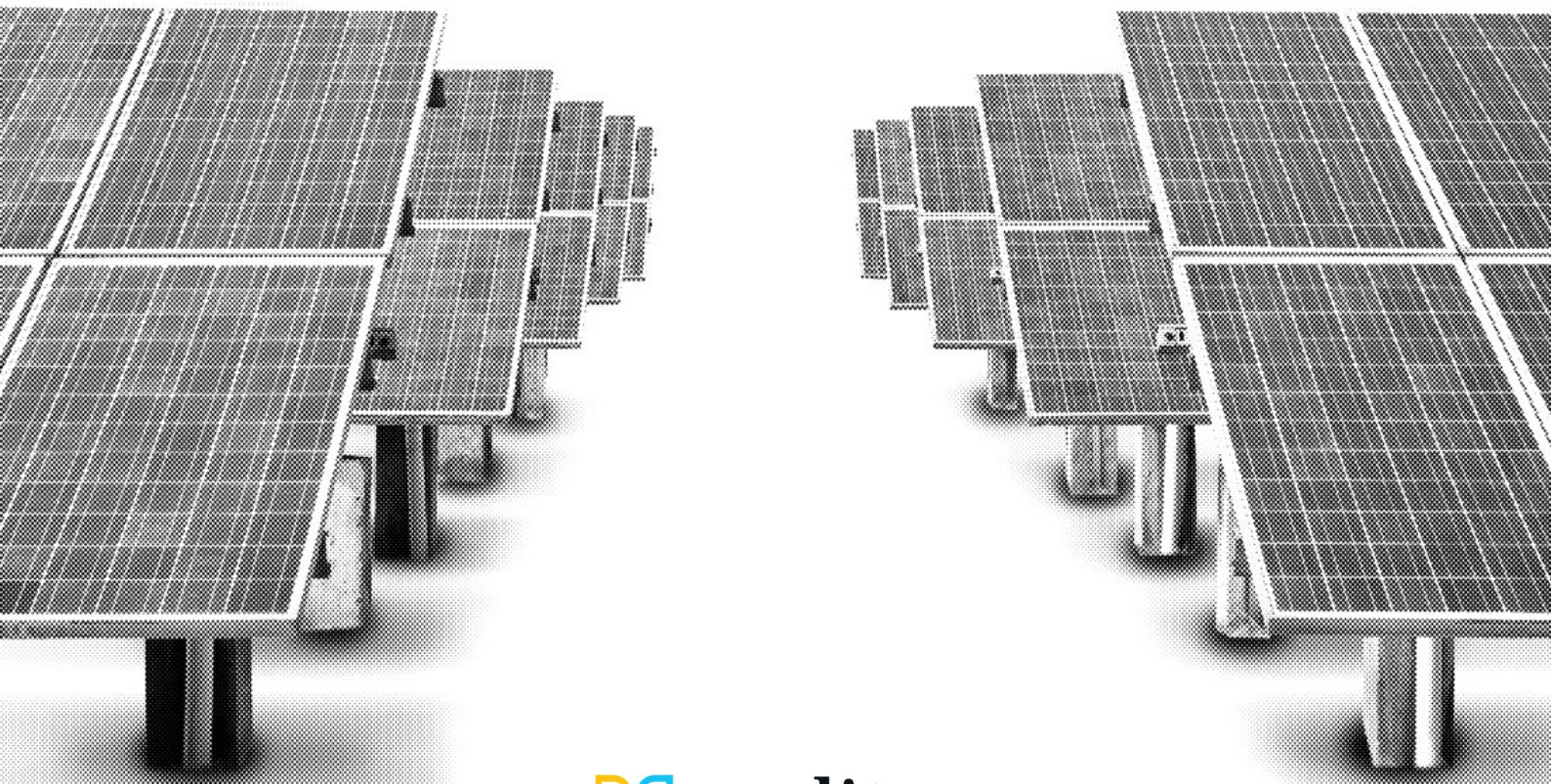


Annual report 2024

Modity Energy Trading AB



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The Board of Directors and the Managing Director of Modity Energy Trading AB present the following annual report for the financial year 2024.

The annual report is prepared in Swedish kronor, SEK. Unless otherwise stated, all amounts are reported in thousands of Swedish kronor, SEK thousand.

Management report

General information on activities 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%) via Helsingborgs Stads Förvaltning AB (556007-4634, Helsingborg).

The company is engaged in energy and related commodities trading and 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.

Energy trading is associated with risks, as the price of energy varies with weather and other external factors. Someone has to manage the risk, and that requires specialist expertise. Prior to the establishment of Modity, Krafringen and Öresundskraft managed the risk separately. In 2010, Modity was established instead. The advantages of jointly owning and managing energy trading operations include enhanced expertise, reduced costs for energy trading, increased control compared with using an external supplier, and opportunities to share in returns from the business.

2024 has been a successful year for Modity, with good performance across all portfolios. Our robust risk management, new customer contracts, transition to more biogas and efficient physical trading have all been major drivers of performance. During the year, Modity's owners, Krafringen and Öresundskraft, have engaged in an active dialogue with Jönköping Energi and Umeå Energi regarding broader ownership. We welcome the opportunity this presents to create a strong centre of expertise for energy trading and even better conditions in the transition journey that both we and our customers are on.

During the year, active work on working capital continued in close co-operation with the owner companies. At the end of the year, surety commitments remained unchanged at SEK 2.0 billion.

Significant events after the end of the financial year

At the end of January 2025, it became official that Modity Energy Trading AB's owners Krafringen and Öresundskraft, welcome Jönköping Energi and Umeå Energi as partners to Modity. Together, the owners want to take Modity to the next step in developing the electricity trading business for safe and flexible products and services.

Expectations regarding future developments

We have an intense phase ahead of us with a lot of development both in terms of systems and offerings. Our goal is to take further steps towards complete energy trading and thus be able to offer multi-market optimisation to our customers. At the same time, we are constantly faced with increasing regulatory requirements in the market, including NIS2 and sustainability reporting according to CSRD, which Modity will be subject to from 2025. In 2025, a major market change is also expected as we move to 15-minute resolution in the Nordic electricity markets.

Sustainability report

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, 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.



Economic overview

Economic overview

Amount in TSEK	2024	2023	2022	2021	2020
Net turnover	6 641 684	9 338 337	16 168 898	9 440 428	4 378 890
Profit before tax	33 291	70 649	31 924	1 221	-113 186
Balance sheet total	1 376 929	2 816 824	5 945 782	3 970 428	1 216 107
Return on capital employed %	10	13	22	4	-11
Return on equity %	20	45	28	1	-81
Return on equity %, rolling 5 years	3	8	12	13	13
Equity ratio %	11	7	2	2	8

Changes in equity (TSEK)

Amount in TSEK	Share capital	Restricted reserves	Retained earnings	Result for the year	Total
Amount at beginning of year	20 000	20	110 906	54 929	185 855
Repayment of shareholder contributions				-54 929	-54 929
Result for the year				20 399	20 399
Amount at year -end	20 000	20	110 906	20 399	151 325

Conditional shareholders' contributions account for 15 557 (70 487) of the total retained earnings of 131 305.

Proposal for the disposition of the company's profits

The Board of Directors proposes that the unrestricted equity at its disposal, SEK 131,304,523, be allocated as follows:

free share premium account	19 000 000
Retained earnings	91 905 523
Result for the year	20 399 000
	131 304 523

be allocated so that	
to shareholders are distributed	35 767 372
repayment of conditional shareholder contribution	15 557 150
in new account is transferred	79 980 001

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	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Net turnover	2	6 641 684	9 338 337
Other operating income	3	9 369	27 576
		6 651 053	9 365 913
Operating expenses			
Merchandise		-6 466 800	-9 124 953
Other external costs	4, 5	-55 811	-51 946
Personnel costs	6	-65 821	-62 483
Depreciation of tangible and intangible fixed assets	7	-484	-1 640
Other operating expenses		-11 052	-26 564
Operating result		51 085	98 327
Result from financial items			
Interest income and similar income items	8	29 385	54 646
Interest expense and similar income statement items	9	-47 179	-82 324
		-17 794	-27 678
Profit after financial items		33 291	70 649
Profit before tax		33 291	70 649
Tax on profit for the year	10	-12 892	-15 720
Net profit		20 399	54 929

Balance sheet

Amount in TSEK	Note	2024-12-31	2023-12-31
ASSETS			
Fixed assets			
<i>Tangible fixed assets</i>			
Improvement on others' property	11	208	460
Inventories	12	178	410
		386	870
<i>Financial fixed assets</i>			
Deferred tax assets	10, 13	0	861
		0	861
Total fixed assets		386	1 731
Current assets			
<i>Inventories etc.</i>			
Merchandise		26 824	47 291
		26 824	47 291
<i>Short-term receivables</i>			
Accounts receivable		325 895	528 096
Tax receivables		6 057	18 089
Financial instruments held for trading	14, 15	471 194	783 608
Other receivables		44 301	54 769
Prepaid expenses and accrued income	16	486 106	1 202 605
		1 333 553	2 587 167
<i>Cash and bank</i>			
	17	16 166	180 635
Total current assets		1 376 543	2 815 093
TOTAL ASSETS		1 376 929	2 816 824

Amount in TSEK	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity capital			
<i>Restricted equity</i>			
Share capital	18	20 000	20 000
Reserve Fund		20	20
		20 020	20 020
<i>Unrestricted equity</i>			
Unrestricted share premium account		19 000	19 000
Retained earnings or loss		91 906	91 906
Profit for the year		20 399	54 929
		131 305	165 835
Total equity	19	151 325	185 855
Current liabilities			
Overdraft facility	20	395 785	993 172
Liabilities to credit institutions	21, 24	0	281 195
Trade payables		33 179	200 658
Financial instruments held for trading	14, 15	275 383	594 765
Other liabilities		208 823	271 241
Accrued expenses and deferred income	22	312 434	289 938
		1 225 604	2 630 969
TOTAL EQUITY AND LIABILITIES		1 376 929	2 816 824

Cash flow statement

Amount in TSEK	Note	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
The current activities			
Profit after financial items		33 291	70 649
Adjustments for items not included in cash flow	23	484	1 640
Market valuation of financial instruments		-6 968	-223 547
Taxes paid		1	-16
Cash flow from operating activities before changes in working capital		26 808	-151 274
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		20 467	21 768
Increase(-)/Decrease(+) in receivables		929 168	1 527 340
Increase(+)/Decrease(-) in current liabilities		-207 401	-1 810 782
Cash flow from operating activities		769 042	-412 948
Investment activities			
Investments in tangible fixed assets		0	-8
Cash flow from investing activities		0	-8
Financing activities			
Change in overdraft facility		-597 387	259 869
Change in debt factoring		-281 195	-28 785
Repayment of conditional shareholder contribution		-54 929	0
Cash flow from financing activities		-933 511	231 084
Cash flow for the year		-164 469	-181 872
Cash and cash equivalents at beginning of year		180 635	362 507
Cash and cash equivalents at year -end		16 166	180 635



Notes on accounting policies and notes to the financial statements

Amounts in TSEK unless otherwise stated

Note 1 Accounting and valuation principles

General information

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

Valuation principles

Assets, provisions and liabilities are recognised at cost unless otherwise stated below.

Revenue recognition

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

Tangible assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and expenditure directly attributable to the acquisition.

Intangible assets and property, plant and equipment are stated at cost less accumulated amortisation according to plan and any impairment losses.

Depreciation of intangible and tangible fixed assets

Depreciation is calculated using the straight-line method over the estimated useful life of the asset, as it reflects the expected consumption of the asset's future economic benefits. Depreciation is recognised as an expense in the income statement.

The following depreciation periods apply:	Useful life
Equipment, tools and installations	3–10 years
Computer software	5 years
Improvement cost on others' property	3 years

Leasing

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

Receivables

Receivables are recognised at cost less any impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Obsolescence risk has been taken into account. Cost is calculated on a first-in, first-out basis. In addition to the cost of purchase, the cost of bringing the goods to their present location and condition is included in the acquisition value.

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 Swedish Annual Accounts Act) of BFNAR 2012:1.

Asset and Liability Recognition

A financial asset or financial liability is recognised when the entity becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flows from the asset have expired or have been settled. The same applies when the risks and rewards of ownership are substantially transferred to another party and the entity no longer has control over the financial asset. A financial liability is derecognised when the contractual obligation is discharged or cancelled. Spot purchases and sales of financial assets are recognised on the trade 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 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 organisation 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 existing market conditions at each balance sheet date.

(i) Financial assets held for trading

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

(ii) Held-to-maturity investments

Held-to-maturity investments are financial assets comprising debt securities with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

(iii) Loans and receivables

Loans and receivables are financial assets that have fixed or determinable payments but are not derivatives. These assets are measured at amortised cost. Amortised cost is determined using the effective interest rate calculated at the time of acquisition. Trade receivables are recognised at the amount expected to be received, i.e. net of bad debts. Factoring receivables are not derecognised when the entity retains significant risks (e.g. credit risk) associated with the receivables sold.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include financial assets that are not classified in any other category or financial assets that the entity has initially designated in this category. Holdings of shares and participations that are not recognised as subsidiaries, associates or jointly controlled entities are recognised here. The company has elected to recognise the change in fair value for the period in the income statement.

(v) Financial liabilities held for trading

Financial liabilities in this category are measured at fair value with changes in value recognised in the income statement. This category includes derivatives with a negative fair value, except for derivatives that are designated and effective hedging instruments.

(vi) Other financial liabilities

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

Employee benefits

Post-employment benefit plans are classified as defined contribution plans. Under defined contribution plans, defined contributions are paid to another entity, normally an insurance company, and no longer have any obligation to the employee once the contribution is paid. The amount of the employee's post-employment benefits depends on the contributions that have been paid and the investment return on those contributions.

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

Tax

Taxes on profit or loss for the year recognised in the income statement comprise current tax and deferred tax. Current tax is income tax for the current financial year on the taxable profit for the year and the portion of income tax for previous financial years that has not yet been recognised. Deferred tax is income tax relating to taxable profit for future financial years arising from past transactions or events. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences and for the possibility of future utilisation of tax loss carryforwards. The valuation is based on how the carrying amount of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on the tax rates and tax laws enacted before the balance sheet date and have not been discounted to present value.

Revenue recognition

The entity recognises as revenue the fair value of what has been or will be received. Therefore, the entity recognises revenue at face value (invoice amount) if the entity receives the consideration in cash immediately on delivery. Deductions are made for discounts given.

Revenue from the sale of goods by the Company is recognised when the following conditions are met: the significant risks and rewards of ownership of the goods have been transferred to the buyer, the Company does not retain any continuing managerial involvement or 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 expenditure incurred or expected to be incurred as a result of the transaction can be measured reliably.

Conversion of entries in foreign currencies

Receivables and liabilities denominated in foreign currencies are valued at the closing rate. Exchange gains and losses on operating receivables and liabilities are recognised in operating income, while exchange gains and losses on financial receivables and liabilities are recognised as financial items.

Note 2 Net sales by business segment and geographical market

	2024	2023
Net turnover by business line		
Electricity trade	5 669 476	8 148 748
Gas trading	972 208	1 189 589
	6 641 684	9 338 337
Net sales by geographical market		
Sweden	6 544 855	9 230 964
Finland	96 829	107 373
	6 641 684	9 338 337

The above figures do not include excise duty. This amounts to SEK 57,052 thousand (38,447 thousand) for the company.

Note 3 Other operating income

	2024	2023
Foreign exchange gains on operating receivables/liabilities	9 369	27 576
	9 369	27 576

Note 4 Operating leases

Leases in which the entity is the lessee relate primarily to rent for premises. Future lease payments, for non-cancellable leases, fall due as follows:

	2024	2023
Within one year	2 822	2 207
Later than one year but within five years	5 045	4 414
	7 867	6 621
Lease payments recognised in the financial year	2 778	2 608
	2 778	2 608

Note 5 Fees and reimbursement of expenses to auditors

	2024	2023
E&Y		
Audit assignments	955	820
Audit activities beyond the audit engagement	255	0
	1 210	820

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 personnel costs

Average number of employees	2024	2023
Female	15	14
Men	28	27
	43	41
Wages, salaries, other remuneration and social security costs including pension costs		
Board of Directors and CEO	1 952	2 105
Other employees	38 060	36 083
Social security costs including pension costs	22 711	21 035
Total	62 723	59 223
Disclosure of gender balance in the Executive Board		
Proportion of women on the board	17 %	20 %
Proportion of women among other senior executives	40 %	44 %

Of the company's pension costs, 719 (498) 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

	2024	2023
Inventories	-232	-214
Improvement expenditure on someone else's property	-253	-1 426
	-484	-1 640

Note 8 Interest income and similar income items

	2024	2023
Interest income	23 904	29 029
Foreign exchange gain	5 481	25 617
	29 385	54 646

Note 9 Interest expense and similar income statement items

	2024	2023
Interest costs	-37 073	-48 395
Exchange rate loss	-3 970	-26 529
Other	-6 137	-7 400
	-47 179	-82 324

Note 10 Tax on profit for the year

Tax on profit for the year	2024	2023
Current tax expense	-9 113	0
Adjustment for previous years	-2 919	0
Change in deferred tax	-861	-15 720
Total tax recognised	-12 892	-15 720

Reconciliation of effective tax		2024		2023
	Percent	Amount	Percent	Amount
Reported profit before tax		33 291		70 649
Tax at the applicable rate	20,60	-6 858	20,60	-14 554
Non-deductible expenses	9,06	-3 015	0,93	-659
Change in tax loss carryforwards		0		15 720
Temporary differences on improvements to another's property		-100		-507
Loss carry-forwards whose tax value is no longer recognised as an asset		0		-15 720
Tax attributable to previous years		-2 919		0
Recognised effective tax	38,72	-12 892	22,25	-15 720

Note 11 Improvements to third party property

	2024-12-31	2023-12-31
At the beginning of the year	4 576	4 475
New acquisitions	0	8
Reclassifications	0	93
	4 576	4 576
Opening depreciation	-4 116	-2 690
Depreciation for the year according to plan on acquisition values	-253	-1 426
	-4 368	-4 116
Carrying amount at the end of the period	208	460

Note 12 Equipment

	2024-12-31	2023-12-31
Accumulated cost at beginning and end of year	5 808	5 901
Reclassifications	0	-93
	5 808	5 808
Accumulated depreciation at beginning and end of year	-5 399	-5 185
Depreciation for the year	-232	-214
	-5 630	-5 399
Carrying amount at the end of the period	178	410

Note 13 Deferred tax assets

	2024-12-31	2023-12-31
Opening cost of acquisition	861	16 580
Outgoing tax assets	-861	-15 720
	0	861
Loss carry-forwards	0	4 178
Deferred tax assets	0	861

Note 14 Financial instruments and risk management – Maturity profile

2024-12-31

	<1 years	2-5 years	>5 years	Total
Assets				
Derivative	296 779	167 837	6 577	471 193
Total	296 779	167 837	6 577	471 193
Liabilities				
Derivative	-204 166	-70 552	-665	-275 383
Total	-204 166	-70 552	-665	-275 383

2023-12-31

	<1 years	2-5 years	>5 years	Total
Assets				
Derivative	532 375	238 959	12 273	783 608
Total	532 375	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

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

Derivatives for which hedge accounting is not applied

	2024-12-31	
	Recognised value	Change in value recognised in RR
Assets		
Forward exchange contracts	20 144	-845
Electricity futures	314 804	-176 353
Electricity certificates and guarantees of origin	21 295	-112 090
Emission rights futures	66 756	46 469
Gas futures	48 194	-69 594
	471 194	-312 414
Liabilities		
Forward exchange contracts	-16 903	1 614
Electricity futures	-146 274	194 306
Electricity certificates and guarantees of origin	-1 370	22 017
Emission rights futures	-64 537	23 100
Gas futures	-46 300	78 345
	-275 383	319 382

2023-12-31

	Recognised value	Change in value recognised in RR
Assets		
Forward exchange contracts	20 989	-140 803
Electricity futures	491 158	-1 112 083
Electricity certificates and guarantees of origin	133 385	-44 882
Emission rights futures	20 287	11 593
Gas futures	117 789	-94 453
	783 608	-1 380 628
Liabilities		
Forward exchange contracts	-18 516	114 019
Electricity futures	-340 580	1 165 808
Electricity certificates and guarantees of origin	-23 387	67 961
Emission rights futures	-87 637	125 736
Gas futures	-124 645	130 650
	-594 765	1 604 174

For financial instruments that are quoted in an active market, fair value is determined by reference to the quoted bid price for the asset at the balance sheet date, without adding transaction costs (such as 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 organisation 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 existing market conditions at each balance sheet date. The Company has used such valuation techniques for contracts with a carrying amount of 12 086 (57 495).

Note 16 Prepaid expenses and accrued income

	2024-12-31	2023-12-31
Accrued energy revenue	480 203	1 194 126
Prepaid energy costs	5 509	7 819
Other items	393	660
	486 106	1 202 605

Note 17 Cash and cash equivalents

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

	2024-12-31	2023-12-31
Bank balances	16 166	180 635
	16 166	180 635

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 maturity of 3 months or less from the date of acquisition

Note 18 Number of Shares

The number of shares amounts to 20 000 and has a quota value of SEK 1000.

Note 19 Appropriation of profit

	2024-12-31
Proposal for the appropriation of profits	
The Board of Directors proposes that the available earnings:	
unrestricted share premium account	19 000
Retained earnings	91 906
Profit for the year	20 399
	131 305
be allocated so that	
distribute to shareholders	35 767
repayment of conditional shareholder contribution	15 557
transferred to a new account	79 980
	131 305

Note 20 Overdraft facility

	2024-12-31	2023-12-31
Amount of credit utilised		
Authorised credit limit	1 300 000	1 500 000
Unutilised portion	-904 215	-506 828
	395 785	993 172

Note 21 Liabilities to credit institutions

Below refers to factoring debt.

	2024-12-31	2023-12-31
Amount of credit utilised		
Authorised credit limit	430 000	970 000
Unutilised portion	-430 000	-688 805
	0	281 195

Trade receivables pledged with recourse are included in recognised trade receivables, which amount to 0 (281,103). See also note 24.

Note 22 Accrued expenses and deferred income

	2024-12-31	2023-12-31
Accrued energy costs	296 662	272 404
Personnel costs	12 506	13 891
Other items	3 267	3 644
	312 435	289 938

Note 23 Additional disclosures to the cash flow statement

	2024-12-31	2023-12-31
Depreciation	484	1 640
	484	1 640

Note 24 Collateral pledged

	2024-12-31	2023-12-31
On behalf of the company:		
Trade receivables pledged as collateral	0	281 103
	0	281 103

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:
Net financial items 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 recognised as interest-bearing
- Return on equity:
Profit after financial items / Adjusted equity
- Solidity:
Total equity / Total assets



Mikael Eriksson,
Chairman of the Board of Directors

Micke Andersson,
Member of the Board

Madelene Hagman, Member of the Board

Martin Tofft, Member of the Board

Olof Eliasson, Member of the Board

Per Tidlund, Member of the Board,
Employee representative

Peter Margolis, Member of the Board,
Employee representative

Jonas Ekblad, Chief Executive Officer

Lund, on the date shown on our digital signature.



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 annual accounts of Modity Energy Trading AB for the financial year 2024-01-01 - 2024-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of Modity Energy Trading AB as of 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Swedish Annual Accounts Act. The administration report is consistent with the other parts of the annual accounts.

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

Basis for statements

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 generally accepted auditing standards 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 Managing Director

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Swedish Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual report, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern. They disclose, where applicable, matters that may affect the ability to continue as a going concern and to adopt the going concern basis of accounting. However, the going concern basis of accounting is not applied

if the board of directors and the chief executive officer intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are 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 ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentation or override of internal control.
- 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- we conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. 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 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 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 continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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

Statements

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Modity Energy Trading AB for the financial year 2024-01-01 - 2024-12-31 and the proposed appropriations of the company's profit or loss. We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for statements

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 generally accepted auditing standards 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 Managing Director

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. In the case of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the nature, scope, and risks of the company's operations, as well as the company's equity, need for consolidation, liquidity, and overall financial position. The Board of Directors is responsible for the organisation of the Company and the management of its 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, 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 of Directors' guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounting is carried out in accordance with the law and that the management of assets is managed in a reassuring manner.

Auditor's responsibility

Our objective for the audit of the administration, and hence our opinion 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 Managing Director is guilty of any material misstatement:

- undertaken any action or been guilty of any omission that may give rise to liability to the company, or
- in any other way acted in contravention of the Companies Act, the Swedish 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 thereon, is to assess with reasonable assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level 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 can give rise to liability to the company, or that a proposed 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 appropriations of the company's profit or loss is based primarily on the audit of the accounts. The additional audit procedures performed are based on our professional judgement based on risk and materiality. This means that we focus the audit on those actions, areas and conditions that are significant to the business and where deviations and violations would have a particular impact on the company's situation. We review and examine decisions made, supporting documentation, actions taken and other matters that are relevant to our opinion on discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to determine whether the proposal is in accordance with the Companies Act.

Skellefteå, 13 February 2025

Ernst & Young AB

Micael Engström
Authorised Public Accountant

Our audit report was submitted on the date indicated by our digital signature.

Ernst & Young AB

Micael Engström
Authorised Public Accountant

Audit report for the year 2024

We, the lay auditors appointed by the municipal councils of Helsingborg and Lund, have examined the operations of Modity Energy Trading AB. The audit has been carried out by experts who assist the lay auditors.

The Board of Directors and CEO are responsible for ensuring that the business is conducted in accordance with the applicable articles of association, owner directives and decisions, as well as the laws and regulations that apply to the business. The lay auditors shall examine whether the company's operations are managed in an appropriate and financially satisfactory manner and whether the company's internal control is adequate.

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

Based on this year's audit, we assess that the company works in accordance with the owners' direction and objectives as well as the requirements set out in the owner directive regarding the preparation of the necessary governing documents and ongoing reporting to the owners. However, we believe that reporting back to the Board and owners can be developed and systematised based on how the company's focus and objectives are achieved. We also consider it important, given that the Board of Directors has ultimate responsibility for the company's internal control, that the Board annually adopts a specific plan for monitoring internal control. We consider this to be particularly important ahead of a possible broader ownership of the company.

Overall, we assess that the company's operations have been managed in an appropriate and, from a financial point of view, satisfactory manner.

Overall, we assess that the company's internal control has been adequate.

Helsingborg,
the date shown on our digital signature

Lund,
the date shown on our digital signature

Johan Sederholm
Lay auditor

Lars Trägen
Lay auditor