

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 2024

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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



Measuring environment

The purpose of this indicator is to fulfill the trajectory set out in the carbon budget of Region Stockholm. The long-term target includes all direct and indirect emissions.



Indicator: Two sets of indicators

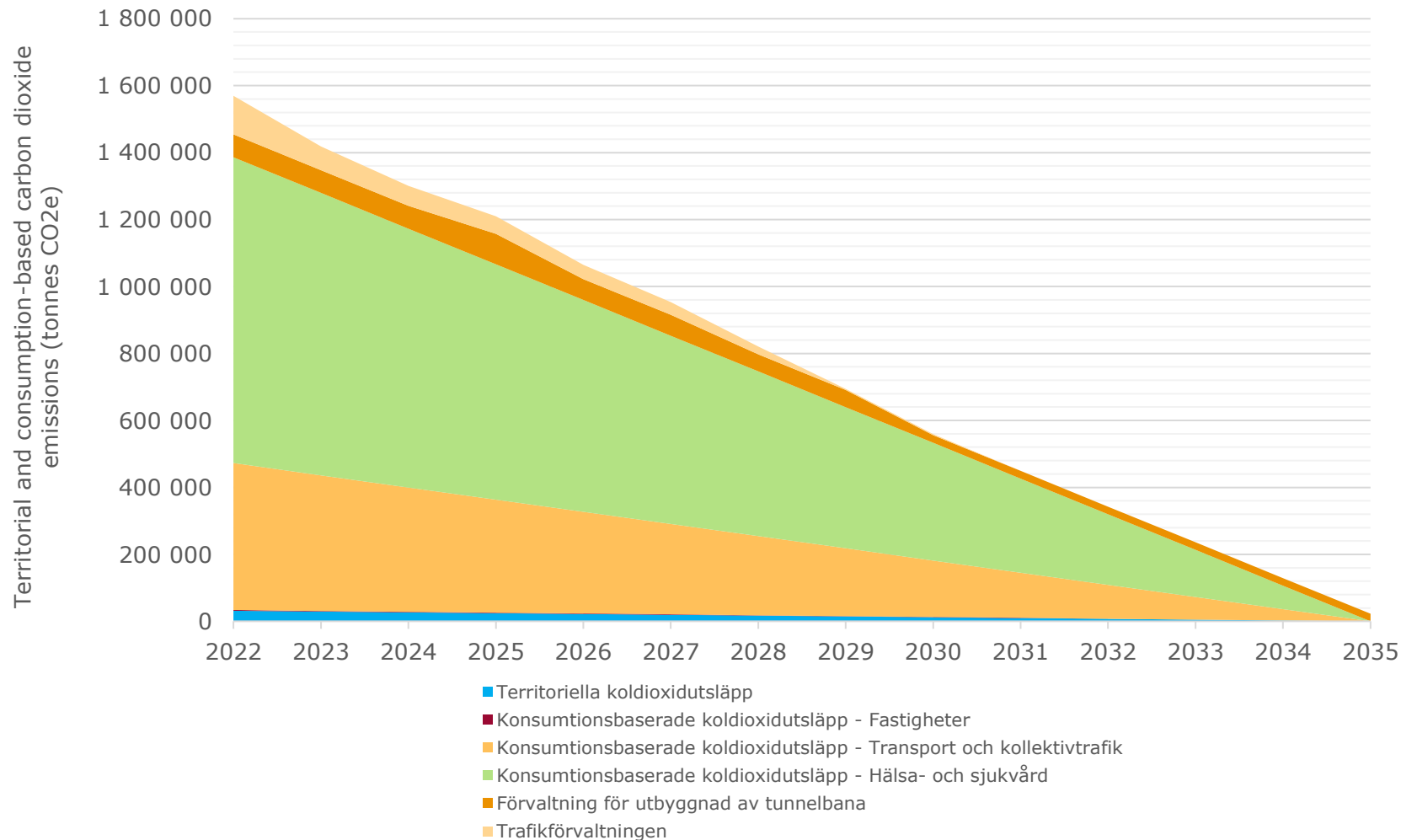
- 1) Measuring greenhouse gas emissions (scope 1 and 2) with 2019 as base year. An annual 8 % reduction should be achieved.
- 2) Measuring consumption-based emissions (scope 3) in five prioritized areas (for each committee and company). 2023 as base year. An annual 11 % reduction per prioritized areas should be achieved.



Target: Ecological sustainability and climate neutrality by 2035



Overall compilation of the territorial, consumption-based and infrastructure projects carbon dioxide emissions



- The carbon budget of Region Stockholm – extended with consumption-based and infrastructure project emissions.
- If adding the climate impact for each area, emissions must decrease by an average of 8 % per year to achieve net zero emissions by 2035.
- It is clear that consumption-based emissions make up a very large part of the total emissions.

Third party review of Region Stockholm's 2022 framework

- Highest rating by third party assessor CICERO Shades of Green
 - **Dark Green** shading
 - Governance score of **Excellent**
- Alignment with the EU Taxonomy TSC for climate change mitigation was assessed:
 - *"all the financed taxonomy activities in the project categories are likely aligned with the climate mitigation criteria in the EU Taxonomy"* (except for existing buildings where alignment is currently not possible to conclude)
- Assessment of alignment with the specific DNSH criteria, was not conducted but Cicero concludes that:
 - *"Region Stockholm's policies aim at limiting harm to the other environmental objectives of the taxonomy."*



Extensive external use of proceeds review

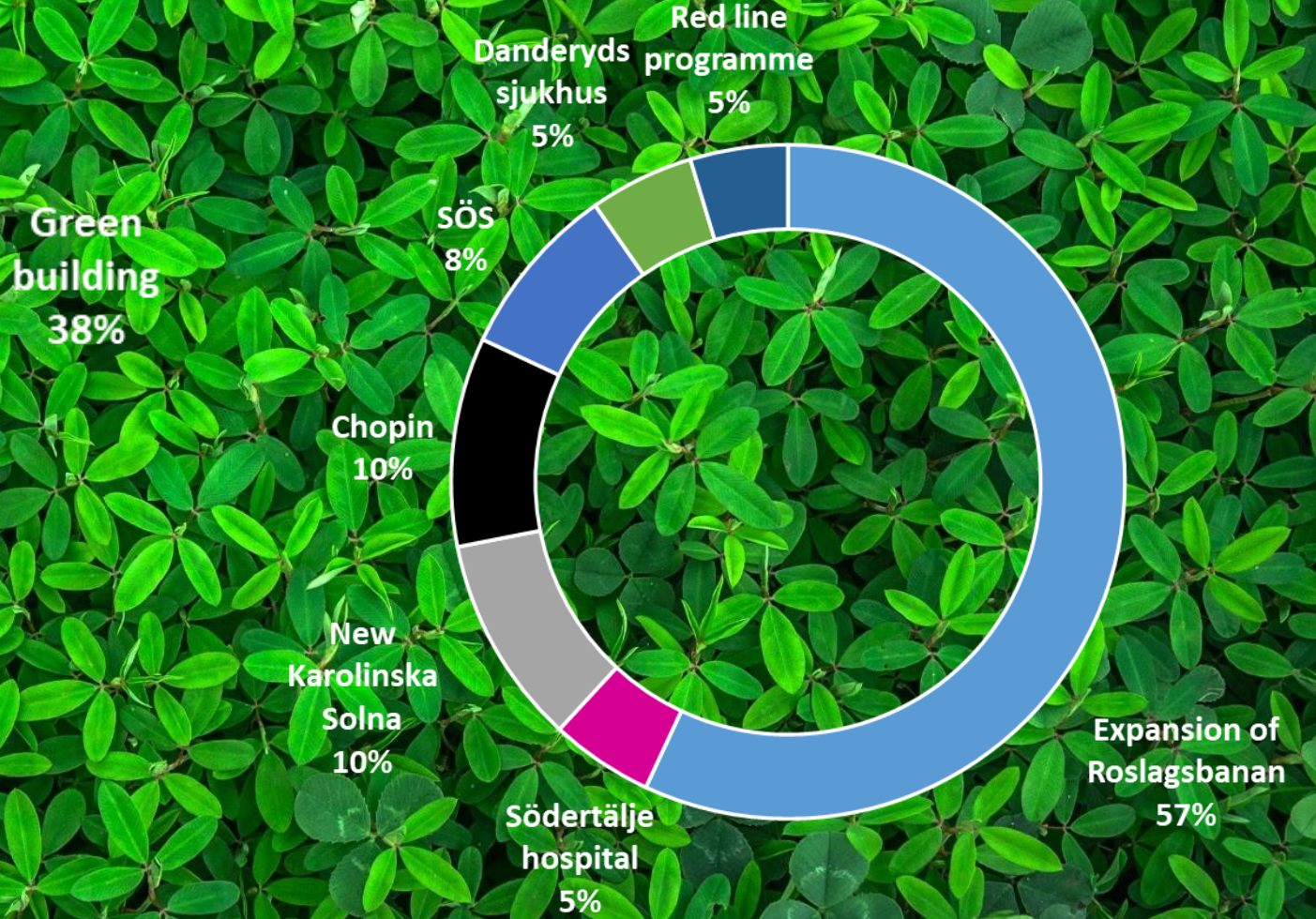
- For the first time, KPMG has reviewed the green projects that Region Stockholm borrowed on during 2022, in this case the expansion of the Roslagsbanan, **meet the entire EU taxonomy**. We are one of the first issuers in Europe to undergo this type of external review in accordance with our green bond framework published in January 2022 which is aligned with the 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.



Our green financing portfolio



Green bond portfolio



Summary green bonds

8
Green projects financed

SEK
15.0
billion outstanding

2024 YTD

GHG emissions avoided
10 500
tCO₂e

2022

GHG emissions avoided
53 000
tCO₂e

2018-2022



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: New tramline to Kista*



Estimated climate impact per SEK 1bn investment

- 1500 tonnes CO₂e avoided per year on average

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C30 – New trains Metro Red line



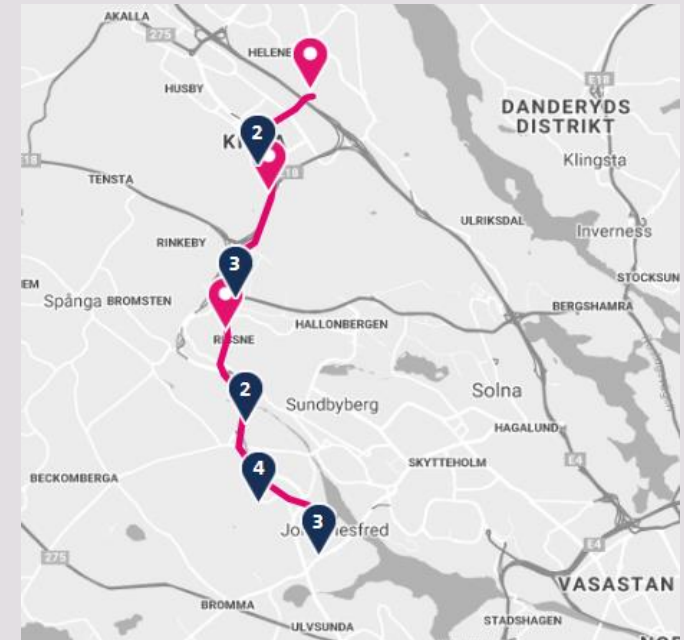
Modern trains for a growing region

- 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.

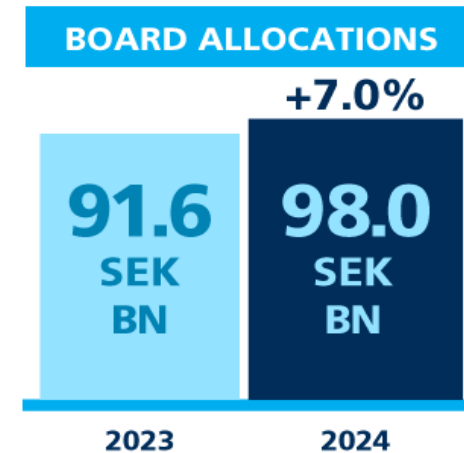
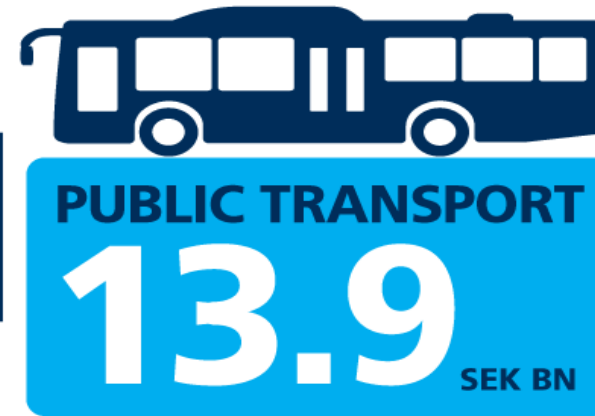
New tramline – Tvärbanan to Kista

Project in short

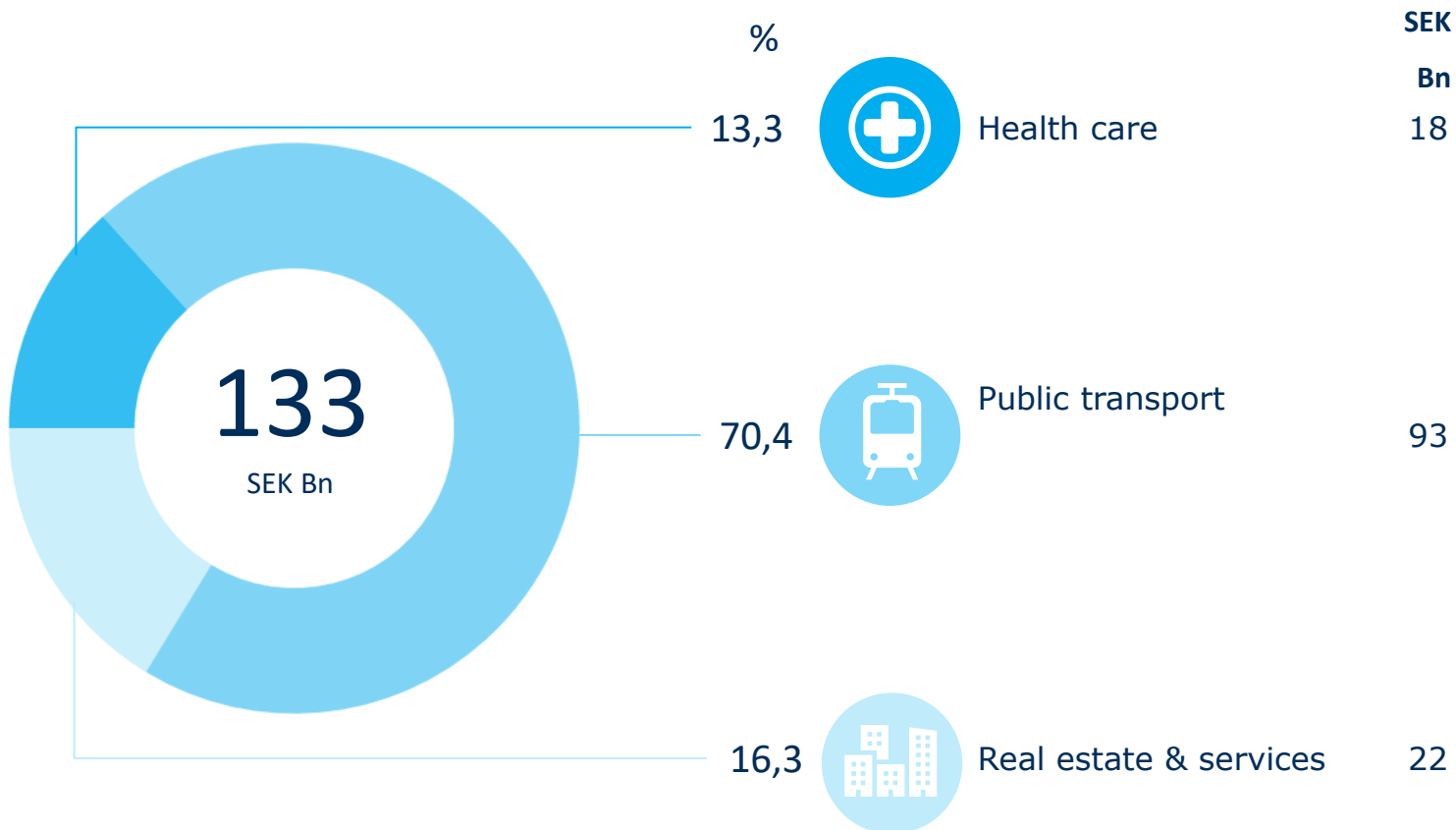
- An eight-kilometer expansion of Tvärbanan between Norra Ulvsunda and Helenelund.
- Ten new stops and the new expansion passes through three municipalities; Stockholm, Sundbyberg and Sollentuna.
- The first two new stops to Bromma Blocks and Bromma Airport is already in traffic.
- Opportunity for smart changes to metro, commuter trains and buses.
- New residential areas have been planned along Kistagrenen. With Kistagrenen, workplaces in the north are linked with residential areas in the south.
- Tvärbanan will be expanded in two stages with traffic starting on the route to Ursvik in 2024 and the Helenelund route will start to operate in 2025.



Budget 2024 in numbers



This is how the investment plan 2024–2033 is distributed



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

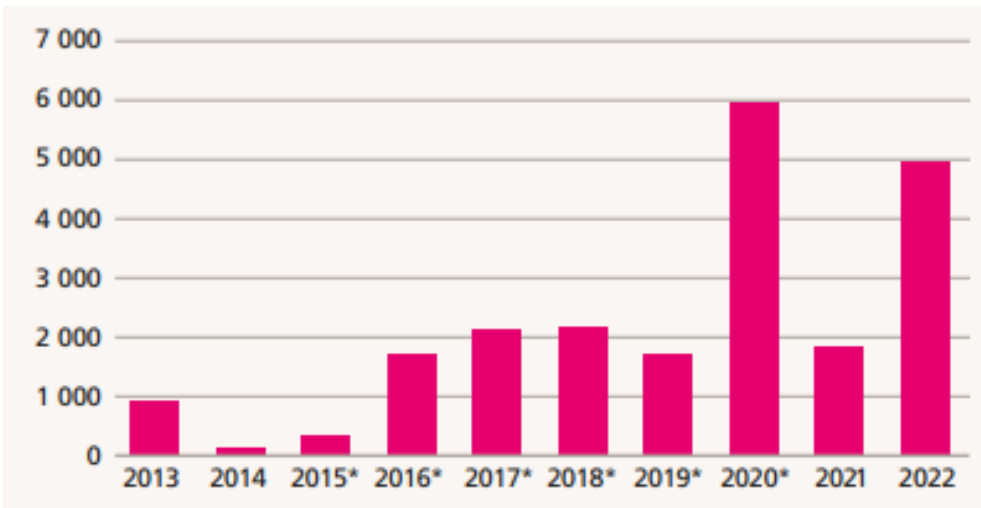
- The investment plan for the next ten years amounts to SEK 133 billion, of which co-financing amounts to SEK 45 billion.
- During 2024-2033, 70 percent is investments in public transport, including an expanded subway.
- For 2024, the investment plan amounts to SEK 21.7 billion, of which co-financing amounts to SEK 6.0 billion.
- In 2024, 78 percent will be investments in public transport and expanded subways.

Financial prerequisites

2023 in brief

- **The loss** for 2023 amounted to SEK 1,011 million but adjusted for inflationary effects on pensions the result would be positive.
- The **inflation** continues to effect operations with increasing costs for pensions and staff. In public transport, continued **recovery in the number of travelers** after the pandemic have been seen.
- **Operating revenues** were virtually unchanged year-on-year while **operating expenses** increased by 7,1%.
- **Investments** totalled SEK 17bn, with 80% of investments being made within public transport.
- **Tax revenues** increased by 6,6%.

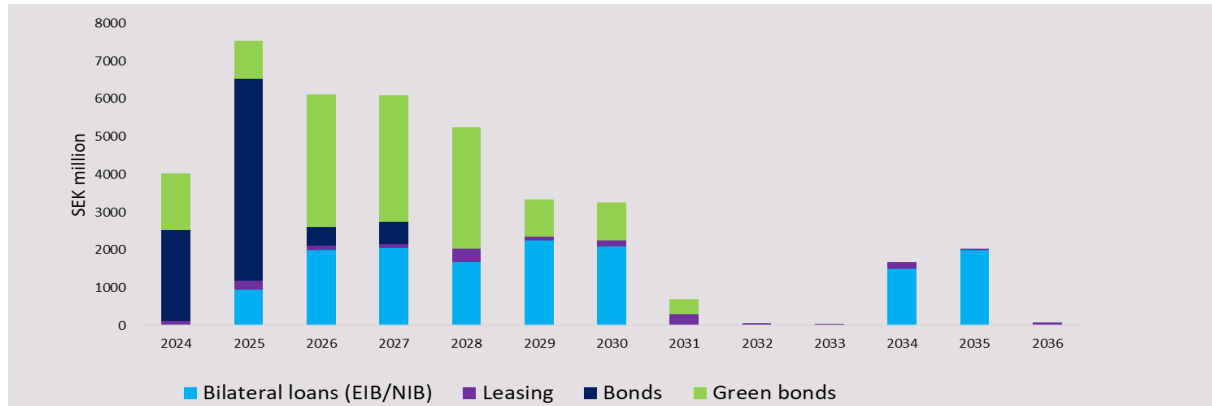
Operating result (SEK m)



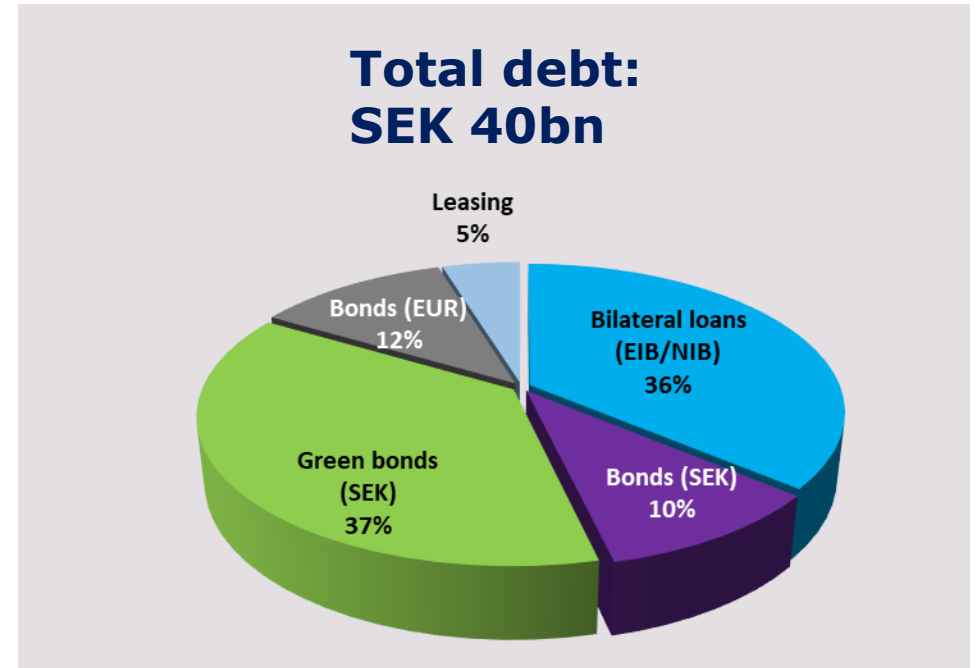
Source: Region Stockholm 2023 Financial results (preliminary)

Debt Portfolio and Maturity Profile

Debt maturity profile*



Debt type breakdown*



Back –up facilities

Overdraft Facility	SEK 3bn	2019-2026
Revolving Credit Facility	SEK 4bn	2020-2025

* As per 2nd of February 2024

Funding Plans for 2024

2024 Funding plans

- Estimated funding need of around SEK 7 billion in 2024 + pre-financing need for 2025.
- This basically means we are refinancing this year's maturities.
- The largest part of the borrowing will probably take place in the first half of the year where we have most of our 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.

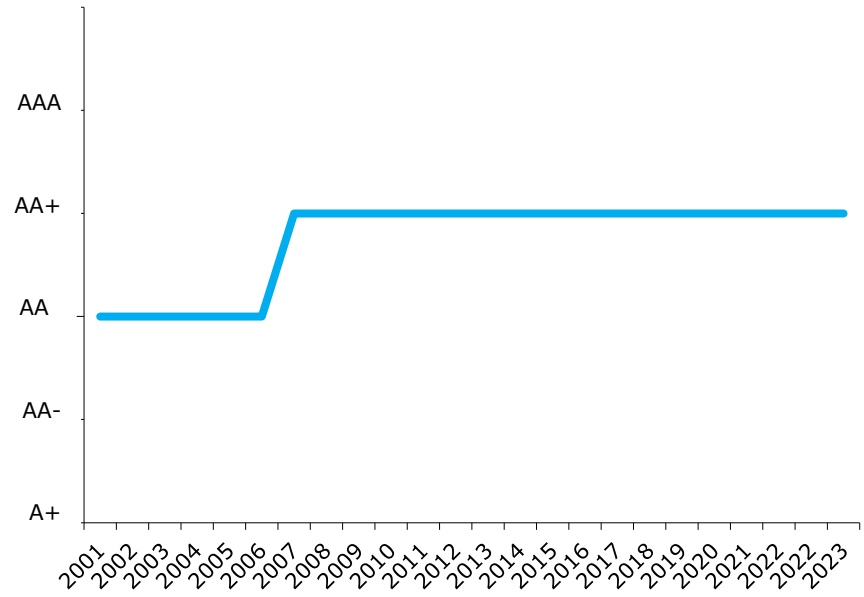
Strong and stable rating (AA+/Stable)

"Despite inflationary pressure, higher pension costs, and gradually increasing contributions to the equalization system, we expect the Region of Stockholm will post relatively stable operating balances through 2025. The region's performance will be supported by robust tax revenue growth and tightly managed expenditure growth. Nevertheless, we still expect slightly weaker operating performance compared with the inflated results in 2020-2022... At the same time, the changing demographic profile, characterized by an aging population, will increase demand for health care services.

Despite high investment needs in the coming years, we expect the region's strong cash flow generation will result in gradually improved debt metrics. We forecast the region's debt will decrease, with tax-supported debt falling to 41% of consolidated revenue in 2025.



Historical rating trajectory



Rated by S&P since September 1999

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