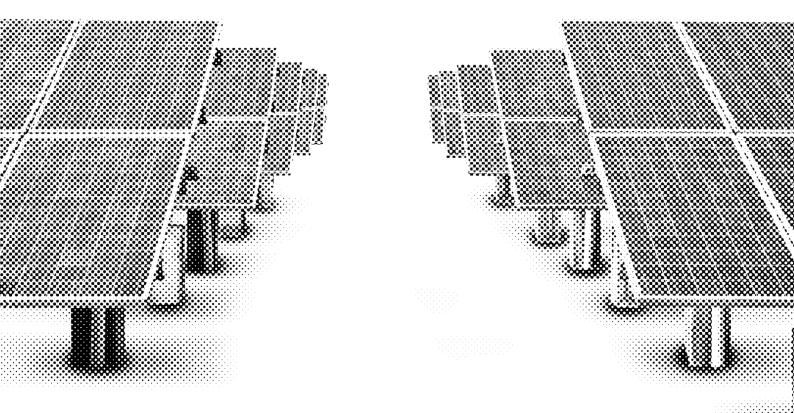
Annual financial statement 2022



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The Board of Directors and CEO of Modity Energy Trading AB submit the following annual financial statement for the financial year 2022.

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

Management Report

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

Modity Energy Trading AB is equally owned by Kraftringen Energi AB (publ) (556100-9852, Lund) and Öresundskraft AB (556089-7851, Helsingborg). Kraftringen Energi AB (publ) is owned by the holding company Kraftringen 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 involves risk, as the price of energy varies with weather and other external factors. Someone has to manage the risk and this requires specialised expertise. Before Modity was formed, Kraftringen and Öresundskraft managed the risk separately. In 2010, they formed Modity instead. The advantages of jointly owning and managing the energy trading business include strengthened expertise, reduced costs for energy trading, increased control compared to hiring an external supplier, and opportunities to benefit from returns from the business.

In 2022, the energy market was characterised by high risk, high prices and higher interest rates. Uncertainty in the energy market was further heightened by discussions on various EU initiatives aimed at stabilising the volatile market, with the uncertainty stemming from the impact on the energy financial market and prices.

In 2022, high electricity prices and rising interest rates have led to increased liquidity risks, which has prompted a strong internal focus on securing Modity's working capital. Sufficient liquidity has been ensured, including through a new structure for cooperation and governance with Modity's

owners, implementation of a liquidity forecast model that follows liquidity needs in the longer term, increased guarantees for the winter (from SEK 1.9 billion in 2021 to SEK 2.0 billion in 2022) and continued work on factoring arrangements. Modity has also adopted an updated risk policy, adapted to the new market conditions.

In 2022, Modity pre-qualified wind power for the new support market for flexibility FCRD-down and has also pre-qualified battery for the support market.

Expectations for future developments

In 2022, Modity took major steps towards stable financing and efficient work with working capital and lower risk. A lot of work remains to be done to review our business models to create a robustness that lasts in different market conditions.

Among other things, Modity has reduced the risk in its gas business and will also change the accounting principle for the gas business in 2023. Going forward, the company's gas market positions will be recognised at fair value instead of the lower of cost or fair value. The change of accounting principle is not expected to affect the result and position as of 31 December 2022.

The focus for Modity's business development will continue to be profitable business in flexibility, optimisation and in various support markets. In order for Modity to succeed in delivering on its strategy, risk management is required in several different areas. Risks have been identified in, among other things, being able to re-contract existing customers (and volumes), managing the market risks that arise in connection with financial positions, continued high volatility in the spot and settlement price market, and the transition and implementation of the strategy in the new area of flexibility and support markets. In addition, there is considerable uncertainty related to inflationary pressures and the potential for future cost increases.

Sustainability report

The sustainability report for the period 1 January 2022 to 31 December 2022 is prepared as a separate document that is published on the company's website.



Financial overview

Amounts in TSEK	2022	2021	2020	2019	2018
Net sales	16 168 898	9 440 428	4 378 890	6 070 731	4 919 461
Profit before tax	31 924	1 221	-113 186	75 861	63 808
Balance sheet total	5 733 539	3 970 428	1 216 107	1 449 312	1 362 315
Return on capital employed %	20	4	-11	15	24
Return on equity %	28	1	-81	49	63
Return on equity %, rolling 5-year basis	12	13	13	35	28
Dasis	12	13	13	30	20
Equity to asset ratio %	2	2	8	13	9

Change in equity

Amounts in TSEK	Share capital	Restricted reserves	Retained earnings	Profit for the year	Total
Amount at start of year	20 000	20	75 930		95 950
Shareholder contributions received			10 000		10 000
Profit for the year				24 991	24 991
Amount at year-end	20 000	20	85 930	24 991	130 941

Conditional shareholder contributions account for 70 487 (60 487) of the total retained earnings of 110 921.

Proposed disposition regarding the company's profit or loss

The Board of Directors proposes available unrestricted equity of SEK 110,921,334 shall be disposed as follows:

Retained earnings	85 930 327
Profit for the year	24 991 007
	110 921 334
Disposed as	
Carry-forward (SEK)	-110 921 334

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

Income statement

Amounts in TSEK	Note	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Operating Revenue			
Net sales	2	16 168 898	9 440 429
Other operating income	3	40 716	12 414
		16 209 614	9 452 843
Operating costs			
Goods for resale		-16 032 111	-9 327 089
Other external costs	4, 5	-47 811	-42 916
Personnel costs	6	-58 764	-65 179
Depreciations of tangible and intangible fixed assets	7	-1 520	-1 499
Other operating expenses		-45 967	-12 634
Operating profit		23 441	3 526
Results from financial items			
Interest income and similar items	8	152 558	18 701
Interest expenses and similar items	9	-144 075	-21 006
		8 483	-2 305
Profit after financial items		31 924	1 221
Profit before tax		31 924	1 221
Tax on the profit for the year	10	-6 933	-598
Net profit		24 991	623

Balance sheet

Dalance sheet			
Amounts in TSEK	Note	2022-12-31	2021-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized expenditure for software and similar work	11	0	0
		0	0
Tangible assets			
Improvement on others' property	12	1 785	2 485
Inventories	13	716	837
		2 501	3 322
Financial non-current assets			
Deferred tax receivables	10, 14	16 580	23 513
		16 580	23 513
Total fixed assets		19 081	26 835
Current assets			
Inventories etc			
Goods for resale		69 059	0
		69 059	0
Current receivables			
Accounts receivable		518 136	365 191
Tax receivables		18 089	16 398
Financial instruments held for trading	15, 16	1 951 993	1 264 186
Other receivables		425 148	199 996
Prepaid expenses and accrued income	17	2 369 526	1 658 747
		5 282 892	3 504 518
Cash and bank balances	18	362 507	439 075
Total current assets		5 714 458	3 943 593
TOTAL ASSETS		5 733 539	3 970 428

Balance sheet

Amounts in TSEK	Note	2022-12-31	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	19	20 000	20 000
Statutory reserve		20	20
		20 020	20 020
Non-restricted equity			
Unrestricted share premium reserve		19 000	19 000
Retained earnings		66 930	56 308
Profit for the year		24 991	623
		110 921	75 931
Total equity	20	130 941	95 951
Provisions			
Other provisions	21	43 053	0
Total provisions		43 053	0
Current liabilities			
Overdraft facility	22	733 303	250 878
Payables to banks and financial institutions	23, 26	309 980	235 274
Accounts Payables		496 064	551 335
Financial instruments held for trading	15, 16	1943 644	1 293 135
Other liabilities		637 840	400 833
Accruals and deferred income	24	1 438 714	1 143 022
		5 559 545	3 874 477
TOTAL EQUITY AND LIABILITIES		5 733 539	3 970 428

Cash-flow analysis

Casii ilow alialysis		2022-01-01	2021-01-01
Amounts in TSEK	Note	-2022-12-31	-2021-12-31
Current operations			
Profit after financial items		31 924	1 221
Adjustments for items not included in cash flow	25	44 573	1 499
Market valuation financial instruments		-37 298	175 367
Tax paid		-1 691	-5 878
Cash flow from operating activities before change in working capital	9	37 508	172 209
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-69 059	2 974
Increase(-)/Decrease(+) in receivables		-1 088 876	-1 483 555
Increase(-)/Decrease(+) in current liabilities		477 427	1 747 341
Cash flow from operating activities		-643 000	438 969
Investment activities			
Investment in tangible assets		-699	-239
Cash flow from investing activities		-699	-239
Financing activities			
Change in overdraft facility		482 425	-261 966
Change in debt factoring		74 706	235 274
Shareholder contributions received		10 000	0
Cash flow from financing activities		567 131	-26 692
Net cash flow		-76 568	412 038
Liquid assets at start of the year		439 075	27 037
Cash and cash equivalents at end of period		362 507	439 075

Notes with accounting priciples and notes in accounts

Amounts in TSEK if not stated otherwise.

Note 1

Reporting and valuation priciples

General information

The annual accounts have been prepared in accordance with the Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board 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.

Intangible assets

Other intangible assets acquired by the company are recognized at acquisition value less accumulated depreciation and write-downs. Internally generated intangible assets follow the cost model and are expensed when they are incurred.

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 have been applied:	Useful life
Fixtures, fittings, tools, and equipment	3–10 years
Computer software	5 years
Improvement costs 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 recognized in accordance with Chapter 12 (Financial instruments valued in accordance with Chapter 4, §14a–14e of the Annual Accounts Act) in 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 reported. The fair value of financial instruments listed on an active market is determined on the basis of 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 considered to be 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 valued at fair value through profit or loss. 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.

(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.

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 as a result 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 carryforwards 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.



	2022	2021
Net sales per buisness segment		
Electricity trade	13 878 560	8 212 238
Gas trade	2 290 338	1 228 190
	16 168 898	9 440 428
Net sales per geographical market		
Sweden	15 937 839	9 308 976
Finland	231 059	131 452
	16 168 898	9 440 428

The information above does not include excise duty. For the company, this amounts to TSEK 23 575 (TSEK 24 726).

Note 3 Other operating income

	2022	2021
Exchange rate gains on receivables/liabilities of an		
operating nature	40 716	12 414
	40 716	12 414

Note 4 Operational leasing

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:

	2022	2021
Within one year	-2 207	-2 676
Later than one year but within five years	-3 937	-3 420
Later than five years		0
	-6 144	-6 096
	-2 773	-2 803
Leasing fees recognized as expenses during the financial year	-2 773	-2 803

Note 5 Audit fees

	2022	2021
E&Y		
Audit assignements	798	796
Audit activities in addition to the audit assignements	763	733
	1 561	1 529

The audit assignments relates to examining the annual financial statement and accounts, as well as the management by the board of directors, other work tasks to be performed by the company's auditor, and consultancy or other assistance arising from observations from such examinations or the performance of other work tasks.

Note 6 Employees and employee costs

	2022	2021
Average number of employees		
Women	14	13
Men	25	31
	39	44
Salaries, other payments and social security costs, including pension costs		
Board of Directors and CEO	2 240	2 165
Other employees	35 921	37 676
Social costs, including pension costs	(19 884	21 791)
Total	38 161	39 841
Gender distribution in company management		
Proportion of women on the board	20 %	20 %
Proportion of women among other senior executives	44 %	50 %

Of the company's pension costs, 370 (458) refers to the group board of directors and the CEO.

Note 7 Depreciations of tangible and intangible fixed assets

	2022	2021
Inventories	-214	-215
Improvement costs on others' property	-1 306	-1 284
	-1 520	-1 499

Note 8 Interest revenue and similar items

	2022	2021
Interest revenue	21 962	4 782
Exchange rate gains	130 597	13 919
	152 558	18 701

Note 9 Interest expenses and similar items

	2022	2021
Interest costs	-12 444	-3 673
Exchange rate losses	-121 941	-14 818
Other	-9 690	-2 516
	-144 075	-21 006

Note 10 Tax on the profit for the year

	2022	2021
Tax on the profit for the year		
Current tax costs	0	0
Changes in deferred tax	-6 933	-604
Adjustment for previous years	0	6
Total recognised tax	-6 933	-598

Reconciliation of effective tax		2022		2021
	Percent	Amount	Percent	Amount
Earnings before tax		31 924		1 221
Tax according to the tax rate in force	20,60	-6 576	20,60	-251
Non-deductible expenses		-156		-155
Change in tax deficit		6 933		604
Temporary differences on improvement costs on others' property		-201		-197
Tax-loss carry forward that is no longer reported as an asset		-6 933		-604
Tax attributable to previous years		0		6
Reported effective tax	21,72	-6 933	48,96	-598

Note 11 Capitalized expenditure for software and similar work

	2022-12-31	2021-12-31
Accumulated acquisition value at the beginning of the year	6 381	6 381
Accumulated acquisition value at the end of the year	6 381	6 381
Accumulated depreciation according to plan at the beginning of the year	-6 381	-6 381
Accumulated depreciation at the end of the year	-6 381	-6 381
Reported value at end of period	0	0

Note 12 Improvements on others' property

	2022-12-31	2021-12-31
At start of the year	3 869	3 618
New acquisitions	607	250
	4 475	3 869
Depreciation carried forward	-1 384	-101
Scheduled depreciation of acquisition value for the year	-1 306	-1 283
	-2 690	-1 384
Reported value at end of period	1 785	2 485

Note 13 Inventories

	2022-12-31	2021-12-31
Accumulated acquisition value at the beginning and end of	F 000	F 000
the year	5 808	5 820
Acquisitions	93	0
Reclassifications	0	-12
	5 901	5 808
Accumulated depreciation at the beginning and end of the		
year	-4 971	-4 756
Depreciation for the year	-214	-215
	-5 185	-4 971
Reported value at end of period	716	837

Note 14 Deferred tax assets

	2022-12-31	2021-12-31
Opening acquisition values	23 513	24 117
Outgoing tax assets	-6 933	-604
	16 580	23 513
Tax loss carryforwards	80 487	114 141
Deferred tax assets	16 580	23 513

Note 15 Financial instruments and risk management – Maturity overview 2022-12-31

	<1 year	2-5 years	>5 years	Total
Assets				
Derivatives	1 318 899	570 181	62 923	1 951 993
Total	1 318 899	570 181	62 923	1 951 993
Liabilities				
Derivatives	-1 249 469	-691 310	-2 865	-1 943 644
Total	-1 249 469	-691 310	-2 865	-1 943 644

2021-12-31

	<1 year	2-5 years	>5 years	Total
Assets				
Derivatives	1 054 979	192 438	16 768	1 264 186
Total	1 054 979	192 438	16 768	1 264 186
Liabilities				
Derivatives	-1 047 045	-246 087	-2	-1 293 135
Total	-1 047 045	-246 087	-2	-1 293 135

Note 16 Financial instruments measured at fair value on the balance sheet

Derivatives for which hedge accounting is not applied

2022-12-31

	Carrying value	Change in value reported on I/S
Assets		
Currency futures	161 792	125 107
Electricity futures	1 603 240	536 372
Electricity certificate futures	8 742	-18 989
Emission allowance futures	178 219	45 317
	1 951 993	687 807
Liabilities		
Currency futures	-132 535	-132 400
Electricity futures	-1 506 388	-483 327
Electricity certificate futures	-9 325	13 411
Emission allowance futures	-295 396	-48 194
	-1 943 644	-650 509
	202	21-12-31
	Carrying value	Change in value reported on I/S
Assets		
Current out fruit uno		
Currency futures	36 685	-17 535
Electricity futures	36 685 1 066 868	-17 535 941 550
•		
Electricity futures	1 066 868	941 550
Electricity futures Electricity certificate futures	1 066 868 27 731	941 550 -44 387
Electricity futures Electricity certificate futures	1 066 868 27 731 132 902	941 550 -44 387 -21 949
Electricity futures Electricity certificate futures Emission allowance futures	1 066 868 27 731 132 902	941 550 -44 387 -21 949
Electricity futures Electricity certificate futures Emission allowance futures Liabilities	1 066 868 27 731 132 902 1 264 186	941 550 -44 387 -21 949 857 679
Electricity futures Electricity certificate futures Emission allowance futures Liabilities Currency futures	1 066 868 27 731 132 902 1 264 186 -136	941 550 -44 387 -21 949 857 679 37 526
Electricity futures Electricity certificate futures Emission allowance futures Liabilities Currency futures Electricity futures	1 066 868 27 731 132 902 1 264 186 -136 -1 023 061	941 550 -44 387 -21 949 857 679 37 526 -899 103

The fair value of financial instruments listed on an active market is determined on the basis of 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 considered to be 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 361 145.

Note 17 Prepayments and accrued income

	2022-12-31	2021-12-31
Accrued energy revenues	2 364 280	1 631 556
Prepaid energy costs	5 246	21 675
Other items	0	5 515
	2 369 526	1 658 747

Note 18 Cash and cash equivalents

The following subcomponents are included in cash and cash equivalents:

	2022-12-31	2021-12-31
Bank deposits	362 507	439 075

The above items have been classified as cash and cash equivalents based on:

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

Note 19 Number of shares

The number of shares amounts to 20,000 and have a quotient value of SEK 1000.

Note 20 Allocation of profits

	2022-12-31	
Proposal for the appropriation of profits		
The Board of Directors proposes that the available profits be retained:		
Detained counings	05.020	
Retained earnings	85 930	
Profit for the year	24 991	
	110 921	
Disposed as follows:		
Carry forward (kr)	-110 921	
transferred to a new account	221 843	
	110 921	

Note 21 Provisions

	2022-12-31	2021-12-31
Other provisions		
Amount at beginning of year	0	0
Provisions for the year	-43 053	0
	-43 053	0

Provision on account of closing deficit gas contracts

Note 22 Overdraft facility

	2022-12-31	2021-12-31
Amount of credit utilised		
Authorised credit limit	1 500 000	1 200 000
Unused portion	-766 697	-949 122
	733 303	250 878

Note 23 Payables to banks and financial institutions

Below refers to factoring debt.

	2022-12-31	2021-12-31
Amount of credit utilised		
Authorised credit limit	1 420 000	500 000
Unused portion	-1 110 020	-264 726
	309 980	235 274

Assigned trade receivables with a right of recourse are included in reported trade receivables at 309,980. See also note 26.

Note 24 Accrued expenses and deferred income

	1 438 714	1143 022
Other items	3 044	2 060
Personnel costs	8 144	8 002
Accrued energy costs	1 427 526	1132 960
	2022-12-31	2021-12-31

Note 25 Additional notes on the cash flow statement

	2022-12-31	2021-12-31
Depreciation	1 520	1 499
Provisions	43 053	0
	44 573	1 499

Note 26 Collateral provided

	2022-12-31	2021-12-31
For the company's own account:		
Assigned trade receivables	309 980	235 274
	309 980	235 274

Note 27 Definitions of key figures

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

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

Capital employed: Total assets – interest-free liabilities

Interest-free liabilities: Liabilities that are not interest-bearing. Pension liabilities are regarded 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, Chair 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, Employee representative

Jonas Ekblad, CEO

Lund 16/02/2023

Our audit statement was issued on 16 February 2023 Ernst & Young AB

Niklas Paulsson Authorised Public Accountant

Our detailed audit report was issued on 16 February 2023

Carl Herbertsson Lars Trägen Lay auditor Lay auditor

Auditor's Report

To the shareholders' meeting of Modity Energy Trading AB, Corporate ID no. 556643-4410.

Report on the annual accounts

Statements

We have audited the financial statements of Modity Energy Trading AB for the financial year 2022-01-01 - 2022-12-31.

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 2022 and its financial performance and cash flow for the year, 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 of the annual report and that they give a true and fair view 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 annual report 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, when applicable, conditions that may affect the ability to continue operations and to 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 goal is to achieve a reasonable degree of assurance that the annual report as a whole does not contain any material misstatement, whether due to irregularities or mistakes, and to submit an audit report containing our statements. Reasonable assurance is a high degree 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 under 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
 due to irregularities is higher than for a material misstatement due to mistakes, as
 irregularities may include acts of collusion, falsification, deliberate omissions,
 misinformation or breach of internal controls.
- we obtain an understanding of the company's internal control relevant to our audit in order to design audit measures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of the 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 annual accounts or, if such disclosures are inadequate, to modify our opinion on the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause a company to cease 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 of, among other things, the planned scope, focus and timing of the audit. We must also communicate significant audit findings, including any significant deficiencies in internal control that we have 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 2022-01-01 to 2022-12-31 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 proposing a dividend, this includes, among other things, an assessment of whether the dividend is justifiable considering the requirements that the company's type of business, scope and risks place on the size of the company's equity, consolidation needs, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the management of the company's affairs. This includes, among other things, continuously assessing the company's financial situation and ensuring that the company's organisation is designed so that the accounting, asset management and the company's financial affairs are otherwise controlled in a reassuring manner. The CEO shall manage the ongoing management in accordance with the Board of Director's guidelines and instructions and, among other things, take the measures necessary to fulfil the company's accounting in accordance with the law and to ensure that the management of assets is handled in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thus our statement on discharge from liability, is to obtain audit evidence to assess with reasonable assurance whether any member of the Board of Directors or the Managing Director is in any material respect responsible:

- has undertaken 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

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 on the date specified in our electronic signature.

Ernst & Young AB

Niklas Paulsson Authorised Public Accountant

Detailed audit report for Modity Energy Trading AB 2022

We, as lay auditors appointed by officials in the municipalities of Helsingborg and Lund, have reviewed the operations of Modity Energy Trading AB (org. no. 556643-4410) during 2022. The Board of Directors and CEO are responsible for ensuring that the 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 for assessing whether the operations have 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. Coplanning has taken place with the company's authorised auditor. The review has been conducted with the focus and scope necessary to provide a reasonable basis for judgement. Our overall assessment is that the company complies with the owner's directives and that the company's operations have been managed in an appropriate and financially satisfactory manner and that the company's internal control has been adequate.

Helsingborg 2023-02-16 Lund 2023-02-16

Carl Herbertsson Lars Trägen

Lay auditor Lay auditor



