

Hilbert Group AB (publ)

Interim Report Q3 2021



Interim Report Q3 2021 In Brief

Financial events

Third quarter

- Revenue amounted to kSEK 832.9 (–)
- Operating profit/loss (EBIT) totaled kSEK -2,936.1 (-102.2)
- EBIT was affected by non-recurring expenses related to preparations for the Listing on Nasdaq First North Growth Market in October 2021 amounting to approximately kSEK 1,700.
- Cash flow from operating activities amounted to kSEK -3,504 (-111)
- Earnings per share before and after dilution amounted to SEK -0.14 (-0.10)

Year to date January– September

- Revenue amounted to kSEK 3,492.2 (–)
- Operating profit/loss (EBIT) totaled kSEK -912.7 (-460.6)
- EBIT was affected by non-recurring expenses related to preparations for the Listing on Nasdaq First North Growth Market in October 2021 amounting to approximately kSEK 1,700.
- Cash flow from operating activities amounted to kSEK -2,218 (-550)
- Earnings per share before and after dilution amounted to SEK -0.09 (-0.46)

The information in this 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. Financial information for the parent company and the operating entities have been combined, in order to provide meaningful and relevant information for all periods covered by the report. Refer to Basis of preparation on page 18 for further information about accounting principles applied.

Financial overview

kSEK	Q321	Q320	Nine months 2021	Nine months 2020	Full year 2020
Revenue	833	–	3,492	–	148
EBIT	-2,936	-102	-913	-461	-788
Profit/loss for the period	-2,606	-102	-602	-461	-788
Earnings per share	-0.14	-0.10	-0.09	-0.46	-0.79
Equity	50,944	672	50,944	672	317
Total assets	62,801	2,393	62,801	2,393	2,761
Assets/equity ratio, %	0.81	0.28	0.1	0.28	0.11

CEO's address

During Q3, Hilbert Group took several important steps towards our vision “To be a world-class digital asset investment firm”.

Living up to our vision means serving a large number of (institutional) clients on the asset management side. It also means frequently participating in the largest seed funding rounds in terms of equity investments. Furthermore, it means being a premier source of high-quality data and analyses. Currently, and in the near future, we will be focusing on the first and last pieces of that statement – i.e. we will focus on expanding the Asset Management vertical and the Data & Analytics vertical.

The steps taken are (including some Q4 activity that has started):

Acquiring the COIN360 majority stake

In July, Hilbert Group became the majority owner of COIN360, with 60 % of the shares, thereby becoming responsible for its operation. We see this as an essential strategic acquisition for the Company. Its current four million+ visits per month serve as a strong foundation for our Data & Analysis vertical.

Our three main objectives for COIN360 are:

- To develop COIN360 into the world's leading website for investors and people interested in the market aspects of cryptocurrencies – to become the “Bloomberg of Digital Assets”.
- To generate solid revenue streams in terms of advertisements and subscription services.
- To use COIN360 to market Hilbert Group as an investment company, including funnelling potential customers to our asset management products.

Broadening of the investor base on the asset management side

At the time of writing, we have fund investors from 11 different countries, with several family offices added in Q3. On the asset management side, we have already established an Asia investment “hub” in Hong Kong

and are now looking to establish the same in the Middle East (the HAYVN deal was the first step).

Listing on Nasdaq First North

Hilbert Group had reached a stage, in conjunction with an overall market environment, that made the benefits of listing a natural next step in the Company's development. So, it was a big day for us all when, after many months of hard work, Hilbert Group was approved for listing on Nasdaq First North, with trading commencing on October 27.

The main benefits we see with a listing are:

- The increased transparency that follows with being a public listed company will appeal to institutional and private investors alike.
- As a publicly listed company, we have access to permanent capital enabling a more efficient implementation of the business model and hence a more rapid growth of the Company.
- A publicly listed company has increased visibility and exposure to a broader base of shareholders, and this facilitates the marketing of the company brand itself and its products and services.

Joining forces with HAYVN

On November 17, Hilbert Group acquired a 2.7% stake in HAYVN, a global investment bank specializing in digital assets. The main reasons for the acquisition are:

- HAYVN currently offers OTC trading and custody of digital assets to their customers. Hilbert Group sees a strong growth in the interest in digital currencies in the Middle East, with relatively few players. Operators such as HAYVN will have a distinct early mover advantage.
- It helps us build a hub/platform in a region where we were previously not established and where a lot of capital is available for crypto investments. Hilbert Group will assist HAYVN in expanding their asset management branch and cooperate on product development. This will enable us to market our fund

CEO's adress (cont.)

products via their platform, either directly or indirectly – thus strengthening our ability to increase our assets under management.

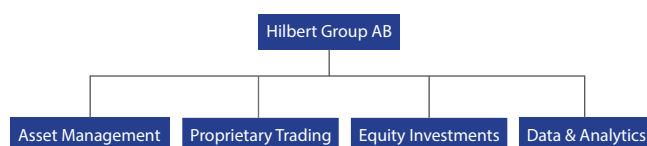
I believe Hilbert Group has built a strong foundation for expansion and growth in the rapidly evolving world of cryptocurrencies. I want to take this opportunity to thank our investors, our partners and my colleagues for their trust and dedication to Hilbert Group and its vision.

Stockholm, November 30, 2021

Niclas Sandström
CEO, Hilbert Group AB (publ)

Hilbert Group's Business Verticals

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 offers three funds that cater to a broad range of investor appetites.

■ **Hilbert Digital Asset Fund (HDAF).** HDAF is an actively managed Altcoin focused fund which 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. Below is shown the year-end evolution of assets under management for the HDAF. Year AUM (SEK million).

Year	AUM (SEK million)
2019	9
2020	22
2021*	124

*As of 30 September 2021

■ Hilbert Crypto Opportunities Fund (HCOF).

HCOF will be an actively managed VC flavoured fund with a broad mandate. The main focus of the fund will be to invest in early-stage digital assets with smaller market capitalizations. In particular, the fund will engage in identifying opportunities during the pre-listing stage – mainly digital assets but also blockchain-related equity. The fund may also opportunistically take positions across the market capital structure, including big cappers. The fund may, from time to time, de-risk and have a sizable allocation to cash or cash proxies such as stable-coins. The investment style will be a mix of traditional fundamental analysis and social media sentiment analysis. The fund will have two share classes which the investors can choose from, 2 percent/20 percent and 1 percent/30 percent. The annualised return for the strategy in HCOF is expected to be of the same order of magnitude as that of Hilbert Digital Asset Fund. HCOF will be an

Hilbert Group's Business Verticals (cont.)

absolute return fund. HCOF is scheduled to launch during the fourth quarter 2021.

■ **Hilbert-Syrius Bit+ Fund (HBF).** HBF will be an actively managed fund with the objective of providing more stable returns with less volatility than a pure Bitcoin investment. In particular, the HBF will outperform Bitcoin in bear markets. The '+' in the name signifies that the fund is also allowed to trade a small basket of the largest and most liquid cryptocurrencies on top of Bitcoin. To achieve its investment objective, the fund will hold a cash component that will be volatility traded against the crypto assets in the basket. This fund will be a complement to the other two funds, and part of its purpose is to broaden Hilbert Group's product range and offer investors a more defensive product with substantial upside potential across the business cycle. The fund will have one share class, 2 percent/20 percent and will be an absolute return fund. The target return will be around 30 percent per annum. HBF is scheduled to launch during the fourth quarter 2021.

Proprietary Trading

Proprietary trading means trading part of Hilbert Group's own capital. 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 capitalization 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 practice in this respect and also fully disclose this fact. This vertical will make its first investment during the fourth quarter 2021.

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's first equity investment was a 60 per cent majority stake purchase in Pioneer Creator Ltd, a company that owns and operates Coin360.com and associated domains. The acquisition was completed in July 2021 and the purchase price amounted to USD 3 million. The acquisition satisfied two important strategic objectives for Hilbert Group: a) it represents an equity investment that is expected to generate substantial revenue over time and b) it significantly strengthens the Data & Analytics vertical.

Data & Analytics

This business vertical was launched in July 2021 through the acquisition of 60 per cent of Pioneer Creator Ltd which owns and operates Coin 360.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/

Hilbert Group's Business Verticals (cont.)

affiliates based. A tiered subscription service will be offered, which will cover the range from retail to institutional customers. Significant revenue is expected to be 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 Limited that owns all the IP of the website and associated domains and which was specifically set up for the purpose of the acquisition.

Financial overview

July – September 2021

Revenue and results

Revenue increased to kSEK 833 (–). Revenue for the period mainly relates to Fund Management operations. Operating result amounted to kSEK -2,936 (-102). Non-recurring expenses related to preparations for the listing on Nasdaq First North Growth Market in October 2021 affected operating expenses by approximately kSEK 1,700.

Financial net was kSEK 330 (–), pertaining to currency translation effects on receivables denominated in USD.

Loss for the period was kSEK -2,606 (-102)

Cash flow and financial position

Cash flow from operating activities was kSEK -3,504 (-111). Investments amounted to kSEK -25,163 (-33), mainly related to the acquisition of Coin360, further described below

Financing activities contributed kSEK 60,173 (–), of which kSEK 53,400 relating to issuing of a total of 44,000,000 new shares, with quotient value of SEK 0.05, ahead of the listing, and kSEK 9,330 for advance payments in relation to new shares issued and registered after period-end.

At the end of the period, the Group had kSEK 34,176 (693) in cash and cash equivalents.

After the period Hilbert Group received kSEK 38,000 as the remaining part of the private placement.

Coin360 – Strategic investment

On 20 July 2021, the Group acquired 60% of the outstanding share capital of Pioneer Creator Ltd, an entity incorporated in the British Virgin Islands, for a total consideration of USD 3 million. In addition, the Group has provided a monetary contribution of USD 200,000 to Pioneer Creator Ltd. On 26 August 2021 it was resolved to change the name of Pioneer Creator Ltd to Coin360 Global Limited.

COIN360, one of the world's most popular cryptocurrency market data aggregators, is known for its iconic heatmap found on COIN360.com. The investment forms a basis for Hilbert Group's build-up of its data analytics business area, in close co-operation with the partners Cointelegraph and Chiron Partners.

COIN360 is consolidated by Hilbert Group from the date of acquisition and has during the third quarter contributed kSEK 326 to total revenue and kSEK -268 to operating result. The legal entity Pioneer Creator Ltd had no significant operations prior to the acquisition, thus the consolidated revenue and operating result substantially equals the effect on Hilbert Group, would the entire 2021 result be consolidated.

The consideration paid, net of cash acquired, is presented as goodwill, amounting to SEK 26 million as of 30 September, 2021. Hilbert Group is currently perform-

ing analyses in order to accurately establish the identifiable assets, such as domain name, source code, trademark or other intellectual property rights, that have been acquired, and to assess fair value of each separate asset. No significant assets, other than cash and intangible assets, nor any significant liabilities were included in the acquisition.

January – September 2021

Revenue and results

Revenue increased to kSEK 3,492 (–). Revenue for the period mainly relates to Fund Management operations. Operating result amounted to kSEK -913 (-461). Non-recurring expenses related to preparations for the listing on Nasdaq First North Growth Market in October 2021 affected operating expenses by approximately kSEK 1,700.

Financial net was kSEK 311 (–), pertaining to currency translation effects on receivables denominated in USD.

Loss for the period was -602 kSEK (-461)

Cash flow and financial position

Cash flow from operating activities was kSEK -2,218 (-550). Investments amounted to kSEK -25,255 (-53), mainly related to the acquisition of Coin360, further described above.

Financing activities contributed kSEK 60,173 (–), of which kSEK

Financial overview (cont.)

53,400 relating to issuing of a total of 44,000,000 new shares, with quotient value of SEK 0,05, ahead of the listing, and kSEK 9,330 for advance payments in relation to new shares issued and registered after period-end.

At the end of the period, the Group had SEK 34,176 (692,7) in cash and cash equivalents.

After the period Hilbert Group received kSEK 38,000 as the remaining part of the private placement.

Other information

Events after the reporting period

On 21 October 2021, 3,800,000 new shares were issued, whereby equity increased by kSEK 38,000.

The Hilbert Group AB (publ)

series B share (ticker HILB B) was listed for trading on Nasdaq First North Growth Market, Stockholm, with the first day of trading on 27 October 2021. Hilbert Group raised mSEK 88, equaling SEK 10 per share, through a pre-listing in September, please refer to information above. No additional funds were raised as part of the listing, that was well received by the stock-market during the first day.

On 17 November 2021, Hilbert Group announces the acquisition of a 2.7% stake in HAYVN, a global investment bank specializing in digital assets. The transaction amount for Hilbert Group was USD 1 million, to be settled in cash. HAYVN is providing a regulated institutional grade digital currency platform that offers OTC

trading and custody of digital assets. HAYVN is based in Abu-Dhabi and has a strong presence in the MENA region. HAYVN is in the process of securing the most extensive regulatory licenses in both Switzerland and the UAE. As part of the investment, Hilbert Group will aid HAYVN in expanding their offerings on the asset management side and the two companies will be strategic partners in terms of product development and distribution of fund products.

Risks and uncertainties

Hilbert Group faces a number of risks and uncertainties that may directly or indirectly impact operations. These uncertainties include risk factors particularly related to trading of digital assets as well as regulatory and legal risks, as the

Share capital development, SEK

Year	Date	Event	Subscription of which:		Share capital; total	No of shares change	No of shares: total
			Share premium	Share capital			
2017	–	Formation and incorporation	–	–	50,000	50,000	50,000
2017	–	Split 1:20	–	–	–	50,000	950,000
2021	2021-07-01	New share issue	500,000	–	500,000	550,000	10,000,000
2021	2021-07-01	New share issue ¹	30,000,000	29,850,000	150,000	700,000	3,000,000
2021	2021-09-08	New share issue ¹	20,000,000	19,900,000	100,000	800,000	2,000,000
2021	2021-09-17	New share issue ²	2,900,000	1,450,000	1,450,000	2,250,000	29,000,000
On 30 Sept 2021			53,400 000	51,200,000	2,250,000		45,000,000
2021	2021-10-21	New share issue ¹	38,000,000	37,810,000	190,000	2,440,000	3,800,000
On first day of trading 27 Oct and Q321 release 30 Nov 2021			91,400,000	89,010,000	2,440,000		48,800,000

¹ Pre-Listing 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. Refer to Warrants to investors section in this report for further details.

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

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

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

Financial overview (cont.)

digital assets industry is largely unregulated or lightly regulated in most countries. For a more detailed description of risks and uncertainties, refer to the Hilbert Group Company Description dated 21 October 2021, available on www.hilbert.group.

Transactions with related parties

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. The Company's CEO and shareholder Niclas Sandström, and Board member and shareholder Frode Foss-Skiftesvik, are currently Board members of Hilbert Digital Asset Fund.

Except as described above, there are no transactions between the Hilbert Group and any relat-

ed parties. All transactions with related parties have been carried out at arm's length.

Formation of Hilbert Group

Hilbert Group was formed in 2021 when the current parent company, Hilbert Group AB, acquired HC Holding Limited (incorporated in Malta) including its wholly owned subsidiaries and carried out a private placement of shares and warrants whereby Hilbert Group raised kSEK 88,000. Hilbert Group AB was a dormant company which had not conducted any business from its formation to its acquisition of HC Holding Limited.

Prior to the acquisition of HC Holding Limited and the private placement, Hilbert Group had 11,000,000 outstanding B-shares. Hilbert Group acquired all shares in HC Holding Limited with payment of in total 29,000,000 shares (8,500,000 A-shares and 20,500,000 B-shares). The new issue was made with payment by set-off.

In addition, Hilbert Group carried out a private placement of kSEK 88,000. The private placement was made in the form of 8,800,000 units. The issue price for one unit was SEK 10. One unit included one B-share and one warrant of series 2021/24, "TO 1B". Each warrant entitles the holder to subscribe for one new B-share in the Company. The exercise price is SEK 15 during the period 1 October 2021 – 31 October 2022. The exercise price is SEK 20 during the period 1 November 2022 – 31 October 2024.

Share Capital

Hilbert Group's share capital following the acquisition of HC Holding Limited and completion of the private placement is kSEK 2,440 divided into 48,800,000 shares (8,500,000 A-shares and 40,300,000 B-shares).

At the end of the period the share capital was kSEK 2,250 divided into 45,000,000 shares (8,500,000 A-shares and

Earnings per share

kSEK	Q321	Q320	Nine months 2021	Nine months 2020	Full year 2020
<i>Before dilution</i>					
Number of shares at period-end	45,000,000	1,000,000	45,000,000	1,000,000	1,000,000
Weighted average number of shares	18,913,043	1,000,000	7,036,630	1,000,000	1,000,000
Profit/loss for the period	-2,605	-102	-599	-460	-788
Earnings per share	-0.14	-0.10	-0.09	-0.46	-0.79
<i>After dilution</i>					
Number of shares at period-end	45,000,000	1,000,000	45,000,000	1,000,000	1,000,000
Weighted average number of shares	18,913,043	1,000,000	7,036,630	1,000,000	1,000,000
Profit/loss for the period	-2,605	-102	-599	-460	-788
Earnings per share	-0.14	-0.10	-0.09	-0.46	-0.79

Financial overview (cont.)

36,500,000 B-shares). The remaining part of the private placement, 3,800,000 B-shares, was registered by the Company Office (Swedish: Bolagsverket) after the end of the period.

Listing on Nasdaq First North

Hilbert Group's 40,300,000 B-shares (ticker HILB B) and 10,700,000 warrants of series TO1B are listed on Nasdaq First North Growth Market. Eminova Fondkommission, phone: +46 8 684 211 10, adviser@eminova.se is Certified Adviser.

Listed warrants

Hilbert Group has 10,700,000 issued and outstanding warrants of series 2021/24, TO 1B. Each warrant entitles the holder to subscribe for one new B-share in the Company. The exercise price is SEK 15 during the period 1 October 2021 – 31 October 2022. The exercise price is SEK 20 during the period 1 November 2022 – 31 October 2024.

Assuming full exercise of the warrants, the dilution effect of the TO1B warrants corresponds to approximately 19.2 % in relation to the number of outstanding shares (45,000,000) at the end of the period 30 September, 2021 and approximately 18.0 % in relation to the number of outstanding shares (48,800,000) following registration of the remaining part of the private placement after the end of the period.

Warrants to employees

– Incentive scheme

Hilbert Group has 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 30 September 2021, nor after the end of the reporting period.

If all the warrants were granted and exercised, the share capital increases by SEK 50,000 through the issuance of 1,000,000 new B-shares. Given the current number of issued and outstanding shares (48,800,000), that would mean a dilution of 2.0 percent.

Condensed combined statement of comprehensive income

kSEK	Q321	Q320	Nine months 2021	Nine months 2020	Full year 2020
Revenue	832,9	–	3,492.2	–	148.5
Administrative expenses	-3,492.4	183.7	-4,128.3	-174.7	-892.0
Other expenses	-276.6	-285.9	-276.6	-285.9	-44.7
Operating profit/loss	-2,936.1	-102.2	-912.7	-460.6	-788.2
Financial items, net	330,3	–	311.0	–	–
Profit before income tax	-2,605.8	-102.2	-602.0	-460.6	-788.2
Income tax expense	–	–	–	–	–
Profit/loss for the period	-2,605.8	-102.2	-602.0	-460.6	-788.2
Profit/loss is attributable to:					
Parent company shareholders	-2,713.3	-102.2	-709.0	-460.6	-788.2
Non-controlling interests	107.5	-	107.5	–	–
	-2,605.8	-102.2	-602.0	-460.6	-788.2
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Exchange differences	15.4	-34.3	54.4	-18.3	-45.8
Other comprehensive income, net of tax	15,4	-34.3	54.4	-18.3	-45.8
Total comprehensive income for the period	-2,590.5	-136.5	-548.0	-478.9	-834.0
Total comprehensive income is attributable to:					
Parent company shareholders	-2,714.8	-136.5	-672.0	-478.9	-834.0
Non-controlling interests	124.3	–	124.3	–	–

Condensed combined balance sheet

kSEK	30 September 2021	30 September 2020	31 December 2020
ASSETS			
Non-current assets			
Equipment	118.6	99.7	70.3
Intangible assets	26,113.6	1.4	3.2
Total non-current assets	26,232.2	101.1	73.5
Current assets			
Other receivables	1,062.8	444.0	127.3
Receivables from related parties	1,330.1	–	138.4
Receivables from shareholders	–	111.0	101.1
Financial assets at fair value through profit or loss	–	1,044.7	–
Cash and cash equivalents	34,175.7	692.7	2,320.6
Total current assets	36,568.6	2,292.3	2,687.4
Total assets	62,800.8	2,393.4	2,760.9
EQUITY AND LIABILITIES			
Equity			
Equity, parent company shareholders	50,466.8	671.7	316.6
Non-controlling interests	467.7	–	–
Total equity	50,943.5	671.7	316.6
Current liabilities			
Other payables	728.6	377.1	43.2
Advance for new share issue	9,670.2	–	–
Payables to shareholders	–	1,048.4	1,872.0
Current tax liabilities	41.5	42.5	38.7
Accruals	1,417.0	253.8	490.4
Total liabilities	11,857.3	1,721.7	2,444.3
Total equity and liabilities	62,800.8	2,393.4	2,760.9

Condensed consolidated statement of changes in equity

kSEK	Attributable to parent company shareholders				Total	Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Reserves	Retained earnings			
Balance at 31 December 2019	50	-	-	1,101	1,151	-	1,151
Profit/loss for the period	-	-	-	-461	-461	-	-461
Other comprehensive income	-	-	-18	-	-18	-	-18
Total comprehensive income for the period	-	-	-18	-461	-479	-	-479
Balance at 30 September 2020	50	-	-18	640	672	-	672
Balance at 31 December 2020	50	-	-46	312	317	-	317
Profit/loss for the period	-	-	-	-709	-709	107	-601
Other comprehensive income	-	-	54	-	54	-	54
Total comprehensive income for the period	-	-	54	-709	-654	107	-547
New share issues	2,200	48,604	-	-	50,804	-	50,804
Non-controlling interest on subsidiary acquisition	-	-	-	-	-	369	369
Balance at 30 September 2021	2,250	48,604	9	-396	50,467	477	50,943

Condensed consolidated statement of cash flows

kSEK	Q321	Q320	Nine months 2021	Nine months 2020	Full year 2020
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/loss before tax	-2,606	-102	-602	-461	-788
Adjustments for items not affecting cash:	-303	-2	-269	57	68
Cash flow from operating activities before changes in working capital	-2,909	-104	-871	-404	-720
CHANGES IN WORKING CAPITAL					
Receivables	-1,517	-285	-2,359	-1,420	-163
Payables	923	278	1,013	1,274	2,241
Cash flow from changes in working capital	-595	-7	-1,346	-146	2,078
Net cash flow from operating activities	-3,504	-111	-2,218	-550	1,358
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of equipment	-54	-31	-60	-49	-49
Purchase of intangible assets	-195	-2	-282	-4	-4
Business combinations, net of cash acquired	-24,913	-	-24,913	-	-
Net cash used in investing activities	-25,163	-33	-25,255	-53	-53
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital	50,503	-	50,503	-	-
Proceeds from borrowings	9,670	-	9,670	-	-
Net cash generated from financing activities	60,173	-	60,173	-	-
Cash flow for the period	31,506	-144	32,700	-603	1,305
Foreign currency translation, cash and cash equivalents	-951	12	-845	-17	-298
Cash and cash equivalents at beginning of the period	3,621	825	2,321	1,313	1,313
Cash and cash equivalents at end of the period	34,176	693	34,176	693	2,321

Condensed Parent company income statement

kSEK	Q321	Q320	Nine months 2021	Nine months 2020	Full year 2020
Revenue	–	–	–	–	–
Administrative expenses	-1,958.0	–	-1,958.0	–	–
Operating profit/loss	-1,958.0	–	-1,958.0	–	–
Financial items, net	399.6	–	399.6	–	–
Profit before income tax	-1,558.4	–	-1,558.4	–	–
Income tax expense	–	–	–	–	–
Profit/loss after tax	-1,558.4	–	-1,558.4	–	–

For the first nine months of 2021, the activities of Hilbert Group AB (publ) have entailed preparations for the listing of the company's shares on Nasdaq First North Growth Market, Stockholm. Non-recurring expenses related to these activities amount to approximately kSEK 1 700. All such activities have, in essence, occurred during the third quarter of 2021. This includes the legal formation of Hilbert Group through the acquisition of all

outstanding shares in HC Holding Limited, incorporated on Malta for a purchase price of kSEK 2 900, in September 2021. Prior to the third quarter of 2021, the company had no activity. As part of the preparations for the acquisition and subsequent listing on Nasdaq First North Growth Market, the Company has raised kSEK 53,400 in capital, out of which kSEK 2,200 as share capital and ksek 51,200 allocated to the share premi-

um fund. The share issues have been a combination of cash issues and off-set issues.

After the balance sheet date, an additional kSEK 38,000, out of which kSEK 190 as share capital, has increased the equity of the Company through the completion of additional new share issue.

The first day of trading of the Hilbert Group AB (publ) (ticker HILB B) on Nasdaq First North was 27 October, 2021.

Condensed Parent company balance sheet

kSEK	30 September 2021	30 September 2020	31 December 2020
ASSETS			
Non-current assets			
Shares in subsidiaries	2,900.0	–	–
Total non-current assets	2,900.0	–	–
Current assets			
Receivables from group companies	28,131.5	–	–
Cash and cash equivalents	24,513.5	50.0	50.0
Total current assets	52,645.0	50.0	50.0
Total assets	55,545.0	50.0	50.0
EQUITY AND LIABILITIES			
Shareholders' equity	51,892.0	50.0	50.0
Current liabilities			
Other payables	728.8	–	–
Advance for new share issue	1,758.2	–	–
Accruals	1,166.0	–	–
Total liabilities	3,653.0	–	–
TOTAL EQUITY AND LIABILITIES	55,545.0	50.0	50.0

Notes

NOTE 1 ACCOUNTING PRINCIPLES

This Interim Report complies with the provisions of IAS 34, and the report for the Parent Company has been prepared pursuant to the provisions of the Swedish Annual Accounts Act and RFR 2. In addition to the financial statements, disclosures under IAS 34.16A also appear in other parts of the interim report.

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 the Group and 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 at fair value. As required by IAS 1, Hilbert Group companies apply uniform accounting rules, irrespective of national legislation. The policies set out below have been consistently applied to year 2021. 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 information for year 2021, as well as historical information for year 2020, is presented as combined financial statements. The legal formation of Hilbert Group during the third quarter of 2021 comprised transactions between entities that were under common control via ultimate owners of HC Holding Limited, (registration No.C89451), incorporated in Malta. As these transactions are not covered by any IFRS standard, a suitable accounting principle for the historical information has been 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 applied in preparation of these statements. In short, this entails that the assets and liabilities of the units forming part of the Group have been aggregated and recognized 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.

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.

Notes (cont.)

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 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.

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

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.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes 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.

Notes (cont.)

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 recognized 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 is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized 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 recognized in profit or loss.

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.

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.

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 proba-

Notes (cont.)

ble 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
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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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination 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 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 are not amortised, but are tested for impairment annually, either individually or at the cash-gen-

erating 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 lives of four years. Costs associated with maintaining intangible assets are recognised as an expense as incurred.

Cryptocurrencies

Cryptocurrencies held are reported as intangible assets applying a cost model. Cryptocurrencies have indefinite useful life, and are thus not amortised, but tested for impairment annually.

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

Notes (cont.)

one entity and a financial liability or equity instrument of another entity.

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 net of impairment losses 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.

Cash and cash equivalents

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

Assets held on behalf of third parties

Assets held on behalf of third parties pertain to client assets which are held with the Group in a fiduciary capacity and are segregated from the assets of the Group. Client assets are held with reputable financial institutions.

The Group is not liable for any act, omission of and/or other circumstance affecting the financial institutions entrusted by the Group to hold client assets. Accordingly, client assets are not presented within the Group's statements of financial position.

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 translation reserves that include all exchange rate differences that arise 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.

Parent company accounting principles

The parent company Hilbert Group AB prepares financial statements in accordance with the Swedish Annual Accounts Act 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.

Shares in subsidiaries

Holdings in subsidiaries are recognized according to the cost method

Notes (cont.)

of accounting. If there is an indication that the recognized value of shares has declined, they are tested for impairment according to IAS36. According to RFR2 transaction costs are recognized as part of the acquisition value in the parent company, unlike the group where they are considered as costs.

Declaration by the Board of Directors and the CEO

The Board of Directors and CEO confirm that this Interim Report provides a true and fair view of the parent company and the Group's operations, financial position and results for the period concerned.

Stockholm, November 30, 2021

Board of Directors

Erik Nerpin
Chairman

Frode Foss-Skiftesvik
Board member

David Butler
Board member

Niclas Sandström
CEO

The report has not been reviewed by the Company's auditors.

Other information

Financial calendar

Year-End Report 2021
Annual Report 2021

28 February, 2022
29 April, 2022

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This information is information that Hilbert Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 15:00 CET on November 30, 2021.