people compared with the beginning of the year. The average number of employees at Hemnet in 2023 was 148, with 64 of them women and 84 men.

Significant events after the end of the financial year

On January 25, 2024, Hemnet announced that its goals, set with the overarching objective of achieving net-zero greenhouse gas emissions by 2050, have been approved by the Science Based Targets initiative (SBTi).

Hemnet continued the share repurchase program in 2024 and repurchased an additional 321,952 shares for a total of SEK 93.1 million during the period from 1 January, 2024 to 12 March, 2024.

Parent Company's earnings and financial position

Hemnet Group AB (publ) is the parent company of the Hemnet group. The Parent Company's net sales of SEK 8.9 (9.2) million referred in their entirety to intra-group services invoiced to other Group companies. The Parent Company's costs amounted to SEK 18.9 (20.1) million. Group contributions received from the subsidiary Hemnet Sverige AB amounted to SEK 492.7 (435.0) million, with profit before tax amounting to SEK 843.4 (416.8) million.

Cash and cash equivalents amounted to SEK 14.2 (34.9) million. Equity amounted to SEK 1,186.5 (949.9) million. The total number of shares amounted to 98,351,050 (101,131,478) and the number of shares outstanding amounted to 96,535,933 as of 31 December 2023.

Corporate Governance Report

Hemnet Group AB (publ) is a Swedish limited liability company, publicly traded on Nasdaq Stockholm and based in Stockholm. Hemnet's corporate governance framework and principles are designed to comply with applicable Swedish law, Nasdaq Stockholm's rules for issuers, the Swedish Corporate Governance Code (the "Code"), Hemnet's Articles of Association and generally accepted sound stock market practice. Corporate governance practices refer to the decision making systems with which owners, directly or indirectly, govern a company. The Code is published on www.bolagsstyrning.se where a description of the Swedish Corporate Governance model can also be found. The main decision-making bodies are the annual general meeting (the "AGM"), the Board of Directors and the CEO. The AGM appoints the Board, which in turn appoints the CEO, who manages ongoing administration in accordance with the CEO Instructions adopted by the Board, which include instructions for financial reporting to the Board.

Hemnet's corporate governance framework aims to ensure that the company is managed as responsibly, sustainably and efficiently as possible in the interests of Hemnet's shareholders and that both internal governing documents (policies, guidelines and instructions) and external regulations are complied with. Hemnet operates its business with high ethical and moral standards. Hemnet's Code of Conduct is the core of the Company's governing documents and serves as a guide to the employees as well as a tool to

implement Hemnet's sustainability efforts in all aspects of the business.

During 2023, Hemnet has not deviated from the Nasdaq Stockholm Rule Book for Issuers nor from good stock market practice. With regards to the Code, one deviation is reported, in relation to the composition of the Remuneration Committee. The reasons for this are further explained under Remuneration Committee on page 37.

This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. The report describes how Hemnet has conducted its corporate governance activities during the 2023 fiscal year. The Corporate Governance Report has been audited by Hemnet's auditor, as presented in the auditor's report on page 73.

Annual general meeting

The AGM is the highest decision-making body of Hemnet. At the AGM, all shareholders are given the opportunity to exercise their voting rights. The Swedish Companies Act (2005:551) (Sw. Aktiebolagslagen) and the Articles of Association set out the procedures for convening General Meetings and who is entitled to attend and vote at such meetings.

During 2023, no extraordinary general meetings were held. The AGM was held on 27 April 2023 in Stockholm as a physical meeting with the possibility for shareholders to vote in advance (so called postal voting). All proposals to the AGM were approved. All

documentation relating to the AGM 2023 is available on www.hemnetgroup.com.

Annual general meeting 2024

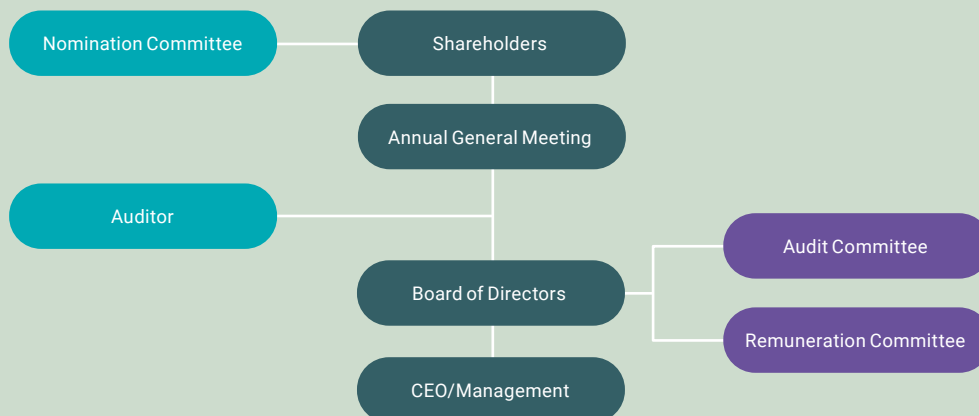
Hemnet's AGM 2024 will be held on 25 April 2024 in Stockholm as a physical meeting with the possibility for shareholders to vote in advance (so called postal voting).

All documentation relating to the AGM is available on www.hemnetgroup.com.

Shares

At year-end 2023, the total number of shares in Hemnet amounted to 98,351,050 shares, of which 93,294,476 ordinary shares and 5,056,574 series A1 shares. Both types of shares have the same voting weight and voting rights, but shares of series A1 have a veto right against changes in the business objects of the company in the articles of association. Shareholdings representing at least one tenth of the voting rights of all shares in Hemnet are Vor Capital LLP with 10.46 percent of the capital and votes and Mäklarsamfundet Bransch in Sweden with 10.44 percent of the share capital and votes. The 2023 Annual General Meeting authorised the Board to initiate repurchases of own ordinary shares and during the year, 2,302,862 ordinary shares have been repurchased. The repurchased shares are intended to be cancelled, pending decision by the 2024 Annual General Meeting, whereby the total number of shares decrease. The 2024 Annual General Meeting is also proposed to authorise the Board to continue

Governance model



with repurchases of own shares. For more information about the Hemnet share and the largest shareholders, see page 21.

Nomination Committee

In accordance with the Nomination Committee's Instructions adopted by the AGM 2022, the members of the Nomination Committee shall consist of four representatives appointed by the largest shareholders of Hemnet, in terms of voting rights as of 31 August, who wish to appoint a member. In addition, the Chair of the Board shall be a member of the Nomination Committee. The Nomination Committee shall perform its duties as set out in the Code

and the Nomination Committee Instructions, available on www.hemnetgroup.com. The Nomination Committee is responsible for preparing and presenting proposals for a Chair of the AGM, the members of the Board of Directors and the Chair of the Board of Directors, the fees to the members of the Board of Directors, the election of auditors, the auditors' fees and, if applicable, any amendments to the Nomination Committee Instructions.

The Nomination Committee ahead of the AGM 2024 has been formed in accordance with the Nomination Committee Instructions adopted by the AGM 2022. The Nomination Committee consists of five members: Andreas Haug, nominated by Vor Capital LLP, Jonas

Bergh, nominated by Mäklarsamfundet Bransch i Sverige AB, Per Johansson, nominated by Didner & Gerge Fonder AB, Celia Grip, nominated by Didner & Gerge Fonder AB and the Chair of the Board Anders Nilsson. The Nomination Committee has decided to elect Andreas Haug as its Chair. The composition of the Nomination Committee meets the composition requirements of the Code. In its work, the Nomination Committee has applied Rule 4.1 of the Code as its diversity policy in addition to the gender equality goals set forth in the Company's Sustainability Policy. To support the Committee's process, an annual Board evaluation is carried out, the results of which are presented to the Committee.

Board and Committee composition

Board member	Position	Remuneration Committee	Audit Committee
Anders Nilsson *	Chair	Chair	-
Maria Redin	Member	-	Chair
Anders Edmark	Member	-	Member
Tracey Fellows	Member	-	Member
Håkan Hellström	Member	Member	-
Nick McKittrick	Member	-	Member
Pierre Siri	Member	Member	-
Chris Caulkin**	X	X	X

Board and Committee attendance

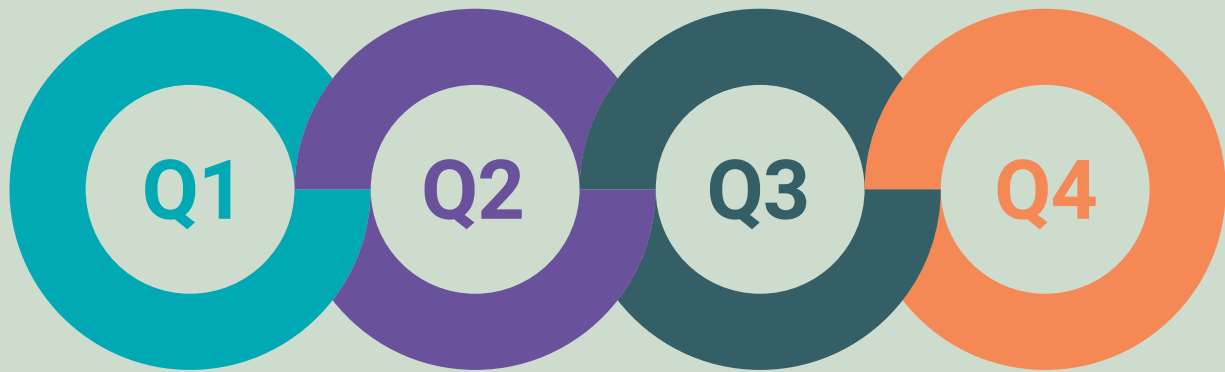
Member	Board meeting	Remuneration Committee	Audit Committee
Anders Nilsson *	7/10	2/4	
Maria Redin	10/10		7/7
Anders Edmark	10/10		7/7
Tracey Fellows	10/10		6/7
Håkan Hellström	9/10	4/4	
Nick McKittrick	10/10		7/7
Pierre Siri	9/10	4/4	
Chris Caulkin**	3/10	1/4	

Nomination Committee

Member	Nominated by	31/12 2023, % of votes
Andreas Haug (Chair)	Vor Capital LLP	10.46%
Jonas Bergh	Mäklarsamfundet Bransch i Sverige AB	10.44%
Per Johansson	Didner & Gerge Fonder AB	5.57%
Celia Grip	Swedbank Robur Fonder AB	3.44%
Anders Nilsson	N/A	N/A

* Assumed office as Chair of the Board on 27 April 2023. ** Chair of the Board until April 27th.

Annual cycle of the Board of Directors



- CEO update
- Financial update
- Annual report and financial statements
- Notice of Annual General Meeting
- Guidelines for compensation and other terms of employment for senior executives
- Decision on quarterly report
- Review of risks

- CEO update
- Financial update
- Inaugural Board meeting
- The Board's Rules of Procedure, CEO instruction and other governing documents
- Financial reporting and business update
- Decision on quarterly report

- CEO update
- Financial update
- Internal control and risk assessment
- Decision on quarterly report
- Strategy meeting

- CEO update
- Financial update
- Business plan
- Budget
- Preliminary results and business update
- Decision on quarterly report
- Board and CEO valuation

Auditor

In accordance with its Articles of Association, Hemnet must have one or two auditors, and no more than two alternate auditors. A registered accounting firm may be appointed as Hemnet's auditor. The auditor is appointed by the AGM for a mandate period of one year.

At the AGM 2023, Ernst & Young AB was reelected as auditor with the Authorised Public Accountant Anna Svanberg as lead auditor for the period until the end of the 2024 AGM. Ernst

& Young AB has been Hemnet's auditor since 2016 and Anna Svanberg has been the auditor in charge since 2019. In conjunction with the financial statements, the Board annually receives a presentation from the auditors without the Company's management being present. Each year, the auditors align their audit plan and risk assessment with the Audit Committee. The independence of the auditors in relation to the Company is ensured by legislation as well as by the audit firm's internal guidelines, and the Audit Committee's review of the enga-

gements that the audit firm may undertake in addition to the audit engagement.

Hemnet does not have an internal audit function, but management has organised processes and dedicated resources to actively work with and develop the area of internal governance and control. The Audit Committee receives regular feedback on its work. The Board has assessed that this form of long-term and focused work in the area of internal governance and control is the most appropriate way to address the issue. The

Audit Committee responsibilities

The Committee's work in 2023 has covered issues such as:

- Analysis of the completeness and accuracy of the respective interim report, year-end report and annual report.
- Review of Hemnet's risks and internal controls, and their effectiveness.
- Review and follow-up of the auditor's reporting on audits.
- Policy review.

decision is reviewed annually. For specifications of auditors' remuneration, see note K7 for the Group.

Board of directors

The Board of Directors has the ultimate responsibility for the Company's organisation and the administration of the Company's affairs. The Board's duties include safeguarding the interests of the Company and its shareholders by, among other things, appointing the CEO, continuously assessing the Company's financial situation, deciding on the Company's strategy, ensuring that the Company has good risk management and internal control, as well as ensuring that the Company complies with applicable laws and regulations and the Articles of Association.

Each year, at an inaugural meeting held in conjunction with the AGM, the Board of Directors adopts rules of procedure for its own work, as well as rules of procedure for the Audit Committee and Remuneration Committee. The Board also annually establishes an instruction for the CEO which includes instructions on financial reporting to the Board.

Composition of the Board

According to the Articles of Association, the Board of Directors of Hemnet shall consist of a minimum of five and a maximum of nine members without deputy Board members. The Board of Directors elected by the AGM 2023 consisted of seven members, two women and five men. At the AGM 2023, Anders Nilsson was elected as a new board member and Chair. No one from the Company's management team is a member of the Board and the composition of the Board meets the requirements concerning the independence of the Board – for further information on the Board, including the independence of its members in relation to the Company and its management and major shareholders, see pages 40-43.

The Board's work

The Board applies written rules of procedure, which are revised annually and adopted by the inaugural board meeting each year. The rules of procedure for the Board of Directors details the Board's annual calendar (see page 36) and all Board meetings include approval of previous minutes, a CEO report and a financial report from the CFO.

During 2023 ten (10) Board meetings were held (including one meeting per capsulam). The attendance of Board members at the meetings is shown in the table above. The secretary of the Board meetings has been Hemnet's General Counsel. Each Board meeting has included an item on the agenda where the Board has had the opportunity to discuss without management being present.

Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed two Board Committees. The Audit Committee and the Remuneration Committee are preparatory bodies for the Board's work, without delegated decision making powers. The Audit Committee, however, decides on which auditor it recommends the Nomination Committee to propose to be elected at the next AGM. The establishment of these Committees does not limit the responsibility of the Board of Directors for the management of the company and the decisions taken by the Board of Directors. Committee members are appointed at the inaugural Board meeting held immediately after the AGM and are appointed for one year at a time. Rules of procedures for the Committees are adopted at the inaugural Board meeting. At Committee meetings, the CEO and/or the CFO normally participate as presenters. The matters dealt with at the meetings of the Committees are documented and reported at the following Board meeting.

Audit Committee

The purpose of the Audit Committee is to prepare audit matters, monitor and ensure the quality of financial reporting and the effectiveness of internal control, risk management and audit, and facilitate the work of the Board by supporting and monitoring the ongoing financial reporting process.

The members of the Audit Committee have since the AGM 2022 consisted of Maria Redin (Chair), Anders Edmark, Tracey Fellows and Nick McKittrick. The Company's CEO has attended six of seven meetings of the Audit Committee during the year and the CFO has attended all meetings. The Company's General Counsel has served as secretary of all meetings. The company's auditor, Ernst & Young AB, has attended specific Committee meetings during the year, to report, among other things, on the quarterly review and internal control and to discuss the Company's CSRD preparations.

Remuneration Committee

The responsibilities of the Remuneration Committee are, among other things, to monitor, evaluate and prepare remuneration guidelines. After the AGM 2023, the Remuneration Committee has consisted of Anders Nilsson (elected Chair of the Remuneration Committee at the Inaugural Board meeting held on 27 April 2023), Håkan Hellström and Pierre Siri. The Company's CEO has attended all meetings of the Committee. Since Håkan Hellström is not independent in relation to the Company, the composition of the Committee is not fully in line with the Code's requirements. It was deemed important by the Board to ensure that all Board members could participate in the Committee work and Håkan Hellström's engagement in the real estate industry was not deemed to have any effect on the matters handled by the Committee.

Remuneration Committee responsibilities

The Committee's work in 2023 has covered issues such as:

- Monitoring of long-term incentive schemes and preparation ahead of the AGM 2024 in relation to long-term incentive programs.
- The remuneration guidelines adopted by the Annual General Meeting has been monitored and evaluated.
- Review of the remuneration guidelines ahead of the 2024 AGM.
- A draft remuneration report has been prepared for the Board to submit to the 2024 AGM.

Evaluation of the Board and CEO

The Board carries out an annual evaluation of the work of the Board and the CEO. The purpose of the evaluation is to get an idea of the Board members' views on how the work of the Board is carried out and what can be done to make it more efficient. It is also intended to give an idea of the type of issues the Board believes should be given more prominence and in which areas additional expertise may be required on the Board. The 2023 evaluation was carried out with the support of an external contractor during autumn 2023. The results of the evaluation have been presented both to the Chair and to the Board as a whole, as well as to the Nomination Committee. The CEO evaluation was carried out by the Board in conjunction with the ordinary board meeting in December 2023.

CEO and management team

The Board appoints the CEO and establishes an instruction for the CEO's work. The CEO is responsible for day-to-day management in accordance with applicable laws and regulations and in accordance with the CEO Instructions adopted by the Board of Directors. The CEO's responsibilities include, by way of example, resources, finance and financial matters, day-to-day contact with Hemnet's stakeholders and the financial market. The CEO also ensures that the Board receives the necessary information to make informed decisions. The CEO has appointed a group management team, which consists of six (6) members including the CEO, of which four (4) are women and two (2) are men. It can be noted that this gender balance exceeds the stated goal of gender equality as set out in the Sustainability Policy. For further information on the management team see page 42-43. In addition to the group management team, the CEO has appointed an extended leadership team composed of key employees representing important business functions, in order to better align on strategy and prioritisation, as well as to speed up decision-making.

Internal control and risk management

The purpose of internal control is to assess which risks are significant for Hemnet and should therefore be managed through ongoing monitoring and control. The Board has the ultimate responsibility for this area and has delegated operational responsibility to the CEO. The starting point for this work is the annual risk analysis carried out by the management team and presented to the

Board, on the basis of which the Board adopts an updated risk register of the Company's most material risks and a framework of control activities designed to mitigate or, where possible, eliminate the identified risks. Work is concentrated on the areas that are most important for reducing the overall risk exposure of the Company. Financial reporting is a particular focus area within the framework of this work. During the self assessment process that follows, there is continuous reporting to the Audit Committee and then, once the self-assessment of all controls has been finalised, the results are presented to the Board.

The Company does not have an internal audit function but management has organised processes and dedicated resources to actively work with and develop the area of internal governance and control.

Remuneration

Fees to the Board

The members of the Board of Directors receive a fee as resolved upon by the AGM. At the AGM 2023, the amount of Board fees, including remuneration for work in the Audit Committee and Remuneration Committee, was set at a total of SEK 3,670,000. The distribution of fees is shown in note G8.

Remuneration to senior executives

Senior management consists of the CEO and the management team. Remuneration to senior executives consists of a fixed market salary, variable cash compensation not to exceed 50 percent of base salary, pension and the opportunity to participate at market value on certain occasions in long-term share related incentive programs. Remuneration of the CEO is determined by the Board of Directors upon recommendation of the Remuneration Committee. Remuneration to other senior executives is decided by the CEO, after consultation with the Remuneration Committee.

The current guidelines for remuneration to senior executives are included in note G8 and available on the Company's website. The guidelines remain in force until new guidelines are adopted by the AGM. The Board shall draw up proposals for new guidelines at least every four years.

The Board has prepared a Remuneration Report that will be presented at the 2024 AGM and published on the Company's website. The Remuneration Report describes how the Remuneration Guidelines have been implemented and provides information on the remuneration of the CEO and a

summary of the outstanding incentive programs for longterm share-based remuneration. Note K8 as well as the Remuneration Report and the AGM documentation available on the website provide a description of the long-term variable incentive programs.

Internal control over financial reporting

The following section sets out the Board's report on internal control over financial reporting.

Control environment

The control environment is dependent on clear decision paths, authority and responsibility, combined with a corporate culture that highlights both shared values as well as the individual's responsibility to maintain good internal control.

The Board's rules of procedure, instructions for the CEO and Committees aim to ensure a clear division of roles and responsibilities, in order to achieve an effective management of the risks of the business. Furthermore, Hemnet has a set of Policies, guidelines and routines that specify who is responsible for a particular task, what mandates exist and how follow-up is carried out. These policies include a financial policy, a sustainability policy, an insider policy, a communication policy and an authorisation instruction. Accounting rules and reporting procedures are documented in the Hemnet financial handbook. Policies are available on the Company's intranet for staff. The most substantial steering documents and the Code of Conduct are available on the Company's website. The documents are updated annually or as needed.

Through the Audit Committee, the Board has established a body that, among other things, prepares the Board's work on quality assurance of the Company's financial reports. The Company's management also reports regularly to the Audit Committee on the internal control environment, including an annual report on the Company's operational and financial risks.

Risk assessment

Hemnet has implemented a risk assessment model. Significant risks are documented and assessed in a risk map, and then linked to specific control activities. Each year, the Board conducts a review of identified risks and determines measures for managing and reducing these risks.

Risk management is part of the ongoing work, not least in the area of financial reporting, where the Company strives to

continuously analyse the risks that can lead to errors in financial reporting. Risks related to financial reporting are regularly discussed with the Company's external auditors, who also present their risk assessment to the Audit Committee and the Board on an annual basis.

Control activities

Particular emphasis is placed on ensuring that the financial reporting gives a true and fair view at each reporting date, that there are control activities involving all levels of the organisation, from the Board and management team to other employees. The CFO is responsible for ensuring the day-to-day control of financial reporting. Financial controls in the Company's business processes include approval of business transactions, certification of supplier invoices, account reconciliations, power of attorney and authorisation structures, as well as monthly analytical performance monitoring. The Board and management of Hemnet receive information on a monthly basis about the Group's results, financial position and other information about the development of the business.

The Group does not have an internal audit function, but internal audit is managed through enhanced controlling and through ongoing work to evaluate and improve processes, automation of tasks and evaluation and implementation of enhanced IT support linked to financial reporting.

Hemnet has developed a reporting package for ongoing financial monitoring.

Information and communication

In order to ensure that external communication is correct, complete and timely, Hemnet has, among other things, a communication policy adopted by the Board, as well as an instruction on information security.

Hemnet has also adopted governing documents in the form of policies and guidelines which form the basis for Hemnet's communication in order to ensure that Hemnet's publication of information and its corporate communication is accurate and effective, that information is available to all parts of the business and that external stakeholders, including relevant authorities, receive access to relevant information. In addition to these documents, which are available on Hemnet's intranet, there are also internal information channels in the form of regular management forums, bi-weekly information meetings for all employees and meetings within each department.

Financial information is shared by management with the Audit Committee and the Board before each reporting date. The Audit Committee also receives regular information on activities to strengthen internal control over financial reporting.

Hemnet employees have access to an external whistleblowing system, which can be used anonymously if necessary.

Follow-up and monitoring

Hemnet's Board and management continually monitor the effectiveness of internal controls to ensure the quality of financial reporting processes. At each Board meeting, financial and operational developments of the business are reported and the Board receives a monthly report on the results and the

financial position of Hemnet – this information is then the basis for the Board's review of all interim reports for publication.

The Audit Committee has a specific responsibility to follow up on audit issues and major policy issues related to financial reporting, as well as to follow up on risk and internal control issues. Furthermore, the Company's external auditors evaluate internal control as part of the annual audit, after which recommendations are made that become part of the ongoing work to develop and strengthen internal control. Of particular importance for the Board's follow-up is then to monitor the effectiveness of management's work in this area, including ensuring that action is taken on the shortcomings and proposals put forward.



Board of Directors



	Anders Nilsson	Anders Edmark	Tracey Fellows
Position	Chair	Board member	Board member
Elected	2023	2017	2020
Year of Birth	1967	1959	1965
Nationality	Swedish	Swedish	Australian
Education	Studies in Law at Lund University.	High school studies in economics, real estate education through AFR.	Bachelor's degree in Economics from Monash University.
Other current assignments	Senior Advisor to Global Infrastructure Partners, GIP	Chair of Mäklarsamfundet Bransch i Sverige AB and Svensk Mäklarstatistik AB. Co-owner and founder of Mäklarhuset, Mäklarbyrå i Örnsköldsvik Handelsbolag. Board member and co-founder of SAH INVEST AB, Konsulthuset i Örnsköldsvik AB, Fastighetsbolaget Huset i Örnsköldsvik AB. Board member of Auktoriserade Fastighetsmäklares Riksförbund AFR:s Service AB. Deputy board member and co-founder of Sven Bagare AB.	Board member of REA Group Limited, Woolworths Group and Trade Me Group.
Previous assignments	CEO of Com Hem AB and then of Tele2 AB, in connection with the merger of the two companies, between the years 2014 and 2020. 25-years in senior leadership positions at Modern Times Group AB and Millicom International Cellular AB.		Former President of Global Digital Real Estate at News Corp and board member of REA Group Ltd. Former CEO of REA Group. Vice President of Microsoft Asia-Pacific and CEO of Microsoft in Australia.
Attendance, board meetings	10/10	10/10	10/10
Independent in relation to Hemnet and its management	Yes	No	Yes
Independent in relation to major shareholders	Yes	No	Yes
Total board fee, SEK	875,000	367,534	383,870
Shareholding (31 Dec, 2023)	-	17,374	60,142



Håkan Hellström	Maria Redin	Nick McKittrick	Pierre Siri
Board member	Board member	Board member	Board member
2021	2022	2020	2017
1958	1978	1968	1974
Swedish	Swedish	English	Swedish
Real estate education through AFR.	Master's degree in International Business from the University of Gothenburg	Electronic Engineering degree at Southampton University.	Environmental engineering education.
Vice chair of Mäklarsamfundet Bransch AB and Chair of real estate agency Svensk Fastighetsförmedling. Vice chair of Dina Försäkringar Öland. Co-owner and CEO of Svensk Fastighetsförmedling Sydost. Board member of Svensk Mäklarstatistik, Linnéakademien för Vetenskap och Näringsliv, Stiftelsen Barometern and Mspecc.	President and CEO of Modern Times Group AB.		Co-founder and Operating Partner of Sprints.
	CFO of Modern Times Group AB. Board member of NetEnt. CFO and later CEO at Bet24.	Technology consulting at Accenture. Co-founding executive and CEO of Rightmove. CEO and board member of Homegate AG.	Founder, CEO or investor in multiple consumer tech companies in Sweden and Europe including Blocket.se.
9/10	10/10	10/10	9/10
No	Yes	Yes	Yes
No	Yes	Yes	No
367,534	336,301	383,870	-
253,456	3,600	150,630	790,691

Management



	Cecilia Beck-Friis	Anders Örnulf	Jessica Sjöberg
Position and tenure	Chief Executive Officer since 2017	Chief Financial Officer since 2023	Chief Communication and Brand Officer since 2019
Year of birth	1973	1976	1977
Nationality	Swedish	Swedish	Swedish
Education	Executive Management Program, SSE Executive Education, Entertainment Marketing, and Strategic Marketing at NYU's School of Professional Studies, USA, as well as a diploma education from Berghs School of Communication.	Stockholm University.	Media and Communications Studies, and Political Science, Stockholm University.
Previous experience	Over twenty years experience in senior positions within media. Previously Vice President at TV4 as well as Chief Digital Officer at Bonnier Broadcasting. Former board member of Paradox Interactive, NetInsight and Acando.	Many years of extensive experience in finance, including various management and leadership positions at Preem, Svenska Spel, ICA and Unilever and most recently as Group CFO at SkiStar.	Long experience in senior positions within PR and communications, most recently as Vice President Corporate Communications at MTG/ Nordic Entertainment Group. Prior to that she has held positions as, among other things, Director of Information at Corn Hem and Director of Communications at TDC Sverige.
Shareholding (31 Dec, 2023)	721,572	1,900	98,090
Warrants	277,135	55,000	48,116



Peter Frey

Chief Technical Officer since 2022

1973

Swedish

Data- and Computer Science, Department of Computer and System Sciences (DSV) at Stockholms University.

Chief Technology Officer at Hemnet. Prior to that served as CTO in Genius Sports, CTO & CPO in Betsson Group and in the media industry (Expressen, Aftonbladet, Bonnier News).

800

14,500



Lisa Farrar

Chief Operating Officer since 2023

1980

Swedish

Bachelor of Business Administration, Westminster University

Many years of experience from senior positions with responsibility for product development, marketing, strategy, digital transformation and customer experience. Most recently in the role of CMO/CXO for IVC Evidensia. Before that she was CDO at Strawberry, Managing Director at Groupon and Managing Director at Orbitz.

1500

22,958



Anna Kempe

Chief People and Culture Officer since 2022

1977

Swedish

Bachelor of Social Science (PAO) from Stockholm University.

20 years of HR experience within tech, retail and FMCG. Previously Talent Management Consultant (self-employed) working for Schibsted and Blocket amongst other clients. Prior to that Business Area Manager within Wise Group and Senior HR Manager at Circle K.

-

12,000

Distribution of earnings

Total available funds for distribution:

Retained earnings	360,561,894
Net profit for the year	748,494,827
Total SEK	1,109,056,721

To be allocated as follows:

Dividend to shareholders, SEK 1.20 per share	118,021,260
Funds to be carried forward	991,035,461
Total SEK	1,109,056,721

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and generally accepted accounting standards in Sweden and give a true and fair view of the Group's and Parent Company's financial position and results of operations. The Administration Report for the Group and the Parent Company gives a true and fair view of the operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and Group companies face. The annual accounts and the consolidated financial statements were approved for release by the Board of Directors and the President on 20 March, 2024. The consolidated Income Statement and Balance Sheet, and the Income

Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on 25 April, 2024.

The proposed dividend amounts to SEK 118.0m. The Group's equity attributable to the shareholders of the Parent Company was SEK 1,259.6m as of 31 December, 2023, and unrestricted equity in the Parent Company was SEK 1,109.1m. With reference to the above, and to other information that has come to the knowledge of the board, it is the opinion of the board that the proposed dividend is defensible with reference to the demands that the nature, scope and risks of Hemnet's operations place on the size of the company's and the Group's equity, and the company's and the Group's consolidation needs, liquidity and position in general.

The Annual and Sustainability Report and the consolidated financial statements have been approved for publication by the Board of Directors on March 20, 2024. The Annual Report also contains the Group's and the Parent Company's sustainability reporting in accordance with the Annual Accounts Act, Chapter 5, 11§, see page 22.

Stockholm, 20 March, 2024

Anders Nilsson
Chair

Cecilia Beck-Friis
CEO

Anders Edmark
Board Member

Maria Redin
Board Member

Håkan Hellström
Board Member

Nick McKittrick
Board Member

Pierre Siri
Board Member

Tracey Fellows
Board Member

Our auditor's report has been submitted
on the day stated in our electronic signature
Ernst & Young AB

Anna Svanberg
Authorised Public Accountant

Financial Statements

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Consolidated income statement

Amount in SEK million	Note	2023	2022
Operating income			
Net sales	3	1,004.7	889.2
Other operating income	4, 10	2.7	2.6
Total income		1,007.4	891.8
Capitalised proprietary intangible assets	13	13.0	10.0
Operating expenses			
Other external expenses	6, 7	-323.7	-299.0
Personnel costs	8	-169.6	-153.2
Depreciation and amortisation	13, 14, 15	-77.3	-70.6
Other operating costs	5	-1.6	-1.5
Total costs		-572.2	-524.3
Operating profit		448.2	377.5
Financial income	9, 10	3.2	0.6
Financial costs	9, 10	-24.0	-7.4
Net financial items		-20.8	-6.8
Earnings before tax		427.4	370.7
Tax	11	-88.7	-76.9
Profit after tax		338.7	293.8
Other comprehensive income		-	-
Total comprehensive income for the period		338.7	293.8
<i>Of which attributable to: Parent Company shareholders</i>		338.7	293.8
Earnings per share			
Before dilution (SEK)	12	3.47	2.93
After dilution (SEK)	12	3.47	2.93

Consolidated statement of financial position

Amount in SEK million	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Goodwill	13	902.8	902.8
Customer relationships	13	703.9	759.3
Trademarks	13	241.2	241.2
Capitalised development costs	13	44.0	20.1
Right of use assets	15	45.2	0.6
Other non-current assets	14, 16	7.3	2.0
Total non-current assets		1,944.4	1,926.0
Current assets			
Accounts receivables	17	38.3	31.5
Other current receivables	18	61.7	24.9
Prepaid expenses and accrued income	19	9.0	11.8
Cash and cash equivalents	26	102.6	100.4
Total current assets		211.6	168.6
TOTAL ASSETS		2,156.0	2,094.6

EQUITY AND LIABILITIES			
Equity			
Share capital	20	77.4	77.4
Other capital contributions		1,255.1	1,250.5
Retained earnings (including net income for the period)		-72.9	104.8
Total equity (attributable to Parent Company shareholders)		1,259.6	1,432.7
Non-current liabilities			
Liabilities to credit institutions	22	497.1	328.5
Leasing liabilities	15	35.5	-
Deferred tax liabilities	16	203.7	210.2
Total non-current liabilities		736.3	538.7
Current liabilities			
Leasing liabilities	15	8.1	-
Accounts payable		14.4	13.5
Tax liabilities		3.6	11.3
Other current liabilities	23	23.1	17.2
Accrued expenses and deferred income	24	110.9	81.2
Total current liabilities		160.1	123.2
TOTAL EQUITY AND LIABILITIES		2,156.0	2,094.6

Consolidated statement of changes in equity

Amount in SEK million	Share capital (Note G20)	Other capital contributions (Note G20)	Retained earnings (including net income for the period) (Note G20)	Total equity (Note G20)
Opening balance as of January 1, 2022	77.4	1.246.8	192.7	1.516.9
Profit for the year	-	-	293.8	293.8
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	293.8	293.8
Transactions with the company's owners				
Dividend	-	-	-55.6	-55.6
Share repurchase	-	-	-326.1	-326.1
Repurchase of warrants	-	-0.8	-	-0.8
Warrant issue	-	4.6	-	4.6
Issue costs	-	-0.2	-	-0.2
Total transactions with the company's owners	-	3.6	-381.7	-378.1
Closing balance as of December 31, 2022	77.4	1.250.5	104.8	1.432.7
Opening balance as of January 1, 2023	77.4	1.250.5	104.8	1.432.7
Profit for the year	-	-	338.7	338.7
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	338.7	338.7
Transactions with the company's owners				
Dividend	-	-	-98.0	-98.0
Share repurchase	-	-	-418.4	-418.4
Warrant issue	-	5.0	-	5.0
Repurchase of warrants	-	-0.4	-	-0.4
Share redemption	-2.1	2.1	-	-
Bonus issue	2.1	-2.1	-	-
Total transactions with the company's owners	-	4.6	-516.4	-511.8
Closing balance as of December 31, 2023	77.4	1.255.1	-72.9	1.259.6

Equity is attributable in its entirety to equity holders of the Parent Company.

Consolidated statement of cash flows

Amount in SEK million	Note	2023	2022
Cash flow from operating activities			
Operating profit		448.2	377.5
Adjustment for items not affecting cash flow:			
Depreciation and amortisation of tangible and intangible assets		77.3	70.6
Disposal of fixed assets		-	-0.0
Interest received		3.2	0.6
Interest paid		-25.4	-6.7
Paid income tax		-103.2	-94.2
Cash flow from operating activities before changes in working capital		400.1	347.8
Cash flow from changes in working capital			
Change in operating receivables		-40.8	-9.0
Change in operating liabilities		36.6	17.2
Total changes in working capital		-4.2	8.2
Cash flow from operating activities		395.9	356.0
Cash flow from investing activities			
Investments in intangible non-current assets	13	-31.5	-13.7
Investments in tangible non-current assets	14	-7.3	-1.8
Disposal of tangible non-current assets	14	-	0.0
Cash flow from investing activities		-38.8	-15.5
Cash flow from financing activities			
Borrowings	25	185.0	115.0
Loan repayments	25	-15.0	-65.0
Repayment of lease liabilities	25	-13.0	-6.5
Warrant issue		5.0	4.6
Issue costs		-	-0.2
Repurchase of warrants		-0.4	-0.8
Share repurchase		-418.5	-326.1
Paid dividend		-98.0	-55.6
Cash flow from financing activities		-354.9	-334.6
Cash flow for the year		2.2	5.9
Cash and cash equivalents at beginning of the year		100.4	94.5
Cash and cash equivalents at end of the year		102.6	100.4

Note G1 Summary of significant accounting principles

Hemnet Group AB (publ) ("the Parent Company") and its subsidiaries (collectively "the Group") shall be the marketplace for residential property and related services that is the most appreciated and visited by estate agents, site visitors and advertisers.

G1

G2

The parent company is a limited liability company registered in Sweden and based in Stockholm. The address of the head office is Sveavägen 9, 111 57 Stockholm. On March 20, 2024, the Board of Directors approved this annual report and consolidated statements for publication. The consolidated income statement and consolidated statement of financial position and the parent company's income statement and balance sheet will be subject to adoption at the Annual General Meeting (AGM) on April 25, 2024.

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The Group uses the calendar year (1 January - 31 December) as its fiscal year.

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Unless otherwise stated, all amounts are reported in millions of SEK (SEK m). Rounding is done to the nearest million.

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This note contains a list of material accounting principles that were applied when the consolidated financial statements were prepared. Unless otherwise specified, these principles have been applied consistently for all years presented. The consolidated financial statements include the legal Parent Company Hemnet Group AB (publ) and its subsidiaries.

G15

G16

The Parent Company's accounting principles are detailed in note P1.

G17

Basis for the preparation of the reports

G18

G19

G20

G21

G22

The consolidated statement for the Group has been prepared in accordance with International Financial Reporting Standards (IFRS), RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The financial statement has been prepared in accordance with the historical cost approach. The annual report and consolidated financial statements have been prepared with the assumption of continued operations, in line with the principle of going concern.

G23

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Preparing reports in accordance with IFRS requires the use of several important estimates for accounting purposes. Furthermore, management is required to make certain judgement calls when applying the Group's accounting principles. Those areas that require a high degree of judgement, which are complex or such areas where assumptions and estimates are of material importance to the financial statement, are specified in Note G2.

For the Parent company's accounting principles, see Note P1.

New standards, changes and interpretations applied by the Group

P1

P2

P3

P4

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P6

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From 2023, the Group has applied the updated IAS 1, which means that the summarised accounting principles in the annual report have been updated to clarify the disclosures on the most significant accounting principles.

The Group also applies the amendment in IAS 12 on deferred taxes on right-of-use assets and lease liabilities from 2023, which only affects the disclosure requirements in the notes.

No other IFRS or IFRIC interpretations that have not yet taken effect are expected to have a material impact on the Group.

Consolidated financial statements

P7

P8

P9

The consolidated income statement and balance sheet include all companies in which the parent company directly or indirectly holds more than half of the voting rights of the shares and companies in which the Group otherwise has a controlling influence. Subsidiaries are included in the consolidated financial statements from the date the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, for Hemnet, the Group CEO. The Group has identified one operating segment, which is the Group as a whole. The assessment is based on the fact that the Group is followed up as a whole. It is not applicable with some form of geographical breakdown or division of business/product category, etc. Financial reporting is based on a Group-wide

organisational and management structure.

Conversions of foreign currency

Functional currency and reporting currency

In the consolidated financial statement, Swedish krona (SEK) is used, which is the parent company's functional currency and the Group's reporting currency. All companies in the Group have Swedish krona (SEK) as the functional currency.

Transactions and balance sheet items

Transactions in foreign currency are converted into the functional currency according to the exchange rates of the Swedish Central Bank that apply on the transaction day or the day when the items are revalued. Exchange rate gains and losses that arise from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the balance sheet date are reported in the statement of comprehensive income as other operating income or expenses. Exchange rate gains and losses related to loans and cash and cash equivalents are reported under comprehensive income as financial income or expenses.

Revenue recognition

The Group's net sales are generated from sales of services, mainly listing services and other services. Revenue is reported over time if the customer receives or consumes the benefits at the same time as the service is performed. Where the term of the agreement is not stated, the average term of the service used is based on historical information. Revenue is measured at the agreed transaction price, less any discounts and value added tax.

Sale of services – Listing services

This category refers to revenues from property listings and related additional services, such as Hemnet Plus and Premium. The revenues come from both private individuals (home sellers) and corporate customers (real estate developers and real estate agents). Revenues are recognized over the average duration of a property advertisement over the past twelve months.

For a majority of the receivables related to Hemnet's revenues from home sellers, a payment provider bears the financial risk (factoring). Hemnet's receivable from the payment provider is reported as other receivables on the balance sheet. Other receivables related to revenues from home sellers, as well as Hemnet's receivables related to revenues from corporate customers, are reported as accounts receivable on Hemnet's balance sheet.

Sale of services – Other services

Other services refer to revenues from various forms of advertising on Hemnet's platforms as well as additional services for real estate developers and real estate agents, such as Hemnet Business. Revenues from advertising are recognized over the period the ad campaign is exposed on Hemnet's platforms, either as agreed upon page views are delivered or over the contract period, depending on what is applicable. Revenues from additional services are recognised as the service is delivered to the customer. All receivables related to revenues from Other services are reported as accounts receivable on Hemnet's balance sheet.

See note G3 Revenues from contracts with customers.

Financial expenses

Financial expenses consist of interest expenses on borrowings, interest component on lease payments, and other financial expenses. Borrowing costs are recognised in the income statement using the effective interest method. Other financial expenses include bank charges. Foreign exchange gains and losses are netted.

Taxes

The tax expenses for the period include current and deferred tax. Deferred tax is recognised, according to the balance sheet method, on all temporary differences that arise between the tax value of assets and liabilities and their reported values in the Group financial statements. However, deferred tax liability is not recognised if it arises as a result of the initial recognition of goodwill.

Deferred income tax is calculated using the tax rates (and laws) that have been decided or announced on the balance sheet date and that are expected to be in force when the deferred tax asset concerned is realised or the deferred tax liability is settled.

Intangible assets

Goodwill

Goodwill is not amortised on an ongoing basis but is tested for impairment

annually and also as soon as indications arise that the asset in question has decreased in value.

In order to test for impairment, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that represent the lowest level in the group at which the goodwill is monitored for internal management purposes. Goodwill is currently monitored at the group level as the group has been determined to constitute a cash-generating unit.

See also Note G2 Important estimates and assessments, as well as Note G13 Intangible assets.

Other intangible assets

Customer relationships

Customer relationships that were acquired as part of a business combination are recognised at fair value at the acquisition date and amortised on a straight-line basis over the forecasted useful lives corresponding to the estimated time they will generate cash flow.

See also Note G2 Important estimates and assessments, as well as Note G13 Intangible assets.

Trademarks

Trademarks acquired as part of a business combination are reported at fair value on the acquisition date (see Note G13 Intangible assets for details). As long as trademarks are used, maintained, and invested in, they have been assessed to have an indefinite useful life and are recognised at cost and tested annually, and when there is an indication of impairment, for potential impairment.

See also Note G2 Important estimates and assessments, as well as Note G13 Intangible assets.

Capitalised development costs

Hemnet's expenses for development activities that meet the criteria in IAS 38 are recognised as internally generated intangible assets as the development work progresses.

In the balance sheet, capitalised development costs are presented at cost less accumulated amortisation and any impairments.

See also Note G2 Important estimates and assessments, as well as Note G13 Intangible assets.

Financial instruments

Financial instruments recognised in the statement of financial position include on the asset side cash and cash equivalents, accounts receivable and other receivables. On the liabilities side, there are liabilities to credit institutions, other liabilities and accounts payable. These assets and liabilities are recognised at amortised cost.

Accounting and removal

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party under the contractual terms of the instrument. Trade receivables are recognised in the balance sheet when an invoice has been issued and the company's right to compensation is unconditional. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised when an invoice is received.

A financial asset and financial liability are offset and reported as a net amount in the balance sheet only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the liability. A financial asset is removed from the balance sheet when the rights under the contract are realised, expire, or when the company loses control over them. The same applies to a part of a financial asset. A financial liability is removed from the balance sheet when the obligation under the contract is fulfilled or otherwise extinguished. The same applies to a part of a financial liability.

Classification and valuation

The group's classification of financial assets, which are debt instruments, is based on the group's business model for managing the asset and the nature of the asset's contractual cash flows. The group classifies its financial assets into the following categories:

a) Financial assets measured at amortised cost

The Group's assets measured at amortised cost consist of trade receivables, cash and cash equivalents, and other current receivables. Financial assets measured at amortised cost are initially measured at fair value plus transaction costs. Trade receivables and receivables sold to a payment provider (factoring) are initially recognized at fair value, which normally corresponds to the invoiced amount. After initial recognition, these assets are measured at amortised cost using the effective interest method. Assets measured at amortised cost are held, according to the business model, to collect contractual cash flows that are only payments of capital amount and interest on the outstanding capital amount. These assets are subject to a loss provision for expected credit losses.

b) Financial liabilities measured at amortised cost

The Group's financial liabilities measured at amortised cost consist of liabilities to credit institutions, accounts payable, accrued expenses, and the portion of other current liabilities relating to financial liabilities. Financial liabilities measured at amortised cost are initially measured at fair value, including transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Fees paid for loan facilities are recognized as prepaid expenses and expensed over the term of the facility.

Impairment of financial instruments

The group's financial assets are subject to impairment for expected credit losses. The assessment of expected credit losses is based on various methods.

The simplified model is applied for accounts receivable. Under the simplified model, a loss provision for expected credit losses is recognised based on the expected remaining lifetime of the receivable or asset. The method for accounts receivable is based on historical customer losses combined with forward-looking factors.

For other items, including cash and cash equivalents, which are subject to expected credit losses, the Group applies the general method with a three-stage impairment model. In cases where the amounts are not deemed immaterial, a loss provision for expected credit losses is also recognised for these financial instruments.

The Group's assets have been assessed to be in the first stage, meaning that there has been no significant increase in credit risk.

The financial assets are recognised in the balance sheet at amortised cost, i.e. net of gross value and allowance for expected credit losses. Changes in the allowance for expected credit losses are recognised in the income statement as other external costs.

Lease liabilities and right-of-use assets

Hemnet's leasing agreements pertain to the Group's office premises. Lease liabilities are discounted at Hemnet's incremental borrowing rate. Variable lease payments are recognised in the statement of comprehensive income as other external costs.

The company applies the exemptions for short-term leases (leases with a lease term of less than 12 months) and low-value leases, where applicable. Such leases are not recognised in the balance sheet.

The value of the right-of-use asset and its useful life are assessed for impairment indicators. The carrying amount of the right-of-use asset is immediately written down to its recoverable amount if its carrying amount exceeds its estimated recoverable amount.

Employee remuneration

Pension obligations

The Group solely has defined contribution pension plans. The Group's obligations related to contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income as personnel expenses as they accrue based on the services rendered by the employees to the Group during a period.

Share-based payments

Incentive programs exist where participants have the opportunity to acquire warrants at fair value, see also note G8. As fair value is paid, no cost is recognised for these warrants. Proceeds received are directly recorded in equity as Other capital contributions.

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Note G2 Important estimates and assessments for accounting purposes

The estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that can be considered reasonable under the prevailing conditions.

Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The estimates for There are no significant estimates, made by management when applying the Group's accounting principles, that have a significant effect on the reported amounts in the financial statements.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual result. The estimates and assumptions that pose a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are dealt with in the main feature as follows.

(a) Impairment testing of intangible assets

Customer relationships acquired as part of business acquisitions are recognised at fair value at the time of acquisition and are amortised on a straight-line basis over the forecasted useful life corresponding to the estimated time, they will generate cash flow. Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and trademarks have been assessed to have an indefinite useful life and are tested for impairment annually or as soon as indications arise that imply that the asset in question has decreased in value. See notes G1 and G13 for accounting principles and estimated useful lives and note G13 for reported values.

(b) Useful life of intangible assets

Trademarks are attributable to the value in Hemnet as a brand and held with ownership. The company does not see any limitation in the useful life of trademarks and their useful life is thus considered indefinable. The majority of customer relationships have an estimated useful life of 20 years, and the remaining depreciation period is 13 years. See notes G1 and G13 for accounting principles and estimated useful lives and note G13 for reported values.

(c) Capitalised development costs

The Group carries out software development work related to the technical platform and website hemnet.se. Accounting for self-accumulated intangible assets means that the company must make a number of assessments about the future. The decision to activate an asset is based on an estimate of whether it is technically feasible to complete the asset, the company intends to complete the asset, it is likely that the asset will generate future economic benefits and that there are resources to complete the development. See also notes G1 and G13.

Note G3 Revenue from contracts with customers

Revenue breakdown by customer category	2023	2022
Property sellers	781.8	639.6
Real estate agents	110.4	113.2
Real estate developers	36.7	48.3
Advertisers	75.8	88.1
Total	1 004.7	889.2

Revenue breakdown by service category	2023	2022
Listing services	808.7	668.4
Other services	196.0	220.8
Total	1 004.7	889.2

The entire Group is followed up as a segment and the revenues are in principle exclusively attributable to Swedish customers.

Hemnet's revenues come from services that target the following main customer groups: Property sellers, Real estate agents, Real estate developers and Advertisers.

The single largest revenue stream comes from the property sellers' property listings. In order for property sellers to be able to influence their property sales, value-added services such as Hemnet Plus and Hemnet Premium are offered, which give a more prominent exposure of the property listing compared with the basic version.

Revenue recognition and performance obligations for the various product areas are shown below:

Listing services: Hemnet is considered to have satisfied its performance obligation with regard to property listings when the listing is removed for advertising, which is done by way of terminating the assignment by the real estate agent who arranged it. Hemnet is considered to have satisfied its performance obligation for value-added services related to property listings, such as Hemnet Plus and Hemnet Premium, when the listing is removed for advertising or when the period for which the value-added service extends is over. Real estate agents are an important partner, as they administer the property sellers' listings on Hemnet and provide information about Hemnet's services. For arranging the property listing, the real estate agent receives administration compensation. For their mediation of value-added services linked to the property listing, the real estate agent has the option of entering into a mediation agreement and receiving commission compensation. See also note G6.

Other services: Other services consist, among other things, of income from real estate agents for value-added services and brand marketing, as well as from real estate developers who market their projects and brands. Advertising and similar services are considered to be delivered when the advertisement is published according to agreed conditions and the agreed publication time has expired.

Other services are generally invoiced monthly in arrears, in line with delivery. Invoicing for listing services takes place in connection with publication, however, since 2023 a property seller can choose to delay their payment until the listing has been removed. This is offered in collaboration with Hemnet's current payment provider, Klarna, through a factoring service where Klarna bears the financial risk, and Hemnet recognises a receivable from Klarna. Accrued income is reported in the balance sheet for published listings that have not been invoiced as of the balance sheet date. The portion relating to the remaining publication period regarding invoiced revenues is reported as prepaid income in the balance sheet.

The remaining performance obligations as of December 31, 2023 amounted to SEK 26.0 million (12.4), including prepaid income reported as contractual liabilities. Performance obligations are essentially expected to be executed and revenue is reported within one month from the balance sheet date. Furthermore, no revenue related to performance obligations that were fulfilled in previous years has been recognized as revenue in 2023.

Note G4 Other operating income

	2023	2022
Reminder fees and interest for late payments	1.6	1.6
Commission income	0.6	0.5
Exchange rate differences receivables of an operative nature	0.1	0.1
Other	0.4	0.4
Total	2.7	2.6

Note G5 Other operating costs

	2023	2022
Foreign exchange losses	-0.2	-0.2
Reminder and debt collection costs	-1.4	-1.3
Other	-0.0	-0.0
Total	-1.6	-1.5

Note G6 Other external expenses

	2023	2022
Administration and commission compensation	-225.3	-184.3
Other	-98.4	-114.7
Total	-323.7	-299.0

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 G7 Auditor remuneration

	2023	2022
Ernst & Young		
- Audit engagement	2.4	2.8
- Audit activity in addition to the audit engagement	0.3	0.3
- Tax services	-	-
- Other services	-	-
Total compensation for the auditors	2.7	3.1

Audit means review of the annual report and accounts and the administration of the Board of Directors and the CEO, other duties that it is incumbent upon the company's auditor to perform and advice or other assistance that is the result of observations in such an audit or the performance of other such duties. Everything else is other assignments.

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Not G8 Employee remuneration, etc.

	2023	2022
Salaries and other compensations	110.5	98.5
Social security expenses	37.5	34.0
Pension expenses	15.0	12.5
Total Group	163.0	145.0

Average number of employees

	2023		2022	
	Average number of employees	Of which women	Average number of employees	Of which women
Sweden	148	64	124	53
Group total	148	64	124	53

Gender breakdown for the Group (including subsidiaries) for Board members and other senior executives

	2023-12-31		2022-12-31	
	Total	Of which women	Total	Of which women
Board members	7	2	7	2
CEO and senior executives	6	4	8	5
Group total	13	6	15	7

Remuneration to the Board of Directors, CEO and senior executives

	2023					
	Salaries, fees, benefits	Variable remuneration	Pension costs	Social costs incl. payroll tax	Other benefits	Total
Anders Nilsson, Chair*	0.9	-	-	0.3	-	1.2
Christopher Caulkin, interim Chair**	-	-	-	-	-	-
Anders Edmark	0.4	-	-	0.1	-	0.6
Tracey Fellows	0.4	-	-	0.1	-	0.6
Håkan Hellström	0.4	-	-	0.1	-	0.6
Nick McKittrick	0.4	-	-	0.1	-	0.6
Maria Redin***	0.5	-	-	0.2	-	0.7
Pierre Siri	-	-	-	-	-	-
Cecilia Beck-Friis, chief executive officer	4.2	-	0.9	1.5	0.1	6.6
Other senior executives ****	12.1	-	2.2	4.3	0.2	18.8
Total	19.5	-	3.1	6.8	0.3	29.6

* from 27 April 2023 ** until 27 April 2023 *** Pierre Siri has waived his fee **** Includes Jens Melin as interim CFO up until 1 May 2023 and Anders Örnulf as CFO from 2 May 2023. In 2023, Hemnet paid out SEK 2.7 million in advances for sign-on bonuses for new senior executives who have not yet joined Hemnet. Sign-on bonuses were given with the requirement to invest in the applicable LTIP program and is subject to repayment if the employment is terminated within the first twelve months.

	2022					
	Salaries, fees, benefits	Variable remuneration	Pension costs	Social costs incl. payroll tax	Other benefits	Total
Christopher Caulkin, interim Chair*	-	-	-	-	-	-
Håkan Erixon, Chair**	0.5	-	-	0.2	-	0.7
Anders Edmark	0.4	-	-	0.1	-	0.5
Tracey Fellows	0.4	-	-	0.1	-	0.5
Håkan Hellström	0.4	-	-	0.1	-	0.5
Kerstin Lindberg Göransson ***	0.1	-	-	0.0	-	0.1
Nick McKittrick	0.4	-	-	0.1	-	0.5
Maria Redin****	0.3	-	-	0.1	-	0.4
Pierre Siri *****	-	-	-	-	-	-
Cecilia Beck-Friis, chief executive officer	3.5	1.3	0.7	1.7	0.1	7.3
Other senior executives *****	7.8	2.5	2.0	3.7	0.2	16.2
Total	13.8	3.8	2.7	6.0	0.3	26.6

* from 1 September 2022, before this board member ** until 31 August 2022 *** until 29 April 2022 **** from 29 April 2022 ***** Pierre Siri has waived his fee ***** Includes Carl Johan Åkesson as CFO up until 8 August 2022 and Jens Melin as interim CFO from 9 August 2022. In 2022, Hemnet paid out SEK 1.1 million in advances for sign-on bonuses for new senior executives who have not yet joined Hemnet. Sign-on bonuses were given with the requirement to invest in the applicable LTIP program and is subject to repayment if the employment is terminated within the first twelve months.

Incentive program

Long-Term Incentive Plan ("LTIP")

Hemnet has three long-term incentive programs as of December 31, 2023, where senior executives and a number of selected employees with key competencies offered to purchase warrants that give the right to acquire shares in the parent company.

The first warrant program was resolved by the Annual General Meeting 2021, followed by corresponding programs resolved at the 2022 and 2023 Annual General Meetings. The board intends to present a proposal for the establishment of a renewed incentive program at the 2024 Annual General Meeting.

The options are valued according to the Black & Scholes model, which means that the value on the options, among other things, is dependent on the value of the underlying share. All warrants have been valued at and acquired for market value. The full terms and conditions of the warrants also include customary conditions regarding vesting and recalculation, including for dividends paid prior to the exercise of the warrants.

LTIP I - 2021/2024

A total of 469,253 warrants were issued under the LTIP I program 2021/2024. In 2021, 234,390 options were subscribed for by related parties in the management team. The market price of the warrants, calculated according to Black & Scholes' option valuation model, was SEK 11.89.

The exercise price for the warrants amounts to 135 percent of the established price in the company's IPO, corresponding to SEK 155.25, with a cap of SEK 250 percent, which means that the options do not generate any additional return at a share price above SEK 287.50.

In 2023, a total of 11,438 warrants were repurchased, for an average price of SEK 11.89 per warrant, from persons who left the company during the year.

LTIP II - 2022/2025

A total of 533,000 warrants were issued under the LTIP II program 2022/2025. In 2022, 174,000 options were subscribed for by related parties in the management team. During 2022, new senior executives, who have not yet joined Hemnet, has subscribed for a total of 35,000 warrants under the LTIP II program. The average market price of the warrants, calculated according to the Black & Scholes option valuation model, was SEK 17.26.

The exercise price of the warrants corresponds to 130 percent of the volume-weighted share price of the parent company's share on Nasdaq Stockholm during the measurement period in May 2022, corresponding to SEK 155.00, with a ceiling of 250 percent, which means that the options do not generate any additional returns at a share price above SEK 298.10.

In 2023, a total of 15,344 warrants were repurchased, for an average price of SEK 16.32 per warrant, from persons who left the company during the year.

LTIP III - 2023/2027

A total of 527,000 warrants were issued under the LTIP III program 2023/2027. In 2023, 151,958 warrants were subscribed for by related parties in the management team. The average market price of the warrants, calculated according to Black & Scholes' option valuation model, was SEK 23.21.

The exercise price for the warrants amounts to 130-138 percent of the volume-weighted share price of the parent company's share on Nasdaq Stockholm during the measurement period in April-May 2023, corresponding to SEK 207.20-220.00, with a cap of SEK 250 percent, which means that the options do not generate any additional return at a share price above SEK 398.50.

Warrants issued	Number outstanding	Exercise price	Value per allocated warrant
Per 31 December 2021	469 253	155.25	11.89
allocated LTIP II	533 000	155.00	17.26
Per 31 December 2022	1 002 253	155.12	14.75
Allocated LTIP III	527 000	213.60	23.21
Per 31 December 2023	1 529 253	175.27	17.66

Share savings program for employees

In 2022, the Board of Directors of Hemnet decided to introduce a long-term incentive program for employees in the form of a performance-based share program. In the program, participants have invested in shares in Hemnet Group. For two savings shares, the participant receives 1 matching stock. The terms of the program are that the participant has retained all savings shares in the period from the end of the investment period and 36 months

onwards and that the participant is still employed by the company during the savings period. In the share savings program, which started in November 2022, includes shares of 11,000, to a value of SEK 2.7 million and is reported in accordance with IFRS 2 and the effect on personnel costs during the year is SEK 0.1 million.

Guidelines for remuneration to senior executives adopted at the Annual General Meeting 2023

These guidelines encompass the CEO and other senior executives in Hemnet Group AB (publ) and its subsidiaries (below "Hemnet" or the "Company"), i.e. managers reporting directly to the CEO. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the proposed adoption of these guidelines by the Annual General Meeting 2023. These guidelines do not apply to any remuneration decided or approved by the general meeting.

These guidelines also encompass members of the Board of Directors in Hemnet, to the extent to which they perform services outside of their directorship.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In short, the Company's business strategy is the following. Hemnet gathers everyone who is looking for, selling and brokering a home in one place. This is Hemnet's core business. By collecting all housing ads in one digital marketplace, Hemnet makes property transactions easier and more efficient for all parties involved. Hemnet's goal is to continue to be the leading property portal in Sweden and to broaden and develop its offering based on its current position.

For more information regarding the Company's business strategy, please see www.hemnetgroup.com.

These guidelines have been drawn up to successfully implement the Company's business strategy and to safeguard its long-term interests, including its sustainability, and to create clarity and transparency with regard to the remuneration that senior executives of Hemnet shall receive, and under which circumstances that remuneration can be paid to members of the Board of Directors outside of the ordinary directorship.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability.

Remuneration Principles

Hemnet shall strive to offer a compensation that attracts, motivates and retains senior executives in benchmark with its peers, which primarily are platform companies and digital services companies.

Remuneration to senior executives shall consist of:

- Fixed market cash salary
- Variable cash remuneration based on fulfillment of clear goals for the Company
- Possibility to participate in long-term share-based incentive programs
- Pension and other customary benefits

In addition to the remuneration principles, remuneration may also in certain exceptional cases be paid in connection with new hires in order to attract certain key individuals to Hemnet for the purpose of supporting Hemnet's business strategy. Such remuneration shall be limited to the first year of employment and may not amount to more than 100 percent of the fixed annual cash salary.

Fixed market cash salary

The fixed cash salary for senior executives shall be on market terms and be based on each individual's competence, responsibilities, experience and performance. The fixed cash salary shall be reviewed annually to ensure that it corresponds with market practice and remains competitive.

Variable cash remuneration

As regards variable cash remuneration, such compensation shall be tied to financial or non-financial concrete, measurable goals for the Company and/or the department that the manager is responsible for. Decisions regarding variable payment models and the outcome of such models shall be made by the Board of Directors. The variable cash remuneration may amount to not more than 50 percent of the fixed annual cash salary. Variable cash remuneration shall not constitute pensionable income.

Pension and other customary benefits

The retirement age is under normal circumstances 65 years. Pension plans for senior executives shall follow or match ITP in terms of compensation level.

The pension premiums for premium defined pensions shall amount to not more than 30 percent of the fixed annual cash salary. Other customary benefits (such as company health care) shall be on market terms. Such benefits may amount to not more than 20 percent of the fixed annual cash salary. Remuneration under employments subject to other rules than Swedish may be

duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Remuneration Committee

The Board of Directors of Hemnet Group AB (publ) shall appoint a Remuneration Committee to monitor and assess compliance with these guidelines. The Remuneration Committee shall also prepare and make recommendations for resolutions to be adopted by the Board of Directors pertaining to matters regarding remuneration principles, remuneration and other terms of employment for the CEO.

The CEO and other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Remuneration Committee shall also prepare, propose, monitor and assess long-term share-based incentive programs for variable compensation and long-term incentive programs for the Company's management.

As regards matters concerning fixed remuneration to other senior executives, such matters shall as a starting point be made by the CEO in accordance with these guidelines. However, decisions regarding such remuneration to senior executives that have been made by the CEO shall be presented to the Remuneration Committee and the Board of Directors before it shall be deemed final and be communicated.

The duties of the Remuneration Committee are described in more detail in the Rules of Procedure for the Remuneration Committee, adopted by the Board of Directors.

Yearly review of these guidelines

The guidelines for remuneration to senior executives shall be reviewed yearly and be presented to the Annual General Meeting at least every fourth year.

Termination Notice and Severance Pay

The notice period for senior executives, and the period of time during which dismissal pay will continue, shall generally be six (6) months. However, in situations where Hemnet terminates the employment, severance pay may amount to a maximum of twelve (12) monthly salaries. Severance pay to the CEO may however amount to a maximum of 18 monthly salaries. Fixed cash salary during the period of notice and severance pay may together not exceed an

amount equivalent to the CEO's fixed cash salary for 18 months and for twelve (12) months for other senior executives.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than twelve (12) months following the termination of employment.

Compensation to Board Members

Members of the Board of Directors may, in certain cases where particularly motivated in light of the Board Member's competence and suitability, perform services outside of the ordinary directorship. Market based compensation shall be paid for such services, which is to be decided by the Board of Directors. Remuneration of this kind shall be presented in the financial reports in accordance with applicable accounting legislation.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these guidelines, salary and employment conditions for employees of Hemnet Group AB (publ) and its subsidiaries have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Deviations

Avvikelser helt eller delvis från dessa riktlinjer kan i undantagsfall ske för det. Deviations from these guidelines in whole or in part may be made in exceptional cases if the Board of Directors find that there are special circumstances at hand and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. Information about such deviation and the reasons therefore shall be presented at the following Annual General Meeting. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Issued warrants	2022-12-31	2023-12-31	Exercise price, SEK	Warrant price, SEK	Risk-free interest rate	Volatility	Maturity
LTIP I							
2021/2024	469,253	469,253	155.25	11.89	-0.18%	32%	2024
LTIP II							
2022/2025	533,000	533,000	155.00	17.26*	1.55%*	32%*	2025
LTIP III							
2023/2027	-	527,000	213.60*	23.21*	2.66%*	32%*	2026-2027
Total	1,002,253	1,529,253					

* Average value

Holdings	Number of outstanding issued warrants				
	2022-01-01	change	2022-12-31	change	2023-12-31
Cecilia Beck-Friis, CEO	97,135	100,000	197,135	80,000	277,135
Other senior executives	137,255	27,544	164,799	-12,225	152,574
Other employees and prior employees	187,068	74,177	261,245	119,701	380,946
Treasury holdings	47,795	331,279	379,074	339,524	718,598
Total	469,253	533,000	1,002,253	527,000	1,529,253

Note G9 Financial income and costs

	2023	2022
<i>Interest bearing securities valued at fair value</i>		
Interest bearing securities	3.2	0.5
Total revenue at fair value	3.2	0.5
<i>Other</i>		
Foreign exchange gains, net	-	0.1
Total other	-	0.1
Financial income, total	3.2	0.6
<i>Liabilities valued at amortised cost</i>		
Interest expenses to credit institutions	-22.4	-7.3
Other interest expenses	-	-0.0
Total interest costs according to the effective interest method	-22.4	-7.3
<i>Other</i>		
Foreign exchange losses, net	-	-
Interest expenses, leasing liabilities	-1.6	-0.1
Total other	-1.6	-0.1
Financial costs, total	-24.0	-7.4
Financial items, net	-20.8	-6.8

Note G10 Exchange rate differences, net

Exchange rate differences have been reported in the statement of comprehensive income as follows:

	2023	2022
Other operating income (Note G4)	0.1	0.1
Other operating costs (Note G5)	-0.2	-0.2
Financial items, net (Note G9)	-	0.1
Total	-0.1	-0.0

Note G11 Income tax

	2023	2022
Current tax:		
Current tax on profit for the year	-95.5	-86.8
Total current tax	-95.5	-86.8
Deferred tax (Note G16):		
Deferred tax on temporary differences and tax loss	6.8	9.9
Total deferred tax	6.8	9.9
Total income tax	-88.7	-76.9

The income tax on the Group's profit before tax differs from the theoretical amount that would have been obtained when using the Swedish tax rate for the results of the consolidated companies as follows:

	2023	2022
Earnings before tax	427.4	370.7
Income tax calculated according to tax rate in Sweden (20.6%)	-88.0	-76.4
<i>Tax effect of:</i>		
Non-deductible costs	-0.7	-0.5
Income tax expense	-88.7	-76.9

This year's effective tax rate is -20.7% (-20.8%).

Note G12 Earnings per share

	2023	2022
Earnings per share before dilution		
Profit for the year attributable to shareholders of the Parent Company, SEK m	338.7	293.8
Weighted average number of ordinary shares outstanding during the year	97,638,241	100,345,982
Earnings per share before dilution, SEK	3.47	2.93
Diluted earnings per share		
Profit for the year attributable to shareholders of the Parent Company, SEK m	338.7	293.8
Weighted average number of ordinary shares outstanding during the year	97,638,241	100,345,982
Effect of incentive programmes issued ¹	102,599	0
Number of shares for the calculation of diluted earnings per share	97,740,840	100,345,982
Earnings per share after dilution, SEK	3.47	2.93

¹ The calculation of dilution of shares is made based on the number of days that the warrant programs that have been active during each period concerned.

Possible dilution through financial instruments

Hemnet Group AB (publ) has outstanding long-term incentive plans. The warrants under the long-term incentive plans are considered dilutive only when they result in lower earnings per share after than before dilution. As of 31 December, 2023, the company has four outstanding incentive programs. For more information on redemption rates and description of incentive schemes, see note G8 Employee remuneration, etc.

Note G13 Intangible assets

2023	Goodwill	Customer relationships	Platform	Trademarks	Capitalised development costs	Total
Opening acquisition value	902.8	1,090.4	40.5	241.8	41.4	2,316.9
Acquisitions for the year	-	-	-	-	31.5	31.5
Closing acquisition value	902.8	1,090.4	40.5	241.8	72.9	2,348.4
Opening accumulated amortisation	-	-331.1	-40.5	-0.6	-21.3	-393.5
Amortisation for the year	-	-55.4	-	-	-7.6	-63.0
Closing accumulated amortisation	-	-386.5	-40.5	-0.6	-28.9	-456.5
As of December 31, 2022						
Acquisition value	902.8	1,090.4	40.5	241.8	72.9	2,348.4
Accumulated amortisation	-	-386.5	-40.5	-0.6	-28.9	-456.5
Closing carrying amount	902.8	703.9	-	241.2	44.0	1,891.9

2022	Goodwill	Customer relationships	Platform	Trademarks	Capitalised development costs	Total
Opening acquisition value	902.8	1,090.4	40.5	241.7	27.6	2,303.1
Acquisitions for the year	-	-	-	-	13.7	13.7
Closing acquisition value	902.8	1,090.4	40.5	241.7	41.4	2,316.8
Opening accumulated amortisation	-	-275.8	-40.3	-0.6	-15.0	-331.5
Amortisation for the year	-	-55.4	-0.2	-	-6.3	-61.9
Closing accumulated amortisation	-	-331.1	-40.5	-0.6	-21.3	-393.5
As of December 31, 2022						
Acquisition value	902.8	1,090.4	40.5	241.7	41.4	2,316.8
Accumulated amortisation	-	-331.1	-40.5	-0.6	-21.3	-393.5
Closing carrying amount	902.8	759.3	-	241.2	20.1	1,923.4

For the fiscal year 2023, the Group estimated that SEK 31.5 million meets the criteria for capitalization of development costs, see Note G1 for accounting principles.

Goodwill is attributable to the acquisition of Hemnet Sverige AB Group in 2017. The useful life is deemed to be indefinite with impairment testing done annually and when impairment is indicated.

Customer relationships, platform and trademarks, like goodwill, are mainly attributable to the acquisition of Hemnet Sverige AB Group in 2017.

Customer relationships are attributable to acquired customer relationships to real estate agents and advertising. The useful life of customer relationships attributable to real estate agents has been estimated to be 20 years and customer relationships attributable to advertising has been estimated to be 10 years. The remaining amortisation period amounts to 13 and 3 years respectively.

Platform refers to intangible assets attributable to websites and apps. The useful life was 5 years and the assets is fully amortised.

Trademarks is attributable to the value in Hemnet as a brand which is held with ownership rights. The Company does not see any limitation in the useful life of the Hemnet trademark and the useful life is therefore considered indeterminable.

Impairment testing of goodwill and trademarks

Management assesses the company's performance based on the Group's overall results. This means management has determined that there is only one cash-generating unit. Goodwill and trademarks are thus monitored by management at the Group level.

The recoverable amount for goodwill and trademarks with an indefinite useful life has been determined based on calculations of value in use. These

calculations are based on estimated future cash flows before tax based on financial budgets and forecasts approved by company management and covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate as stated below. The growth rate is considered reasonable given the company's historical growth and market conditions.

Material assumptions that have been used when calculating value in use:

Discount rate before tax ¹⁾ , %	16.1
Long-term growth rate ²⁾ , %	2.0

¹⁾ Pre-tax discount rate used in the present value calculation of estimated future cash flows.

²⁾ Growth rate used to extrapolate cash flows beyond the budget period.

The discount rate used is stated before tax and reflects the specific risks that exist for the Group.

The most significant assumptions during the five-year forecast period are sales growth and profitability development, where the operating margin is assumed to increase as a result of sales growth.

No impairment needs for goodwill and/or trademarks have been identified for the fiscal year.

Sensitivity analysis

The recoverable amount exceeds the carrying amount of operating capital by a good margin. This also applies to each individual assumption that:

- the discount rate before tax had been 1 percentage point higher,
 - the estimated growth rate to extrapolate cash flows beyond the five-year period was 0 percent,
 - a decrease in the assumption of sales growth of 2 percentage points in the forecast period and an assumption of unchanged operating margins.
- Nothing of the above would result in any impairment.

Note G14 Tangible non-current assets

Equipment	31/12/2023	31/12/2022
Opening acquisition value	12.0	11.0
Acquisitions for the year	7.3	1.8
Disposals for the year	-	-0.7
Closing acquisition value	19.3	12.0
Opening accumulated depreciation	-10.1	-9.7
Depreciation for the year	-2.3	-1.1
Disposals for the year	-	0.7
Closing accumulated depreciation	-12.4	-10.1
Closing carrying amount	7.0	2.0

Note G15 Leases

The company's leasing liability consists mainly of the head office's contract for premises in Stockholm.

The lease for the headquarters premises has been extended by four months until January 2023.

The company has entered into an agreement for a new premises for the head office in Stockholm from 1 Januari, 2023. This increases the right-to-use assets and leasing liabilities by SEK 56.5m as per 1 January, 2023.

The company recognises deferred tax assets and liabilities relating to leases as a net in accordance with IAS 12. As at 31 December 2023, deferred tax assets amounted to SEK 9.6 million and deferred tax liabilities to SEK 9.3 million.

The table below shows the value of right of use assets and leasing liabilities and the change during the period:

	Right of use assets		Leasing liabilities
	Offices	Total	
As of January 1, 2023	0.6	0.6	0.0
Additional contracts	56.5	56.5	56.5
Depreciation for the year	-11.9	-11.9	
Interest expenses			1.6
Payments			-14.5
As of December 31, 2023	45.2	45.2	43.6

	Right of use assets		Leasing liabilities
	Offices	Total	
As of January 1, 2022	6.8	6.9	5.2
Additional contracts	1.3	1.3	1.3
Depreciation for the year	-7.5	-7.5	
Interest expenses			0.1
Payments			-6.5
As of December 31, 2022	0.6	0.6	0.0

The table below shows the amounts reported in the income statement:

Right of use assets	2023	2022
Depreciation of right of use assets	11.9	7.5
Interest expenses for leasing liabilities	1.6	0.1
Short-term leasing	0.1	0.1
Total amount reported in year-end results	13.6	7.7

Future leasing fees are shown in the table below:

Maturity analysis (undiscounted flows)	31/12/2023	31/12/2022
Year 1	9.3	-
Year 2	12.4	-
Year 3	12.4	-
Year 4	12.4	-
Year 5	-	-
Total	46.5	-

Note G16 Deferred tax

Deferred tax assets and liabilities are distributed as follows:

	31/12/2023	31/12/2022
Deferred tax assets:		
Deferred tax assets assessed to be utilised after more than 12 months	0.3	-0.0
Deferred tax assets assessed to be utilised within 12 months	0.0	0.1
Total	0.3	0.0
Deferred tax liabilities		
Deferred tax liabilities assessed to be utilised after more than 12 months	189.6	197.0
Deferred tax liabilities assessed to be utilised within 12 months	14.1	13.2
Total	203.7	210.2

Net change in deferred taxes is as follows:

	31/12/2023	31/12/2022
Opening balance	210.2	220.1
Reported in statement of comprehensive income	-6.8	-9.9
Closing balance	203.4	210.2

Changes in deferred tax assets and tax liabilities during the year, without regard to offsets made within the same tax jurisdiction, are shown below:

Deferred tax liabilities	Customer relationships	Trademark	Other	Total
As of December 31, 2021	167.8	49.6	2.7	220.1
Reported in statement of comprehensive income	-11.4	-	1.5	-9.9
As of December 31, 2022	156.4	49.6	4.2	210.2
Reported in statement of comprehensive income	-11.4	-	4.9	-6.5
As of December 31, 2023	145.0	49.6	9.1	203.7

Deferred tax assets	Right of use assets	Total
As of December 31, 2021	0.1	0.1
Reported in statement of comprehensive income	-	-
As of December 31, 2022	0.1	0.1
Reported in statement of comprehensive income	0.2	0.2
As of December 31, 2023	0.3	0.3

Note G17 Accounts receivable

	2023-12-31	2022-12-31
Accounts receivable	47.1	37.9
Reserve for expected credit losses	-8.8	-6.4
Total	38.3	31.5

The carrying amount of accounts receivable is considered to be a good approximation of the fair value, since the discounting effect is not significant.

As of December 31, 2023 net accounts receivable amounted to SEK 38.3 million (31.5) after the provision of expected credit losses. Accounts receivable due amounted to SEK 12.1 million (9.4). Of the accounts receivable due between 1-60 days at the balance sheet date, SEK 11.4 million, SEK 9.8 million had been paid before 2024-01-31.

As of the balance sheet date, there were no accounts receivable in foreign currency. The age analysis of accounts receivable is as follows:

	31/12/2023	31/12/2022
Not overdue accounts receivable	27.1	25.8
1-30 days	10.4	5.6
31-60 days	1.0	0.5
> 61 days	8.6	6.0
Total overdue accounts receivable	20.0	12.1
<i>Change in reserve for expected credit losses:</i>		
Opening balance	6.4	4.8
Reserve for expected credit losses/reserve reversal	2.4	1.6
Credit losses recovered and reversed	-0.0	-0.0
Closing balance	8.8	6.4

Hemnet's customer base mainly consists of residential property sellers with real estate brokers acting as agents. Furthermore, in addition to property sellers and real estate agents, customers also consist of advertisers and real estate developers. Collateral for receivables is not normally held. There are no significant credit concentrations, the number of customers is significant and they are geographically well-distributed. The payment terms are normally between 0-30 days depending on the counterparty and there is no significant credit risk concentration to individual counterparties.

The outstanding accounts receivable for the five largest customers are gross at SEK 3.1 million (SEK 4.4 million).

Recognition of expected credit losses is made in accordance with IFRS 9, specified in internal regulations. The Group applies the simplified method of accounting for expected credit losses on accounts receivable. This means that expected credit losses are reserved for the remaining term, which is expected to be less than one year for all receivables.

The Group's accounts receivable are divided into two groups: property sellers and other customers. Customers within each group are considered to have a similar risk profile, which is why credit risk is initially assessed collectively for all customers in each group. In the case of individual major receivables that are more than 60 days overdue for payment or where the credit risk is assessed to be significant, the credit provision for these receivables is assessed per counterparty. Hemnet will write off a claim when there is no longer any expectation of receiving payment and when active measures to obtain payment have been completed.

The Group applies a method based on historical proportion of losses for both customer groups. The method is applied in combination with other known information and forward-looking factors, including information about individual customers and management's assessment of the impact of the sectors' business cycle.

Note G18 Other current receivables

	31/12/2023	31/12/2022
Settlement receivables	57.8	21.0
VAT receivable	-	0.2
Tax account	1.0	3.6
Other	2.9	0.1
Total	61.7	24.9

In the event the amounts are deemed to be significant, a reserve for expected credit losses is recognised for accrued income. No reserve has been recognised.

Note G19 Prepaid expenses and accrued income

	31/12/2023	31/12/2022
Accrued income	4.7	4.6
Other prepaid expenses	4.3	7.2
Total	9.0	11.8

In the event the amounts are deemed to be significant, a reserve for expected credit losses is recognised for accrued income. No reserve has been recognised.

Note G20 Equity

	Voting rights	No. of shares	Share capital
Ordinary shares, Series A	93,294,476	93,294,476	73,462,157
Series A1	5,056,574	5,056,574	3,981,659
As of December 31, 2023	98,351,050	98,351,050	77,443,817

As of 31 December 2023, the share capital consists of 98,351,050 shares divided into ordinary shares (Series A) and shares of Series A1. Both series of shares have a voting value of 1 vote per share.

Series A1 shares have a veto right against amendments to the objects of the company's articles of association. The holder of Series A1 shares may request a conversion of Series A1 shares into ordinary shares. The shares of Series A1 are subject to retention of title according to the articles of association. In all other aspects the ordinary shares and the shares of Series A1 have the same rights.

Other contributed capital consists of premiums for a new issue of SEK 1,255.1 million (1,250.5).

There are incentive programs for senior executives and key employees which includes warrants and ordinary shares. See further information in Note G8.

The Annual General Meeting 2023 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 2024 that the repurchased shares be cancelled.

The repurchase program is implemented in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and Commission Delegated Regulation (EU) No 2016/1052 (the "Safe Harbour Regulation"). The repurchase program is managed by Carnegie Investment Bank AB (publ), which makes its trading decisions regarding the timing of the repurchases of Hemnet shares independently of Hemnet.

In total during 2023, 1,480,996 shares were repurchased for SEK 287.2m and the number of treasury shares at year-end are 1,815,117. The number of shares outstanding, excluding treasury shares, as of December 31, 2023, is 96,535,933. The total number of shares in the Company is 98,351,050.

Note G21 Financial risk management and financial instruments by category

Financial risk factors

Through its operations, the Group is exposed to a variety of financial risks: market risks (currency risks, interest rate risks and price risks), credit risks and liquidity risks. 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.

Risk management is handled by the Group's CFO. The CFO provides monthly information on the Group's results, financial position and business performance to the Board and management of Hemnet. The Group has a finance policy established by the Parent Company's Board of Directors, which states which financial risks the Group is exposed to and how these risks should be limited. Financial operations should support the operations of the business and be of a non-speculative nature. Interest rate risks consist of risks that developments in the interest rate market will have negative effects on the company. Interest rate risks affect the Group, both as current interest expenses for loans and derivative instruments and as changes in the market value of derivative instruments. According to the company's finance policy, derivative instruments may be used for the management of interest rate risks and currency risks, but only on condition that this follows from other contractual commitments, such as may exist in, for example, credit financing agreements. The objective of interest rate risk management is to achieve the desired stability in the Group's overall cash flow. At the same time, it must be ensured that possible market value changes on the derivatives required do not pose unacceptable risks to shareholder equity and that requirements from credit institutions on levels of interest rate hedging are met. Currency risks are low and thus not hedged. Credit risks are managed through an efficient monitoring of outstanding receivables.

Surplus liquidity must be managed with the overall goal of preserving capital rather than generating financial income. In the first instance, surplus liquidity should be used to repay debt. Surplus liquidity can be invested as an alternative to amortisation of interest-bearing debt to meet known future financing needs.

Market risks

Currency risks

The Group operates only marginally on an international basis and currency risks are low. Currency risks arise when future business transactions are expressed in a currency that is not the unit's functional currency. The Group has no or marginal sales in foreign currencies and purchases are made marginally in EUR, USD and GBP. As a result of the limited risk, the company's financial policy is not to hedge these flows, unless there are specific reasons to do so, but to manage currency risks primarily operationally by seeking to enter into contracts in SEK.

Exposure as of 31 December, 2023

The Group's risk exposure in foreign currency at the end of the reporting period, expressed in million SEK, was the following:

	31/12/2023	
	USD	EUR
Accounts payable	0.4	0.8
Accrued income	0.0	-
	31/12/2022	
	USD	EUR
Cash and cash equivalents	-	-
Accounts payable	0.7	0.1
Accrued income	0.4	-

Sensitivity

As shown in the table above, the Group is marginally exposed to changes in the exchange rate for USD/SEK and EUR/SEK.

If the Swedish krona had weakened/strengthened by 10 percent in relation to the USD with all other variables constant, the recalculated profit after tax/effect on shareholder's equity as of December 31, 2023 would be SEK 36 thousand lower/higher, as a result of profits/losses on conversion of accrued

income, cash and cash equivalents and accounts payable in USD.

If the Swedish krona had weakened/strengthened by 10 percent relative to the EUR with all other variables constant, the recalculated profit after tax/effect on shareholder equity as of December 31, 2023 would be SEK 75 thousand higher/lower, largely as a result of gains/losses on the conversion of cash and cash equivalents and accounts payable in EUR.

Amounts reported in the Group's statement of comprehensive income During the year, the following currency-related amounts were reported in the consolidated income statement:

	2023	2022
Net exchange rate gain (+)/ loss (-), included in other operating income/ other operating expenses	-0.1	-0.1
Net exchange rate gains (+)/ currency (-), included in financial income/expenses	-	0.1

Interest rate risks

The Group's interest rate risks arise through long- and short-term borrowing. Liabilities to credit institutions constitute a bank loan from Nordea that is subject to variable interest rates and exposes the Group to interest rate risk with respect to cash flow, which is partially neutralised by cash with variable interest rates. The bank loan was renegotiated and extended during the year. The loan matures 1 April, 2026 and runs at a variable interest rate equivalent to Stibor plus 1.40-2.00 percent per year, depending on the covenant Net Leverage. The fee for the undrawn part of the facility is 0.35 percent. The bank loan has a revolving credit, which means that the Group has a loan facility that makes it possible to use the unused credit at no extra cost. The Group has two covenants to relate to: Net Leverage and Interest Cover. Net leverage is calculated according to the formula net debt/consolidated EBITDA. Net debt refers to total interest-bearing liabilities (comprising the items due to credit institutions and lease liabilities in the consolidated balance sheet) less cash and cash equivalents and short-term investments. Interest Cover is calculated according to the formula consolidated EBITDA/financial expenses, net.

The Group's borrowing is only in Swedish kronor. It is possible to take out a loan in another currency.

Sensitivity

If interest rates on borrowing in Swedish kronor in 2023 were 100 basis points higher/lower with all other variables constant, the calculated profit after tax for the financial year would have been SEK 3.3 million higher/lower, as an effect of higher/lower interest costs for borrowing with variable interest rates.

Credit risks

Credit risks are managed at the Group level, with the exception of credit risks regarding outstanding accounts receivable where analysis is done for each Group company. Credit risks arise through liquid funds and balances with banks, as well as credit exposures to customers. There is no high concentration of credit risks, either through exposure to individual customers, specific industries or regions. In cases where there is no independent credit assessment, a risk assessment is made of the customer's credit rating, taking into account his/her financial position, as well as past experience and other factors.

Credit risk exposure and possible provision for expected loan losses are stated in Note G17 Accounts receivable, Note G19 Prepaid expenses and deferred income and Note G26 Cash and cash equivalents.

Liquidity risks

Cash flow forecasts are prepared by the Group's operating companies and aggregated at the Group level. At the Group level, careful rolling forecasts for the Group's liquidity reserve are followed to ensure that the Group has sufficient cash to meet the needs of its ongoing operations.

At Group level, surplus liquidity may be invested in interest-bearing settlement accounts or interest-bearing money market instruments, depending on which instrument has the appropriate maturity or sufficient liquidity to meet the scope provided by the aforementioned forecasts.

Credit facility

The Group has the following total credit facility as of December 31, 2023: SEK 600 million.

The Group has the following unutilised credit facility as of December 31, 2023: SEK 100 million.

Variable interest rate on utilised credit: Stibor plus 1,40 – 2,00 percent, depending on Net Leverage.

Fixed interest on unutilised credit: 0.35 percent

Expires within one year (bank loan) SEK - million

Expires after more than one year (bank loan) SEK 497.1 million

The credit facilities can be utilised at any time provided that the covenants in the loan agreement are fulfilled. The table on the next page analyses the Group's financial liabilities broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows.

Capital management

Hemnet's capital structure objective is to achieve a net debt to adjusted EBITDA ratio of less than 2.0x. Hemnet's capital under management consists of equity. Changes in equity under management are shown in the Group's statement of changes in equity.

In order to maintain or adjust the capital structure, the Group may change the dividend paid to the shareholders, repay capital to the shareholders, issue new shares or sell assets to reduce liabilities.

The Group assesses its capital needs based, among other things, on its capital structure, which is assessed on the basis of the net debt/adjusted EBITDA ratio and amounts to 0.8 (0.5) at 31 December 2023. Net debt is calculated as total interest-bearing liabilities (comprising the items due to credit institutions and lease liabilities in the consolidated balance sheet) less cash and cash equivalents.

Maturity of financial liabilities

As of December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total Contractual undiscounted cash flows	Reported value
<i>Financial liabilities</i>							
Liabilities to credit institutions	2.3	6.7	8.9	502.8	-	520.7	497.1
Leasing liabilities	-	9.3	12.4	24.8	-	46.5	43.6
Accounts payable	14.4	-	-	-	-	14.4	14.4
Other current liabilities	23.1	-	-	-	-	23.1	23.1
Total	39.8	16.0	21.3	527.6	-	604.7	578.2

As of December 31, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total Contractual undiscounted cash flows	Reported value
<i>Financial liabilities</i>							
Liabilities to credit institutions	1.4	4.4	332.0	-	-	337.8	328.5
Leasing liabilities	-	-	-	-	-	-	-
Accounts payable	13.5	-	-	-	-	13.5	13.5
Other current liabilities	17.2	-	-	-	-	17.2	17.2
Total	32.1	4.4	332.0	-	-	368.5	359.2

Fair value calculation

The following tables shows financial instruments measured at fair value, based on how the classification in the fair value hierarchy was made. The different levels are defined as follows:

(a) Level 1 financial instruments

Listed prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 financial instruments

Observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. as price quotes) or indirectly (i.e. derived from price quotes).

(c) Level 3 financial instruments

In cases where one or more significant inputs are not based on observable market information, the instrument concerned is classified under level 3.

Financial instruments by category

Assets as of December 31, 2023	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
Assets in the balance sheet			
Accounts receivable and other receivables		104.7	104.7
Cash and cash equivalents		102.6	102.6
Total	-	207.3	207.3
Liabilities as of December 31, 2023	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		497.1	497.1
Other liabilities		53.0	53.0
Accounts payable		14.4	14.4
Accrued expenses		84.9	84.9
Total	-	649.4	649.4

Financial instruments by category

Assets as of December 31, 2022	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
Assets in the balance sheet			
Accounts receivable and other receivables		61.0	61.0
Cash and cash equivalents		100.4	100.4
Total	-	161.4	161.4
Liabilities as of December 31, 2022	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		328.5	328.5
Other liabilities		7.6	7.6
Accounts payable		13.5	13.5
Accrued expenses		68.8	68.8
Total	-	418.5	418.5

Note G22 Liabilities to credit institutions

	31/12/2023	31/12/2022
Long-term liabilities		
Liabilities to credit institutions	500.0	330.0
Effective interest rate/settlement fee/renegotiation result	-2.9	-1.5
Total liabilities to credit institutions	497.1	328.5

Liabilities to credit institutions

The Group's borrowing matures on 1 April, 2026 and runs at variable interest rates corresponding to 1.40 - 2.00 percent per annum, depending on the net leverage covenant.

The Group has two covenants to fulfill: Net leverage and Interest cover. Net

leverage is calculated according to the formula net debt/consolidated EBITDA. Net debt refers to the loans with deductions for balances with the bank. Interest cover is calculated according to the formula consolidated EBITDA/net financial liabilities.

The Group has fulfilled the loan terms for the entire financial year January 1 - December 31, 2023.

	Reported value 31/12/2023	Fair value 31/12/2023
Loans from credit institutions	497.1	500.0

Note G23 Other current liabilities

	31/12/2023	31/12/2022
VAT credit	10.8	6.5
Personnel-related taxes	9.5	9.0
Other items	2.8	1.7
Total	23.1	17.2

Note G24 Accrued expenses and deferred income

	31/12/2023	31/12/2022
Accrued personnel costs	15.5	13.4
Deferred income	26.0	12.4
Accrued administration and commission compensation	61.2	42.5
Other accrued costs	8.2	12.9
Total	110.9	81.2

Note G25 Changes in liabilities belonging to the financing operations

	01/01/2023	Cash inflow	Cash outflow	Non-cash flow items				31/12/2023
				Paid financing costs	Unpaid interest expenses	Accrual of financing costs	Change in leasing commitments	
Liabilities to credit institutions	328.5	185.0	-15.0			-1.4		497.1
Leasing liabilities	0.0		-13.0				56.5	43.6
Total	328.5	185.0	-28.0	-	-	-1.4	56.5	540.7

	01/01/2022	Cash inflow	Cash outflow	Non-cash flow items				31/12/2022
				Paid financing costs	Unpaid interest expenses	Accrual of financing costs	Change in leasing commitments	
Liabilities to credit institutions	277.8	115.0	-65.0			0.7		328.5
Leasing liabilities	5.2		-6.5				1.3	0.0
Total	283.0	115.0	-71.5	-	-	0.7	1.3	328.5

Note G26 Cash and cash equivalents

	31/12/2023	31/12/2022
Bank balances	102.6	100.4
Total	102.6	100.4

For bank balances, all counterparties have a credit rating of at least AA (S&P). In cases where the amounts are not considered insignificant, a reserve for expected credit losses for these financial instruments is recognised according to the rating-based method. No reserve for expected credit losses has been recognised.

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Note G27 Related party transactions

Long-Term Incentive Plan (LTIP)

On 27 April, 2023, the Annual General Meeting resolved to issue warrants of Series 2023/2027 to the Company and to managers and certain other employees with key competences in the Group participating in the warrant programme. This is the third long-term incentive program and the Board intends to present a proposal for the establishment of a renewed incentive program at the 2024 Annual General Meeting. For more information read G8 for more information.

During 2023, 151,958 warrants were subscribed by related parties in the management team. For further information regarding this and previous long-term incentive programs, see not G8.

Note G28 Events after the reporting period

Hemnet continued the share repurchase program in 2024 and repurchased an additional 321,952 shares for a total of SEK 93.1 million during the period from 1 January, 2024 to 12 March, 2024.

On 25 January, 2024, Hemnet announced that its targets set with the overall aim of achieving netzero greenhouse gas emissions by no later than 2050 have been approved by the Science Based Targets initiative (SBTi).

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Parent Company income statement

Amount in SEK million	Note	2023	2022
Net sales	7	8.9	9.2
Total		8.9	9.2
Other external expenses		-7.5	-11.3
Personnel costs	2	-11.4	-8.8
Total operating expenses		-18.9	-20.1
Operating profit/loss		-10.0	-10.9
Profit/loss from participations in group companies	3	382.9	-
Net financial items		-22.2	-7.3
Appropriations - Group contributions received	7	492.7	435.0
Earnings before tax		843.4	416.8
Income tax		-94.9	-85.8
Profit/loss for the year		748.5	331.0

Parent Company statement of comprehensive income

Amount in SEK million	Note	2023	2022
Profit/loss for the year		748.5	331.0
Other comprehensive income		-	-
Total comprehensive income for the year		748.5	331.0

Parent Company balance sheet

Amount in SEK million	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Participations in Group companies	3	1,141.6	1,146.6
Non-current receivables Group companies	4	536.8	497.9
Total non-current assets		1,678.4	1,644.5
Current assets			
Current receivables from Group companies	4	2.4	1.7
Prepaid costs		0.7	1.4
Cash and bank balances		14.2	34.9
Total current assets		17.4	38.0
TOTAL ASSETS		1,695.8	1,682.5
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		77.4	77.4
Total restricted equity		77.4	77.4
Unrestricted equity			
Share premium reserve		872.2	867.6
Retained earnings		-511.6	-326.1
Profit/loss for the year		748.5	331.0
Total unrestricted equity		1,109.1	872.5
Total equity		1,186.5	949.9
Non-current liabilities			
Liabilities to credit institutions	6	497.1	328.5
Non-current liabilities to Group companies	4	0.0	0.0
Total non-current liabilities		497.2	328.5
Current liabilities			
Accounts payable		1.0	0.6
Current liabilities to Group companies	4	-	387.9
Other liabilities		8.8	12.1
Accrued expenses and deferred income		2.3	3.5
Total current liabilities		12.1	404.1
TOTAL LIABILITIES AND EQUITY		1,695.8	1,682.5

Parent Company statement of changes in equity

Amount in SEK million	Restricted equity	Unrestricted equity			Total shareholder equity (Note P5)
	Share capital (Note P5)	Share premium reserve (Note P5)	Retained earnings (Note P5)	Profit/loss for the year (Note P5)	
Opening balance as of January 1, 2022	77.4	863.9	-124.6	180.2	996.9
Transfer of previous year's results			180.2	-180.2	-
Profit/loss for the year				331.0	331.0
Other comprehensive income				-	-
Total comprehensive income				331.0	331.0
<i>Transactions with owners</i>					
Dividends			-55.6		-55.6
Share repurchase			-326.1		-326.1
Warrant issue		4.6			4.6
Repurchase of warrants		-0.8			-0.8
Issuance costs		-0.2			-0.2
Total transactions with the company's owners	-	3.7	-381.7	-	-378.0
Closing balance as of December 31, 2022	77.4	867.6	-326.1	331.0	949.9
Opening balance as of January 1, 2023	77.4	867.6	-326.1	331.0	949.9
Transfer of previous year's results			331.0	-331.0	-
Profit/loss for the year				748.5	748.5
Other comprehensive income				-	-
Total comprehensive income				748.5	748.5
<i>Transactions with owners</i>					
Dividends			-98.0		-98.0
Share repurchase			-418.5		-418.5
Warrant issue		5.0			5.0
Repurchase of warrants		-0.4			-0.4
Share redemption	-2.1	2.1			-
Bonus issue	2.1	-2.1			-
Total transactions with the company's owners	-	4.6	-516.5	-	-511.9
Closing balance as of December 31, 2023	77.4	872.2	-511.6	748.5	1 186.5

Parent Company statement of cash flows

Amount in SEK million	2023	2022
Cash flow from operating activities		
Operating profit	-10.0	-10.9
Interest received	0.2	0.0
Interest paid	-23.8	-6.6
Paid income tax	-100.2	-89.0
Cash flow from operating activities before changes in working capital	-133.8	-106.5
Cash flow from changes in working capital		
Change in current receivables	454.7	449.0
Change in current liabilities	0.3	0.6
Total changes in working capital	455.0	449.6
Cash flow from operating activities	321.2	343.1
Cash flow from financing activities		
Dividend	-98.0	-55.6
Share repurchase	-418.5	-326.1
Borrowings	185.0	115.0
Repaid borrowings	-15.0	-65.0
Warrant issue	5.0	4.6
Issuance costs	-	-0.2
Repurchase of warrants	-0.4	-0.8
Cash flow from financing activities	-341.9	-328.1
Cash flow for the year	-20.7	15.1
Cash and cash equivalents at beginning of the year	34.9	19.8
Cash and cash equivalents at end of the year	14.2	34.9

Note P1 Parent Company accounting principles

Basis for the preparation of the reports

The annual report for the Parent Company, Hemnet Group AB (publ), has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The RFR 2 states that, in financial reports, the Parent Company must apply International Financial Reporting Standards (IFRS) as adopted by the EU, to the extent this is possible within the framework of the Swedish Annual Accounts Act, as well as the relationship between accounting and taxation. The recommendation specifies the exceptions and additions required in relation to IFRS.

Accordingly, the Parent Company applies the principles presented in note G1 of the consolidated financial statements, with the exceptions set out below. There were no changed accounting principles for the Parent Company in 2023.

The preparation of reports in accordance with RFR 2 requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Parent Company's accounting principles. The areas that comprise a high degree of judgement, which are complex or such areas where assumptions and estimates are of material importance for the annual report, are stated in note G2 of the consolidated financial statements.

For information on financial risks, see note G21 of the consolidated financial statements.

Presentation formats

The income statement and balance sheet follow the format of the Swedish Annual Accounts Act. The report on changes in equity also follows the Group's format, but must contain the columns specified in the Swedish Annual Accounts Act. Furthermore, this means a difference in terms, compared to the consolidated accounts, mainly regarding financial income as well as expenses, equity and the statement of comprehensive income.

Participations in group companies

Shares in subsidiaries are recognised at cost minus any write-downs. The acquisition value includes acquisition-related costs and any additional purchase considerations. When there is an indication that participations in subsidiaries have decreased in value, the recoverable amount is calculated. If this is lower than the carrying amount, a write-down is made. Writedowns are reported in the item *Profit/loss from participations in group companies*.

Financial instruments

Due to the relationship between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 are not applied in the Parent Company as a legal entity, rather the Parent Company applies these in accordance with the Annual Accounts Act value method. In the Parent Company, therefore, financial fixed assets are valued at cost and financial current assets in accordance with the lowest value principle, applying impairment losses for expected credit losses in accordance with IFRS 9 for assets that are debt instruments, see the Group's accounting principles, Impairment of financial instruments. Impairment losses for other financial assets are based on market values.

The Parent Company has direct ownership in the following subsidiaries:

Name	Corp. reg. no	Location	Share capital/%	Number of shares	Reported value 31/12/2023
Hemnet Sverige AB	556536-0202	Stockholm	100	1,000	1,141.6
HN Hem AB	559264-9775	Stockholm	100	25,000	0.0

The Parent Company has direct ownership in the following subsidiaries included in the Group:

Name	Corp. reg. no	Location	Share capital/%	Number of shares
Hemnet AB	556260-0089	Stockholm	100	10,000

The Parent Company applies the general method, according to the rating-based method for calculating expected credit losses on intra-group receivables, see the Group's accounting principles, Impairment of financial instruments.

Based on the parent company's judgement taking into account known information and forward-looking factors, including business plans and forecasts, expected credit losses are not considered to be material and therefore no provision has been recognised.

The Parent Company's assets and receivables have been assessed to be in Stage 1, that is, there has been no significant increase in credit risk.

Group contributions

Group contributions received and submitted are reported as a year-end appropriation.

Note P2 Personnel costs

Parent company	2023	2022
Salaries and other remuneration	4.2	4.8
Social costs including payroll tax	1.5	1.7
Pension costs	0.9	0.7
Parent company total	6.6	7.2

Average number of employees

	2023		2022	
	Total	Of which women	Total	Of which women
Parent company				
Sweden	1	1	1	1
Total	1	1	1	1

Note P3 Participations in Group companies

	31/12/2023	31/12/2022
Opening balance	1 146.6	1 146.6
Change for the year	-5.0	-
Closing balance	1 141.6	1 146.6

A review of the corporate structure of the Hemnet Group was carried out during the year and passive companies were merged or liquidated. This concerns the three former companies Hemnet Holding AB, Hemnet Holding II AB and Hemnet Holding III AB, which were all merged with Hemnet Sverige AB in 2023, as well as the former company HN Area AB, which was liquidated in 2023.

Note P4 Receivables and liabilities of group companies

	31/12/2023	31/12/2022
Long-term receivables		
Hemnet Holding AB	-	497.9
Hemnet Sverige AB	536.8	-
	536.8	497.9
Current receivables		
Hemnet AB	-	1.7
Hemnet Sverige AB	2.4	-
	2.4	1.7
Current liabilities		
HN Hem AB	0.0	0.0
	0.0	0.0
Current liabilities		
HN Area AB	-	387.9
	-	387.9

Note P5 Equity

The share capital consists of 98,351,050 (101,131,478) shares with a quotient value of SEK 0.787 (0.766). See also information in the Group's note G20.

Note P6 Liabilities to credit institutions

	31/12/2023	31/12/2022
Long-term liabilities		
Liabilities to credit institutions	500.0	330.0
Effective interest rate/settlement fee/renegotiation result	-2.9	-1.5
Total liabilities to credit institutions	497.1	328.5

See also Group note G22.

Note P7 Related parties

Related parties are owners, senior executives of the Group and their related parties, as well as all parent/subsidiary/associate companies and joint ventures within the Group and companies controlled by related parties. Goods and services are bought and sold to related parties on normal commercial terms on a commercial basis. Within the Group, goods and services are priced in accordance with established internal pricing policies based on the arm's length principle.

There are short-term and long-term deposits and borrowings between the Parent Company and the subsidiaries. Since 2020, the Group's CEO is employed by the Parent Company, whereby invoicing to subsidiaries takes place for company management services.

Of reported net sales, SEK 8.9 (9.2) million relates to internal invoicing to Hemnet AB. Of other external costs, SEK - (11.3) million relates to internal invoicing from Hemnet AB. Received group contribution of SEK 492.7 (435.0) million is provided by Hemnet Sverige AB.

Note P8 Events after the reporting period

Hemnet continued the share repurchase program in 2024 and repurchased an additional 321,952 shares for a total of SEK 93.1 million during the period from 1 January, 2024 to 12 March, 2024.

On 25 January, 2024, Hemnet announced that its targets set with the overall aim of achieving netzero greenhouse gas emissions by no later than 2050 have been approved by the Science Based Targets initiative (SBTi).

Note P9 Appropriation of earnings

The following earnings are available to the Annual General Meeting:

Share premium reserve	872,169,330
Retained earnings	232,957,699
Treasury shares	-744,565,135
Profit for the year	748,494,827
Total	1,109,056,721

The Board of Directors proposed that the profits be allocated as follows:

Dividend to shareholders, SEK 1.20 per share	118,021,260
Funds to be carried forward, SEK	991,035,461
Total	1,109,056,721

Auditor's report

To the general meeting of the shareholders of Hemnet Group AB (publ), corporate identity number 559088-4440

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Hemnet Group AB (publ) except for the corporate governance statement on pages 34-39 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 31-72 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting standards), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 34-39. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the statement of comprehensive income and statement of financial position for the group and the income statement and balance sheet for the parent company.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation goodwill and other intangible assets with an indefinite useful life

DESCRIPTION

As of December 31, 2023, the value of goodwill and other intangible assets with an indefinite useful life amounts to SEK 1,144 million and represents 53% of the Group's assets. Goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. The recoverable amount is determined as the value-in-use, which is calculated based on the discounted present value of future cash flows. Key assumptions in this calculation include future growth, EBITDA margin and applied discount rate.

Goodwill and other intangible assets with an indefinite useful life constitute a key audit matter as the process of calculating the value-in-use is based on judgments and assumptions of how the Group's operations will be affected by future development in the market and other economic events, and that the underlying calculations are complex.

See Note K1 for accounting principles regarding the valuation of goodwill and other intangible assets with an indefinite useful life and Note K2 and K13 for the company's description of the assumptions and judgments made in connection with the execution of the impairment test.

HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER

In our audit, we have evaluated and reviewed key assumptions, application of valuation theory, used valuation model, discount rate and other source data used by the company. For example, we have compared external data sources, such as assumptions of future market growth and assessed the sensitivity of the company's valuation model. We have used our valuation specialists in this work. In particular, we have focused on the sensitivity of the calculations and have assessed whether there is a risk that reasonably probable course of events would give rise to a situation where the recoverable amount would be less than carrying amounts. We have also assessed the company's historical forecasting ability. Finally, we have audited the disclosures made in Note K13 (Intangible Assets).

Revenue recognition

DESCRIPTION

Net sales for 2023 amounted to SEK 1 004.7 million in the Group's statement of comprehensive income. As stated in Note K1, the Group's net revenue is generated from sales of services, mainly listing services and other services. Revenue is reported over time if the customer receives or consumes the benefits at the same time as the service is performed. Where the term of the agreement is not stated, the average term of the service used is based on historical information. Revenue is measured at the agreed transaction price, less any discounts and value added tax.

We have assessed the recognition of revenue as a key audit matter based on the size of revenue in relation to other income statement items, focus from stakeholders and that the company makes assumptions through interpretation of agreements, which affects the period in which revenue recognition takes place.

See Note K1 for accounting principles regarding revenue recognition and Note K3 for the company's description of the year's revenues and the assessments made in connection with the year end close.

HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER

In our audit, we have evaluated the company's revenue recognition processes. Furthermore, we have reviewed the Group's financial manual and assessed whether the accounting principles for revenue recognition are in accordance with applicable accounting standards. We have also performed detailed testing of revenue transactions as well as data analysis to assess revenue recognition.

Finally, we have audited the disclosures related to the key audit matter made in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-29. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the

company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our

audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

REPORT ON THE AUDIT OF THE ADMINISTRATION AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ABC AB (publ) for the year 201X (the financial year ...) and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A separate list of loans and collateral has been prepared in accordance with the provisions of the Companies Act.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the

company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Hemnet Group AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Hemnet Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures

regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 34-39 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Hamngatan 26, was appointed auditor of Hemnet Group AB (publ) by the general meeting of the shareholders on the April 27, 2023 and has been the company's auditor since the December 22, 2016.

Stockholm the day of our electronic signature
Ernst & Young AB

Anna Svanberg
Authorized Public Accountant

Reconciliation of alternative performance measures

Below are calculations to derive the alternative performance measures used in the report. See definitions for more information.

Amount in SEK million	2023	2022
Operating margin		
Operating profit	448.2	377.5
Net sales	1,004.7	889.2
Operating margin %	44.6%	42.5%
EBITDA & EBITDA margin		
Operating profit	448.2	377.5
Depreciation	-77.3	-70.6
EBITDA	525.5	448.1
Net sales	1,004.7	889.2
EBITDA margin %	52.3%	50.4%
Adjusted EBITDA & Adjusted EBITDA margin		
EBITDA	525.5	448.1
Adjusted EBITDA	525.5	448.1
Net sales	1,004.7	889.2
Adjusted EBITDA margin, %	52.3%	50.4%
Average revenue per published listing (ARPL)		
Net sales	1,004.7	889.2
Deduct revenue not arising from published listings	-217.4	-240.0
Revenue from published listings	787.3	649.2
Number of published listings, thousand	175.3	198.3
ARPL, SEK	4,490	3,275
Net debt		
Non-current interest-bearing liabilities	532.6	328.5
Current interest-bearing liabilities	8.1	-
Cash and cash equivalents, including current interest-bearing securities	102.6	100.4
Net debt	438.1	228.1
Net debt/EBITDA		
Net debt	438.1	228.1
EBITDA	525.5	448.1
Net debt/EBITDA, times	0.8	0.5
Net debt/adjusted EBITDA		
Net debt	438.1	228.1
Adjusted EBITDA	525.5	448.1
Net debt/adjusted EBITDA, times	0.8	0.5
Equity/Assets ratio		
Equity	1,259.6	1,432.7
Total assets	2,156.0	2,094.6
Equity/Assets ratio, %	58.4%	68.4%
Debt/Equity ratio		
Non-current interest-bearing liabilities	532.6	328.5
Current interest-bearing liabilities	8.1	-
Equity	1,259.6	1,432.7
Debt/Equity ratio, times	0.4	0.2
Cash conversion		
Adjusted EBITDA	525.5	448.1
Decrease / (Increase) in net working capital	-4.2	8.2
Capital expenditures	-38.8	-15.5
Free cash flow	482.5	440.7
Adjusted EBITDA	525.5	448.1
Cash conversion, %	91.8%	98.4%

Definitions

Key ratios	Definition
Alternative performance measures	Alternative performance measures (APMs) are financial measures of historical or future earnings trend, financial position or cash flow that are not defined in the applicable accounting regulations (IFRS). Alternative performance measures are used by Hemnet when it is relevant to follow up and describe Hemnet's financial situation and to provide additional useful information to the users of the financial reports. These metrics are not directly comparable to similar performance measures presented by other companies.
ARPL (Average revenue per published listing)	Average revenue per published 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. It is a measure that shows the company's earning capacity per published listing.
EBITDA (earnings before interest, taxes, depreciation and amortisation)	Operating profit plus depreciation of tangible and right-of-use assets as well as amortisation of intangible assets. 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 independently of taxes and the company's financing structure.
EBITDA margin	EBITDA in relation to net sales. The measure reflects the operating profitability of the business 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.
Interest-bearing liabilities	Interest-bearing liabilities consist of liabilities to credit institutions and leasing liabilities.
Net financial items	Financial income less financial expenses. The measure reflects the company's financial activities.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability. 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 independently 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.
Adjusted EBITDA margin	Adjusted EBITDA in relation to net sales. The measure reflects the operating profitability of the business 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.
Items affecting comparability	Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities. A separate disclosure of items affecting comparability clarifies the development of the underlying business.
Cash conversion	Free cash flow in relation to EBITDA. Free cash flow is defined as 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. 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.
Net debt	Interest-bearing liabilities minus cash and cash equivalents and current interest-bearing securities. The net debt measure is used to monitor the evolution of debt and to see the size of the refinancing needs. Since cash can be used to pay off debt at short notice, net debt is used instead of gross debt as a measure of total loan financing.
Net debt/EBITDA Net debt/adjusted EBITDA	Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities, in relation to EBITDA or adjusted EBITDA. 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.
Operating margin	Operating profit/loss in relation to net sales. 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.
Interest-bearing liabilities	Interest-bearing liabilities consists of debt to credit institutions and leasing debt.
Operating profit/loss	Total revenue less total operating expenses. The measure indicates the company's operation profit/loss before financing and taxes and is used to measure the profit generated by operating activities.
Debt/Equity ratio	Interest-bearing liabilities in relation to total equity. The performance measure is a measure of the relationship between the company's two forms of financing. The measure shows the proportion of debt capital in relation to the owners' invested capital. The measure reflects the financial strength, but also the leverage of the loan. A higher leverage ratio implies a higher financial risk and a higher financial leverage on invested capital.
Equity/Assets ratio	Total equity in relation to total assets. 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.
Profit margin	Profit after tax in relation to net sales of the business. The performance measure indicates the company's operating profit after financing and tax and is used to measure the profit generated by operating activities.



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