Annual Report 2025

Modity Energy Trading AB

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Innehåll

The Board of Directors and the Chief Executive Officer of Modity Energy Trading AB hereby present the following Annual Report for the financial year 2025.

The Annual Report has been prepared in Swedish kronor (SEK). Unless otherwise stated, all amounts are reported in thousands of kronor (SEK T).

Director's Report

General Information About the Operations and Significant Events During the Financial Year

Modity Energy Trading AB is equally owned by Kraftringen Energi AB (publ) (556100-9852, Lund), Öresundskraft AB (559443-4069, Helsingborg), Jönköping Energi AB (556015-3354) and Umeå Energi AB (556097-8602). 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 wholly owned (100%) by the City of Helsingborg through Helsingborgs Stads Förvaltning AB (556007-4634, Helsingborg). Jönköping Energi AB is wholly owned (100%) by the Municipality of Jönköping through Jönköpings Rådhus AB (556380-7162, Jönköping). Umeå Energi AB is wholly owned (100%) by the Municipality of Umeå through Umeå kommunföretag AB (556051-9562, Umeå).

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

Energy trading is associated with risks, as energy prices fluctuate depending on weather conditions and other external factors. Someone must manage this risk, and doing so requires specialized expertise. Prior to the formation of Modity, Kraftringen and Öresundskraft managed these risks individually. In 2010, Modity was established instead. The advantages of jointly owning and managing the energy trading operations include strengthened expertise, reduced energy trading costs, increased control compared with engaging an external supplier, and the opportunity to generate returns from the operations.

One of the most significant events during the year was the expansion of the ownership structure through the addition of Jönköping Energi and Umeå Energi as new shareholders. This strengthens our long-term position and provides improved conditions for the continued development of the business.

In other respects, 2025 has been a challenging year for Modity. The physical electricity business was negatively impacted in connection with Svenska Kraftnät's changes to the balancing market, which resulted in significantly increased risk for all market participants. Modity and a number of other major market participants have been openly critical of how the implementation was carried out. Minor deviations became extremely costly without materially improving the functionality of the electricity system. The negative result for the year can be linked to the months immediately following the introduction of the changes.

During the year, we implemented many measures within trading operations, resource control and contractual arrangements, which, together with very strong performance in our gas business, reversed the earnings trend during the second half of the year. Svenska Kraftnät has also made adjustments in response to the criticism from market participants, which is positive. Despite a challenging situation, we have continued to develop our offering and capabilities and are well positioned heading into 2026.

During the year, active working capital management continued in close cooperation with the owner companies. At year-end, guarantee commitments amounted to SEK 1,625 million.

Expectations Regarding Future Developments

We continue to face an intensive development phase encompassing both technical solutions and business models, adapted to the dynamic markets in which we operate and representing an important step towards more comprehensive energy trading.

In 2026, the Nordic derivatives exchange will be acquired by Euronext's subsidiary Nord Pool (from Nasdaq Commodities), which we assess will contribute positively to both liquidity and the market as a whole. In parallel, stricter regulatory requirements within information and cybersecurity will be introduced at the beginning of 2026 through the EU's NIS2 Directive, placing increased demands on governance, risk management and technical protective measures.

Sustainability Report

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act (ÅRL), the company has chosen to prepare the statutory sustainability report as a separate report from the Annual Report. The sustainability report has been submitted to the auditor at the same time as the Annual Report. The sustainability report is available at www.modity.se.


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Financial Overview

Financial Overview

Amount in SEK T	2025	2024	2023	2022	2021
Net revenue	5 531 214	6 641 684	9 338 337	16 168 898	9 440 428
Earnings before tax	-43 479	33 291	70 649	31 924	1 221
Balance sheet total	1 293 164	1 376 929	2 816 824	5 945 782	3 970 428
Return on Capital Employed %	-7	10	13	22	4
Return on Equity %	-28	20	45	28	1
Solidity %	13	11	7	2	2

Changes in Equity (SEK T)

	Share capital	Restricted reserves	Retained earnings	Profit for the year	In total
Opening balance	20 000	20	110 906	20 399	**151 325**
Carried forward			20 399	-20 399	**0**
Shareholder contribution			-15 557		**-15 557**
Dividend			-35 767		**-35 767**
New issue of shares	20 000		80 000		**100 000**
Profit for the year				-37 219	**-37 219**
Closing balance	**40 000**	**20**	**159 980**	**-37 219**	**162 781**

Conditional shareholder contributions amount to 0 (15 557) of total retained earnings of 122 761.

Proposed Appropriation of Profits

The Board of Directors proposes that the unappropriated retained earnings available for distribution, amounting to 122 760 889 SEK T, be appropriated as follows:

Share premium reserve	80 000 000
Retained earnings	79 980 000
Profit for the year	-37 219 111
122 760 889	
be approriated such that the amount be carried forward to new account	122 760 889
	122 760 889

The company's results and financial position in other respects are presented in the following income statement and balance sheet, together with the accompanying notes.

Profit and Loss Account

SEK T	Note	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Operating income			
Net revenue	2	5 531 214	6 641 684
Other operating income	3	8 032	9 369
		5 539 246	**6 651 053**
Operating expenses			
Cost of goods sold		-5 437 830	-6 466 800
Other external expenses	4, 5	-62 053	-55 811
Staff costs	6	-72 021	-65 821
Depreciation of tangible and amortisation of intangible fixed assets	7	-386	-484
Other operating expenses		-8 858	-11 052
Operating profit		**-41 902**	**51 085**
Net financial items			
Interest income and similar income	8	17 761	29 385
Interest expense och similar expenses	9	-19 338	-47 179
		-1 577	**-17 794**
Profit after financial items		**-43 479**	**33 291**
Profit before tax		**-43 479**	**33 291**
Tax on profit for the year	10	6 260	-12 892
Profit for the year		**-37 219**	**20 399**

Balance Sheet

SEK T	Note	2025-12-31	2024-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Improvement on leasehold property	11	0	208
Equipment	12	0	178
		0	**386**
Financial fixed assets			
Deferred tax asset	10, 13	6 260	0
		6 260	**0**
Total fixed assets		6 260	386
Current assets			
Inventory and more			
Goods for resale		8 791	26 824
		8 791	**26 824**
Current receivables			
Accounts receivable		233 988	325 895
Current tax asset		18 089	6 057
Financial instruments held for trading	14, 15	492 021	471 194
Other receivables		34 871	44 301
Prepaid expenses and accrued income	16	422 208	486 106
		1 201 177	**1 333 553**
Cash and bank balances	17	76 936	16 166
Total current assets		1 286 904	1 376 543
TOTAL ASSETS		1 293 164	1 376 929

SEK T	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	18	40 000	20 000
Legal reserve		20	20
		40 020	**20 020**
Unrestricted equity			
Share premium reserve		80 000	19 000
Retained earnings		79 980	91 906
Profit for the year		-37 219	20 399
		122 761	**131 305**
Total equity	19	**162 781**	**151 325**
Current liabilities			
Bank overdraft	20	293 607	395 785
Liabilities to credit institutions	21, 24	37 181	0
Trade payables		33 299	33 179
Financial instruments held for trading	14, 15	243 506	275 383
Other liabilities		124 925	208 823
Accrued expenses and deferred income	22	397 865	312 434
		1 130 383	**1 225 604**
TOTAL EQUITY AND LIABILITIES		**1 293 164**	**1 376 929**

Statement of Cash Flows

SEK T	Note	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Operating activities			
Profit after financial		-43 479	33 291
Adjustments for items not included in cash flow	23	386	484
Fair value measurement of financial instruments		-52 704	-6 968
Income taxes paid		-12 032	1
Cash flow from operating activities before changes in working capital		**-107 829**	**26 808**
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		18 033	20 467
Increase(-)/Decrease(+) in receivables		165 236	929 168
Increase(+)/Decrease(-) in current liabilities		1 651	-207 401
Cash flow from operating activities		**77 091**	**769 042**
Financing activities			
Change in bank overdraft		-102 178	-597 387
Change in borrowings		37 181	-281 195
Dividends paid		-35 767	0
Share issue		100 000	0
Repayment of conditional shareholder contribution		-15 557	-54 929
Cash flow from financing activities		**-16 321**	**-933 511**
Cash flow for the year		**60 770**	**-164 469**
Cash and cash equivalents at the beginning of the year		16 166	180 635
Cash and cash equivalents at the end of the year		**76 936**	**16 166**

Notes

SEK T

Note 1 Accounting and Valuation Principles

General Information

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

Measurement Principles

Assets, provisions and liabilities have been measured at historical cost unless otherwise stated below.

Revenue Recognition

Revenue is recognized at the fair value of the consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.

Tangible Assets

Tangible fixed assets are recognized at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and expenditures directly attributable to the acquisition.

Intangible and tangible fixed assets are recognized at cost less accumulated amortization and any impairment losses.

Amortization of Intangible Assets and Depreciation of Tangible Fixed Assets

Amortization is applied on a straight-line basis over the asset's estimated useful life, reflecting the expected consumption of the asset's future economic benefits. Depreciation/amortization is recognized as an expense in the income statement

The following useful lives are applied:	Useful life
Fixtures, fittings and equipment	3–10 years
Software	5 years
Leasehold improvements	3 years

Leases

All leases are recognized as operating leases. Lease payments under operating leases, including initial lease premiums but excluding costs for services such as insurance and maintenance, are recognized as an expense on a straight-line basis over the lease term.

Receivables

Receivables are recognized at amortized cost less any impairment losses.

Inventories

Inventories are measured at the lower of cost and net realizable value, considering the risk of obsolescence. Cost is determined using the first-in, first-out (FIFO) method. Cost includes purchase costs and other costs incurred in bringing the inventories to their present location and condition.

Financial Assets and Liabilities

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

Recognition and Derecognition

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or are settled. The same applies when substantially all the risks and rewards associated with ownership have been transferred to another party and the company no longer retains control of the financial asset. A financial liability is derecognized when the contractual obligation is discharged or extinguished. Regular way purchases and sales of financial assets are recognized on the trade date.

Classification and Measurement

Financial assets and liabilities have been classified into different measurement categories in accordance with Chapter 12 of BFNAR 2012:1. The classification into measurement categories forms the basis for how the financial instruments are measured and how changes in value are recognized.

For financial instruments quoted in an active market, fair value is determined based on the quoted bid price of the asset at the balance sheet date, without adjustment for transaction costs (e.g. brokerage fees) at initial recognition. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group or regulatory authority, and those prices represent actual and regularly occurring market transactions on arm’s length terms. Derivatives are measured at fair value through profit or loss.

If the market for a financial instrument is not active, the company determines fair value using a valuation technique. These valuation techniques maximize the use of market inputs and minimize the use of entity-specific inputs. The company applies various methods, and the assumptions are based on market conditions existing at each balance sheet date.

(i) Financial Assets Held for Trading

Financial assets in this category are measured at fair value, with changes in fair value recognized in profit or loss. The category includes derivatives with a positive fair value, except for derivatives designated as effective hedging instruments.

(ii) Held-to-Maturity Investments

Held-to-maturity investments are financial assets comprising interest-bearing securities with fixed or determinable payments and fixed maturity that the company has the positive intention and ability to hold to maturity. Assets in this category are measured at amortized cost.

(iii) Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not derivatives. These assets are measured at amortized cost. Amortized cost is determined using the effective interest rate calculated at initial recognition.

Trade receivables are recognized at the amount expected to be received, i.e. after deduction for doubtful debts. Transferred trade receivables (factoring) are not derecognized when the company retains significant risks (e.g. credit risk) associated with the receivables sold.

(iv) Available-for-Sale Financial Assets

The category of available-for-sale financial assets includes financial assets that are not classified in any other category or that the company has initially designated as available for sale. Holdings of shares and participations not recognized as subsidiaries, associates or jointly controlled entities are included in this category. The company has elected to recognize changes in fair value for the period in profit or loss.

(v) Financial Liabilities Held for Trading

Financial liabilities in this category are measured at fair value, with changes in fair value recognized in profit or loss. The category includes derivatives with a negative fair value, except for derivatives designated as effective hedging instruments.

(vi) Other Financial Liabilities

Loans and other financial liabilities, such as trade payables, are included in this category. These liabilities are measured at amortized cost.

Employee Benefits

Post-employment benefit plans are classified as defined contribution plans.

Under defined contribution plans, fixed contributions are paid to a separate entity, normally an insurance company, and the company has no further obligation to the employee once the contributions have been paid. The level of post-employment benefits received by the employee depends on the contributions paid and the return generated on those contributions.

Contributions to defined contribution plans are recognized as an expense. Unpaid contributions are recognized as a liability.

Tax

Tax on profit for the year in the income statement comprises current tax and deferred tax.

Current tax is income tax for the current financial year relating to taxable profit for the year and the portion of income tax from previous financial years that has not yet been recognized.

Deferred tax is income tax relating to taxable profit for future financial years as a result of past transactions or events. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets relating to tax loss carryforwards or other future tax deductions are recognized to the extent that it is probable that the deductions can be utilized against future taxable profits.

Deferred tax assets are recognized for deductible temporary differences and for the possibility of utilizing tax loss carryforwards in the future. Measurement is based on how the carrying amount of the related asset or liability is expected to be recovered or settled. The amounts are based on tax rates and tax legislation enacted before the balance sheet date and are not discounted.

Revenue Recognition

Revenue is recognized at the fair value of the consideration received or receivable. If payment is received in cash at the time of delivery, revenue is recognized at nominal value (invoice amount). Deductions are made for discounts granted.

Revenue from the sale of goods is recognized when the following conditions are met: the significant risks and rewards of ownership have been transferred to the buyer; the company retains neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the company; and the costs incurred or expected to be incurred in respect of the transaction can be measured reliably.

Foreign Currency Translation

Receivables and liabilities denominated in foreign currencies have been translated at the exchange rate prevailing at the balance sheet date.

Exchange gains and losses on operating receivables and operating liabilities are recognized in operating profit, while exchange gains and losses on financial receivables and liabilities are recognized as financial items.

Note 2 Net Revenue by Operating Segment and Geographical Market

	2025	2024
Net revenue by operating segment		
Electricity trading	4 471 651	5 669 476
Gas trading	1 059 564	972 208
	5 531 214	**6 641 684**
Net sales by geographical market		
Sweden	5 495 869	6 544 855
Finland	35 346	96 829
	5 531 214	**6 641 684**

Note 3 Other Operating Income

	2025	2024
Foreign exchange gains on operating receivables and payables	8 032	9 369
	8 032	**9 369**

Note 4 Operational Leasing

Leases where the company is the lessee relate to premises rentals.

Future lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
Within one year	2 848	2 822
Later than one year but within five years	2 243	5 045
	5 091	**7 867**
Lease payments expensed during the financial year	2 822	2 778
	2 822	2 778

Note 5 Fees and Expense Reimbursements to Auditors

	2025	2024
E&Y		
Statutory audit services	946	955
Audit-related services	150	255
	1 096	**1 210**

Statutory audit services refer to the audit of the annual financial statements and accounting records, as well as the administration of the Board of Directors, other duties incumbent upon the company's auditor, and advisory services or other assistance arising from observations made during such audit or the performance of such other duties.

Note 6 Employee and Staff Costs

	2025	2024
Average number of employees		
Women	16	15
Men	31	28
	47	**43**
Salaries, other remuneration and social security costs including pension costs		
Board of Directors and CEO	1 991	1 952
Other employees	42 126	38 060
Social security costs including pension costs	24 808	22 711
Total	**68 925**	**62 723**
Disclosure of gender distribution in executive management		
Percentage of women on the Board of Directors	14 %	17 %
Percentage of women among other senior executives	40 %	40 %

Of the company's pension costs, 724 (719) relate to the group Board of Directors and CEO.

Severance pay
The company's CEO has a notice period of six months if terminated by the company and three months if notice is given by the CEO.

Note 7 Depreciation of Tangible Fixed Assets and Amortization of Intangible Assets

	2025	2024
Fixtures, fittings and equipment	-178	-232
Leasehold improvements	-208	-253
	-386	**-484**

Note 8 Interest Income and Similar Profit or Loss Items

	2025	2024
Interest income	12 787	23 904
Foreign exchange gain	4 974	5 481
	17 761	**29 385**

Note 9 Interest Expenses and Similar Profit or Loss Items

	2025	2024
Interest expense	-12 230	-37 073
Foreign exchange loss	-1 718	-3 970
Other	-5 390	-6 137
	-19 338	**-47 179**

Note 10 Tax on Profit for the Year

Tax on profit for the year	2025	2024
Current tax expense	0	-9 113
Adjustment relating to prior years	0	-2 919
Change in deferred tax	6 260	-861
Total tax recognised	**6 260**	**-12 892**

Reconciliation of effective tax		2025		2024
	Percentage	Amount	Percentage	Amount
Profit before tax		-43 522		33 291
Tax at the applicable tax rate	20,60	8 966	20,60	-6 858
Non-deductible expenses	-6,29	-2 738	9,06	-3 015
Change in tax loss carryforwards (deferred tax)	-8,46	-6 260		0
Temporary differences relating to leasehold improvements	0,07	32		-100
Tax attributable to prior years	0,00	0		-2 919
Effective tax recognized	**11,57**	**0**	**38,72**	**-12 892**

Note 11 Leasehold Improvement

	2025-12-31	2024-12-31
At the beginning of the year	4 576	4 576
Additions	0	0
Reclassifications	0	0
	4 576	**4 576**
Accumulated depreciation at the beginning of the year	-4 368	-4 116
Depreciation for the year according to plan based on cost	-208	-253
	-4 576	**-4 368**
Carrying amount at the end of the period	**0**	**208**

Note 12 Fixtures and Equipment

	2025-12-31	2024-12-31
Accumulated cost at the beginning and end of the year	5 808	5 808
	5 808	**5 808**
Accumulated depreciation at the beginning and end of the year	-5 630	-5 399
Depreciation for the year	-178	-232
	-5 808	**-5 630**
Carrying amount at the end of the period	**0**	**178**

Note 13 Deferred Tax Asset

	2025-12-31	2024-12-31
Opening acquisition cost	0	861
Reversed tax receivables	6 260	-861
	6 260	**0**
Tax loss carryforwards	30 387	0
Deferred tax asset	6 260	0

Note 14 Financial Instruments and Risk Management – Maturity Analysis

2025-12-31

	<1 år	2–5 år	>5 år	Totalt
Assets				
Derivates	332 360	159 571	90	492 021
Total	**332 360**	**159 571**	**90**	**492 021**
Liabilities				
Derivates	-144 386	-98 976	-144	-243 506
Total	**-144 386**	**-98 976**	**-144**	**-243 506**

2024-12-31

	<1 år	2–5 år	>5 år	Totalt
Assets				
Derivates	296 779	167 837	6 578	471 194
Total	**296 779**	**167 837**	**6 578**	**471 194**
Liabilities				
Derivates	-204 166	-70 552	-665	-275 383
Total	**-204 166**	**-70 552**	**-665**	**-275 383**

Note 15 Financial Instruments Measured at Fair Value in the Balance Sheet

Derivatives for which hedge accounting is not applied.

2025-12-31

	Carrying amount	Change in fair value recognized in the income statement
Assets		
Foreign exchange forwards	49 374	29 230
Electricity futures	185 107	-129 697
Electricity certificates and guarantees of origin	12 584	-8 711
Emission allowance futures	209 119	142 363
Gas futures	35 837	-12 357
	492 021	20 828
Liabilities		
Foreign exchange forwards	-72 175	-55 272
Electricity futures	-48 386	97 888
Electricity certificates and guarantees of origin	-1 361	9
Emission allowance futures	-93 585	-29 048
Gas futures	-28 000	18 300
	-243 507	31 877

2024-12-31

	Carrying amount	Change in fair value recognized in the income statement
Assets		
Foreign exchange forwards	20 144	-845
Electricity futures	314 804	-176 353
Electricity certificates and guarantees of origin	21 295	-112 090
Emission allowance futures	66 756	46 469
Gas futures	48 194	-69 595
	471 193	-312 414
Liabilities		
Foreign exchange forwards	-16 903	1 614
Electricity futures	-146 274	194 306
Electricity certificates and guarantees of origin	-1 370	22 017
Emission allowance futures	-64 537	23 100
Gas futures	-46 300	78 345
	-275 384	319 382

For financial instruments quoted in an active market, fair value is determined based on the asset's quoted bid price at the balance sheet date, without adjustment for transaction costs (for example brokerage fees) incurred at acquisition. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group or regulatory authority, and those prices represent actual and regularly occurring market transactions on arm's length terms. Derivatives are measured at fair value through profit or loss.

If the market for a financial instrument is not active, the company determines fair value using a valuation technique. These valuation techniques maximize the use of market inputs and minimize the use of entity-specific inputs. The company applies various methods, and the assumptions are based on market conditions existing at each balance sheet date. The company has applied such valuation techniques to contracts with a carrying amount of 21,257 (12,086).

Note 16 Prepaid Expenses and Accrued Income

	2025-12-31	2024-12-31
Accrued energy revenue	415 045	480 203
Prepaid energy costs	6 987	5 509
Other items	176	393
	422 208	**486 106**

Note 17 Cash and Cash Equivalents

The following components are included in cash and cash equivalents:

	2025-12-31	2024-12-31
Cash at bank	76 936	16 166
	76 936	**16 166**

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

- They are subject to an insignificant risk of changes in value.
- They are readily convertible into cash.
- They have a maturity of no more than three months from the date of acquisition.

Note 18 Number of Shares

The number of shares amounts to 40,000 with a quota value of SEK 1,000 per share.

Note 19 Appropriation of Profit

	2025-12-31
Proposed appropriation of profit	
The Board of Directors proposes that the profits available for distribution:	
Share premium reserve (unrestricted)	80 000
Retained earnings	79 980
Loss for the year	-37 219
	122 761
Be appropriated as follows:	
carried forward	122 761
	122 761

Note 20 Bank Overdraft

	2025-12-31	2024-12-31
Amount utilized		
Approved credit facility	1 100 000	1 300 000
Unutilized portion	-806 393	-904 215
	293 607	395 785

Note 21 Liabilities to Credit Institutions

The amount below relates to factoring liabilities.

	2025-12-31	2024-12-31
Amount utilized		
Approved credit facility	280 000	430 000
Unutilized portion	-242 819	-430 000
	37 181	0

Pledged trade receivables with recourse are included in reported trade receivables, which amount to 37,181 (0). See also Note 24.

Note 22 Accrued Expenses and Deferred Income

	2025-12-31	2024-12-31
Accrued energy costs	382 972	296 662
Staff costs	10 793	12 506
Other items	4 099	3 267
	397 864	**312 435**

Note 23 Supplementary Disclosures to the Statement of Cash Flow

	2025-12-31	2024-12-31
Depreciation and amortization	386	484
	386	**484**

Note 24 Pledged Collateral

	2025-12-31	2024-12-31
For the company's own account:		
Pledged trade receivables	37 181	0
	37 181	**0**

Note 25 Definitions of Key Performance Indicators

- Profit before tax: Profit after financial items
- Total assets: Balance sheet total
- Return on capital employed: (Operating profit + financial income) / Average capital employed
- Financial income: Items within net finance income relating to assets included in capital employed
- Capital employed: Total assets – non-interest-bearing liabilities
- Non-interest-bearing liabilities: Liabilities that do not bear interest. Pension liabilities are considered interest-bearing.
- Return on equity: Profit after financial items / 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

Mats Palmérus
Member of the Board

Marcus Hedman
Member of the Board

Peter Margolis
Member of the Board,
Employee representative

Kruno Kuljis
Member of the Board,
Employee representative

Jonas Ekblad
Chief Executive Officer

The Annual Report was finalized on 12 February 2026.

The Annual Report was signed by all members on 12 February 2026.

Our Auditor's Report was issued on the date indicated in my electronic signature.

Ernst & Young AB

Micael Engström
Authorized Public Accountant

Our Examination Report was issued on the date indicated in our digital signatures.

Johan Sederholm

Lay Auditor

Lars Trägen

Lay Auditor

Auditor's Report

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

Report on the Annual Report

Opinions

We have audited the Annual Report of Modity Energy Trading AB for the financial year 2025-01-01 - 2025-12-31.

In our opinion, the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and presents fairly, in all material respects, the financial position of Modity Energy Trading AB as of 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the Annual Report.

We therefore recommend that the General Meeting of Shareholders adopt the income statement and balance sheet.

Basis for Opinions

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 auditors in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Annual Report and for ensuring that it presents fairly in accordance with the Swedish Annual Accounts Act. They 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 fraud or error.

In preparing the Annual Report, the Board of Directors and the Chief Executive Officer are responsible for assessing the company's ability to continue as a going concern. They disclose, as applicable, matters that may affect the company's ability to continue as a going concern and the use of the going concern basis of accounting. The going concern assumption is not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities

Our objectives are to obtain reasonable assurance about whether the Annual Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Annual Report.

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

- identify and assess the risks of material misstatement of the Annual Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer;
- conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and the Chief Executive Officer and, 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 as a going concern. 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 Report or, if such disclosures are inadequate, to modify our opinion. 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 the company to cease to continue as a going concern;
- 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 are required to communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinions

In addition to our audit of the Annual Report, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Modity Energy Trading AB for the financial year 1 January 2025 – 31 December 2025 and the proposed appropriations of the company's profit or loss.

We recommend that the General Meeting of Shareholders appropriate the profit in accordance with the proposal in the Directors' Report and grant discharge from liability to the members of the Board of Directors and the Chief Executive Officer for the financial year.

Basis for Opinions

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

We are independent of Modity Energy Trading AB in accordance with professional ethics for auditors in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal regarding the appropriation of the company's profit or loss. In proposing a dividend, this includes, among other things, an assessment of whether the dividend is justifiable considering the demands that the nature, scope and risks of the company's operations place on the size of the company's equity, consolidation requirements, liquidity and financial position in general.

The Board of Directors is responsible for the organization of the company 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 organization is designed so that accounting, management of funds and the company's financial affairs are controlled in a satisfactory manner. The Chief Executive Officer is responsible for the day-to-day management in accordance with the Board's guidelines and instructions and shall take the measures necessary to ensure that the company's accounting is carried out in accordance with law and that the management of funds is conducted in a satisfactory manner.

Auditor's Responsibilities

Our objective regarding the audit of the administration, and thus our opinion on discharge from liability, is to obtain audit evidence with reasonable assurance to assess whether any member of the Board of Directors or the Chief Executive Officer, in any material respect:

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

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

Reasonable assurance is a high level of assurance but 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 proposed appropriation of 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 skepticism throughout the audit. The audit of the administration and the proposed appropriations of profit or loss is based primarily on the audit of the accounts. Additional audit procedures are performed based on our professional judgement, taking into account risk and materiality. This means that we focus our audit on actions, areas and circumstances that are material to the operations and where deviations or breaches would be of particular importance to the company's situation. We examine and test decisions taken, supporting documentation, actions carried out and other circumstances relevant to our opinion on discharge from liability. As a basis for our opinion on the Board's proposed appropriations of profit or loss, we have examined whether the proposal complies with the Swedish Companies Act.

Skellefteå, on the date indicated by the electronic signature

Ernst & Young AB

Micael Engström

Authorized Public Accountant

Examination Report for Modity Energy Trading AB for the Year 2025

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

To the Municipal Councils of the owner municipalities

We, lay auditors appointed by the Municipal Councils of the municipalities of Helsingborg and Lund, have examined the operations of Modity Energy Trading AB. The examination has been carried out with the assistance of professional advisers supporting the lay auditors.

The Board of Directors and the Chief Executive Officer are responsible for ensuring that the operations are conducted in accordance with the Articles of Association, the owner directives and adopted resolutions, as well as applicable laws and regulations. The lay auditors shall examine whether the company's operations are conducted in an appropriate manner and in a financially satisfactory way, and whether the company's internal control is adequate.

The examination has been conducted in accordance with the Swedish Companies Act and the Local Government Act, generally accepted auditing practice in municipal operations, the municipalities' audit regulations, and based on the Articles of Association and the owner directives adopted by the Annual General Meeting.

The examination has been performed to the extent and with the focus described, and has resulted in the findings and assessments presented in the attached "Annual Report – Modity Energy Trading AB 2025".

This year's examination indicates that the company can continue to develop and systematize its analysis and follow-up of how the owners' objectives and directives are achieved. In other respects, we consider that the Board has prepared the necessary governing documents and has continuously reported to the owners in accordance with the owner directive. In light of the company's negative result for the year, the Board should ensure that implemented measures produce results and support improved financial performance in 2026.

Our overall judgment is that the company's operations have been conducted in an appropriate and financially satisfactory manner.

Our overall judgment is that the company's internal control has been adequate.

Helsingborg,
On the date indicated by our digital signatures

Johan Sederholm
Lay auditor

Lund
On the date indicated by our digital signatures

Lars Trägen
Lay auditor