

Remuneration report 2023

This report describes how the guidelines for remuneration in Hemnet Group AB (publ) (“Hemnet” or “the Company”), adopted by the 2023 Annual General Meeting, have been applied for the financial year 2023. The report also contains information on remuneration to the CEO and a summary of the company's outstanding share and share price-related incentive programs.

The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on remuneration to senior executives and on incentive programs.

Further information on remuneration to senior executives can be found in note G8 (Employee remuneration, etc.) on pages 54-56 in the annual report for 2023. They include fixed and variable remuneration, long-term incentive programs and other benefits, in accordance with the requirements in Chapter 5, paragraphs 40-44 in the Annual Accounts Act (1995:1554).

Information about the remuneration committee's work during 2023 can be found in the corporate governance report on pages 34-39 in the annual report for 2023.

Board fees are not covered by this report. Such fees are decided annually by the Annual General Meeting and are reported in note G8 on page 54 in the annual report for 2023.

Key developments during 2023

Hemnet's CEO, Cecilia Beck-Friis, summarizes the company's overall results and important events in its report on page 7 in the 2023 annual report.

The Company's remuneration guidelines, scope and purpose, and deviations

A prerequisite for a successful implementation of the company's business strategy and the safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified employees. The company's remuneration guidelines enable senior executives to be offered a competitive total remuneration. According to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration linked to clear goals set for the company, opportunity to participate in incentive programs, pensions and other customary benefits. The variable cash compensation must be linked to financial or non-financial concrete and 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.

The guidelines can be found on pages 55-56 in the annual report for 2023 and at <https://www.hemnetgroup.se/en/governance/executive-remuneration/>. In 2023, the company followed the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that according to the guidelines is to be applied to determine the compensation. The auditor's opinion on the company's compliance with the guidelines is available at <https://www.hemnetgroup.se/en/governance/general-meeting/>. No compensation has been claimed back. In addition to the remuneration covered by the remuneration guidelines, the company's AGMs have decided to introduce long-term share-based incentive programs.

Table 1 – Total CEO remuneration in 2023 (SEK thousand)

Name of director (position)	Fixed remuneration		Variable remuneration		Pension	Total remuneration	Proportion of fixed and variable remuneration****
	Fixed cash remuneration*	Other benefits**	1-year variable***				
Cecilia Beck-Friis (CEO)	4,152	52	-		859	5,063	100%/0%

* Including vacation supplement of SEK 115 thousand.

** Including cost reimbursements, allowances and health care benefit.

*** Refers to variable compensation earned in 2023, paid out in 2024.

**** Pension costs, which are entirely Fixed cash remuneration and is defined contribution, have been reported as fixed remuneration.

Share-related incentive programs

Warrants

On 26 April, 2021, the Annual General Meeting resolved to introduce a three-year incentive programme for senior executives and other selected employees with key competencies. The purpose of the program is, among other things, to retain and attract key competencies, achieve increased common interests between employees within the company and the company's shareholders and increase the motivation to achieve or exceed the company's financial goals. The number of warrants per participant depends on the participant's position and responsibilities within the Group. Furthermore, if the company's average share price, calculated in the manner specified in the full terms of the warrants, exceeds 250 percent of the price at the company's IPO in connection with new subscriptions of shares exercising the warrants, a recalculated lower number of ordinary shares to which each warrant entitles drawing of is applied, which creates a ceiling for the outcome of the program. The company will reserve the right to repurchase warrants, among other things, if the participant's employment in the company is terminated.

On 26 April, 2021, the Annual General Meeting resolved to issue warrants of series 2021/2024 ("LTIP 2021"). The Annual General Meeting also resolved to approve the transfer of warrants to existing and / or new participants no later than 31 December 2021. A total of 469,253 warrants were subsequently issued, of which 421,458 were acquired by senior executives and other selected employees with key competencies, of which the CEO acquired 97,135 warrants. The number issued as of 31 December 2023 was 469,253 and the number held by senior executives and other selected employees with key competencies was 342,492, of which the CEO held 97,135 warrants.

The warrants can only be exercised for a period of three months after a vesting period of three years from the issue of the warrants has expired. Vesting will be 50 percent linearly for 24 months from 26 April 2021 and the remaining 50 percent linearly for 9 months from 26 April 2023. Each warrant can be exercised to subscribe for one ordinary share in the company during the subscription period.

The price for a warrant was set at SEK 11.89. The redemption price amounts to SEK 153.70, after adjustment for paid dividends.

On 29 April, 2022, the Annual General Meeting resolved to issue warrants of series 2022/2025 ("LTIP 2022"). The Annual General Meeting also resolved to approve the transfer of warrants to existing and / or new participants no later than 31 December 2022. A total of 533,000 warrants were subsequently issued, of which 269,249 were acquired by senior executives and other selected employees with key competencies, of which the CEO acquired 100,000 warrants. The number issued as of 31 December 2023 was 533,000 and the number held by senior executives and other selected employees with key competencies was 253,905, of which the CEO held 100,000 warrants.

The warrants can only be exercised for a period of three months after a vesting period of three years from the issue of the warrants has expired. Vesting will be 50 percent linearly for 24 months from 16 May 2022 and the remaining 50 percent linearly for 9 months from 17 May 2024. Each warrant can be exercised to subscribe for one ordinary share in the company during the subscription period.

The average price for a warrant was SEK 17.26. The redemption price amounts to SEK 154.10, after adjustment for paid dividends.

On 27 April, 2023, the Annual General Meeting resolved to issue warrants of series 2023/2027 ("LTIP 2023"). The Annual General Meeting also resolved

to approve the transfer of warrants to existing and / or new participants no later than 31 December 2023. A total of 527,000 warrants were subsequently issued, of which 214,258 were acquired by senior executives and other selected employees with key competencies, of which the CEO acquired 80,000 warrants. The number issued as of 31 December 2023 was 527,000 and the number held by senior executives and other selected employees with key competencies was 214,258, of which the CEO held 80,000 warrants.

The warrants can be exercised during five individual subscription periods of 1.5 months respectively, starting on 15 May 2026 and ending on 1 June 2027, after a vesting period of three years from the issue of the warrants. Vesting will be 50 percent linearly for 24 months from 15 May 2023 and the remaining 50 percent linearly for 9 months from 16 May 2025. Each warrant can be exercised to subscribe for one ordinary share in the company during the subscription period.

The average price for a warrant was SEK 23.21. The redemption price amounts to SEK 207.20 - SEK 222.00, depending on subscription period.

Since the warrants in all three programs - LTIP 2021, LTIP 2022 and LTIP 2023 - were subscribed for at market value and the program was regulated with equity, no cost for the program was reported in the income statement. The original market value is produced via an external valuation, based on the Company's share price.

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been chosen to realize the company's strategy and to encourage actions that are in the company's long-term interest. When selecting performance criteria,

the strategic goals as well as short- and long-term business priorities for the year 2023 have been taken into account.

Table 2 – CEO's performance during the reported year: variable remuneration

Name of director (position)	Relative weighting of performance criteria Description of criteria attributable to the compensation component	Relative weighting of performance criteria	a) Measured performance and b) actual allocation / compensation outcome
Cecilia Beck-Friis (CEO)	Net sales	50%	a) 0% b) SEK -
	Adjusted EBITDA	50%	a) 0% b) SEK -

Comparative information regarding changes in remuneration and the company's earnings

As this is Hemnet's third remuneration report, the information in the table below refers only to the financial years 2021-2023. In future

Remuneration Reports, the table will be extended until there is a comparison of the latest five years.

Table 3 – Changes in remuneration and company's result during the last reported financial year

	2023	2022	2021
Remuneration to CEO (SEK thousand)	5,063 (-10,3%)	5,644	4,379
Operating profit (SEK million)	448.2 (+18.7%)	377.5	223.9
Adjusted EBITDA (SEK million)	525.5 (+17.3%)	448.1	355.0
Average compensation based on number of full-time equivalents* in the group (SEK thousand)	780 (+2,9%)	758	704

*A comparison with the company's employees, Hemnet Group AB (publ), is not possible as it only employs the CEO. The calculation excludes CEO & Group Management.



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

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