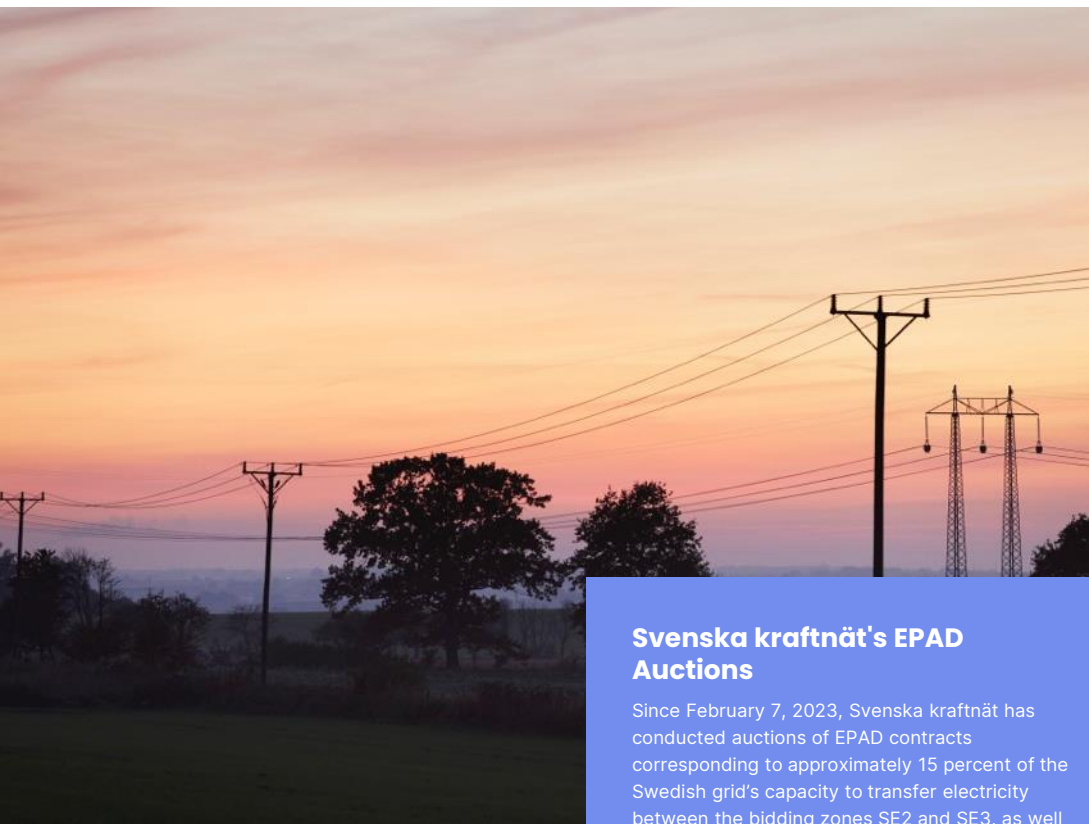


SVENSKA KRAFTNÄT

Quarterly Summary

– Svenska Kraftnät's EPAD auctions to enhance hedging opportunities

Second 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 Q2 2025

EPAD Auction Overview

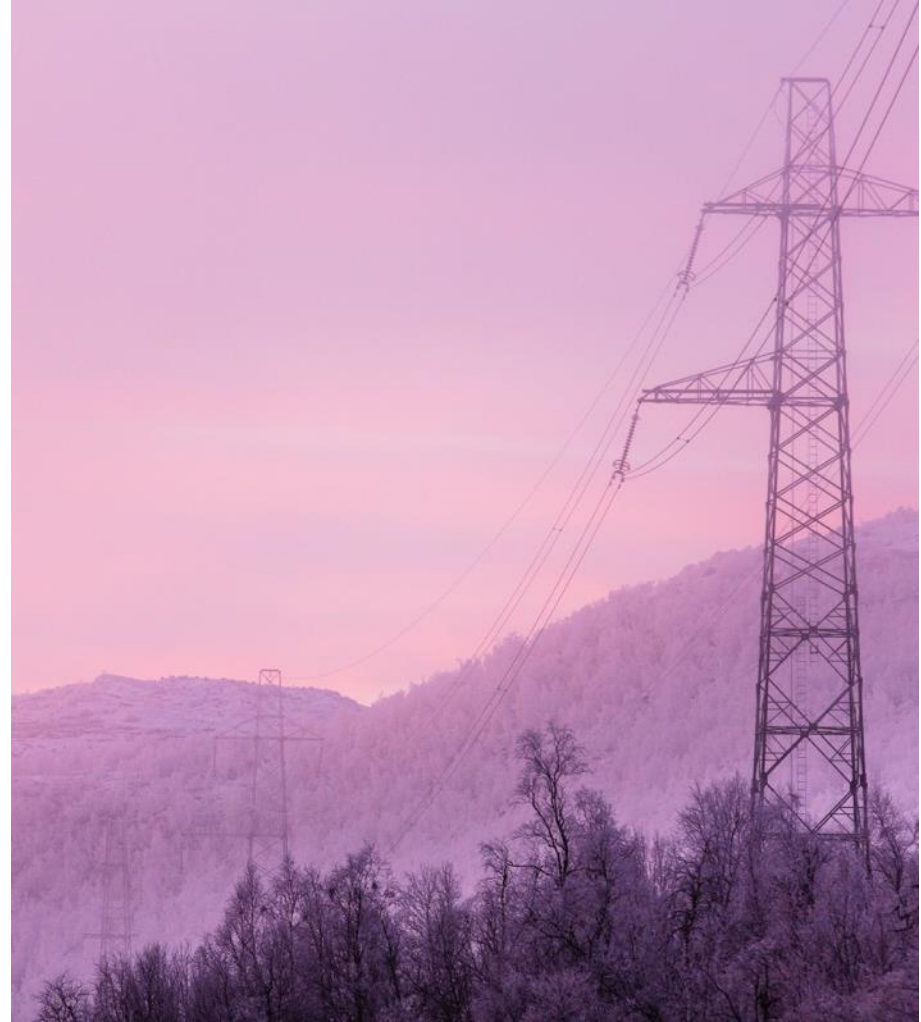
- Svenska kraftnät regularly conducts auctions of EPAD contracts for the bidding zones SE2, SE3, and SE4.
- The purpose is to improve hedging opportunities for market participants.
- A total of six auctions were carried out during the second quarter of 2025, starting on April 8.

Increasing price differences and continued decline in continuous trading in SE2 & SE4

The quarter was characterized by continued widening price differences between SE2 and SE3, as well as between SE2 and SE4.

Continuous trading of EPAD contracts decreased in SE2 and SE4, while it increased in SE3.

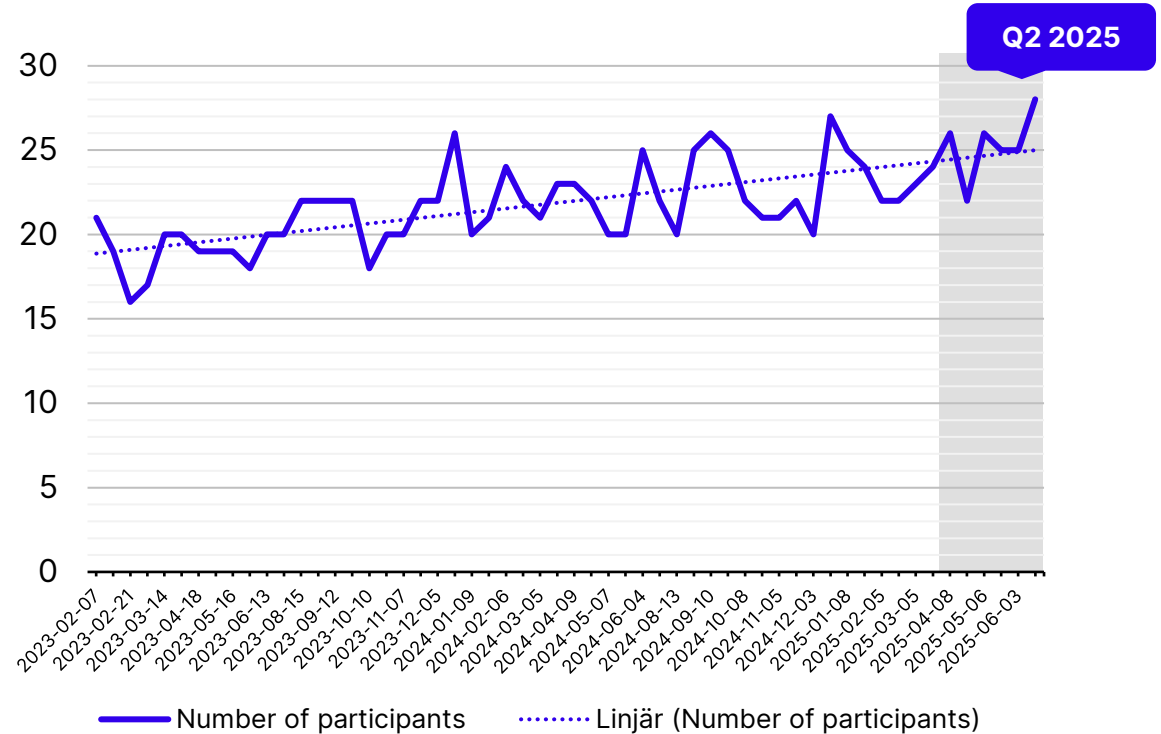
The auctions were marked by continued strong price formation and high participation.



Auction Participation

Participation continues to increase

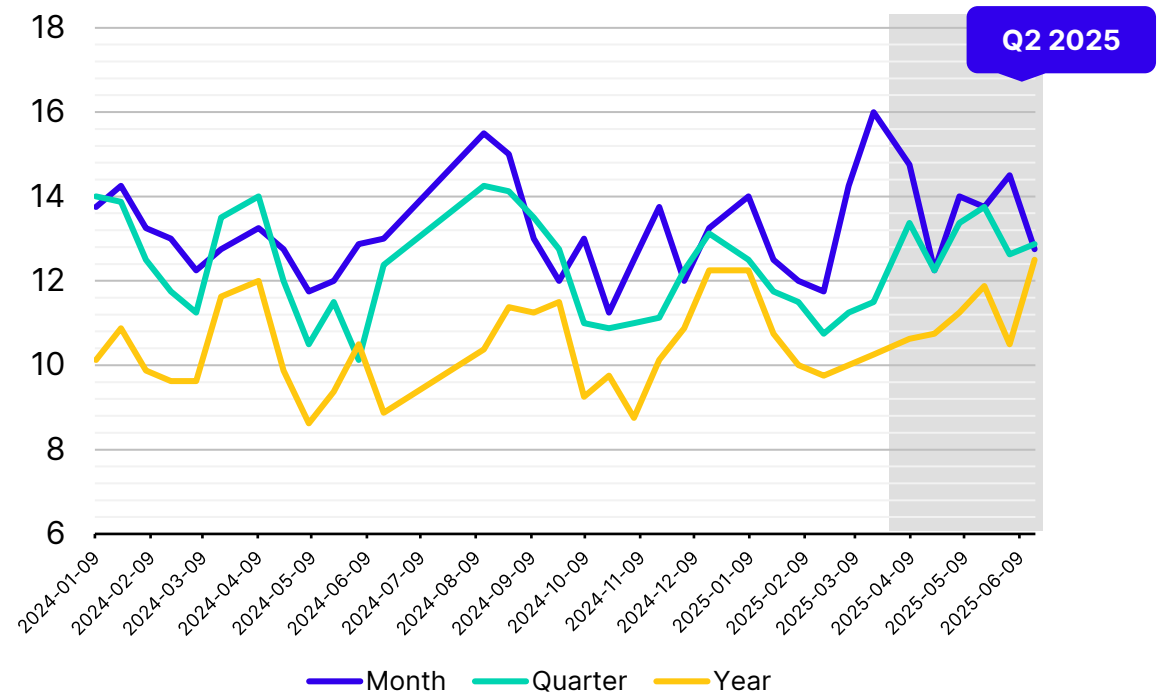
- Auction participation continues to show a positive trend. A peak of 28 participants was reached at the auction on June 17.
- On average, 25 participants took part in each auction during the second quarter of 2025.



Average number of participants per auction

Participation by contract type

- The monthly contracts continue to attract the most interest from participants.
- After the peak on March 19, the differences between contract types have decreased. The calendar year contracts have increased over the past month. However, the period is too short to draw any definitive conclusions.

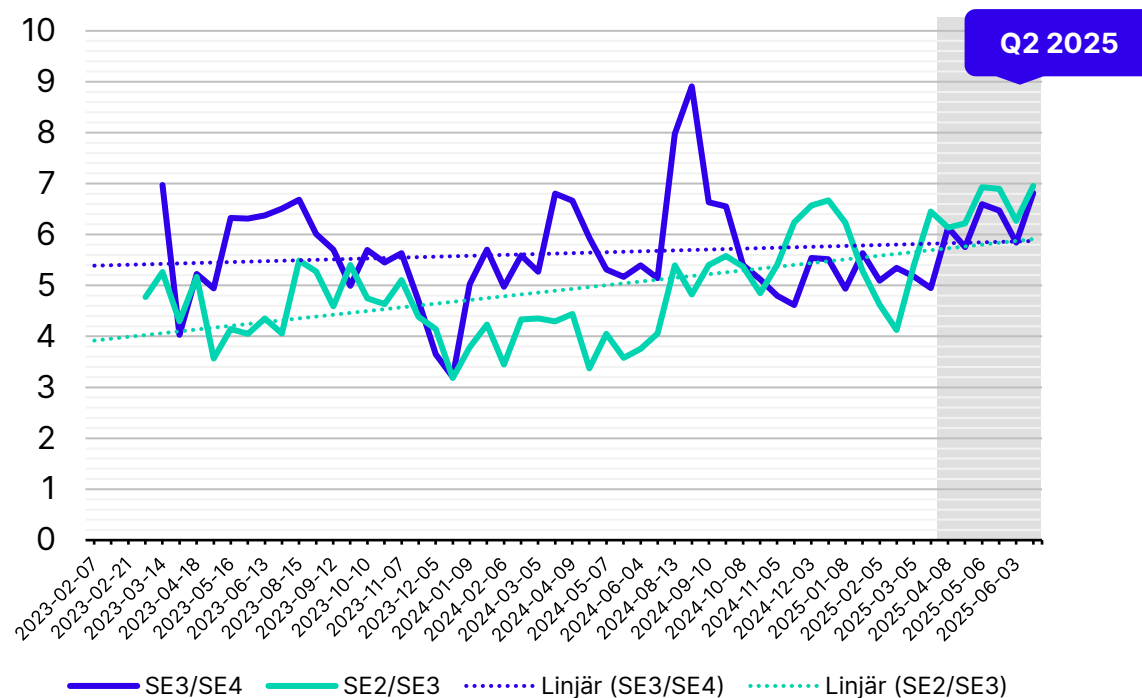


Average number of participants per auction, broken down by monthly, quarterly, and calendar year contracts.

Price Formation

Bid-to-cover ratio

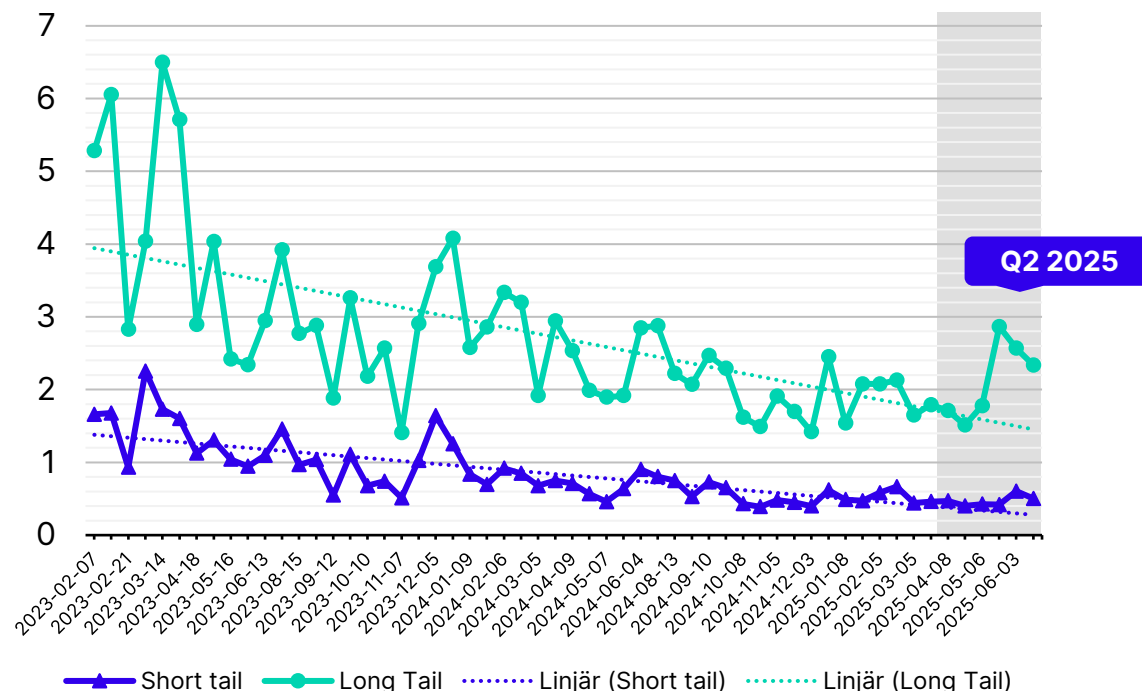
- The bid-to-cover ratio for SE2/SE3 (bidding zone border 2) remained slightly higher than for SE3/SE4 (bidding zone border 4) and reached its peak at the last auction of the quarter on June 17. Overall, the bid-to-cover ratio is strong.
- Please note that the bid-to-cover ratio is adjusted according 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

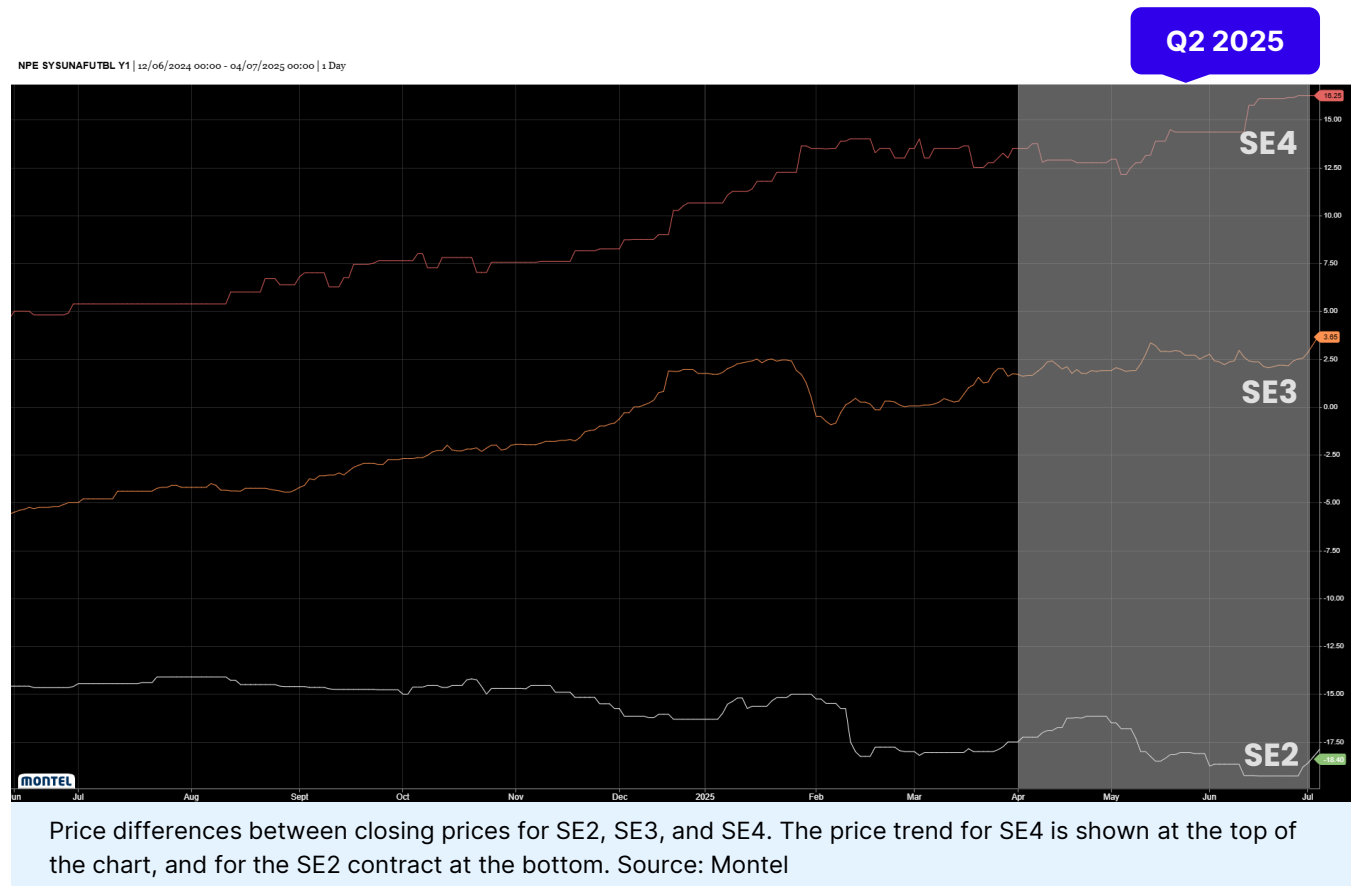
- The implicit tails serve as a measure of price formation – the shorter the tail, the better the auction. Read more about implicit tails in the annual report.*
- After a downward trend for both long and short tails, an increase in long tails has been observed during the last three auctions. This may indicate a slight rise in tactical bidding, although the volumes remain very small.



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.

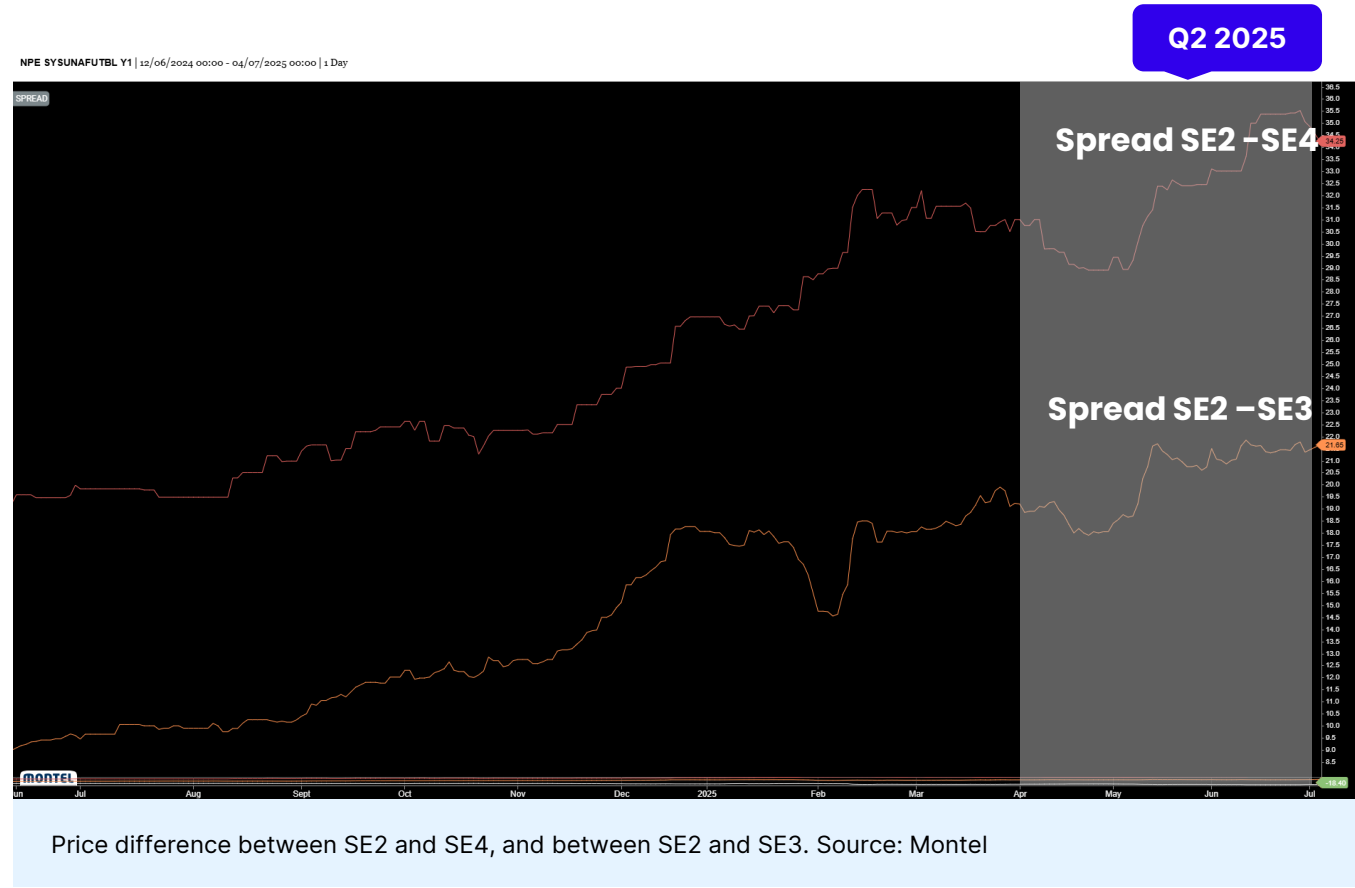
Market Development for EPADs (YR-26)

- The 2026 year contracts for SE4 and SE3 traded at higher levels towards the end of the quarter, while SE2 traded slightly lower.



Price Spread Between Northern and Southern Sweden (YR-26)

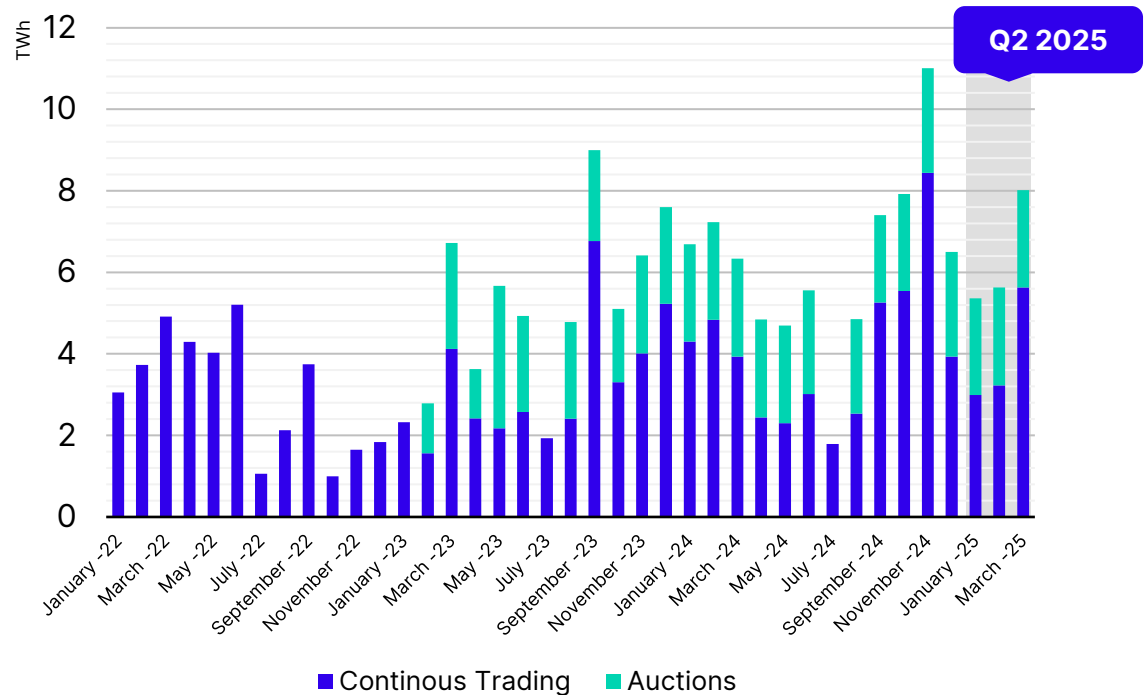
- The spread has increased continuously since the summer of 2024.
- The introduction of flow-based capacity calculation in October 2024 remains an important explanatory factor, which continues to put downward pressure on prices in SE2.



Activity and trading in the continuous EPAD market

Total EPAD-volume in SE2, SE3 and SE4

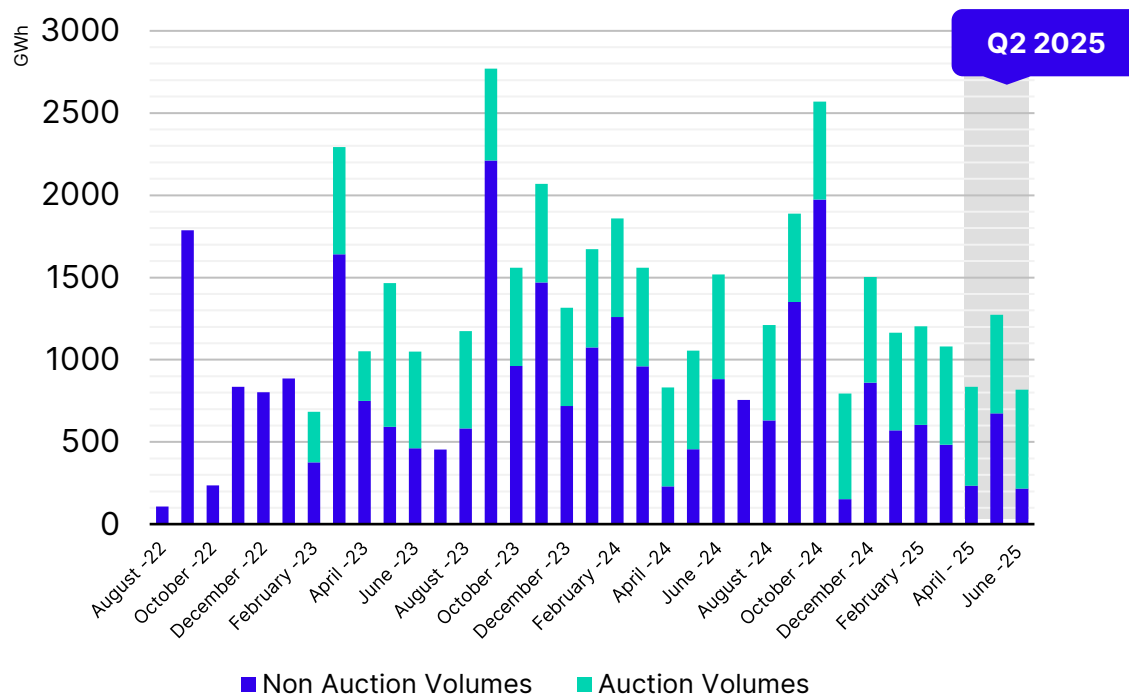
- Overall, EPAD volumes in SE2, SE3, and SE4 increased throughout the analyzed period, while the proportion of continuous trading also rose overall.
- During Q2, continuous trading accounted for approximately 66% of the total volume, while the corresponding figure for Q1 was 62%. For the period 2023–2025, the average corresponding figure was 64%.



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

EPAD-volume SE2 (Sundsvall)

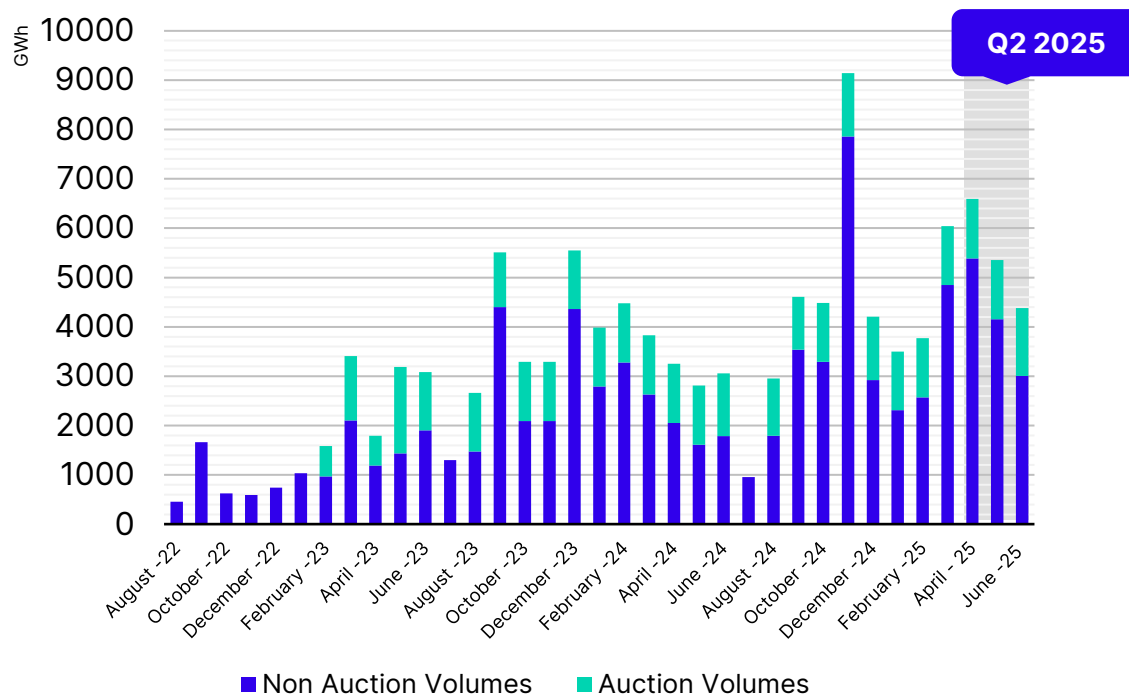
- Continuous trading in SE2 continued to decline during the quarter.
- Auction volumes as a share of total volume increased to approximately 62% in the second quarter, compared to 52% in Q1 2025 and 39% in Q4 2024.



Monthly trading volumes (GWh) of EPADs in SE2.

EPAD-volume SE3 (Stockholm)

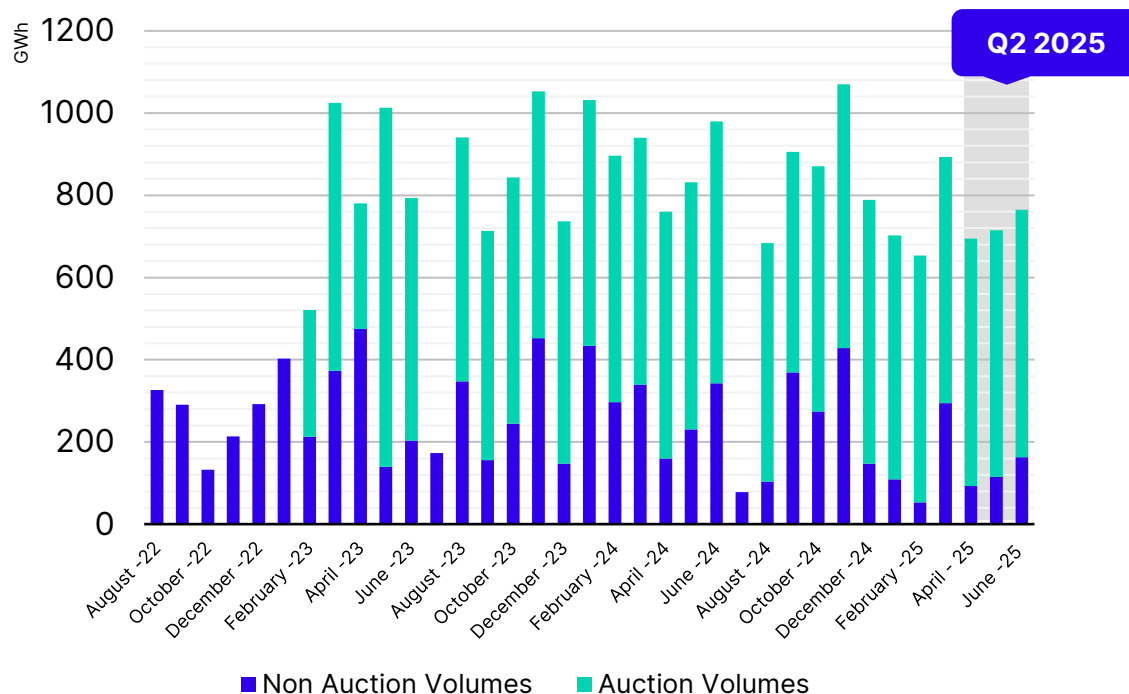
- In SE3, auctions account for a relatively small share of the total volume. This indicates a well-functioning market and a desirable outcome, as the purpose of auctions is to support the market.
- During the second quarter, the share of auction volumes was approximately 23%, compared to 27% in Q1 2025 and 21% in Q4 2024.



Monthly trading volumes (GWh) of EPADs in SE3.

EPAD-volume SE4 (Malmö)

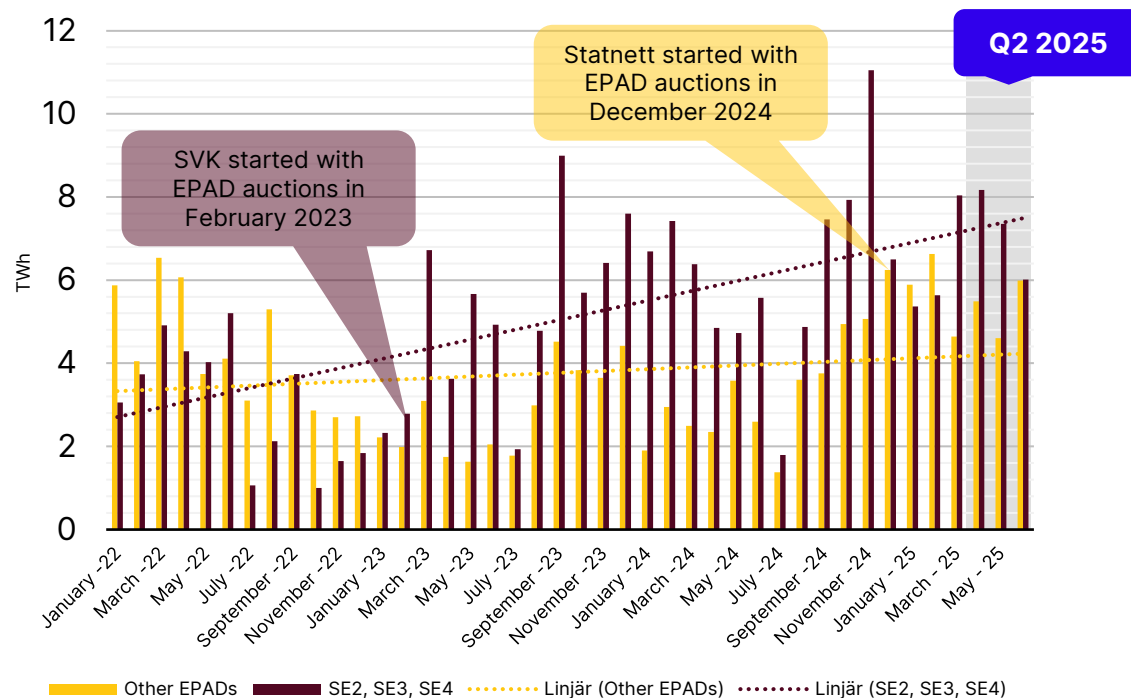
- In SE4, auctions account for the majority of the volume, which indicates weaker continuous trading and a less liquid market.
- Continuous trading continued to decline.
- Auction volumes as a share of total volume increased to 83% in the second quarter, compared to 80% in Q1 2025 and 69% in Q4 2024.



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 auctions and continuous trading) accounted for 57% of the total volume in the second quarter of 2025, up from 53% in the first quarter of the same year.



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

