
Hilbert Group AB (publ)

Annual Report 2023



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Director's report

The Board of Directors and the CEO of Hilbert Group AB (publ), corporate ID No. 559105-2948 ("Hilbert Group" or the "company"), hereby submits the Annual Report and consolidated financial statements for the financial year 1 January 2023 to 31 December 2023. The company's registered office is in Stockholm, Sweden. The Annual Report has been prepared in Swedish krona. The company's shares are listed on Nasdaq First North Growth Market, Stockholm, since 27 October 2021.

This is a translation of the original Swedish version of the Annual Report. In the event of any discrepancy, the Swedish wording shall prevail.

INFORMATION ABOUT THE OPERATIONS

Hilbert Group is a tech-enabled investment Group operated by experienced professionals; an investment Group which specialises in quantitative, algorithmic trading strategies in digital asset markets. Hilbert's primary activity is the asset management of its algorithmic, quantitative trading funds. Hilbert Group has a team of experienced quants with significant trading, algo-programming and risk experience, who are supported by an experienced team of professionals with both institutional tradfi but also fintech backgrounds.

Hilbert Group has opted for a diversified yet focused business model. The model is diversified because it sits across various aspects and asset classes within the digital assets/blockchain segment and focused because the Group only deals with its core competencies, investment activities and the underlying data and analysis driving those activities.

ASSET MANAGEMENT

Hilbert Capital is the firm's asset management business. It is operated as a traditional regulated fund business. More specifically, Hilbert Capital specializes in the investment management and risk management of quantitative investment solutions which generate attractive returns by taking advantage of both alpha and beta trading opportunities in digital asset markets. Investors in Hilbert Capital's investment solutions are predominantly institutions.

Hilbert Capital's revenue is generated by charging a fixed management fee as well as a performance-related fee relative to a high watermark on assets under management. With respect to the specific level of fees charged, Hilbert Group currently adheres to the "hedge fund model" which is typically 2 percent per annum in management fees and a 20 percent performance fee. For each Hilbert fund there are several investable share classes whose fee structures vary around the standard model, depending on the circumstances under which an investor enters.

Hilbert Group currently offers three investible funds:

Hilbert Digital Asset Fund / Hilbert V100 Fund

- **Inception:** the strategy has been running with capital since April 2017. In January 2019, the fund employing this strategy was established and opened to external investors.
- **Description:** Hilbert V100 is a fully risk-on, long-only strategy. Its objective is to maximize returns with a drawdown tolerance in line with the broad crypto-currency market. Hilbert V100 employs a combination of quantitative trading techniques, such as volatility trading, long-short trading and market-making.

For internal fund naming consistency, Hilbert Digital Asset Fund changed its name to Hilbert V100.

Hilbert V1 Fund

- **Inception:** the strategy has been running with capital since May 2022. In August 2022, the fund employing this strategy was established and opened to external investors in October 2022.
- **Description:** Hilbert V1 is a high alpha, low beta strategy. Its objective is to maximize returns within a drawdown tolerance of 10-12%. Hilbert V1 employs quantitative trading techniques, such as volatility trading, long-short trading, and market-making.

Hilbert V30 Fund

- **Inception:** the strategy has been running capital since May 2022. In May 2023, the fund employing this strategy was established and opened to external investors.
- **Description:** Hilbert V30 is a convex upside strategy. Its objective is to maximize returns within a drawdown tolerance of 10-20%. Hilbert V30 employs quantitative trading techniques, such as volatility trading, long-short trading and market-making.

PROPRIETARY TRADING

Proprietary trading means trading part of Hilbert Group's own capital. Thus, this vertical is responsible for a portion of Hilbert Group's revenues not directly related client work. The objective of conducting proprietary trading is two-fold:

- To opportunistically deploy some of Hilbert's treasury to take advantage of favorable market environments. This type of deployment will only be done in highly liquid positions and will never utilize any net leverage.
- To test-drive the various strategies under development on real money before they get deployed into any of the investment funds.

The proprietary trading strategy is a mix of algorithmic, technical and discretionary fundamental trading. The revenue will be generated solely through capital appreciation in the underlying portfolio.

Having proprietary trading and asset management under the same roof might imply potential challenges from a conflict-of-interest point of view. Hilbert Group assess

this risk on a regular basis and will continue to adhere to best practices in this respect, with full disclosure to investors if it is deemed that this risk is materially present. The Group has made its first proprietary trade during the fourth quarter of 2021, with high-frequency trading following in the 2nd quarter 2022 and continuing thereafter. Refer to accounting principles Note 1, XVII. Cryptocurrencies

EQUITY INVESTMENT

Since inception, Hilbert Group has invested in three private companies within the blockchain ecosystem which the Group evaluates to offer attractive long-term growth potential and strategic synergies with the asset management activities. These investments are long-term, passive investments on Hilbert Group's balance sheet and are not related to the core asset management business. The investment process relies mostly on fundamental analysis of the underlying projects, technologies, and a thorough assessment of the quality and economic outlook of those projects.

As of 31 December 2023, Hilbert Group has the following investments on its balance sheet:

- (I) 60% majority stake in COIN360 Global Ltd. COIN360 Global Ltd, was acquired in July 2021. COIN360 Global Ltd, owns and operates COIN360.com and associated domains. COIN360.com is a live aggregator website for cryptocurrency exchange data such as prices, returns and trading volumes. It also offers users many types of lists and diagrams to track different metrics for currencies and exchanges. COIN360.com ranks globally among the largest websites for this type of crypto data. The business model for COIN360.com is currently advertising/affiliates based but will soon be extended by a SaaS/subscription revenue stream. COIN360.com operates independently from Hilbert Group.
- (II) 2.7% stake in HAYVN, a global investment bank based in Abu Dhabi specializing in digital assets. HAYVN provides a regulated institutional grade digital currency platform that offers OTC trading, a digital asset payment solution and custody of digital assets. Hilbert Group and HAYVN will be strategic partners in terms of product development and distribution of fund products. In January 2023, HAYVN also launched its HAYVN 20 Digital Asset Index Fund and is further expanding its offering to Asset Management clients. In May 2023, HAYVN also obtained Virtual Asset Service Provider (VASP) license from the Lithuanian Financial Crime Investigation Service (FNTT), further strengthening global regulatory footprint. HAYVN has recently shifted its ADGM licence status from active to inactive, confining its operations to its base in the Cayman Islands. In December 2023 HAYVN's co-founder and CEO, Chris Flinos, stepped down and has since been replaced by the new CEO, Richard Crook.

In Q4 we had reported that the Company has moved away from the previously used income approach whereby future income and expenses for the entities are converted to a current discounted amount using a discounted cashflow (DCF) to fair value this investment and instead used a probability weighted expected return methodology ('PWER') for Q4. We continued and will continue to follow the developments and we are positive that the value of our investment is close to its original book value of a \$1,000,000 (SEK 10,041,600); this based on the PWER valuations we applied. Nonetheless in order to remove any judgement, bias and estimates in the valuation, we have decided to write down this investment to nil for this Annual Report until further information emerges about the acquisition

by DEUS X, and further potential litigation claims. Hilbert Group has a liquidation preference as a holder of this investment and in the most negative of scenarios it shall be entitled to receive an amount equal to our subscription proceeds in respect of these shares.

(III) A stake in Capchap AB acquired in February 2022; current shareholding stands at 4.35% following share issues registered in April 2024. Capchap AB changed its name to Kvanta AB on the same date during its AGM. Kvanta AB offers equity management and corporate secretarial services on the blockchain. Kvanta's AB solution enables users to manage their share ledger, issuance of new shares, buying and selling of shares in private companies and other corporate actions on the blockchain. This means that the costly services currently provided by legal advisers can to a large degree be eliminated.

REVENUE AND RESULTS

Revenue decreased to kSEK 24,106.4 (26,949.7), of which kSEK 17,910.7 (19,567.3) from Proprietary trading in cryptocurrencies, kSEK 2,272.1 (874.2) from Fund management as a result of increase in Assets under Management (AUM) and the launch of Hilbert V1 and Hilbert V30, and kSEK 3,923.7 (6,507.8) from Coin360, mainly related to Advertising income.

Operating results amounted to kSEK -42,963.1 (-50,181.1), this following the deduction of total operating expenses and income of kSEK -67,069.5 (-77,130.8); mainly relating to cost of cryptocurrencies sold kSEK -17,910.7 (-19,567.3) and kSEK -14,823 (-19,127.6) relating to personnel expenses, and other income and expenses including support services and depreciation and amortisation of kSEK -34,335.9 (-38,435.9).

The reduction in personnel expenses is a result of the streamlining completed by Hilbert Group during the long lasting crypto 2022 winter. The decrease in depreciation, amortization and write-downs kSEK -13,769.1 (-14,671.7), is a result of lower Impairment charges in 2023 versus carrying amounts of Investments. The change in other operating income and expenses kSEK 1,762.2 (-6,652.1) mainly reflects fair value adjustments of the crypto trading portfolio. Financial net of kSEK -5,944.4 (11,006.1) is mainly related to foreign exchange translation on other account balances.

Result for the period amounted to kSEK -48,870.4 (-39,264.1) of which kSEK -43,328.7 (-34,084.2) is attributable to parent company shareholders and kSEK -5,541.8 (-5,180) to non-controlling interest.

Balance sheet and cashflow

Total assets of the Group amount to kSEK 67,580.8 (84,449.6.4) of which kSEK 41,440.2 (53,855.9) relate to intangible assets and the right of use of assets; latter relating to a leased office premises which Hilbert Group entered into for a 7-year period in the amount of kSEK 5,685.3 (6,983.6).

Total equity amount to kSEK 33,472.7 (69,279.5) of which kSEK 21,689.2 (51,581.8) are attributable to parent company shareholders and kSEK 11,783.5 (17,697.6) are attributable to non-controlling interest.

Net cash flow from operating activities amounted to kSEK -28,664.0 (-22,337.3), net cash used in investing activities amounted to kSEK -3,115.0 (-13,334.6). Financing activities amounted to kSEK 42,408.2 (-111.0), mainly related to proceeds from convertible loan and issue of share capital in the twelve months under review.

At the end of the year Hilbert Group held kSEK 10,979.5 (388.2) in cash and cash equivalents.

Multi-year overview

kSEK	2023	2022	2021	2020	2018/19*
Revenue	24,106	26,950	9,186	149	279
Profit/loss before income tax	-48,907	-39,175	-3,953	-788	-1,203
Total Assets	67,581	84,450	114,979	2,761	1,619
Equity/assets ratio	50%	82%	91%	11%	71%

* Period from 19 November 2018 to 31 December 2019

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

I. Additions to the Team & New members of the Board of Directors

Hilbert Group opened the year on January 18, announcing that Thierry Pudet, Ph.D., has joined Hilbert Group as Senior Quant Strategist in Hilbert Capital, the quantitative asset management arm of Hilbert Group. Thierry Pudet, Ph.D., joins Hilbert Group following senior risk roles at Finisterre Capital, Citadel, and Goldman Sachs. Thierry brought over three decades of risk management and investing experience to the team, and is focusing on the ongoing development of Hilbert Group's systematic trading strategies.

During, its Annual General Meeting of Hilbert Group, Hilbert has elected Stuart Connolly as new Board member. Stuart is the Chief Investment Officer of Red Acre Ventures, a fintech and digital asset focused family office. Prior to that he was Chief Operating Officer at Oceanwood Capital Management, a European event driven hedge fund. Stuart also spent time working at Bluecrest and Morgan Stanley in a variety of structuring and treasury roles. He has deep experience in alternative investment fund management and digital asset investing, he is ACCA qualified and holds a Masters in Economics from the University of Glasgow.

On October 10, Hilbert Group further announced that Tim Grant will be elected to the Board of Directors. Tim Grant became the CEO of Deus X Capital, a newly launched \$1 billion Investment and operating company focused on private equity, venture capital, venture building and fund allocation in the digital asset, blockchain, fintech and Institutional capital markets sectors. Tim has a distinguished background and brings deep experience in both traditional finance and the blockchain/crypto industry. Prior to co-founding Deus X, he was Head of EMEA at Galaxy Digital, a leading operator in the digital asset ecosystem with assets under management of more than \$2.3 billion. Tim also held other roles, to mention CEO of Six Digital, Founder and CEO of DrumG Technologies and Managing Director at both UBS Investment Bank and UBS O'Connor, the multi-strategy hedge fund. Deus X Capital is a shareholder in Hilbert Group and Deus X's CIO, Stuart Connolly sits on the Board of Directors of Hilbert Group AB. Tim and Stuart are the Chairman and the CEO respectively of Alpha Lab 40, a Institutional-grade digital asset market maker and liquidity provider. Tim's election to the Board was resolved in the EGM held on 1 December 2023.

II. Coinbase partners with Hilbert Capital

Coinbase has selected Hilbert Capital, the asset management business of Hilbert Group AB, as a day one partner for its newly launched asset management platform Coinbase SMA (Separately Managed Accounts). Hilbert Capital is seen as one seven of the

world's leading digital asset managers, and the partnership agreement with Coinbase is potentially by far the most impactful agreement in Hilbert's history, with the potential to increase the firm's asset under management in 2024, and hence Hilbert's profitability. Coinbase SMA enables Institutional Investors such as pension funds and private wealth managers to access Hilbert's active investment solutions in a secure, transparent, and liquid format. Coinbase exchange caters to investors in more than 100 countries and offers trading in broad range of cryptocurrencies. Currently around SEK1,375 billion is managed on the platform, and the exchange has more than 25 million visits per month and a daily trading of around SEK25 billion. Coinbase's SMA offers a diverse range of passive and active managed digital asset strategies through SMA's.

III. Hilbert Capital launches its third fund

Hilbert Capital, has successfully launched its third systematic fund and opened it to external investors on the 1st May. The Fund takes advantage of volatility in digital asset market through algorithmic trading and can take long as well as short positions. Capital was deployed in the strategy a year before, just before the market collapsed in May 2022; the most difficult crypto year since inception. Despite the general crypto market was down 35%, the V30 strategy was up by 17%, more than 50% outperformance in 12 months, CEO Dr. Niclas Sandstrom commented on launch.

IV. Financing

I. Directed Issues

On 15 February 2023, Hilbert Group AB, announced the carrying of a directed issue of B-shares of SEK 5.7million, the main part of the directed issue (SEK4.9 million) has been resolved by the Board of Directors based on an authorisation by the Annual General Meeting. The remaining part of the Directed Issue (SEK 0.8million) was subscribed by Hilbert's Group's CEO Niclas Sandstrom and Chief Risk Officer Hans-Peter Bermin; and approved in the EGM dated March 6, 2023.

The Directed issue consisted of 3,433,737 new B-shares at a subscription price of SEK1.66 per share. The subscription price corresponds to a discount of approximately 10 percent of the volume weighted average price (VWAP) of the Company's B-shares on Nasdaq First North Growth during the period January 30-February 10, 2023. This new issue was subscribed by a group of Norwegian investors. In addition, Niclas Sandstrom and Hans Peter Bremen participated in the Directed issue, (154,673 shares and 309,346 shares respectively).

On 13 November 2023, Hilbert Group AB resolved as indicated in a press release on the 10 November 2023, on a directed issue of SEK 17 million before related transaction cost. The Company issued a total of 3,687,638 B-shares at a price of SEK4.61. The main part of the Directed issue (SEK15.5 million) has been resolved by the Board of Directors based on the authorisation by the Annual General Meeting. The remaining part (SEK 1.5 million) was subscribed by the CEO of Hilbert Group and was subject to approval by an extraordinary general meeting dated December 1, 2023. The Directed issue was subscribed by a group of Swedish and Norwegian investors with subscriptions between SEK0.3 and SEK5.0 million; the largest subscription SEK5.0 million made by the Swedish private equity firm Sutjagin Capital AB. The majority of the subscribers were not current shareholders of Hilbert Group. Niclas Sandstrom's subscription for SEK 1.5million (325,380 B-shares) was to be resolved in the EGM and is governed by the Lex Leo (Chapter 16 of the Swedish Companies Act) therefore requiring at least 90

percent of the shares and votes to support the resolution. The Directed issue entailed an increase in the number of shares in the Company by 3,687,638 B-shares to a total of 55,921,375 shares divided into 8,500,000 A-shares and 47,421,375 B-shares. The share capital increases with SEK 184,381.90 from SEK 2,611,686.85 to SEK 2,796,068.75. The Directed issue thereby entailed a dilution effect of approximately 6.6 percent of the share capital and 2.8 percent of the votes in the Company, calculated as the number of newly issued shares divided by the total number of shares after the Directed issue. The subscription prices has been determined through negotiations on arm's length basis with the investors and reflects the current market conditions.

II. Financing of Convertible Bond for 22.2 million

On 28 April 2023 Hilbert Group AB concluded and signed the financing of a Euro denominated 10% fixed rate convertible bond of Eur 2 million, equivalent to SEK 22.2 million approximately. The Bond is for a term of three years and is due to be repaid in 2026, or earlier in full redemption price upon the occurrence of certain events; namely Change of Control, Event of Default, Insolvency, Qualified Financing and Free Cash flow generation as per the agreed terms of contract (further detailed below). The bond is secured by a pledge over certain Hilbert Group assets. The interest is payable on maturity of the bond, i.e. after the three years. On the maturity date Hilbert Group shall pay the nominal amount of the bond, accrued interest and a premium equal to 100 per cent of the nominal amount of the bond. The bond will become due and payable prematurely if the Hilbert Group at any time during the three-year term of the loan raises six million Euro or more in a new issue of shares. In such case, the lenders under the loan facility may choose between repayment of the nominal value or to convert the loan amount to B-shares. The subscription price shall be the lower of SEK 9 and the issue price in the new issue of shares of Eur 6 million or more. Such conversion of the loan to shares will be carried out through a new issue with payment by set-off of the loan which requires approval by Hilbert Groups' shareholders.

Other

On 15 June 2023 during its Annual General Meeting, Hilbert Group AB resolved to implement an Employee Stock Option Plan ("ESOP 2023") for the employees and consultants in Hilbert Group AB (including its subsidiaries). The participants will be granted, free of charge, stock options to acquire B-shares in Hilbert Group AB subject to vesting over a three-year period. It was decided that a maximum of 2,500,000 options will be allocated to the participants. Each option would entitle the holder to acquire one B-share in Hilbert Group AB at a price of 150 percent of the volume weighted average price of the Hilbert Group B-shares on Nasdaq First North during the ten trading days preceding the grant date.

In order to ensure the proper delivery of shares under ESOP 2023 as well as for hedging of potential social security costs, it was further resolved to issue not more than 3,000,000 warrants (which included 500,000 warrants to potentially hedge social security costs) to a wholly owned subsidiary of Hilbert Group AB. The subsidiary shall be entitled to transfer the warrants to participants or a financial intermediary in connection with the exercise. The employee stock options have been granted to the employees and the consultants as of 1 July 2023. Prior to the listing on Nasdaq First North Growth Market in October 2021 Hilbert Group issued 1,000,000 warrants to a subsidiary for transfer to Hilbert Group's employees as a part of an incentive scheme.

This incentive scheme was never implemented and no warrants have been allocated to the employees. ESOP 2023 replaces this incentive scheme.

THE PARENT COMPANY

Starting 2022, Hilbert Group AB's activities comprise certain group management services, group accounting and investor relation activities. At period-end 31 December 2023 the company employed 3 (4) people.

Revenue amounting to kSEK 1,750.3 (1,487.9) is related to recharge of certain personnel expenses to subsidiaries.

Other external expenses kSEK -10,975.6 (-10,417.0) include recharges from other group entities for services performed. Personnel expenses amounting to kSEK -4,773.1 (-6,880.2) include items for formation of the team during prior year.

Finance income amounting to kSEK 495.8 (11,143.8) is pertaining to currency translation effects on receivables denominated in USD both for the year 2023 and for the comparison period.

Finance cost amounting to kSEK -5,417.6 (-10 952,1) is pertaining to interest expense and currency translation effects on a Eur denominated 2 million Convertible Bond issued in April 2023. Refer to Financing of Convertible Bond section above for further information. Finance cost for the year 2022 was pertaining to impairment of receivables from group companies.

During 2023 Hilbert Group AB carried out directed issues of shares of in total kSEK 21,200.0 before transaction costs of kSEK -620.1. Refer to section Directed Issues above for further details.

Parent company cash and cash equivalent amount to kSEK 10,232.2 (117) at year-end.

In March 2024, thus after year-end 2023, Hilbert Group AB carried out a directed issue of shares of kSEK 21,200.0 before related transaction costs. For further information, refer to Events after the reporting period below for details.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Hilbert Group AB (publ) has carried out a directed issue of SEK 21.2million

Hilbert Group AB has carried out a directed issue of 5,300,000 B-shares at a subscription price of SEK4.00 per share. The subscription price corresponds to a discount of approximately 3.6 percent of the closing price on Nasdaq First North on March 1 and a discount of approximately 11.7 percent of the volume-weighted average price of the Company's B-shares on Nasdaq First North Growth Market during the period February 19-March 1, 2024. The issue was subscribed by a group of investors in Norway and Sweden with subscriptions between SEK0.2 and 5 million.

The Directed issue entails an increase in the number of shares in the Company by 5,300,000 B-shares to a total of 60,895,995 shares divided into 8,500,000 A-shares and 52,395,995 B-shares. The Directed issue entails a dilution effect for current shareholders of approximately 8,70 % of the share capital and 3,86 % of the votes in the Company, calculated as the number of newly issued shares divided by the total number of shares after the Directed Issue.

Goldman Sachs veteran Barnali Biswal joins Hilbert Capital, the asset management subsidiary of Hilbert Group AB as Its Chief Investment Officer ("CIO")

On 8 February 2024, Hilbert Group announced the recruitment of Barnali Biswal as CIO of Hilbert Capital. Barnali was at Goldman Sachs in London for 14 years as Managing

Director, running Its European High yield credit trading business which Included managing a \$1bn+ portfolio. For the last 3 years Barnali was Chief Investment Officer of Atitlan, the quantitative multi strategy crypto hedge fund based In London. Hilbert’s Investment team has worked closely with Barnali for 2 years on strategy development and she was an Investor across multiple Hilbert Group products during that period. At Hilbert Barnali will be responsible for the Investment Management and development of quantitative trading strategies. Her appointment enables Hilbert’s quantitative research team led by Dr. Magnus Holm to focus 100% of Its time on Improving trading strategies and finding new alpha to be exploited. The Hilbert Group Investment team consists of 7 senior Investment professionals, Including 4 quantitative PhD’s.

Coinbase SMA opens first actively managed strategy for investors: Hilbert Bitcoin Momentum

On 1st January 2024, Hilbert Bitcoin Momentum Strategy was activated on Coinbase SMA with Hilbert’s applied quantitative research and alpha generation.

The strategy is designed to systematically capture Bitcoin upside and reduce drawdowns. It was launched with Hilbert Group proprietary portfolio capital following a period of research, development and testing. In 3 year testing period, the strategy outperformed Bitcoin by over 750%.

The strategy has been developed with Hilbert Group Senior Quantitative Strategist, Dr. Theierry Phudet. Dr Pudet was previously Chief Risk Officer at Citadel Europe and had senior quantitative roles at Goldman Sachs, and Salomon Brothers, and has a PhD in Computer Science.

Hilbert Group is in its 7th year of applied quantitative research and trading with a focus on developing and executing Investment strategies which are coherent, repeatable and adaptable across market and trading Instruments.

Change in Certified Adviser

On December 29, 2023 Hilbert Group AB announced a change of Its Certified Adviser, noting that Company has signed a contract with Redeye AB regarding the services as Certified Adviser; effective as from 1 January 2024.

Hilbert Group B shares ‘winner’ of Nasdaq First North in 2023

Hilbert Group B shares were up +288%; the B-shares were the shares that appreciated mostly during 2023 on the Exchange.

PROPOSED APPROPRIATION OF NON-RESTRICTED EQUITY

Non-restricted equity in the Parent Company at the disposal of the Annual General Meeting, in SEK:

Share premium reserves	109,250,140
Retained earnings	-20,177,745
Profit/loss for the year	-18,548,956
Total	70,523,439

The Board of Directors proposes that the following amount be carried forward: 70,523,439 SEK.

SHAREHOLDERS 2023-12-31

Owner	HILB A	HILB B	Capital	Votes	Verified
Magnus Holm & companies	1,684,300	8,125,220	17.64%	20.13%	31/12/2022
Niclas Sandström & companies*	1,180,250	6,941,957	14.61%	15.11%	01/12/2023
Frode Foss Skiftesvik & companies	3,264,800	1,757,299	9.03%	27.74%	31/12/2022
Derivat Invest AS	850,000	2,256,259	5.59%	8.67%	31/12/2022
Red Acre Holdings Ltd.	—	2,022,000	3.64%	1.63%	31/12/2022
Erik Nerpin	—	1,700,000	3.06%	1.37%	27/10/2021
Hans-Peter Bermin	419,050	1,421,681	3.31%	4.52%	27/12/2023
Oleg Sutjagin	—	981,360	1.77%	0.79%	27/12/2023
Thierry Pudet	207,400	550,522	1.36%	2.12%	31/12/2022
Guttis As	—	812,595	1.46%	0.66%	27/12/2023
Others	894,200	20,527,102	38.53%	17.27%	27/12/2023
Total	8,500,000	47,095,995	100%	100%	

Source: Monitor Sweden adjusted for *

Chief Executive Team



Dr. Niclas Sandström

Chief Executive Officer & Co-Founder, Hilbert Group

Niclas has 19 years of experience in hedge funds and investment banks. Before co-founding Hilbert, he held senior roles in risk management and quantitative analysis. Niclas has been trading in cryptocurrency markets for more than six years. Previous employers include Finisterre Capital, Barclays Capital, and Credit Suisse First Boston. Niclas holds a Ph.D. in theoretical physics from Chalmers University of Technology.



Dr. Magnus Holm

Chief Investment Officer & Co-Founder, Hilbert Group

Magnus has over 20 years of experience developing trading strategies and statistical- and risk models for betting systems. Magnus has been trading cryptocurrencies for the past seven years and leads the algorithmic trading program in Hilbert. He has co-authored several research papers with Dr. Hans-Peter Bermin, outlining the fundamental mechanisms behind the trading strategies that the firm deploys. Magnus holds a Ph.D. in theoretical physics from Chalmers University of Technology.



Richard Murray

Chief Executive Officer, Hilbert Capital (Asset Management)

Richard has 20 years of experience developing business and investment solutions at some of the world's leading hedge funds, including Cevian Capital and Brevan Howard. Richard previously worked closely with Hilbert co-founder Dr. Sandström at Finisterre Capital, where he was Head of Business Development. Richard holds a Bachelor's in English Literature and Language from Oxford University.

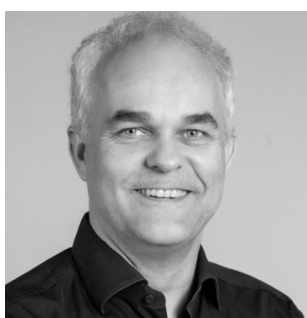


Sylvana Sciberras

Chief Financial Officer, Hilbert Group

Sylvana has 20 years of experience in hedge funds and financial services. She previously held roles as Head of Finance, General Manager, and Compliance Officer for the Finisterre Group. Sylvana is an accredited Auditor and has spent over a decade with Deloitte in senior roles; whereby she was also entrusted with the operations of the Audit Department. Sylvana holds a Bachelor of Accountancy (Hons) and a Bachelor of Commerce from the University of Malta.

**New appointment
in 2024**



Dr. Hans-Peter Bermin

Chief Risk Officer,
Hilbert Group

Hans-Peter brings 20 years of experience from investment banks and hedge funds. Before Hilbert, he held senior roles at JPMorgan, Morgan Stanley, and Capula, leading risk management and product development teams within the fixed-income and equity space. Hans-Peter has been in the cryptocurrency markets for the last four years. Hans-Peter holds a Ph.D. in financial mathematics from Lund University and has recently co-authored several research papers with Dr. Magnus Holm.



Mark Adams

Chief Legal and
Compliance Officer,
Hilbert Group

Mark has over 15 years of legal experience and has been a lawyer, director, legal representative and company secretary at various market leading firms. Previous roles include: Head of Legal for William Hill International for over 3 years and General Counsel and Head of Compliance for The Multi Group Ltd where he was responsible for all legal, regulatory, data protection and corporate matters for the group's B2B and B2C businesses. Mark has a Masters in law, CIPP/E as well as numerous compliance qualifications.



Gijs Burgers

Chief Operating Officer,
Hilbert Group

Gijs Burgers has over ten years of boardroom consulting experience in the financial sector. He has been involved with cryptocurrencies since early 2013 and has worked non-stop for over ten years with blockchain technology. Before joining Hilbert, Gijs was a senior consultant and manager at strategy consulting company Innopay, a corporate strategist at APG, and he co-founded several companies in the fintech space, of which EQT-backed "Onramper" is the most prominent. Gijs holds two Master's degrees from Erasmus University Rotterdam and Tilburg University.



Barnali Biswal

Chief Investment Officer,
Hilbert Capital

Barnali has over two decades of experience in successfully trading risk-managed sizable portfolios for institutional investors globally. Barnali previously worked as Managing Director of Goldman Sachs running its high-yield credit trading business (\$1bn+ portfolio). The past three years she worked as Chief Investment Officer for quantitative multi-strategy crypto hedge fund Atitlan in London.

Consolidated statement of comprehensive income

kSEK	Note	2023	2022
Revenue	4	24,106.4	26,949.7
Cost of cryptocurrencies sold		-17,910.7	-19,567.3
Other external expenses		-22,329.0	-17,112.1
Personnel expenses	5	-14,823.0	-19,127.6
Depreciation, amortisation, impairment and fair value adjustment	10, 11, 12	-13,769.1	-14,671.7
Other operating income and expenses	6	1,762.2	-6,652.1
Operating profit/loss		-42,963.1	-50,181.1
Finance income		495.8	11,132.8
Finance cost		-6,440.2	-126.7
Net financial items	7	-5,944.4	11 006.1
Profit before income tax		-48,907.4	-39 175.0
Income tax expense	8	37.0	-89.2
Profit/loss for the year		-48,870.4	-39,264.1
Profit/loss is attributable to:			
Parent company shareholders		-43,328.7	-34,084.2
Non-controlling interests		-5,541.8	-5,180.0
		-48,870.4	-39,264.1
Other comprehensive income			
Items that may be reclassified to profit or loss (net of tax):			
Exchange differences on translation of foreign operations		2,545.1	2,227.4
Net other comprehensive income that may be reclassified to profit or loss		2,545.1	2,227.4
Items that will not be reclassified to profit or loss (net of tax):			
Net gain/loss on equity instruments designated at fair value through other comprehensive income		-10,897.2	1,922.7
Net other comprehensive income that will not be reclassified to profit or loss		-10,897.2	1,922.7
Other comprehensive income, net of tax		-8,352.1	4,150.1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-57,222.6	-35,113.9
Total comprehensive income is attributable to:			
Parent company shareholders		-51,308.5	-32,849.6
Non-controlling interests		-5,914.1	-2,264.3
		-57,222.6	-35,113.9
Earnings per share attributable to parent company shareholders, SEK	9		
Basic earnings per share		-0.83	-0.70
Diluted earnings per share		-0.83	-0.70
Number of shares at year-end		55,595,995	48,800,000
Weighted number of share before and after dilution		52,218,802	48,800,000

Consolidated balance sheet

kSEK	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Equipment	10	1,721.3	1,702.0
Right-of-use assets	11	5,685.3	6,983.6
Intangible assets	12	35,754.9	46,872.3
Financial assets	13	4,250.4	15,343.4
Total non-current assets		47,411.9	70,901.3
Current assets			
Inventory of cryptocurrencies	15	5,221.9	8,207.7
Other receivables	13	1,245.1	721.2
Receivables from related parties	13	1,401.4	2,422.2
Receivables from shareholders	13	—	1.0
Prepaid expenses and accrued income	16	1,321.1	1,807.9
Cash and cash equivalents	17	10,979.5	388.2
Total current assets		20,168.9	13,548.3
TOTAL ASSETS		67,580.8	84,449.6
Equity and liabilities			
Equity			
Share Capital	19	2,779.8	2,440.0
Additional paid-in capital		107,186.0	86,110.0
Other reserves		-6,728.0	1,251.8
Retained earnings		-81,548.7	-38,220.0
Equity attributable to parent company shareholders		21,689.2	51,581.8
Non-controlling interests		11,783.5	17,697.6
Total equity		33,472.7	69,279.5
Non-current liabilities			
Lease liability	11	5,422.3	6,221.5
Total non-current liabilities		5,422.3	6,221.5
Current liabilities			
Convertible bond	13, 22	23,539.9	—
Lease liability	11	701.7	1,184.6
Trade payables	13	1,451.8	3,039.4
Payables to shareholders	13	—	26.4
Other payables	13	333.4	198.3
Current tax liabilities		—	124.1
Accrued expenses and deferred revenue	20	2,659.1	4,375.8
Total current liabilities		28,686.0	8,948.6
TOTAL EQUITY AND LIABILITIES		67,580.8	84,449.6

Consolidated statement of changes in equity

kSEK	Attributable to parent company shareholders					Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Other reserves	Retained earnings	Total		
Balance at 31 December 2021	2,440.0	86,110.0	17.4	-4,135.8	84,431.5	19,961.9	104,393.4
Profit/loss for the year	—	—	—	-34,084.2	-34,084.2	-5,180.0	-39 264,2
Other comprehensive income	—	—	1,234.5	—	1,234.5	2,915.7	4 150,2
Total comprehensive income for the year	—	—	1,234.5	-34,084.2	-32,849.7	-2,264.3	-35 114,0
Balance at 31 December 2022	2,440.0	86,110.0	1,251.8	-38,220.0	51,581.8	17,697.6	69,279.5
Profit/loss for the period	—	—	—	-43,328.7	-43,328.7	-5,541.8	-48,870.4
Other comprehensive income	—	—	-7,979.8	—	-7,979.8	-372.4	-8,352.1
Total comprehensive income for the period	—	—	-7,979.8	-43,328.7	-51,308.5	-5,914.1	-57,222.6
New share issues	339.8	20,860.2	—	—	21,200.0	—	21,200.0
Transaction costs related to share issues	—	-620.1	—	—	-620.1	—	-620.1
Value of conversion rights	—	259.7	—	—	259.7	—	259.7
Stock options IFRS 2	—	576.2	—	—	576.2	—	576.2
Balance at 31 December 2023	2,779.8	107,186.0	-6,728.0	-81,548.7	21,689.2	11,783.5	33,472.7

The conversion right related to a Convertible Bond agreed in April 2023 is presented as Other paid-in capital. Refer to Note 19 and Note 22 for further information.

Fair value on grant date 1 July 2023 of stock options pertaining to the incentive scheme ESOP 2023 is presented as Other paid-in capital. Refer to Note 5 for further information.

Consolidated statement of cash flows

kSEK	Note	2023	2022
Cash flow from operating activities			
Profit/loss before tax		-48,907.4	-39,175.0
Adjustments for items not affecting cash:			
Depreciation of equipment and right-of-use assets		1,559.5	694.9
Amortisation, impairment and fair value adjustment of intangible assets		12,216.5	13,973.7
Proceeds from cryptocurrency reported as intangible assets		6,931.8	12,221.5
Purchase of cryptocurrency reported as intangible assets		-6,716.1	-8,707.4
Fair value adjustments - cryptocurrency trading portfolio		-1,507.1	15,382.2
Other non-cash changes - cryptocurrency trading portfolio		—	-7,654.3
Change in accrued interest		1,648.4	—
Unrealized exchange rate differences		3,880.7	-11,133.0
Other items		835.9	—
Taxes paid		-87.1	—
Cash flow from operating activities before changes in working capital		-30,145.0	-24,397.3
Changes in working capital			
Inventory		4,334.0	—
Receivables		-3,057.5	-856.0
Payables		204.5	2,916.0
Cash flow from changes in working capital		1,481.0	2,060.0
NET CASH USED IN OPERATING ACTIVITIES		-28,664.0	-22,337.3
Cash flow from investing activities			
Purchase of equipment		-554.0	-1,641.8
Capitalized development and other items		-2,279.1	-4,421.8
Purchase of intangible assets - cryptocurrencies		-281.9	—
Purchase of financial instruments		—	-7,271.0
Net cash used in investing activities		-3,115.0	-13,334.6
Cash flow from financing activities			
Proceeds from issue of share capital		21,200.0	—
Principal elements of lease payments		-1,424.6	-111.0
Proceeds from convertible loan		22,632.7	—
Net cash generated from/used in financing activities		42,408.2	-111.0
Cash flow for the year		10,629.2	-35,782.9
Foreign currency translation, cash and cash equivalents		-37.9	470.3
Cash and cash equivalents at beginning of the year		388.2	35,700.8
Cash and cash equivalents at end of the year		10,979.5	388.2

Notes to the consolidated statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Accounting principles

This note describes the comprehensive basis of preparation which has been applied in preparing the consolidated financial statement, as well as the accounting policies for specific areas applied by Hilbert Group AB (publ) and the Group in which Hilbert Group AB (publ) is the Parent company.

Hilbert Group AB's city of residence is Stockholm, Sweden. The terms "Hilbert Group", the "Group" or the "Company" refers, depending on the context, to Hilbert Group AB (publ) (corporate ID No. 559105-2948) or the consolidated Group in which Hilbert Group AB (publ) is the Parent company and its subsidiaries. Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line items due to rounding differences. The aim is for each line item to agree with its source and therefore there may be rounding differences affecting the total when adding up the presented line items.

II. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU). The consolidated financial statements have been prepared under the historical cost convention, except for financial instruments and cryptocurrencies reported as intangible non-current assets at fair value, and inventory of cryptocurrencies at fair value. Some additional information is disclosed based on the requirements in standard 'RFR 1' issued by the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. As required by IAS 1, all Hilbert Group entities apply uniform accounting rules, irrespective of national legislation. The policies set out below have been consistently applied to the year 2023 except for new accounting standards where the application follows the rules in each particular standard. For information on new standards, see the section on new or amended accounting standards below. The Parent Company applies the same accounting principles as the Group, except in the cases specified in the section entitled 'Parent Company accounting principles.'

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

III. Standards, interpretations and amendments to published standards to be applied in 2023

During the year 2023, the Group adopted new standards, amendments and interpretations to the existing standards that are mandatory for the Group. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result

in substantial changes to the Group's accounting policies impacting the financial performance and position.

IV. Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not mandatory for the Group's current financial year ended 31 December 2023. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements.

V. Consolidation

Subsidiaries are fully consolidated from the date on which the Group achieves control and continues to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

VI. Segment reporting

The chief operating decision maker (CODM) for Hilbert Group comprises Group management, as it is the Group management team who evaluates the Group's financial position and performance and make strategic decisions. The management bases its decisions on the Group in its entirety when allocating resources and assessing performance. Internal reporting is also based on the performance of the Group as a whole. Given the above, the assessment is that Hilbert Group has one operating segment, which comprises the Group as a whole.

For information about revenue per geographical area, refer to note 4. Except for funds managed by Hilbert Group; Hilbert Digital Asset Fund (HDAF) and Hilbert V1 Fund (HV1), from which fund management fees are received, there are no major customers, individually or as a group. Proprietary trading with cryptocurrencies is executed on crypto exchanges where the buyer is not known to the seller.

VII. Business combinations and goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

It is determined that a business has been acquired when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process, or it significantly contributes to the ability to continue producing outputs. An acquisition that does not meet the criteria is identified as an acquisition of a group of assets that do not constitute a business

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable

in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration that is classified a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If a business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

VIII. Asset acquisitions

An asset acquisition is an acquisition of an asset or a group of assets that does not constitute a business. For such acquisitions, constituting net assets without significant processes, the acquisition cost is allocated to the identifiable assets and liabilities based on their relative fair values at the date of the acquisition. Transaction costs are added to the purchase price of the acquired net assets when assets are acquired.

For such asset acquisitions, holdings of non-controlling interest are measured according to the same principles as for business combinations, except the inclusion of goodwill.

IX. Foreign currency translation

The Group's consolidated financial statements are presented in Swedish kronor (SEK), which is also the Parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Swedish kronor at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Exchange rates applied for translation

SEK	2023		2022	
	Closing	Average	Closing	Average
USD	10.0416	10.6128	10.4371	10.1245

X. Asset and liabilities current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

XI. Fair value measurement

The Group measures financial instruments such as equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter financial instruments) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

XII. Revenue from contracts with customers

Asset management fees and performance fees income are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the services to be provided.

For fixed-price advertising contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. An output method, based on contract time elapsed, is used for measuring the services transferred.

XII. Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

XIII. Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws of Sweden, a distribution is authorised when it is approved by a General Meeting of shareholders. A corresponding amount is recognised directly in equity.

XIV. Equipment

Equipment is initially recorded at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

■ Computer equipment	5 years
■ Furniture and Fittings	5 years
■ Leasehold Improvements	7 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

XV. Leases

The Group assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group is only a party to contracts in which the Group is a lessee.

i) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Periods covered by an extension option a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

■ Office	7 years
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The right-of-use assets are also subject to impairment testing.

ii) Lease liabilities

At the commencement date of the lease, lease liabilities measured at the present value of lease payments to be made over the lease term are recognised. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The incremental borrowing rate applied to measure lease liability is 3.67% for the offices premises for which the commencement date has occurred during 2022.

Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs.

XVI. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination or as a group of assets is

their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding but capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with indefinite useful lives, such as brand names and cryptocurrencies, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An acquired asset is capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised over their estimated useful life license of four years.

Amortisation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

■ Technology acquired as an asset	5 years
■ Website development	3–5 years
■ Software licenses	3 years

Costs associated with maintaining intangible assets are recognised as an expense as incurred.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

XVII. Cryptocurrencies

Cryptocurrencies not included in Hilbert Group's proprietary trading portfolio are reported as intangible assets with indefinite useful life and are thus not amortised. Cryptocurrencies in the proprietary trading portfolio are initially measured at cost and subsequently at fair value less costs to sell based on quoted market prices and classified as Inventory.

With effect from April 2022, Hilbert Group commenced trading of cryptocurrencies on its own account (proprietary trading) applying a mix of algorithmic/technical and discretionary/fundamental trading.

Cryptocurrency previously reported as intangible assets have been transferred to a trading portfolio.

Hilbert Group's assessment is that the establishment of an accounting policy for inventory of cryptocurrencies is not a change in accounting policy but the application of a new accounting policy for transactions that did not occur prior to April 2022, or were immaterial before that point in time.

Inventory of cryptocurrency is recognised at fair value less costs to sell. Changes in fair value are recognised as other operating income and expenses in the statement of comprehensive income.

XVIII. Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

XIX. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Equity instruments

The Group's equity instruments are not held for trading. At initial recognition, the equity instruments are measured at fair value, and subsequently at fair value through other comprehensive income (FVOCI). Only dividend income is recognised in profit or loss, whereas all other gains and losses are recognised in OCI without reclassification to profit or loss on derecognition. Transaction costs are expensed in profit or loss.

Receivables

Receivables comprise amounts due from customers for services performed in the ordinary course of business. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles and historical credit losses of the Group.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

Impairment losses on receivables are presented within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

XXI. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include deposits held with banks.

XXII. Liabilities

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

XXIII. Convertible Bond

Convertible bond is initially recognised at fair value, net of transaction costs incurred. Convertible bond are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the Convertible bond using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Convertible bond are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

XXIV. Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business

combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

XXV. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

XXVI. Reserves in equity (other reserves)

Reserves comprise:

- fair value reserve of assets at fair value through other comprehensive income
- translation reserve including exchange rate differences arising on translation to Swedish kronor (SEK) of foreign operations' financial statements prepared in the currency used in the economic environment where the respective company operates (functional currency). The Parent company and the Group prepare financial statements in SEK.

XXVII. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Pension plans

Currently, there are no pension plans within the Group.

(iii) Compensation in case of dismissal

A provision is recognised in connection with redundancies of staff only if the entity is formally obliged to terminate an employment relationship before the normal date or when benefits are made as an offer to initiate voluntary resignation.

(iv) Employee share-based payment/Employee Stock Option Plan

Hilbert Group AB (publ) resolved to implement an Employee Stock Option Plan ("ESOP 2023") for the employees and consultants in Hilbert Group AB (including its subsidiaries). The resolution came into effect on 15 June 2023 during its Annual General Meeting. ESOP 2023 is a program under which the Participants are granted, free of charge, stock options to acquire B-shares in Hilbert Group AB, subject to a vesting over a three-year period in accordance with the terms and conditions.

The first tranche of the Options was granted as of 1 July 2023, (the Grant Date). Each option entitles the holder to acquire one B-share in Hilbert Group AB at a price of 150 percent of the volume weighted average price of the Hilbert Group B-share on Nasdaq First North during the ten trading days preceding the grant date. Exercise price is 6.4 SEK per B share. The Options vest over a three-year period ending 30 June 2026, and thereafter be exercisable, provided that the Participant still is employed by Hilbert Group (or, in the case of consultants, still provides services to Hilbert Group). If the participant is no longer employed/provides services to Hilbert Group at the expiry of the vesting period, the Options become null and void. The options are exercisable during the period 1 July 2026 – 30 September 2026. Options are not transferable and may not be pledged. In the event of a public take-over, significant asset sale, liquidation, merger or any other such transaction affecting Hilbert Group, the Options will vest in their entirety following completion of change in control.

Hilbert Group has the right to change these terms and conditions to the extent required by law, court ruling, government decision or agreement of if otherwise, in Hilbert Group's reasonable judgement for practical reasons it is appropriate or necessary and the Participant's rights are not impaired in any material respect.

Hilbert Group has issued warrants to a subsidiary in order to secure its capacity to deliver shares to the Participants in ESOP 2023.

Set out below are the summaries of options granted under the plan.

	2023
	No of options
As at 1 January	—
Granted during the year	2,160,750
Exercised during the year	—
Forfeited during the year	—
As at 31 December	2,160,750

No options expired during the periods covered by the above table.

The assessed fair value of the options at grant date 1 July 2023 was 1.6 SEK. The fair value at grant date is independently determined using the Black-Scholes model.

The model inputs for the options granted during 2023 include:

- (a) Exercise price: 6.41 SEK per B-share;
- (b) Grant date: 1 July 2023
- (c) Expiry date: 30 June 2026
- (d) Share price at grant date: 1.6 SEK
- (e) Expected volatility price of the shares: 75 %
- (f) Risk free interest rate: 3 %
- (g) Expected dividend yield: nil

The expected price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

Participants of the option programme are responsible for any tax in connection with the allocation of the Options, vesting of options, exercise of options and sale of shares acquired by the Participants through the exercise of the Options. Hilbert Group is responsible for social security fees and similar taxes and charges that Hilbert Group (and its subsidiaries) shall bear as employer/client of the Participant.

XXVIII. Revenue from contracts with customers

Revenue is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the services to be provided.

For fixed-price advertising contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. An output method, based on contract time elapsed, is used for measuring the services transferred.

Asset management and performance fee are recognised at a point in time; management fee and performance fee are accrued on a monthly basis, and crystallise on a monthly and quarterly basis, respectively.

XXIX. Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws of Sweden, a distribution is authorised when it is approved by a general meeting of shareholders. A corresponding amount is recognised directly in equity.

NOTE 2

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Judgements are based on experience and the assumptions that Management and the Board deem reasonable under the prevailing circumstances. The actual outcome may then differ from these judgements if other conditions arise. The estimates and assumptions are reviewed and evaluated regularly and are assessed not to involve any significant risk for material adjustments in the carrying amounts of assets and liabilities during the next financial year. Any changes in estimates are recognised in the period when the change is made, if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods. The assessments that were the most material in preparing the company's financial statements are described below.

Intangible assets – capitalised development

Expenses for development projects are capitalised to the extent the expenditure can be expected to generate future economic benefits through internal use of the asset. The assessment of the technical feasibility of completing the intangible asset and the availability of resources to complete the asset are also considered.

Convertible bond – current liability

On 28 April 2023 Hilbert Group AB concluded and signed the financing of a Euro denominated 10% fixed rate convertible bond of EUR 2 million, equivalent to SEK 22.2

million approximately. The bond is for a term of three years and is due to be repaid in 2026, or earlier in full redemption price upon the occurrence of certain events; one of which is Qualified Financing. Refer to Note 22 for further information. On the maturity date in 2026 Hilbert Group shall pay the nominal amount of the loan, accrued interest and a premium equal to 100 per cent of the nominal amount of the loan. The loan will become due and payable prematurely if Hilbert Group at any time during the three-year term of the loan raises six million Euro or more in a new issue of shares (Qualified Financing). In such case, the lenders under the loan facility may choose between repayment of the nominal amount plus accrued interest but without a premium on the nominal value or converting the loan amount to B-shares.

The convertible bond amounting to kSEK 23,539.9 as of 31 December 2023, is presented as current. Since the convertible bond was concluded on 28 April 2023, Hilbert Group AB has raised MSEK 36,7 through new share issues. Management has, and will continue to, focus its efforts to settle the convertible bond prematurely, assuming a 12-months period after the reporting date in this period.

Financial assets – unlisted equity investments

Equity instruments representing investment in unlisted entities, not consolidated as subsidiaries or reported as associates, are carried at fair value with changes in fair value being recognised in other comprehensive income. Upon acquisition and initial recognition, the valuation is based on management assessment of the future earnings and potential of the entity. Also for subsequent periods, significant inputs for assessing fair value is not observable market data but by reference to transactions involving the same issuer of equity instrument valuation. Valuation methods that can be used:

- Recent transaction price.
- Own funds at book value (OFBV).
- Net asset value (NAV).
- Including goodwill and intangibles.
- Excluding goodwill and intangibles.
- Market capitalisation method.
- Present value.
- Apportioning global value.

For investments held at year-end 2023, an income approach has been applied to measure fair value. Future income and expenses were converted to a current discounted amount, reflecting the present value.

In 2023, Hilbert had noted that HAYVN had shifted its ADGM licence from active to inactive, continuing its operations to its base in the Cayman Islands. In December 2023 HAYVN's co-founder and CEO, Chris Flinos stepped down and was replaced by a new CEO, Richard Cook.

Given the information at hand, Hilbert has moved away from the DCF valuation in the last annual report and instead used a probability-weighted expected return method in the Q4 valuation, resulting in a value lower than the previously reported carrying amount of kSEK 12,419 (kUSD 1,190) by kSEK -3,883.8 (kUSD -340.0). Hilbert Group continued to assess the developments and is positive that the value of the investment is close to its original book value of \$1,000,0000 (SEK 10,041,600). This based on the PWER valuations we applied and also with reference to our liquidation rights as holders of this investment, whereby we rank in first order and are entitled

to receive an amount equal to the aggregation subscription proceeds in respect of these shares. Nonetheless to remove judgement, bias and estimates in the valuation we have decided to take the most conservative of approaches and write down this investment to nil for this Annual Report.

NOTE 3

FINANCIAL RISKS AND RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: namely foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group did not make use of derivative financial instruments to hedge risk exposures during the current and preceding financial period.

(a) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

The carrying amount of the principal receivables and payables denominated in foreign currencies as at the end of the reporting periods were as follows:

kSEK	Assets	Liabilities	Net exposure
At 31 December 2023			
USD	97,559.1	—	97,559.1
EUR	—	-23,539.9	-23,539.9
At 31 December 2022			
USD	84,539.6	-2,292.8	82,246.8
EUR	—	—	—

The amounts comprise Parent company balances with Group companies, denominated in USD, and a Convertible Bond Loan denominated in EUR.

Based on the above disclosures, a change in the exchange rate in relation to SEK by +/- 10% in USD and EUR would have affected profit or loss and equity by +/-12,110 kSEK for the year 2023

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions. The Group's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2023	2022
Other receivables	1,245.1	721.2
Receivables from related parties	1,401.4	2,422.2
Receivables from shareholders	—	1.0
Deposits and accrued income	750.4	901.7
Cash and cash equivalents	10,979.5	388.2
Total	14,376.4	4,434.3

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any collateral as security in this respect.

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of products and services are effected to customers with an appropriate credit history.

The Group monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Group's receivables, taking into account historical experience in collection of accounts receivable. The Group's does not have material external customer outside of related parties, and hence, credit risk is low.

The Group manages credit limits and exposures actively in a practicable manner such that there is no material past due amounts receivable from related parties as at the end of the reporting period. The Group's exposure to credit risk is limited as Group's receivables are principally in respect of transactions with related parties for whom there is no recent history of default and there was no indication that these related parties are unable to meet their obligation.

Cash and cash equivalents include deposits held within the Group banks only with financial institutions with high quality standing or rated AA-/A-1 by S&P Global and holding five star rating by Bauer Financial.

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

2023	< 3 months	3-12 months	1-5 years	> 5 years	Total
Convertible bond	—	26,044.3	—	—	26,044.3
Lease liabilities	—	857.9	4,794.9	581.9	6,234.7
Trade payables	1,451.7	—	—	—	1,451.7
Other current liabilities	333.4	—	—	—	333.4
Accrued expenses	2,659.1	—	—	—	2,659.1
Total	4,444.2	26,902.3	4,794.9	581.9	36 723.2

2022	< 3 months	3-12 months	1-5 years	> 5 years	Total
Lease liabilities	843.7	865.8	4,899.6	1,628.0	8,237.1
Trade payables	3,039.4	—	—	—	3,039.4
Other current liabilities	224.7	—	—	—	224.7
Accrued expenses	4,375.8	—	—	—	4,375.8
Total	8,483.6	865.8	4,899.6	1,628.0	15,877.0

Management monitors liquidity risk by reviewing expected cash flows and ensures that sufficient additional financing facilities are available over the coming year. Sales and marketing efforts are being focused towards increasing AUM (assets under management) which will translate into additional revenue and cashflow to support

the current operations of the business and liabilities that might arise. The Group's liquidity for the year 2024 has been secured through directed issues of shares, latest of SEK 5,300,000 B-shares at a subscription price of SEK 4 per share after year end 2023. The proprietary portfolio of cryptocurrency, kSEK 5,221.9 at year-end 2023, is also available for Management to be used, should a need arise to address risk for insufficient liquidity to settle obligations as they fall due.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or adjust the amount of dividends paid to shareholders.

The capital structure of the Group consists of items presented within equity in the statement of financial position. The Group maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level as at the end of the reporting period is deemed adequate by the directors.

NOTE 4

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue by major revenue stream	2023	2022
Fund management fees	2,272.1	874.7
Advertising income	3,923.7	6,507.8
Sales of cryptocurrency	17,910.7	19,567.3
Total	24,106.4	26,949.7
Timing of revenue recognition	2023	2022
At a point in time	20,222.6	20,691.5
Over time	3,883.8	6,258.3
Total	24,106.4	26,949.7
Revenue by country of group company incorporation	2023	2022
Cayman Islands	20,182.7	20,441.9
British Virgin Islands	3,923.7	6,507.8
Total	24,106.4	26,949.7

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	2023	2022
Advertising	—	1,019.2

At year-end 2023 there were neither any contract assets nor any contract liabilities. The same applied for the year-end 2022.

NOTE 5 EMPLOYEES AND RENUMERATION

	2023	2022
Average number of employees	14	17

Average number of employees represent full-time equivalents (FTEs) for which Hilbert Group has paid salaries over the respective reporting period of 12 months.

Contractors, consultants or self-employed Hilbert Group personnel are not included.

Hilbert Group has implemented an Employee Stock Option Plan (“ESOP 2023”) for the employees and consultants in Hilbert Group AB (including its subsidiaries). The purpose of the ESOP 2023 is to create conditions for motivating and retaining competent employees and consultants within Hilbert Group and to increase the coherence between the employees’, shareholders’ and the company’s objectives. Under ESOP 2023 the Participants are granted, free of charge, stock options to acquire B-shares in Hilbert Group AB, subject to a vesting over a three-year period in accordance with the terms and conditions. The first tranche of the Options was granted as of 1 July 2023, (the Grant Date). Total expenses for options vested on 31 December 2023 was kSEK 576.2 (–). Refer to note 9 for further information about ESOP 2023.

NOTE 6 OTHER OPERATING INCOME AND EXPENSES

Other operating income	2023	2022
Fair value changes cryptocurrency inventory	1,422.2	–
Foreign exchange differences	340.0	–
Total	1,762.2	–
Other operating expenses	2023	2022
Fair value changes cryptocurrency inventory	–	-6412.2
Foreign exchange differences	–	-216.5
Other items	–	-23.4
Total	–	-6,652.1

NOTE 7 FINANCE INCOME AND COST

Finance income	2023	2022
Foreign exchange differences ¹	495.8	11,132.8
Total	495.8	11,132.8
Finance cost	2023	2022
Interest on debt and borrowings	-1,889.8	-126.7
Foreign exchange differences ²	-4,484.4	–
Other finance expenses	-65.9	–
Total	-6,440.2	-126.7

¹ For the year 2023 the amount reflects unrealised differences on liabilities, and for the comparison period the amount comprises unrealised differences on receivables

² For the year 2023 the amount reflects unrealised differences on receivables and certain liabilities

On 28 April 2023 Hilbert Group AB concluded and signed the financing of a Euro denominated 10% fixed rate convertible bond of EUR 2 million, equivalent to SEK 22.2 million approximately. For further details, refer to note 22.

NOTE 8 INCOME TAX EXPENSE

	2023	2022
Current tax on profits for the year	-0.1	—
Adjustments for current tax of prior periods	37.1	-89.2
Deferred income tax	—	—
Total	37.0	-89.2
Reconciliation of effective tax rate		
Reported profit/loss before tax	-48,907.4	-39,175.0
Tax according to current tax rate 20,6%	10,074.9	8,070.0
Tax effect of non-deductible expenses	-690.6	-730.2
Differences in tax rate in foreign operations	2,110.3	1,721.8
Tax loss without corresponding deferred tax asset	-11,249.1	-8,850.4
Adjustments for current tax of prior periods	37.1	-89.2
Non-taxable non-controlling interest portion of CFC entity	-245.6	-211.2
Total	37.0	-89.2
Effective tax rate	-0.1%	0.2%

There are no deferred taxes charged to other comprehensive income, neither have any current or deferred taxes been charged directly to equity.

The parent company Hilbert Group AB (publ) holds ownership interest in companies resident in e.g., the Cayman Islands and the British Virgin Islands. According to Swedish Controlled Foreign Companies (CFC) provisions, a Swedish resident shareholder with an ownership interest exceeding 25 % in a company resident in a low-tax jurisdiction (taxed at a rate below 55 % of the nominal Swedish corporate income tax rate of 20,6 %) may be obliged to include the profits of the CFC-company in its taxable income in Sweden. For the year 2023, Hilbert Group AB has no CFC-income related to foreign shareholdings, due to the CFC-entities being in a net tax loss position for the year, including any losses carried forward from prior year.

A deferred tax asset is recognized for tax loss carry-forwards if it is considered probable that there will be sufficient future taxable profit against which the loss carry-forward can be utilized. A reassessment of the amount meeting the criteria is made at least annually. The Group's unutilized loss carry-forwards, related to Maltese entities, for which no deferred tax assets are recognized amount to approximately 24.2 (11.0) MSEK at year-end 2023 and 2022 respectively.

NOTE 9 EARNINGS PER SHARE

Earnings per share, basic and diluted	2023	2022
Loss for the year attributable to Parent company shareholders	-43,328.7	-34,084.2
Weighted number of outstanding shares during the year	52,218,802	48,800,000
Total basic and diluted earnings per share attributable to Parent company shareholders	-0.83	-0.70

The total number of outstanding shares in Hilbert Group AB (publ) on 31 December 2023 is 55,595,995 (48,800,000).

There is no dilutive effect from neither Employee stock options ESOP 2023 nor outstanding warrants, as the average market price of ordinary shares during the period does not exceed the exercise price of the options or warrants.

ESOP 2023

The Annual General Meeting of Hilbert Group AB (publ) has resolved to implement an Employee Stock Option Plan (“ESOP 2023”) for the employees and consultants in Hilbert Group AB (including its subsidiaries). ESOP 2023 is a program under which the Participants are granted, free of charge, stock options to acquire B-shares in Hilbert Group AB. The first tranche of the Options was granted as of 1 July 2023. Each option entitles the holder to acquire one B-share in Hilbert Group AB at an exercise price of 6.4 SEK per share, corresponding to 150 percent of the volume weighted average price of the Hilbert Group B-share on Nasdaq First North during the ten trading days preceding the grant date.

The Options vest over a three-year period ending 30 June 2026, and thereafter be exercisable, provided that the Participant still is employed by Hilbert Group (or, in the case of consultants, still provides services to Hilbert Group). If the participant is no longer employed/provides services to Hilbert Group at the expiry of the vesting period, the Options become null and void. The options are exercisable during the period 1 July 2026 – 30 September 2026.

At year-end 2023, the number of ESOP 2023 options granted and outstanding is 2,160,750. The maximum number of shares that may be issued under ESOP 2023 is 2,500,000. If all 2,500,000 Options are exercised Hilbert Group AB would issue 2,500,000 B-shares. This would correspond to a dilution of approximately 4.3 per cent based on the current number of shares in Hilbert Group AB on 31 December 2023. The dilution is expected to have a marginal effect on the company’s key performance indicator “Earnings (loss) per share”.

Prior to the listing on Nasdaq First North in October 2021 Hilbert Group issued 1,000,000 warrants to a subsidiary for transfer to Hilbert Group’s employees as a part of an incentive scheme. ESOP 2023 replaces this incentive scheme and the 1,000,000 warrants will not be allocated and could not result in any issue of new shares.

Warrants TO 1B

On 31 December, 2023, a total of 10,700,000 warrants of series 2021/24 “TO 1B” were outstanding. The warrants entitle to subscription of new shares of series B in Hilbert Group AB (publ) during the period 1 October, 2021 – 31 October, 2024. The exercise price is SEK 15.00 during 1 October, 2021 – 31 October, 2022, and SEK 20.00 during 1 November 2022 – 31 October, 2024. Assuming full subscription, the dilution effect

of the TO 1B warrants corresponds to to approximately 16.1% of the share capital and 7.5% of the votes in Hilbert Group in relation to the number of outstanding shares on 31 December 2023.

NOTE 10 EQUIPMENT

kSEK	2023	2022
Opening acquisition cost	1,980.1	249.7
Additions	555.2	1 641.8
Sold/scrapped	-6.8	—
Translation differences	-103.9	88.6
Closing cost	2,424.6	1,980.1
Opening accumulated depreciation	-278.1	-85.8
Depreciation charge	-460.5	-173.8
Sold/scrapped	0.3	—
Translation differences	34.9	-18.5
Closing depreciation	-703.3	-278.1
Closing net book value	1,721.3	1,702.0

Out of total equipment net book values kSEK 1,522.8 (1,461.7) refers to equipment located in Malta.

NOTE 11 LEASES

In 2022, the Group has entered into a 7 year lease contract for rented office premises in Malta. The Group has no short-term or low-value asset leases.

Right-of-use assets	2023	2022
As at 1 January	6,983.6	—
Additions - new lease	—	7,295.5
Depreciation	-1,092.5	-521.1
Translation differences	-205.8	209.2
As at 31 December	5,685.3	6,983.6
Lease liabilities		
As at 1 January	-7,406.2	—
Additions - new lease	—	-7 295.5
Accretion of interest	-241.4	-126.7
Payments	1,666.0	237.9
Translation differences	-142.4	-221.8
As at 31 December	-6,124.0	-7,406.2
Current	-701.7	-1,184.6
Non-current	5,422.3	-6,221.5

Total cash outflows for leases was kSEK 1,739.7(273). The maturity analysis is included in Note 3.

NOTE 12

INTANGIBLE ASSETS

For 2023, kSEK 38,833.0 of the carrying amount for intangible assets comprises assets held by the group entity Coin360 Global Limited, incorporated in British Virgin Islands. For the comparison period, intangible assets held by the same entity amounted to kSEK 46,544.4.

2023	Brand name	Technology and capitalised development	Cryptocurrency	Other intangible assets	Total
Opening acquisition cost	31,289.0	27,391.7	4,111.5	750.4	63,542.6
Additions - acquisitions ¹	—	—	6,998.0	277.6	7,275.5
Additions - capitalisations	—	2,001.5	—	—	2,001.5
Disposals ¹	—	—	-6,933.1	—	-6,933.1
Translation differences	-1,185.7	-1,145.7	-159.3	-43.4	-2,534.0
Closing cost	30,103.4	28,247.5	4,017.1	984.6	63,352.5
Opening accumulated amortisation	—	-7,382.8	—	-423.4	-7,806.2
Amortization charge	—	-5,981.7	—	-350.6	-6,332.4
Translation differences	—	601.7	—	34.9	636.6
Closing amortization	—	-12,762.8	—	-739.1	-13,502.0
Opening accumulated impairment	-3,825.3	-2,446.7	—	—	-6,271.9
Impairment charge	-4,345.7	-1,538.4	—	—	-5,884.1
Translation differences	378.8	175.5	—	—	554.4
Closing impairment	-7,792.1	-3,809.6	—	—	-11,601.7
Opening accumulated fair value adjustment	—	—	-2,592.1	—	-2,592.1
Translation differences	—	—	98.2	—	98.2
Closing fair value adjustment	—	—	-2,493.9	—	-2,493.9
CLOSING CARRYING AMOUNT	22,311.3	11,675.0	1,523.1	245.4	35,754.9

2022	Brand name	Technology and capitalised development	Cryptocurrency	Other intangible assets	Total
Opening acquisition cost	27,111.8	20,427.9	20,714.0	7.3	68,261.0
Additions - acquisitions ¹	—	—	8,708.3	720.7	9,429.0
Additions - capitalisations	—	3,702.1	—	—	3,702.1
Disposals ¹	—	—	-12,220.5	—	-12,220.5
Reclassification to inventory	—	—	-15,689.8	—	-15,689.8
Translation differences	4,177.2	3,261.7	2,598.6	23.4	10,060.9
Closing cost	31,289.0	27,391.7	4,111.5	750.4	63,542.6
Opening accumulated amortisation	—	-1,609.4	—	—	-1,609.4
Amortization charge	—	-5,360.0	—	-410.7	-5,770.7
Translation differences	—	-413.5	—	-12.7	-426.1
Closing amortization	—	-7,382.8	—	-423.4	-7,806.2
Opening accumulated impairment	—	—	—	—	—
Impairment charge	-3,710.7	-2,373.4	—	—	-6,084.1
Translation differences	-114.6	-73.3	—	—	-187.9
Closing impairment	-3,825.3	-2,446.7	—	—	-6,271.9
Opening accumulated fair value adjustment	—	—	-350.7	—	-350.7
Fair value adjustment	—	—	-2,121.9	—	-2,121.9
Translation differences	—	—	-119.5	—	-119.5
Closing fair value adjustment	—	—	-2,592.1	—	-2,592.1
CLOSING CARRYING AMOUNT	27,463.8	17,562.2	1,518.5	327.9	46,872.3

¹ Additions and disposals of cryptocurrency reflect gross amounts of stablecoin cryptocurrency used as means of payment in the daily operations.

Impairment testing

Intangible assets with indefinite useful life as well as assets that are not yet available for use are not subject to amortisation. These are tested annually for impairment, or more often when there are indications of impairment. Such impairment tests also cover intangible assets that are subject to amortisation when there are indications of impairment.

The recoverable amount of a cash-generating unit is defined on the basis of calculations of value in use. Calculations are based on estimated future cash flows before tax based on financial budgets and forecasts that have been approved by group management. The impairment test performed at year end 2023 comprises the budget for 2024 and a forecast for the following 9 years (2025–2033). The forecasted compound annual growth rate for the period is 10% for revenue and 12% for free cash flow. Cash flows beyond the ten-year period are extrapolated using an estimated long-term growth rate of 2%.

The pre-tax discount rate used for calculating recoverable amounts is 40% (43%). The discount rate applied reflects cost of equity and market risk premium for business ventures in stages comparable to COIN360 in dynamic business segments where commercialization is uncertain.

Brand name and technology/capitalised development at year-end 2023 are both related to the subsidiary Coin360, acquired in July 2021. The same applied for year-end 2022. Coin360 is considered as a cash-generating unit, following the principles for resource allocation and monitoring of the business by group management. Based on management's strategic outlook, future cash flows are expected to grow in the upcoming years.

Despite the growth expected in cash flows, the budget and forecast data have been adjusted in a conservative direction for the impairment test in order to reflect the uncertainty in the timing. The impairment test performed at year-end 2023 has resulted in an impairment loss of kSEK -5,884.1 (-6,084.1) recognised for intangible assets related to Coin360. The impairment loss allocated to brand and technology/capitalized development amounts to kSEK -4,345.7 (- 3,710.7) and kSEK -1,538.4 (-2,373.4) respectively, based on the respective carrying amounts at year end.

An increase or decrease of the discount rate 40% (43%) by 500 basis points would increase/decrease fair value by kSEK 5,176.0 (6,742.4) and kSEK -4,073.4 (-5,114.2) respectively.

NOTE 13 FINANCIAL INSTRUMENTS

	2023	2022
Financial assets at fair value through Other comprehensive income		
Equity instruments	4,250.4	15,134.7
Financial assets at amortised cost		
Non-current receivables	—	208.7
Current receivables	2,646.4	3,144.4
Accrued revenue	750.4	901.7
Cash and cash equivalents	10,979.5	388.2
Total financial assets	18,626.8	19,777.7
Financial liabilities at amortised cost		
Convertible bond	23,539.9	—
Trade payables	1,451.7	3,039.4
Other current liabilities	333.4	224.7
Accrued expenses	2,659.1	4,375.8
Total financial liabilities	27,984.2	7,639.9

For all financial assets and liabilities, carrying amount is consistent with fair value.

Equity instruments held at fair value include shares in unlisted companies, namely HAYVN, a global investment bank based in Abu Dhabi that specializes in digital assets, where Hilbert Group has a 2.7 percent ownership interest, and Kvanta AB (formerly Capchap AB), which provides equity management on the blockchain and where Hilbert Group holds a 5.7 percent stake. No dividends were received by Hilbert Group in either 2022 or 2023.

On 28 April 2023 Hilbert Group AB concluded and signed the financing of a Euro denominated 10% fixed rate convertible bond of EUR 2 million, equivalent to SEK 22.2 million approximately. The bond is for a term of three years and is due to be repaid in 2026, or earlier in full redemption price upon the occurrence of certain events. The convertible bond amounting to kSEK 23,539.9 as of 31 December 2023, is presented as current. Management has and will continue to focus its efforts to settle the convertible bond prematurely, assuming a 12-months period after the reporting date. The fair value is not materially different from the carrying amount since the interest payable is short-term with expected settlement date within the 12-month period after year-end 2023. Refer to note 22 for further information.

NOTE 14 FAIR VALUE MEASUREMENT

2023		Level 1	Level 2	Level 3	Total
Investments	Equity securities	—	—	4,250.4	4,250.4
Intangible assets	Cryptocurrencies	1,522.1	—	—	1,523.1
Inventory	Cryptocurrencies	5,221.9	—	—	5,221.9
2022		Level 1	Level 2	Level 3	Total
Investments	Equity securities	—	—	15,134.7	15,134.7
Intangible assets	Cryptocurrencies	1,518.5	—	—	1,518.5
Inventory	Cryptocurrencies	8,207.7	—	—	8,207.7

There were no transfers between levels 1, 2 and 3 during the year.

In determining fair value for equity investments an income approach is applied for assessing fair value, whereby future income and expenses for the entities are converted to a current discounted amount reflecting current market expectations about the future amounts. As of 31 December 2023 as also presented in the Q4 report, the value of HAYVN amounted to kSEK8,535.4 (USD 250K/kSEK 2,510.4, lower than the initial value of the investment over which Hilbert Group has preferential rights) was valued using the probability weighted expected return method; this has been assessed to be the most appropriate valuation methodology to be used. Due to uncertainty of events at year end and at the time of issuance of Q4 report, the applicability of using discounted cash flows to measure fair value was deemed inappropriate. At the time of issuance of the Annual Report, Hilbert has further wrote down this investment to nil, to move away from judgement, bias and estimation in the valuation. The Group is positive the value of the investment is close to it's original book value of a \$1,000,000 (SEK 10,041,600); this based on the PWER valuations we applied, nonetheless for prudence Hilbert took the most conservative approach and valued this to nil for this report; until further information emerges about acquisition by DEUS X and further potential litigation claims.

Both HAYVN and Kvanta AB are classified as Level 3 investments; being assets valued based on models and unobservable inputs

The following table presents the changes in the year for these items:

	2023	2022
Opening balance 1 January	15,134.7	9,043.7
Acquisitions	—	2,634.1
Gains/-losses recognised in other comprehensive income	-10,897.2	1,922.7
Translation differences	13.0	1,534.1
Closing balance 31 December	4,250.4	15,134.7

Significant unobservable inputs used in level 3 fair value measurements are the earnings growth and the discount factor applied.

NOTE 15 INVENTORY

Inventory of cryptocurrency	2023	2022
USDT	3,628.4	6,395.3
Ether	—	111.7
Binance USD	—	48.5
Polygon	—	47.1
XRP	29.7	35.6
OG	34.5	—
VGX	34.1	—
BTC	30.4	—
Other	1,464.8	1,569.5
Carrying amount	5,221.9	8,207.7

Inventory of cryptocurrency is recognised at fair value and changes in fair value are recognised in profit or loss. Cryptocurrencies reported as intangible assets are measured at fair value and the reclassification to inventory had no effect on profit or loss or other comprehensive income.

The Group is trading cryptocurrencies in its own account applying a mix of algorithmic/technical and discretionary/fundamental trading. The high-frequency trading is focused on the digital assets with the largest market capitalisation and/or the highest liquidity. Trading objectives are to opportunistically position the underlying portfolio to take advantage of certain market environments and to offer holders of Hilbert Group shares a vertical with “pure” exposure to digital assets.

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

kSEK	2023	2022
Prepaid expenses	570.7	906.2
Accrued income	750,4	901.7
Total	1,321.1	1,807.9

NOTE 17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand.

The Group has pledged SEK 50,000 of its cash and cash equivalents as collateral.

NOTE 18 GROUP INFORMATION

The subsidiaries included in the consolidated financial statements of the Group are set out below. Share capital consists solely of ordinary shares and the portion of ownership interests held equals the voting rights held by the group.

Name of entity	Registration no	Country of incorporation	Ownership interest held by the Group, %		Ownership interest held non-controlling interests, %		Nature of business
			2023	2022	2023	2022	
HC Holding Limited	C89451	Malta	100	100	—	—	Holding company
HC Advisors Limited	C89459	Malta	100	100	—	—	Management of operating expenses
Hilbert Capital Limited	347428754407 DE-342080	Cayman Islands	100	100	—	—	Fund manager
Hilbert Analytics Limited	C99576	Malta	100	100	—	—	Data and analytics
Coin360 Global Limited	2062872	British Virgin Islands	60	60	40	40	Data and analytics
Hilbert Sirius AM Ltd	861590248493 DE-377734	Cayman Islands	50	50	50	50	Fund manager
Hilbert PP	684750272347 DE-376076	Cayman Islands	100	100	—	—	Close-ended fund

The subsidiary Coin360 Global Limited has non-controlling interests that are material to Hilbert Group, whereas Hilbert Sirius AM Ltd is not material and thus non-controlling interests are not material.

The summarised financial information presented below is before inter-company eliminations.

No dividends have been paid to non-controlling interest.

Coin360 Global Limited		
KSEK	2023	2022
Summarised statement of comprehensive income		
Revenue	3,923.7	6,507.8
Profit or loss for the period	-12,732.7	-12,972.0
Other comprehensive income	-396.7	2,917.2
Total comprehensive income	-13,129.4	-10,054.8
Profit or loss allocated to non-controlling interest	-5,093.1	-5,188.8
Summarised balance sheet		
Non-current assets	7,282.6	18,623.9
Current assets	2,382.7	920.1
Current liabilities	-7,229.5	-3,383.7
Net assets	2,435.9	16,160.3
Accumulated non-controlling interest	12,212.4	17,702.2
Summarised cash flows		
Cash flows from operating activities	-1,260.7	2,848.8
Cash flows from investing activities	-2,015.3	-3,868.1
Cash flows from financing activities	3,276.0	1,019.4
Net increase/decrease in cash and cash equivalents	—	—

NOTE 19

EQUITY

Share capital

The share capital of Hilbert Group AB (publ) on 31 December 2023 amounted to kSEK 2,779.8 divided into 55,595,995 ordinary shares with a quotient value of 0,05 SEK. The 8,500,000 A-shares have 10 voting rights per share and the 47,095,995 B-shares have 1 vote per share.

Holders of ordinary shares are entitled to receive dividends, following a resolution by a general meeting of shareholders. No dividends is proposed for the year of 2023.

All outstanding shares are fully paid, no shares are reserved for transfer and no shares are held by the Company or its subsidiaries.

Other paid-in capital

Other paid-in capital consists of capital contributed by Hilbert Group AB (publ) shareholders as share premium reserve arising on the issue of new shares at subscription price over the quotient value of 0,05 SEK

Reserves and other comprehensive income

The table on the following page shows other comprehensive income, a breakdown of reserves in equity and the movement in these reserves.

kSEK	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Total other reserves	Non-controlling interests	Total
At 31 December 2021	—	17.4	17.4	768.9	786.3
Fair value revaluation on equity instruments	1,922.7	—	1,922.7	—	1,922.7
Exchange differences on translation of foreign operations	—	-688.3	-688.3	2,915.7	2,227.4
At 31 December 2022	1,922.7	-670.9	1,251.8	3,684.6	4,936.4
Fair value revaluation on equity instruments	-10,897.2	—	-10,897.2	—	-10,897.2
Exchange differences on translation of foreign operations	—	2,917.5	2,917.5	-372.4	2,545.1
At 31 December 2023	-8,974.5	2,246.5	-6,728.0	3,312.2	-3,415.7

Share capital development

Amounts in SEK

Year	Date	Event	Subscription amount	of which: Share premium	Share capital	Share Capital: total	No of shares: change	No of shares total
2017	—	Formation and incorporation	—	—	50,000	50,000	50,000	50,000
2017	—	Split 1:20	—	—	—	50,000	950,000	1,000,000
2021	2021-07-01	New share issue	500,000	—	500,000	550,000	10,000,000	11,000,000
2021	2021-07-01	New share issue ¹	30,000,000	29,850,000	150,000	700,000	3,000,000	14,000,000
2021	2021-09-08	New share issue ¹	20,000,000	19,900,000	100,000	800,000	2,000,000	16,000,000
2021	2021-09-17	New share issue ²	2,900,000	1,450,000	1,450,000	2,250,000	29,000,000	45,000,000 ³
2021	2021-10-21	New share issue ¹	38,000,000	37,810,000	190,000	2,440,000	3,800,000	48,800,000 ⁴
On 31 Dec 2022			91,400,000	89,010,000	2,440,000		48,800,000	
2023	2023-02-15	New share issue	4,929 731.88	4,781,246.10	148,485.90	2,588,485.90	2,969,718	51,769,718
2023	2023-03-07	New share issue	770,271.54	747,070.59	23,200.95	2,611,686.85	464,019	52,233,737
2023	2023-11-13	New share issue ⁵	15,500,009.38	14 711 823,37 ⁶	168,112.90	2,779,799.75	3,362,258	55,595,995
On 31 Dec 2023			112,600,012.80	109,250,140.06	2,779,799.75		55,595,995.00	

¹ Pre-IPO private placement totaling SEK 88.0 million; subscribed as Units of 1 share series B + 1 warrant entitling to subscription of 1 share series B. Warrants issued at 0 (nil) consideration.

² Of which 8,500,000 series A shares and 20,500,000 series B shares. Voting rights: series A shares 10 votes per share, series B shares 1 vote per share.

³ Of which 8,500,000 series A and 36,500,000 series B; quotient value 0.05 SEK

⁴ Of which 8,500,000 series A and 40,300,000 series B; quotient value 0.05 SEK

⁵ Set-off issue

⁶ 15,331,896.48 SEK net of transactions costs -620,071.11 SEK

NOTE 20

ACCRUED EXPENSES AND DEFERRED REVENUE

kSEK	2023	2022
Accrued professional fees	72.4	—
Accrued accountancy fees	122.2	220.1
Accrued audit fees	464.5	435.4
Accrued consultancy fees	74.8	—
Accrued personnel related costs	399.0	2,905.9
Accrued tax fees	37.9	—
Accrued board fees	725.0	431.7
Other accrued expenses	763.2	382.7
Total	2,659.1	4,375.8

NOTE 21

PLEGDED ASSETS AND CONTINGENT LIABILITIES

The parent company Hilbert Group AB (publ) has pledged all shares in the wholly owned subsidiary HC Holding Ltd as collateral against the EUR 2 million convertible bond agreement concluded during the second quarter 2023.

Group carrying amount of net assets related to the pledge amounts to kSEK 62,224.7 (—) excluding liabilities payable from HC Holding Ltd and subsidiaries to the parent company Hilbert Group AB (publ). Before such adjustment, net assets pledged amount to kSEK -35,341.0 (—).

Assets pledged on 31 December 2023 as well as at year-end 2022 also comprised kSEK 50.0 of cash and cash equivalents held by Hilbert Group AB.

On 31 December 2023, there were no contingent liabilities. The same applied for 2022 in this report.

NOTE 22

CONVERTIBLE BOND

On 28 April 2023 Hilbert Group AB concluded and signed the financing of a Euro denominated 10% fixed rate convertible bond of EUR 2 million, equivalent to SEK 22.2 million approximately. The bond is for a term of three years and is due to be repaid in 2026, or earlier in full redemption price upon the occurrence of certain events; namely Change of Control, Event of Default, Insolvency, Qualified Financing and Free cashflow generation as per the agreed terms of contract (as further detailed below). The bond is secured by a pledge over certain Hilbert Group assets.

The interest is payable on maturity of the bond, i.e., after three years. On the maturity date Hilbert Group shall pay the nominal amount of the loan, accrued interest and a premium equal to 100 per cent of the nominal amount of the loan. The loan will become due and payable prematurely if Hilbert Group at any time during the three-year term of the loan raises six million Euro or more in a new issue of shares. In such case, the lenders under the loan facility may choose between repayment of the nominal amount plus accrued interest but without a premium on the nominal value or to convert the loan amount to B-shares. The subscription price shall be the lower of SEK 9 and the issue price in the new issue of shares of EUR 6 million or more. Such conversion of the loan to shares will be carried out through a new issue with payment by set-off of the loan which requires approval by Hilbert Group's shareholders.

The convertible bond amounting to kSEK 23,539.9 as of 31 December 2023, is presented as current. Management has and will continue to focus its efforts to settle the convertible bond prematurely, assuming a 12-months period after the reporting date.

The face value of the bond issued amounted to SEK 21,937.5 and the value of conversion rights amount to SEK 259,700.

Interest expense amounted to SEK 1,602,423 and is calculated by applying the effective interest rate of 10.5% to the liability component.

The initial fair value of the liability portion of the bond was determined using a market interest rate of 11% for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

The fair value is not materially different from the carrying amount since the interest

payable is short-term with expected settlement date within the 12-month period after year-end 2023.

NOTE 23 RELATED PARTY TRANSACTIONS AND BALANCES

	2023	2022
Managed funds:		
Revenue	2,272.1	874.7
Receivables from related parties	2,151.8	2,422.2
Accrued income	750.4	901.7
Board of directors, key management personnel and ultimate shareholders:		
Compensation to Board of directors	429.6	370.0
Compensation to Chief Executive Officer	1,377.2	1,275.8
Compensation to other key management personnel	6,954.8	6,788.2
Payables to Board of directors	622.9	431.7
Receivables from ultimate shareholders	—	1.0
Payables to ultimate shareholders	—	26.4

A list of the Group's subsidiaries, which are also companies that are closely related to the Parent Company, is presented in Note 18 Group companies. All transactions between Hilbert Group AB (publ) and its subsidiaries have been eliminated in the consolidated financial statements.

On 1 January 2019, Hilbert Capital Ltd and the Hilbert Digital Asset Fund, now V100, entered into a management agreement. Either party may terminate the agreement at any time by giving 60 days written notice. Hilbert Capital Ltd receives payment for its services rendered under the management agreement. On 5 October 2022, Hilbert Capital Ltd and Hilbert V1 Fund entered into a similar management agreement.

The Company's CEO and shareholder Niclas Sandström is currently Board member of Hilbert V1 Fund and Hilbert V30. On 27 March 2023, Hilbert Capital Ltd and Hilbert V30 Fund entered into similar management agreements.

Funds managed by Hilbert Group are not consolidated into Hilbert Group but considered as related parties. At year-end 2023, Hilbert V100, Hilbert V1 Fund and Hilbert V30 Fund were managed by Hilbert Group. Revenue from fund management and related receivables are presented in the table above.

Starting on 27 October 2021, the first day of trading on Nasdaq First North for Hilbert Group, the annual Board fees are 150 kSEK to the Chairman of the Board and kSEK 110 each to other Board members re-affirmed at the Annual General Meeting dated 23 April 2023. At year-end 2023, the accrued Board fees total amount to kSEK 725.0 (486.7), of which kSEK 102.1 (55.0) social charges. None of the Board members are entitled to any benefits in conjunction with the termination of the assignment as a Board member.

Remuneration to the CEO Niclas Sandström during 2023 was kSEK 1,377,2 (1,276).

The annual basic salary amounts to 120 kEUR (120). The CEO is not entitled to any additional remuneration or compensations, such as bonuses, pensions, severance or any other post-employment benefits. The Board may resolve on a discretionary bonus based on performance.

Hilbert Group has not pledged any assets nor entered into any agreements or

transactions resulting in a contingent liability for any of the Board members or the CEO.

Remuneration to other key management personnel amounts to kSEK 6,954.8 (6,788.2). At year-end 2023 the Management team comprises six people; 2022 – 6 people who have not been part of the team for the entire financial year 2022.

Balances with ultimate shareholders comprise receivables from, and payables to, the founder, major shareholder and Chief Executive Officer (CEO) Niclas Sandström with controlled companies and founder, major shareholder and Chief Investment Officer (CIO) Magnus Holm with controlled companies.

NOTE 24

EVENTS AFTER THE REPORTING PERIOD

Hilbert Group AB (publ) has carried out a directed issue of SEK 21.2million

Hilbert Group AB has carried out a directed issue of 5,300,000 B-shares at a subscription price of SEK4.00 per share. The issue was subscribed by a group of investors in Norway and Sweden with subscriptions between SEK0.2 and 5 million.

The Directed issue entails an increase in the number of shares in the Company by 5,300,000 B-shares to a total of 60,895,995 shares divided into 8,500,000 A-shares and 52,395,995 B-shares. The Directed issue entails a dilution effect for current shareholders of approximately 8.70% of the share capital and 3.85 % of the votes in the Company, calculated as the number of newly issued shares divided by the total number of shares after the Directed Issue.

Goldman Sachs veteran Barnali Biswal joins Hilbert Capital, the asset management subsidiary of Hilbert Group AB as its Chief Investment Officer (“CIO”)

On 8 February 2024, Hilbert announced the recruitment of Barnali Biswal as CIO of Hilbert Capital. Barnali was at Goldman Sachs in London for 14 years as Managing Director, running its European High yield credit trading business which included managing a \$1bn+ portfolio. For the last 3 years Barnali was Chief Investment Officer of Atitlan, the quantitative multi strategy crypto hedge fund based in London. Hilbert's Investment team has worked closely with Barnali for 2 years on strategy development and she was an investor across multiple Hilbert products during that period. At Hilbert Barnali will be responsible for the Investment Management and development of quantitative trading strategies. Her appointment enables Hilbert's quantitative research team led by Dr. Magnus Holm to focus 100% of its time on improving trading strategies and finding new alpha to be exploited. The Hilbert Investment team consists of 7 senior investment professionals, including 4 quantitative PhD's.

Coinbase SMA opens first actively managed strategy for investors: Hilbert Bitcoin Momentum

On 1st January 2024, Hilbert Bitcoin Momentum Strategy was activated on Coinbase SMA with Hilbert's applied quantitative research and alpha generation.

The strategy is designed to systematically capture Bitcoin upside and reduce drawdowns. It was launched with Hilbert proprietary portfolio capital following a period of research, development and testing. In 3 year testing period, the strategy outperformed Bitcoin by over 750%.

The strategy has been developed with Hilbert Senior Quantitative Strategist, Dr.

Theirry Phudet. Dr Pudet was previously Chief Risk Officer at Citadel Europe and had senior quantitative roles at Goldman Sachs, and Salomon Brothers, and has a PhD in Computer Science.

Hilbert is in its 7th year of applied quantitative research and trading with a focus on developing and executing Investment strategies which are coherent, repeatable and adaptable across market and trading Instruments.

Parent Company income statement

kSEK	Note	2023	2022
Revenue		1,750.3	1,487.9
Other external expenses		-10,975.6	-10,417.0
Personnel expenses	3	-4,773.1	-6,880.2
Depreciation and amortization	6	-5.7	-2.9
Other operating expenses		340.0	-201.5
Operating profit/loss		-13,664.2	-16,013.6
Finance income		495.8	11,143.8
Finance costs		-5,417.6	-10,952.1
Net financial items	4	-4,921.8	191.7
Profit before income tax		-18,586.0	-15,821.9
Income tax expense	5	37.1	-89.2
Profit/loss for the year		-18,549.0	-15,911.1

Parent Company balance sheet

kSEK	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Equipment	6	8,6	14.3
Financial assets	2, 7	2,900.0	2,900.0
Total non-current assets		2,908.6	2,914.3
Current assets			
Receivables from group companies		87,022.0	73,587.5
Other receivables		137.5	27.3
Prepaid expenses and accrued income	8	25.0	163.0
Cash and cash equivalents	11	10,232.2	116.9
Total current assets		97,416.7	73,894.7
TOTAL ASSETS		100,325.3	76,809.0
EQUITY AND LIABILITIES			
Equity			
Restricted Equity			
Share capital	9	2,779.8	2,440.0
Total restricted equity		2,779.8	2,440.0
Non-restricted equity			
Share premium reserve		109,250.1	89,010.0
Retained earnings		-20,177.8	-5,102.6
Profit/loss for the year		-18,549.0	-15,911.1
Total non-restricted equity		70,523.2	67,996.4
TOTAL EQUITY		73,303.2	70 436,4
Current liabilities			
Convertible bond		23,539.9	—
Accounts payable		1,371.4	1,742.9
Payables to group companies		—	2,292.8
Current tax liabilities		—	124.1
Other liabilities		140.0	183.4
Accrued expenses and deferred revenue	10	1,970.7	2,029.5
Total liabilities		27,022.0	6,372.7
TOTAL EQUITY AND LIABILITIES		100,325.3	76,809.0

Parent Company statement of changes in equity

kSEK	Restricted equity			Total equity
	Share capital	Share premium reserve	Retained earnings	
Balance at 31 December 2021	2,440.0	89,010.0	-5,102.6	86,347.4
Profit/loss for the year	—	—	-15,911.1	-15,911.1
Balance at 31 December 2022	2,440.0	89,010.0	-21,013.7	70,436.3
Profit/loss for the year	—	—	-18,549.0	-18,549.0
New share issues	339.8	20,860.2	—	21,200.0
Transaction costs related to share issues	—	-620.1	—	-620.1
Stock options IFRS 2	—	—	576.2	576.2
Equity part of bond	—	—	259.7	259.7
Balance at 31 December 2023	2,779.8	109,250.1	-38,726.8	73,303.2

Parent Company statement of cash flows

kSEK	Note	2023	2022
Cash flow from operating activities			
Profit/loss before tax		-18,585.8	-15,821.9
Adjustments for items not affecting cash:			
Depreciation		5.7	2.9
Unrealized exchange rate differences		3,099.6	-11,151.4
Impairment of receivables from group companies		—	10,952.1
Change in accrued interest		1,648.4	—
Other items		835.9	—
Taxes paid		-87.0	—
Cash flow from operating activities before changes in working capital		-13,083.4	-16,018.3
Changes in working capital			
Changes in operating receivables		-17,258.7	-18 411.9
Changes in operating payables		-3,375.4	2,726.2
Cash flow from changes in working capital		-20,634.1	-15 685.7
NET CASH FLOW USED IN OPERATING ACTIVITIES		-33,717.5	-31,704.1
Cash flow from investing activities			
Purchase of equipment		—	-17.2
Cash flow used in investing activities		—	-17.2
Cash flow from financing activities			
Proceeds from issue of share capital		21,200.0	—
Proceeds from convertible loan		22,632.7	—
Net cash generated from financing activities		43,832.7	—
Cash flow for the year		10,115.2	-31,721.3
Cash and cash equivalents at beginning of the year		116.9	31,838.2
Cash and cash equivalents at end of the year		10,232.2	116.9

Notes to the Parent Company statements

NOTE 1

ACCOUNTING PRINCIPLES

Parent company accounting principles

The parent company Hilbert Group AB prepares financial statements in accordance with the Swedish Annual Accounts Act and the recommendation RFR2, Accounting for legal entities of the Swedish Financial Reporting Board. RFR2 prescribes the amendments and exceptions from IFRS applicable to the parent company. This means that all IFRS standards and statements shall be applied when possible within the frame of the Annual Accounts Act with consideration taken to Swedish legislation in accounting and taxation. The parent company thus applies the same accounting policies as the Group, with the deviations presented below.

Presentation formats

The income statement and balance sheet follow the presentation format prescribed in the Swedish Annual Accounts Act, whereas the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows have been prepared based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The presentation format for the statement of changes in equity is consistent with the Group's format but must also include the columns stated in the Annual Accounts Act. Moreover, there is a difference in titles compared with the consolidated financial statements, mainly with regard to finance income and costs, and equity.

Shares in subsidiaries

Holdings in subsidiaries are recognised according to the cost method of accounting. If there is an indication that the recognised value of shares has declined, they are tested for impairment according to IAS 36. According to RFR2, transaction costs are recognised as part of the acquisition value in the parent company, unlike the group where they are considered as expenses.

Financial instruments

IFRS 9 is not applied by the Parent Company. Instead, the Parent Company applies the items set out in RFR 2. Financial instruments are measured at cost. The policies for impairment testing and loss risk provision in IFRS 9 are applied when assessing and measuring potential impairment of financial assets.

NOTE 2

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Subsequent measurement of financial instruments

On each balance-sheet date, the management assesses whether any impairment indicators exist.

For non-current assets, an impairment loss is recognised if the decline in value is deemed permanent. Impairment is determined individually for all material non-current assets. Examples of indications of impairment include negative economic circumstances or unfavorable changes to industry conditions in companies in whose shares the company has invested.

Convertible bond – current liability

On 28 April 2023 Hilbert Group AB concluded and signed the financing of a Euro denominated 10% fixed rate convertible bond of EUR 2 million. The bond is for a term of three years and is due to be repaid in 2026, or earlier in full redemption price upon the occurrence of certain events. The convertible bond amounting to kSEK 23,539.9 as of 31 December 2023, is presented as current as Management focuses effort to settle the bond prematurely. For further information, refer to Note 2 and Note 22 of the consolidated statements.

NOTE 3

AVERAGE NUMBER OF EMPLOYEES

	2023	2022
Average number of employees	4	4

NOTE 4

FINANCE INCOME AND COSTS

Finance income	2023	2022
Foreign exchange differences ¹	495.8	11,143.8
Total	495.8	11,143.8
Finance cost	2023	2022
Interest cost	-1,648.4	—
Impairment of receivables from group companies	—	-10,952.1
Foreign exchange differences ²	-3,703.4	—
Other finance cost	-65.8	—
Total	-5,417.6	-10,952.1

1 For the year 2023 the amount reflects unrealised differences on liabilities, and for the comparison period the amount comprises unrealised differences on receivables

2 For the year 2023 the amount reflects unrealised differences on receivables.

NOTE 5 INCOME TAX EXPENSE

kSEK	2023	2022
Current tax on profits for the year	—	—
Adjustments for current tax of prior periods	37.1	-89.2
Deferred income tax	—	—
Total	37.1	-89.2
Reconciliation of effective tax rate		
Reported profit/loss before tax	-18,585.8	-15,821.9
Tax according to current tax rate	3,828.7	3,259.3
Tax effect of non-deductible expenses	-44.4	-2,294.9
Tax effect of non-taxable income	0.0	—
Tax loss without corresponding deferred tax asset	-3,784.3	-964.4
Adjustments for current tax of prior periods	37.1	-89.2
Total	37.1	-89.2
Effective tax rate	0.0%	0.6%

Hilbert Group AB (publ) holds indirect ownership interest in companies resident in e.g., the Cayman Islands and the British Virgin Islands. According to Swedish Controlled Foreign Companies (CFC) provisions, a Swedish resident shareholder with an ownership interest exceeding 25 % in a company resident in a low-tax jurisdiction (taxed at a rate below 55 % of the nominal Swedish corporate income tax rate of 20,6%) may be obliged to include the profits of the CFC-company in its taxable income in Sweden. For the year 2023 there is no taxable profit from CFC companies. The same applied for the comparison year 2022.

Unutilized loss carry-forwards, for which no deferred tax assets have been recognized, amount to approximately kSEK 23,051.8 (4,681.5) at year-end 2023 and 2022 respectively.

NOTE 6 EQUIPMENT

kSEK	2023	2022
Opening acquisition cost	17.2	—
Additions	—	17.2
Closing cost	17.2	17.2
Opening accumulated depreciation	-2.9	—
Depreciation charge	-5.7	-2.9
Closing depreciation	-8.6	-2.9
Closing net book value	8.6	14.3

NOTE 7 PARTICIPATION IN GROUP COMPANIES

kSEK	2023	2022
Acquisition value, opening balance	2,900.0	2,900.0
Total acquisition value	2,900.0	2,900.0

NOTE 8

PREPAID EXPENSES AND ACCRUED INCOME

kSEK	2023	2022
Prepaid expenses	25.0	163.0
Total	25.0	163.0

NOTE 9

SHARE CAPITAL

The share capital of Hilbert Group AB (publ) on 31 December 2023 amounted to kSEK 2,779.8 divided into 55,595,995 ordinary shares with a quotient value of 0.05 SEK. The 8,500,000 A-shares have 10 voting rights per share and the 47,095,995 B-shares have 1 vote per share.

For additional information, refer to Consolidated statements Note 19 Equity.

NOTE 10

ACCRUED EXPENSES AND DEFERRED INCOME

kSEK	2023	2022
Accrued accountancy fees	122.2	96.4
Accrued audit fees	—	336.9
Accrued personnel related costs	399.0	979.3
Accrued board fees	725.0	431.7
Other Accrued expenses	724.5	185.3
Total	1,970.7	2,029.5

NOTE 11

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Hilbert Group AB (publ) has pledged all shares, with a net book value of kSEK 2,900.0, in the wholly owned subsidiary HC Holding Ltd, Malta, as collateral against the EUR 2 million convertible bond agreement concluded during the second quarter 2023. Refer to Consolidated statements Note 18 Group information for further details about HC Holding Ltd and other subsidiaries of Hilbert Group. Assets pledged on 31 December 2023 also comprised kSEK 50.0 of cash and cash equivalents. There are no other pledged assets and there are no contingent liabilities.

NOTE 12

RELATED PARTY TRANSACTIONS

A list of Group companies, which are all related parties to the Parent Company, is presented in Note 18 to the Consolidated statements.

Related party transactions and balances	2023	2022
Revenue from recharge of personnel expenses to group company	1,750.3	1,487.9
Operating expenses recharged from group company	-879.2	-752.7
Receivables from group companies	87,022.0	73,587.5
Payables to group companies	—	-2,292.8

Except from recharges above, neither sales to, nor purchases from group companies have occurred during the year. The same applies for the comparison period.

All balances with group companies are denominated in USD and the counterpart is HC Holding Ltd. All amounts fall due within 12 months.

For information about remuneration to the Board and the CEO, refer to note 22 to the Group financial statements.

Declaration by the Board of Directors and the CEO

The board of directors and the CEO hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in the regulation (EU) no. 1606/2002 of the European Parliament and Council dated July 19, 2002, pertaining to the application of international financial reporting standards. The Annual Report and the consolidated financial statements give a true and fair view of the parent company's and the group's financial position and results. The Report of the Directors pertaining to the parent company and the group gives a fair overview of the development of the parent company's and the group's operations, financial position and results, and describes the significant risks and uncertainties facing the parent company and the companies included in the group.

Stockholm, 3 May, 2024

Erik Nerpin
Chairman

Frode Foss-Skiftesvik
Board member

David Butler
Board member

Stuart Connolly
Board member

Tim Grant
Board member

Niclas Sandström
CEO

Our audit opinion was submitted on 3 May, 2024.
PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

Other information

FINANCIAL CALENDAR

Interim Report Q1, 2024	31 May, 2024
Interim Report Q2, 2024	30 Aug, 2024
Interim Report Q3, 2024	29 Nov, 2024
Interim Report Q4, 2024	28 Feb, 2025

ADDRESS

Hilbert Group AB (publ)
(Birger Jarlsgatan 2)
Mailbox 545
114 11 Stockholm
Sweden
www.hilbert.group