

---

# Hilbert Group AB (publ)

Annual Report 2022



---

# Contents

DIRECTOR'S REPORT	3
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	10
CONSOLIDATED BALANCE SHEET	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONSOLIDATED STATEMENT OF CASH FLOWS	13
NOTES TO THE CONSOLIDATED STATEMENTS	14
PARENT COMPANY INCOME STATEMENT	43
PARENT COMPANY BALANCE SHEET	44
PARENT COMPANY STATEMENT OF CHANGES IN EQUITY	45
PARENT COMPANY STATEMENT OF CASH FLOWS	46
NOTES TO THE PARENT COMPANY STATEMENTS	47
DECLARATION BY THE BOARD OF DIRECTORS AND THE CEO	52
OTHER INFORMATION	53

---

# 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 2022 to 31 December 2022. 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.

The comparison period 2021 in this Annual Report is presented as combined financial statements. The legal formation of Hilbert Group occurred during the third quarter of 2021, when Hilbert Group AB (publ) acquired all outstanding shares in HC Holding Limited, incorporated in Malta. Refer to the financial year 2021 Annual Report Note 1, section Basis of preparation for further information.

## **INFORMATION ABOUT THE OPERATIONS**

Hilbert is a tech-enabled investment company operated by experienced professionals.

Hilbert Group is an investment company 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 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 with four verticals. The model is diversified because it sits across various aspects and asset classes within the digital assets/blockchain segment and focused because the Company only deals with the Company's core competency, which is investment activity and the underlying data and analysis driving that activity.

## **ASSET MANAGEMENT**

The Asset Management vertical is operated as a traditional regulated fund business. Each fund employs a mix of systematic and discretionary trading. The funds involve active management and aim to outperform some of the applicable digital asset benchmarks over the longer term on an absolute return basis. The typical clients are institutional investors (banks, fund of funds, investment companies), family offices and high net worth individuals. Retail customers are not allowed to invest in any of Hilbert Group's funds. The 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 standard hedge fund model which is 2 percent per annum in

management fees and a 20 percent performance fee.

Hilbert Group currently offers two investible funds – Hilbert Digital Asset Fund and Hilbert V1 Fund, alongside an investible strategy, Hilbert V30, which is currently only available in managed account form (SMA), will be available also in fund format in Q2 of 2023.

**Hilbert Digital Asset Fund (HDAF)** HDAF is an actively managed Altcoin-focused fund that is predominantly algorithmically traded. It has been in operation since January 2019. The fund generates excess return over and beyond the underlying portfolio by means of volatility harvesting/mean-reversion. The fund is long-biased and offers broad exposure to the Altcoin sector. So far, the fund has never utilised any leverage in its trading. The fund has two share classes which the investors can choose from, 2 percent/20 percent and 1 percent/30 percent, where the first number indicates the management fee charged per annum and the second number indicates the performance fee. The fund is an absolute return fund which means it does not have a benchmark, and the performance fee is paid out vs a high watermark. Assets under management (AUM) for the HDAF as of 31 December 2022 was SEK 46 million across the fund and managed accounts.

**Hilbert V1 Fund (HV1)** HV1 is a quantitative investment strategy focused on trading cryptocurrencies. The fund has market-neutral characteristics. By that, we mean: generates consistent trading alpha and does not draw down when the crypto-market drops materially.

HV1 operates within conservative investment guidelines:

- Very low crypto-currency directional exposure.
- Highly diversified, highly liquid, and unlevered.
- No exposure to assets or instruments where our investment team cannot model or quantify the downside risk.

At the core are Hilbert's quantitative trading strategies, such as volatility harvesting. This generates all of the core risk/return for the fund and is sized to maximum drawdown target of 10 –12% per annum. Hilbert has researched, developed and implemented these quantitative strategies over the last 5 years based on fundamental mathematical theory and trading experience.

Outside of the core, is the fund's liquidity portfolio which is deployed into simple liquid Opportunities which in Hilbert's evaluation (a) do now add further drawdown risk (b) provide some incremental returns. The term 'Opportunities' is used deliberately as these trades often 'come and go' given high alpha decay and are therefore not 'core'. On average we think these opportunities will provide a 5-10% return boost per year but sometimes will not offer anything given our criteria.

The fund is designed to provide investors with an asymmetric return profile. During a bear / crash environment (like 2022), Hilbert V1 will aim to limit losses to approximately 1/10 of the market. During a benign / bull environment (like 2020 and 2021), HV1 will capture a meaningful proportion of the market return through trading alpha with limited directional exposure. HV1 was seed funded with SEK 50 million of Hilbert partner money in August 2022 and was opened to external investors in October 2022. Assets under management (AUM) for HV1 as of 31 December 2022 was about SEK 83 million, across the fund and managed accounts.



## 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 unrelated to client work. The objectives are:

- To capture a large part of the projected growth in the digital asset sector over the next decade.
- To opportunistically position the underlying portfolio to take advantage of certain market environments.
- To offer holders of Hilbert Group equity a vertical with "pure" exposure to the asset class.

The proprietary trading strategy is a mix of algorithmic/technical- and discretionary/fundamental trading, focusing on the digital assets with the largest market capitalisation and/or the highest liquidity. Importantly, the strategy will never utilise any leverage. The revenue will be generated solely through capital appreciation in the underlying portfolio.

Having proprietary trading and asset management under the same roof implies challenges from a conflict-of-interest point of view. Hilbert Group will adhere to best practices in this respect and also fully disclose this fact. This vertical made its first investment during the fourth quarter of 2021 and high-frequency trading started in the 2nd quarter 2022. The market value of the trading portfolio was kSEK 8,208 on 31 December 2022.

## EQUITY INVESTMENT

This vertical focuses on taking majority and minority stakes in blockchain-related companies, using Hilbert Group's own capital. The objective is to generate strong capital appreciation and to provide asset class diversification. The investment process relies mostly on fundamental analysis of the underlying projects, technologies and a thorough assessment of the quality of management of those projects.

Hilbert Group has made three equity investments:

- 60 per cent majority stake in Coin360 Global Ltd, see further below.
- 2.7 percent 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 and custody of digital assets. Hilbert Group and HAYVN will be strategic partners in terms of product development and distribution of fund products.
- 5.7 per cent stake in Capchap AB acquired in 2022. Capchap offers equity management on the blockchain. Capchap's 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 corporate secretary services currently provided by legal advisers are to a large degree eliminated.

## DATA & ANALYTICS

This business vertical was launched in July 2021 through the acquisition of 60 per cent of Coin360 Global Ltd, which 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. COIN360.com 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 and has more than three million unique visits per month.

The business model for COIN360.com is partly SaaS (software as a service) and partly advertising/affiliates based. A tiered subscription service is offered, which covers the range from retail to institutional customers. Revenue is generated by the sales of advertising space on the website and by entering into affiliate agreements with suitable partners.

COIN360.com operates independently from Hilbert Group under the company name COIN360 Global Ltd that owns all the IP of the website and associated domains, and which was specifically set up for the purpose of the acquisition.

## **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

### **Assets Management**

In 2022, a Chief Risk Officer (CRO) and a Chief Legal Officer (CLO), both with extensive experience, have been hired to form an “institutional team” satisfying the operational requirements from the largest allocators globally – leading investment firms, banks and pension funds. A CEO of asset management and a team of senior business developers in the US, Europe and Asia Pacific on an employee and placement basis have also joined Hilbert Group. The CEO and the business developers have one focus only and that is to raise as much AUM (assets under management) as possible for our fund products

Hilbert Group opened investment fund Hilbert V1 Fund to institutional investors in November, after having received Cayman Islands Monetary Authority (CIMA) approval for the investment manager Hilbert Capital Ltd. The partners of Hilbert Group have together committed SEK 50 million as seed funding for the strategy, which has been running on proprietary capital since 1 May 2022.

In January 2022, the launch of a global security as a feeder to the Hilbert Digital Asset Fund (HDAF) was announced. Hereby institutional and professional investors can participate in the HDAF simply by purchasing a tradable security in the form of a bond from their existing brokerage account. The fund investment process is thereby simplified to a direct trade through Euroclear without the need to process a subscription and onboarding the corresponding investor. This setup is much easier for the investor and Hilbert Group as fund manager.

### **Proprietary trading**

The proprietary trading vertical made its first investment during the fourth quarter 2021 and high-volume trading started in April 2022.

### **Equity investments**

During 2022, Hilbert Group acquired a 5.7% stake in Capchap AB, a joint venture between the blockchain pioneer Chromaway AB and law firm LegalWorks / LWA. The transaction amount for Hilbert Group was SEK 2.5 million, and the deal was cash settled.

Capchap offers equity management on the blockchain. Capchap’s 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 corporate secretary services currently provided by legal advisors, are to a large degree eliminated. The solution meets the legal requirements of Swedish law

and GDPR. Capchap's blockchain-powered solution addresses a very important non-financial use case for blockchain technology and, as such, diversifies Hilbert Group's VC portfolio.

## REVENUE AND RESULTS

Revenue increased to kSEK 26,949.7 (9,185.9), of which kSEK 19,567.3 (—) Proprietary trading in cryptocurrencies, kSEK 874.7 (4,758.8) from Fund management and kSEK 6,507.8 (4,170.6) from Coin360. The comparison period 2021 also included other revenue amounting to kSEK 256.5. The proprietary trading vertical made its first investment during the fourth quarter 2021 and high-volume trading started in April 2022. Refer to Business Verticals section for further information about the vertical. The high volatility in earnings from fund management is a result of funds managed being long-biased. This means that significant performance fees are only generated when digital asset markets go up enough to recoup the losses from a recent drawdown.

Operating result amounted to kSEK -50,181.0 (-5,754.4), including purchases and fair value adjustments of cryptocurrencies reported as inventory by kSEK -25,979.6 (—).

Personnel expenses amounted to kSEK -19,127.6 (-1,371.5) reflecting the investments being made in brand awareness and in forming the right team of skilled personnel building an institutional grade investment organisation.

Operating expenses also include amortisation of intangible assets, an impairment charge related to such assets totaling kSEK -11,854.8 (-1,859.8) and fair value adjustment of non-current cryptocurrency. In July 2021, Hilbert Group acquired 60 percent of the outstanding share capital COIN360 Global Limited (formerly Pioneer Creator Ltd). Total consideration was USD 3.2 million and COIN360 has been consolidated by Hilbert Group from the date of acquisition in 2021. During Q3 2022, the analysis of the acquisition was finalised. The acquisition has been assessed to comprise a group of assets but not a business, resulting in a restatement of the comparison period 2021 in this report. Refer to Note 12 for further information about impairment test performed and Note 23 for information about the reassessment of the COIN360 acquisition and effects of the restatement.

Financial net was kSEK 11,006.1 (1,801.8), pertaining to currency translation effects on receivables denominated in USD.

Result for the period was kSEK -39,264.1 (-3,987.6).

Other comprehensive income was kSEK 4,150.2 (832.0), of which kSEK 1,922.7 (—) related to gain on revaluation of the investment in Hayvn.

Total comprehensive income was kSEK -35,113.9 (-3,155.5).

## CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities was kSEK -22,337.3 (-3,729.5). Net investments amounted to kSEK -13,334.6 (-51,232.3), with the equity investments in HAYVN closed in Q4 2021 and CapChap closed during Q1 2022 as main items. For the comparison period, the acquisition of Coin360 and purchase of cryptocurrencies were the main items.

Financing activities was kSEK -111.0 (88,500.0) with proceeds from pre-IPO Issue of share capital affecting the comparison period. At the end of the period Hilbert Group held kSEK 388.0 (35,701.0) in cash and cash equivalents.

## Multi-year overview

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

\* Period from 19 November 2018 to 31 December 2019

For periods prior to the financial year 2022, the multi-year overview presents information for the parent Hilbert Group AB and HC Holdings Limited with subsidiaries combined, as the formation of the legal group occurred in September 2021. Refer to Note 1 of the FY 2021 Annual Report for further information about the basis for preparation.

## WARRANTS TO EMPLOYEES – INCENTIVE SCHEME

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. Each warrant entitles the holder to subscribe for one new B-share in the parent company Hilbert Group AB (publ) at an exercise price of SEK 15. The warrants can be exercised during the period 1 October 2024 – 1 October 2025.

No warrants have yet been granted, neither at period-end 31 December 2022, nor after the end of the reporting period. The Board of Directors of Hilbert Group AB proposes that the Annual General Meeting on 26 May 2023 approve a new incentive program that in such case replaces the previous one.

## 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 2022 the company employed four people.

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

Other external expenses kSEK -10,417.0 (-6,947.8) include recharges from other group entities for the financial year 2022. Personnel expenses kSEK -6,880.2 (–) include non-recurring items for formation of the team.

Finance income amounting to kSEK 11,143.8 (1,950.0) is pertaining to currency translation effects on receivables denominated in USD both for the year 2022 and for the comparison period.

Finance cost amounting to kSEK -10 952,1 (–) is pertaining to impairment of receivables from group companies.

During 2021 the activities of Hilbert Group AB mainly included the legal formation of Hilbert Group through the acquisition of HC Holding Limited, fund raising of in total kSEK 91,400 and preparations for the listing of the company's B-shares and warrants on Nasdaq First North Growth Market which took place on 27 October 2021. Non-recurring expenses related to these activities amounted to approximately kSEK 2,600.

Parent company cash and cash equivalent amount to kSEK 117 (31,838) at year-end.



## EVENTS AFTER THE REPORTING PERIOD

After the reporting period, Hilbert Group has received proceeds in total of SEK 28.3 million from a directed issue of shares and a Euro 2.0 million loan facility. Further, Hilbert Group is in discussions with institutional investors to increase the loan facility by approx. SEK 5.5 million. This financing secures the cash flows and liquidity for at least the coming 12 months. For further information, refer to note 24 on page 41.

## 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	89,010,000
Retained earnings	-5,102,563
Profit/loss for the year	-15,911,012
<b>Total</b>	<b>67,996,425</b>

The Board of Directors proposes that the following amount be carried forward:  
67,996,425 SEK.

# Consolidated statement of comprehensive income

kSEK	Note	2022	2021
Revenue	4	26,949.7	9 185,9
Cost of cryptocurrencies sold		-19,567.3	—
Other external expenses		-17,112.1	-11 591,9
Personnel expenses	5	-19,127.6	-1,371.5
Depreciation, amortisation, impairment and fair value adjustment	10, 11, 12	-14,671.7	-1,907.3
Other operating expenses	6	-6,652.1	-69.8
<b>Operating profit/loss</b>		<b>-50,181.1</b>	<b>-5,754.4</b>
Finance income		11,132.8	1,901.5
Finance costs		-126.7	-99.7
<b>Net financial items</b>	7	<b>11,006.1</b>	<b>1,801.8</b>
<b>Profit before income tax</b>		<b>-39,175.0</b>	<b>-3,952.6</b>
Income tax expense	8	-89.2	-34.9
<b>Profit/loss for the period</b>		<b>-39,264.1</b>	<b>-3,987.5</b>
Profit/loss is attributable to:			
Parent company shareholders		-34,084.2	-4,450.4
Non-controlling interests		-5,180.0	462.9
		<b>-39,264.1</b>	<b>-3,987.5</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss (net of tax):</i>			
Exchange differences on translation of foreign operations		2,227.4	832.0
<b>Net other comprehensive income that may be reclassified to profit or loss</b>		<b>2,227.4</b>	<b>832.0</b>
<i>Items that will not be reclassified to profit or loss (net of tax):</i>			
Net gain/loss on equity instruments designated at fair value through other comprehensive income		1,922.7	—
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>		<b>1,922.7</b>	<b>—</b>
<b>Other comprehensive income, net of tax</b>		<b>4,150.2</b>	<b>832.0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-35,113.9</b>	<b>-3,155.5</b>
Total comprehensive income is attributable to:			
Parent company shareholders		-32,849.6	-4,387.3
Non-controlling interests		-2,264.3	1,231.8
		<b>-35,113.9</b>	<b>-3,155.5</b>
<b>Earnings per share attributable to parent company shareholders, SEK</b>	9		
Basic earnings per share		-0.70	-0.26
Diluted earnings per share		-0.70	-0.26

# Consolidated balance sheet

kSEK	Note	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	10	1,702.0	163.9
Right-of-use assets	11	6,983.6	—
Intangible assets	12	46,872.3	66,300.9
Financial assets	13	15,343.4	9,043.7
<b>Total non-current assets</b>		<b>70,901.3</b>	<b>75,508.5</b>
<b>Current assets</b>			
Inventory of cryptocurrencies	15	8,207.7	—
Other receivables	13	721.2	638.6
Receivables from related parties	13	2,422.2	842.7
Receivables from shareholders	13	1.0	11.5
Prepaid expenses and accrued income	16	1,807.9	2,277.1
Cash and cash equivalents	17	388.2	35,700.8
<b>Total current assets</b>		<b>13,548.3</b>	<b>39,470.7</b>
<b>TOTAL ASSETS</b>		<b>84,449.6</b>	<b>114,979.3</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share Capital	19	2,440.0	2,440.0
Additional paid-in capital		86,110.0	86,110.0
Other reserves		1,251.8	17.4
Retained earnings		-38,220.0	-4,135.8
<b>Equity attributable to parent company shareholders</b>		<b>51,581.8</b>	<b>84,431.5</b>
Non-controlling interests		17,697.6	19,961.90
<b>Total equity</b>		<b>69,279.5</b>	<b>104,393.5</b>
<b>Non-current liabilities</b>			
Lease liability	11	6,221.5	—
<b>Total non-current assets</b>		<b>6,221.5</b>	<b>—</b>
<b>Current liabilities</b>			
Lease liability	11	1,184.6	—
Trade payables	13	3,039.4	2,335.9
Payables to shareholders	13	26.4	11.5
Other payables	13	198.3	5,003.1
Current tax liabilities		124.1	34.9
Accrued expenses and deferred revenue	20	4,375.8	3,200.4
<b>Total liabilities</b>		<b>8,948.6</b>	<b>10,585.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>84,449.6</b>	<b>114,979.3</b>

# 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		
<b>Balance at 31 December 2020</b>	<b>50.0</b>	—	<b>-45.8</b>	<b>312.4</b>	<b>316.6</b>	—	<b>316.6</b>
Profit/loss for the period	—	—	—	-4,450.4	-4,450.4	462.9	-3,987.5
Other comprehensive income	—	—	63.1	—	63.1	768.9	832.0
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>63.1</b>	<b>-4,450.4</b>	<b>-4,387.3</b>	<b>1,231.8</b>	<b>-3,155.5</b>
New share issues	2,390.0	89,010.0	—	—	91,400.0	—	91,400.0
Transactions with shareholders upon formation of the group	—	-2,900.0	—	2.2	-2,897.8	—	-2,897.8
Non-controlling interest on subsidiary acquisition	—	—	—	—	—	18,730.1	18,730.1
<b>Balance at 31 December 2021</b>	<b>2,440.0</b>	<b>86,110.0</b>	<b>17.4</b>	<b>-4,135.8</b>	<b>84,431.5</b>	<b>19,961.9</b>	<b>104,393.5</b>
Profit/loss for the period	—	—	—	-34,084.2	-34,084.2	-5,180.0	-39,264.1
Other comprehensive income	—	—	1,234.5	—	1,234.5	2,915.7	4,150.2
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>1,234.5</b>	<b>-34,084.2</b>	<b>-32,849.7</b>	<b>-2,264.3</b>	<b>-35,114.0</b>
<b>Balance at 31 December 2022</b>	<b>2,440.0</b>	<b>86,110.0</b>	<b>1,251.8</b>	<b>-38,220.0</b>	<b>51,581.8</b>	<b>17,697.6</b>	<b>69,279.5</b>

The reporting period 2021, and thus opening equity for the year 2022, has been restated to reflect a reassessment of the Coin360 acquisition in 2021. Refer to Note 23 for further information.

# Consolidated statement of cash flows

kSEK	Note	2022	2021
<b>Cash flow from operating activities</b>			
Profit/loss before tax		-39,175.0	-3,952.6
Adjustments for items not affecting cash:			
Depreciation of equipment and right-of-use assets		694.9	47.4
Amortisation, impairment and fair value adjustment of intangible assets		13,973.7	1,859.8
Proceeds from cryptocurrency reported as intangible assets *		12,221.5	—
Purchase of cryptocurrency reported as intangible assets *		-8,707.4	—
Fair value adjustments - cryptocurrency trading portfolio		15,382.2	—
Other non-cash changes - cryptocurrency trading portfolio		-7,654.3	—
Unrealized exchange rate differences		-11,133.0	-1,876.2
<b>Cash flow from operating activities before changes in working capital</b>		<b>-24 397,3</b>	<b>-3,921.6</b>
<b>Changes in working capital</b>			
Changes in operating receivables		-856.0	-3,134.3
Changes in operating payables		2,916.0	3,326.4
<b>Cash flow from changes in working capital</b>		<b>2,060.0</b>	<b>192.1</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-22 337,3</b>	<b>-3,729.5</b>
<b>Cash flow from investing activities</b>			
Purchase of equipment		-1,641.8	-129.2
Capitalized development and other items		-4,421.8	-1,061.9
Purchase of intangible assets - cryptocurrencies		—	-19,655.4
Purchase of financial instruments		-7,271.0	-4,290.8
Acquisition of subsidiary, net of cash acquired		—	-26,094.6
<b>Net cash used in investing activities</b>		<b>-13 334,6</b>	<b>-51,231.8</b>
<b>Cash flow from financing activities</b>			
Principal elements of lease payments		-111.0	—
Proceeds from issue of share capital		—	79,040.0
Proceeds from borrowings		—	9,460.0
<b>Net cash generated from financing activities</b>		<b>-111.0</b>	<b>88,500.0</b>
<b>CASH FLOW FOR THE PERIOD</b>	17	<b>-35,782.9</b>	<b>33,538.6</b>
Foreign currency translation, cash and cash equivalents		470.3	-158.4
Cash and cash equivalents at beginning of the period		35,700.8	2,320.6
<b>Cash and cash equivalents at end of the period</b>		<b>388.2</b>	<b>35,700.8</b>

\* Proceeds and purchase represent settlement of trade receivables and payables with stablecoin cryptocurrency reported as intangible assets in the consolidated balance sheet.



---

# Notes to the consolidated statements

## NOTE 1

### 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.

#### 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 2022 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.'

Hilbert Group's historical information for the year 2021 is presented as combined financial statements. The formation of Hilbert Group in year 2021 comprised transactions between entities that were under common control via ultimate owners of HC Holding Limited, (registration No.C89451), incorporated in Malta. Since these transactions are not covered by any IFRS standard, a suitable accounting principle for the historical information was applied in accordance with IAS 8. An established method, assessed as suitable for Hilbert Group, is to use the previous carrying amount (predecessor basis of accounting), which is the principle that was applied in preparation of the statements for financial year 2021. In short, this entailed that the assets and

liabilities of the units forming part of the Group have been aggregated and recognised based on the carrying amounts they represent in HC Holding Limited's consolidated financial statements as from the date they became part of the HC Holding Limited Group. The legal formation of Hilbert Group occurred on 17 September 2021, when Hilbert Group AB (publ) acquired all outstanding share in HC Holding Limited for a total consideration of 2,9 mSEK, in the form of a promissory note, and an extraordinary general meeting of shareholders for the parent company Hilbert Group AB (publ) resolved to carry out an issue of new shares directed to the former shareholders of HC Holding Limited. See Annual Report 2021 Note 1 Accounting principles section Basis of preparation for further information.

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

### **Changes to accounting principles**

Starting the financial year 2022, cryptocurrencies reported as non-current intangible assets are initially measured at cost and subsequently at fair value based on quoted market prices. For the financial year 2021 cryptocurrencies held were reported as intangible assets applying a cost model and tested for impairment regularly. The change of accounting policy has no effect on opening equity, as the carrying amount reported on 31 December 2021 according to the cost model equals the value when applying the fair value model.

### **Standards, interpretations and amendments to published standards to be applied in 2022**

During the year 2022, 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.

### **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 2022. 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.

### **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.

### **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 VI Fund (HVI), 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.

### **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	2022		2021		2020	
	Closing	Average	Closing	Average	Closing	Average
USD	10,4371	10,1245	9,0437	8,5815	8,1886	9,2117

#### 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.

### **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.

### **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.

### **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.

### **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.

### **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.

### **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.

### **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
--------------------	---------

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.

### **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

are included in the lease term if exercise of that option is reasonably certain. The Group does not have any low value assets or short-term leases. Right-of-use, initial direct costs incurred, and lease payments made at or before the commencement date less assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office	7 years
--------	---------

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.

## **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.

### Cryptocurrencies

Starting the financial year 2022, cryptocurrencies reported as non-current intangible assets are initially measured at cost and subsequently at fair value based on quoted market prices on an active market. All such cryptocurrencies held are stablecoins pegged to the USD and revaluation is made on each balance sheet date based on quoted market prices. As there is no fluctuation in the quoted prices stated in USD, the only fluctuation in value is the translation difference between USD and, the reporting currency of Hilbert Group, Swedish kroner (SEK). A net increase in fair value of cryptocurrencies over the initial cost is recorded in the revaluation reserve via other comprehensive income. A net decrease below cost is recorded in profit or loss. Cryptocurrencies have an indefinite useful life and are thus not amortised.

For the financial year 2021 cryptocurrencies held were reported as intangible assets applying a cost model and tested for impairment regularly. The change of accounting policy has no effect on 2022 opening equity, as the carrying amount reported on 31 December 2021 according to the cost model equals the value when applying the fair value model. Cryptocurrencies held at year-end 2021 comprised bitcoin, altcoins and stablecoins.

### 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.

## 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.

## Liabilities

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

## Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.



## **Inventory**

Inventory pertains to cryptocurrencies traded by the Group in its own account applying a mix of algorithmic/technical- and discretionary/fundamental trading. Inventory of cryptocurrency is measured at fair value less costs to sell. Changes in fair value are recognised in profit or loss.

## **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.

## **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.

## **Reserves in equity**

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.

## **Employee benefits**

### **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.

### **Pension plans**

Currently, there are no pension plans within the Group.

### **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.

### **Employee share-based payment**

Prior to the listing on Nasdaq First North Growth Market, Hilbert Group issued 1,000,000 warrants to a subsidiary for transfer to Hilbert Group's employees as part of an incentive program. No warrants have yet been granted, neither during the period ended December 31, 2022 nor at the date of this report.

## **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 – acquired**

Upon acquisitions reported as business combinations or asset acquisitions, assets acquired and liabilities assumed are measured at fair value in a purchase price allocation. The valuation is to a certain extent based on management assessment of the future earnings of the acquired business and/or assets. An inaccurate assessment might result in assets acquired being overstated or liabilities assumed being understated. The carrying amount of assets with indefinite useful life, such as brand names and goodwill, are not subject to amortisation and are tested for impairment at least annually.

The analysis of the acquisition of Coin360 in July 2021 has been finalised during 2022. Management has identified the transaction as an acquisition of a group of assets that do not constitute a business, and the financial year 2021 has been restated accordingly in this report. The conclusion is based on the factors that no workforce was acquired, significant processes were not in place and there was very limited activity related to revenue generation at the time of the acquisition.

#### **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.

#### **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 2022, 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.

### Deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has approximately 11.0 MSEK (3.5) of tax losses carried forward. Further details on taxes are disclosed in Note 8.

## 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 certain 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 2022			
USD	84,539.6	-2,292.8	82,246.8
At 31 December 2021			
USD	55,166.6	-1,010.5	54,156.1

The amounts comprise only Parent company balances with Group companies, denominated in USD.

Based on the above disclosures, a change in the USD exchange rate in relation to SEK by +/- 10 % would have affected profit or loss and equity by +/- 8,225 (5,416) kSEK.

### **(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:

	<b>2022</b>	<b>2021</b>
Other receivables	721.2	638.6
Receivables from related parties	2,422.2	842.7
Receivables from shareholders	1.0	11.5
Prepaid expenses (deposits) and accrued income	1,236.2	2,277.1
Cash and cash equivalents	388.2	35,700.9
<b>Total</b>	<b>4,768.8</b>	<b>39,470.7</b>

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.

### **(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:

<b>2022</b>	<b>&lt; 3 months</b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
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
<b>Total</b>	<b>8,483.6</b>	<b>865.8</b>	<b>4,899.6</b>	<b>1,628.0</b>	<b>15,877.0</b>

<b>2021</b>	<b>&lt; 3 months</b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Lease liabilities	—	—	—	—	—
Trade payables	2,335.9	—	—	—	2,335.9
Other current liabilities	5,014.6	—	—	—	5,014.6
Accrued expenses	2,181.2	—	—	—	2,181.2
<b>Total</b>	<b>9,531.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,531.7</b>

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 during 2023 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 2023 has been secured through a direct issue of shares of SEK 5.7 million and agreed terms for a loan facility of Euro 2.0 million (approximately SEK 22.8 million), both after year-end 2022. The Group is also working towards raising another loan facility (the second tranche) of approximately SEK5.5million. See Note 24 for further information. The proprietary portfolio of cryptocurrency, kSEK 8,207.7 at year-end 2022, 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

<b>Revenue by major revenue stream</b>	<b>2022</b>	<b>2021</b>
Fund management fees	874.7	4,758.8
Advertising income	6,507.8	4,170.6
Sales of cryptocurrency	19,567.3	—
Other	—	256.5
<b>Total</b>	<b>26,949.7</b>	<b>9,185.9</b>

<b>Timing of revenue recognition</b>	<b>2022</b>	<b>2021</b>
At a point in time	20,691.5	5,015.3
Over time	6,258.3	4,170.6
<b>Total</b>	<b>26,949.7</b>	<b>9,185.9</b>

<b>Revenue by country of group company incorporation</b>	<b>2022</b>	<b>2021</b>
Cayman Islands	20,441.9	4,247.1
British Virgin Islands	6,507.8	4,938.8
<b>Total</b>	<b>26,949.7</b>	<b>9,185.9</b>

<b>Contract balances</b>	<b>2022</b>	<b>2021</b>
<b>Contract assets</b>	—	—
<b>Contract liabilities</b>	—	<b>1,019.2</b>

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

Advertising	1,019.2	—
-------------	---------	---

## **NOTE 5 AVERAGE NUMBER OF EMPLOYEES**

	<b>2022</b>	<b>2021</b>
Average number of employees	17	2

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.

## **NOTE 6 OTHER OPERATING INCOME AND EXPENSES**

<b>Other operating expenses</b>	<b>2022</b>	<b>2021</b>
Fair value changes cryptocurrency inventory	-6,412.2	—
Foreign exchange differences	-216.5	-69.8
Other items	-23.4	—
<b>Total</b>	<b>-6,652.1</b>	<b>-69.8</b>

## **NOTE 7 FINANCE INCOME AND COST**

<b>Finance income</b>	<b>2022</b>	<b>2021</b>
Foreign exchange differences	11,132.8	1,901.5
<b>Total</b>	<b>11,132.8</b>	<b>1,901.5</b>

<b>Finance cost</b>	<b>2022</b>	<b>2021</b>
Interest on lease liability	-126.7	—
Foreign exchange differences	—	-80.0
Other finance expenses	—	-19.7
<b>Total</b>	<b>-126.7</b>	<b>-99.7</b>

## NOTE 8

### INCOME TAX EXPENSE

	2022	2021
Current tax on profits for the year	—	-34.9
Adjustments for current tax of prior periods	-89.2	—
Deferred income tax	—	—
<b>Total</b>	<b>-89.2</b>	<b>-34.9</b>
<b>Reconciliation of effective tax rate</b>		
Reported profit/loss before tax	-39,175.0	-3,952.6
Tax according to current tax rate 20,6%	8,070.0	814.2
Tax effect of non-deductible expenses	-730.2	-314.8
Differences in tax rate in foreign operations	1,721.8	527.0
Tax loss without corresponding deferred tax asset	-8,850.4	-1,284.8
Adjustments for current tax of prior periods	-89.2	—
Non-taxable non-controlling interest portion of CFC entity	-211.3	223.5
<b>Total</b>	<b>-89.2</b>	<b>-34.9</b>
<b>Effective tax rate</b>	<b>0.2%</b>	<b>0.9%</b>

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 2022, 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. For the comparison period 2021, Hilbert Group AB treated an amount of 5 237 kSEK, net of non-controlling interest portion, as CFC-income related to foreign shareholdings.

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 11.0 (3,5) MSEK at year-end 2022.

## NOTE 9

### EARNINGS PER SHARE

Earnings per share, basic and diluted	2022	2021
Loss for the year attributable to Parent company shareholders	-34,084.2	-4,450.4
Weighted number of outstanding shares during the year	48,800,000	17,400,000
Total basic and diluted earnings per share attributable to Parent company shareholders	-0.70	-0.26

The total number of outstanding shares in Hilbert Group AB (publ) is 48,800,000 on 31 December 2022.



There is no dilutive effect from outstanding warrants, as the average market price of ordinary shares during the period does not exceed the exercise price of the warrants.

### Warrants TO 1B

On 31 December, 2022, 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 approximately 18.2 percent in relation to the number of outstanding shares on 31 December, 2022.

### Employee incentive scheme warrants

Prior to the listing on Nasdaq First North Growth Market, Hilbert Group issued 1,000,000 warrants to a subsidiary for transfer to Hilbert Group's employees as a part of an incentive scheme. Each warrant entitles the holder to subscribe for one new share of series B in Hilbert Group AB (publ) at an exercise price of SEK 15. The warrants can be exercised during the period 1 October 2024 – 1 October 2025.

No warrants were granted on 31 December, 2022, nor after the end of the reporting period. Assuming all warrants were granted and exercised, the dilution effect would have been 2.0 percent in relation to the number of outstanding shares on 31 December, 2022. The Board of Directors of Hilbert Group AB proposes that the AGM on 26 May 2023 approve a new incentive scheme that in such case replaces the previous one.

## NOTE 10 EQUIPMENT

kSEK	2022	2021
Opening acquisition cost	249.7	102.8
Additions	1,641.8	129.2
Translation differences	88.6	17.7
<b>Closing cost</b>	<b>1,980.1</b>	<b>249.7</b>
Opening accumulated depreciation	-85.8	-32.5
Depreciation charge	-173.8	-47.4
Translation differences	-18.5	-5.9
<b>Closing depreciation</b>	<b>-278.1</b>	<b>-85.8</b>
<b>Closing net book value</b>	<b>1,702.0</b>	<b>163.9</b>

## 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.

<b>Right-of-use assets</b>	<b>2022</b>	<b>2021</b>
As at 1 January	—	—
Additions - new lease	7,295.5	—
Depreciation	-521.1	—
Translation differences	209.2	—
<b>As at 31 December</b>	<b>6,983.6</b>	<b>—</b>
<b>Lease liabilities</b>		
As at 1 January	—	—
Additions - new lease	-7,295.5	—
Accretion of interest	-126.7	—
Payments	237.9	—
Translation differences	-221.8	—
<b>As at 31 December</b>	<b>-7,406.2</b>	<b>—</b>
Current	-1,184.6	—
Non-current	-6,221.5	—

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

## NOTE 12 INTANGIBLE ASSETS

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

2021	Brand name	Technology and capitalised development	Cryptocurrency	Other intangible assets	Total
Opening acquisition cost	—	—	—	3.2	3.2
Additions - acquisitions <sup>2</sup>	26,076.0	18,574.7	19,655.4	3.5	64,309.7
Additions - capitalisations	—	1,058.3	—	—	1,058.3
Translation differences	1,035.8	794.8	1,058.6	0.5	2,889.7
<b>Closing cost</b>	<b>27,111.8</b>	<b>20,427.9</b>	<b>20,714.0</b>	<b>7.3</b>	<b>68,261.0</b>
Opening accumulated amortisation	—	—	—	—	—
Amortization charge <sup>2</sup>	—	-1,527.1	—	—	-1,527.1
Translation differences	—	-82.3	—	—	-82.3
<b>Closing amortization</b>	<b>—</b>	<b>-1,609.4</b>	<b>—</b>	<b>—</b>	<b>-1,609.4</b>
Opening accumulated fair value adjustment	—	—	—	—	—
Fair value adjustment	—	—	-332.7	—	-332.7
Translation differences	—	—	-17.9	—	-17.9
<b>Closing fair value adjustment</b>	<b>—</b>	<b>—</b>	<b>-350.7</b>	<b>—</b>	<b>-350.7</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>27,111.8</b>	<b>18,818.5</b>	<b>20,363.4</b>	<b>7.3</b>	<b>66,300.9</b>

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

<sup>2</sup> During 2022 the acquisition of Coin360 in 2021 has been reassessed to comprise a group of assets that does not constitute a business. The comparison period 2021 has been restated to reflect the reassessment. Refer to Note 23 for further information.

## 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 2022 comprises the budget for 2023 and a forecast for the following 6 years (2024–2029). The forecasted compound annual growth rate in revenue is 63% for the period. Cash flows beyond the seven-year period are extrapolated using an estimated long-term growth rate of 2%.

The pre-tax discount rate used for calculating recoverable amounts is 43%. At the time of the impairment test, Hilbert Group had no interest-bearing debt other than for leased premises. 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 2022 are both related to the subsidiary Coin360, acquired in July 2021. 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 significantly in the upcoming years.

The current market situation is considered the worst bear market for crypto so far, due to the collapse of the cryptocurrency exchange FTX in November 2022. Management expects the bull market to return within two years, though the exact timing is uncertain. During the last bull market, the potential of the Coin360 brand

and domain was demonstrated by a significant increase in views per week. Once the bull market positive sentiment returns, it is management's assessment that Coin360 has a very strong position with better website functionality already deployed, high activity in social media, proactive search engine optimization and a new revenue model increasing recurring revenue.

Despite the significant 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 of a change in the market sentiment. The impairment test performed at year-end 2022 has resulted in an impairment loss of kSEK -6,084.1 recognised for intangible assets related to Coin360. The impairment loss allocated to brand and technology/capitalized development amounts to kSEK 3,710.7 and kSEK 2,373.4 respectively, based on the respective carrying amounts at year end.

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

## NOTE 13 FINANCIAL INSTRUMENTS

	2022	2021
<b>Financial assets at fair value through Other comprehensive income</b>		
Equity instruments	15 134,7	9,043.7
<b>Financial assets at amortised cost</b>		
Non-current receivables	208,7	—
Current receivables	3,144.4	1,492.8
Accrued revenue	901.7	2,152.0
Cash and cash equivalents	388.2	35,700.9
<b>Total financial assets</b>	<b>19,777.7</b>	<b>48,389.4</b>
<b>Financial liabilities at amortised cost</b>		
Trade payables	3,039.4	2,335.8
Other current liabilities	224.7	5,014.6
Accrued expenses	4,375.8	2,181.2
<b>Total financial liabilities</b>	<b>7,639.9</b>	<b>9,531.6</b>

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 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.

**NOTE 14**  
**FAIR VALUE MEASUREMENT**

<b>2022</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments	Equity securities	—	—	15,134.7	<b>15,134.7</b>
Intangible assets	Cryptocurrencies	1,518.5	—	—	<b>1,518.5</b>
Inventory	Cryptocurrencies	8,207.7	—	—	<b>8,207.7</b>
<b>2021</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments	Equity securities	—	—	9,043.7	<b>9,043.7</b>
Intangible assets	Cryptocurrencies	20,363.4	—	—	<b>20,363.4</b>
Inventory	Cryptocurrencies	—	—	—	<b>—</b>

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

For cryptocurrencies presented as non-current intangible assets, a cost model has been applied prior to financial year 2022 and fair value is disclosed for information purpose. Starting financial year 2022, a fair value model is applied. The carrying amount at year-end 2021 equalled quoted prices, thus equalling fair value. Refer to Note 1 Intangible asset / Cryptocurrencied section for further information.

For unlisted equity securities an income approach has been applied to measure fair value. Future income and expenses for the entity are converted to a current discounted amount, reflecting current market expectations about those future amounts. The following table presents the changes in for these items:

	<b>2022</b>	<b>2021</b>
Opening balance 1 January	9,044	—
Acquisitions	2,634	8,582
Gains recognised in other comprehensive income	1,923	—
Translation differences	1,534	462
<b>Closing balance 31 December</b>	<b>15,135</b>	<b>9,044</b>

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

An increase or decrease of the discount factor 45% by 500 basis points would decrease / increase fair value by kSEK -1,529 / + 1,908.

Forecasted earnings growth for the first 3 years of the period is significant. If annual revenue for these years is lowered by 10 percent or 20 percent per year, fair value would decrease by kSEK -931 or -1,862 respectively at an unchanged discount factor of 45%.

## NOTE 15 INVENTORY

Inventory of cryptocurrency	2022	2021
USDT	6,395.3	—
Ether	111.7	—
Binance USD	48.5	—
Polygon	47.1	—
Ripple	35,6	—
Other	1,569,5	—
<b>Carrying amount</b>	<b>8,207.7</b>	<b>—</b>

In April 2022, cryptocurrency previously reported as intangible assets was transferred to a trading portfolio. 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	2022	2021
Prepaid expenses	906.2	125.1
Accrued income	901.7	2,152.0
<b>Total</b>	<b>1,807.9</b>	<b>2,277.1</b>

## 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
			2022	2021	2022	2021	
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 Syrius AM Ltd	861590248493 DE-377734	Cayman Islands	50	50	50	50	Fund manager
Hilbert PP	684750272347 DE-376076	Cayman Islands	100	—	—	—	Close-ended fund

## NOTE 19 EQUITY

### Share capital

The share capital of Hilbert Group AB (publ) on 31 December 2022 amounted to kSEK 2,440 divided into 48,800,000 ordinary shares with a quotient value of 0.05 SEK. The share capital has increased during 2023. Refer to note 24 for further information. The 8,500,000 A-shares have 10 voting rights per share and the 40,300,000 have 1 vote per share.

Holders of ordinary shares are entitled to receive dividend, following a resolution by a general meeting of shareholders. No dividend is proposed for the year 2022.

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

The following table shows a breakdown of reserves in equity and the movement in these.

kSEK	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Total other reserves
<b>At 31 December 2020</b>	—	<b>-45.8</b>	<b>-45.8</b>
Exchange differences on translation of foreign operations	—	63.1	63.1
<b>At 31 December 2021</b>	—	<b>17.4</b>	<b>17.4</b>
Fair value revaluation on equity instruments	1,922.7	—	1,922.7
Exchange differences on translation of foreign operations	—	-688	-688.3
<b>At 31 December 2022</b>	<b>1,922.7</b>	<b>-670.9</b>	<b>1,251.8</b>



## 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 <sup>1</sup>	30,000,000	29,850,000	150,000	700,000	3,000,000	14,000,000
2021	2021-09-08	New share issue <sup>1</sup>	20,000,000	19,900,000	100,000	800,000	2,000,000	16,000,000
2021	2021-09-17	New share issue <sup>2</sup>	2,900,000	1,450,000	1,450,000	2,250,000	29,000,000	45,000,000 <sup>3</sup>
2021	2021-10-21	New share issue <sup>1</sup>	38,000,000	37,810,000	190,000	2,440,000	3,800,000	48,800,000 <sup>4</sup>
<b>On 31 Dec 2022</b>			<b>91,400,000</b>	<b>89,010,000</b>	<b>2,440,000</b>		<b>48,800,000</b>	

<sup>1</sup> 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.

<sup>2</sup> 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.

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

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

## NOTE 20

### ACCRUED EXPENSES AND DEFERRED REVENUE

kSEK	2022	2021
Accrued professional fees	—	429.6
Accrued accountancy fees	220.1	466.7
Accrued audit fees	435.4	557.3
Accrued legal fees	—	512.0
Accrued recruitment fees	—	110.4
Deferred revenue	—	1 019.2
Accrued personnel related costs	2,905.9	—
Accrued board fees	431.7	—
Other accrued expenses	382.7	105.2
<b>Total</b>	<b>4,375.8</b>	<b>3,200.4</b>

## NOTE 21

### PLEGGED ASSETS AND CONTINGENT LIABILITIES

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

There are no other pledged assets and no contingent liabilities.

**NOTE 22**  
**RELATED PARTY TRANSACTIONS AND BALANCES**

	<b>2022</b>	<b>2021</b>
<b>Managed funds:</b>		
Revenue	874.7	4,758.8
Receivables from related parties	2,422.2	842.7
Accrued income	901.7	2,152.0
<b>Board of directors, key management personnel and ultimate shareholders:</b>		
Compensation to Board of directors	370.0	61.7
Compensation to Chief Executive Officer	1,275.8	776.0
Compensation to other key management personnel	6,788.2	1,123.3
Payables to Board of directors	431.7	61.7
Payables to other key management personnel	—	580.6
Receivables from ultimate shareholders	1.0	11.5
Payables to ultimate shareholders	26.4	11.5

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 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 Digital Asset Fund and Hilbert V1 Fund.

Funds managed by Hilbert Group are not consolidated into Hilbert Group but considered as related parties. At year-end 2022, Hilbert Digital Asset Fund, Hilbert V1 Fund and Hilbert Syrius Bit+ 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 110 kSEK each to other Board members. At year-end 2022, the accrued Board fees total amount to 486.7 kSEK, of which 55.0 kSEK 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 2022 was 1,276 kSEK (776 kSEK). The annual basic salary amounts to 120 kEUR and salary for the comparison period represents a period of 7 months of the year. 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 6,788.2 (1,123.3). At year-end 2022 the Management team comprises six people, all of which 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.

The legal formation of Hilbert Group was based on an agreement between the shareholders in HC Holding Limited and Hilbert Group AB (publ) which at the time of the agreement did not carry on any business. The agreement meant that the shareholders in HC Holding AB would receive 8,500,000 A-shares and 20,500,000 B-shares in Hilbert Group AB, which constituted 72.5 per cent of the share capital and 90.6 per cent of the voting rights before the financing of Hilbert Group AB. The agreement also included that Hilbert Group AB would raise capital from external investors on a pre money valuation of 400 mSEK. The acquisition of HC Holding Limited occurred on 17 September 2021 when Hilbert Group AB acquired all outstanding shares in HC Holding Limited. The purchase price was 2.9 mSEK. The purchase price was paid with a promissory note which was immediately converted to the above-mentioned number of shares through a new issue with payment by set-off. The CEO and founder Niclas Sandström, the co-founder Magnus Holm and the Board member Frode Foss-Skiftesvik were among the sellers of HC Holding Limited.

## **NOTE 23**

### **REASSESSMENT OF COIN360 ACQUISITION**

On 20 July 2021, Hilbert Group acquired 60 percent of the outstanding share capital of COIN360 Global Ltd (formerly Pioneer Creator Ltd), an entity incorporated in the British Virgin Islands, for a total consideration of kUSD 3,230, of which kUSD 3 000 was paid in cash at acquisition date. Of the total consideration, kUSD 200 relates to an in-kind contribution to Coin360 Global Ltd (COIN360) included as part of the reassessments made during finalization of the purchase price allocation in 2022. No transaction costs were incurred.

At year-end 2021, a consideration paid of kUSD 3,030, net of identifiable assets acquired, was presented as goodwill amounting to SEK 27 million, pending a final analysis of the acquisition. The non-controlling interest of 40 percent was measured at the proportionate share of COIN360's identifiable net assets, thus a "partial goodwill" method was applied.

During Q3 2022, the analysis of the acquisition of COIN360 was finalized and the acquisition was assessed to comprise a group of assets that does not constitute a business. The acquisition cost has been allocated to the identifiable assets and liabilities based on their relative fair values at the date of the acquisition as follows:

kSEK	20 July 2021
<b>Consideration paid for 60%:</b>	
Cash	26,095
Liabilities assumed, non-contingent	2,001
	<b>28,095</b>
Purchase price for 100% of equity	46,825
<b>Net assets and liabilities:</b>	
Current receivables	-2,175
<b>Acquisition Enterprise Value</b>	<b>44,651</b>

The intangible assets acquired have been identified as Technology and Brand, with the following relative fair values at the date of the acquisition:

kSEK	20 July 2021
Technology	18,575
Brand	26,076
	<b>44 651</b>

For Technology, a remaining useful life of five years at the time of the acquisition has been assessed. The Group intends to continue using the COIN360 Brand, hence the useful life for the Brand is indefinite and the value is not subject to amortisation. For impairment test at year-end 2022, refer to note 12.

Following the finalisation of the analysis of assets purchased in July 2021, the comparison period 2021 has been adjusted, resulting in a change reflecting the non-controlling interest portion of 40 percent of the assets as well as an amortisation charge.

The effects of reassessment of the COIN360 acquisition on the consolidated balance sheet are presented below. The effect on consolidated profit/loss in an amortisation charge of kSEK -1,527.1 related to Technology. The effect on equity attributable to parent company shareholders presented below is the net effect of 60 percent of five months amortisation of Technology and foreign currency effects on the restated Intangible assets.

Consolidated balance sheet kSEK	31 December 2021		Change
	Reported	Restated	
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	163.9	163,9	—
Intangible assets	48,617.1	66 300.9	17,683.8
Financial assets	9,043.7	9,043.7	—
<b>Total non-current assets</b>	<b>57,824.7</b>	<b>75,508.5</b>	<b>17,683.8</b>
<b>Current</b>			
Other receivables	638.6	638.6	—
Receivables from related parties	842.7	842.7	—
Receivables from shareholders	11.5	11.5	—
Prepaid expenses and accrued income	2,277.1	2,277.1	—
Cash and cash equivalents	35,700.8	35,700.8	—
<b>Total current assets</b>	<b>39,470.7</b>	<b>39,470.7</b>	<b>—</b>
<b>Total assets</b>	<b>97,295.4</b>	<b>114,979.3</b>	<b>17,683.9</b>

## Equity and liabilities

### Equity

Equity, parent company shareholders	85,397.2	84,431.5	-965.7
Non-controlling interests	1,312.5	19,961.9	18,649.4
<b>Total equity</b>	<b>86,709.6</b>	<b>104,393.5</b>	<b>17,683.9</b>

### Current liabilities

Trade payables	2,335.9	2,335.9	—
Payables to shareholders	11.5	11.5	—
Other payables	5,003.1	5,003.1	—
Current tax liabilities	34.9	34.9	—
Accrued expenses and deferred revenue	3,200.4	3,200.4	—
<b>Total liabilities</b>	<b>10,585.8</b>	<b>10,585.8</b>	<b>—</b>

<b>Total equity and liabilities</b>	<b>97,295.4</b>	<b>114,979.3</b>	<b>17,683.9</b>
-------------------------------------	-----------------	------------------	-----------------

COIN360 has been consolidated by Hilbert Group from the date of acquisition in July 2021. Consolidated revenue for COIN360 for the year 2021 was kSEK 4,247.1 and profit for the period was kSEK 2,712.4. The legal entity had no significant operations prior to the acquisition; thus, the consolidated revenue and operating result equaled the effect on Hilbert Group, would the entire legal entity 2021 result have been consolidated.

## NOTE 24

### EVENTS AFTER THE REPORTING PERIOD

#### Loan Facility and Directed Issue of Shares

Hilbert Group has announced a directed issue of B-shares of in total SEK 5.7 million. The main part of the directed Issue (SEK 4.9 million) was resolved by the Board of Directors based on an authorization by the Annual General Meeting. This new issue was subscribed by a group of Norwegian investors. The remaining part of the directed issue (SEK 0.8 million) was approved by an extraordinary general meeting on March 6, 2023. Entitled to subscribe are Hilbert Group's CEO Niclas Sandström and Chief Risk Officer Hans-Peter Bermin.

The directed issue consists of in total 3,433,737 new B-shares at a subscription price of SEK 1.66 per share. The subscription price corresponds to a discount of approximately 10 percent the volume-weighted average price (VWAP) of Hilbert Group's B-shares on Nasdaq First North Growth Market during the period January 30 – February 10, 2023.

The directed issue entailed an increase in the number of shares in Hilbert Group by in total 3,433,737 B-shares to 52,233,737 shares divided into 8,500,000 A-shares and 43,733,737 B-shares. The increase of the share capital is SEK 171,686.855 to SEK 2,611,686.85. The directed issue entailed a dilution effect for current shareholders of approximately 6.6 percent of the share capital and 2.7 percent of the votes, calculated as the number of newly issued shares divided by the total number of shares after the directed issue.

In addition to the directed issue, Hilbert Group has agreed on the terms for a loan facility of EUR 2.0 million (approximately SEK 22.6 million). The agreed terms were converted to a binding agreement in April 2023. The loan is secured by a pledge over certain Hilbert Group assets.

The loan has a term of three years. The interest rate is ten per cent per annum. The

interest is payable on maturity of the loan, 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 six million Euro 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.

Hilbert Group has received proceeds in total of approximately SEK 28.3 million from the directed issue of shares and the Euro 2.0 million loan facility. The transaction costs are limited to administrative costs and do not include any commission. This financing secures the cash flows and liquidity for at least the coming 12 months.

Further, Hilbert Group is in discussions with institutional investors to increase the loan facility with approx. SEK 5.5 million.

# Parent Company income statement

<b>kSEK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Revenue		1,487.9	—
Other external expenses		-10,417.0	-6,947.8
Personnel expenses	3	-6,880.2	—
Depreciation	6	-2.9	—
Other operating expenses		-201.5	-69.8
<b>Operating profit/loss</b>		<b>-16 013.6</b>	<b>-7,017.6</b>
Finance income		11,143.8	1,950.0
Finance costs		-10,952.1	—
<b>Net financial items</b>	4	<b>191.7</b>	<b>1,950.0</b>
<b>Profit before income tax</b>		<b>-15,821.9</b>	<b>-5,067.6</b>
Income tax expense	5	-89.2	-34.9
<b>Profit/loss for the period</b>		<b>-15,911.1</b>	<b>-5,102.5</b>



# Parent Company balance sheet

kSEK	Note	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	6	14.3	—
Financial assets	2, 7	2,900.0	2,900.0
<b>Total non-current assets</b>		<b>2,914.3</b>	<b>2,900.0</b>
<b>Current assets</b>			
Receivables from group companies		73,587.5	55,166.6
Other receivables		27.3	—
Prepaid expenses and accrued income	8	163.0	—
Cash and cash equivalents	11	116.9	31,838.2
<b>Total current assets</b>		<b>73,894.7</b>	<b>87,004.7</b>
<b>TOTAL ASSETS</b>		<b>76,809.0</b>	<b>89,904.7</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted Equity</b>			
Share capital	9	2,440.0	2,440.0
<b>Total restricted equity</b>		<b>2,440.0</b>	<b>2,440.0</b>
<b>Non-restricted Equity</b>			
Share premium reserve		89,010.0	89,010.0
Retained earnings		-5,102.6	—
Profit/loss for the year		-15,911.1	-5,102.6
<b>Total non-restricted equity</b>		<b>67,996.4</b>	<b>83,907.4</b>
<b>TOTAL EQUITY</b>		<b>70,436.4</b>	<b>86,347.4</b>
<b>Current liabilities</b>			
Accounts payable		1,742.9	1,686.9
Payables to group companies		2,292.8	1,010.5
Current tax liabilities		124.1	34.9
Other liabilities		183.4	—
Accrued expenses and deferred revenue	10	2,029.5	825.1
<b>Total liabilities</b>		<b>6,372.6</b>	<b>3,557.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,809.0</b>	<b>89,904.7</b>

# Parent Company statement of changes in equity

kSEK	Restricted equity			Total equity
	Share capital	Share premium reserves	Retained earnings	
<b>Balance at 31 December 2020</b>	<b>50.0</b>	—	—	<b>50.0</b>
Profit/loss for the period	—	—	-5,102.6	-5,102.6
New share issues	2,390.0	89,010.0		91,400.0
<b>Balance at 31 December 2021</b>	<b>2,440.0</b>	<b>89,010.0</b>	<b>-5,102.6</b>	<b>86,347.4</b>
Profit/loss for the period	—	—	-15,911.1	-15,911.1
<b>Balance at 31 December 2022</b>	<b>2,440.0</b>	<b>89,010.0</b>	<b>-21,013.6</b>	<b>70,436.4</b>

# Parent Company statement of cash flows

kSEK	Note	2022	2021
<b>Cash flow from operating activities</b>			
<b>Profit/loss before tax</b>		<b>-15,821.9</b>	<b>-5,067.7</b>
Adjustments for items not affecting cash:			
Depreciation		2.9	—
Unrealized exchange rate differences		-11,151.4	-1,950.0
Impairment of receivables from group companies		10,952.1	—
<b>Cash flow from operating activities before changes in working capital</b>		<b>-16,018.3</b>	<b>-7,017.6</b>
<b>Changes in working capital</b>			
Changes in operating receivables		-18,411.9	-43,756.6
Changes in operating payables		2,726.2	3,522.4
<b>Cash flow from changes in working capital</b>		<b>-15,685.7</b>	<b>-40,234.2</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-31,704.1</b>	<b>-47,251.8</b>
<b>Cash flow from investing activities</b>			
Purchase of equipment		-17.2	—
Purchase of financial assets *		—	—
<b>Cash flow from investing activities</b>		<b>-17.2</b>	<b>—</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of share capital *		—	79,040.0
<b>Net cash generated from financing activities</b>		<b>—</b>	<b>79,040.0</b>
<b>Cash flow for the period</b>	11	<b>-31,721.3</b>	<b>31,788.2</b>
Cash and cash equivalents at beginning of the period		31,838.2	50.0
<b>Cash and cash equivalents at end of the period</b>		<b>116.9</b>	<b>31,838.2</b>

\* Investment in shares in subsidiary by 2,900 kSEK was made through a set-off issue, thus with no cash settlement. External loans of 9,460.0 kSEK raised by subsidiaries during the year have been repaid through a set-off issue in the parent company. Out of total new share issues amounting to 91,400.0 kSEK, an amount of 79,040.0 kSEK was thus cash issues and 12,360.0 kSEK set-off issues.

---

# 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 unfavourable changes to industry conditions in companies in whose shares the company has invested.

## NOTE 3

### AVERAGE NUMBER OF EMPLOYEES

	2022	2021
Average number of employees	4	—

## NOTE 4

### FINANCE INCOME AND COST

Finance income	2022	2021
Foreign exchange differences	11,143.8	1,950.0
<b>Total</b>	<b>11,143.8</b>	<b>1,950.0</b>

Finance cost	2022	2021
Impairment of receivables from group companies	-10,952.1	—
<b>Total</b>	<b>-10,952.1</b>	<b>—</b>

## NOTE 5

### INCOME TAX EXPENSE

kSEK	2022	2021
Current tax on profits for the year	—	-34.9
Adjustments for current tax of prior periods	-89.2	—
Deferred income tax	—	—
<b>Total</b>	<b>-89.2</b>	<b>-34.9</b>

#### Reconciliation of effective tax rate

Reported profit/loss before tax	-15,821.9	-5,067.7
Tax according to current tax rate	3,259.3	1,043.9
Tax effect of non-deductible expenses	-2,294.9	—
Tax effect on taxable income in foreign entities	—	-1,302.2
Non-taxable non-controlling interest portion of CFC entity	—	223.3
Tax loss without corresponding deferred tax asset	-964.4	—
Adjustments for current tax of prior periods	-89.2	—
<b>Total</b>	<b>-89.2</b>	<b>-34.9</b>
Effective tax rate	0.6%	0.7%

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 2022 there is no taxable profit from CFC companies. For the comparison year, an amount of 5 237 kSEK, net of non-controlling interest portion, has been treated as CFC-income related to foreign shareholdings.

## NOTE 6 EQUIPMENT

kSEK	2022	2021
Opening acquisition cost	—	—
Additions	17.2	—
<b>Closing cost</b>	<b>17.2</b>	<b>—</b>
Opening accumulated depreciation	—	—
Depreciation charge	-2.9	—
<b>Closing depreciation</b>	<b>-2.9</b>	<b>—</b>
<b>Closing net book value</b>	<b>14.3</b>	<b>—</b>

## NOTE 7 PARTICIPATION IN GROUP COMPANIES

kSEK	2022	2021
Acquisition value, opening balance	2,900	—
Acquisition value	—	2,900
<b>Total acquisition cost</b>	<b>2,900</b>	<b>2,900</b>

## NOTE 8 PREPAID EXPENSES AND ACCRUED INCOME

kSEK	2022	2021
Prepaid expenses	163.0	—
<b>Total</b>	<b>163.0</b>	<b>—</b>

## NOTE 9 SHARE CAPITAL

The share capital of Hilbert Group AB (publ) on 31 December 2022 amounted to kSEK 2,440 divided into 48,800,000 ordinary shares with a quotient value of 0,05 SEK. The share capital has increased during 2023. Refer to note 24 for further information. The 8,500,000 A-shares have 10 voting rights per share and the 40,300,000 B-shares have 1 vote per share.

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

**NOTE 10**  
**ACCRUED EXPENSES AND DEFERRED INCOME**

<b>kSEK</b>	<b>2022</b>	<b>2021</b>
Accrued accountancy fees	96.4	431.7
Accrued audit fees	336.9	375.0
Accrued personnel related costs	979.3	—
Accrued board fees	431.7	—
Other accrued expenses	185.3	18.4
<b>Total</b>	<b>2,029.5</b>	<b>825.1</b>

**NOTE 11**  
**PLEGDED ASSETS AND CONTINGENT LIABILITIES**

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

There are no other pledged assets and 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.

<b>Related party transactions and balances</b>	<b>2022</b>	<b>2021</b>
Revenue from recharge of personnel expenses to group company	1,487.9	—
Other external expenses recharged from group company	-752.7	—
Receivables from group companies	73,587.5	55,166.6
Payables to group companies	-2,292.8	-1,010.5

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, 24 May 2023

Erik Nerpin  
*Chairman of the Board*

Frode Foss-Skiftesvik  
*Director*

David Butler  
*Director*

Niclas Sandström  
*CEO*

Our audit opinion was submitted the date as evidenced by our digital signature.  
PricewaterhouseCoopers AB

Johan Engstam  
Authorised Public Accountant

---

# Other information

## **FINANCIAL CALENDAR**

Annual General Meeting	26 May 2023
Interim Report Q1	31 May 2023
Interim Report Q2	31 August 2023
Interim Report Q3	30 November 2023
Year-end Report Q4	28 February 2024

## **ADDRESS**

Hilbert Group AB (publ)  
(Birger Jarlsgatan 2)  
Mailbox 545  
114 11 Stockholm  
Sweden  
[www.hilbert.group](http://www.hilbert.group)