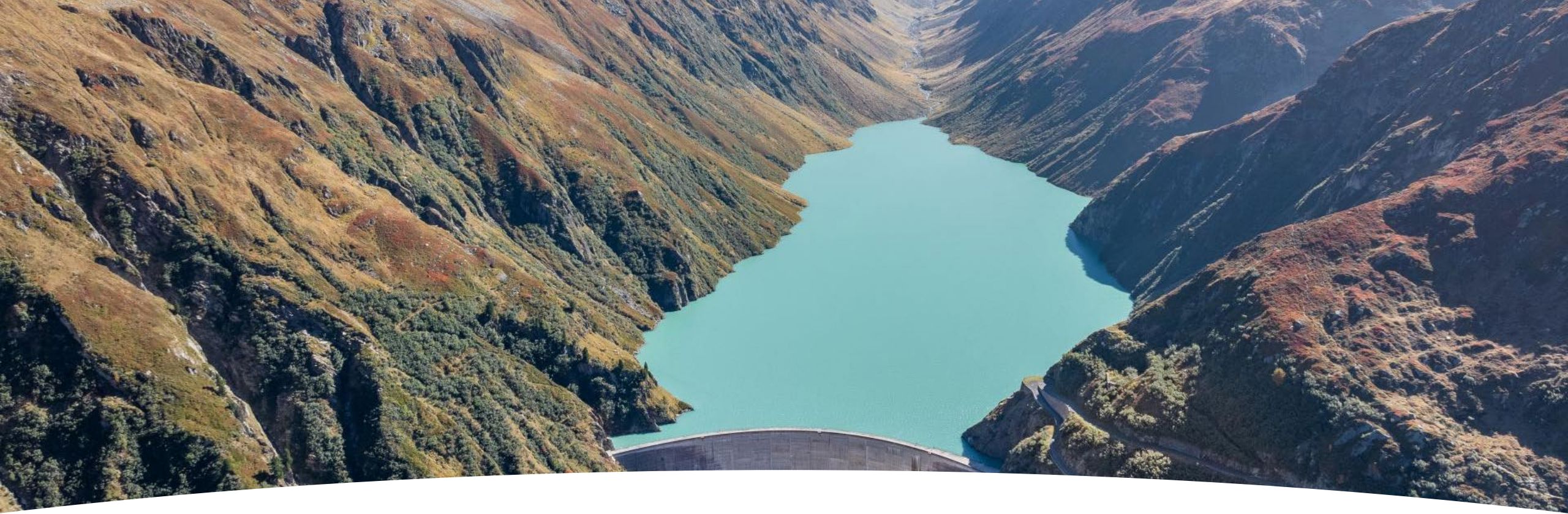




Status of the Nordic power market

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20 August 2026



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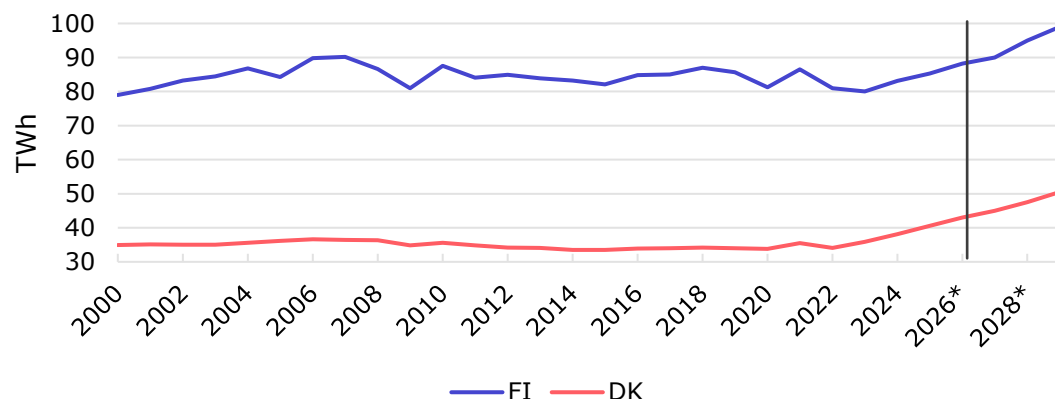
Baden, 18 August 2026

Agenda

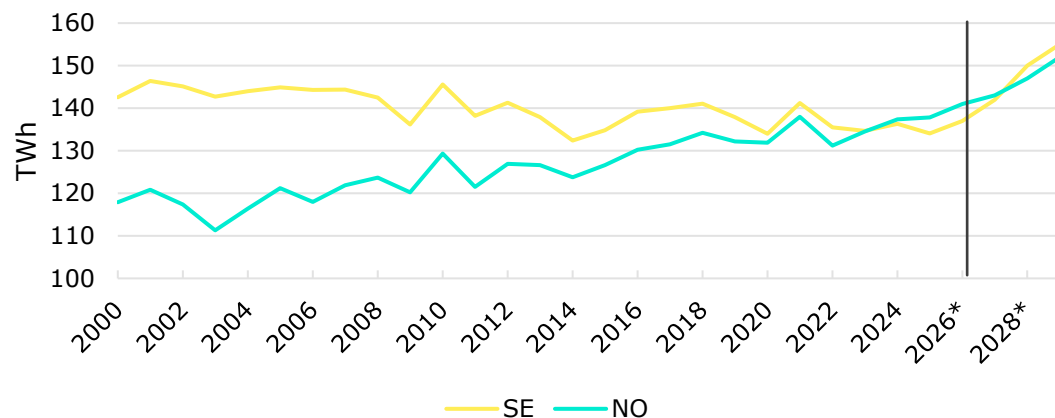
- **Nordic power demand at a turning point**
- **Wind installation slowing down, solar installations still fine, but relatively low in volume**
- **Weak hydrological situation in 2026**
- **Low availability of nuclear power has caused trouble this year and it is not over yet**
- **Negative prices declining in the Nordics, but the market remains volatile**
- **Are we going the right way?**

25 years without demand growth in the Nordics, but we are at a turning point

FI + DK demand development

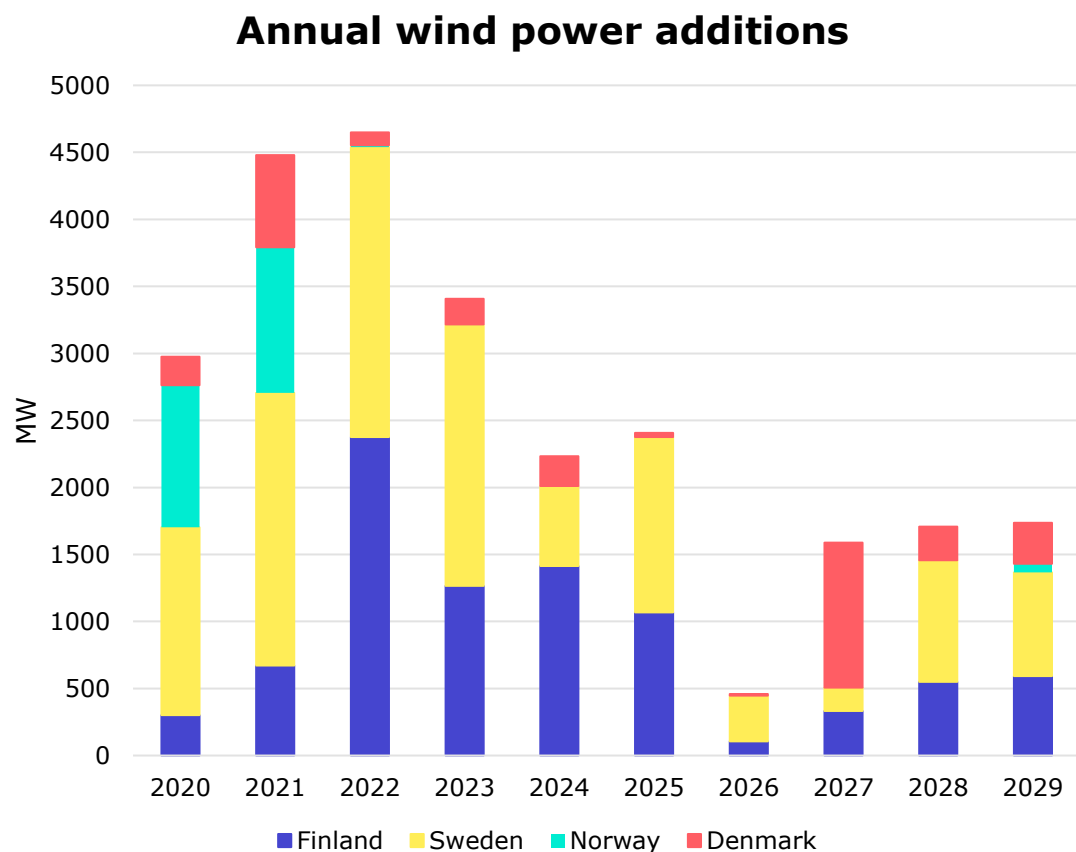


SE+NO demand development



- **Finnish and Danish power demand is already increasing**
 - Both countries are about to see the third year in a row when power demand grows more than 2 TWh year-on-year
 - The main driver has been district heat electrification after tax changes in both countries
 - Over next years, data centres and electric vehicles will see their roles increasing
- **Norwegian and Swedish demand has not grown much lately**
 - In Norway, oil & gas industry provided the main historical growth, while in Sweden, the forest industry decline offset some increase in other sectors
 - Without a cold start of 2026, we could well be heading for another year with no growth
 - But in 2027, we should have several data centres in operation
 - The green steel sector will be a major contributor to Swedish demand growth from 2028, but we do not expect much from hydrogen sector in this period

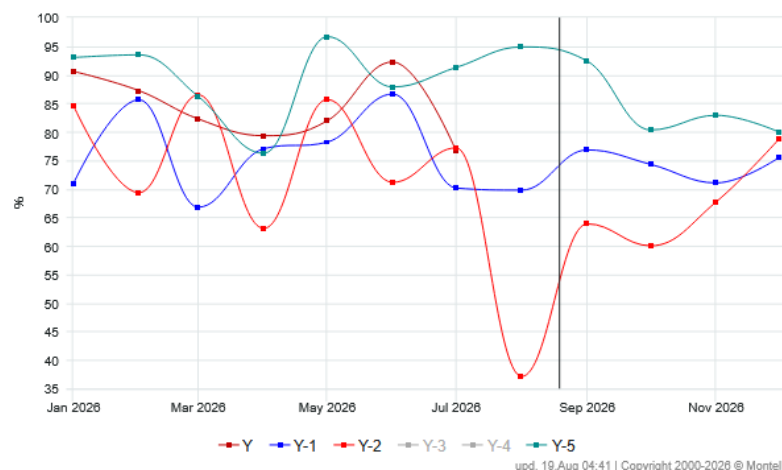
Simultaneously, wind investment is decelerating



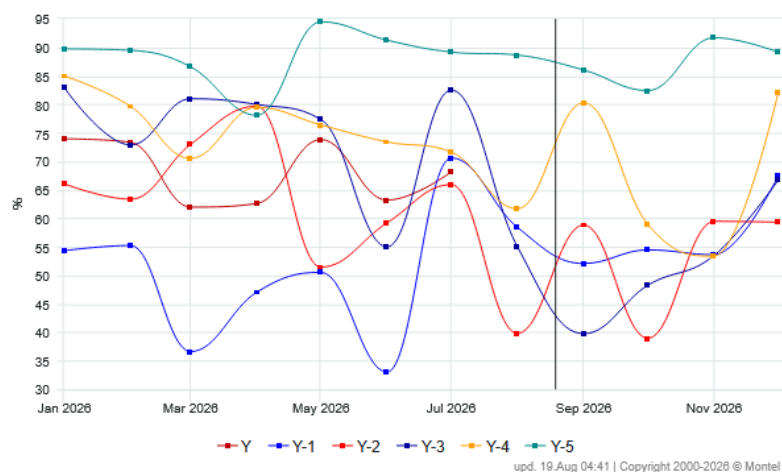
- **Norway disappeared from the wind investment map years ago, but now also Finland and Sweden are hitting a wall**
 - We still have valid build permits in Finland and Northern Sweden, but the captured prices for wind in these areas are far too low to support investments
 - The situation with extreme balancing costs has eased from the worst situation in 2025, but it is still an additional burden on top
- **Without the large offshore wind farm Thor in Denmark, 2027 would be a pathetic year as well**
 - But we have some faith that in 2028 we should see some improvement again, although especially the Swedish numbers may end up even lower
- **It would be crucial to be able to build new power production in South Norway and Sweden**
 - But politically created problems are hard to solve

Wind capture rates are not declining any more

Monthly wind capture rates compared to the current year - SE3

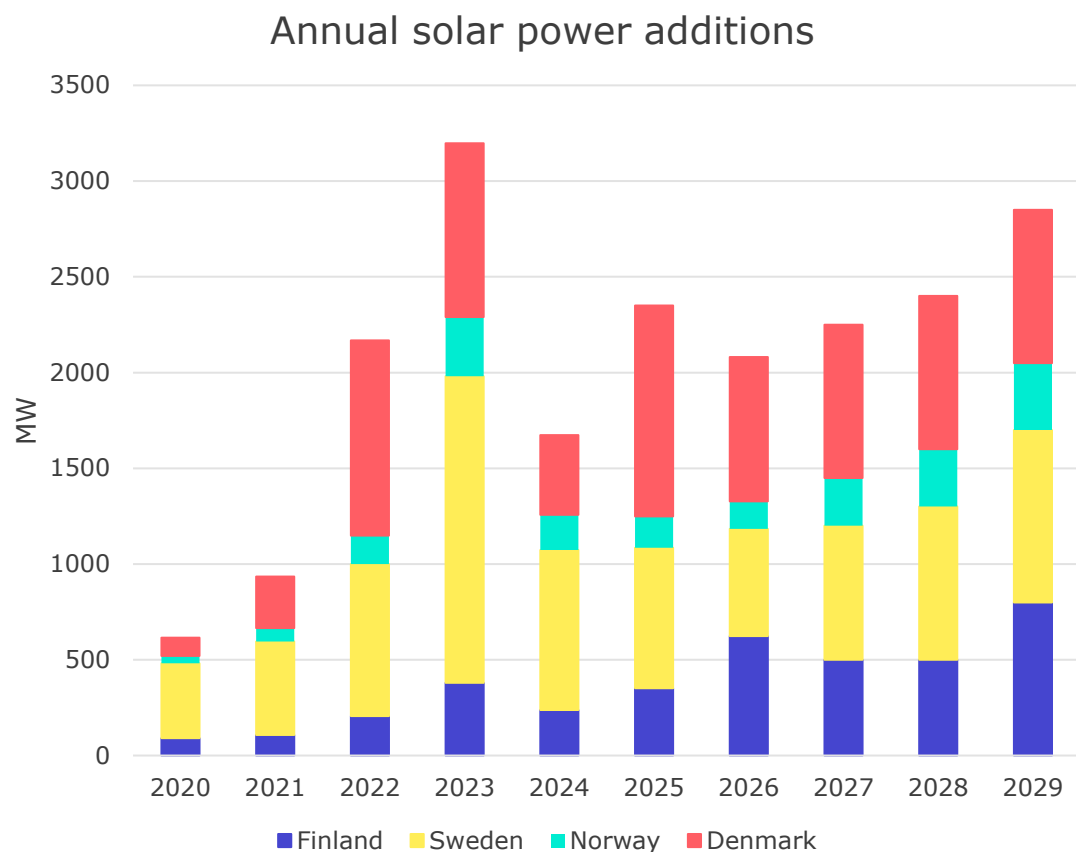


Monthly wind capture rates compared to the current year - FI



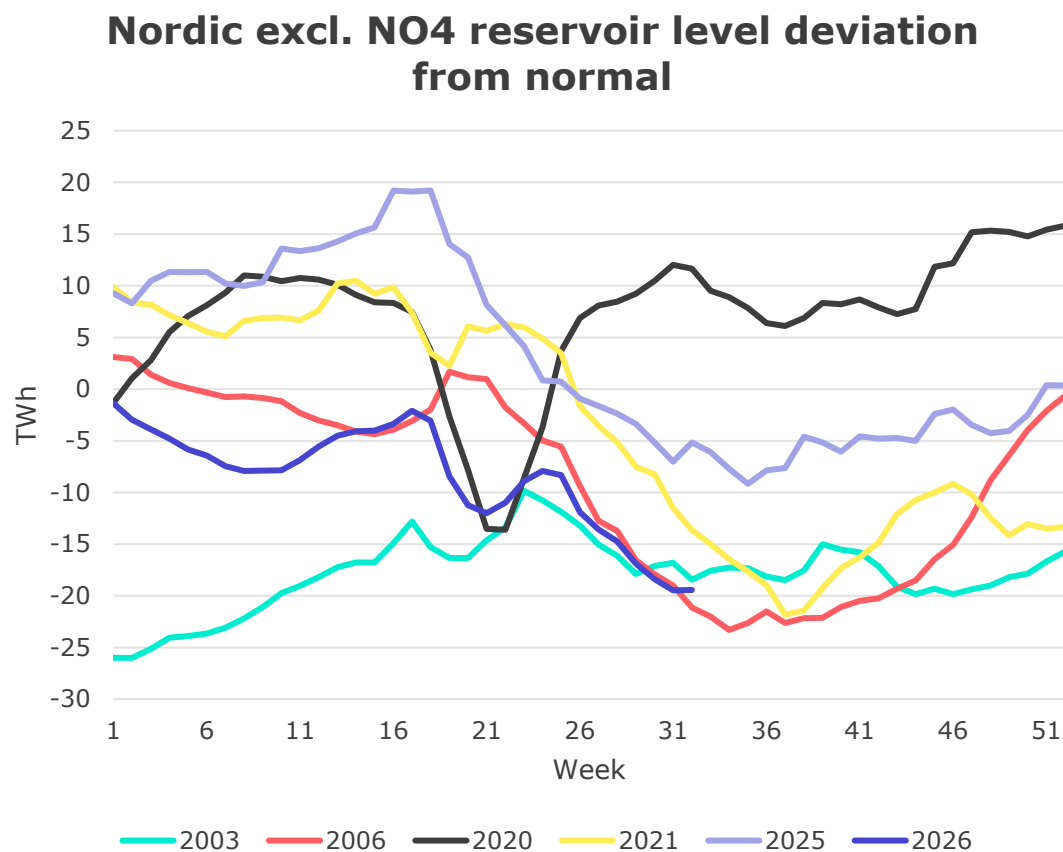
- **On the positive side, the slowdown in investments is supporting the value of wind power**
 - Calm weather is only a part of the equation, I think the main reason is that the addition of wind has slowed down
 - In Finland, the district heat boilers, running sometimes even above 1 GW load last winter have definitely lifted the lowest prices, mostly caused by high wind power production
 - This shows that increasing flexibility on the demand side would be another way to improve wind profitability
 - Battery installation speed may well exceed wind installation rates this year which would naturally be supportive as well
- **If we want to see a restart of commercial investments as we expect, we probably need a combination of several factors**
 - Higher spot prices on average
 - Higher wind capture rates, ie. less cannibalization
 - Lower investment costs
 - Lower balancing costs

Solar investment is down from its peak, but the activity continues



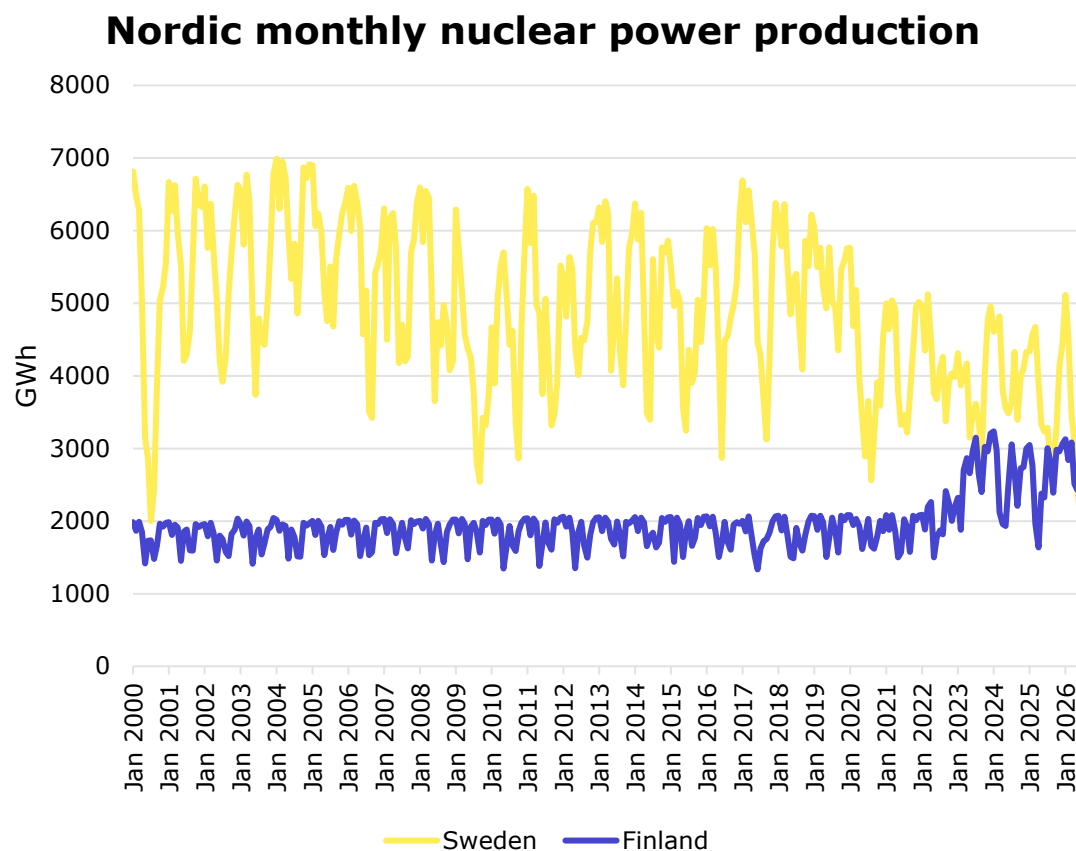
- **Especially Swedish small-scale solar investment is much down after the energy crisis**
 - But as solar installation costs have fallen, the competitiveness of large-scale installations has increased
 - There are some large-scale installations in Sweden, Finland and Denmark ongoing
 - Norway again stands out with extremely little investment
 - Total Nordic annual addition is around 2 TWh/year
- **But the problems with Nordic solar are its strong seasonality and subsidised competition**
 - It does not bring much power to the moments when we need it most
 - And all connected neighbours, excluding UK, already have an overcapacity of solar on nice days so Nordics are importing plenty of solar power from Germany, Netherlands and recently even from Poland and the Baltics
 - Solar cannibalization will increase quickly in the next years

Weak hydrology in 2026 will likely affect 2027 as well



- **The reservoir situation is at a 20-year low, excluding NO4 which is anyway behind many bottlenecks**
 - In 2006, we had Nordic system price clearly above German price in Aug-Oct period
 - We have not had anything similar since then and market has changed considerably thereafter
 - Only the wettest autumn in the last 25 years would return us to normal levels by year-end
- **Consequently, it is quite likely that Nordic hydro reservoirs will remain at a weak level for some time**
 - Combined with weak hydro levels in the Alps and low gas storages, this increases the price impact of thermal power in the Nordics compared to what we have seen recently

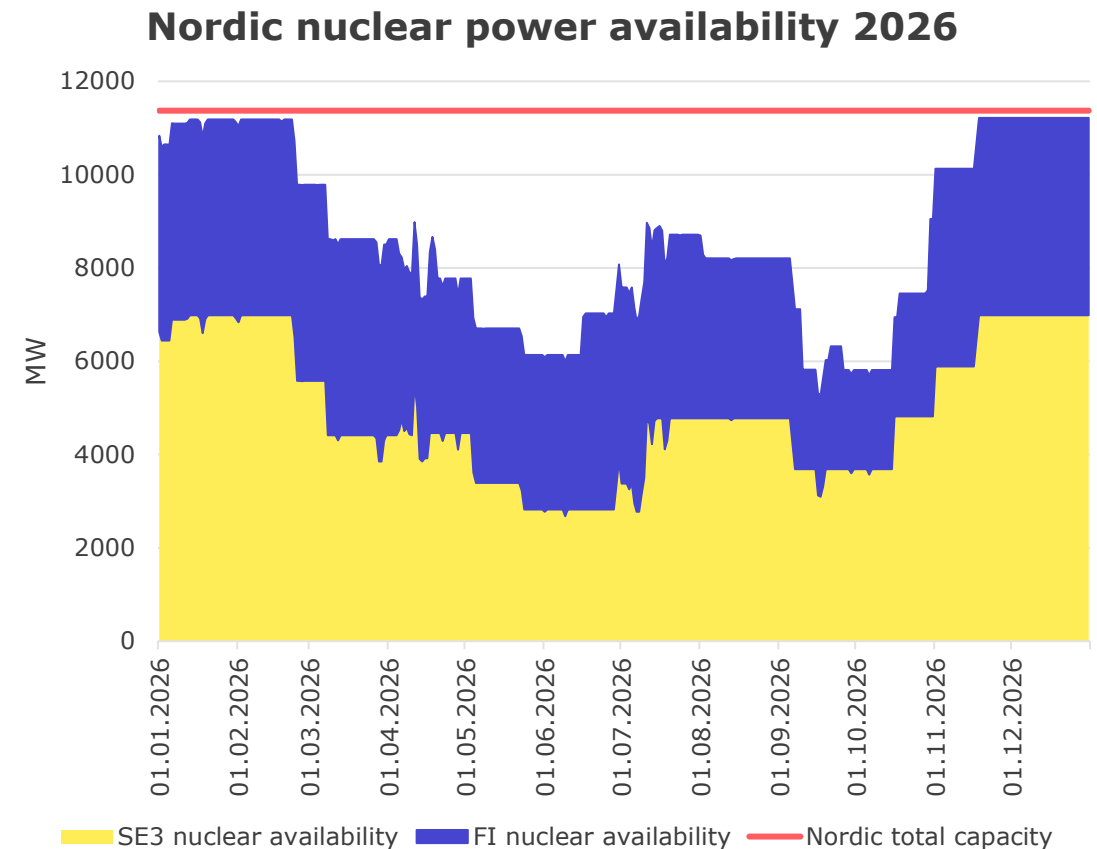
Low Swedish nuclear power this summer



- **Swedish nuclear power production hit a 26-year low in June, just barely higher than in July 2000**
 - For the first time ever, Finnish nuclear power production was higher than Swedish on monthly level, and this was true for July as well
 - Note that in July 2000, the production was so low only because the Swedish nuclear power plants were curtailed due to extremely low prices
 - This time, we just had multiple large delays in Swedish maintenance projects
- **Consequently, we have seen Finnish prices far below SE3**
 - Nordic flow-based market coupling, high power prices in Central Europe and the Norwegian drought have contributed to this as well

Nuclear availability outlook for 2026

- **After good winter availability, we fell to an unusually low level in June**
- **We already know we will have poor nuclear availability in Sept-Oct**
 - Olkiluoto 3 and Forsmark 1 will enter scheduled maintenance and total availability will be below 6 GW
 - On the latter half of October, we should the restarts of Ringhals 3 & 4, Loviisa 1 and Olkiluoto 3
- **The restarts will be crucial in preventing significant Central European price effects from spreading north**
 - Naturally, SE3 and SE4 would be the most affected areas, but as we see from recent spot prices, all areas are impacted on calm days



Negative prices declining in Nordics, but not elsewhere

How many hours had negative prices?

Year	NO2	SE3	Finland	Germany	Netherlands
2021	5	12	5	139	70
2022	0	29	27	83	92
2023	174	429	467	287	308
2024	206	651	724	459	458
2025	36	345	459	573	584
1-7/26	43	65	46	364	297

- **The amount of negative hours is significantly down in Finland and Sweden**
 - Cold and calm winter, weak hydrology, flow-based market coupling, 15-minute markets and low nuclear power in the summer have all contributed to this
 - Finnish and Danish electric boilers have an impact as well, but we would not attribute much of the effect to batteries yet
 - Likewise, in the upper end of spot prices, we cannot really observe significant peak-cutting effect from batteries yet
- **While in Central Europe, we are not far behind where we were in 2025 at this time of the year**
 - Growing solar oversupply in multiple countries is now by far the most important reason for negative prices, and Spain has emerged as the new European leader
 - Solar power production is also on average less market-oriented than wind power due to subsidy system details
 - We see this effect even in Norway despite weak hydrology
- **But absolute price volatility continues at a high level due to high thermal power costs**

Summary – are we going the right way?

- **In 2026, we will finally see a year when supply growth does not exceed demand growth**
 - The Nordic market needs more demand to enable commercially sustainable investments
 - The value of wind power is not falling any more which is a good sign
 - Hopefully, the trough in wind investment will not last too long, as the data centre boom will bring new demand
- **The hydrological situation in summer 2026 is unusually weak, impacting also 2027**
- **Swedish nuclear power has had a poor summer**
 - It is crucial that we recover from the expected low availability period in September – October, or we might have a tough winter ahead
- **The market is reacting and reducing the amount of very low prices**
 - But the high prices of thermal power production are keeping the spot market volatility high



Thank you!

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