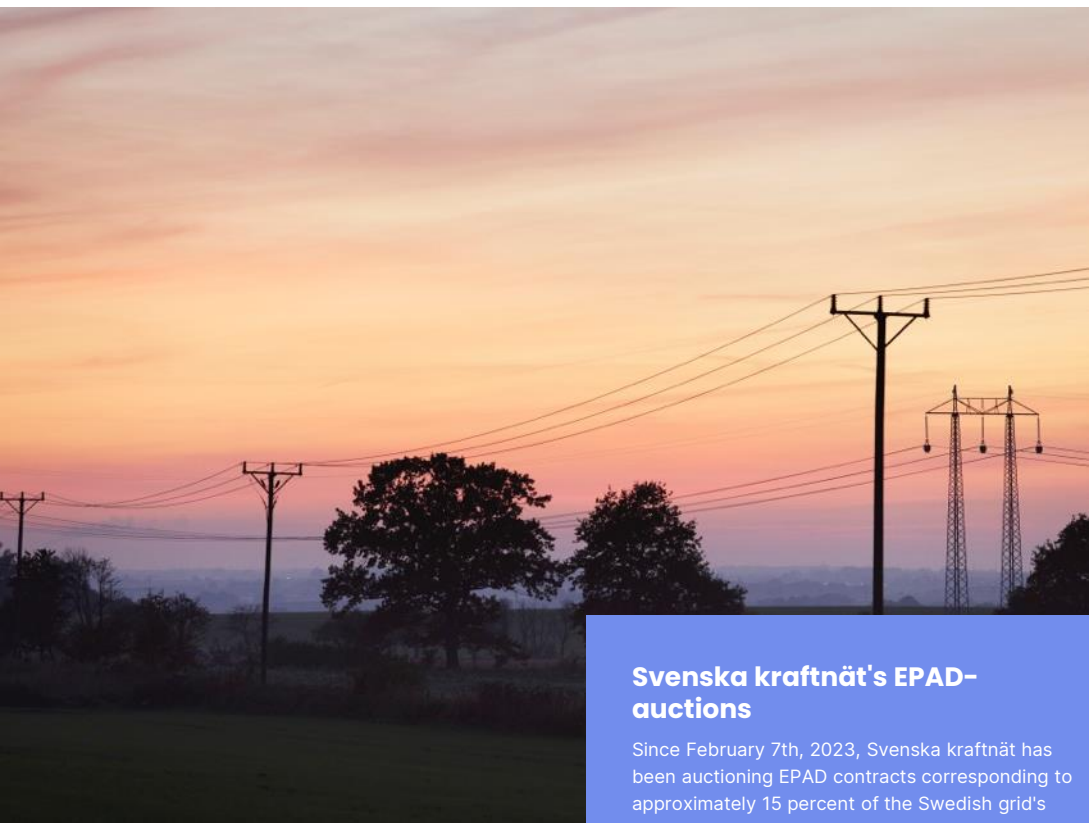


SVENSKA KRAFTNÄT

Quarterly Summary

- Svenska kraftnät's auctioning of EPADs for improved hedging opportunities

First quarter 2025



Svenska kraftnät's EPAD-auctions

Since February 7th, 2023, Svenska kraftnät has been auctioning EPAD contracts corresponding to approximately 15 percent of the Swedish grid's capacity to transmit electricity between bidding zones SE2 and SE3 and between SE3 and SE4.

QUARTERLY SUMMARY, Q1 2025

About the auctions

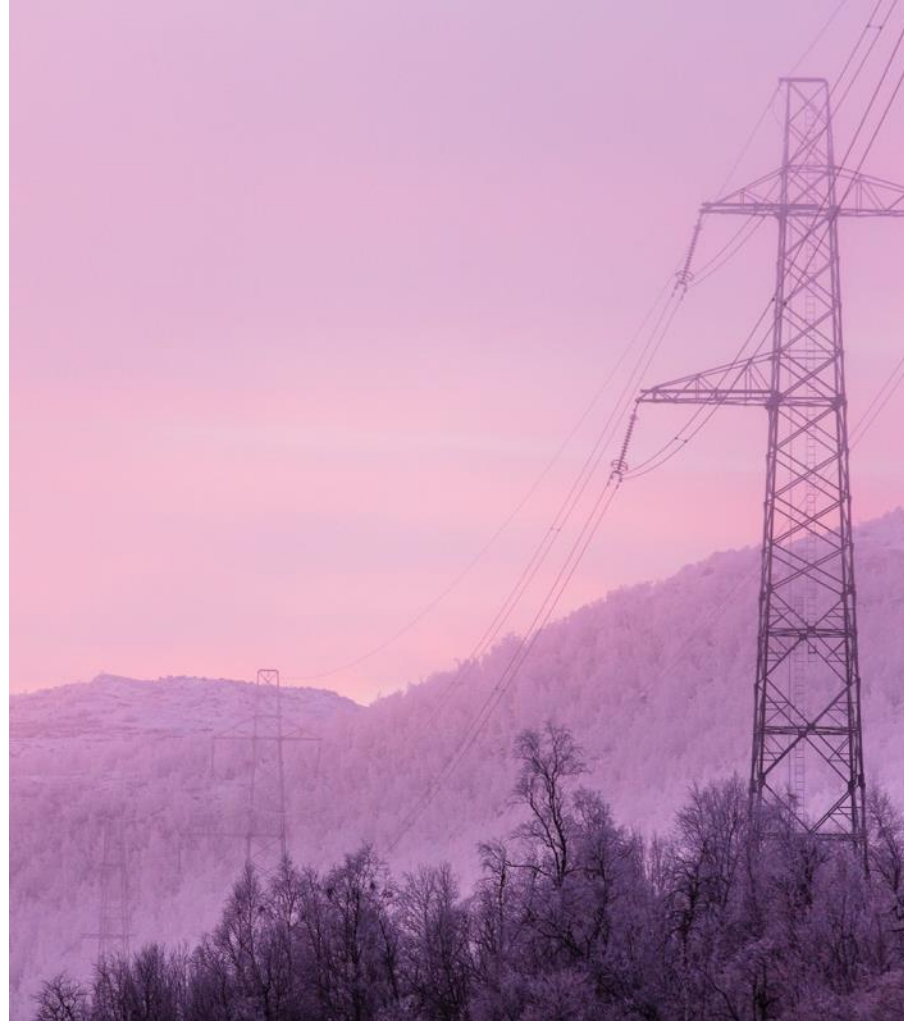
- Svenska kraftnät is conducting regular auctions of EPAD contracts for the bidding zones SE2, SE3 and SE4.
- The aim is to contribute to improved hedging opportunities for market participants.
- In total, six auctions were conducted during the first quarter with the first auction being held on January 8th.

Increasing price differences and declining continuous trading volumes

The quarter was characterized by increasing price differences between SE2 and SE4.

Continuous trading volumes fell during the first quarter, which led to a decrease in auction volumes' share of total volumes.

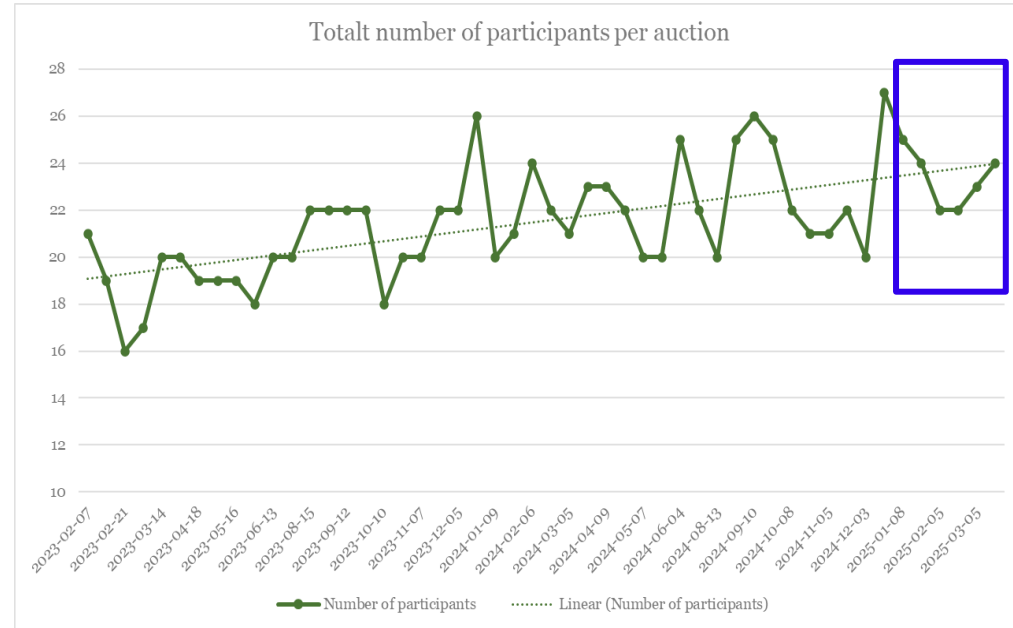
Auctions were characterized by continued good price formation and high participation.



Auction participation

Continued high participation

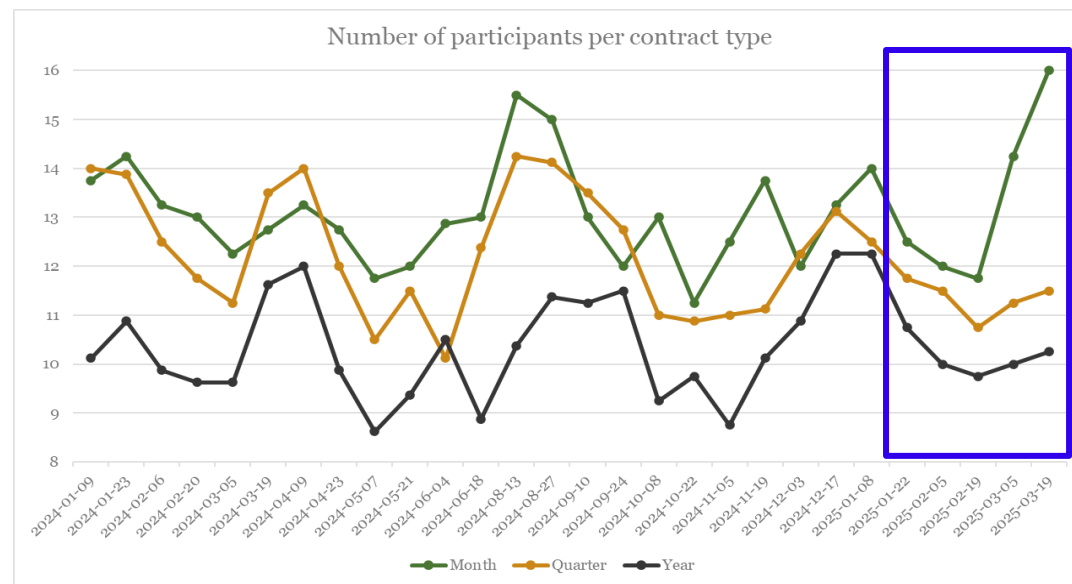
- Auction participation continues to show a positive trend.
- On average 23 participants took part in each auction during the first quarter of 2025.



Total number of participants per auction (February 2023 - March 2025).

Participation by type of contract

- Monthly contracts continue to show the highest level of participation.
- A peak of 16 participants was reached in the last auction on March 19th, which is the highest number of participants since auctions started.



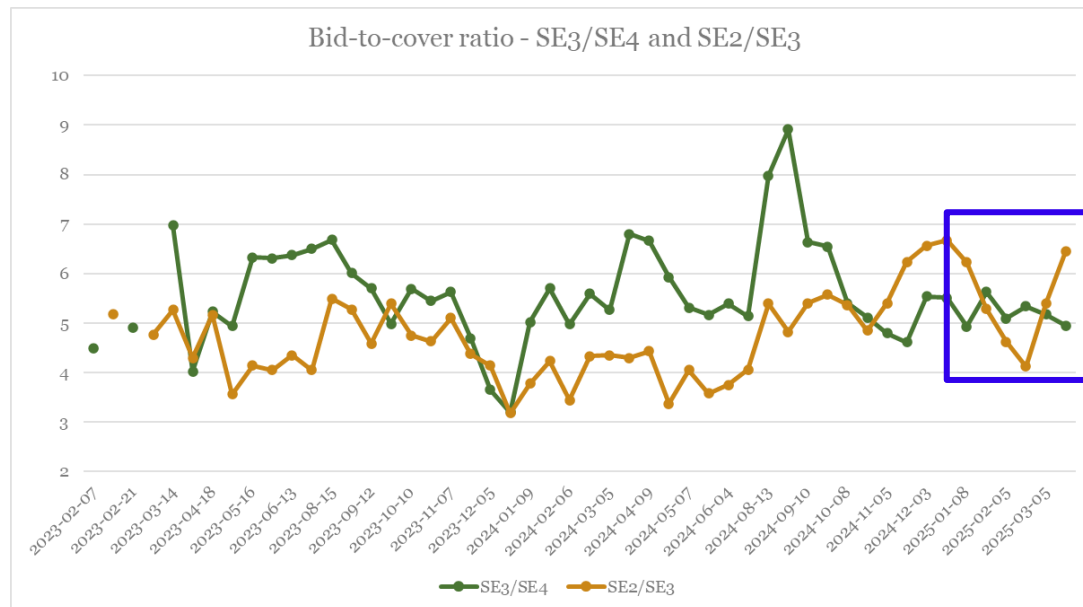
Average number of auction participants during January 2024 – March 2025. Broken down into monthly, quarterly and calendar year contracts.

Price formation

Bid-to-cover ratio

- The bid-to-cover ratio for bidding zone border SE2/SE3 once again exceeded bidding zone border SE3/SE4 and reached its highest level in the last auction on March 19th.
- The bid-to-cover ratio presented is not calculated or based on the total order volume, instead it is adjusted for the auction conditions.*

*<https://www.svk.se/press-och-nyheter/nyheter/elmarknad-allmant/2024/svenska-kraftnat-publicerar-helarsuppfoljning-av-epad-auktioner>

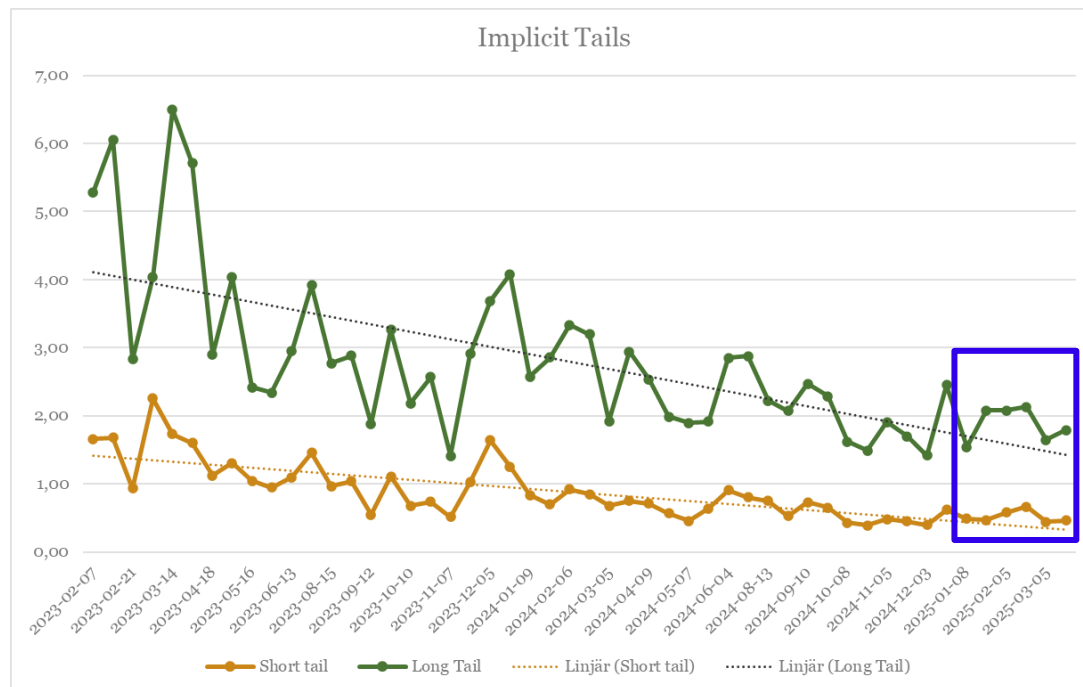


The bid-to-cover ratio at each auction (the dots on the lines) for the electricity area boundaries SE2/SE3 and SE3/SE4, for which the allocation conditions apply during February 2023 – March 2025.

Implicit tails

- The tails serve as a measure of price formation, where a shorter tail indicates a better auction.
- The quarter was characterized by continued satisfactory price formation.
- Read more about tails in the full-year report.*

*<https://www.svk.se/en/about-us/news/news/svenska-kraftnat-publishes-full-year-follow-up-of-epad-auctions/>



Average implicit short and long tails at each auction. The trend lines for short and long tails (dotted lines) in the figure depict the general trends in tails during February 2023 - March 2025 expressed in EUR.

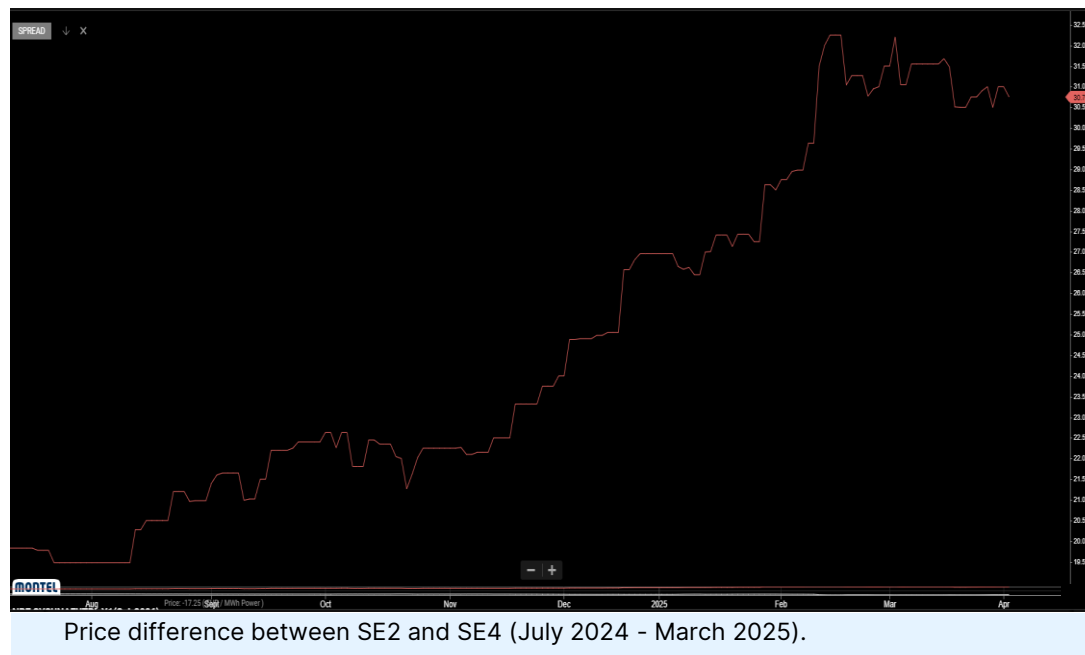
Market development for EPADs (YR-26)

- We see some increase in volatility during the quarter.
- SE3 traded at the same level at the beginning and end of the quarter.
- A continued price divergence between SE2 and SE4 can be observed.
- *Source: Montel*



Price difference between the north and south of Sweden (YR-26)

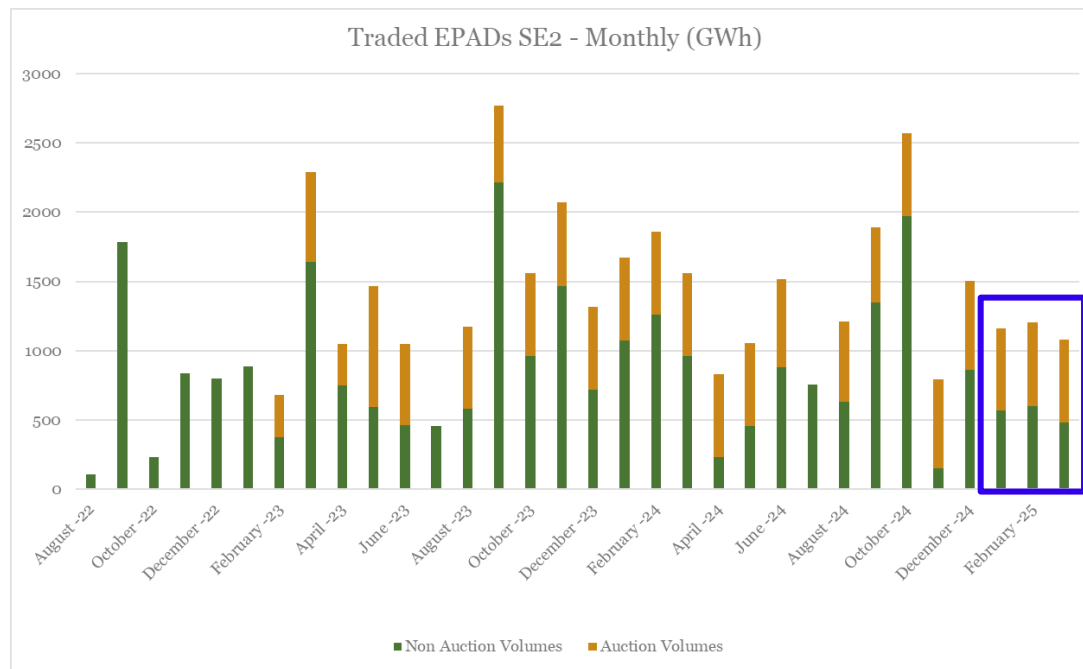
- The "spread" between SE4 and SE2 has been trending upwards since summer 2024.
- An important explanatory factor is the introduction of flow-based capacity calculation in October 2024.
- A peak was reached in February.
- *Source: Montel*



Activity and trading in the continuous EPAD market

Turnover SE2 (Sundsvall)

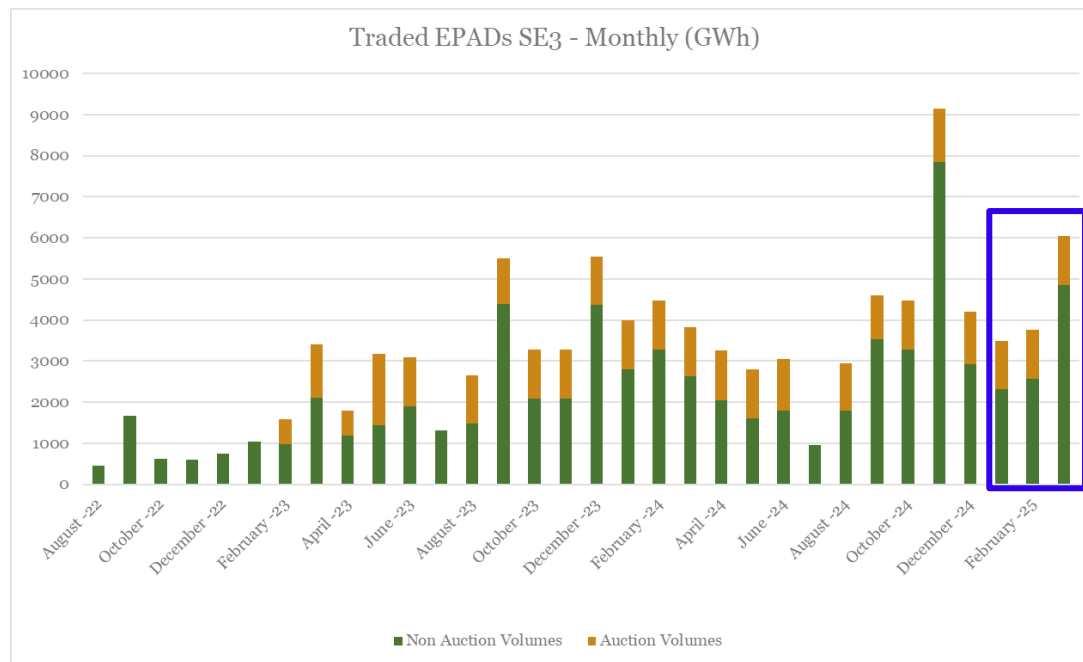
- Continuous trading volumes remained relatively stable throughout the quarter.
- Auction volumes as a share of total trading volumes increased in the first quarter to around 52% (39% in Q4 2024).



Monthly trading volumes (GWh) of EPADs in SE2 (August 2022 - March 2025).

Turnover SE3 (Stockholm)

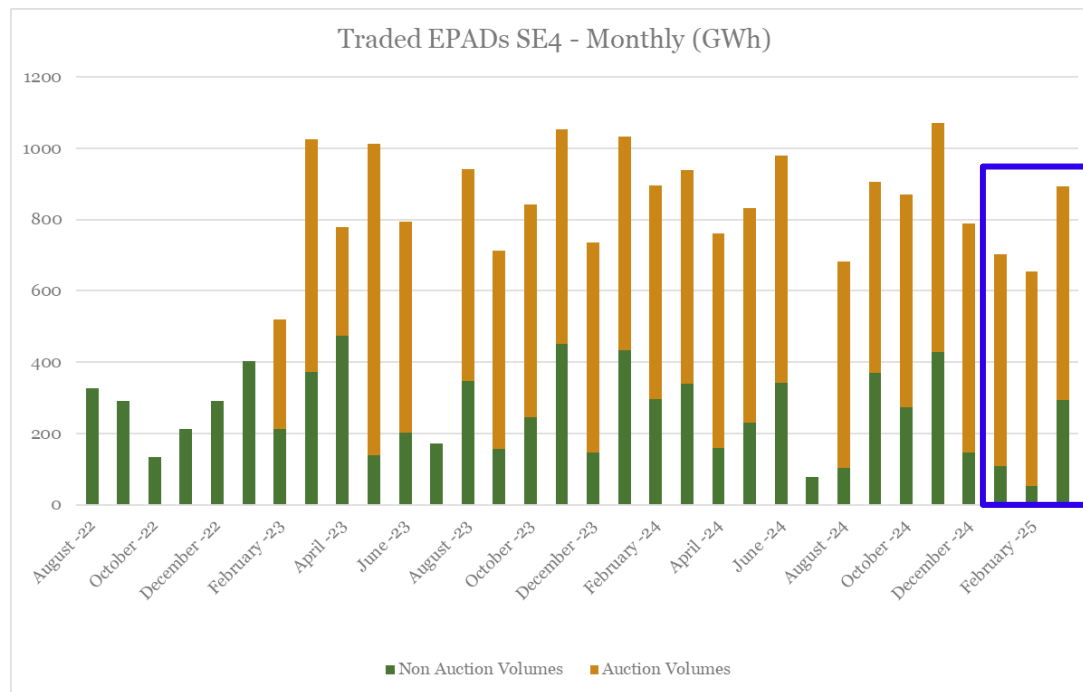
- Continuous trading volumes decreased by around 30% compared to the previous quarter.
- Auction volumes' share of total trading volumes increased once again in the first quarter to around 27% (21% Q4 2024).



Monthly trading volumes (GWh) of EPADs in SE3 (August 2022 – March 2025).

Turnover SE4 (Malmö)

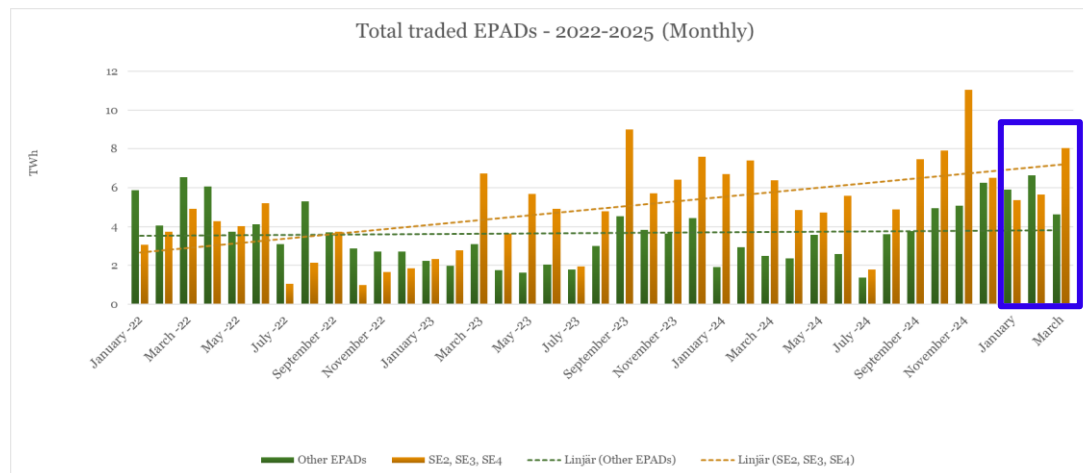
- Continuous trading volumes almost halved in the first quarter compared to the previous quarter.
- Auction volumes' share of total trading volumes continued to increase in the first quarter to around 80% (69% Q4 2024).



Monthly trading volumes (GWh) of EPADs in SE4 (August 2022 - March 2025).

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

- The EPADs covered by Svenska kraftnät's auctions accounted for 53% of total EPAD trading volumes in Q1 2025, which is lower than in the previous quarter.



Total trading volumes (TWh) in SE2, SE3 and SE4 compared to other EPAD contracts (January 2022 - March 2025).

Total turnover in SE2, SE3 and SE4

- Continuous trading volumes decreased in the first quarter. In March, continuous trading volumes accounted for around 5.6 TWh.
- Auction volumes accounted for around 38% of total trading volumes in the first quarter. The corresponding figure for the period February 2023-March 2025 was 37%.

