

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  
March 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 35bn whereof  $\approx 90\%$  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**  
tCO<sub>2</sub>e

**2023**

GHG emissions avoided  
**59 900**  
tCO<sub>2</sub>e

**2019-2023**

# EU taxonomy alignment assessment

## EU taxonomy alignment assessment on green bond projects

	% of green bond portfolio	TSC	DNSH	Minimum Safeguards
<b>EU taxonomy aligned projects</b>				
Roslagsbanan expansion programme	54 %	●	●	●
Metro Red Line programme	5 %	●	●	●
Södersjukhuset	9 %	●	●	●
Danderyds Sjukhus	5 %	●	●	●
<b>EU taxonomy not aligned projects</b>				
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 CO<sub>2</sub>e avoided per year on average

## Clean transportation: the New Subway\*



**Estimated climate impact per SEK 1bn investment**

- 1500 tonnes CO<sub>2</sub>e 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**

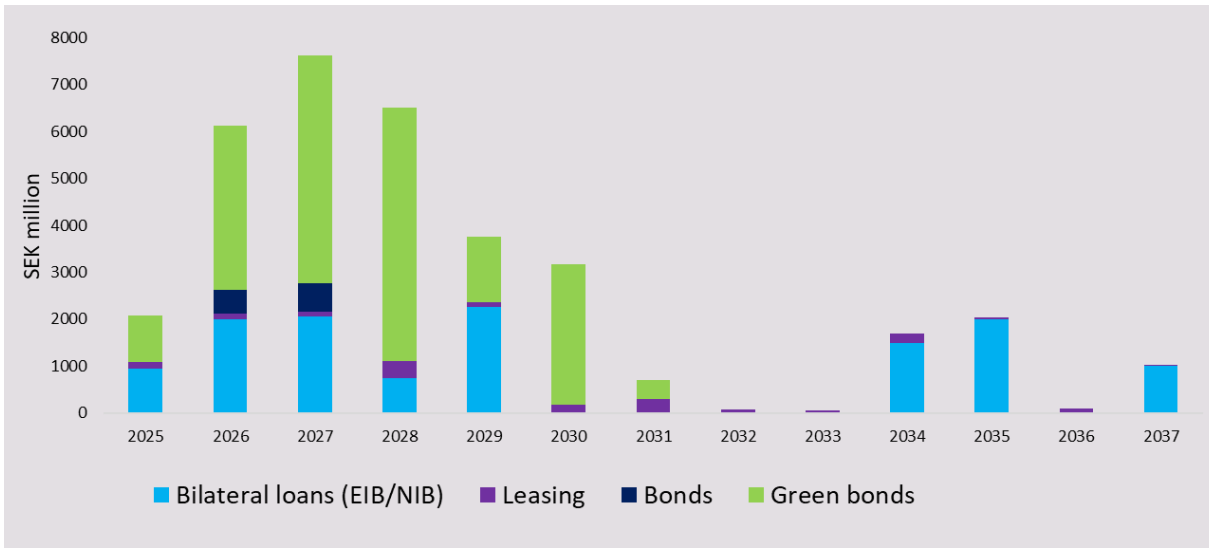


**Dark  
green**

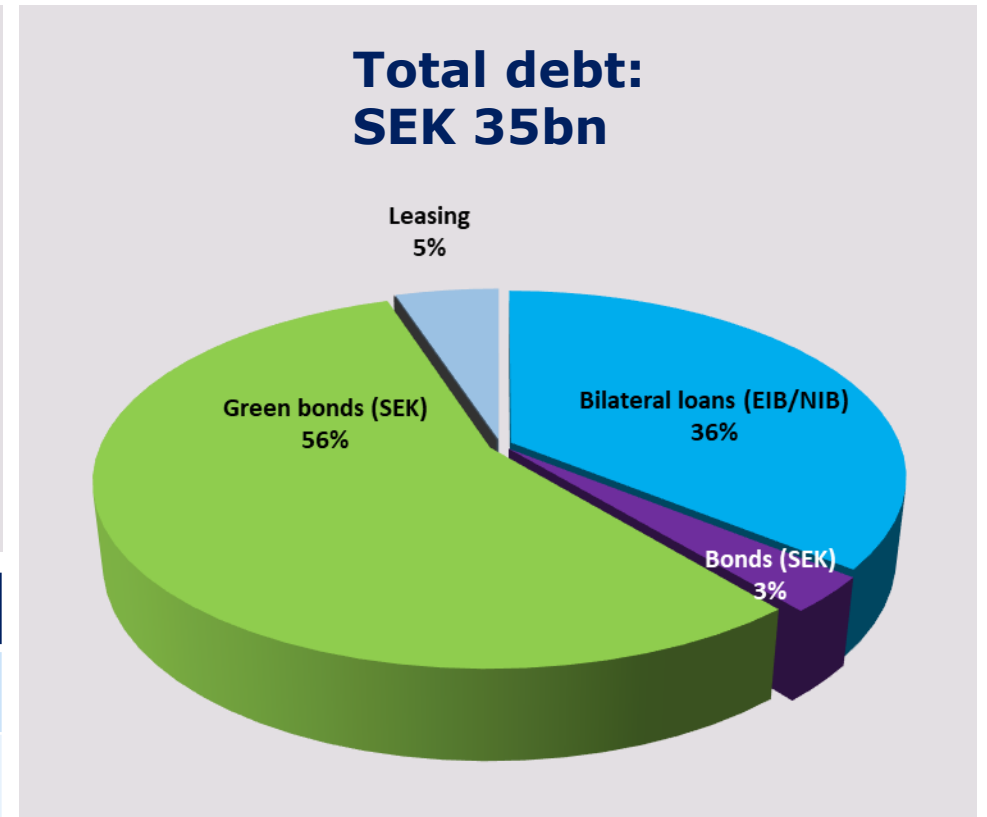
Activities that correspond to the long-term vision of a low-carbon climate resilient future.

# 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 2nd of April 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.*

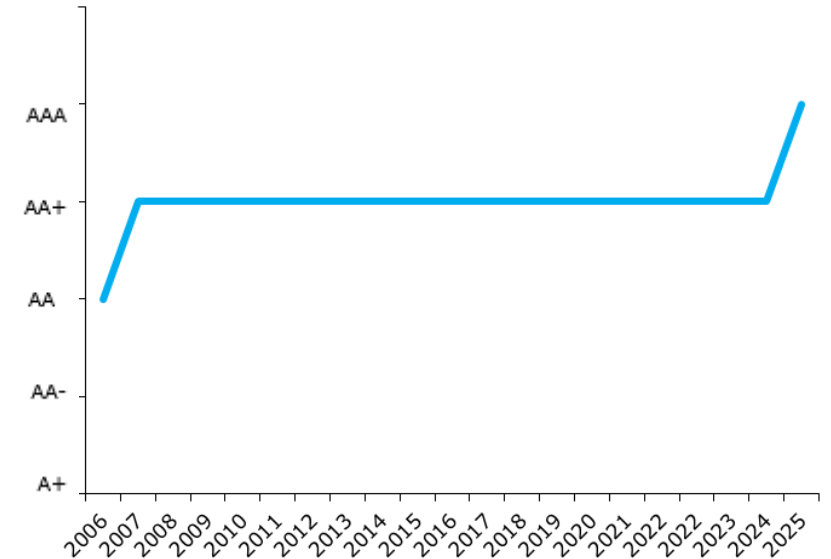
# Region Stockholm's rating upgraded to AAA with stable outlook

## Region of Stockholm Upgraded To 'AAA' On Stronger Cash Flows And Financial Management; Outlook Stable

### Overview

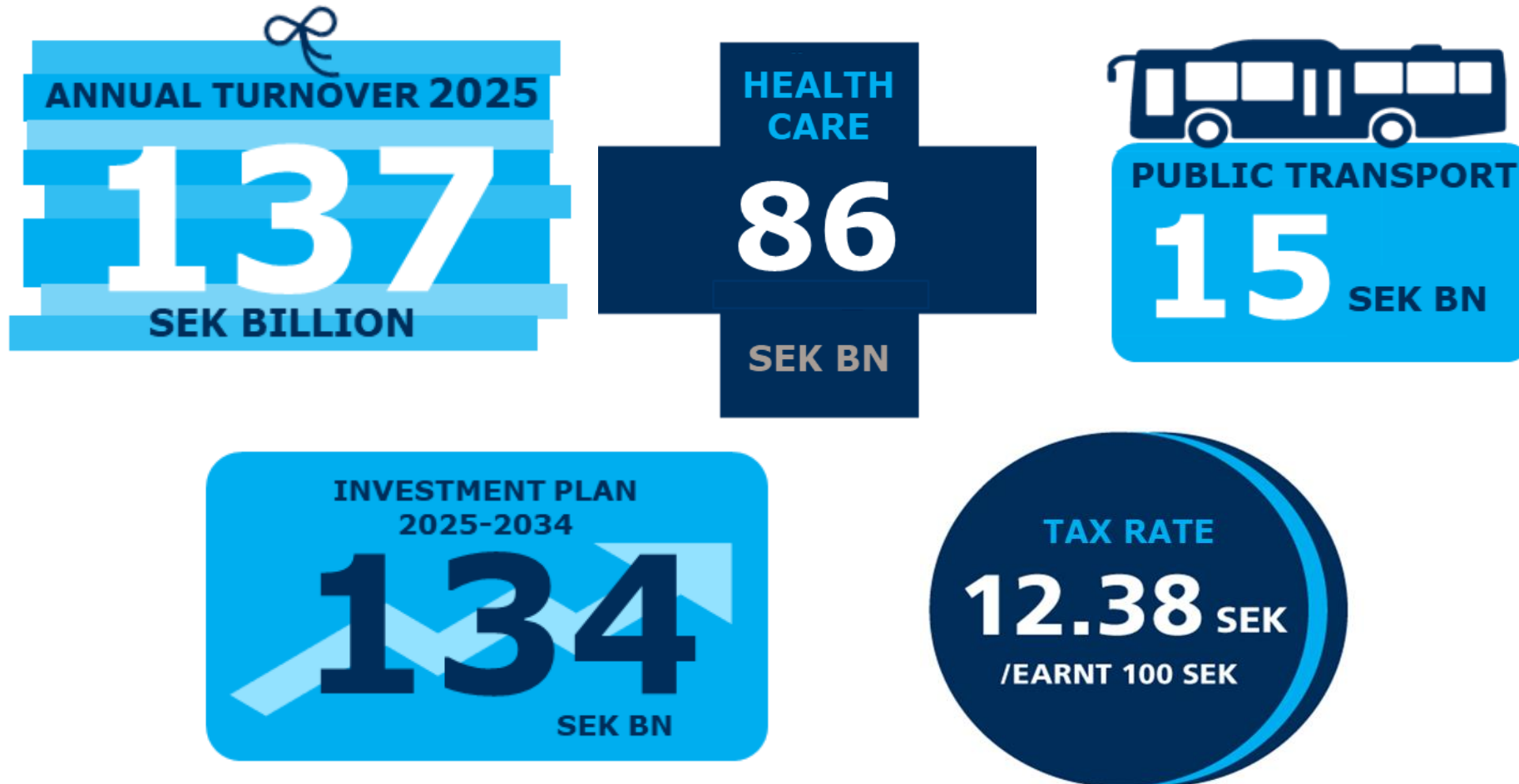
- We now expect the Region of Stockholm to post structurally positive balances after capital accounts over our forecast horizon to 2027.
- The region's management is still committed to upholding financial sustainability and the region is forecast to benefit from solid tax revenue growth and sizable cofinancing contributions related to the expansion of the underground railway system.
- Therefore, we anticipate that its debt burden will continue to decrease until 2027, in both nominal and relative terms.
- We raised our long-term rating on the Region of Stockholm to 'AAA' from 'AA+'. The outlook is stable.

### Historical rating trajectory



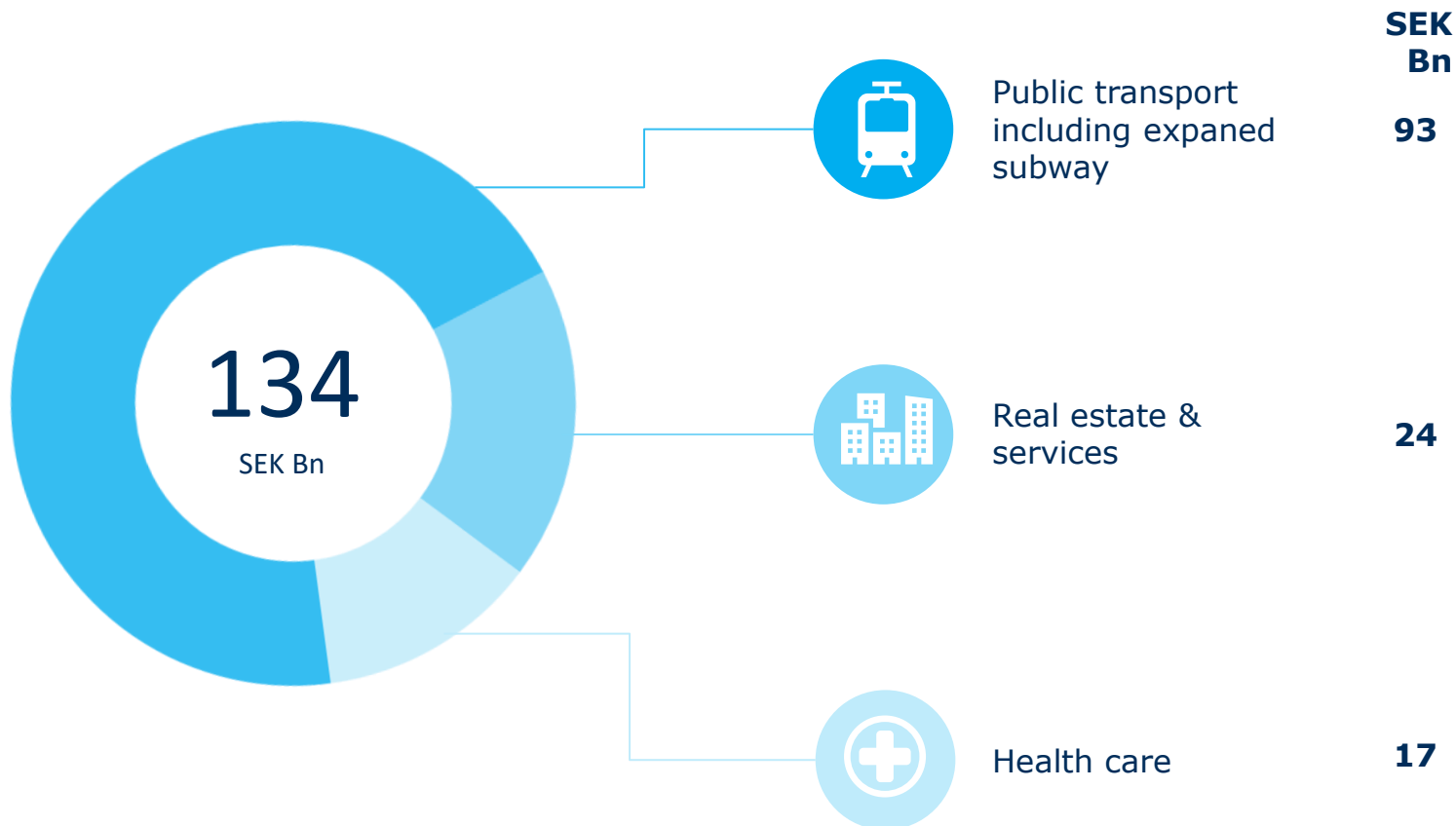
Rated by S&P since September 1999

# Budget 2025 in numbers





# 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.

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