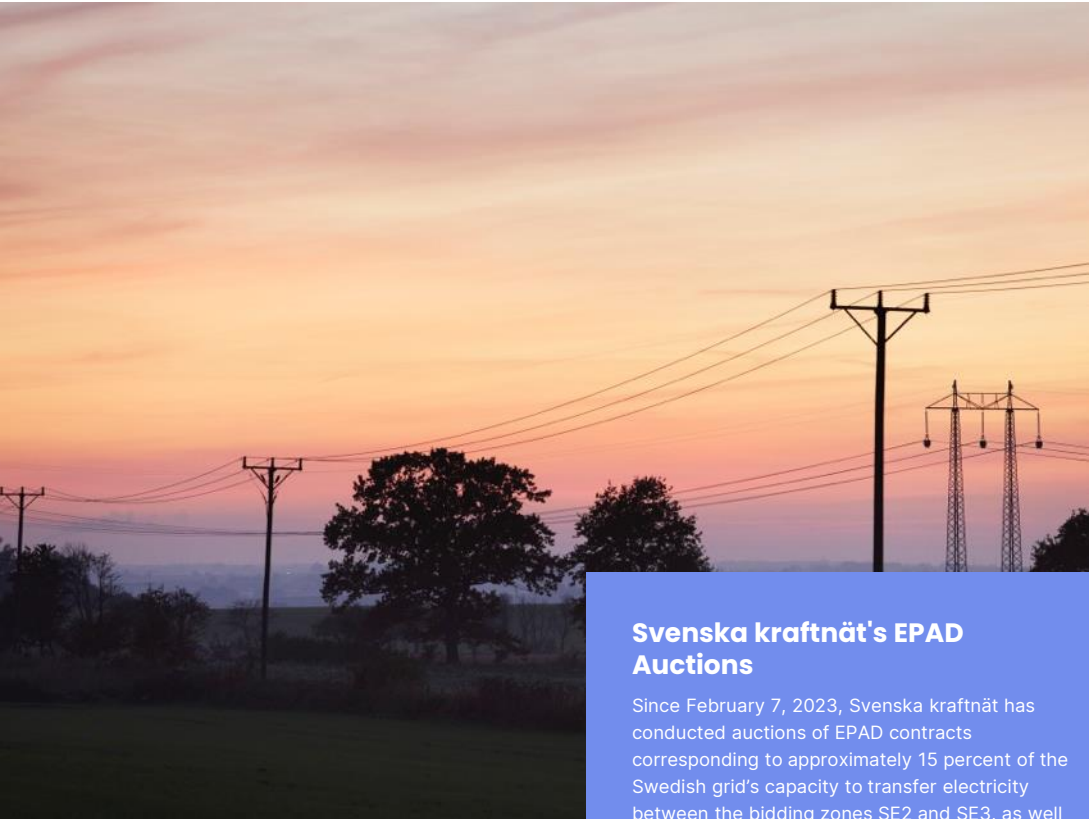


SVENSKA KRAFTNÄT

Quarterly Summary

- Svenska Kraftnät's EPAD auctions to support hedging opportunities

Fourth Quarter 2025



Svenska kraftnät's EPAD Auctions

Since February 7, 2023, Svenska kraftnät has conducted auctions of EPAD contracts corresponding to approximately 15 percent of the Swedish grid's capacity to transfer electricity between the bidding zones SE2 and SE3, as well as SE3 and SE4.

QUARTERLY SUMMARY Q4 2025

EPAD Auction Overview

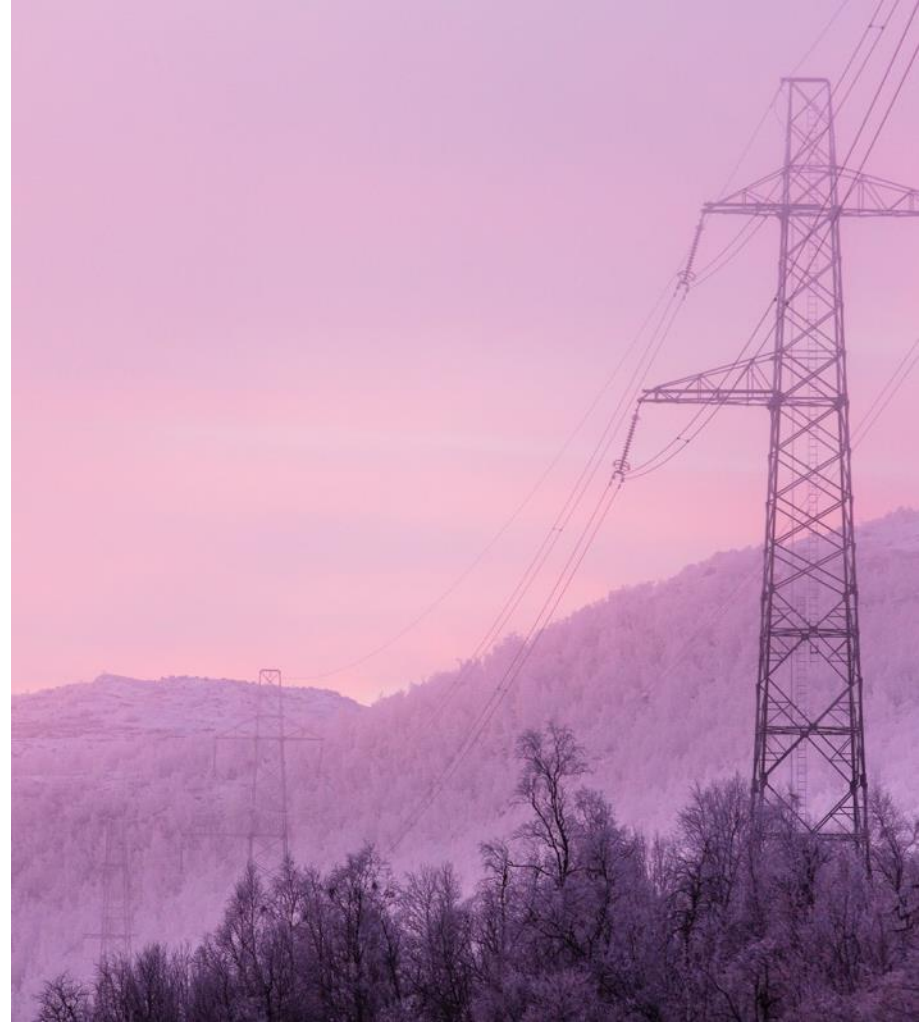
- Svenska kraftnät regularly conducts auctions of EPAD contracts for the bidding zones SE2, SE3, and SE4.
- The purpose is to improve hedging opportunities for market participants.
- A total of six auctions were carried out during the fourth quarter of 2025, starting on October 7.

Declining spread and continued signs of tactical bids.

The quarter ended with reduced price differences between SE2 and SE4.

Continuous trading in EPAD contracts decreased in SE2, while it remained stable in SE3 and continued to be low in SE4.

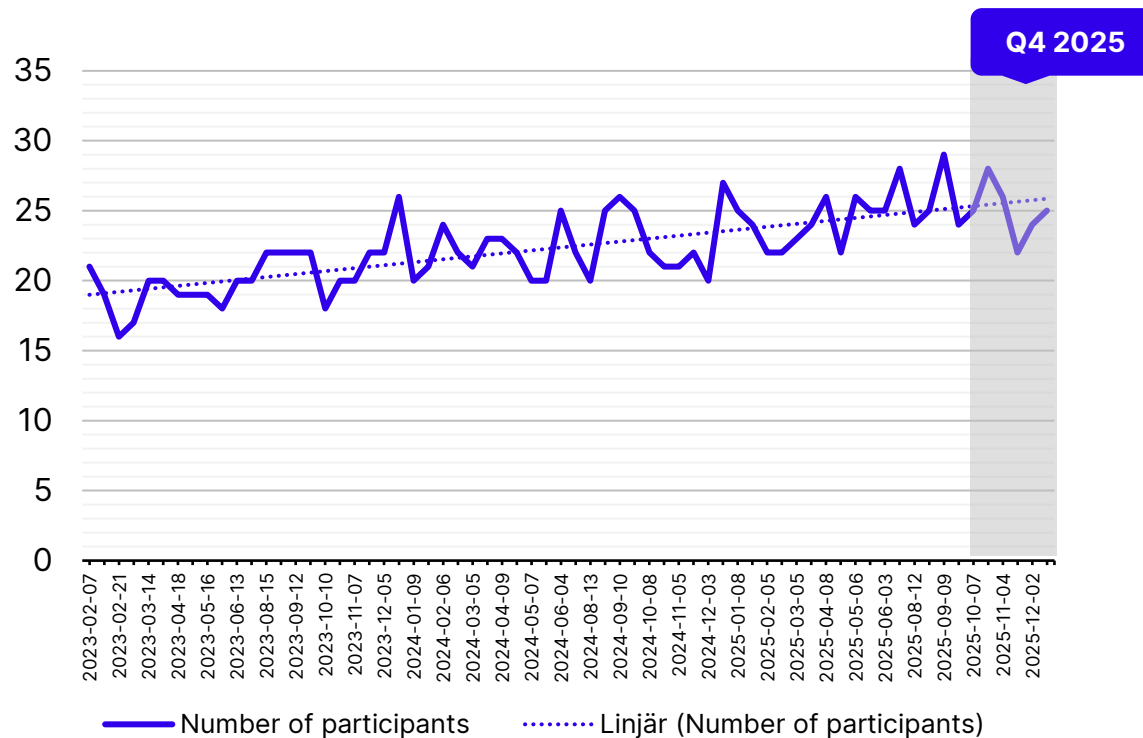
We continue to see signs of tactical bids. However, the auctions were still characterized by good price formation and high participation.



Auction Participation

Continued high participation

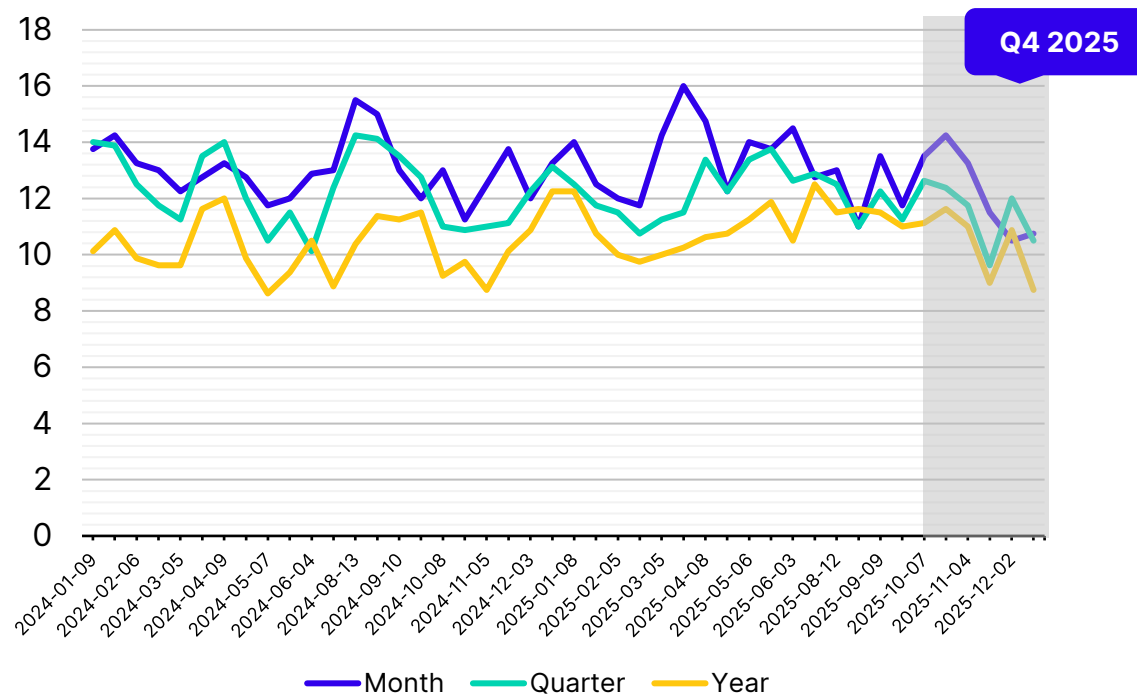
- Auction participation continues to show a positive trend.
- On average, 25 participants took part in each auction during the fourth quarter of 2025.



Average number of participants per auction

Participation by contract type

- The difference in participant interest between the various contracts has decreased further during the quarter.
- The monthly contracts were the most popular at the beginning of the quarter but then declined as the quarter progressed.

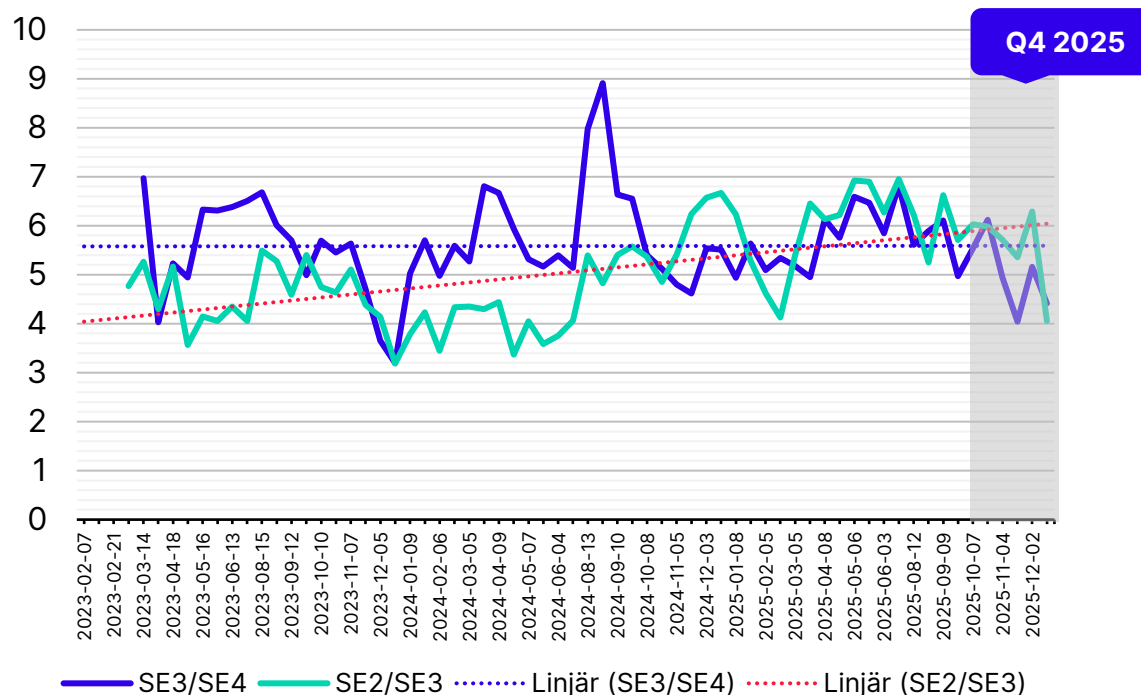


Average number of participants per auction, broken down by monthly, quarterly, and calendar year contracts.

Price Formation

Bid-to-cover ratio

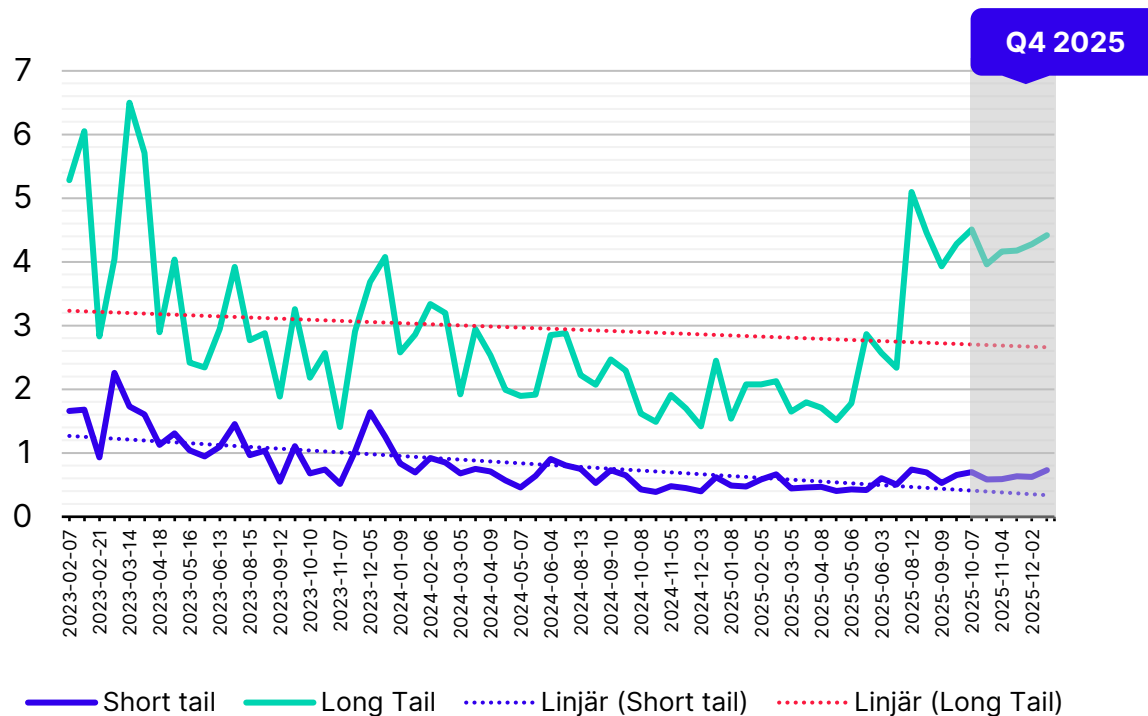
- The bid-to-cover ratio for SE2/SE3 (cut 2) is still close that of SE3/SE4 (cut 4). Overall, the subscription rate is satisfactory.
- Please note that the bid-to-cover ratio is adjusted according to the auction conditions and is not based on the total order volume.*



The bid-to-cover ratio at each auction (the dots on the lines) for the bidding zone borders SE2/SE3 and SE3/SE4, to which the allocation conditions apply.

Implicit tails

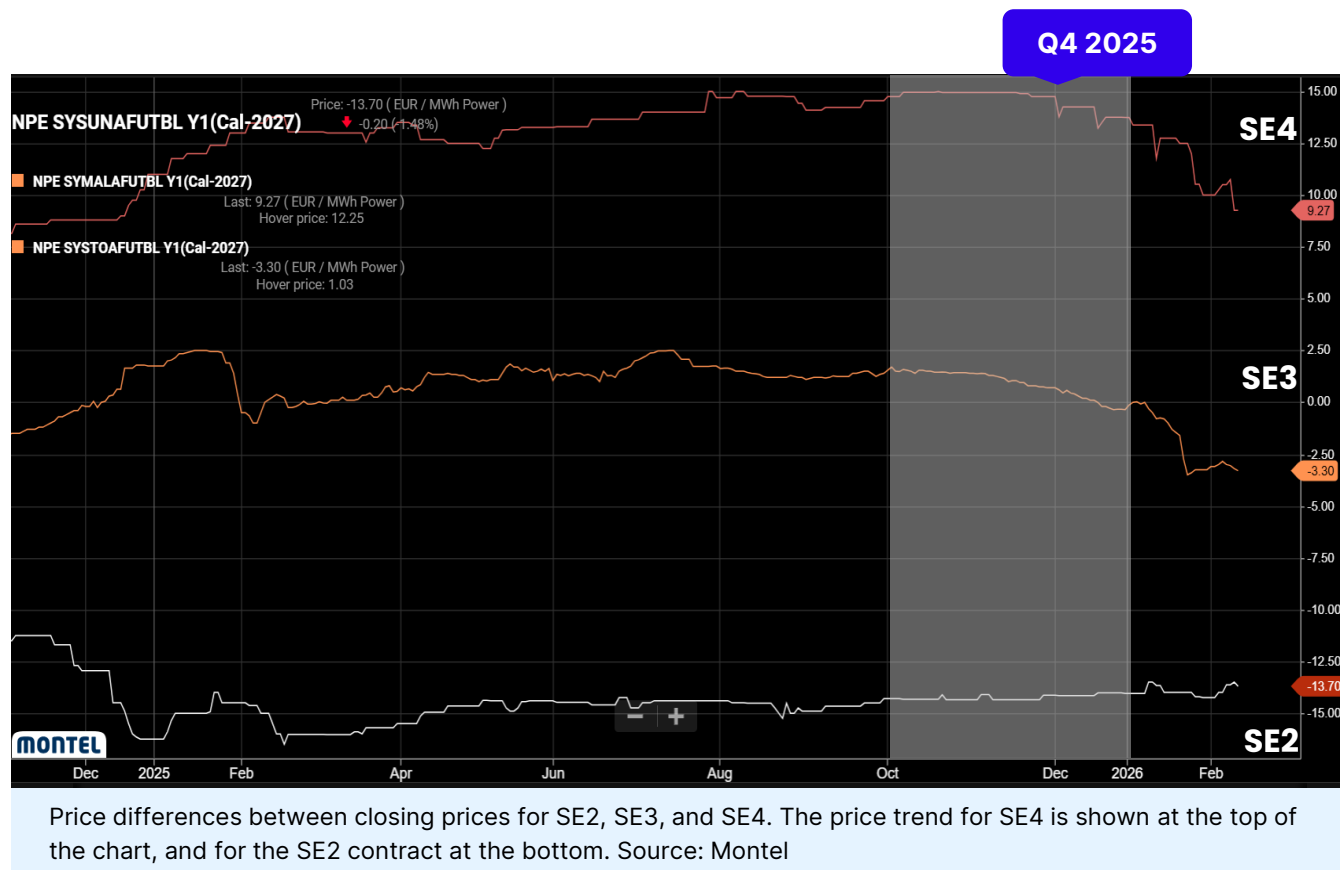
- The implicit tails serve as a measure of price formation – the shorter the tail, the better the auction. Read more about implicit tails in the annual report.*
- The long tails remain at a consistently high level compared with previous periods. This trend suggests more tactical bidding, i.e., market participants prioritizing securing allotment in auctions by placing bids that deviate from prevailing market prices.



Average implicit short and long tails per auction. The linear trend lines for the short and long tails (dotted lines) in the figure show the general change in tails expressed in EUR.

Market Development for EPADs (Cal-27)

- The price level for the SE4 and SE2 contracts(Cal-27) remained relatively stable throughout the entire quarter. The SE3 contracts traded lower at the end of the quarter compared to the previous quarter.



Price Spread Between Northern and Southern Sweden (Cal-27)

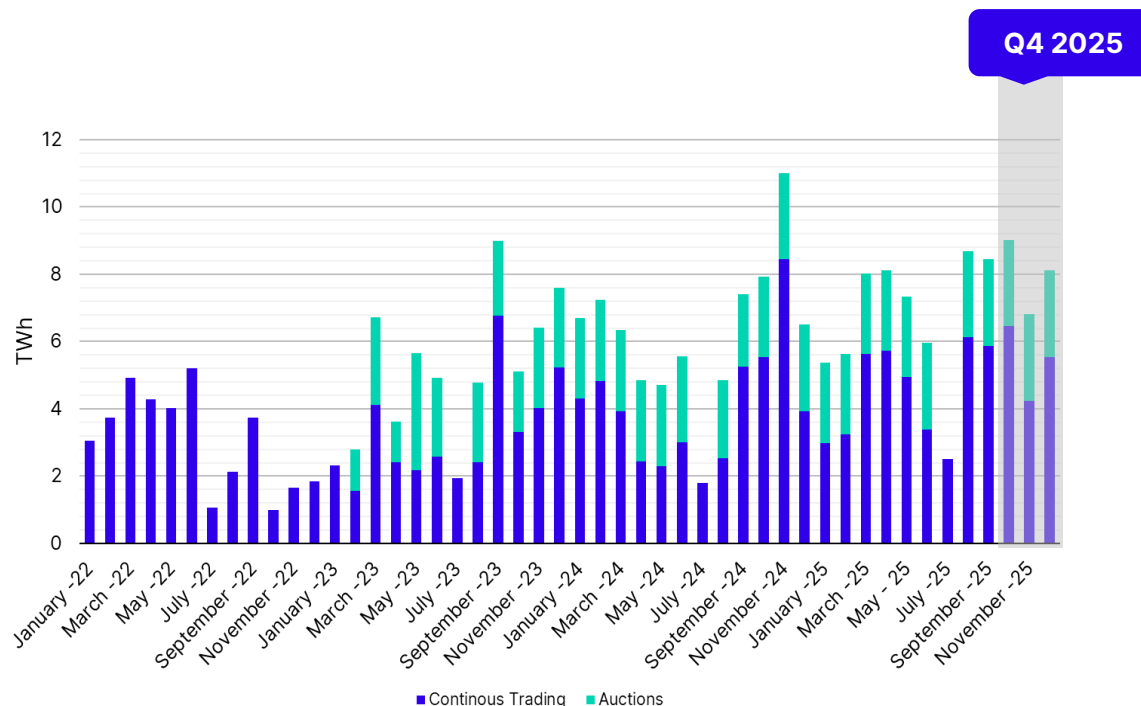
- The spread has increased continuously since the summer of 2024, but a decrease has been seen in the end of the quarter.
- 2025 ended with a slight decline in the price difference. The year has generally been characterized by a stable price difference.



Activity and trading in the continuous EPAD market

Total EPAD-volume in SE2, SE3 and SE4

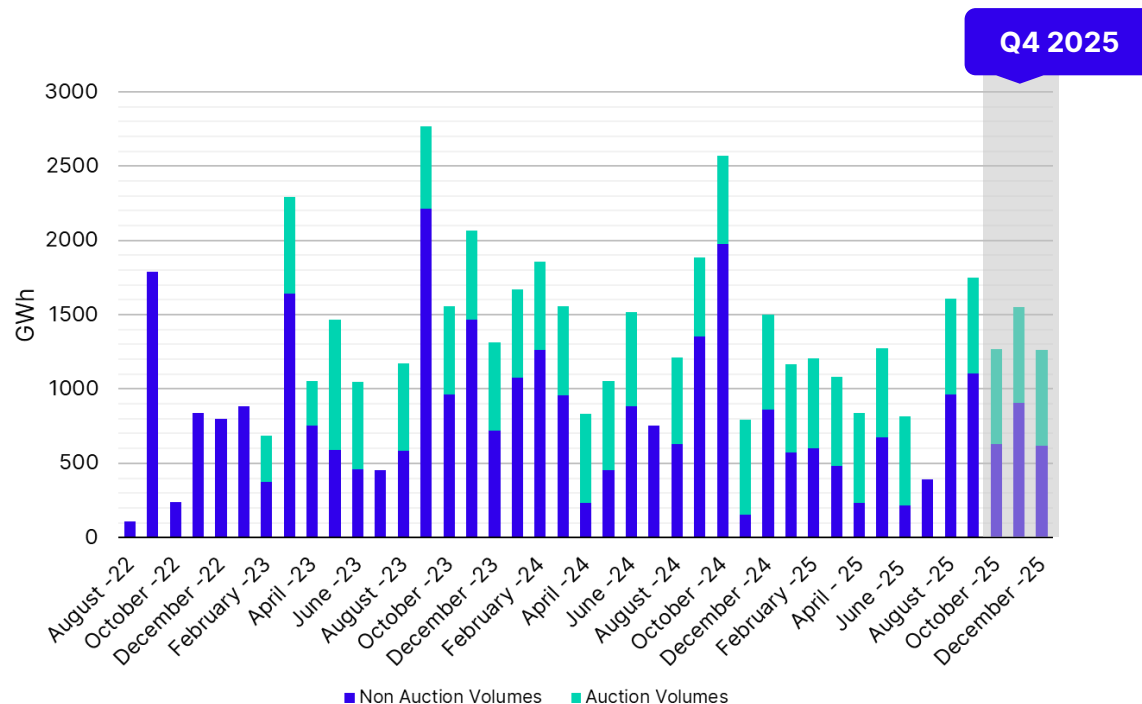
- The share of continuous trading decreased slightly during the period, but remains at normal levels.
- During the quarter, continuous trading accounted for approximately 66% of the total traded volume, compared with an average of 65% for the period 2023–2025.



Total trading volumes (TWh) for EPADs (SE2, SE3 and SE4) in continuous trading and in auctions respectively.

EPAD-volume SE2 (Sundsvall)

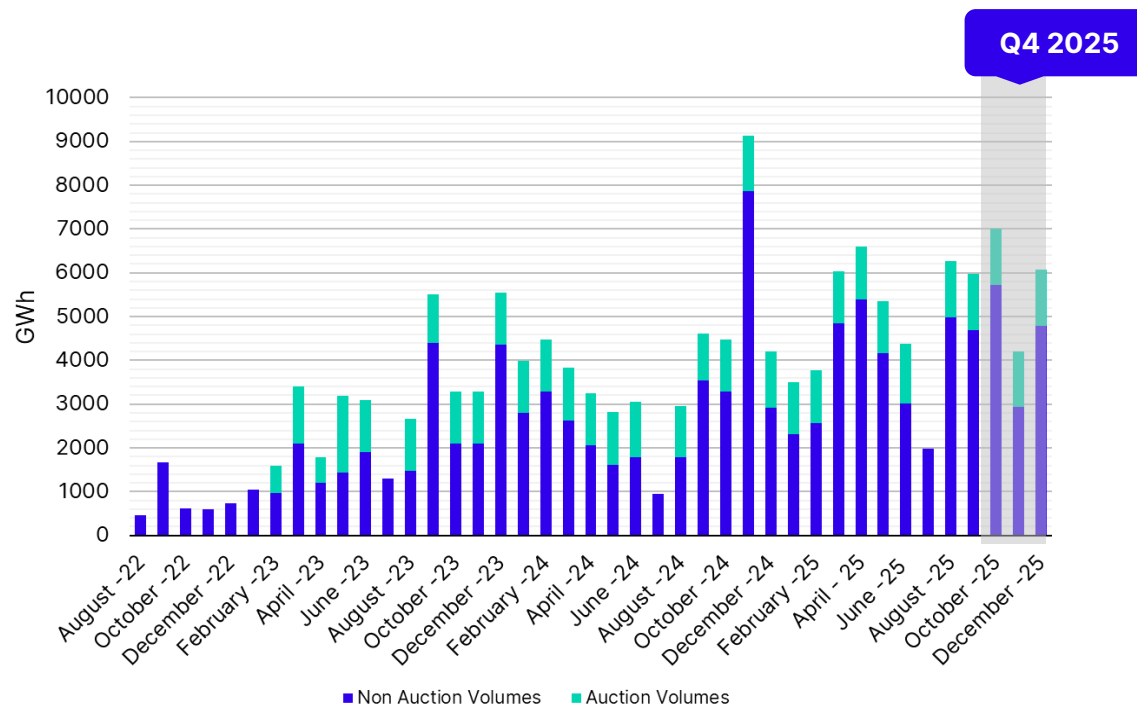
- Continuous trading in SE2 decreased during the quarter.
- Auction volumes as a share of total volume increased to approximately 47 % in the third quarter, compared to 38 % in Q3 2025.



Monthly trading volumes (GWh) of EPADs in SE2.

EPAD-volume SE3 (Stockholm)

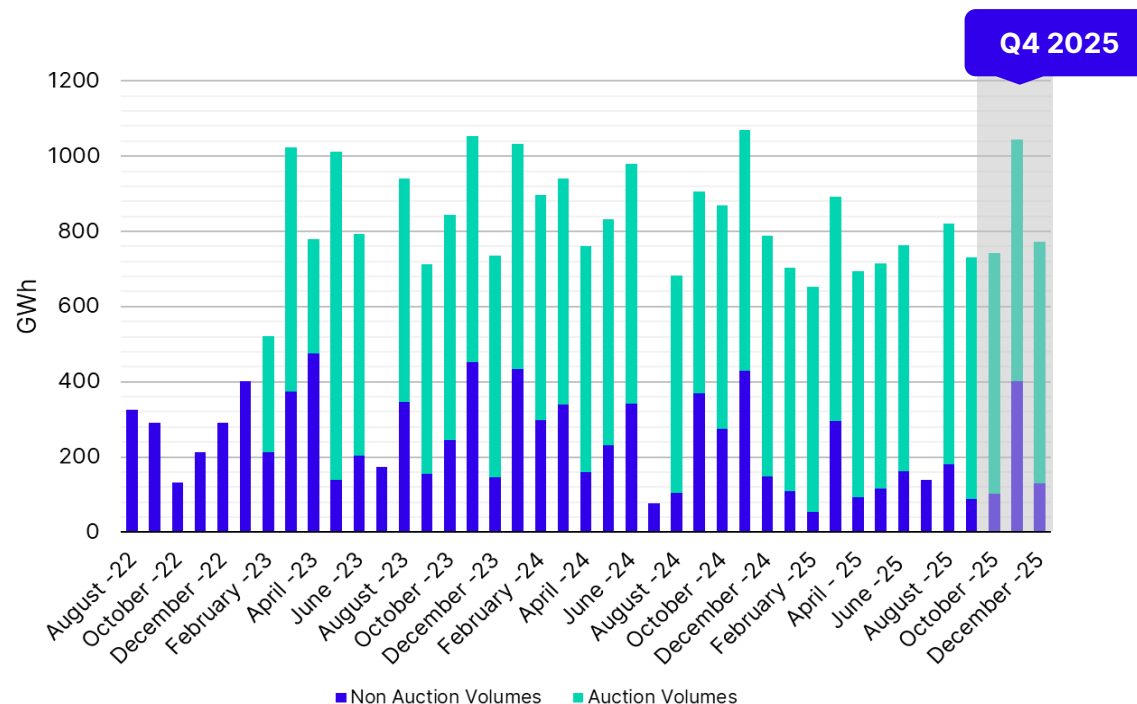
- In SE3, auctions account for a relatively small share of the total volume. This indicates a rather well-functioning market and a desirable outcome, as the purpose of auctions is to support the market.
- During the fourth quarter, the share of auction volumes was approximately 25 %, compared with 21 % in Q3 2025 and 23 % in Q2.



Monthly trading volumes (GWh) of EPADs in SE3.

EPAD-volume SE4 (Malmö)

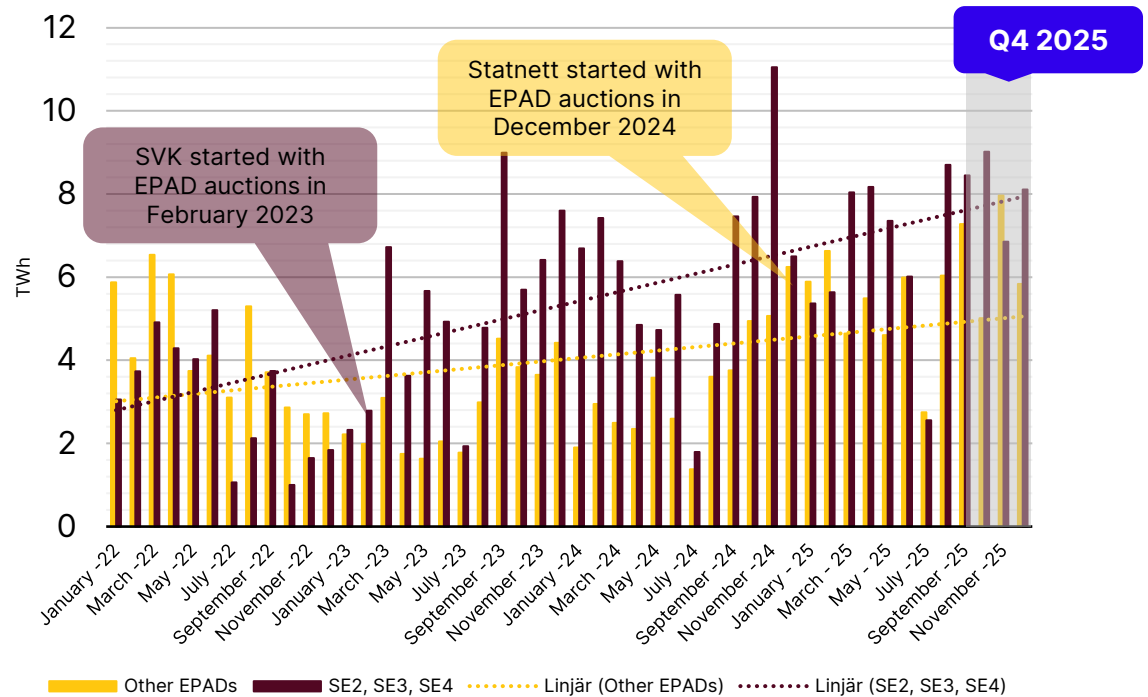
- In SE4, auctions account for the majority of the volume, which indicates weaker continuous trading and a less liquid market.
- In the fourth quarter, auction volumes accounted for approximately 71%, compared with 83% in Q3.



Monthly trading volumes (GWh) of EPADs in SE4.

Total turnover in SE2, SE3 and SE4 EPADs compared to other EPAD contracts* in the Nordics

- EPAD volumes in SE2, SE3, and SE4—both from auctions and continuous trading—accounted for 56 % of total EPAD volume in the fourth quarter 2025, which is in line with the previous quarter.



Total trading volumes (TWh) in SE2, SE3 and SE4 compared to other EPAD contracts. Other EPAD contracts include SE1, Finland, Denmark, and Norway.

