

# Investor Presentation

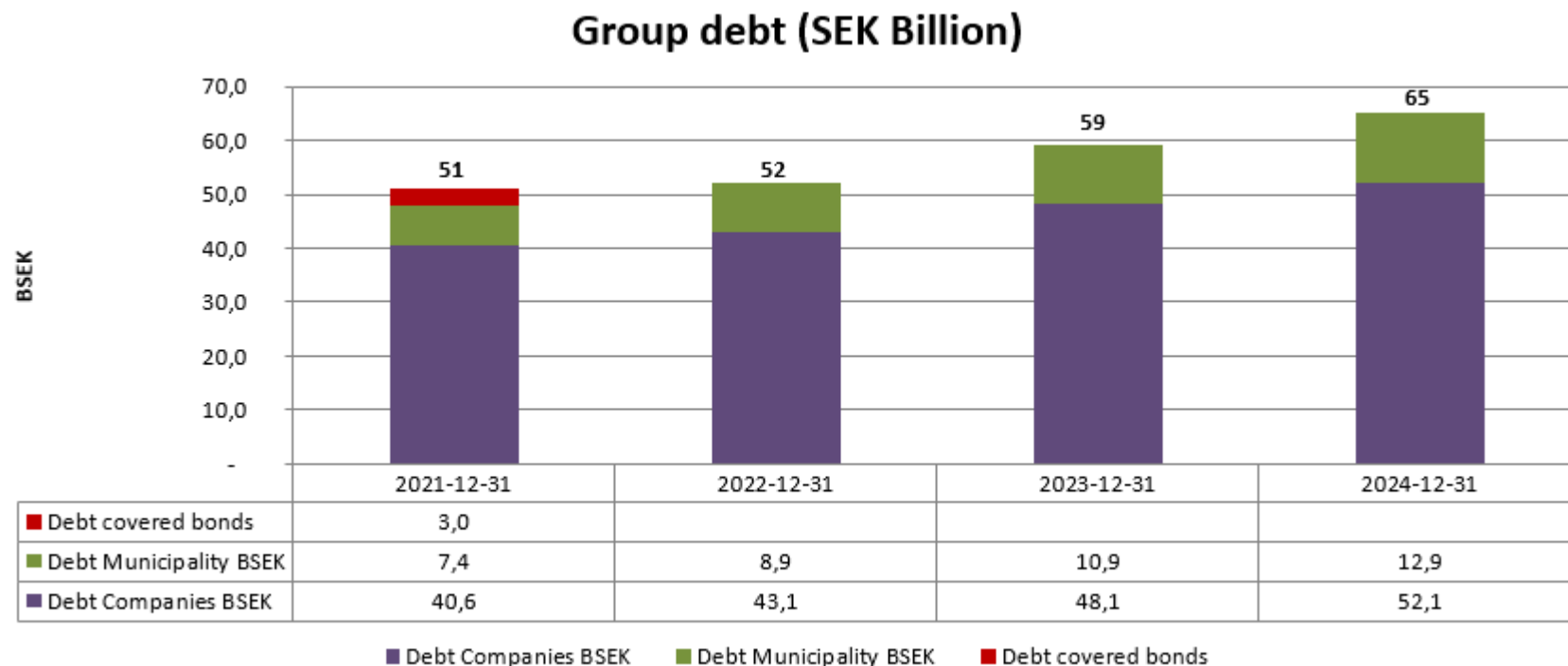
**Treasury Department**

September 2022

# Finance

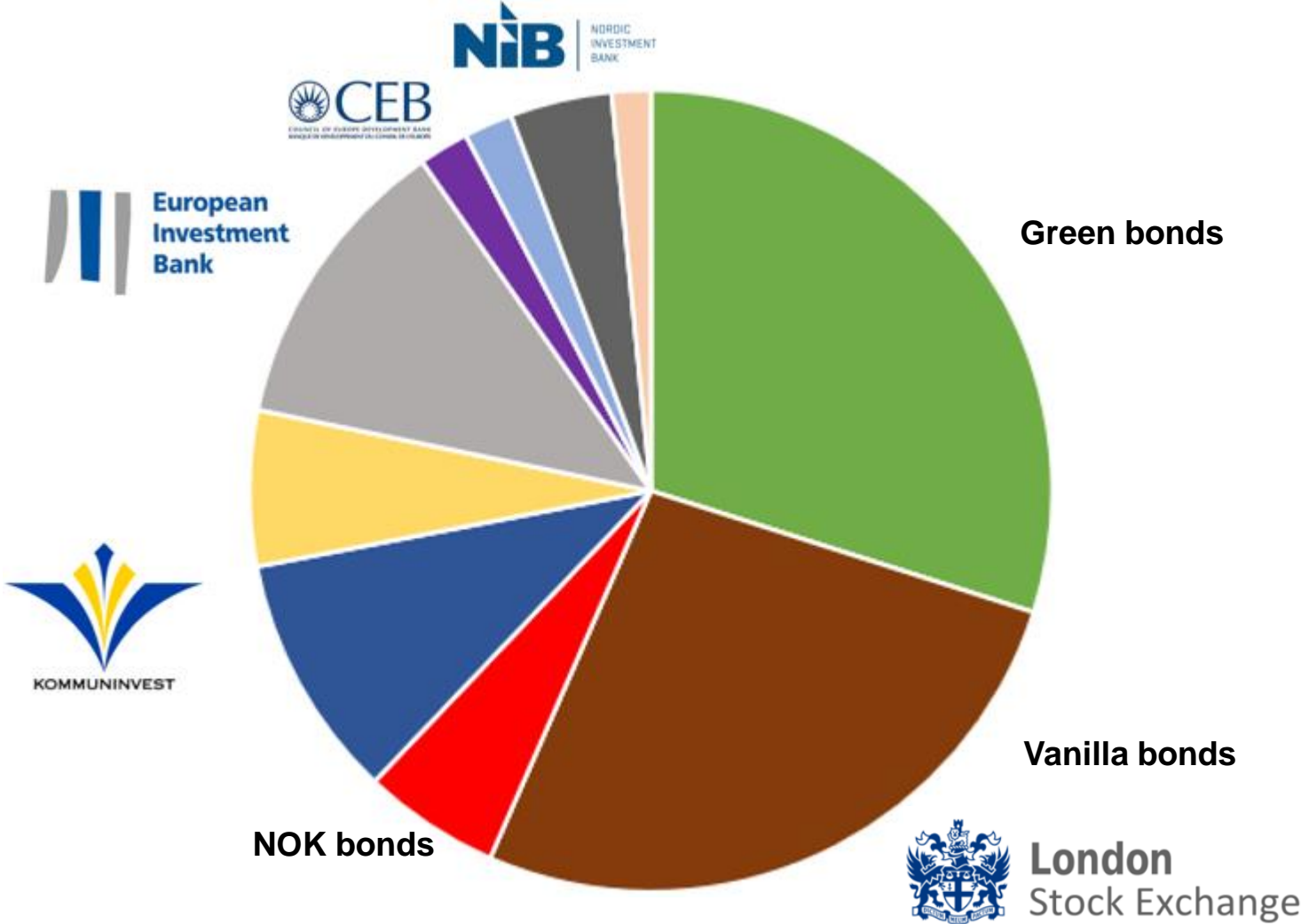
# Projected group debt 2022-2024

(incl. haircut – 30 % municipality debt)



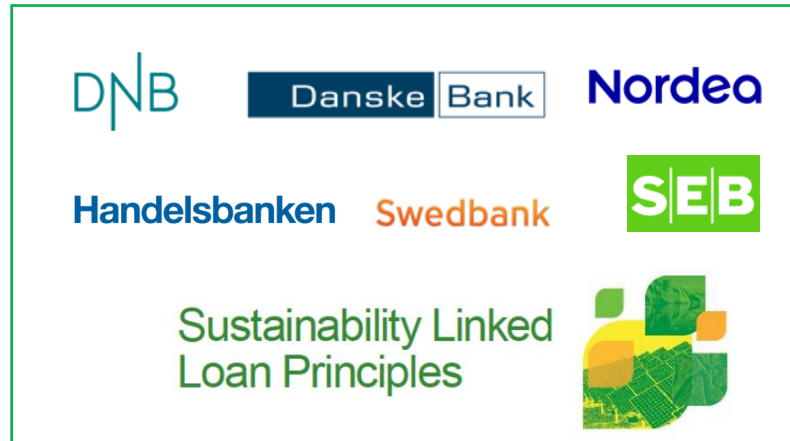
Projected group debt is based on the municipality's and the municipal companies' long-term investment plans

# Funding 2022-06-30



<b>EMTN</b>	- Limit: 6 000 MEUR	- Outstanding amount: 26 850 MSEK 2 750 MNOK
<b>EIB</b>	- Limit: 9 925 MSEK	- Outstanding amount: 6 996 MSEK
<b>NIB</b>	- Limit: 1 000 MSEK	- Outstanding amount: 1 000 MSEK
<b>Kommuninvest</b>	- Limit: N/A	- Outstanding amount: 8 147 MSEK
<b>CEB</b>	-	- Outstanding amount: 957 MSEK
<b>CP</b>	- Limit: 6 000 MSEK	- Outstanding amount: 450 MSEK
<b>ECP</b>	- Limit: 500 MUSD	- Outstanding amount: 142 MUSD

# Backup facilities



Handelsbanken

Nordea

SEB

DNB

## Revolving Credit Facility 2021-06

- 4 000 MSEK 3+1+1 Y
- 4 000 MSEK 5+1+1 Y

## Four Sustainability Links added 2022-04

## Evergreen 2017

- 1 000 MSEK Revolving loan SHB

## Evergreens 2021-03

- 1 500 MSEK Revolving loan NDA
- 1 500 MSEK Revolving loan SEB
- 1 000 MSEK Revolving loan DNB

# Sustainability Linked Loan, 4 targets

**Target 1:  
Energy  
performance  
premises, kWh**



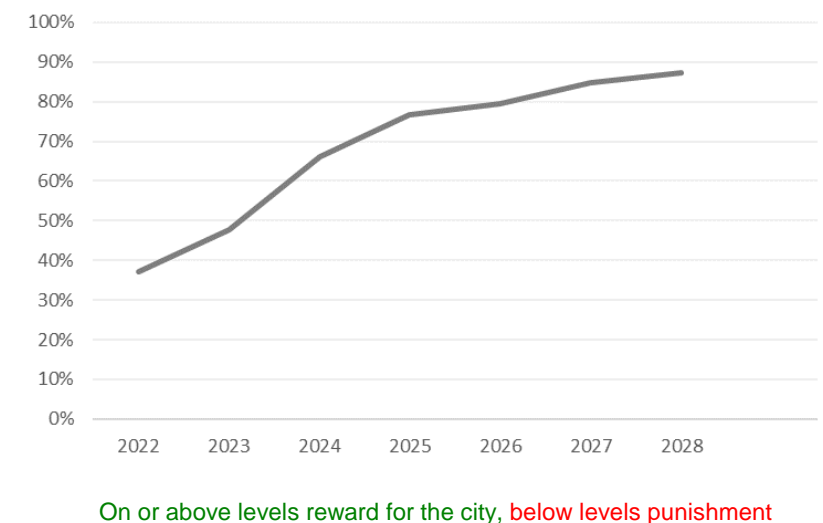
**Target 2:  
Renewable  
district  
heating,  
share**



**Target 3:  
Fossile free  
vehicle fleet,  
share**



**Target 4:  
Social actions and  
indicators in highly  
vulnerable areas,  
share**



# Market activities 2022



**AB Framtiden building rental flats at Beväringsgatan with ecological solutions. Photo by Dan Sandén**

## Short term;

ECP/CP frequent issues for short portfolio of 3.000 – 5.000 MSEK 1.700 – 4.000 MSEK.

## Long term;

EMTN benchmark public bond issues and private placements. All bond issues during 2022 expected to be green. Next issue probably in October.

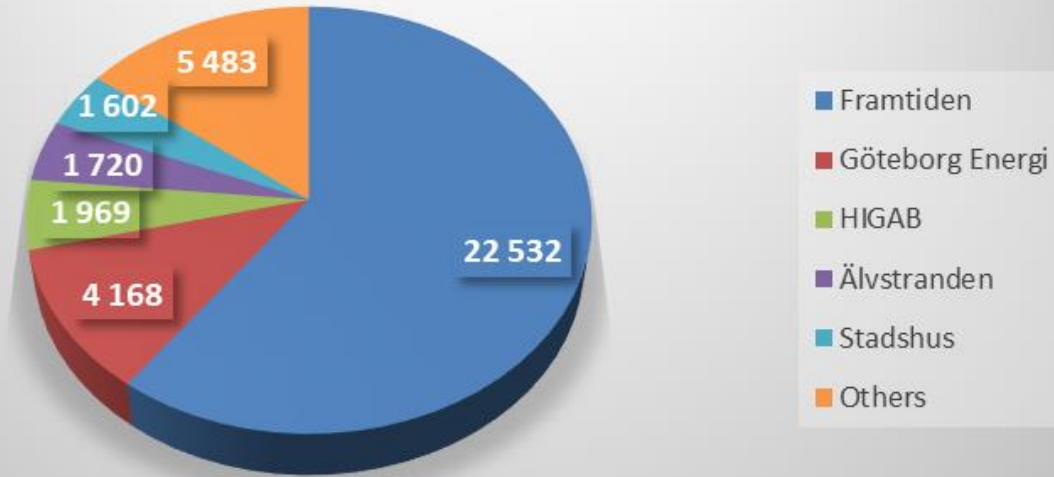
Bond maturities of 4.150 MSEK during 2022 to be refinanced.

New debt roughly estimated to 1.000 - 3.000 MSEK during 2022, to be financed through bonds or institutions like EIB, NIB, SEK and Kommuninvest.

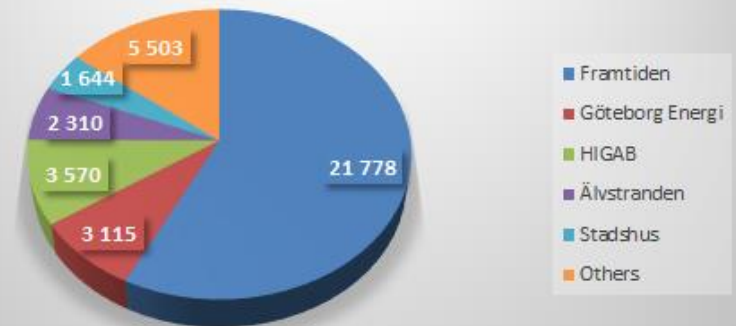
Total long term need 2022 hence 5.000-7.000 MSEK.

# Lending to internal entities

## Lending to internal entities 2021 (MSEK)



## Lending to internal entities 2020 (MSEK)





# Ambitious Environmental- and Climate programme



- The starting point of the programme is the UN's Sustainable Development Goals Agenda 2030, Sweden's national environmental goals system, the Paris Agreement, and the challenges that Gothenburg as a community and the City of Gothenburg as an organization face in order to make the transition to an environmentally sustainable society
- Each environmental goal has sub-goals, with indicators measured against target values that specify what needs to be achieved for a given year and which will be reported on every two years
- Goals related to waste prevention, reuse and recycling are covered in the regional waste plan, and screening of physical climate risks is integrated in the City's overall plan for urban development, based on IPCC scenarios

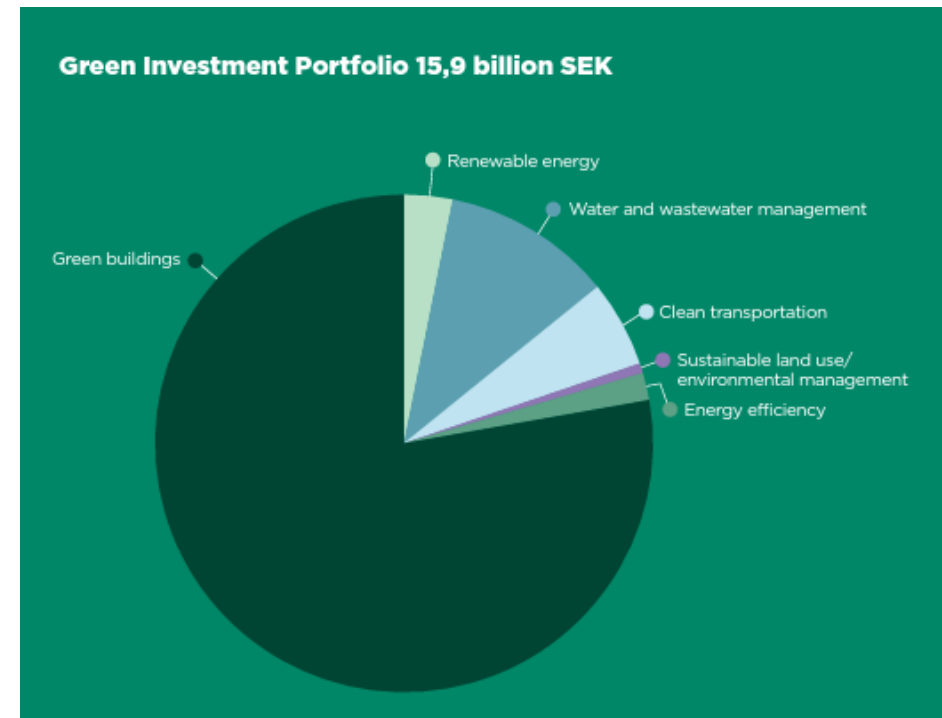
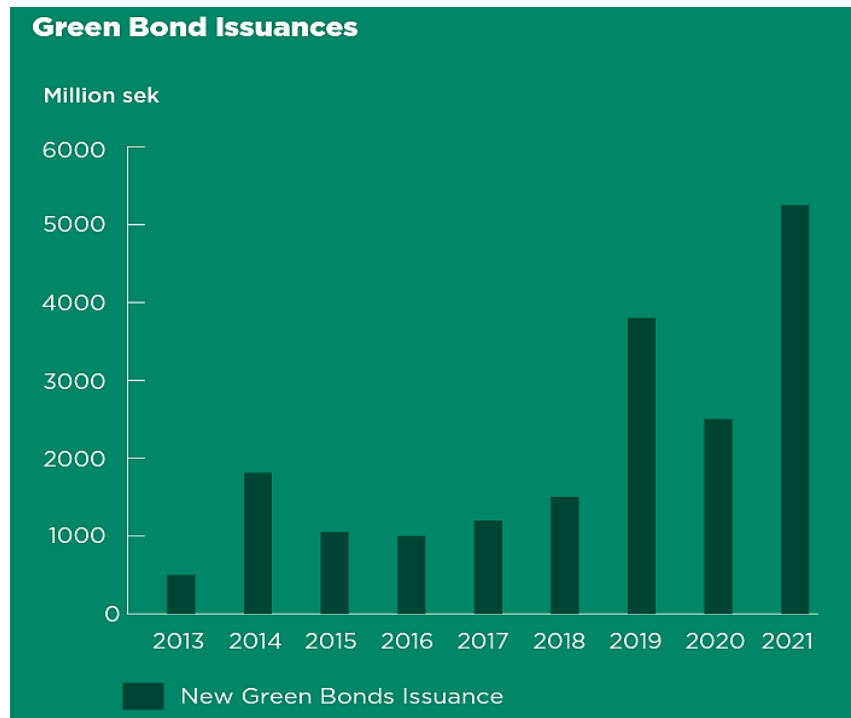


# Green Bond Framework

# Green investments and issuance as of 2021-12-31

First city in the world to issue a green bond in 2013

Green Bonds  
**48%**  
of outstanding bonds



# Sweden's first fossil-free preschool – Hoppet

Built with a 70% reduced climate impact for main building components compared with newly built, comparable preschools in Gothenburg

Category:  
Green  
Buildings

Disbursed amount:

**83** MSEK



- Embodied emissions – emissions associated with building construction - represent the biggest climate impact of new construction
- The City's goal is to reduce GHG emissions from the construction of new buildings and from renovations of existing buildings by 50% by 2025 and by 90% by 2030, using projects developed prior to 2020 as baseline
- The goal implies that from 2025 and onwards, all new building and renovation projects need to be built at a 50% emission reduction compared to the 2020 baseline and the City has already started to implement projects meeting this climate impact criterion
- The construction of preschool Hoppet is such an example – constructed as far as possible with fossil-free material and procedures, from resource extraction to construction site and operation, by for example selecting sustainable materials such as wood materials and lightweight foam glass consisting of 60-70% recycled glass
- In addition to the City's goal of minimizing the climate impact of construction, the aim is also to push and stimulate the industry to develop new fossil free materials, methods and processes
- The City's updated Green Bond Framework not only includes projects that meet strict criteria for energy efficiency but also construction and renovation projects leading to a reduced climate impact of 50%

# Construction of a wetland

Increasing biodiversity in the urban environment



Category:  
Sustainable  
land use and  
environmental  
management

Amount disbursed:

**47** MSEK

**The wetland is a way of reinstating an area that has been used as a deposition site for dredging spoils for almost 40 years.**

- Since the seventies, the Port of Gothenburg has had permission to lay contaminated dredged material in Torsviken near the port at Hisingen
- The permit expired in 2009 and the Port of Gothenburg has since worked to cover the masses and, as far as possible, restore the area's original character with a rich natural and bird life
- The work has comprised reinforcement work to cover the site with clean material and protective barriers, using reused clay from the construction of the new Marieholm tunnel, and inlet and outlet systems have been established. The area was completed and the basin filled with water from Torslandaviken during the summer of 2021
- The new wetland is adjacent to the protected bird area of Torsviken and a walking path around the entire area has been built to offer people the opportunity to experience a rich nature and outdoor life
- The wetland project is an example of the City's efforts to promote biodiversity in the urban environment by increasing the area of wetlands, green spaces and natural areas

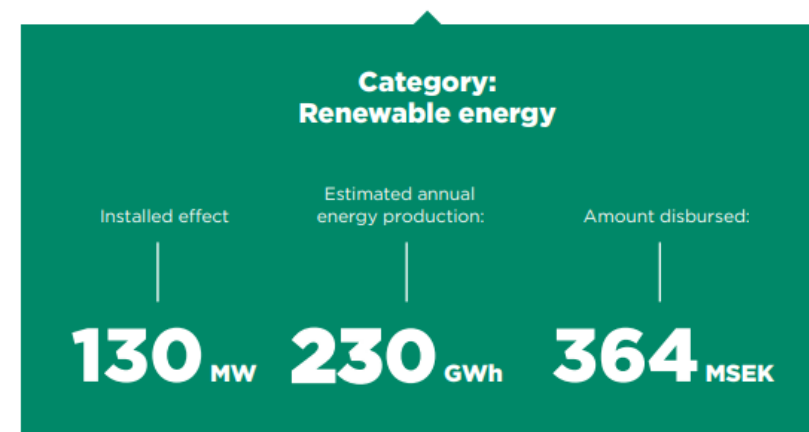
# New biofuel-boiler for district heating

Contributing to the goal of district heating from renewable and recycled sources



- The City's SEK 500m investment in a new bio-fuel boiler at Rya Hot Water Center is an important step towards Göteborg Energi's goal of achieving 100% recycled and renewable sources in district heating by 2025
- The boiler replaced two boilers that had reached their technical life and that were originally designed for oil and coal but converted to run on wood pellets in 2003
- The new modern boiler, designed for using pellets, will increase the installed capacity of the plant from 100 MW to 130 MW and will deliver improved combustion, higher efficiency and generate more heat
- Pellets used in Göteborg Energi's district heating production are made from waste-based materials from the forestry industry. All purchases need to comply with the EU Renewable Energy Directive II to ensure sustainable sourcing of the biomass

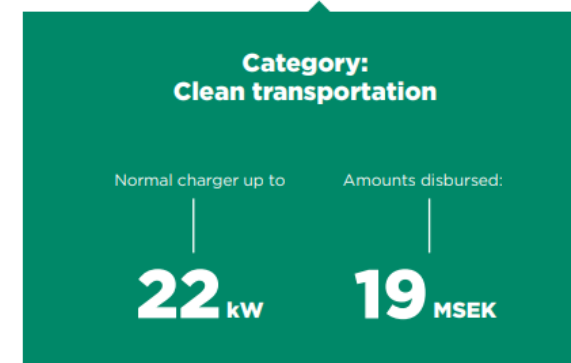
**The new boiler, which is designed for pellets, will deliver improved combustion, higher efficiency and generate more heat than the previous boilers.**



# Charging stations for electric cars





- By 2030, the City will reduce GHG emissions from transportation in Gothenburg by 90% compared to 2010. This will require the City to facilitate clean transport and mobility solutions and strengthening the infrastructure for electric vehicles
- Göteborg Energi's investment in public charging stations for electric cars is an important contribution to the goal. The investment comprise 500 new charging stations located in public parking spaces where there were previously no chargers or high occupancy
- Primarily, the chargers are located in the central parts of Gothenburg where there is high demand from both residents and visitors





# The City's improved and updated Green Bond Framework





- Green Bonds are an important tool to mobilize capital towards reaching the City's climate and environmental goals. The updated Green Bond Framework is aligned with the City's new ambitious climate and environmental programme
- Green Projects financed under the framework will contribute to at least one of the six environmental goals of the EU Taxonomy and where relevant and applicable, the project criteria are aligned with the Taxonomy criteria for making a substantial contribution to climate change mitigation
- Overall, the updated Framework sets stricter criteria for the Green Project categories. This is reflected in CICERO Shades of Green's assessment which rates all categories with at least Medium Green
- Governance related to the Framework is backed by the City's robust policies and decision-making processes where the management of environmental risks is a core component

Second Opinion from CICERO Shades of Green, confirming alignment with ICMA's Green Bond Principles and stating that the eligibility criteria is likely aligned with the taxonomy mitigation criteria for most relevant taxonomy activities (an assessment of Do No Significant Harm and Social Safeguards was not conducted)

<b>Green &amp; energy efficient buildings</b> (Medium Green)	<b>Water &amp; wastewater management</b> (Medium to Dark Green)	<b>Clean transportation</b> (Medium to Dark Green)	<b>Renewable energy</b> (Dark Green)
°C	°C °C	°C	°C
<b>Energy efficiency</b> (Medium Green)	<b>Climate change adaption</b> (Dark Green)	<b>Waste management &amp; circular economy</b> (Medium Green )	<b>Environmentally sustainable management of living natural resources and land use</b> (Dark Green)
°C	°C	°C	°C



# Summary of CICERO's second party opinion

## Medium Green Shading

- CICERO rates the framework **Medium Green**, reflecting that most of the proceeds will be allocated to green buildings and that **this project category stands out for including an ambitious climate impact criterion**. The City also has robust policies that provide a sound context for projects financed under the framework

## Governance score of "Excellent"

- The City has **solid procedures** in place to incorporate sustainability in its daily procedures and has **clear and quantified sub-targets linked to energy use and emissions** for different activities
- The city is also **at the forefront in gathering knowledge and creating procedures on reducing embodied emissions** in the real estate sector, and work strategically with partners to learn more on how to further lower emissions

## Key strengths

- **The City has included a climate impact criterion in the framework and has quantified targets on emission reductions associated with building materials** and the City has already started to initiate projects aligned with the criterion. CICERO considers it best practice that the City shares knowledge from this work with the industry and other municipalities and collaborate with partners to improve life cycle assessment software and having a dialogue to further increase the emission reductions in its projects
- **The City of Gothenburg's overall management of environmental risks is integrated into the strategies and is a core component of the decision-making process of the city**. It is a strength that the issuer focuses on adaption for physical climate risks and has performed an assessment for the city based on IPCC scenarios. It is especially encouraging that the city now is mapping its existing buildings to screen for potential risks and needed mitigation actions, as from a 2050 perspective it is essential that we take care of and improve the existing building stock



# Improved and updated Green Bond Framework

Green Project Category	Eligibility criteria	EU Objective
<b>Green and energy efficient buildings</b>	<p><b>New buildings</b></p> <ul style="list-style-type: none"> <li>▪ New <b>residential</b> buildings (completed after 1 January 2021 and onwards) that have, or are designed to achieve, a primary energy demand of 60 kWh/m<sub>2</sub> per year, corresponding to an energy demand that is at least 20% better than the level required by the national building regulation (BBR 29). All new buildings are subject to testing for airtightness and thermal integrity as well as for calculating the life-cycle Global Warming Potential for each stage in the life cycle of the building.</li> <li>▪ New <b>premises</b> (completed after 1 January 2021 and onwards) that have, or are designed to achieve, a primary energy demand of 50 kWh/m<sub>2</sub> per year, corresponding to an energy demand that is at least 30% better than the level required by the national building regulation (BBR 29). All new buildings are subject to testing for airtightness and thermal integrity as well as for calculating the life-cycle Global Warming Potential for each stage in the life cycle of the building.</li> </ul> <p><b>Existing buildings</b></p> <ul style="list-style-type: none"> <li>▪ <b>Residential</b> buildings and <b>premises</b> (completed before 1st of January 2021) qualifying within the top 15% most energy efficient buildings of the national building stock in terms of Primary Energy Demand, determined through a specialist study.<sup>1</sup></li> </ul> <p><b>Major renovations</b></p> <ul style="list-style-type: none"> <li>▪ <b>Renovation</b> of existing buildings that lead to an overall reduction in primary energy demand per square meter and year (kWh/m<sub>2</sub>/year) by at least 30% compared to the pre-investment situation.</li> </ul> <p><b>Installation, maintenance and repair of:</b></p> <ul style="list-style-type: none"> <li>▪ Energy efficiency equipment (energy efficient windows, doors and light sources, HVAC), instruments and devices for measuring, regulating and controlling the energy performance of buildings, charging stations for electric vehicles in buildings (and in parking spaces attached to buildings), and/or renewable energy technologies (such as solar, heat pumps, wind turbines, storage units and heat exchanger/recovery systems).</li> </ul>	<b>Climate change mitigation</b>
	<p><b>Buildings implementing circular economy models for reduced climate impact</b></p> <ul style="list-style-type: none"> <li>▪ Construction or renovation of buildings that lead to a 50%<sup>2</sup> reduction of the climate impact from the materials and construction process compared to projects constructed by the City prior to 2020. The threshold will be met by implementing a combination of innovative, circular and biobased solutions, such as using low-carbon and/or reused/recycled materials.</li> </ul>	<b>Circular economy</b>

# Improved and updated Green Bond Framework

Green Project Category	Eligibility criteria	EU Objective
Water and wastewater management	<p><b>Water collection, treatment and supply systems</b></p> <ul style="list-style-type: none"> <li>Construction and extension of water collection, treatment and supply systems that have a net average energy consumption below 0.5 kWh per cubic meter produced water supply.</li> <li>Renewal of water collection, treatment and supply systems that lead to (i) a reduction in the net average energy consumption per year by at least 20% per m<sup>3</sup> water produced compared to the pre-investment energy use level<sup>3</sup> in the area where the renewal works are carried out, or (ii) a reduction in the leakage level by at least 20% compared to the pre-investment leakage level of the area where the renewal works are carried out.</li> </ul> <p><b>Wastewater collection and treatment</b></p> <ul style="list-style-type: none"> <li>Renewal of sewer networks or treatment plants that lead to a reduction in the net average energy consumption per year<sup>4</sup> by at least 20% compared to the pre-investment energy use level<sup>3</sup> in the area where the renewal works are carried out.</li> <li>Construction, renewal or installation projects that lead to a reduction in CO<sub>2</sub>e emissions by at least 20% compared to the pre-investment emission level of the area where the construction/renewal works are carried out or that are subject to installation of new technology.</li> </ul>	Climate change mitigation
	<p><b>Pollution prevention and control in the water and wastewater system</b></p> <ul style="list-style-type: none"> <li>Technologies and solutions leading to a reduced amount of pollutants, such as micropollutants, in the water supply system. These solutions could include for example ultrafiltration systems, which often have co-benefits in terms of improving the system's resilience against expected future climate changes such as deteriorated water quality in lakes and watercourses that will require additional efforts to maintain adequate drinking water quality.</li> <li>Technologies and solutions leading to reduced discharges of pollutants to the recipients of the wastewater, protecting watercourses, lakes and sea from pollutants such as nitrogen, phosphorus and microplastics. These solutions could include measures that target reduced infiltration of additional water in the wastewater system and improved management of excessive stormwater resulting in overflows in the system.</li> <li>Sustainable urban drainage systems (SUDS) leading to a retention of rain water and/or improvement in its quality in urban areas by, for example, reducing rainfall-runoff and corresponding combined sewer overflows, increasing rainwater infiltration and thus improving the water balance, or providing valuable habitats and thus supporting biodiversity. Measures may include green roofs, urban tree planting, green alleys and streets, infiltration ditches etc.</li> </ul>	Sustainable use and protection of water and marine resources

# Contact information

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Foto: Lo Birgersson

## Financial information from the City of Gothenburg

Welcome to the City of Gothenburgs website for financial information. Here we present information concerning our funding, risk management and our financial reports. The page is intended for those that are investors or work in banking/finance.

[Contact](#)

**Credit Rating 12 Sep 2022:  
Standard & Poor's affirmed  
the city's rating, AA+ with  
stable outlook**

**Market Update 2022**

Treasury Department  
January 2022

[Market Activities 2022](#)

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## Contact



**Fredrik Block**  
**Portfolio Manager**

**+46 728 56 50 91**

**[fredrik.block@stadshuset.goteborg.se](mailto:fredrik.block@stadshuset.goteborg.se)**



**Nader Nadafan**

**Finance- and Sustainability Officer**

**+46 720 83 71 90**

**[Nader.nadafan@stadshuset.goteborg.se](mailto:Nader.nadafan@stadshuset.goteborg.se)**



**Sara Pettersson**

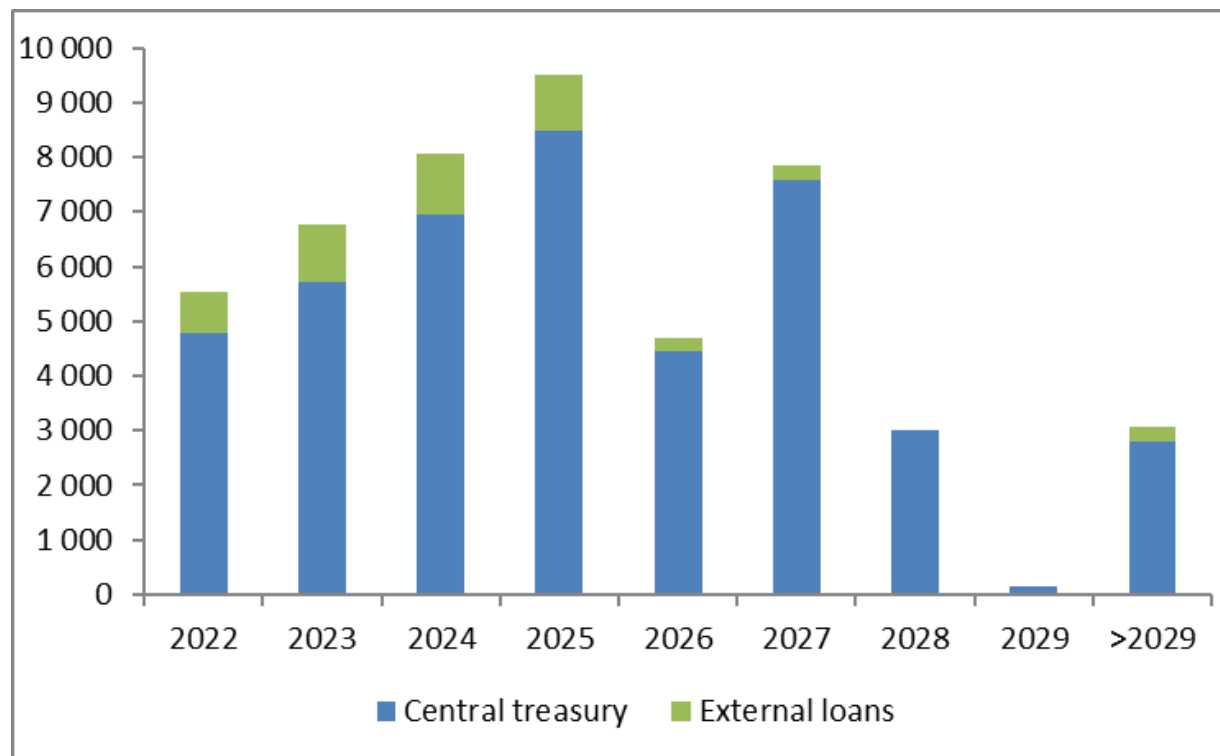
**Sustainable Urban Planning Officer**

**+46 31 368 00 55**

**[sara.pettersson@stadshuset.goteborg.se](mailto:sara.pettersson@stadshuset.goteborg.se)**

# Appendix

# Debt profile (MSEK) 2022-06-30



<b>Total debt (BSEK):</b>	<b>48,6</b>
<b>Average capital maturity:</b>	<b>3,5 y</b>
<b>Average interest maturity (incl. derivatives):</b>	<b>3,4 y</b>
<b>Average interest maturity (excl. derivatives):</b>	<b>2,3 y</b>



# Credit rating

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## S&P Global Ratings

September 12, 2022

## Issuer Credit Rating

AA+/Stable/A-1+

*Nordic Regional Scale*

--/--/K-1

## Outlook

The stable outlook reflects our expectation that Göteborg--despite the challenging parliamentary situation, weaker macroeconomic fundamentals, and inflationary pressure--will maintain a sound financial position and post relatively stable operating results through 2024. We expect management will uphold budgetary discipline and remain committed to its conservative financial policies. Furthermore, despite high investment needs in the coming years caused by the city's expanding population, we expect Göteborg's experienced treasury will limit debt accumulation and adhere to its internal policies.

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