



2022 Hemnet Group

Annual and sustainability report



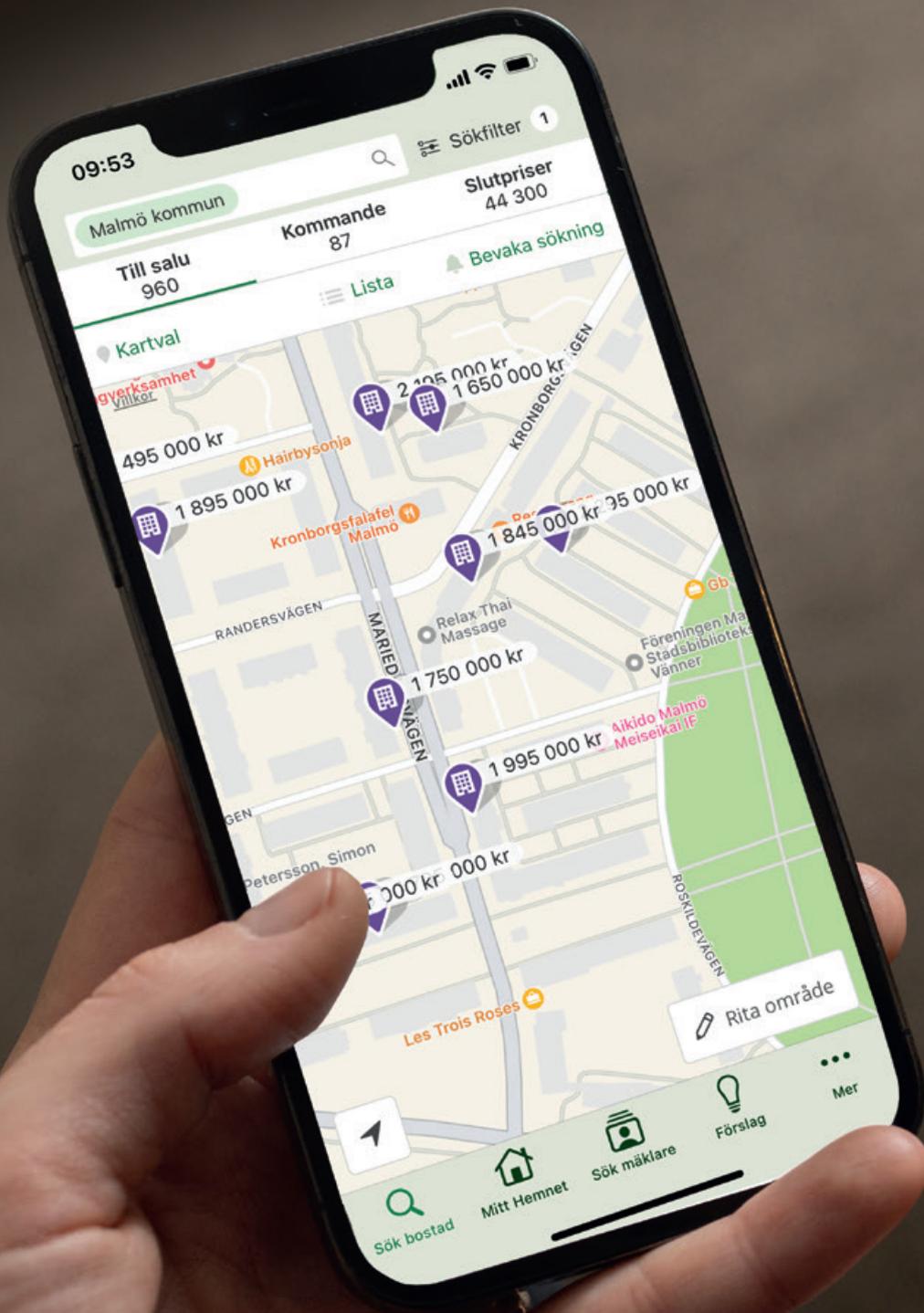


Table of contents

This is Hemnet

- 4 The #1 property portal in Sweden
- 6 CEO report
- 9 Hemnet's 2022
- 10 Our vision
- 11 Our strategy
- 17 Financial targets
- 18 Hemnet as a workplace
- 21 The Hemnet share

Sustainability report

- 22 Sustainability efforts
- 28 Risk analysis
- 29 Approach
- 30 Report on the Sustainability Report

Administration report

- 31 The financial year 2022
- 34 Corporate governance report
- 40 Board of Directors
- 42 Management
- 44 Distribution of earnings

Financial statements

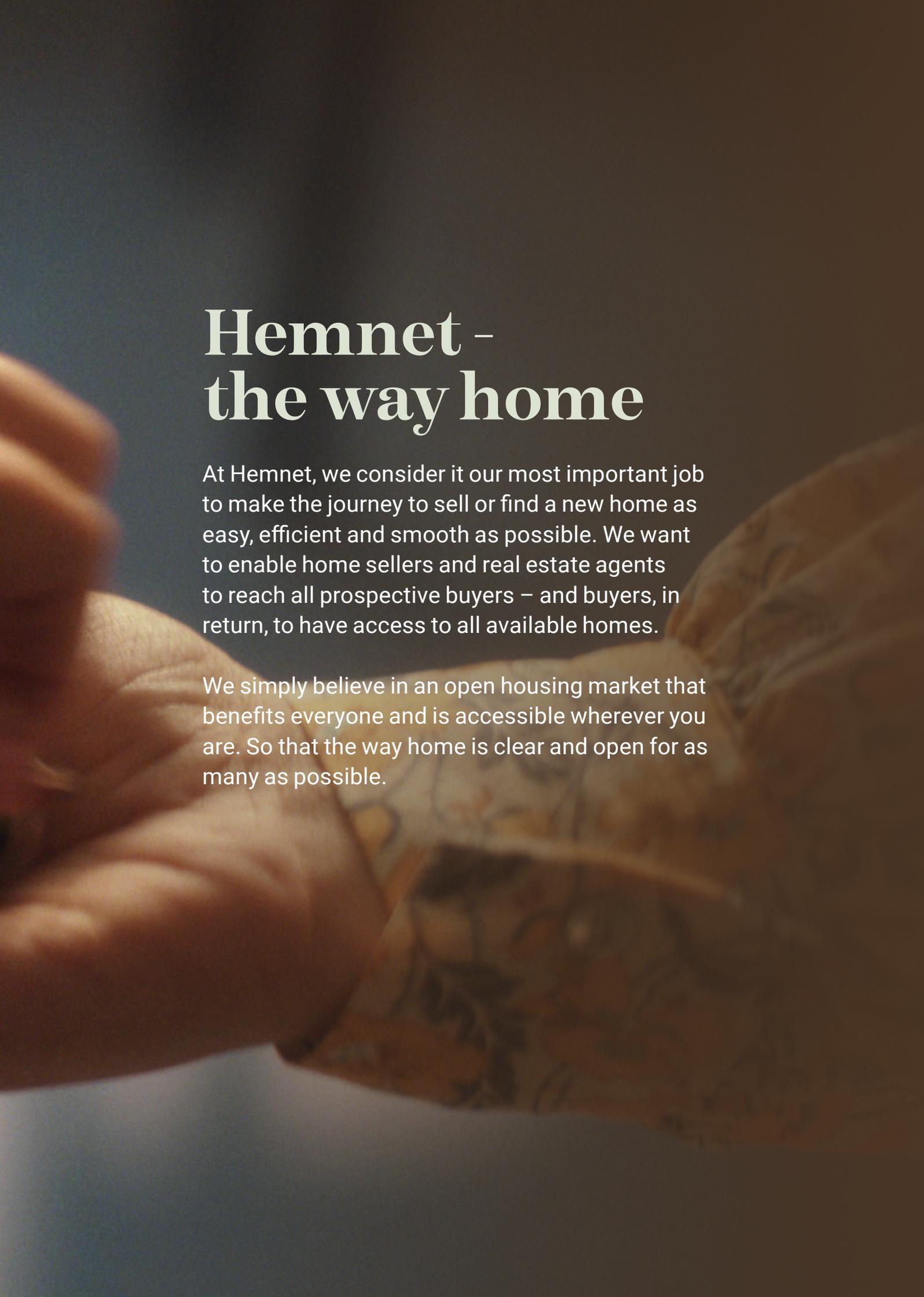
- 46 Consolidated income statement
- 47 Consolidated statement of financial position
- 48 Consolidated statement of changes in equity
- 49 Consolidated statement of cash flows
- 50 Notes, Group
- 67 Income statement, Parent company
- 68 Balance sheet, Parent company
- 69 Report of changes in equity, Parent company
- 70 Statement of cash flows, Parent company
- 71 Notes, Parent company
- 73 Auditor's report

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.





Hemnet - the way home

At Hemnet, we consider it our most important job to make the journey to sell or find a new 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 simply believe in an open housing market that benefits everyone and is accessible wherever you are. So that the way home is clear and open for as many as possible.

What is Hemnet?

A growing and successful property portal...

889
(+22%)
SEK million
Net sales

448
(+26%)
SEK million
adjusted EBITDA



#1
Recognised as
Sweden's most
diverse and inclusive
Public company ⁵⁾

...with the largest reach...



51
Million
Monthly
visits ²⁾



95%
Awareness
among home
sellers

...and the most engaged audience.



19x
Number of visits
vs. the #2 property
portal ⁴⁾



86%
of property buyers
turn to Hemnet
first, when looking for
a new home ³⁾



9/10

sold properties in Sweden listed on Hemnet ¹⁾

¹⁾ Hemnet and SCB (the Swedish Central Bureau of Statistics), regards the second-hand market. ²⁾ Google Analytics. ³⁾ Nepa Hemnet consumer report Q3 2022. ⁴⁾ Hemnet and SCB. Refers to all Swedes over the age of 14. ⁵⁾ The Allbright Foundation.





CEO report

Strong growth and net sales profitability as we continue expanding our product portfolio

Hemnet's results for 2022 highlight strong growth and execution, despite a challenging second half of the year for the property market. Our accelerated product development pace, high consumer and real estate agent demand, and our resilient business model have all been key factors behind this year's strong results that exceeded all of our financial targets, with net sales growing 22.1 percent to 889.2 MSEK and adjusted EBITDA growing 26.2 percent to 448.1 MSEK.

The first half of 2022 was characterised by a very active real estate market, which cooled in the autumn due to increased inflation and announced interest rate increases. As a result, the number of listings on Hemnet fluctuated more than in a typical year but was on par with 2021 for the year as a whole. We continued to grow our net sales from property sellers through increased sales of our value-added services (Hemnet Plus, Hemnet Premium, Raketen and "Renewal") combined with continued product development and price adjustments. In the year, revenue from property sellers increased by 32.6, and ARPL by 32.8 percent, showcasing the strength and resilience of our business model, also in more challenging market conditions.

Accelerated product development

During the year, we have invested in and accelerated our product development to expand our product offering to consumers, property sellers and business partners. We have, amongst other things, launched a new section for searching for a real estate agent on Hemnet, which has quickly become one of the largest agent search services in Sweden. We have also repackaged our offering for property developers to increase clarity and customer value. Further, we have improved the logged-in experience on Hemnet. By login in and registering their home under "My Home," our users can access relevant local market information and get a value indication for their home. "My home" is a great example of how we broaden Hemnet's position and create opportunities to take an even more active role in assisting consumers throughout their property journey. All of these new features also demonstrate our goal of providing an enhanced experience for our visitors while also opening up more business opportunities for our business partners.

Continued sustainability steps

We are proud of the many sustainability-related steps we have taken during the year. For example, we joined the Science Based Target initiative and committed to reducing our CO2 emissions in scopes 1 and 2 by 42 percent by 2030. In the coming year, we will complement this commitment by establishing a clear plan to reduce emissions in scope 3 as well. We have also expanded our social commitment by adding Sweden for UNHCR to the NGOs we work with, and we have improved our internal structure of how to inform and educate our employees in key governance documents, such as our Code of Conduct. We believe that a diverse and inclusive culture is key to our

innovation and product development capabilities. It is very gratifying to see various proofs that we are on the right track. We score an exceptionally high employee Net Promoter Score of +50 and have been named one of Sweden's best employers by Universum as well as received the AllBright award for being at the very forefront of diversity, inclusion and equality among Swedish public companies. We are committed to taking further steps in all our sustainability areas to become one of Sweden's best employers, live by strong ethical principles, combat climate change and create positive social impact.

A strategy for long-term success and growth

The property market continues to be challenging as the new year has commenced, but history has shown that the Swedish property market is stable in the long term. While we cannot control the market, we can control our ability to continue delivering according to our strategy and creating more value for our customers. Through investments and continued momentum in product development, we believe that we are in a stronger position than ever. We will continue to invest in our core business and offering while strengthening and broadening our position. This is why we have reiterated our financial target of 45-50 percent adjusted EBITDA margin for 2023, despite current market conditions, and introduced a new, long-term, profitability target of an adjusted EBITDA margin exceeding 55 percent. We have also reiterated our financial targets for net sales growth, leverage, and capital allocation.

During 2022, Hemnet has returned SEK 374 million back to our shareholders, through a combination of dividends and a share buyback program. The share buyback program continues until the 2023 AGM and all repurchased shares will be eligible for redemption at the AGM, in a testament to Hemnet's strong cash conversion and consistent share buybacks.

We maintain our position as one of Sweden's strongest brands, and the leading Swedish property portal, by averaging over 50 million monthly visits and 19 times more visitors per listing than our nearest competitor. We are however still in the early stages of our commercial journey and have many opportunities ahead of us to reach our full potential. I look forward to continuing this journey and keep developing and improve Sweden's largest and most relevant property platform in 2023 together with the rest of the Hemnet team.

Cecilia Beck-Friis, CEO, Hemnet



2022 in numbers

Net Sales

889
SEK million

+22%



Net sales growth driven by increased demand for Hemnet Plus and Premium, price adjustments and continued strong demand for agent products.

Adjusted EBITDA

448
SEK million

+26%



Adjusted EBITDA increased by 26 percent in 2022, as a result of high operating leverage coupled with strong revenue growth and focus on cost control.

Average revenue per listing (ARPL)

3,275
SEK

+33%



Revenue from listing services continues to be Hemnet's largest revenue stream and in 2022 the number of listings was in line with the record high number from 2021. ARPL continued to grow as a result of pricing of products for property sellers and increasing sales of value-added services.

Time on site ¹⁾

53
Million hours

-17%

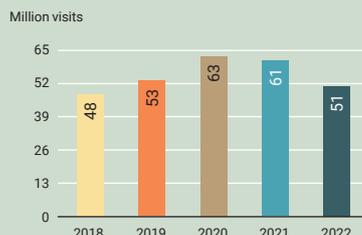


The pandemic generated a record interest in homes. During the autumn of 2021 the extreme interest normalized somewhat, but Hemnet use during 2022 remained at almost the same levels as prior to Covid.

Number of visits per month ²⁾

51
Million visits

-20%



During 2022, on average, Hemnet had 51.1 million visitors per month. This makes us Sweden's largest property platform by far. In line with the time on site, number of visitors per month normalized during 2022, from the inflated numbers during Covid.

¹⁾ Hemnet and SCB (Central Bureau of Statistics). Refers to all Swedes over the age of 14. ²⁾ Google Analytics

Our vision is to be:

The key to your property journey.

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

By becoming:

The destination for all things related to homes.

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 – Optimise 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.

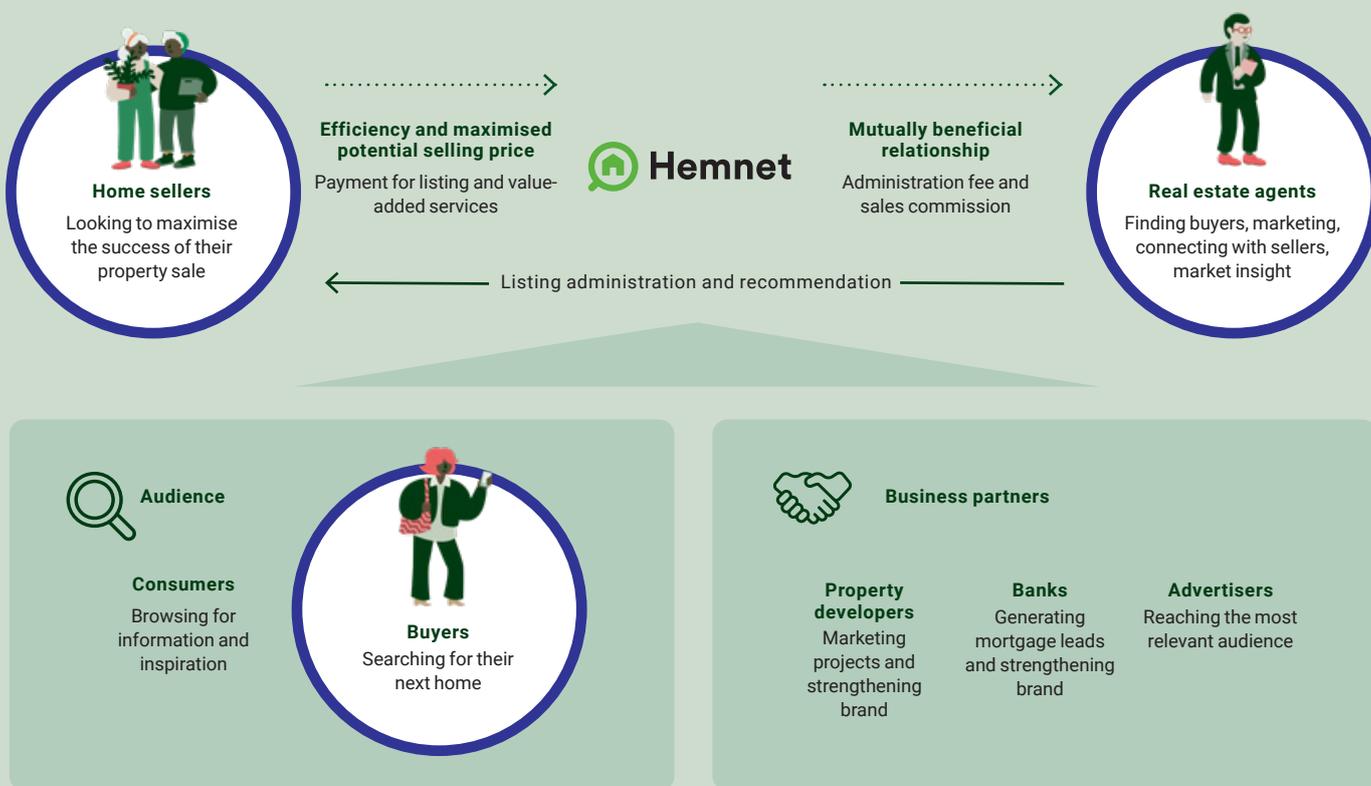


Real estate agents and business partners

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. As property developers and agents today spend a relatively small share of their marketing budgets on Hemnet, we see a big 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 centered around building a leading platform where all the 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. Every month, Hemnet sees approximately 51 million visits to our portal through all our channels. This means that Hemnet is the property portal where most participants in the property market gather in one place.

Home sellers

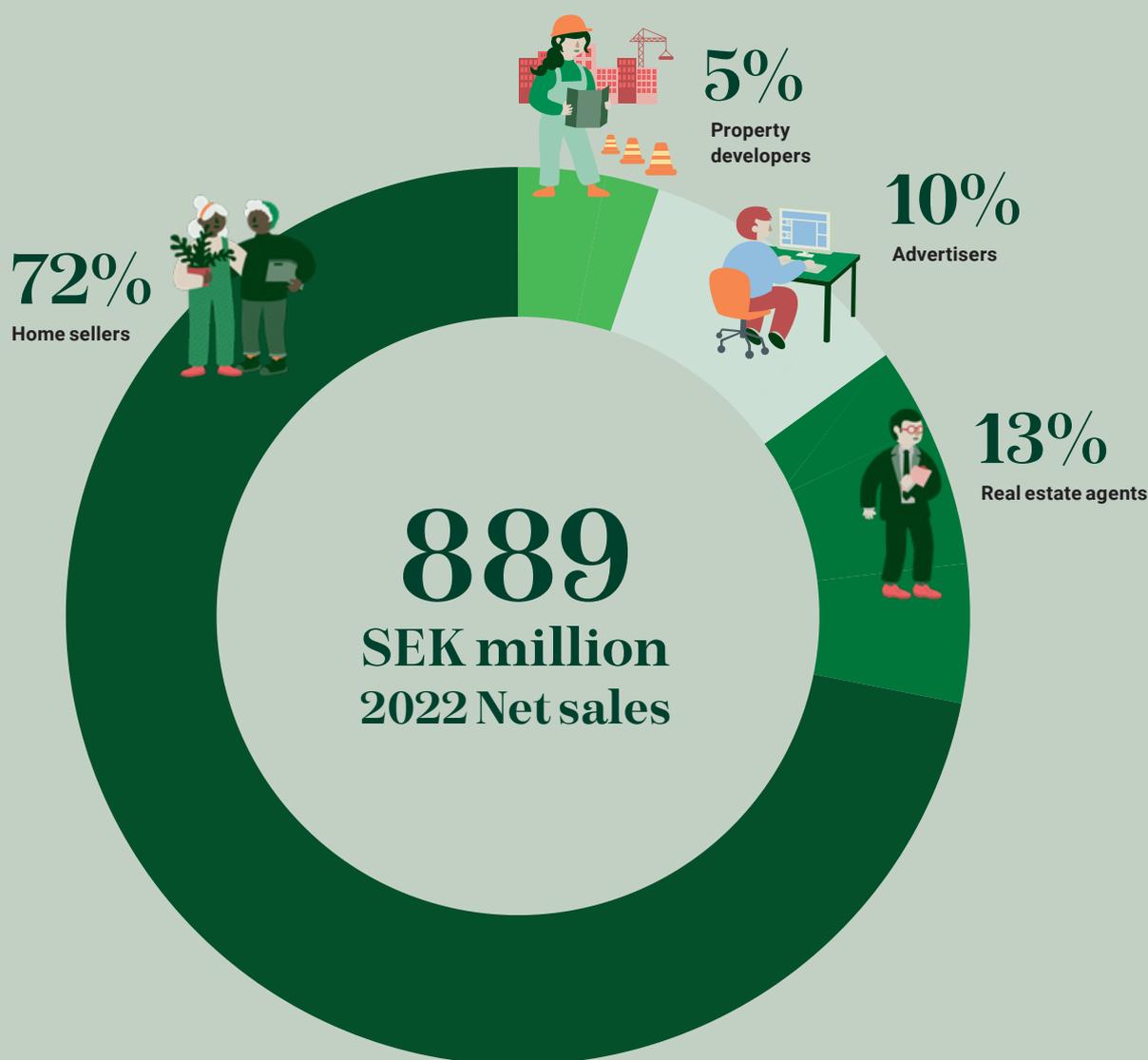
The majority of Hemnet's growth and revenue comes from home sellers, where Hemnet's business model stands out most compared to international peers. Firstly, it is the seller who pays for the listing. Hemnet has a direct relationship with the home seller, who selects a listing package and pays for the 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 reimbursement is paid out to all agent offices for administrating and publishing a listing on Hemnet.

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 the 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



The rocket



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

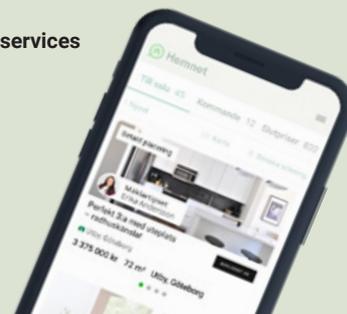
- ✓ Enhanced exposure
- ✓ Analysis and insights
- ✓ Enhanced media



Be more visible for sellers

Additional services

Broker tip



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



The rocket



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



Banks

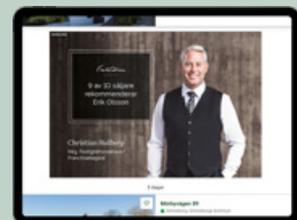


Utilities



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. On 27 January 2023 Hemnet introduced a new long-term adjusted EBITDA margin target of over 55 percent. Hemnet also reiterated its financial targets, including the profitability target of 45–50 percent adjusted EBITDA margin for 2023, despite current market conditions.

Growth 15–20%



Annual net sales growth of 15–20 percent.

Profitability > 55%



Adjusted EBITDA margin of 45–50 percent for 2023. Long-term adjusted EBITDA margin in excess of 55 percent.

Leverage < 2.0x



Net Debt to Adjusted EBITDA ratio of less than 2.0x.

Dividend policy > 1/3



Annual dividend amounting to at least one third of the profit after tax. In the event that the company has excess liquidity, it shall be returned to shareholders through, for example, extra dividends or share repurchases.

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.

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.

A few Hemnet voices:



"One of the very best things about working at Hemnet is that we are not afraid to experiment and try new things. This applies not only to our product development, but also to the way we work. We are always open to discussions about how we can do better and are constantly looking for input from each other, our users, peers and customers.

I also really appreciate the collaborative culture we have at Hemnet. We often collaborate across teams and departments, which I think is very fun, challenging and rewarding."

Yichu, UX Designer



"The best thing about working at Hemnet, apart from constantly improving a product with a very big and clear impact, is the amazing culture and the great attention to everyone's opinions and needs. At Hemnet, you are always encouraged to speak your mind and you are always heard. We listen to our users and each other, there are some amazing people to learn from and to share your knowledge with and we are given room to grow and encouraged to find new ways to evolve our product. To me, there's nothing more valuable than that."

Agustina, Developer



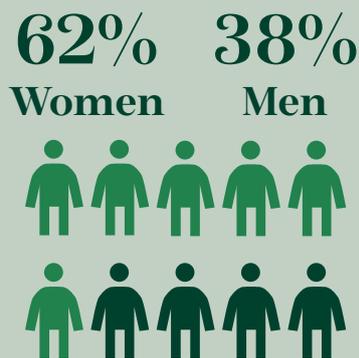
"I joined Hemnet because I was looking for a place where I could not only help implement the product, but also help shape it, and that is exactly what I found here. At Hemnet, we work in product teams with people from different backgrounds and experiences. This diverse collaboration, both within and across teams, is an essential part of our culture and success. That, along with the diverse and supportive culture and atmosphere you can constantly feel, makes Hemnet a unique and rewarding place to work."

Tamer, Back-end Developer

An award winning, diverse and inclusive workplace where people thrive



In 2022, Hemnet was awarded the AllBright prize which is given to public companies with a clear agenda for diversity, inclusion and gender equality.



Gender equality starts at the top. We are proud to be a tech company with an equal management team and that 62 percent of all of our managers are women.



During the year, Hemnet was also recognised as one of Sweden's best employers by Universum, coming in third place amongst middle-sized companies.

“We want to create a work environment that is characterised by people with different backgrounds and perspectives.”

Cecilia Beck-Friis, CEO



Attracting new talents is one of our most important focus areas.



People from all over the world work at Hemnet. Today, our employees come from 15 different countries.



Ranked as number 5 among media companies where Swedes would most like to work*.

* source: YouGov



The Hemnet share

2022 is Hemnet's second financial year as a public company, following a successful listing on Nasdaq Stockholm on 27 April 2021. The total return on Hemnet's ordinary share was 9 percent since the IPO in 2021, compared to a 3 percent decrease in the OMXSPI during the same time period. During 2022, the Hemnet share declined 25%, the same level as the OMXSPI.

The Hemnet share
2022, OMXSPI rebased to Hemnet share price



Turnover

In 2022, the turnover of Hemnet's ordinary shares on Nasdaq Stockholm amounted to 62.5 million shares, accounting for 44 percent of the total share turnover across all exchanges. On average, 244,000 Hemnet shares were traded per day on Nasdaq Stockholm.

Ownership structure

Hemnet had a total of 10,246 shareholders as of 31 December 2022. 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 company's objects 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:	101,131,478, of which 96,074,904 ordinary shares and 5,056,574 series A1 shares
Share price and market capitalisation as of 31 December 2022	SEK 125.6 / SEK 12.7 billion
Highest / lowest price 2022	SEK 171.7 / SEK 109.2
Companies that perform analysis of Hemnet AB	Barclays, Carnegie, Citi, Jeffries, Morgan Stanley, Nordea
Consensus estimate	Available via 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 2023

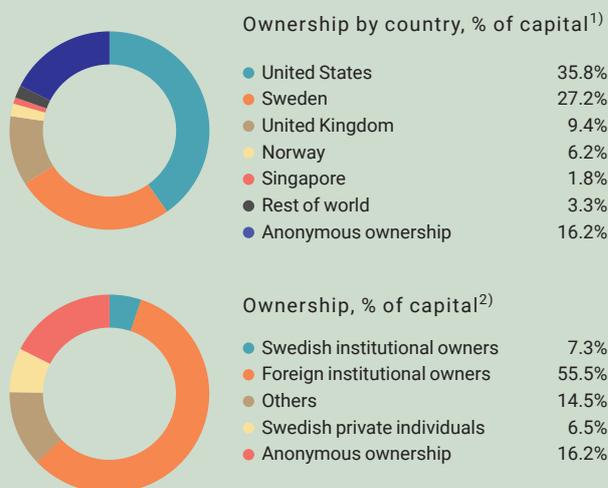
Hemnet's dividend policy is to distribute at least one third of the annual profit after tax. If the company has surplus liquidity, it shall be returned to the shareholders through, for example, special dividends or share buybacks. The proposal to the 2023 AGM is a dividend of SEK 1.00 per share and that 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
General Atlantic	16,797,508	16.61%	2022-12-28
Mäklarsamfundet Bransch I Sverige	10,263,148	10.15%	2022-12-28
Vor Capital LLP	5,163,744	5.11%	2022-12-28
Odin Fonder	4,850,000	4.80%	2022-12-31
Brown Capital Management, LLC	4,125,992	4.08%	2022-12-31
Capital Group	4,056,406	4.01%	2022-12-31
Fidelity Investments (FMR)	4,050,950	4.01%	2022-12-31
Pierre Siri	3,000,000	2.97%	2022-12-28
Vanguard	2,557,893	2.53%	2022-12-31
Hemnet Group AB	2,292,683	2.27%	2022-12-30

Note: In a press release dated 31 January 2023, Hemnet announced that General Atlantic had divested its 16.8 million remaining shares in Hemnet.

* Holdings as of 31 December 2022. Direct and nominee registered holdings with NCSO. Filing dates for foreign owners may vary. Foreign custodian banks are excluded. 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 are actively working to build a company with a positive impact on the market in which we operate, as well as on society at large.

Our sustainability efforts during 2022

Hemnet is strongly committed to ensuring that its operations contribute to sustainable economic, environmental and social development. We are determined to constantly improve our business and make it more sustainable, and have made several important ESG and sustainability-related improvements during the year:

- Implemented a **sustainability reporting software** to ensure we have all ESG-related data in one place for more robust and future-proof reporting.
- Added a **Sustainability policy**, adopted by the Board, to our policies for more transparent governance and direction in our sustainability efforts.
- Defined **clearer goals** within our various sustainability focus areas, available in this report.
- Joined the **Science Based Target initiative** and committed to the initiative's targets for small and medium-sized enterprises to reduce emissions with 42% by 2030.
- Signed the lease for a new office that meets high environmental standards **within energy and waste management**.
- Added the role of and hired a **Chief People and Culture Officer** to our management team to further invest in our high ambition to become one of Sweden's best workplaces.
- Continued our work with diversity and inclusion by **educating our leaders** in unconscious bias.
- Invited all employees to a full day about our **values, culture, diversity, inclusion and belonging** to ensure a common understanding of, engagement in and dialogue about the company's beliefs and frameworks within these important areas.
- **Implemented an e-learning platform** to improve how we educate our employees on our most important policies and procedures.

Approach to reporting standards

We are determined to yearly take new steps and develop our sustainability efforts to meet stakeholder expectations and to prepare the organisation for the upcoming EU Corporate Sustainability Reporting Directive (the "CSRD"), which will come into force on 1 January 2026 for companies of Hemnet's size. Until then, we will continue to follow up all of our sustainability focus areas with

performance indicators inspired by, but not fully meeting, the Global Reporting Initiative (GRI) requirements.

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 is 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, today a male-dominated field.



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

Sustainability is at the centre of what we do and a built-in part of our business model and vision. In addition, we focus our sustainability efforts on four focus areas.

Our starting point: A trusted and independent marketplace enabling a mobile, efficient and transparent property market

Our sustainability framework derives from Hemnet's vision to enable a mobile, transparent and efficient property market. Hemnet makes most of the Swedish housing market accessible in one place, which, combined with our high volume of visitors, creates an excellent environment for the various market participants to find each other, enabling market efficiency. As an independent marketplace, we offer homebuyers, sellers and real estate agents equal access to the part of the real estate market that Hemnet represents. With nine out of ten properties sold in Sweden over a year listed on Hemnet, we contribute to market transparency by facilitating the comparison of properties available, leading to more informed consumers and a more mobile and efficient market.

We are a trusted partner and all content on Hemnet must be accurate, credible and of high quality. We apply standard ground rules for all real estate agents listing a property on Hemnet and

continuously track that listings published on Hemnet comply with our publication rules. 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.

Through the 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.

Sustainability focus areas

In addition to contributing to a sustainable property market through our business model, our sustainability efforts focus on four areas in which we strive to create positive change:

- Being one of Sweden's best workplaces
- Combating climate change
- Living by strong ethical principles
- Creating positive social impact



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

Our employees are our most important asset. We strive to be one of Sweden's best employers and a safe workplace where people can develop and thrive. We actively work to improve diversity, inclusion and belonging and we pay attention to our employees' health and work-life balance. We have a clear structure for issues affecting our people through our HR policy, Equality and Equal Treatment Plan and Action Plan against Abusive Treatment and Harassment.

In the recent years of rapid company growth and expansion, we have managed to maintain our strong corporate 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. We started measuring eNPS in 2022 to keep track of how attractive we are as an employer and to increase comparability with other companies. Despite our corporate culture and high eNPS, our staff turnover in 2022 was higher than we would like it to be. This was due to an accelerated turnover in the year's first two quarters as the covid pandemic reached its end.

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 work-related illness.

We monitor our work environment regularly through surveys and ongoing conversations with employees. This helps us identify risks, conduct risk assessments, and take remedial actions when needed.

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 and health and wellness are promoted through several joint health initiatives. To proactively work on

maintaining mental health, all employees have access to counselling for personal or work-related problems.

Diversity, inclusion and belonging (DIB)

To succeed and grow as a company, we need employees with different experiences and perspectives. We are confident that these differences drive innovation and new ideas. Over the past four years, Hemnet has evolved from a very Swedish workplace to an international one. Today, colleagues from over 15 different countries work at Hemnet and this higher level of diversity has resulted in a more dynamic, creative and innovative company. It also places greater demands on us as an employer and requires us to take responsibility for making colleagues feel that they belong. English as a corporate language is important to ensure that everyone feels included and well-informed. We also invest in various social and company-wide activities to strengthen relationships between colleagues and give a social context to employees who may not yet have established their network in Sweden. We also offer language courses in Swedish to all non-Swedish speaking colleagues.

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. Hemnet operates in the tech industry and most of our employees are developers. The share of women in the Product and Tech organisation has grown during 2022 and we have been particularly successful at the managerial level, where we have more female than male development managers. To support an increase of female developers, we have increased our employer branding efforts and we continue to support the Women in Tech initiative and event.

We are proud that our DIB-efforts have been recognised and that we were awarded the AllBright prize in 2022 as best-in-class among Swedish public companies within diversity, inclusion and gender equality.



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:	2019	2020	2021	2022
eNPS	N/A	N/A	N/A	55
Gender Distribution (GRI 405-1)				
Share of women//men in the Board	20/80%	25/75%	25/75%	29/71%
Share of women//men in Management	33/67%	57/43%	57/43%	63/37%
Share of women/men other managers	N/A	N/A	62/38%	61/39%
Share of women/men developers/technical staff	15/85%	14/86%	20/80%	28/72%
Share of women/men all staff	36/65%	34/64%	40/60%	43/57%
Work-related sick leave	2	1	0	0
Results from ongoing employee surveys (scale 1-100)				
Trust between colleagues:	75	83	83	84
I am treated with fairness and respect:	75	76	74	76
Leadership quality:	72	75	74	75
Staff turnover	23%	13%	17%	20%

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 CO2 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. 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.

As of February 2023, Hemnet has moved into a new office in a building owned and administrated by Vasakronan. Vasakronan has been ranked as one of the world’s most sustainable property owners by the organization 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 have separated office waste for recycling for many years, but in our new office, waste management standards are higher than before. For an efficient and unbroken waste management chain, all waste is separated in our kitchenette, collected daily and brought to the building’s environmental room to be taken further in the waste cycle in a service provided by Vasakronan.

CO2 emissions

In 2022, Hemnet applied for participating in the Science Based Targets initiative (“SBTi”) and committed to the initiative’s near-term science-based emissions reduction target for small and medium enterprises and, by that, to reduce CO2 emissions by 42 percent by 2030. The SBTi approved Hemnet’s near-term target in January 2023. In this first step, Hemnet has committed to reducing emissions within scopes 1 and 2, and aims to review and set a long-term target for reducing emissions within scope 3 during 2023.

Emissions within Scope 1

Hemnet has no 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 CO2 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 new 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 CO2 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.



Long-term goal for combating climate change:

- Reducing absolute scope 1 and scope 2 GHG emissions 42% by 2030

Performance indicators:

Carbon dioxide emissions, tonnes CO2e. GRI 305-1-3.

	2019	2020	2021	2022
Scope 1				
Hemnet has no company cars	0	0	0	0
Scope 2				
Electricity	N/A	0	0	0
District heating	N/A	3	3	16
District cooling	N/A	0	0	0
Scope 3				
Business travel*	N/A	2	2	34
Employee commuting	N/A	7	7	21
Customers’ use of Hemnet’s services	N/A	123	122	102
Cloud services (AWS and Google)	N/A	N/A	215	259
Total emissions scope 1-3	N/A	135	348	432

* Includes flights, hotel nights, rental cars, train and taxi travel.

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. 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. All new colleagues are educated in the code as they start at Hemnet. In the beginning of 2023, we implemented a new e-learning tool to give all employees a better opportunity to understand the code fully, while at the same time giving the company solid tracking of how many have completed the course.

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 function, 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 labor 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 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.



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 e-training

Performance indicators:	2019	2020	2021	2022
Communication and training on anti-corruption policies and procedures (GRI 205-2)				
Share of employees informed about the company's Code of Conduct	N/A	N/A	100%	100%
Share of employees who complete and passed e-training in Code of Conduct*	N/A	N/A	N/A	98%
Confirmed incidents of corruption and actions taken (GRI 205-3)	N/A	0	0	0
Number of incidents reported through Hemnet's whistleblowing function	N/A	N/A	0	0
Data protection incidents	0	0	0	0
Number of personal data incidents related to customer data reported to the Swedish Authority for Privacy Protection				

* 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 start from the belief that having a place to call home is a human right.

Homelessness is devastating to individuals and comes at a high cost to society. Despite this, over 33,000 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 2022, Bobyrån helped 702 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.

We are committed to providing financial and human resources to projects that support the right to a home of their own for all people. For example, in December, we launched a campaign with Sweden for UNHCR to raise money for refugees who do not have a place to call home for Christmas. We provided space on our platforms to raise awareness of the campaign and the organisation's work. We also engaged our employees by clearing out our old office in advance of our move and auctioning off old furnishings to employees, raising almost SEK 100,000 for the campaign. This is an example of how Hemnet strives to do good for society within the area closest to our business - the home.



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:	2019	2020	2021	2022
Direct economic value generated and distributed (GRI 201-1)				
Contribution to Stockholm City Mission	SEK 300,000	SEK 300,000	SEK 300,000	SEK 400,000
Contribution to Sweden for UNHCR	N/A	N/A	N/A	SEK 200,000

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. 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 difficulty assimilating information on, for example, personalisation 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. Transparency and clarity are 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

Our employees are our most important assets. 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).

Hemnet has 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.

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 Head of Legal or via Hemnet's whistleblower function. 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 this year's sustainability report, we have 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.



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 Head of Legal, 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.

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.

Training and compliance monitoring

During the year, we continued to train new and current employees in our Code of Conduct, which is based on the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. We also have a Supplier Code of Conduct in place to ensure that the 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 covered our Code of Conduct and was rolled out in February 2023. This will be followed by courses in Information Security and Privacy later in the spring of 2023. E-learning courses will be repeated 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 2022, 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 2022 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 2022

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 2022.

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 2022, with an average of over 51.1 million visits per month. Visitors also spent a total of

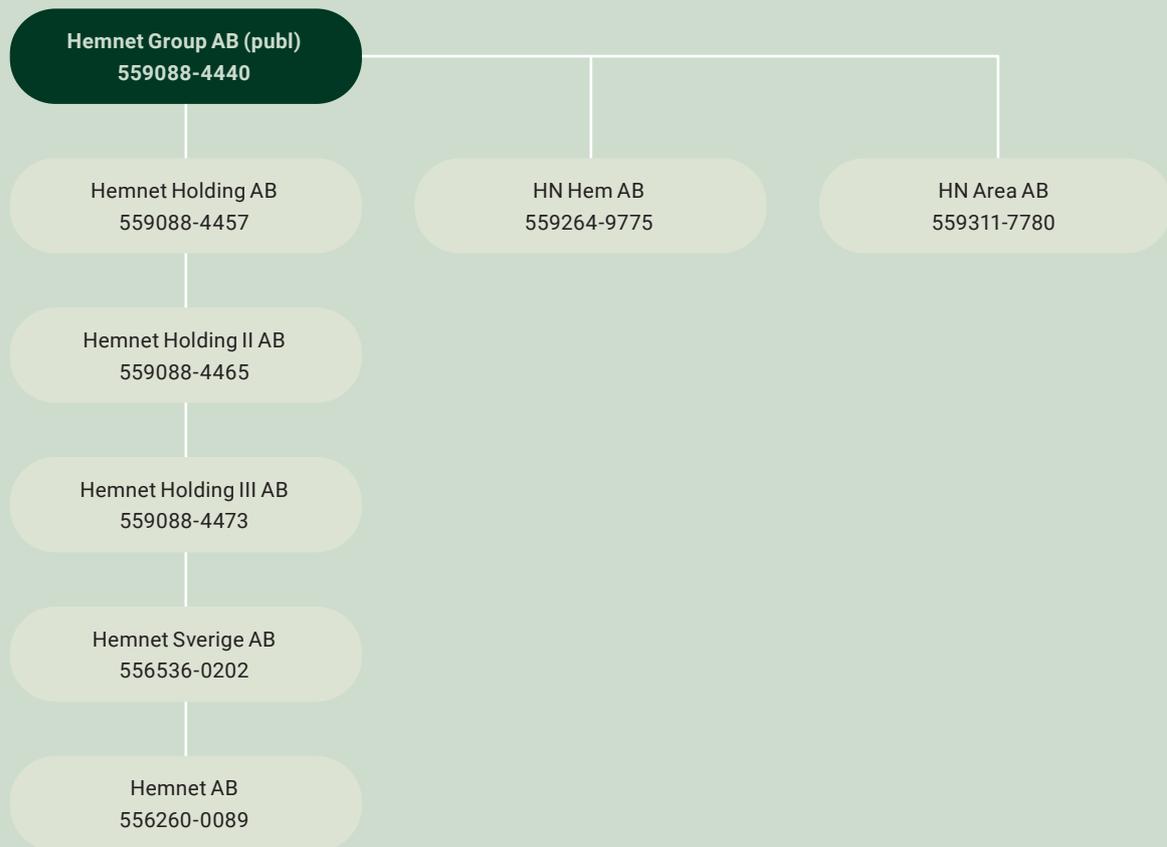
close to 52.6 million hours on Hemnet's platforms during the year.

In 2022, a total of 198,259 home listings were published on Hemnet, in line with the 198,360 homes that were published in 2021. 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 Annual General Meeting resolved to initiate a share repurchase programme of maximum SEK 450 million until the 2023 Annual General Meeting. The purpose of the programme is to adjust the Company's capital structure by reducing the share capital. The Board of Directors therefore intends to propose to the Annual General Meeting 2023 that the repurchased shares be cancelled. During 2022, the Company has repurchased a total of 2,235,683 shares for a total amount of SEK 318.3 million.

Board and management team changes

On 31 August 2022, Hemnets previous Chair of the Board resigned and was replaced by Christopher Caulkin as interim Chair until the 2023 AGM. On 8 August 2022, Hemnets previous CFO left the company and was replaced by Jens Melin as interim CFO until a new CFO joins. On 17 August 2022, Hemnet strengthened its management team with Anna Kempe joining as Chief People and Culture Officer, while Peter Frey replaced PerOla Schelvander as Chief Technology Officer.

Covid-19

The Covid-19 pandemic has had a major impact on society but has not had any significant negative impact on Hemnet's financial results during 2022. The number of visits to Hemnet increased during the beginning of the pandemic and during the first half of 2021, after which the number of visits has returned to more normal levels. During the period, the number of published listings increased as well as the ARPL (average revenue per listing). Overall increased remote working during the pandemic has likely benefited the interest in Hemnet, as the home and living environment became an even more important part of people's everyday life.

War in Ukraine

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

Financial overview

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

	2022	2021	2020	2019	2018
Net sales	889.2	728.1	544.1	444.4	373.1
EBITDA	448.1	302.9	188.0	171.9	138.1
EBITDA margin, %	50.4%	41.6%	34.5%	38.7%	37.0%
Adjusted EBITDA	448.1	355.0	202.1	171.9	138.1
Adjusted EBITDA margin, %	50.4%	48.8%	37.1%	38.7%	37.0%
Operating profit	377.5%	223.9	110.5	98.7	73.3
Operating margin, %	42.5%	30.8%	20.3%	22.2%	19.6%
Income after financial items	370.7	198.1	86.8	83.6	47.7
Profit after tax	293.8	156.5	67.7	65.6	53.2
Profit margin, %	33.0%	21.5%	12.5%	14.8%	14.3%
Average revenue per published listing (ARPL), SEK	3,275	2,467	1,760	1,414	1,079
Equity/Assets ratio, %	68.4%	71.1%	56.9%	53.4%	54.7%
Net debt	228.1	188.6	415.1	521.4	471.3
Net debt/EBITDA, times	0.5	0.6	2.2	3.0	3.4
Net debt/adjusted EBITDA, times	0.5	0.5	2.1	3.0	3.4
Debt/Equity ratio, times	0.2	0.2	0.5	0.6	0.6
Number of employees	135	112	108	92	79
Number of published listings in the period	198.3	198.4	189.3	185.0	188.0

Net sales

Net sales increased by 22.1 percent and amounted to SEK 889.2 (728.1) million. Both service categories grew during the year. Property listing related revenues increased by 31.5 percent to SEK 668.4 (508.3) 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 32.8 percent to SEK 3,275 (2,467). Turnover from other services increased by 0.5 percent to SEK 220.8 (219.8) million, mainly driven by a strong display ad business. In 2021, other services included revenues of SEK 5.7 million related to a marketing campaign together with Mäklarsamfundet. This revenue has been treated as an item affecting comparability when calculating adjusted EBITDA.

Operating profit

Operating profit increased by 68.8 percent to SEK 377.5 (223.9) million, corresponding to an operating margin of 42.5 (30.8) percent. Other external costs decreased by -0.3 percent and amounted to SEK 299.0 (299.9) million. Administration and commission compensation to affiliated real estate offices together constitute the largest item in other external costs and increased by 22.8 percent to SEK 184.3 (150.1) million, primarily as an effect of the increased revenues from property sellers. The remaining part of other external expenses decreased by 23.4 percent and amounted to SEK 114.7 (149.8) million. Part of the decrease comes from that 2021 included costs in relation to preparations for Hemnet's IPO, as well as from marketing costs. These non-recurring items consisting of consultancy costs for work on Hemnet's IPO (SEK 48.7 million) and costs for a marketing campaign with Mäklarsamfundet (SEK 9.1 million) are treated as items affecting comparability in the calculation of adjusted EBITDA.

Personnel costs increased by 17.8 percent and amounted to SEK 153.2 (130.0) 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 -6.8 (-25.8) million and consists mainly of interest expenses on the Group's bank loan. In 2021, net financial items were also charged with SEK -13.8 million regarding capitalised arrangement fees treated as cost as part of the repayment of the Group's previous credit facility in connection with the stock exchange listing.

Profit before tax amounted to SEK 370.7 (198.1) million.

Taxes

Reported total tax expense amounts to SEK 76.9 (41.6) million, which corresponds to an effective tax of 20.8 (21.0) percent. Current tax expense amounted to SEK 86.8 (55.8) million, while deferred tax income amounted to SEK 9.9 (14.2) million.

Profit for the year

Profit for the year after tax amounted to SEK 293.8 (156.5) million.

Earnings per share

Earnings per share, basic & diluted, amounted to SEK 2.93 (1.55).

Investments

The company's intangible assets consist mostly of goodwill, customer relationships, platform and trademarks that have been identified in connection with the acquisition of the then Hemnet group. There was no impairment requirement during the current financial year. 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 13.7 (6.5) 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 1.8 (0.5) million.

Cash flow

Cash flow from operating activities amounted to SEK 356.0 (235.0) million, of which changes in working capital amounted to SEK +8.2 (-3.3) 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 -15.5 (+17.7) million. Cash flow from financing operations amounted to SEK -334.6 (-405.3) million.

Financial position

The Group's cash and cash equivalents, including interest bearing securities, amounted to SEK 100.4 (94.5) million at the end of the period and total interest-bearing liabilities to SEK 328.5 (283.1) million. Net debt thus amounted to SEK 228.1 (188.6) million, which corresponds to a debt/equity ratio of 0.5 (0.5) times rolling twelve-month adjusted EBITDA.

Equity amounted to SEK 1,432.7 (1,516.9) million, which corresponded to an equity/assets ratio of 68.4 (71.1) 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.

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 13.7 million (6.5) 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 normalised in 2022 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 real estate 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.

During the pandemic Hemnet saw a record high activity in the housing market and in Hemnet's channels, which normalised in 2022 as a result of macroeconomic changes. In the longer term, however, we do not see that interest in the residential property market will decrease. However, there are pressures from 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 2024. Further information on the Group's debt can be found in notes G21 and G22.

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 135 people, which is an increase of 23 people compared with the beginning of the year. The average number of employees at Hemnet in 2022 was 124, with 53 of them women and 71 men.

Significant events after the end of the financial year

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

On 27 January 2023 the Board decided to update Hemnet's profitability target from the current medium-term adjusted EBITDA margin target of 45-50 percent to a long-term adjusted EBITDA margin target of over 55 percent.

On 31 January, 2023, Hemnet's previous majority shareholder, General Atlantic, divested its shares in Hemnet.

Hemnet continued the share repurchase program in 2023 and repurchased an additional 487,745 shares for a total of SEK 76 million during the period from 1 January, 2023 to 15 March, 2023.

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 9.2 (5.6) million referred in their entirety to intra-group services invoiced to other Group companies. The Parent Company's costs amounted to SEK 20.1 (59.3) million, where the decrease in costs mainly are related to costs in 2021 for the preparations for Hemnet's IPO. Group contributions received from the subsidiary Hemnet Holding AB amounted to SEK 435.0 (286.2) million, with profit before tax amounting to SEK 416.8 (227.0) million.

Cash and cash equivalents amounted to SEK 34.9 (19.8) million. Equity amounted to SEK 949.9 (996.9) million. The total number of shares amounted to 101,131,478 (101,131,478) and the number of shares outstanding amounted to 98,838,795 as of 31 December 2022.

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. In December 2022, the Board of Directors adopted a new Sustainability Policy, reflecting the Company's ambitions in the sustainability area, complementing the existing policies in the areas of corporate governance, information/data, communication/insider information

and HR. 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 2022, 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 2022 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 2022, no extraordinary general meetings were held. The AGM was held on 29 April 2022 in Stockholm as a physical meeting with the possibility for shareholders to vote

in advance (so called postal voting) pursuant to temporary legislation. All proposals to the AGM were approved. All documentation relating to the AGM 2022 is available on www.hemnetgroup.com.

Annual general meeting 2023

Hemnet's AGM 2023 will be 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 documentation relating to the AGM is available on www.hemnetgroup.com.

Shares

At year-end 2022, the total number of shares in Hemnet amounted to 101,131,478 shares, of which 96,074,904 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 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 General Atlantic with 16.6 percent of the capital and votes and Mäklarsamfundet Bransch in Sweden with 10.2 percent of the share capital and votes. The 2022 Annual General Meeting authorised the Board to initiate repurchases of own ordinary shares and during the year, 2,235,683 ordinary shares have been repurchased. The repurchased shares are intended to be terminated, pending decision by the 2023 Annual General Meeting, whereby the total number of shares decrease. The 2023 Annual General Meeting is also

Organisation chart



proposed to authorise the Board to continue 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 2023 has been formed in accordance with the Nomination Committee Instructions adopted by the AGM 2022. The Nomination Committee consists of five members: Henrik Persson, nominated by General Atlantic RR B.V., Jonas Bergh, nominated by Mäklarsamfundet Bransch i Sverige AB, Andreas Haug, nominated by Vor Capital LLP, Jonathan Schönback, nominated by Odin Funds, and the Chair of the

Board Christopher Caulkin. The Nomination Committee has decided to elect Henrik Persson as its Chair. The composition of the Nomination Committee meets the composition requirements of the Code. On 1 February 2023, Didner & Gerge flagged a holding of 8.3 percent of the shares in Hemnet. Didner & Gerge was consequently, and in accordance with the Nomination Committee's instructions, invited to appoint a representative participating in the Committee's work as co-opted member.

In its work, the Nomination Committee has applied Rule 4.1 of the Code as its diversity policy in addition to the newly adopted 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 as of 31 December 2022

Board member	Position	Remuneration Committee	Audit Committee
Christopher Caulkin *	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	-

Board and Committee attendance board and Committee meetings in 2022 (per capsulam not included)

Member	Board meeting	Remuneration Committee	Audit Committee
Christopher Caulkin *	9/9	7/7	
Maria Redin **	6/9		6/9
Anders Edmark ***	9/9		6/9
Tracey Fellows	8/9		8/9
Håkan Hellström ****	8/9	3/7	
Nick McKittrick	8/9		9/9
Pierre Siri	9/9	7/7	

Nomination Committee

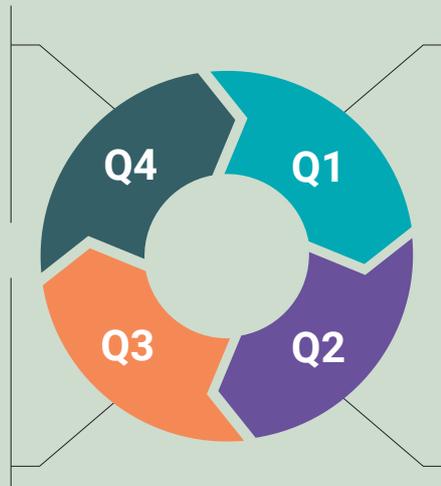
Member	Nominated by	31/12 2022, % of votes
Henrik Persson	General Atlantic R R B.V.	16.61
Jonas Bergh	Mäklarsamfundet Bransch i Sverige AB	10.15
Andreas Haug	Vor Capital LLP	5.11
Jonathan Schönback	Odin Funds	4.80
Christopher Caulkin	N/A	N/A

* Assumed office as Chair of the Board on 31 August 2022, before then member, and as Chair of the Remuneration. Committee at the Board meeting on 19 October 2022, before then member. ** Joined the Board at the 2022 AGM. Chair of the Audit Committee since the inaugural Board meeting in connection with the 2022 AGM. *** Joined the Audit Committee at the inaugural Board meeting in connection with the 2022 AGM. **** Joined the Remuneration Committee at the inaugural Board meeting in connection with the 2022 AGM.

Annual cycle of the Board of Directors

- CEO update and financial update
- Business plan
- Budget
- Preliminary results and business update
- Decision on quarterly report
- Policies - updates and compliance
- Board and CEO valuation

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



- CEO update and 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 in Q1

- CEO update and 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

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 2022, Ernst & Young AB was re-elected as auditor with the Authorised Public Accountant Anna Svanberg as lead auditor for the period until the end of the 2023 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 engagements 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 gover-

nance 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 decision is reviewed annually. For specifications of auditors' remuneration, see Note G7 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

Audit Committee responsibilities

The Committee's work in 2022 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, with a particular focus on financial reporting and cybersecurity.
- Review and follow-up of the auditor's reporting on audits.
- Accounting and valuation policies have been evaluated, including estimates related to the value of the Group's intangible fixed assets.
- The audit work has been evaluated and presented to the Nomination Committee.
- Updates to Group-wide policies have been reviewed.

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 2022 consisted of eight members, two women and six men. At the end of 2022, the Board of Directors has one vacancy since the Chair elected at the AGM, Håkan Erixon, decided to leave the board on 31 August 2022. Following Erixon's decision, the Board convened an extra Board meeting and elected Christopher Caulkin to replace Erixon as 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 40-41.

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 2022 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 has since the AGM 2022 consisted of Maria Redin (Chair), Anders Edmark, Tracey Fellows and Nick McKittrick. The Company's CFO has attended all meetings of the Audit Committee and the Company's General Counsel has served as secretary of all meetings. Also, the CEO has attended eight of nine meetings during the year. 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.

Remuneration Committee

The responsibilities of the Remuneration Committee are, among other things, to monitor, evaluate and prepare remuneration guidelines. After the AGM 2022, the Remuneration Committee has consisted of Håkan Erixon (Chair, up until 31 August 2022), Christopher Caulkin (elected Chair of the Remuneration Committee at the Board meeting held on 19 October 2022, prior to that he was a member), 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 2022 has covered issues such as:

- During the year, completed and new long-term incentive schemes have been monitored and evaluated.
- The application of the remuneration guidelines decided by the Annual General Meeting has been monitored and evaluated.
- Preparation of updated remuneration guidelines ahead of the 2022 AGM.
- A draft remuneration report has been prepared for the Board to submit to the 2022 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 2022 evaluation was carried out with the support of an external contractor during autumn 2022. 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 January 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 for example include 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 management team, which consists of eight (8) members including the CEO, of which five (5) are women and three (3) are men, which 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.

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 2022, the amount of Board fees, including remuneration for work in the Audit Committee and Remuneration Committee, was set at a total of SEK 3,975,000. 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 2023 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 long-term share-based remuneration. Note G8 as well as the Remuneration Report and the AGM documentation available on the website provide a description of the long-term variable incentive programs. The Board's proposal regarding the long-term variable incentive program to the 2023 AGM is

substantially the same as the program decided by the AGM 2022.

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, instructions and process descriptions 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 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. The most significant item for financial reporting purposes is the Group's intangible fixed assets, for which there is a process for valuation and ongoing monitoring. 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, 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



	Christopher Caulkin	Anders Edmark	Tracey Fellows
Position	Chair	Board member	Board member
Elected	2017	2017	2020
Year of Birth	1980	1959	1965
Nationality	English	Swedish	Australian
Education	Degree in engineering from Cambridge University and a masters degree in finance from London Business School.	High school studies in economics, real estate education through AFR.	Bachelor's degree in Economics from Monash University.
Current assignments	Managing Director: General Atlantic LLC Limited partner: in a number of investments funds managed by General Atlantic Service Company, L.P. Member: Kahoot! As, Typeform S.L., Colibri SAS (active as ManoMano), Property Finder International Ltd, Doctolib SAS, Uni Compare Limited.	Chair: Sveriges Fastighetsmäklarförbund, Mäklarsamfundet Bransch i Sverige AB, Svensk Mäklarstatistik AB. Co-owner and founder: Mäklarhuset, Mäklarbyrå i Örnsköldsvik Handelsbolag. Member and co-founder: SAH INVEST AB, Konsulthuset i Örnsköldsvik AB, Fastighetsbolaget Huset i Örnsköldsvik AB. Member: Auktoriserade Fastighetsmäklares Riksförbund AFR:s Service AB, Deputy board member and co-founder: Sven Bagare AB.	Non-executive Director: REA Group Limited, Woolworths Group. Member: Trade Me Group.
Work experience	Managing Director at General Atlantic with a focus on the internet and media sectors. Board member of Property Finder, ManoMano, Doctolib, Kahoot! and Typeform and with previous experience from Boston Consulting Group and the investment company Warburg Pincus.	Real estate agent since 1982. Founder and CEO for real estate agency Mäklarhuset Örnsköldsvik. Board chair of the Association of Swedish Real Estate Agents. Anders is also a board member of SAH Invest as well as Chairman of the Board of statistics organisation Svensk Mäklarstatistik.	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. Member of the Board of Directors of TradeMe.
Attendance, board meetings	9/9	9/9	8/9
Independent in relation to Hemnet and its management	Yes	No	Yes
Independent in relation to major shareholders	No	No	Yes
Total board fee, SEK	-	367,534	383,870
Shareholding	-	17,374	90,142



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 chairman of Mäklarsamfundet and chairman of the board of Svensk Fastighetsförmedling. Board member of Svensk Mäklarstatistik. Co-owner and CEO of Svensk Fastighetsförmedling Sydost. Vice chairman of Dina Försäkringar Öland. Board member of the Linnaean Academy of Science and Business, the Barometern Foundation and Mspeccs.

Chief Executive Officer: MTG.

Member: TX Markets AG, Burns Sheehan Limited.

Member: Chrono24 GmbH
Advisor: IT-utskottet i Nordnet AB (publ)
Part of management: Sprints Capital Management Limited, Nordic Light Ltd.

Vice chair of the Association of Swedish Real Estate Agents and chair of real estate agency Svensk Fastighetsförmedling. Board member for statistics organisation Svensk Mäklarstatistik, co-owner and CEO of real estate agency Svensk Fastighetsförmedling Sydost. Vice chair of Dina Försäkringar Öland, Board member of Linnéakademien för Vetenskap och Näringsliv, Stiftelsen Barometern, and Mspeccs.

Chief Executive Officer of MTG, Chief Financial Officer at MTG, Member of the Board of Directors at NetEnt, CFO and later CEO at Bet24

Accenture, Co-founding executive and CEO of Rightmove, CEO and board member of Homegate AG.

Co-founder and Operating Partner of Sprints Capital. Board member of Chrono24. Previously CEO and investor in Blocket and Hiitta.se, as well as other digital companies such as Klart.se, Sleep Cycle, Eltiempo.es and Dubicars. Investor and advisor for Propertyfinder, the leading property portal in the Middle East.

8/9

6/9

8/9

9/9

No

Yes

Yes

Yes

No

Yes

Yes

No

367,534

336,301

383,870

-

155,652

3,600

250,630

3,000,000

Management



	Cecilia Beck-Friis	Jens Melin	Francesca Cortesi	Jessica Sjöberg
Position and tenure	Chief Executive Officer since 2017	Interim Chief Financial Officer since 2022	Chief Product Officer since 2020	Chief Communication and Brand Officer since 2019
Year of birth	1973	1985	1983	1977
Nationality	Swedish	Swedish	Italian	Swedish
Education	Executive Management Program, SSE Executive Education, Sweden, studies in Entertainment Marketing and strategic marketing at NYU's School of Professional Studies, USA, and diploma in production management from Berghs School of Communication, Sweden	MSc in Business and Economics from Linköping University.	Master in Communication and Media Studies and Bachelor of Arts in Communication, Università degli studi di Milano.	Media and Communications Studies, and Political Science, Stockholm University.
Current assignments	Chairman of the board of directors of Hemnet Holding AB, Hemnet Holding II AB, Hemnet Holding III AB, HemNet Sverige AB, Hemnet AB, HN Hem AB and member of the board of directors of Norrängen Media AB	Board member of Hemnet Holding AB, Hemnet Holding II AB, Hemnet Holding III AB, HemNet Sverige AB, Hemnet AB and HN Hem AB.	-	Deputy member of board of directors of Fiali Collective AB
Work experience	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..	Head of Group Accounting & Control at Hemnet. Prior to that served as Authorised Public Accountant at PwC, Group Financial Controller at Autoliv and Head of Group Accounting at Touristry Group.	Several years of experience in agile product development and helping companies build successful product organisations. Former Head of Engagement and Retention at Stardoll.	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 Com Hem and Director of Communications at TDC Sverige.
Shareholding	771,572	2,000	68,109	113,090
Warrants	197,135	10,835	38,616	34,116



Peter Frey

Chief Technical Officer since 2022

1973

Swedish

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

Pierre Bergström

Chief Sales Officer since 2017

1972

Swedish

Master's degree in Economics from Mid Sweden University.

Sarah Wu

Chief Commercial Officer since 2020

1985

Swedish

Master of Science in Molecular Biotechnology and holds a Bachelor of Business Administration.

Anna Kempe

Chief People and Culture Officer since 2022

1977

Swedish

Bachelor of Social Science (PAO) from Stockholm University.

-

-

Owner and member of the board of directors of SRW Consulting AB

-

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).

Twenty years experience in senior positions within sales. Previously Sales Director at Svenska Dagbladet and senior positions within the Manpower Group.

Former Commercial Director at KRY and Business Area Manager at Blocket. Previously also worked with strategy at Schibsted and as a management consultant at Caggemini Invent.

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.

-

115,945

260

-

4,500

31,116

38,616

7,000

Distribution of earnings

Total available funds for distribution:

Retained earnings	541,432,765
Net profit for the year	331,032,680
Total SEK	872,465,445

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 16 March, 2023. The consolidated Income Statement and Balance Sheet, and the Income

To be allocated as follows:

Dividend to shareholders, SEK 1.00 per share	98,838,795
Funds to be carried forward	773,626,650
Total SEK	872,465,445

Statement and Balance Sheet of the Parent Company, will be presented for adoption by the Annual General Meeting on 27 April, 2023.

The proposed dividend amounts to SEK 98.8m. The Group's equity attributable to the shareholders of the Parent Company was SEK 1,432.7m as of 31 December, 2022, and unrestricted equity in the Parent Company was SEK 872.5m. 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 16, 2023. 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, 17 March, 2023

Christopher Caulkin
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

Table of contents for statements and notes

Consolidated statements and notes p. 46-66

Note	Page
Consolidated income statement	46
Consolidated statement of financial position	47
Consolidated statement of changes in equity	48
Consolidated statement of cash flows	49
G1 Summary of important accounting principles	54
G2 Important estimates and assessments for accounting purposes	54
G3 Revenue from customer agreements	54
G4 Other operating income	54
G5 Other operating costs	55
G6 Other operating income	55
G7 Auditor remuneration	55
G8 Employee remuneration, etc.	55
G9 Financial income and costs	57
G10 Exchange rate differences, net	57
G11 Income tax	58
G12 Earnings per share	58
G13 Intangible assets	59
G14 Tangible non-current assets	59
G15 Leases	59
G16 Deferred tax	60
G17 Accounts receivable	61
G18 Other current receivables	61
G19 Prepaid expenses and accrued income	61
G20 Equity	61
G21 Financial risk management and financial instruments by category	62
G22 Liabilities to credit institutions	64
G23 Other current liabilities	65
G24 Accrued expenses and deferred income	65
G25 Changes in liabilities belonging to the financing operations	65
G26 Cash and cash equivalents	65
G27 Related party transactions	66
G28 Events after the reporting period	66

Parent company statements and notes p. 67-72

Note	Page
Parent company income statement	67
Parent company balance sheet	68
Parent company statement of changes in equity	69
Parent company statement of cash flows	70
P1 Parent company accounting principles	71
P2 Personnel costs	71
P3 Participations in Group companies	71
P4 Receivables and liabilities of Group companies	72
P5 Equity	72
P6 Liabilities to credit institutions	72
P7 Related parties	72
P8 Events after the reporting period	72
P9 Appropriation of earnings	72

Consolidated income statement

Amount in SEK million	Note	2022	2021
Operating income			
Net sales	3	889.2	728.1
Other operating income	4, 10	2.6	1.8
Total income		891.8	729.9
Capitalised proprietary intangible assets	13	10.0	4.6
Operating expenses			
Other external expenses	6, 7	-299.0	-299.9
Personnel costs	8	-153.2	-130.0
Depreciation and amortisation	13, 14, 15	-70.6	-79.0
Other operating costs	5	-1.5	-1.7
Total costs		-524.3	-510.6
Operating profit		377.5	223.9
Financial income	9, 10	0.6	0.3
Financial costs	9, 10	-7.4	-26.1
Net financial items		-6.8	-25.8
Earnings before tax		370.7	198.1
Tax	11	-76.9	-41.6
Profit after tax		293.8	156.5
Other comprehensive income		-	-
Total comprehensive income for the period		293.8	156.5
<i>Of which attributable to: Parent Company shareholders</i>		293.8	156.5
Earnings per share			
Before dilution (SEK)	12	2.93	1.55
After dilution (SEK)	12	2.93	1.55

Consolidated statement of financial position

Amount in SEK million	Note	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Goodwill	13	902.8	902.8
Customer relationships	13	759.3	814.7
Platform	13	-	0.2
Trademarks	13	241.2	241.2
Capitalised development costs	13	20.1	12.7
Right of use assets	15	0.6	6.9
Other non-current assets	14, 16	2.0	1.4
Total non-current assets		1,926.0	1,979.9
Current assets			
Accounts receivables	17	31.5	28.7
Other current receivables	18	24.9	22.3
Prepaid expenses and accrued income	19	11.8	8.1
Cash and cash equivalents	26	100.4	94.5
Total current assets		168.6	153.6
TOTAL ASSETS		2,094.6	2,133.5

EQUITY AND LIABILITIES			
Equity			
Share capital	20	77.4	77.4
Other capital contributions		1,250.5	1,246.8
Retained earnings (including net income for the period)		104.8	192.7
Total equity (attributable to Parent Company shareholders)		1,432.7	1,516.9
Non-current liabilities			
Liabilities to credit institutions	22	328.5	277.9
Deferred tax liabilities	16	210.2	220.1
Total non-current liabilities		538.7	498.0
Current liabilities			
Leasing liabilities	15	-	5.2
Accounts payable		13.5	12.5
Tax liabilities		11.3	18.7
Other current liabilities	23	17.2	14.0
Accrued expenses and deferred income	24	81.2	68.2
Total current liabilities		123.2	118.6
TOTAL EQUITY AND LIABILITIES		2,094.6	2,133.5

Consolidated statement of changes in equity

Amount in SEK million	Share capital (Note G20)	Other capital contributions equity (Note G20)	Retained earnings (including net income for the period) (Note G20)	Total equity (Note G20)
Opening balance as of January 1, 2021	68.3	1,245.1	36.2	1,349.6
Profit for the year			156.5	156.5
Other comprehensive income			-	-
Total comprehensive income			156.5	156.5
Transactions with the company's owners				
Share redemption	-2.6	-2.4		-5.0
New share and warrant issue	2.8	14.0		16.8
Bonus issue	8.9	-8.9		-
Issue costs	-	-1.0		-1.0
Total transactions with the company's owners	9.1	1.7	-	10.8
Closing balance as of December 31, 2021	77.4	1,246.8	192.7	1,516.9
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
Share redemption		-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, 2021	77.4	1,250.5	104.8	1,432.7

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

Consolidated statement of cash flows

Amount in SEK million	Note	2022	2021
Cash flow from operating activities			
Operating profit		377.5	223.9
Adjustment for items not affecting cash flow:			
Depreciation and amortisation of tangible and intangible assets		70.6	79.0
Disposal of fixed assets		0.0	0.0
Interest received		0.6	0.1
Interest paid		-6.7	-15.1
Paid income tax		-94.2	-49.6
Cash flow from operating activities before changes in working capital		347.8	238.3
Cash flow from changes in working capital			
Change in operating receivables		-9.0	-7.9
Change in operating liabilities		17.2	4.6
Total changes in working capital		8.2	-3.3
Cash flow from operating activities		356.0	235.0
Cash flow from investing activities			
Investments in intangible non-current assets	13	-13.7	-6.5
Investments in tangible non-current assets	14	-1.8	-0.5
Disposal of tangible non-current assets	14	0.0	0.0
Disposal of short-term investments		-	24.7
Cash flow from investing activities		-15.5	17.7
Cash flow from financing activities			
Borrowings	25	115.0	500.0
Loan repayments and amortisation of loans	25	-65.0	-908.6
Repayment of lease liabilities	25	-6.5	-7.5
New share and warrant issue		4.6	11.8
Issue costs		-0.2	-1.0
Redemption of warrants		-0.8	-
Share repurchase		-326.1	-
Paid dividend		-55.6	-
Cash flow from financing activities		-334.6	-405.3
Cash flow for the year		5.9	-152.6
Cash and cash equivalents at beginning of the year		94.5	247.1
Cash and cash equivalents at end of the year		100.4	94.5

Note G1 Summary of important accounting principles

Summary of important 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 for the head office is Sveavägen 9, 111 57 Stockholm. On March 16, 2023, 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 27, 2023.

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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 (MSEK). 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, to the extent that they have not already been indicated in previous notes. 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.

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

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Basis for the preparation of the reports

The consolidated statement for the Group has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The financial statement has been prepared in accordance with historical cost approach, except regarding the revaluation of financial assets measured at fair value through profit or loss and financial liabilities (including derivatives) valued at fair value through profit or loss. The annual report and consolidated financial statements have been prepared with the assumption of continued operations, in line with the principle of going concern.

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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.

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

P1

New standards, changes and interpretations applied by the Group

No new applications of standards, changes or interpretations that have a material impact on the Group have been added since the last annual report 2020.

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

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Consolidated financial statements

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. The Group controls a company when it is exposed to or is entitled to a variable return from its holding in the company and has the opportunity to impact the return through its influence in the company. 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.

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Asset acquisitions or business combinations

Acquisitions of companies can be classified as either business combinations or asset acquisitions in accordance with IFRS 3. It is an individual assessment that is made for each separate acquisition. Corporate acquisitions, whose

primary purpose is to acquire a company's assets and where the company's possible management organisation and administration are of secondary importance to the acquisition, are classified as asset acquisitions. Other acquisitions are classified as business combinations.

Asset acquisitions

For acquisitions of subsidiaries considered asset acquisitions, the acquisition cost is allocated to individual assets and liabilities, based on their fair values at the time of acquisition. In the case of asset acquisitions, no deferred tax is attributable to the acquisition.

Business combinations

The difference between the acquisition value of business combinations and the acquired share of the net assets in the acquired business is classified as goodwill and is recognised as an intangible asset in the balance sheet. Goodwill is measured at cost minus accumulated impairment losses. Transaction costs are expensed directly under profit for the period.

Business combinations are reported in accordance with the acquisition method. The purchase price consists of the fair value of transferred assets, liabilities that the Group takes on to previous owners of the acquired company, and shares issued. The purchase price also includes the fair value of all assets or liabilities that result from agreed conditional purchase considerations. The fair value of the agreement regarding conditional purchase considerations is based on management's assessment of what is likely to be paid, given the terms of the share transfer agreement.

In business combinations, full deferred tax is based on the temporary differences between the asset's fair value and their book value.

Transactions within the Group, balance sheet items and unrealised gains and losses on transactions between group companies are eliminated. Accounting principles for subsidiaries have been changed, where appropriate, to ensure consistent application of the Group's principles.

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 chief operating decision-maker is the function responsible for the allocation of resources and for assessing the performance of the operating segment. 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 organizational and management structure.

Conversions of foreign currency

Functional currency and reporting currency

The various units in the Group have the local currency as the functional currency, as the local currency has been defined as the currency used in the primary financial environment in which each unit is mainly operating. 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

Foreign currency transactions are converted into the functional currency at the exchange rates prevailing on the transaction date or the date the items are revalued. Exchange rate gains and losses arising from the payment of such transactions and when converting monetary assets and liabilities in foreign currency at the closing date are reported under comprehensive income.

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 property listings and advertising services.

Revenues are reported in accordance with IFRS 15, where a principle-based five-step model is applied to identify agreements and any separate performance obligations, and to determine and distribute the transaction price for each performance obligation. Revenues are reported when the performance obligation according to the agreement is fulfilled and the customer has gained control of the service. 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 – Property listings

Revenue from property listings and related value-added services is accrued over the average historical duration of a listing.

Sale of services – Advertising

Revenue from advertising is reported over the period in which the advertising campaign is published on Hemnet.se and in Hemnet's apps, either in line with the delivery of agreed page views or over the term of the agreement, depending on what is applicable.

See Note G3 Revenue from contracts with customers.

Financial income and expenses

Financial income consists of interest income which is recognised in revenue using the effective interest method. When the value of a receivable in the category of loan receivables and accounts receivable has decreased, the Group reduces the carrying amount to its recoverable amount, that is estimated future cash flow, discounted with the original effective interest rate for the instrument, and continues to dissolve the discount effect as interest income. Interest income on impaired loans and accounts receivable is recognised at the original effective interest rate.

Financial expenses consist of interest expenses on borrowing and other financial expenses. Borrowing costs are recognised in the income statement using the effective interest method. Other financial costs include bank charges. Exchange rate gains and losses are reported net. The effective interest rate is the interest rate that discounted the estimated future cash flows during the expected term of a financial instrument to the net asset value of the financial asset or liability. The calculation includes all fees paid or received that are part of the effective interest rate.

Taxes

The tax expenses for the period include current and deferred tax. Tax is recognised in the statement of comprehensive income, except when the tax relates to items that are recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income and equity.

Management regularly evaluates the claims made in self-assessments regarding situations where applicable tax rules are subject to interpretation. Tax liability is reported, when deemed appropriate, for amounts that are likely to be paid to the tax authority.

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 tax is also not recognised if it arises as a result of a transaction that constitutes the first recognition of an asset or liability that is not a business combination and which, at the time of the transaction, does not affect the reported or fiscal result.

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.

Deferred tax assets are reported to the extent that it is probable that future fiscal surpluses will be available, against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legal set-off right for current tax assets and tax liabilities and when the deferred tax assets and liabilities relate to taxes charged by one and the same tax authority and refer to either the same taxpayer or different taxpayers, where there is an intention to settle the balances through net payments.

Intangible assets

Goodwill

Goodwill with an indefinite life 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.

Goodwill arises from acquisitions and refers to the amount by which the purchase price, any non-controlling interest in the acquired company and the fair value per acquisition day of the former equity interest in the acquired company, exceeds the fair value of identifiable acquired net assets. In order to test for impairment, goodwill acquired in a business combination is distributed to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units that goodwill has been allocated to corresponds to the lowest level in the Group at which the goodwill in question is monitored in internal control. Goodwill is currently monitored for the Group as a whole since the Group is judged to be one cash-generating unit, which is one segment.

Goodwill depreciation is tested annually or more frequently if events or changes in circumstances indicate a possible value decrease. The carrying amount of the cash-generating unit to which the goodwill was attributed (the Group as a whole) is compared with the recoverable amount, which is the higher of the value in use and the fair value minus selling costs. Any depreciation is accounted for immediately as an expense and is not put back.

Other intangible assets

Customer relationships

Customer relationships that were acquired as part of a business combination (see Note G13 Intangible assets for details) 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. The useful lives are 10 and 20 years respectively.

Platform

Platforms acquired as part of a business combination (see Note G13 Intangible assets for details) are recognised at fair value at the acquisition date and are amortised on a straight-line basis over the projected useful life, corresponding to the estimated time they will generate cash flow. The useful life is 5 years.

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 reported at cost and are impairment.

Capitalised development costs

Maintenance costs are expensed as incurred. Expenditures on development work that is directly attributable to the development and testing of identifiable and unique software that is controlled by the Group, are recognised as intangible assets when the following criteria are met:

- it is technically possible to complete the software development as well as products associated with it so it can be used,
- the company's intention is to complete the software and to use or sell it,
- there are prerequisites for using the software and associated products,
- it can be shown that the software generates probable future economic benefits,
- adequate technical, financial and other resources for completing the development and for using the software and related products are available, and
- the expenses associated with the software during its development can be reliably calculated.

Other development expenses, which do not meet these criteria, are expensed as incurred. Development costs that were previously expensed are not reported as an asset in a subsequent period. Expenses for development work reported in the balance sheet are entered at cost minus accumulated amortisation and any impairment losses. The useful life is 3 years.

See also Note G2, Important estimates and decisions for accounting purposes.

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Tangible fixed assets

Equipment

Equipment is reported at cost minus depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or reported as a separate asset, whichever is appropriate, only when it is probable that the future economic benefits associated with the asset will benefit the Group and the asset's acquisition value can be measured reliably. The carrying amount of the replaced part is removed from the balance sheet. All other types of repairs and maintenance are reported as expenses in the report on the comprehensive income during the period in which they arise.

Depreciation of assets, in order to distribute the acquisition value down to the estimated residual value over the estimated useful life, is made linearly as follows:

- Equipment 2-5 years

The assets' residual values and useful lives are tested at the end of each reporting period and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying value exceeds its estimated recoverable amount.

Gains and losses on divestitures are determined by comparing sales revenue with the carrying amount and are reported under other operating income/ other operating expenses - net in the report on comprehensive income.

Impairment losses of non-financial assets

Assets with an indefinite useful life (goodwill and trademark) or intangible assets that are not ready for use are not amortised but are tested annually for any impairment. Assets that are amortised are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is with an amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its utility value. When assessing impairment, assets are grouped at the lowest levels where there are essentially independent cash flows (cashgenerating units), which for the Hemnet Group AB (publ) refers to the Group. For assets (other than goodwill) that have previously been written down, a review is made on each balance sheet whether a reversal should be made.

Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in one company and a financial debt or equity instrument in another company. Financial instruments recognised in the balance sheet 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. The accounting depends on how the financial instruments have been classified.

Accounting and removal

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument. Rent receivables and accounts receivable are recognised in the balance sheet when an invoice has been sent and the company's right to compensation is unconditional. Debt is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recognised when an invoice is received.

Financial assets and financial liabilities are offset and recognised with a net amount in the balance sheet only when there is a legal right to set off the amounts and there is an intention to settle the items with a net amount or to simultaneously sell off the asset and settle the debt. A financial asset is removed from the balance sheet when the rights in the agreement are realised, expire or when the company loses control of them. The same applies to part of a financial asset. At each reporting date, the company evaluates whether there are objective indications that a financial asset or group of financial assets is in need of impairment. The same applies to part of a financial liability.

Profits and losses from items removed from the balance sheet as well as modifications are reported in the income statement.

Classification and valuation

The Group's classification of financial assets that are debt instruments is based on the Group's business model for asset management 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

Financial assets measured at amortised cost are initially valued at fair value with the addition of transaction costs. Accounts receivable are initially reported at fair value, which normally corresponds to the invoiced value. After initial recognition, the assets are valued using the effective interest method. Assets classified 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. The assets are subject to a loss provision for expected credit losses. The Group's assets classified at amortised cost consist of accounts receivable, cash and cash equivalents and other current receivables.

b) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are initially valued at fair value, including transaction costs. After the first accounting period, they are valued at amortised cost using the effective interest method. The Group's financial liabilities classified at amortised cost consist of liabilities to credit institutions, accounts payable, accrued expenses and the portion of other current liabilities relating to financial liabilities.

Impairment of financial instruments

The Group's financial assets, except those that are classified at fair value through profit or loss, are subject to impairment losses for expected credit losses. Impairments for credit losses in accordance with IFRS 9 are forwardlooking and a loss provision is made when there is an exposure to credit risk, usually at the first accounting date. Expected credit losses reflect the present value of all cash flow deficits attributable to payments due, either for the next 12 months or for the expected remaining maturity of the financial instrument, depending on the type of asset and the deterioration in credit since the first reporting date. Expected credit losses reflect an objective, probabilityweighted outcome that takes into account the majority of scenarios based on reasonable and verifiable forecasts.

The simplified model is applied for accounts receivable. In the simplified model, a loss reserve is reported for the receivable's or the asset's expected remaining maturity.

For other items subject to expected credit losses, the general method is applied using a three-stage impairment model.

Initially, as well as on each balance sheet date, a loss reserve is reported for the next 12 months, or for a shorter period of time depending on the remaining term (stage 1).

If there has been a significant increase in credit risk since the first accounting date, which results in a rating below investment grade, a loss reserve for the remaining maturity of the asset is reported (stage 2). An assessment of whether a significant increase in credit risk exists is based on whether payment is delayed for more than 30 days, or if a significant deterioration in rating occurs, resulting in a rating below investment grade. The Group has defined default as when payment of the claim is delayed by 90 days or more, or if other factors indicate payment default. For assets that are considered to be credit impaired, reserves are still kept for expected credit losses for the remaining term (stage 3). For credit impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss provision, as opposed to the gross amount as in the previous stages.

The Group's assets have been assessed to be in stage 1, that is, there has been no significant increase in credit risk.

The valuation of expected credit losses is based on different methods. The method for accounts receivable is based on historical accounts receivable combined with forward-looking factors. Other receivables and assets are written down according to a rating-based method based on probability of default, expected loss at default and exposure for default, through the application of an external credit rating or assessed rating. Expected credit losses are valued as the product of the probability of default, loss due to default and exposure for default. For credit-impaired assets and receivables, an individual assessment is made taking into account historical, current and forward-looking information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees included in the contract terms.

The financial assets are recognised in the balance sheet at amortised cost, i.e.

the net of gross value and loss reserve. Changes in the loss reserve are recognised in the income statement as other external costs.

Accounts receivables

Accounts receivable are financial instruments consisting of amounts to be paid by customers for services sold in the day-to-day operations. If payment is expected within one year, they are classified as current assets. If not, they are reported as non-current assets.

Accounts payable are initially recognised at fair value and thereafter at amortised cost using the effective interest method. Accounts receivable are subject to a loss provision for expected credit losses.

Cash and cash equivalents

Cash and cash equivalents include, in the balance sheet as well as in the report on cash flows, cash and bank balances. Cash and cash equivalents are subject to the requirements for loss provision for expected credit losses and provision for expected credit losses is made in accordance with the general method. If the amounts are not deemed to be insignificant, a reserve for expected credit losses is also recognised for these financial instruments.

Accounts payable and other liabilities

Accounts payable are financial instruments and refer to obligations to pay for goods and services acquired from suppliers in the day-to-day operations. Accounts payable and other liabilities are classified as current liabilities if they fall due within one year. If not, they are reported as noncurrent liabilities.

Accounts payable and other liabilities are initially recognised at fair value and thereafter at amortised cost using the effective interest method.

Borrowing

Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is then reported at accrued acquisition value, and any difference between the amount received (net after transaction costs) and the repayment amount is reported in the statement of comprehensive income distributed over the loan period, using the effective interest method. Fees paid for loan facilities have been reported as prepaid costs and are expensed during the facility's term.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

Leases

Leasing agreements are reported in the balance sheet. Lease liability is valued at the present value of lease fees that have not been paid at the time of valuation. Discounting is done with the implicit interest rate of the lease, if this can be easily determined. If this interest rate cannot be determined, the lessee's marginal loan interest rate is used.

The company applies the relief rules regarding short-term agreements (leasing agreements where the leasing period is less than 12 months) and leasing agreements where the underlying asset is of low value in cases where such occur. Such agreements are not reported in the balance sheet.

The valuation of the lease liability initially includes payments for the right to use the underlying asset during the lease period that were not paid before the starting date. The payments can relate to fixed fees, variable leasing fees that depend on an index or price, amounts that are expected to be paid by the lessee according to residual value guarantees, redemption price for an option to buy the underlying asset or penalty fees paid upon termination in accordance with a termination option, if the Group is reasonably certain to exercise these options. Lease liabilities are reported in the balance sheet as leasing liabilities divided into a long-term and a short-term part. After the commencement date, the lease liability is valued by increasing the carrying amount to reflect the interest on the lease liability and decreasing the value to reflect paid lease fees. Revaluation of the carrying amount is made to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Right of use assets (right to use a leased asset) are reported at cost minus depreciation and any write-downs and taking into account adjustments for any revaluation of the lease debt.

The value of the right of use assets consists of the lease debt, all leasing fees paid on or before the starting date, any initial direct expenses and an estimate

of costs for dismantling and disposal of the underlying asset and any restoration costs.

Depreciation of right of use assets is made from the starting date to the time that occurs earliest, the end of the useful life or the end of the lease period. If there is a purchase option for a contract that is reasonably likely to be used, the asset is depreciated over the useful life (i.e. does not take into account the lease period).

The value of the right of use asset and the period of use are tested when there is an indication that an asset may be impaired. The reported value of the right of use is immediately written off to its recoverable value if the asset's carrying value exceeds its estimated recoverable value.

Employee compensation

Short-term compensation

Short-term employee compensation such as salaries, social security contributions, holiday pay and bonuses are expensed in the period when the employees perform the services. Liabilities for salaries and remuneration, including non-monetary benefits and paid absences, which are expected to be settled within 12 months after the end of the financial year, are reported as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled.

The cost is recognised as the services are performed by the employees. The debt is reported as a liability regarding employee compensation in the consolidated balance sheet.

Pension obligations

The Group solely has defined contribution pension plans. A defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all compensation to employees related to employee service during the current or prior periods. Consequently, the Group has no further risk. The Group's obligations regarding contributions to defined contribution plans are recognised as an expense in the income statement for the year at the rate they are earned by the employees performing services for the Group during the period.

Compensation upon termination

An expense for compensation in connection with layoffs is only reported if the company is demonstrably obliged, without realistic possibility of withdrawing, of a formal detailed plan to terminate an employment before the normal time. When compensation is offered to encourage voluntary resignation, an expense is reported if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based compensation

Incentive programmes exist whereby participants have the opportunity to acquire warrants at market value, see also note G8. There is no cost to account for these, as market value is paid.

Repurchase and holding of treasury shares

The 2022 Annual General Meeting authorized the Board of Directors to, on one or more occasions during the period until the next Annual General Meeting, decide on the repurchase of own shares to such an extent that the Company holds no more than ten (10) percent of all shares in the Company at any time after the acquisition. The maximum amount for repurchases during the period shall be SEK 450 million. Acquisitions shall be made on Nasdaq Stockholm at a price per share within the price interval registered at any given time. The purpose of the authorization is to adjust the Company's capital structure by reducing the share capital. The Board of Directors therefore intends to propose to the Annual General Meeting 2023 that the repurchased shares be cancelled.

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

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. See further information in note K8.

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 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 and platform 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 14 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		2022	2021
Property sellers		639.6	482.3
Real estate agents		113.2	95.4
Real estate developers		48.3	54.4
Advertisers		88.1	96.0
Total		889.2	728.1
Revenue breakdown by service category		2022	2021
Listing services		668.4	508.3
Other services		220.8	219.8
Total		889.2	728.1

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: The revenue for the listing ad is accrued over average maturity. 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. Revenue for value-added services attributable to the listing ad, such as the products Hemnet Plus and Premium, is accrued over average maturity. Hemnet is considered to have satisfied its performance obligation for value-added services related to property listings when the listing is removed for advertising or when the period for which the value-added service extends is over. For example, the product Raketen is active for a certain number of days after purchase. 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 administrative compensation. For their mediation of additional services linked to property advertising, 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 objects and brands. Advertisements are recognised as revenue over the period that the advertising campaign is exposed on Hemnet.se and in Hemnet's apps. Other services are recognised as revenue during the period in which the service is used. 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.

The majority of the services are invoiced with 30 days payment due. Advertising services are billed in line with campaign times. Invoicing for property listing takes place in connection with publication. Since 2020, home sellers have been offered to pay their home listing via Klarna up to seven days after publication. In the event that the sellers choose to pay via Klarna, an invoice will be drawn up via Klarna and Hemnet will receive a settlement claim on Klarna. If the property seller does not choose to pay via Klarna within seven days, a paper invoice will be issued. 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 and accrued invoicing is reported as prepaid income in the balance sheet. The remaining performance obligations as of Dec. 31, 2022 amounted to SEK 12.3 million (7.6), 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 2022.

Note G4 Other operating income

	2022	2021
Reminder fees and interest for late payments	1.6	0.9
Commission income	0.5	0.2
Exchange rate differences receivables of an operative nature	0.1	0.2
Other	0.4	0.5
Total	2.6	1.8

Note G5 Other operating costs

	2022	2021
Foreign exchange losses	-0.2	-0.7
Reminder and debt collection costs	-1.3	-1.0
Other	-0.0	-0.0
Total	-1.5	-1.7

Note G6 Other external expenses

	2022	2021
Administration and commission compensation	-184.3	-150.1
Other	-114.7	-149.8
Total	-299.0	-299.9

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

Note G7 Auditor remuneration

	2022	2021
Ernst & Young		
- Audit engagement	2.8	2.7
- Audit activity in addition to the audit engagement	0.3	2.1
- Tax services	-	-
- Other services	-	-
Total compensation for the auditors	3.1	4.8

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.

Remuneration to the Board of Directors, CEO and senior executives

	2022					
	Salaries, fees, benefits	Variable remuneration	Pension costs	Social costs incl. payroll tax	Other benefits	Total
Christopher Caulkin, 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 ***** 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.

	2021					
	Salaries, fees, benefits	Variable remuneration	Pension costs	Social costs incl. payroll tax	Other benefits	Total
Håkan Erixon, Chair	0,6	-	-	0,2	-	0,8
Christopher Caulkin	-	-	-	-	-	-
Anders Edmark	0,2	-	-	0,1	-	0,3
Tracey Fellows	0,3	-	-	0,1	-	0,4
Håkan Hellström*	0,2	-	-	0,1	-	0,3
Thomas Hussey**	-	-	-	-	-	-
Kerstin Lindberg Göransson	0,3	-	-	0,1	-	0,4
Nick McKittrick	0,3	-	-	0,1	-	0,4
Pierre Siri	-	-	-	-	-	-
Henrik Persson, deputy***	-	-	-	-	-	-
Cecilia Beck-Friis, chief executive officer	2,5	1,3	0,5	1,3	0,1	5,7
Other senior executives	6,3	3,6	1,4	3,5	0,1	14,9
Total	10,7	4,9	1,9	5,4	0,2	23,1

* from 1 March 2021, before this deputy ** until 1 March 2021 *** until 1 March 2021

Note G8 Employee remuneration, etc.

	2022	2021
Salaries and other compensations	98.5	84.4
Social security expenses	34.0	26.6
Pension expenses	12.5	9.1
Total Group	145.0	120.1

Average number of employees

	2022		2021	
	Average number of employees	Of which women	Average number of employees	Of which women
Sweden	124	53	112	44
Group total	124	53	112	44

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

	2022-12-31		2021-12-31	
	Total	Of which women	Total	Of which women
Board members	7	2	8	2
CEO and senior executives	8	5	7	4
Group total	15	7	15	6

Incentive program

Long-Term Incentive Plan ("LTIP")

Hemnet has two long-term incentive programs as of December 31, 2022, 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 a corresponding program resolved at the 2022 Annual General Meeting. It's the board's intention that the structure of the warrant programs shall be long-term and the Board of Directors therefore intends to present at the 2023 Annual General Meeting corresponding proposal for the establishment of warrant programs for 2023/2026.

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 Total program 469,253 warrants were issued under the LTIP I 2021/2024 program. In 2021, 234,390 options were subscribed for by related parties in Steering group. 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 ceiling of SEK 250 percent, which means that the options do not generate any additional return at a share price above SEK 287.50.

In 2022, a total of 67,528 warrants were repurchased 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 Steering group. 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.

Warrants issued	Number outstanding	Exercise price	Value per allocated warrant
Per 31 December 2020	-	-	-
allocated LTIP I	469 253	155,25	11,89
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

Share savings program for employees

The Board of Directors of Hemnet has 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, includes shares of 11,200, to a value of SEK 1.4 million and is reported in accordance with IFRS 2 and the effect on personnel costs during the year is SEK 0.013 million.

Guidelines for remuneration of senior executives adopted at the the Annual General Meeting 2022

These guidelines encompass the terms for 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 forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2022. 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 it easier and more efficient for all parties involved. Hemnet's goal is to continue to be the leading housing 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.

The guidelines have been drawn up to successfully implement the Company's business strategy and safeguarding of its long-term interests, including its sustainability, and to create clarity and transparency with regard to the remuneration that senior executives 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 service companies.

Remuneration to senior executives shall consist of:

- Fixed market 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

As regards variable 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. In addition to the aforementioned remuneration forms, remuneration may also in certain exceptional cases and in accordance with the principles set forth in the Company's HR Policy, be paid in connection with new employment in order to attract certain key individuals to the Company for the purpose of supporting Hemnet's business strategy. Such remuneration shall be limited to the first year of employment.

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.

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 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 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 before that point it shall not 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

Remuneration for senior executives shall be reviewed yearly and at least every fourth year, on the basis of area of responsibility, performance and competence, as well as the principles for remuneration described above.

Termination Notice and Severance Pay

The notice period for senior executives, and the period of time during which salary payment 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. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for twelve (12) months for 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 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 compensation shall be paid for such services, which is to be decided by the Board of Directors. Remunerations of this kind are to 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 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

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 given 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	2021-12-31	2022-12-31	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	155,00	17,26*	1,55%*	32%*	2025
Total	469,253	1,002,253					

* Average value

Holdings	Number of outstanding issued warrants				
	2021-01-01	change	2021-12-31	change	2022-12-31
Cecilia Beck-Friis, CEO	-	97,135	97,135	100,000	197,135
Other senior executives	-	137,255	137,255	27,544	164,799
Other employees and prior employees	-	187,068	187,068	74,177	261,245
Treasury holdings	-	47,795	47,795	331,279	379,074
Total	-	469,253	469,253	533,000	1,002,253

Note G9 Financial income and costs

	2022	2021
<i>Interest bearing securities valued at fair value</i>		
Interest bearing securities	-	0.2
Total revenue at fair value	-	0.2
<i>Other</i>		
Foreign exchange gains, net	0.1	0.1
Other	0.5	-
Total other	0.6	0.1
Financial income, total	0.6	0.3
<i>Liabilities valued at amortised cost</i>		
Interest expenses to credit institutions	-7.3	-25.7
Other interest expenses	-0.0	-0.3
Interest expense deferred consideration	-	-
Total interest costs according to the effective interest method	-7.3	-26.0
<i>Other</i>		
Foreign exchange losses, net	-	-
Interest expenses, leasing liabilities	-0.1	-0.1
Total other	-0.1	-0.1
Financial costs, total	-7.4	-26.1
Financial items, net	-6.8	-25.8

Note G10 Exchange rate differences, net

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

	2022	2021
Other operating income (Note G4)	0.1	0.2
Other operating costs (Note G5)	-0.2	-0.7
Financial items, net (Note G9)	0.1	0.1
Total	-0.0	-0.4

Note G11 Income tax

	2022	2021
Current tax:		
Current tax on profit for the year	-86.8	-55.8
Total current tax	-86.8	-55.8
Deferred tax (Note G16):		
Deferred tax on temporary differences and tax loss	9.9	14.2
Total deferred tax	9.9	14.2
Total income tax	-76.9	-41.6

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:

	2022	2021
Earnings before tax	370.7	198.1
Income tax calculated according to tax rate in Sweden (20.6% and 21.4% respectively)	-76.4	-40.8
<i>Tax effect of:</i>		
Non-deductible costs	-0.5	-0.5
Other		-0.3
Income tax expense	-76.9	-41.6

This year's effective tax rate is -20.8% (-21.0%).

Note G12 Earnings per share

	2022	2021
Earnings per share before dilution		
Profit for the year attributable to ordinary equity holders of the Parent Company	293.8	156.5
Weighted average number of ordinary shares outstanding during the year	100,345,982	100,999,394
Earnings per share before dilution, SEK	2.93	1.55
Diluted earnings per share		
Profit for the year attributable to ordinary equity holders of the Parent Company	293.8	156.5
Weighted average number of ordinary shares outstanding during the year	100,345,982	100,999,394
Effect of warrant programmes issued ¹	0	181,253
Number of shares for the calculation of diluted earnings per share	100,345,982	101,180,647
Earnings per share after dilution, SEK	2.93	1.55

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. As no market price is available to set against the exercise price and the number of warrants is limited in relation to the number of ordinary shares, the dilution effect for periods before Hemnet's IPO on 27 April, 2021, has been calculated based on the maximum theoretical dilution. For periods after 27 April, 2021, the calculation of dilution is made based on the average share price during each 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, 2022, the company has three outstanding incentive programs. For more information on redemption rates and description of incentive schemes, see note G8 Employee remuneration, etc.

Note G13 Intangible assets

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

2021	Goodwill	Customer relationships	Platform	Trademarks	Capitalised development costs	Total
Opening acquisition value	902.8	1,090.4	40.5	241.7	21.1	2,296.6
Acquisitions for the year	-	-	-	-	6.5	6.5
Closing acquisition value	902.8	1,090.4	40.5	241.7	27.6	2,303.1
Opening accumulated amortisation	-	-220.4	-32.1	-0.3	-8.2	-260.8
Amortisation for the year	-	-55.4	-8.2	-0.3	-6.8	-70.7
Closing accumulated amortisation	-	-275.8	-40.3	-0.6	-15.0	-331.5
As of December 31, 2021						
Acquisition value	902.8	1,090.4	40.5	241.7	27.6	2,303.1
Accumulated amortisation	-	-275.8	-40.3	-0.6	-15.0	-331.5
Closing carrying amount	902.8	814.7	0.2	241.2	12.7	1,971.6

For the fiscal year 2022, the Group estimated that SEK 13.7 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.

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 14 and 4 years respectively.

Platform refers to intangible assets attributable to websites and apps. The useful life was 5 years and the assets is now 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⁾ , %	14.7
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	31/12/2022	31/12/2021
Opening acquisition value	11.0	10.5
Acquisitions for the year	1.8	0.5
Disposals for the year	-0.7	-0.0
Closing acquisition value	12.0	11.0
Opening accumulated depreciation	-9.7	-8.7
Depreciation for the year	-1.1	-1.0
Disposals for the year	0.7	0.0
Closing accumulated depreciation	-10.1	-9.7
Closing carrying amount	2.0	1.3

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 two months until November 2022.

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 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, 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

	Right of use assets			Leasing liabilities
	Offices	Office equipment	Total	
As of January 1, 2021	12.6	0.1	12.7	11.3
Additional contracts	1.4		1.4	1.4
Depreciation for the year	-7.2	-0.1	-7.3	
Interest expenses				0.2
Payments				-7.7
As of December 31, 2021	6.8	0.0	6.9	5.2

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

Right of use assets	2022	2021
Depreciation of right of use assets	7.5	7.3
Interest expenses for leasing liabilities	0.1	0.1
Short-term leasing	0.1	0.1
Total amount reported in year-end results	7.7	7.5

Future leasing fees are shown in the table below:

Maturity analysis (undiscounted flows)	31/12/2022	31/12/2021
Year 1	-	5.2
Year 2	-	0.0
Year 3	-	-
Year 4	-	-
Year 5	-	-
Total	-	5.2

Note G16 Deferred tax

Deferred tax assets and liabilities are distributed as follows:

	31/12/2022	31/12/2021
Deferred tax assets:		
Deferred tax assets assessed to be utilised after more than 12 months	-0.0	0.0
Deferred tax assets assessed to be utilised within 12 months	0.1	0.1
Total	0.0	0.1
Deferred tax liabilities		
Deferred tax liabilities assessed to be utilised after more than 12 months	197.0	207.6
Deferred tax liabilities assessed to be utilised within 12 months	13.2	12.5
Total	210.2	220.1

Net change in deferred taxes is as follows:

	31/12/2022	31/12/2021
Opening balance	220.1	234.3
Reported in statement of comprehensive income	-9.9	-14.2
Closing balance	210.2	220.1

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

	Customer relationships	Platform	Trademark	Other	Total
Deferred tax liabilities					
As of December 31, 2020	179.2	1.7	49.7	3.8	234.4
Reported in statement of comprehensive income	-11.4	-1.7	-0.1	-1.0	-14.2
As of December 31, 2021	167.8	-0.0	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	-0.0	49.6	4.2	210.2
Deferred tax assets				Right of use assets	Total
As of December 31, 2020				0.1	0.1
Reported in statement of comprehensive income				-0.0	-0.0
As of December 31, 2021				0.1	0.1
Reported in statement of comprehensive income				-	-
As of December 31, 2022				0.1	0.1

Note G17 Accounts receivable

	2022-12-31	2021-12-31
Accounts receivable	37.9	33.5
Reserve for expected credit losses	-6.4	-4.8
Total	31.5	28.7

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, 2022 net accounts receivable amounted to SEK 31.5 million (28.7) after the provision of expected customer 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 6.1 million, SEK 3.9 million had been paid before 2023-01-31.

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

	31/12/2022	31/12/2021
Not overdue accounts receivable	25.8	24.1
1-30 days	5.6	4.2
31-60 days	0.5	0.4
> 61 days	6.0	4.8
Total overdue accounts receivable	12.1	9.4
<i>Change in reserve for expected credit losses:</i>		
Opening balance	4.8	4.4
Reserve for expected credit losses/reserve reversal	1.6	0.5
Credit losses recovered and reversed	-0.0	-0.1
Closing balance	6.4	4.8

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 4.4 million (SEK 4.5 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

	31/12/2022	31/12/2021
Settlement receivables	21.0	18.1
VAT receivable	0.2	0.2
Tax account	3.6	4.0
Other	0.1	0.0
Total	24.9	22.3

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

	31/12/2022	31/12/2021
Accrued income	4.6	4.3
Other prepaid expenses	7.2	3.8
Total	11.8	8.1

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	96,074,904	96,074,904	73,571,626
Series A1	5,056,574	5,056,574	3,872,191
As of December 31, 2022	101,131,478	101,131,478	77,443,817

As of 31 December 2022, the share capital consists of 101,131,478 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 1,246.8 million (1,243.6).

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

During the year, a total of 2,235,683 shares were repurchased for a total of SEK 318.3 million within the framework for the Share Repurchase Program of a maximum of SEK 450 million. In addition, 57,000 shares have been repurchased for a total of SEK 7.5 million within the framework of the company's commitment to the Share Savings Program 2022/2025. The holding of own Shares at the end of the quarter amounted to 2,292,683. the number of shares outstanding, excluding holdings of own shares, as of 31 Dec 2022, amounts to 98,838,795. It The total number of shares in the company is 101,131,478.

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 December 31, 2021

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

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

	31/12/2021		
	USD	GBP	EUR
Cash and cash equivalents	0.7	0.1	0.6
Accounts payable	0.4	-	0.4
Accrued income	0.2	-	-

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, 2022 would be SEK 32 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, 2022 would be SEK 13 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:

	2022	2021
Net exchange rate gain (+)/ loss (-), included in other operating income/ other operating expenses	-0.1	-0.5
Net exchange rate gains (+)/ currency (-), included in financial income/expenses	0.1	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 May 27, 2024 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 2022 were 100 basis points higher/lower with all other variables constant, the calculated profit after tax for the financial year would have been SEK 2.4 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, 2022: SEK 500 million.

The Group has the following unutilised credit facility as of December 31, 2022: SEK 330 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 277.9 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 0.5 (2.1) at 31 December 2022. 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 and short-term investments.

Maturity of financial liabilities

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

As of December 31, 2021	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	1.2	3.7	5.0	281.7	-	291.6	277.9
Leasing liabilities	-	5.2	0.0	-	-	5.2	5.2
Accounts payable	12.5	-	-	-	-	12.5	12.5
Other current liabilities	14.0	-	-	-	-	14.0	14.0
Total	27.7	8.9	5.0	281.7	-	323.3	309.6

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, 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
G1	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
G8	Total	-	418.5	418.5
Assets as of December 31, 2021		Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Total
Assets in the balance sheet				
	Interest bearing securities	-		-
	Accounts receivable and other receivables		55.3	55.3
	Cash and cash equivalents		94.5	94.5
G15	Total	-	149.8	149.8
Liabilities as of December 31, 2021		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		277.9	277.9
	Other liabilities		11.5	11.5
	Accounts payable		12.5	12.5
	Accrued expenses		60.6	60.6
G22	Total	-	362.5	362.5

The fair value of short-term liabilities to credit institutions corresponds to their carrying amount, as the discounting effect is not material. The fair value of longterm debt to credit institutions is based on discounted cash flows (level 2) and amounts to SEK 330 million as at 12/31/2022. For other financial assets and liabilities, the carrying amount is an approximation of fair value and therefore these items are not classified into levels according to the valuation hierarchy.

Note G22 Liabilities to credit institutions

	31/12/2022	31/12/2021
Long-term liabilities		
Liabilities to credit institutions	330.0	280.0
Effective interest rate/settlement fee/renegotiation result	-1.5	-2.1
	328.5	277.9
Total liabilities to credit institutions	328.5	277.9

Liabilities to credit institutions

The Group's borrowing matures on April 27, 2024 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, 2022.

	Reported value 31/12/2022	Fair value 31/12/2022
Loans from credit institutions	328.5	330.0

Note G23 Other current liabilities

	31/12/2022	31/12/2021
VAT credit	6.5	5.4
Personnel-related taxes	9.0	6.8
Other items	1.7	1.8
Total	17.2	14.0

Note G24 Accrued expenses and deferred income

	31/12/2022	31/12/2021
Accrued personnel costs	13.4	17.6
Deferred income	12.4	7.6
Accrued administration and commission compensation	42.5	37.7
Other accrued costs	12.9	5.3
Total	81.2	68.2

Note G25 Changes in liabilities belonging to the financing operations

	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

	01/01/2021	Cash inflow	Cash outflow	Non-cash flow items				31/12/2021
				Paid financing costs	Unpaid interest expenses	Accrual of financing costs	Change in leasing commitments	
Liabilities to credit institutions	675.4	500.0	-908.6	-3.0	-2.0	16.0		277.9
Leasing liabilities	11.3		-7.5				1.4	5.2
Total	686.7	500.0	-916.1	-3.0	-2.0	16.0	1.4	283.1

Note G26 Cash and cash equivalents

	31/12/2022	31/12/2021
Bank balances	100.4	94.5
Total	100.4	94.5

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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G28

P1
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P8
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Note G27 Related party transactions

Long-Term Incentive Plan (LTIP)

On 29 April, 2022, the Annual General Meeting resolved to issue warrants of Series 2022/2025 to the Company and to managers and certain other employees with key competences in the Group participating in the warrant programme. This is the second long-term incentive program and the Board intends to make a corresponding proposal at the 2023 AGM for the establishment of a warrant program for 2023/2026. For more information read G8 for more information.

During 2022, 174,000 warrants were subscribed by related parties in the management team. For further information regarding this and previous long-term incentive programs, see not G8.

Agreement with Svensk Fastighetsförmedling AB ("Svensk Fastighetsförmedling") regarding mediation of Hemnets advertising services
Hemnet has entered into an agreement with Svensk Fastighetsförmedling regarding mediation and coordination of display and native campaigns.

Note G28 Events after the reporting period

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

On 27 January 2023 the Board decided to update Hemnets profitability target from the current medium-term adjusted EBITDA margin target of 45-50 percent to a long-term adjusted EBITDA margin target of over 55 percent.

On 31 January, 2023, Hemnet's previous majority shareholder, General Atlantic, divested its shares in Hemnet.

Hemnet continued the share repurchase program in 2023 and repurchased an additional 487,745 shares for a total of SEK 76 million during the period from 1 January, 2023 to 15 March, 2023.

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Parent Company income statement

Amount in SEK million	Note	2022	2021
Net sales	7	9.2	5.6
Total		9.2	5.6
Other external expenses		-11.3	-53.4
Personnel costs	2	-8.8	-5.7
Other operating costs		-	-0.2
Total operating expenses		-20.1	-59.3
Operating profit/loss		-10.9	-53.7
Net financial items		-7.3	-5.5
Appropriations - Group contributions received	7	435.0	286.2
Earnings before tax		416.8	227.0
Income tax		-85.8	-46.8
Profit/loss for the year		331.0	180.2

Parent Company statement of comprehensive income

Amount in SEK million	Note	2022	2021
Profit/loss for the year		331.0	180.2
Other comprehensive income		-	-
Total comprehensive income for the year		331.0	180.2

Parent Company balance sheet

Amount in SEK million	Note	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Participations in Group companies	3	1,146.6	1,146.6
Non-current receivables Group companies	4	497.9	513.4
Total non-current assets		1,644.5	1,660.0
Current assets			
Current receivables from Group companies	4	1.7	0.7
Prepaid costs		1.4	1.1
Cash and bank balances		34.9	19.8
Total current assets		38.0	21.6
TOTAL ASSETS		1,682.5	1,681.6
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		77.4	77.4
Total restricted equity		77.4	77.4
Unrestricted equity			
Share premium reserve		867.6	863.9
Retained earnings		-326.1	-124.6
Profit/loss for the year		331.0	180.2
Total unrestricted equity		872.5	919.5
Total equity		949.9	996.9
Non-current liabilities			
Liabilities to credit institutions	6	328.5	277.9
Total non-current liabilities		328.5	277.9
Current liabilities			
Accounts payable		0.6	0.6
Current liabilities to Group companies	4	387.9	387.9
Other liabilities		12.1	16.1
Accrued expenses and deferred income		3.5	2.2
Total current liabilities		404.1	406.8
TOTAL LIABILITIES AND EQUITY		1,682.5	1,681.6

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, 2021	68.3	1,245.1	-124.6	-0.0	1,188.8
Transfer of previous year's results			-0.0	0.0	-
Profit/loss for the year				180.2	180.2
Other comprehensive income				-	-
Total comprehensive income				180.2	180.2
<i>Transactions with owners</i>					
Share redemption	-2.6	-385.3			-387.9
New share and warrant issue	2.8	14.0			16.8
Bonus issue	8.9	-8.9			-
Issuance costs		-1.0			-1.0
Total transactions with the company's owners	9.1	-381.2	-	-	-372.1
Closing balance as of December 31, 2021	77.4	863.9	-124.6	180.2	996.9
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
Share redemption		-0,8			-0,8
Warrant issue		4,6			4,6
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

Parent Company statement of cash flows

Amount in SEK million	2022	2021
Cash flow from operating activities		
Operating profit	-10.9	-53.7
Interest received	0.0	-
Interest paid	-6.6	-7.7
Paid income tax	-89.0	-30.4
Cash flow from operating activities before changes in working capital	-106.5	-91.8
Cash flow from changes in working capital		
Change in current receivables	449.0	-213.5
Change in current liabilities	0.6	-13.1
Total changes in working capital	449.6	-226.6
Cash flow from operating activities	343.1	-318.4
Cash flow from investing activities		
Investments in subsidiaries	-	-0.0
Cash flow from investing activities	-	-0.0
Cash flow from financing activities		
Loans from Group companies	-	-175.1
Loans to Group companies	-	217.8
Dividend	-55.6	-
Share repurchase	-326.1	-
Borrowings	50.0	280.0
New share issue	4.6	11.8
Issue costs	-0.2	-1.0
Redemption of warrants	-0.8	-
Cash flow from financing activities	-328.1	333.5
Cash flow for the year	15.1	15.1
Cash and cash equivalents at beginning of the year	19.8	4.7
Cash and cash equivalents at end of the year	34.9	19.8

Note P1 Parent Company accounting principles

Basis for the preparation of the reports

The annual report for the Parent Company, Hemnet Group AB, has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) 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 ÅRL and the Pension Obligations Vesting 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 2022.

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 Annual Accounts Act. Furthermore, this means a difference in terms, compared to the consolidated accounts, mainly regarding financial income as well as expenses and equity.

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 "Result from participations in Group companies". No write-down requirement for shares in Group companies has been identified for the financial year.

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 31/12/2021
Hemnet Holding AB	559088-4457	Stockholm	100	50,000	1,141.6
HN Hem AB	559264-9775	Stockholm	100	25,000	0.0
HN Area AB	559311-7780	Stockholm	100	10,000,000	5.0

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 Holding II AB	559088-4465	Stockholm	100	50,000
Hemnet Holding III AB	559088-4473	Stockholm	100	50,000
Hemnet Sverige AB	556536-0202	Stockholm	100	1,000
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	2022	2021
Salaries and other remuneration	4,8	5,6
Social costs including payroll tax	1,7	1,3
Pension costs	0,7	0,5
Parent company total	7,2	5,6

Average number of employees

	2022		2021	
	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

	31/12/2022	31/12/2021
Opening balance	1 146.6	1,141.6
Change for the year	-	5.0
Closing balance	1 146.6	1,146.6

Note P4 Receivables and liabilities of group companies

	31/12/2022	31/12/2021
Long-term receivables		
Hemnet Holding AB	497.9	513.4
	497.9	513.4
Current receivables		
Hemnet AB	1.7	0.7
	1.7	0.7
Current liabilities		
HN Area AB	387.9	387.9
	387.9	387.9

Note P5 Equity

The share capital consists of 101,131,478 (100,719,421) shares with a quotient value of SEK 0.766 (0.051). See also information in the Group's note G20.

Note P6 Liabilities to credit institutions

	31/12/2022	31/12/2021
Long-term liabilities		
Liabilities to credit institutions	330.0	280.0
Effective interest rate/settlement fee/renegotiation result	-1.5	-2.1
	328.5	277.9
Total liabilities to credit institutions	328.5	277.9

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. The subsidiaries invoice the Parent Company for costs that pertain to the Parent Company Board or CEO.

Of reported net sales, SEK 9.2 (5.6) million relates to internal invoicing to Hemnet AB. Of other external costs, SEK 11.3 (7.1) million relates to internal invoicing from Hemnet AB. Received group contribution of SEK 435.0 (286.2) million is provided by Hemnet Holding AB.

Note P8 Events after the reporting period

On 27 January 2023 the Board decided to update Hemnets profitability target from the current medium-term adjusted EBITDA margin target of 45-50 percent to a long-term adjusted EBITDA margin target of over 55 percent.

On 31 January, 2023, Hemnet's previous majority shareholder, General Atlantic, divested its shares in Hemnet.

Hemnet continued the share repurchase program in 2023 and repurchased an additional 487,745 shares for a total of SEK 76 million during the period from 1 January, 2023 to 15 March, 2023.

Note P9 Appropriation of earnings

The following earnings are available to the Annual General Meeting:

Share premium reserve	867,582,266
Retained earnings	-58,052
Treasury shares	-326,091,449
Profit for the year	331,032,680
Total	872,465,445

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

Dividend to shareholders, SEK 1.00 per share	98,838,795
Funds to be carried forward, SEK	773,626,650
Total	872,465,445

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 2022. 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 2022 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 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), 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 income statement and balance sheet for the parent company and the group.

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, 2022, the value of goodwill and other intangible assets with an indefinite useful life amounts to SEK 1,144 million and represents 55% 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 2022 amounted to SEK 889.2 million in the Group's statement of comprehensive income. As stated in Note K1, revenues are recognized in accordance with IFRS 15 where a principle-based five-step model is applied to identify agreements and any separate performance obligations. Revenue is recognized when the performance commitment under the agreement is fulfilled and the customer has gained control of the service. Revenue is recognized over time if the customer receives or consumes the benefits at the same time as the service is delivered. When the contractual period is not stated, the average period of the service delivery is used based on historical information. Revenue is valued at the agreed transaction price after deduction of any discounts and VAT.

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 remuneration report for the financial year 2022 also constitutes other information that we obtained before the date of this audit 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 Hemnet Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated 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 2022.

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 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 ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

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 29, 2022 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	2022	2021
Operating margin		
Operating profit	377.5	223.9
Net sales	889.2	728.1
Operating margin, %	42.5%	30.8%
EBITDA & EBITDA margin		
Operating profit	377.5	223.9
Depreciation	-70.6	-79.0
EBITDA	448.1	302.9
Net sales	889.2	728.1
EBITDA margin, %	50.4%	41.6%
Adjusted EBITDA & Adjusted EBITDA margin		
EBITDA	448.1	302.9
<i>Items affecting comparability:</i>		
Advertising revenue (see note G28)	-	-5.7
Marketing costs (see note G28)	-	9.1
Consultancy costs	-	48.7
Adjusted EBITDA	448.1	355.0
Net sales	889.2	728.1
Adjusted EBITDA margin, %	50.4%	48.8%
Average revenue per published listing (ARPL)		
Net sales	889.2	728.1
Deduct revenue not arising from published listings	-240.0	-238.8
Revenue from published listings	649.2	489.3
Number of published listings, thousand	198.3	198.4
ARPL, SEK	3,275	2,467
Net debt		
Non-current interest-bearing liabilities	328.5	277.9
Current interest-bearing liabilities	0.0	5.2
Cash and cash equivalents, including current interest-bearing securities	100.4	94.5
Net debt	228.1	188.6
Net debt/EBITDA		
Net debt	228.1	188.6
Adjusted EBITDA	448.1	355.0
Net debt/adjusted EBITDA, times	0.5	0.5
Equity/Assets ratio		
Total equity	1,432.7	1,516.9
Total assets	2,094.6	2,133.5
Equity/Assets ratio, %	68.4%	71.1%
Debt/Equity ratio		
Non-current interest-bearing liabilities	328.5	277.9
Current interest-bearing liabilities	0.0	5.2
Total equity	1,432.7	1,516.9
Debt/Equity ratio, times	0.2	0.2

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.
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.
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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