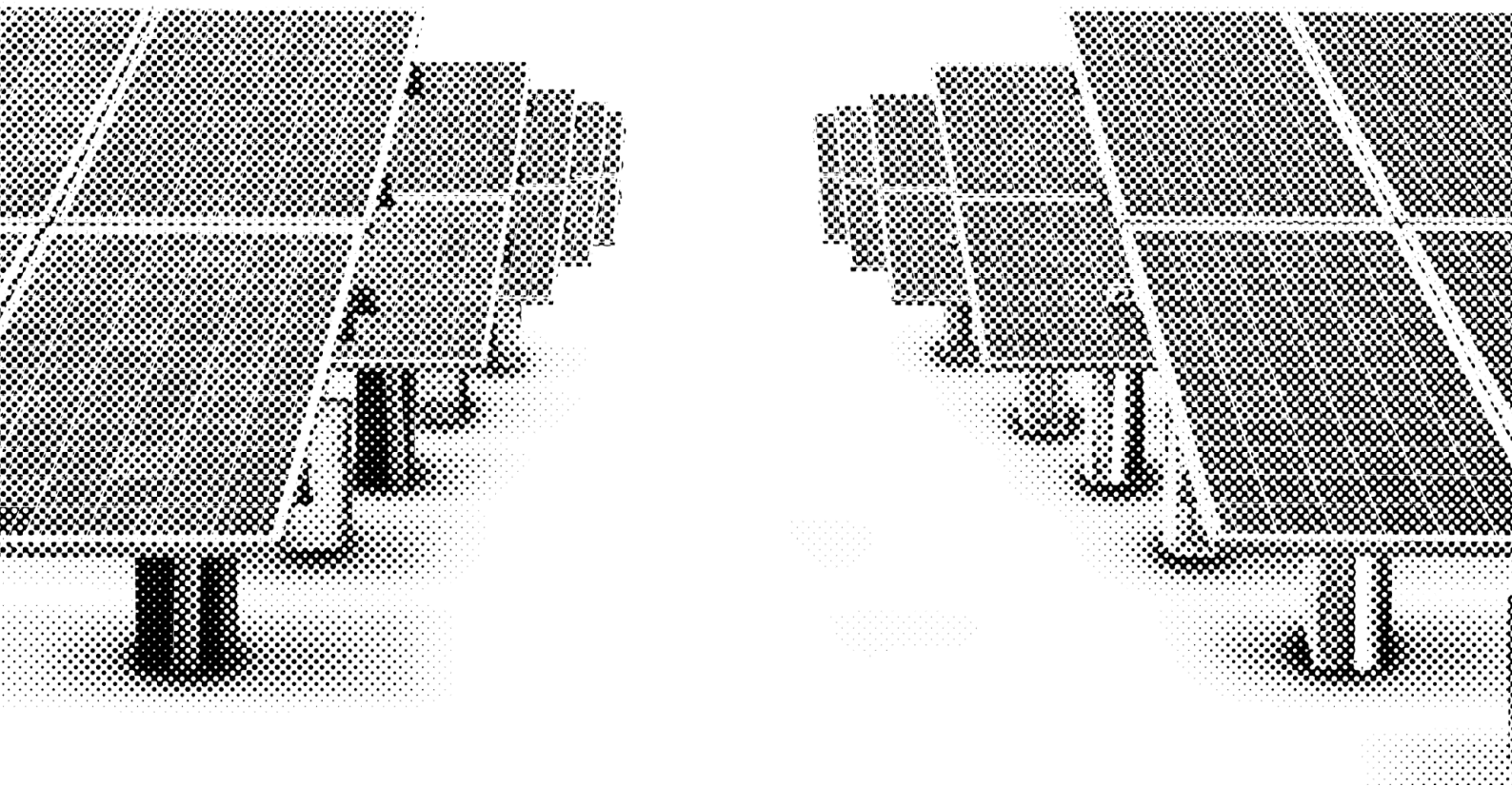


Annual accounts 2023

Modity Energy Trading AB



Contents

	Page
Economic overview.....	5
Income statement.....	6
Balance sheet	7
Cash flow statement.....	9
Notes with accounting principles and notes in accounts	10
Auditor's report	27
Audit report for Modity Energy Trading AB 2023	32

The Board of Directors and the CEO of Modity Energy Trading AB submit the following annual financial statement for the financial year 2023.

The annual financial statement had been prepared in Swedish kronor (SEK). Unless otherwise stated, all amounts are reported in thousands of krono (TSEK).

Management report

General information about the business and significant events during the financial year

Modity Energy Trading AB is owned equally by Krafringen Energi AB (publ) (556100-9852, Lund) and Öresundskraft AB (556089-7851, Helsingborg). Krafringen Energi AB (publ) is owned by the holding company Krafringen AB (556527-9758, Lund), which in turn is owned by the municipalities of Lund (82.4%), Eslöv (12.0%), Hörby (3.5%) and Lomma (2.1%). Öresundskraft AB is owned by the City of Helsingborg (100%) through Helsingborgs Stads Förvaltning AB (556007-4634, Helsingborg).

The company conducts trading in energy and related commodities, as well as related activities such as portfolio management and balance responsibility for electricity and gas. Modity is also very active in the markets for environmental instruments. The head office is located in Lund, Sweden.

Energy trading is associated with risk, as the price of energy varies with weather and other external factors. Someone has to manage the risk, and that requires specialised expertise. Before Modity was formed, Krafringen and Öresundskraft managed the risk separately. In 2010, they formed Modity instead. The advantages of jointly owning and managing energy trading operations include strengthened expertise, reduced costs for energy trading, increased control compared with using an external supplier, and opportunities to benefit from returns from the business.

In 2023, we left the major effects of the energy crisis behind us, and despite the crisis and the subsequent effects, Modity has had a very successful year. Our risk management is robust, we have made internal efficiency improvements, the gas portfolio has developed positively with both gas storage optimisation and biogas business and, not least, we have made great progress in the ancillary services markets, which has led to a good result. During the year, we have been able to bid out volumes on both FCR-D up and down, and Modity was also one of the early market participants in wind ancillary services.

At the end of the year, the internal changes to systems and processes to handle 15-minute settlement were implemented and the transition in November was successful.

The higher interest rates and inflation had a negative impact on our overall cost picture and we expect this to continue next year.

During the year, activities regarding working capital continued in close co-operation with the owner companies. At year-end, guarantees remained unchanged at SEK 2.0 billion.

Expectations regarding future developments

Going forward, a major focus for Modity will continue to be on further developing the ancillary services business, offering our customers products and services in flexibility and optimisation in various ancillary services markets. For Modity to successfully deliver on its strategy, internal development will be required to meet market needs and changing requirements. Much of the transition to 15-min settlement remains, changes in the financial market, with the European Energy Exchange (EEX) agreed purchase of Nasdaq's European energy trading business, as well as the effects that the electricity market reform may entail will have consequences for our business.

As of 1 January 2023, Modity has changed the accounting policy for the gas business, where the company's positions in the gas market are now recognised at fair value.

Sustainability report

The sustainability report for the period 2023-01-01 to 2023-12-31 is prepared as a separate document and published on the company's website.

Economic overview

Amount in TSEK	2023	2022	2021	2020	2019
Net sales	9 338 337	16 168 898	9 440 428	4 378 890	6 070 731
Profit before tax	70 649	31 924	1 221	-113 186	75 861
Balance sheet total	2 816 824	5 945 782	3 970 428	1 216 107	1 449 312
Return on capital employed %.	13	22	4	-11	15
Return on equity %.	45	28	1	-81	49
Return on equity %, rolling 5 year basis	8	12	13	13	35
Equity to asset ratio %.	7	2	2	8	13

*The years 2019-2021 have not been restated according to the change in accounting principle.

Changes in equity

Amount in TSEK	Share capital	Restricted reserves	Retained earnings	Profit for the year	Total
Amount at start of year	20 000	20	110 906		130 926
Disposition as decided by the Annual General Meeting:					
Profit for the year				54 929	54 929
Amount at year-end	20 000	20	110 906	54 929	185 855

Conditional shareholders' contributions account for 70 487 (70 487) of the total retained earnings of 165 835.

Proposed disposition regarding the company's profit or loss

The Board of Directors proposes available unrestricted equity of SEK 165,834,991 shall be disposed as follows:

Retained earnings	110 905 522
Profit for the year	54 929 469
	165 834 991
Disposed as	
Repayment of conditional shareholder contribution	54 929 469
Carry-forward (SEK)	110 905 522

The company's results and financial position are shown in the following income statement and balance sheet with notes.

Income statement

Amounts in TSEK	Note	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Operating Revenue			
Net sales	2	9 338 337	16 168 898
Other operating income	3	27 576	40 716
		9 365 913	16 209 614
Operating costs			
Goods for resale		-9 124 953	-16 032 111
Other external costs	4, 5	-51 946	-47 811
Personnel costs	6	-62 483	-58 764
Depreciation of tangible and intangible fixed assets	7	-1 640	-1 520
Other operating expenses		-26 564	-45 967
Operating profit		98 327	23 441
Result from financial items			
Interest income and similar items	8	54 646	152 558
Interest expense and similar items	9	-82 324	-144 075
		-27 678	8 483
Profit after financial items		70 649	31 924
Profit before tax		70 649	31 924
Tax on profit for the year	10	-15 720	-6 933
Net profit		54 929	24 991

Balance sheet

Amounts in TSEK	Dis- tress	2023-12-31	2022-12-31
ASSETS			
<i>Tangible fixed assets</i>			
Improvement on others' property	11	460	1 785
Inventories	12	410	716
		870	2 501
<i>Financial non-current assets</i>			
Deferred tax receivables	10, 13	861	16 580
		861	16 580
Total fixed assets		1 731	19 081
Current assets			
<i>Inventories etc.</i>			
Goods for resale		47 291	69 059
		47 291	69 059
<i>Current receivables</i>			
Accounts receivable		528 096	518 136
Tax receivables		18 089	18 089
Financial instruments held for trading	14, 15	783 608	2 164 236
Other receivables		54 769	425 148
Prepaid expenses and accrued income	16	1 202 605	2 369 526
		2 587 167	5 495 135
<i>Cash and bank</i>	17	180 635	362 507
Total current assets		2 815 093	5 926 701
TOTAL ASSETS		2 816 824	5 945 782

Balance sheet

Amounts in TSEK	Distress	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	18	20 000	20 000
Statutory reserve		20	20
		20 020	20 020
<i>Non-restricted equity</i>			
Unrestricted share premium reserve		19 000	19 000
Retained earnings		91 906	66 930
Profit for the year		54 929	24 991
		165 835	110 921
Total equity	19	185 855	130 941
Current liabilities			
Overdraft facility	20	993 172	733 303
Liabilities to credit institutions	21, 24	281 195	309 980
Accounts payables		200 658	496 064
Financial instruments held for trading	14, 15	594 765	2 198 940
Other liabilities		271 241	637 840
Accrued expenses and deferred income	22	289 938	1 438 714
		2 630 969	5 814 841
TOTAL EQUITY AND LIABILITIES		2 816 824	5 945 782

Cash flow statement

Amounts in TSEK	Distress	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Current operations			
Profit after financial items		70 649	31 924
Adjustments for items not included in cash flow	23	1 640	1 520
Market valuation of financial instruments		-223 547	5 755
Taxes paid		-16	-1 691
Cash flow from operating activities before changes in working capital		-151 274	37 508
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		21 768	-69 059
Increase(-)/Decrease(+) in receivables		1 527 340	-1 088 876
Increase(+)/Decrease(-) in current liabilities		-1 810 782	477 427
Cash flow from operating activities		-412 948	-643 000
Investment activities			
Investments in tangible assets		-8	-699
Cash flow from investing activities		-8	-699
Financing activities			
Change in overdraft facility		259 869	482 425
Change in debt factoring		-28 785	74 706
Shareholder contributions received		0	10 000
Cash flow from financing activities		231 084	567 131
Net cash flow		-181 872	-76 568
Liquid assets at start of the year		362 507	439 075
Cash and cash equivalents at year-end		180 635	362 507

Notes with accounting principles and notes in accounts

Amounts in TSEK unless otherwise stated

Note 1

Reporting and valuation principles

General information

The annual accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

Valuation principles etc.

Assets, provisions and liabilities are valued at acquisition value unless otherwise stated below.

Revenue recognition

Revenue is recognized at fair value of what has been received or will be received and recognized to the extent that it is likely that the economic benefits will be allocated to the company and the income can be calculated reliably.

Tangible assets

Tangible fixed assets are recognised at acquisition value minus accumulated write-downs and depreciation. In addition to the purchase price, the acquisition value also includes expenses that are directly attributable to the acquisition.

Depreciations of intangible and tangible fixed assets

Depreciation occurs on a straight-line basis over the asset's estimated useful life, as it reflects the expected consumption of the asset's future economic benefits. Depreciation is recognized as an expense in the income statement.

The following depreciation periods apply:	Useful life
Fixtures, fittings, tools, and equipment	3-10 years
Computer software	5 years
Improvement cost on others' property	3 years

Leasing

All lease agreements are reported as operating lease agreements. Leasing fees under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are recognized as expenses on a straight-line basis over the leasing period.

Receivables

Receivables are recognized at acquisition value less any impairment losses.

Inventories

Inventories are recognized at whichever is lowest, the acquisition value or the net realizable value. Risk of obsolescence has thus been taken into account. The acquisition value is calculated according to the first-in first-out principle. In addition to the cost of purchasing, the acquisition value also includes expenses for bringing the goods to their current location and condition.

Financial assets and liabilities

Financial assets and liabilities are recognised in accordance with Chapter 12 (Financial instruments valued in accordance with Chapter 4, Sections 14a-14e of the Annual Accounts Act) of BFNAR 2012:1.

Asset and Liability Recognition

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset has expired or been settled. The same applies when the risks and benefits associated with the holding are essentially

transferred to another party and the company no longer has control of the financial asset. A financial liability is removed from the balance sheet when the contractual obligation is fulfilled or terminated. Spot purchases and sales of financial assets are reported on the transaction date.

Classification and valuation

Financial assets and liabilities have been classified into different valuation categories in accordance with Chapter 12 of BFNAR 2012:1. The classification into different valuation categories forms the basis for how the financial instruments are to be valued and how changes in value are to be recognised. For financial instruments that are listed on an active market, fair value is determined on the basis of the asset's quoted bid price on the balance sheet date without the addition of transaction costs (e.g. brokerage fees) at the time of acquisition. A financial instrument is considered to be quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, trade association or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Derivatives are measured at fair value through profit or loss. If the market for financial instruments is not active, the entity determines fair value using a valuation technique. Those valuation techniques are based as much as possible on market data and company-specific data is used as little as possible. The entity uses a variety of methods and assumptions based on the existing market conditions at each balance sheet date.

(i) Financial assets held for trading

Financial assets in this category are measured at fair value and changes in value are recognized in the income statement. This category includes derivatives with a positive fair value, except for derivatives that are an identified and effective hedging instrument.

(ii) Investments held to maturity

Investments held to maturity are financial assets that include interest-bearing securities with fixed or determinable payments and a fixed term that the company has an explicit intention and ability to hold to maturity. Assets in this category are valued at amortized cost.

(iii) Loan receivables and account receivables

Loan receivables and account receivables are financial assets having fixed or fixable payments that are not derivatives. These assets are measured at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated at the time of acquisition.

Account receivables are recognized at the amount that is expected to be received, i.e. after deductions for bad debts. Assigned account receivables (factoring) are not derecognised on the balance sheet if the company still has significant risks (e.g. credit risk) associated with the receivables sold.

(iv) Financial assets available for sale

The category of financial assets available for sale includes financial assets that are not classified in any other category or financial assets that the company initially chose to classify in this category. Holdings of shares and portions that are not reported as subsidiaries, associated companies or jointly controlled companies are recognized here. The company has chosen to recognize the period's change in fair value in the income statement.

(v) Financial liabilities held for trading

Financial liabilities in this category are measured continuously at fair value and changes in value are recognized in the income statement. This category includes derivatives with a negative fair value, except for derivatives that are an identified and effective hedging instrument.

(vi) Other financial liabilities

Loans and other financial liabilities, e.g. accounts payable, are included in this category. The liabilities are valued at amortized cost.

Change in accounting policy

Previously, gas contracts were not recognised as financial instruments, but as from this financial year, gas contracts, like other financial contracts, are recognised at fair value instead of the lower of cost and fair value. The change in accounting policy is due to the company's desire to present a fair view of its positions in the gas market.

The change in accounting policy has had the following effects:

Other provisions

Opening balance according to the adopted balance sheet 31 December 2022	43 053
Adjustment gas contracts to fair value	-43 053
Opening balance 1 January 2023 adjusted in accordance with new principle	0

Financial instruments held for trading (liability)

Opening balance according to the adopted balance sheet 31 December 2022	-1 943 644
Adjustment gas contracts to fair value	-255 296
Opening balance 1 January 2023 adjusted in accordance with new principle	-2 198 940

Financial instruments held for trading (asset)

Opening balance according to the adopted balance sheet 31 December 2022	1 951 993
Adjustment gas contracts to fair value	212 243
Opening balance 1 January 2023 adjusted in accordance with new principle	2 164 236

Remuneration to employees

Plans for compensation after termination of employment are classified as defined contribution. In defined contribution plans, fixed contributions are paid to another company, normally an insurance company, and there is no longer any obligation to the employee when the contribution is paid. The size of the employee's compensation after termination of employment depends on the contributions paid and the return on capital provided by the contributions.

The contributions for defined-contribution plans are recognized as expenses. Unpaid contributions are recognized as liability.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current accounting year, which relates to the taxable profit for the year and the portion of previous years' income tax which has not yet been reported. Deferred tax is income tax for taxable earnings relating to future financial years because of previous transactions or events. Deferred tax liability is recognized for all taxable temporary differences. Deferred tax assets are reported for deductible temporary differences and for the possibility of using tax loss carry-forwards in the future. The valuation is based on how the recognized value of the corresponding asset or liability is expected to be recovered or adjusted. The amounts are based on the tax rates and tax rules that were decided before the balance sheet date and have not been calculated at present value.

Accounting of revenue

As revenue, the company recognizes the fair value of what has been received or will be received. The company therefore recognizes income at nominal value (invoice amount) if the company receives compensation in cash directly upon delivery. Deductions are made for discounts granted.

Income from the company's sale of goods is recognized as revenue when the following conditions are met: the significant risks and benefits associated with the ownership of the goods have been transferred to the buyer, the company has no involvement in the ongoing administration and has no actual control of the goods to be sold, the revenue can be calculated in a reliable manner, it is likely that the financial benefits that the company will receive from the transaction will accrue to the company, and the expenses incurred or which are expected to arise as a result of the transaction can be reliably calculated.

Conversion of entries in foreign currencies

Receivables and liabilities in foreign currencies have been valued using the exchange rate on the balance sheet date. Currency exchange profits and losses on operating receivables and liabilities are recognised in operating result, while currency exchange profits and losses on financial assets and liabilities are recognised as financial items.

Note 2 Net sales per business segment and geographical market

	2023	2022
Net sales per business segment		
Electricity trade	8 148 748	13 878 560
Gas trading	1 189 589	2 290 338
	9 338 337	16 168 898
Net sales per geographical market		
Sweden	9 235 329	15 937 839
Finland	107 372	231 059
	9 342 702	16 168 898

The above figures do not include excise duty. This amounts to TSEK 38 447 (TSEK 23 575) for the company.

Note 3 Other operating income

	2023	2022
Exchange rate gains on receivables/liabilities of an operating nature	27 576	40 716
	27 576	40 716

Note 4 Operating leases

Lease agreements where the company is the lessee, primarily leasing of premises. Future leasing fees for non-cancellable leases, are due for payment as follows:

	2023	2022
Within one year	-2 207	-2 207
Later than one year but within five years	-4 414	-3 937
	-6 621	-6 144
Lease fees recognised as expenses during the financial year	-2 608	-2 773
	-2 608	-2 773

Note 5 Audit Fees

	2023	2022
E&Y		
Audit assignments	820	798
Audit activities in addition to the audit assignments	0	763
	820	1 561

Audit engagement means the audit of the annual report and accounts and the administration of the Board of Directors, other tasks incumbent on the company's auditor and advice or other assistance arising from observations made during such audit or the performance of such other tasks.

Note 6 Employees and employee costs

	2023	2022
Average number of employees		
Women	14	14
Men	27	25
	41	39
Salaries, other payments and social security costs including pension costs		
Board of Directors and CEO	2 105	2 240
Other employees	36 083	35 921
Social security costs including pension costs	21 035	19 884
Total	59 223	58 045
Gender distribution in company management		
Proportion of women on the board	20 %	20 %
Percentage of women among other senior executives	44 %	44 %

Of the company's pension costs, 498 (370) relate to the Board of Directors and the CEO.

Severance pay: The company's CEO has a notice period of 6 months from the company and 3 months from the CEO.

Note 7 Depreciation of tangible and intangible fixed assets

	2023	2022
Inventories	-214	-214
Improvement cost on others' property	-1 426	-1 306
	-1 640	-1 520

Note 8 Interest revenue and similar items

	2023	2022
Interest revenue	29 029	21 962
Exchange rate gains	25 617	130 597
	54 646	152 558

Note 9 Interest expenses and similar items

	2023	2022
Interest costs	-48 395	-12 444
Exchange rate losses	-26 529	-121 941
Other	-7 400	-9 690
	-82 324	-144 075

Note 10 Tax on profit for the year

	2023	2022
Tax on profit for the year		
Change in deferred tax	-15 720	-6 933
Total tax recognised	-15 720	-6 933

Reconciliation of effective tax	2023		2022	
	Per cent	Amount	Per cent	Amount
Earnings before tax		70 649		31 924
Tax according to the tax rate in force	20,60	-14 554	20,60	-6 576
Non-deductible expenses		-659		-156
Change in tax deficit		15 720		6 933
Temporary differences on improvement cost on others' property		-507		-201
Tax-loss carry forward that is no longer reported as an asset		-15 720		-6 933
Recognised effective tax	22,25	-15 720	21,72	-6 933

Note 11 Improvements on others' property

	2023-12-31	2022-12-31
At start of the year	4 475	3 869
New acquisitions	8	607
Reclassifications	93	0
	4 576	4 475
Depreciation carried forward	-2 690	-1 384
Scheduled depreciation of acquisition value for the year	-1 426	-1 306
	-4 116	-2 690
Reported value at end of period	460	1 785

Note 12 Inventories

	2023-12-31	2022-12-31
Accumulated acquisition value at the beginning and end of the year	5 901	5 808
Acquisitions	0	93
Reclassifications	-93	0
	5 808	5 901
Accumulated depreciation at the beginning and end of the year	-5 185	-4 971
Depreciation for the year	-214	-214
	-5 399	-5 185
Reported value at end of period	410	716

Note 13 Deferred tax assets

	2023-12-31	2022-12-31
Opening acquisition values	16 580	23 513
Outgoing tax assets	-15 720	-6 933
	861	16 580
Loss carry-forwards	4 178	80 487
Deferred tax assets	861	16 580

Note 14 Financial instruments and risk management – Maturity overview

	2023-12-31			
	<1 year	2-5 years	>5 years	Total
Assets				
Derivatives	532 376	238 959	12 273	783 608
Total	532 376	238 959	12 273	783 608

Liabilities				
Derivative	-449 656	-143 582	-1 527	-594 765
Total	-449 656	-143 582	-1 527	-594 765

	2022-12-31			
	<1 year	2-5 years	>5 years	Total
Assets				
Derivatives	1 495 486	605 830	62 923	2 164 236
Total	1 495 486	605 830	62 923	2 164 236
Liabilities				
Derivative	-1 458 766	-737 309	-2 865	-2 198 940
Total	-1 458 766	-737 309	-2 865	-2 198 940

Note 15 Financial instruments measured at fair value in the balance sheet

Derivatives for which hedge accounting is not applied

	2023-12-31	
	Recognised value	Change in value recognised in I/S
Assets		
Currency futures	20 989	-140 803
Electricity futures	491 158	-1 112 083
Electricity certificate futures	133 385	-44 882
Emission allowance futures	20 287	11 593
Gas futures	117 789	-94 453
	783 608	-1 380 628
Liabilities		
Currency futures	-18 516	114 019

Electricity futures	-340 580	1 165 808
Electricity certificate futures	-23 387	67 961
Emission allowance futures	-87 637	125 736
Gas futures	-124 645	130 650
	-594 765	1 604 174
2022-12-31		
	Recognised value	Change in value recognised in I/S
Assets		
Currency futures	161 792	125 107
Electricity futures	1 603 240	536 372
Electricity certificate futures	178 267	128 650
Emission allowance futures	8 694	-102 430
Gas futures	212 242	212 242
	2 164 235	899 941
Liabilities		
Currency futures	-132 535	-132 400
Electricity futures	-1 506 388	-483 327
Electricity certificate futures	-91 348	-56 346
Emission allowance futures	-213 373	21 670
Gas futures	-255 295	-255 295
	-2 198 939	-905 698

Guarantees of origin were previously recognised under Emission Right Futures but are now recognised together with Electricity certificate futures.

The fair value of financial instruments listed on an active market is determined based on the asset's quoted purchase price on the balance sheet date, without any additions for transaction costs (such

as brokerage) at the time of acquisition. A financial instrument is quoted on an active market if quoted prices are readily available on a stock exchange, from a trader, broker, industry organization or regulatory authority, and these prices represent actual and regularly occurring market transactions on commercial terms. Derivatives are recognised at fair value in income statement.

If the market for financial instruments is not active, the company finds the fair value by using a valuation technique. The valuation techniques are based as much as possible on market data and company-specific data is used as little as possible.

The company uses different methods, and the conditions are based on existing market conditions on the balance sheet date in question. The Company has used such valuation techniques for contracts with a carrying amount of 57 495.

Note 16 Prepayments and accrued income

	2023-12-31	2022-12-31
Accrued energy revenue	1 194 126	2 364 280
Prepaid energy costs	7 819	5 246
Other items	660	0
	1 202 605	2 369 526

Note 17 Cash and cash equivalents

The following sub-components are included in cash and cash equivalents:

	2023-12-31	2022-12-31
Bank deposits	180 635	362 507
	180 635	362 507

The above items have been classified as cash and cash equivalents on the basis that:

- They have an insignificant risk of value fluctuation.
- they can be easily converted into cash
- they have a maximum maturity of 3 months or less from acquisition date.

Note 18 Number of Shares

The number of shares amounts to 20 000 and has a quota value of SEK 1 000.

Note 19 Allocation of profits

	2023-12-31
Proposal for the appropriation of profits	
The Board of Directors proposes that the available earnings:	
Retained earnings	110 906
Profit for the year	54 929
	165 835
Disposed as follows:	
Repayment of conditional shareholder contribution	54 929
in new account is transferred	110 906
	165 835

Note 20 Overdraft facility

	2023-12-31	2022-12-31
<u>Amount of credit utilised</u>		
Authorised credit line	1 500 000	1 500 000
Unutilised portion	-506 828	-766 697
	993 172	733 303

Note 21 Liabilities to credit institutions

Below refers to factoring debt.

	2023-12-31	2022-12-31
<u>Amount of credit utilised</u>		
Authorised credit line	970 000	1 420 000
Unutilised portion	-688 897	-1 110 020
	281 103	309 980

Assigned trade receivables with a right of recourse are included in reported trade receivables at 281 103.

Note 22 Accrued expenses and deferred income

	2023-12-31	2022-12-31
Accrued energy costs	272 404	1 427 526
Personnel costs	13 891	8 144
Other items	3 643	3 044
	289 937	1 438 714

Note 23 Additional notes on the cash flow statement

	2023-12-31	2022-12-31
Depreciation and amortisation	1 640	1 520
	1 640	1 520

Note 24 Collateral provided

	2023-12-31	2022-12-31
For the company's own account:		
Assigned trade receivables	281 103	309 980
	281 103	309 980

Note 25 Definitions of key figures

Profit before tax: Profit after financial items

Balance sheet total: Total assets

Return on capital employed: (Operating profit + financial income) / Average capital employed

Financial income: Items in net financial income that are attributable to assets (included in capital employed)

Capital employed: Total assets - non-interest bearing liabilities

Non-interest-bearing liabilities: liabilities that are not interest-bearing. Pension liabilities are considered as interest-bearing.

Return on equity: Profit before appropriations and tax x (1 - tax rate) / Average adjusted equity

Equity ratio: Total equity / Total assets

Mikael Eriksson, Chairman of the Board

Micke Andersson, Member of the Board

Madelene Hagman, Member of the Board

Martin Tofft, Member of the Board

Mark Fenzel, Member of the Board

Per Tidlund, Member,
Employee representative

Peter Margolis, Member,
Employee representative

Jonas Ekblad, CEO

Lund, 16 February 2024

Auditor's report

To the Annual General Meeting of Modity Energy Trading AB, corporate identity number 556643-4410

Report on the annual accounts

Statements

We have audited the financial statements of Modity Energy Trading AB for the financial year 2023-01-01 - 2023-12-31.

In our opinion, the financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Modity Energy Trading AB as of 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The administration report is consistent with the other parts of the annual financial statement.

We therefore recommend that the shareholders' meeting adopt the income statement and balance sheet.

Grounds for the declaration

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Modity Energy Trading AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the annual report in accordance with the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to irregularities or mistakes.

In preparing the annual report, the Board of Directors and the CEO are responsible for assessing the company's ability to continue operations. They disclose, where applicable, matters that may affect the ability to continue operations and use the assumption of continued operations. The assumption of continued operations, however, is not applied if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of this.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to irregularities or mistakes, and to issue an auditor's report that includes our statements. Reasonable assurance is a high level of assurance, but is no guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material misstatement if one exists. Errors can occur due to irregularities or mistakes and are considered to be material if they individually or together can reasonably be expected to influence the financial decisions that users make based on the annual report.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. In addition:

- we identify and assess the risks of material misstatement of the annual report, whether due to irregularities or mistakes, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our statement. The risk of not detecting a material misstatement resulting from irregularities is higher than for a material misstatement resulting from mistakes, as irregularities may include collusion, forgery, intentional omissions, misrepresentations or breach of internal control.
- we obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- we conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue operations. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause a company to cease to continuing operations.
- we evaluate the overall presentation, structure and content of the annual report, including the disclosures, and whether the annual report represents the underlying transactions and events in a manner that achieves fair presentation.

We must inform the board of directors, among other things, of the planned scope and timing of the audit. We must also communicate significant audit findings, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Declaration

In addition to our audit of the annual report, we have also audited the administration of the Board of Directors and the CEO of Modity Energy Trading AB for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend that the general meeting allocates the profit as proposed in the annual report and discharges the members of the board of directors and the managing director from liability for the financial year.

Grounds for declaration

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities

section. We are independent of Modity Energy Trading AB in accordance with good auditing practice in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. When a dividend is proposed, this includes an assessment of whether the dividend is justifiable, taking into account the requirements that the company's type of business, scope and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the organisation of the Company and the management of its affairs. This includes continuously assessing the company's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs in general are controlled in a reassuring manner. The CEO shall manage the day-to-day administration in accordance with the Board's guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounts are kept in accordance with the law and that the management of assets is managed in a satisfactory manner.

Auditor's responsibilities

Our objective for the audit of the administration, and hence our statement on discharge, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO is guilty of any material misstatement:

- has taken any action or been guilty of any omission which may give rise to liability to the company; or
- in any other way acted in violation of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion on this, is to assess with reasonable assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to liability to the company, or that a proposal for the appropriation of the company's profit or loss is not in accordance with the Swedish Companies Act. As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriation of the company's profit or loss is primarily based on the audit of the accounts. The additional audit procedures performed are based on our professional judgement with reference to risk and materiality. This means that we focus the audit on such measures, areas and conditions that are material to the operations and where deviations and violations would have particular significance for the company's situation. We examine and test decisions made, basis for decisions, actions taken and other circumstances that are relevant to our statement on discharge from liability. As a basis for our statement on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

Helsingborg, 16 February 2024

Ernst & Young AB

Micael Engström
Authorised Public
Accountant

Audit report for Modity Energy Trading AB 2023

We, the lay auditors appointed by the municipal councils of Helsingborg and Lund, have audited the operations of Modity Energy Trading AB (reg. no. 556643-4410) during 2023.

The Board of Directors and CEO are responsible for ensuring that operations are conducted in accordance with the current Articles of Association, owner directives and the laws and regulations that apply to the operations. The lay auditors are responsible for reviewing operations and internal control and assessing whether the business has been conducted in accordance with the owners' mission and objectives.

The audit has been carried out in accordance with the Swedish Companies Act, the Swedish Local Government Act, generally accepted auditing standards in municipal operations and on the basis of the Articles of Association and owner directives. Co-planning has taken place with the company's authorised auditor.

The audit was conducted to the extent necessary to provide a reasonable basis for judgement.

Overall, we assess that the company complies with the owner's directives and that the company's operations have been managed in an appropriate and, from a financial point of view, satisfactory manner and that the company's internal control has been adequate.

Helsingborg 2024-02-16

Lund 2024-02-15

Johan Sederholm
Lay auditor

Lars Trägen
Lay auditor