

Region Stockholm
– for an equal,
transparent, sustainable
and competitive region
where residents have
equal opportunities and
a high quality
of life.

Region Stockholm
Investor Presentation
February 2025

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Region Stockholm in brief

Region Stockholm

- The largest of Sweden's 20 Regions
 - **26 municipalities**
 - **2.4 million inhabitants**
 - **1/3 of the Swedish GDP**
- Key responsibilities:
 - **Health care**
 - **Public transport**
- Democratically controlled with
 - **Its own legislature**
 - **Its own taxation right**

Debt portfolio of approximately SEK 40bn whereof ≈50% in green bonds

1,400 individual emergency room visits at emergency hospitals daily

100% of land based public transport is run on renewable energy

Public transportation system ranked #2 Europe and #3 globally

Strong Institutional Framework

A local government can not be declared bankrupt in Sweden:

- The Swedish Court has stated that the local governments in Sweden are NOT covered by the Bankruptcy Act (RH 1996:75) meaning bankruptcy in accordance to the Swedish Bankruptcy Act is not applicable for local governments
- This is due to the fact that local governments have constitutional rights to levy taxes and this is also supported by the Swedish Constitution

Requirement for sound financial management

Local governments must work according to a sound financial management

Law: "Kommunallagen chapter 11, § 1 (2017:725)"

Balanced budget requirement

Annual local government budgets should be in balance, imbalances are normally restored within 3 years

Law: "Kommunallagen chapter 11, § 5 (2017:725)"

Local government financing principle

If the government alters the tasks of local governments, the government must also neutralise their financial effect

Approved by the parliament and in force since 1993

Financial equalisation

Imbalances between local governments are equalised annually through income and cost equalisation schemes

Law: "Lagen (2004:773) om kommunalekonomisk utjämning"

An ordinary day in Region Stockholm



12,900
visits to a healthcare center
+17,000 contacts
and remote
contacts



80 children are born
at our maternity clinics



1,400 patients
visit an emergency room



160,500
people visit 1177.se



2 million journeys
are made within local
traffic



600,000 people
travel on public
transport



11,000 people
use medical and
mobility services



30,000 travelers
travel by public
transport on the
water on a
summer's day



60,000 works of art
created by 9,000 artists can be seen
at Region Stockholm's premises.



105 study circles
every day, all year round



800 children and young people
see a stage performance subsidized
by Region Stockholm

Vision and objectives

Region Stockholm – for an equal, transparent, sustainable and competitive region where residents have equal opportunities and a high quality of life.

Good financial management

Demand-driven, good quality health and medical care

Sustainable regional development

A good and sustainable employer

From environmental achievements to sustainability commitment

- Region Stockholm's Sustainability Policy & Strategy to 2027 integrates **Environmental, Social and Economic** sustainability
 - Built on an analysis of the 169 targets of the 17 Sustainable development goals
 - Scored every target for relevance
 - Contains three grounding principles and 13 priorities
 - Two long term goals: to reach ecological sustainability and climate neutrality by 2035* and Region Stockholm has a social sustainable development
 - **Green bonds** are an important part in realising this vision
 - Investments in Green and Sustainable Public Transport in focus

*Baseline year 2019



From environmental achievements to sustainability commitment

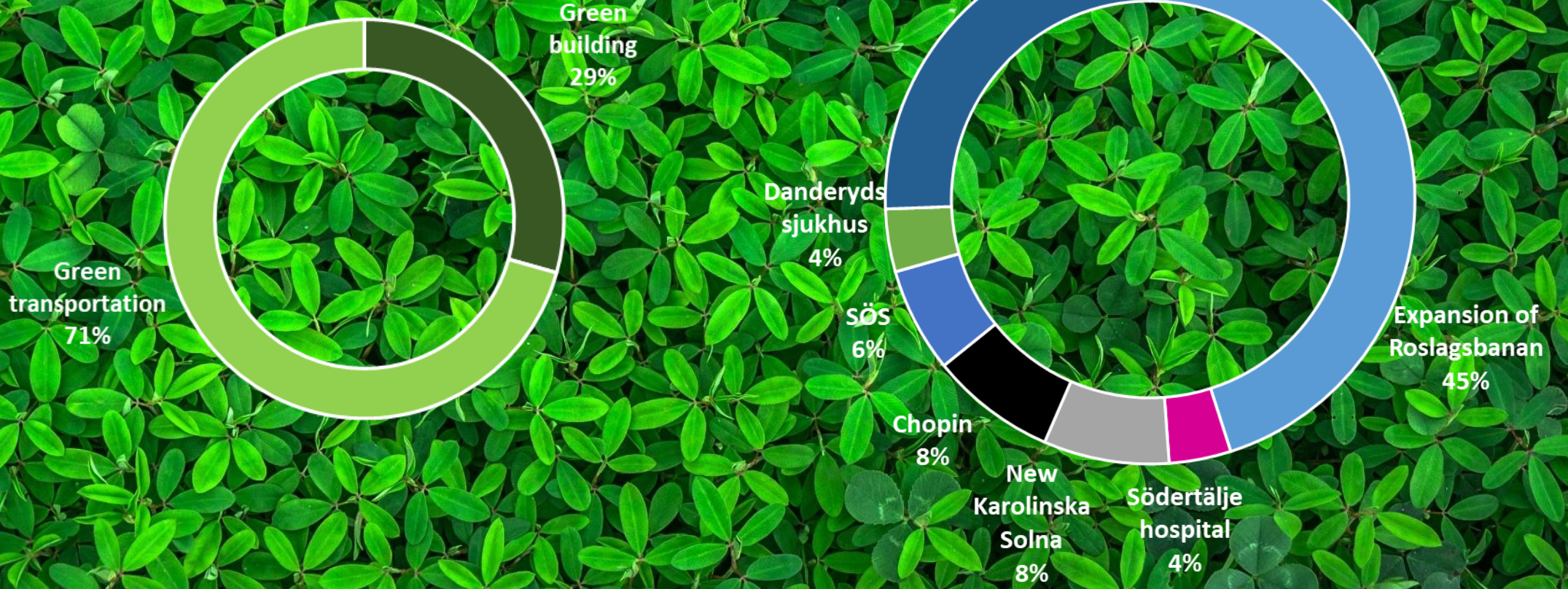
- Region Stockholm has reduced GHG emissions by almost **60%** since 2011 and by more than **70%** since 1990
 - Energy efficiency and renewable energy in **buildings** and energy efficiency and renewable energy and fuels for **public transport** are key components.
- 100% renewable fuels in land based transport w. "Bra Miljöval"
- 100% renewable energy for facilities owned and managed by Region Stockholm (2 million sqm hospital area) (Bra Miljöval)
- Carbon budget decided by the Region Stockholm Assembly in December 2023
- A climate action plan is under development to concretise and realise the route to climate neutrality by 2035 at the latest



Our green financing portfolio



Green bond portfolio



Summary green bonds

7
Green projects financed

SEK
≈20.0
billion outstanding

2025 YTD

GHG emissions avoided
15 100
tCO₂e

2023

GHG emissions avoided
59 900
tCO₂e

2019-2023

EU taxonomy alignment assessment

EU taxonomy alignment assessment on green bond projects

	% of green bond portfolio	TSC	DNSH	Minimum Safeguards
EU taxonomy aligned projects				
Roslagsbanan expansion programme	54 %	●	●	●
Metro Red Line programme	5 %	●	●	●
Södersjukhuset	9 %	●	●	●
Danderyds Sjukhus	5 %	●	●	●
EU taxonomy not aligned projects				
Södertälje Sjukhus	5 %	●	●	●
New Karolinska Solna	11 %	●	●	●
Karolinska Huddinge	11 %	●	●	●

● Aligned ● Not aligned ● Not assessed



EU taxonomy alignment
(green project alignment for green bonds issued under current framework)

Extensive external use of proceeds review

- For the second time, KPMG has reviewed the green projects that Region Stockholm borrowed on during 2023, in this case the expansion of the Roslagsbanan and new trains to Metro Red line (C30), **meet the entire EU taxonomy**.
- The review included that we had to show that we significantly contribute to at least one of the EU's six environmental goals by meeting the technical screening criteria while at the same time not causing significant harm to any other environmental goal, and that minimum safeguards are met (Swedish and European labor law as well as the UN:s human rights).
- This review has been thorough, and examples of documents reviewed are environmental reports, purchasing policy, audit reports, work environment controls and supplier controls to name just a few.
- The audit has also reviewed we have had an earmarked account for green bonds and that the payments from this account have been made in a correct way to our green projects as the investments are carried out.
- KPMG has also reviewed that the green projects have been approved by our green steering group.



Eligible clean transportation projects

Clean transportation: Roslagsbanan expansion programme*



- Increase capacity to meet increasing travelling needs.
- Allow for an 8 trains per hour service, for the most frequented stations.
- Reduce sensitivity to traffic disruption.
- Confine with noise limits regulation for new Railway Construction. Creating better living environment for up to 10 000 people.
- Adapt stations and existing carriages for accessibility.
- Improve safety in the traffic system.
- Large focus on wildlife preservation - building wildlife passing tunnels, insect hotels and hotels for salamanders.

**These are main part of eligible projects. Use of proceeds are closely linked to pace of investments, therefore there may be change of projects. However, all projects are in accordance with Regions Stockholm's green bond framework.*



Eligible clean transportation projects

Clean transportation: New trains Metro Red Line*



Estimated climate impact per SEK 1bn investment

- 1500 tonnes CO₂e avoided per year on average

Clean transportation: the New Subway*



Estimated climate impact per SEK 1bn investment

- 1500 tonnes CO₂e avoided per year on average

**These are main part of eligible projects. Use of proceeds are closely linked to pace of investments, therefore there may be change of projects. However, all projects are in accordance with Regions Stockholm's green bond framework.*



C30 – New trains Metro Red line

Modern trains for a growing region

- New and modern C30 vehicles – first vehicle delivered in 2018 and from October 2020 first trains put into regular traffic. New vehicles introduced gradually and in 2024 all 96 vehicles will be in traffic.
- Vehicles designed to increase the attractiveness of the subway to suit a growing metropolitan region.
 - ✓ well-thought-out design, high operational reliability, new technology, increased capacity and prepared for future fully automatic operation.
 - ✓ new furnishings reduce perceived crowding and creates better passenger flow, more doors and seats along the sides provide wider aisles, more space for standing passengers and spaces especially intended for prams and wheelchairs.
 - ✓ first Swedish subway train equipped with air conditioning.
 - ✓ new design results in faster disembarking and boarding, which is a prerequisite for denser and more punctual traffic.

The New subway





The New subway

Historic subway expansion for a growing region

- The Blue Line is being extended from Akalla to Barkarby. Two new stations: Barkarbystaden and Barkarby. In service 2027.
- The Green Line is being extended from Odenplan to Arenastaden. Three new stations: Arenastaden, Södra Hagalund and Hagastaden. In service 2028.
- The Blue Line is being extended from Kungsträdgården to Södermalm, Söderort and Nacka. Six brand-new stations: Sofia, Hammarby kanal, Sickla, Järla, Nacka, Slakthusområdet. A new platform for the Blue Line will also be built under the existing Gullmarsplan station. In service 2030.
- The depot in Högdalen is being expanded to service, clean and repair more trains from both the Green Line and the Blue Line. Expected to become operational in 2026. New and modern C30 vehicles – first vehicle delivered in 2018 and from October 2020 first trains put into regular traffic. New vehicles introduced gradually and in 2024 all 96 vehicles will be in traffic.

Highlights of Region Stockholm's updated green bond framework



- Fourth version of the Framework where use of proceeds have been streamlined to reflect estimated future allocations (i.e. clean transportation and green buildings).
- The eligibility criteria have been updated to increase transparency around intended financing (i.e. public transport incl. infrastructure and existing buildings).
- The Framework is accompanied by a new “**Dark Green**” Second Party Opinion from S&P Global Ratings. In addition, S&P Global Ratings has confirmed that the Framework is aligned to the EU Taxonomy.

Green Bond Framework

Second party opinion of Region Stockholm's 2025 framework

- Highest **Dark Green** rating by second party assessor S&P Global Ratings

Strengths: Electric rail transport and zero tailpipe emissions are essential for achieving the 2050 climate goals. S&P consider Region Stockholm's environmental requirements for its suppliers and contractors to be a strength.

Weaknesses: No weakness to report.

- Alignment with the EU Taxonomy TSC for climate mitigation was assessed.
- Assessment of alignment with the DNSH TSC for all remaining applicable EU objectives was also assessed.
- A minimum safeguards assessment at the issuer level was carried out resulting in Region Stockholm to be aligned with the EU Taxonomy requirements for minimum safeguards.



S&P Global
Ratings

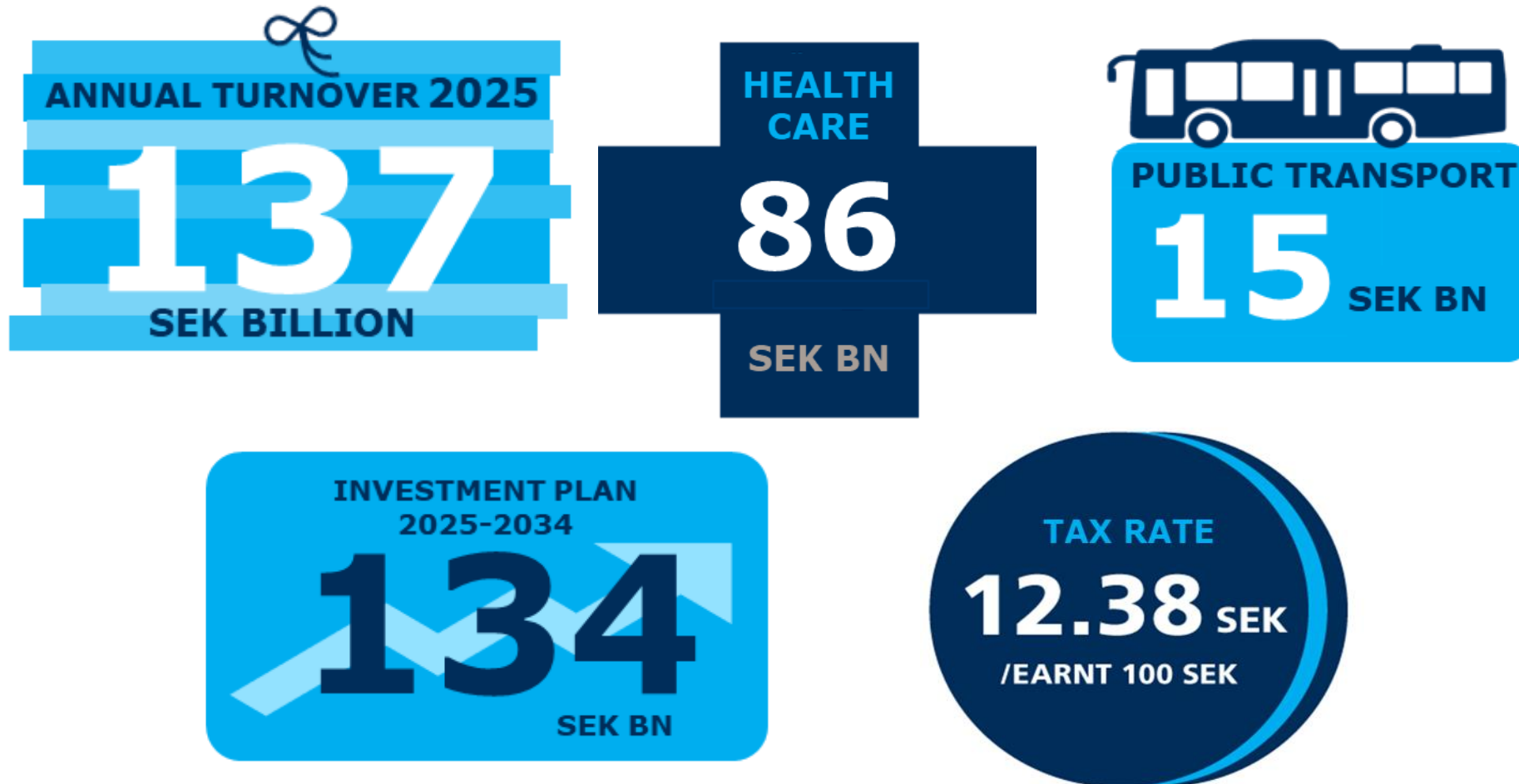
Powered by **Shades of Green**



**Dark
green**

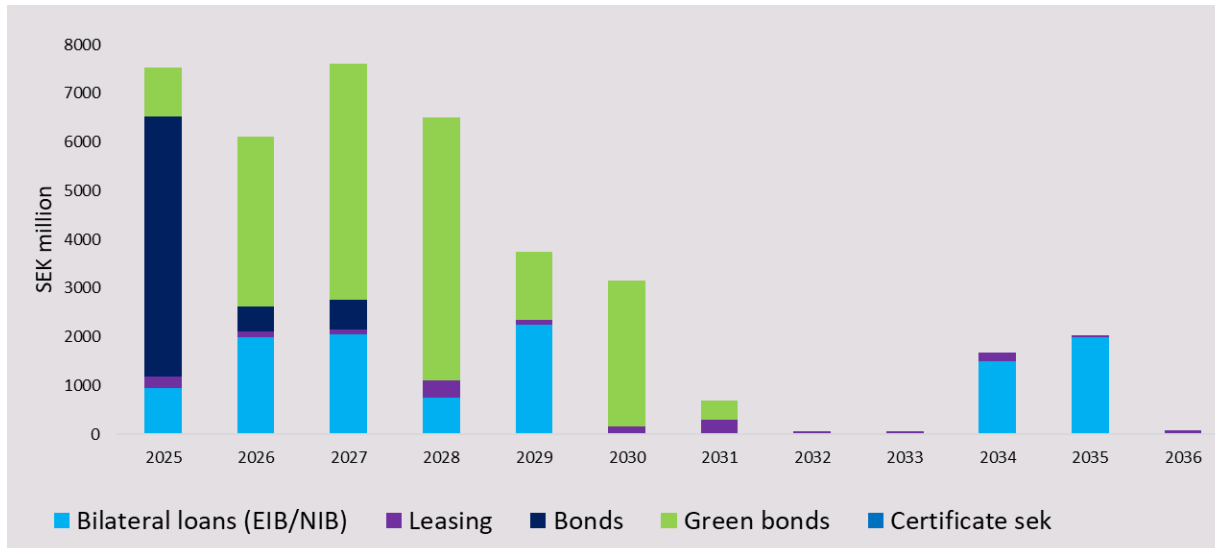
Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Budget 2025 in numbers

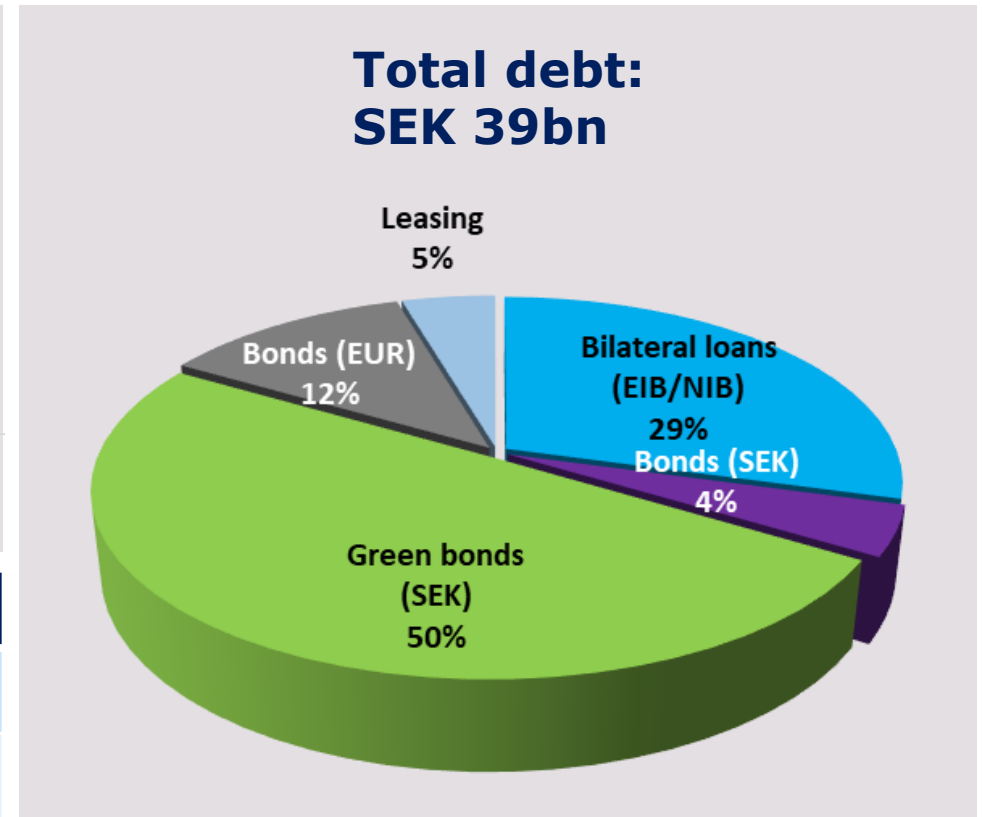


Debt Portfolio and Maturity Profile

Debt maturity profile*



Debt type breakdown*



Back –up facilities

Overdraft Facility	SEK 3bn	2019-2026
Revolving Credit Facility	SEK 5bn	2024-2029

* As per 13th of January 2025

Funding Plans for 2025

2025 Funding plans

- Estimated funding need of around SEK 6 billion in 2025 + pre-financing need for 2026.
- This basically means we are refinancing this year's maturities.
- Green issuance to public transportation projects will continue to be prioritized in line with political ambitions.

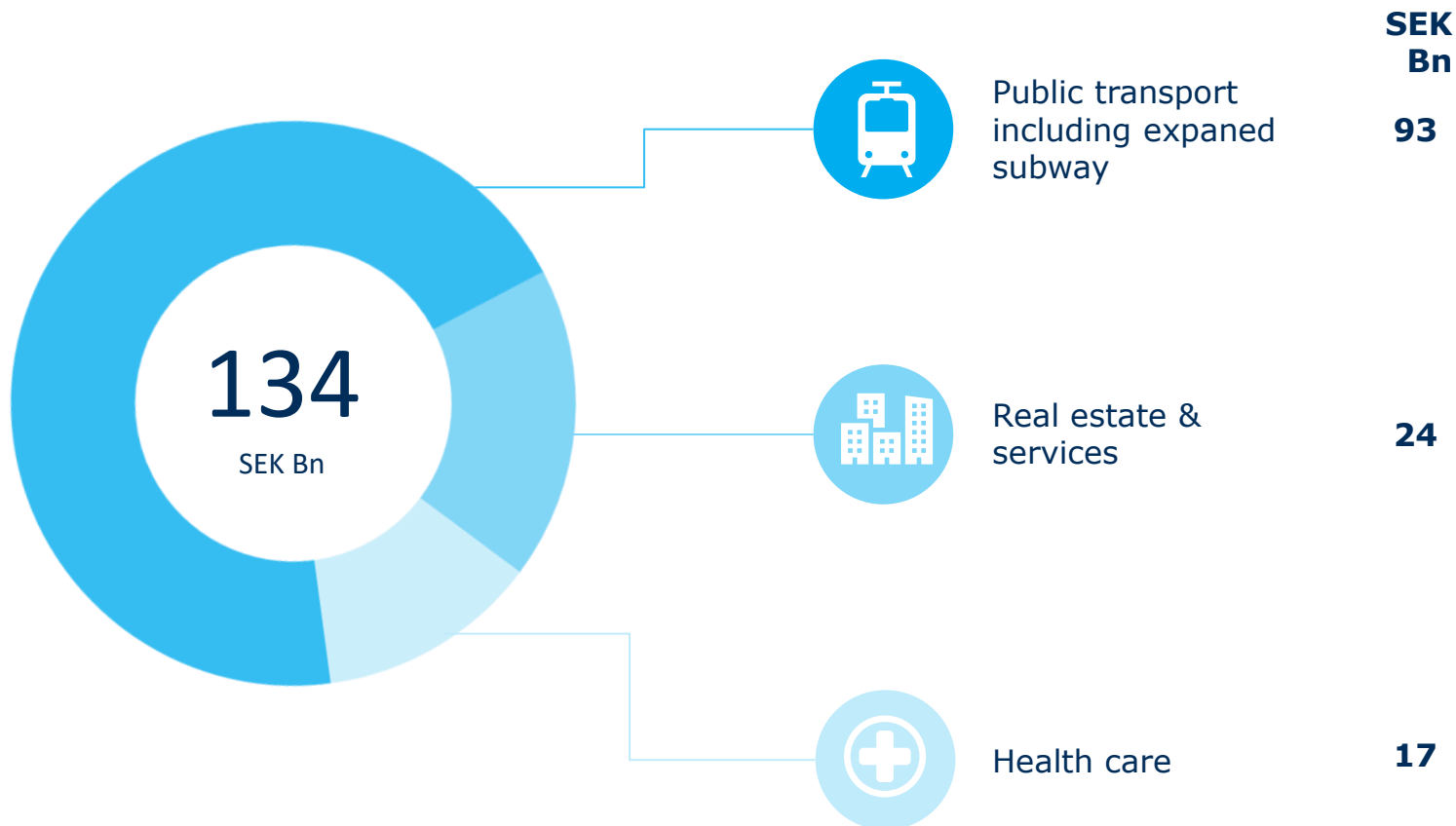


Available funding sources

- Benchmark Bond (Green/non-green)
- Opportunistic Private Placements (Green/non-green)
- Bilateral loans from EIB
- Commercial Papers in SEK

Cash flows will be closely linked to the pace of investments and are assessed on an ongoing basis.

This is how the investment plan 2025–2034 is distributed



Prioritization of Region Stockholm's investments must be carried out so that the most operationally critical needs at system level are determined.

- The investment plan for the next ten years amounts to **SEK 134 billion**, of which co-financing amounts to SEK 41 billion.
- During 2025-2034, 69 percent is investments in public transport, including an expanded subway.
- For 2025, the investment plan amounts to SEK 21.6 billion, of which co-financing amounts to SEK 4.5 billion.
- In 2025, 75 percent will be investments in public transport and expanded subways.

Strong and stable rating (AA+/Positive)

S&P Global
Ratings

RatingsDirect®

Research Update:

Region of Stockholm Outlook Revised To Positive On Strong Cash Flows And Debt Reduction; 'AA+/A-1+' Ratings Affirmed

Overview

- We expect the Region of Stockholm's balances after capital accounts will trend toward surpluses due to a tax rate increase, reduced cost inflation, and continued central government support.
- At the same time, we expect the region's debt burden will decrease through 2026, owing to strong cash flows after investments and robust revenue growth.

Source: Standard & Poor's, March 29 2024

S&P Global
Ratings

RatingsDirect®

Research Update:

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March 29, 2024

Overview

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- At the same time, we expect the region's debt burden will decrease through 2026, owing to strong cash flows after investments and robust revenue growth.
- We have therefore revised our outlook on the Region of Stockholm to positive from stable and affirmed our 'AA+/A-1+' global scale and 'K-1' regional scale ratings.

Rating Action

On March 29, 2024, S&P Global Ratings revised the outlook on the Swedish Region of Stockholm to positive from stable. At the same time, we affirmed the 'AA+' long-term and 'A-1+' short-term global scale issuer credit ratings, and our 'K-1' short-term Nordic regional scale rating on the region.

Outlook

The positive outlook reflects a higher likelihood that Stockholm may improve its budgetary execution, including the possibility of posting surpluses after capital accounts. The strong cash flow generation should be driven partly by higher tax revenues, reduced cost inflation, and contributions to co-finance infrastructure investments. Consequently, we also expect the region's debt burden will continue to decrease through 2026.

Upside scenario

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