

Supplement to Base Prospectus approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “SFSA”) on 2 July, 2020, Dnr 20-12222.
Date for the publication of the Prospectus Supplement (Dnr 21-8851) 19 April, 2021.

DANSKE HYPOTEK AB (publ)

PROGRAMME FOR CONTINUOUS ISSUANCE OF COVERED BONDS

This document constitutes a supplement to the base prospectus regarding continuous issuance of covered bonds by Danske Hypotek AB (publ) (the “**Issuer**”), Dnr 20-12222, which was approved and registered by the SFSA on 2 July, 2020 (the “**Base Prospectus**”) and the prospectus supplement approved and registered by the SFSA on 15 September, 2020, Dnr 20-20290 (the “**Prospectus Supplement I**”). This Prospectus Supplement has been established in accordance with Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and was approved and registered by the SFSA on 19 April, 2021, and made public on the website of the Issuer on 19 April, 2021.

This Prospectus Supplement shall be read in conjunction with and is a part of the Base Prospectus and the Prospectus Supplement I. The Base Prospectus, the Prospectus Supplement I and this Prospectus Supplement are available on the Issuer’s website, www.danskehypotek.se and may also be ordered from the Issuer without cost at the Issuer’s office, at Norrmalmstorg 1, 103 92 Stockholm, Sweden.

At the time of publication of this Prospectus Supplement, there are no outstanding offers to purchase or subscribe for Covered Bonds and thus there is no right of withdrawal.

This Prospectus Supplement has been prepared due to (1) the publication by the Issuer of its annual report for the financial year 2020 on 29 March 2021, (2) update on the Covid-19 outbreak impact on the Group and the Issuer, and (3) update on the money laundering investigations in the Parent. The Base Prospectus has therefore been supplemented as follows.

Publication of Danske Hypotek AB (publ)’s annual report for the financial year 2020

The Issuer has on 29 March 2021 published its annual report for the financial year 2020. By virtue of this Prospectus Supplement, the annual report is incorporated in, and forms part of, the Base Prospectus. The publication of the annual report, requires that certain information in the section “Legal considerations and supplementary information” is updated.

The wording under the heading “Trend information” in section “Legal considerations and supplementary information” on page 44 is replaced with the following:

There has been no material adverse change in the prospects of the Issuer since 29 March 2021, being the date of the publication of the last audited financial information of the Issuer.

There has been no significant change in the financial performance of the Issuer since 31 December 2020, being the end of the last financial period for which audited financial information has been published, to the date of this Prospectus Supplement.

A new sixth paragraph under the heading “Documents incorporated by reference” in section “Legal considerations and supplementary information” on page, 44 shall be added:

Annual Report 2020 <https://danskehypotek.se/-/media/pdf/danske-hypotek/annual-report-2020-danske-hypotek-ab.pdf?rev=1b91d0fd893b45c784a66b373f5b7c89&hash=7E043F16D8DE3FE7FCB63C2C9F4675A9>

The new paragraph seven under the heading “Documents incorporated by reference” in section “Legal considerations and supplementary information” on page 44 is amended as follows:

The Issuer’s Annual Reports for 2018, 2019 and 2020 (the “Annual Reports”) and the Interim Half Year Report 2020 (the “2020 Half Year Report”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Report Act (Årsredovisningslag (1995:1554)). The 2020 Half Year Report has also been prepared in accordance with IAS 34. With the exception of the Annual Reports, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor.

Parts of the above-mentioned documents that are not incorporated by reference are either addressed in other sections of the Prospectus, or considered not to be relevant for potential investors in the Programme.

The wording under the heading “Documents on display” in section “Legal considerations and supplementary information” on page 44 is amended as follows:

Copies of the following documents are available at the website of the Issuer (www.danskehypotek.se) and at the Issuer’s office, at Norrmalmstorg 1, 103 92 Stockholm, Sweden (regular office hours) for the term of the Prospectus:

- *the Issuer’s certificate of incorporation and Articles of Association;*
- *the Issuer’s Annual Report for 2018;*
- *the Issuer’s Annual Report for 2019;*
- *the Issuer’s 2020 Half Year Report; and*
- *the Issuer’s Annual Report for 2020*

Update on the Covid-19 outbreak impact on the Group and the Issuer

The third paragraph under the heading “*The Issuer and the Group may be affected by general economic and geopolitical conditions*” on page 11 in the section RISK FACTORS shall be deleted in its entirety and replaced with the following:

Already before the Covid-19 outbreak, Swedish economic growth was slowing on the back of falling residential and business investment and gradually weaker household real income developments. Unemployment was rising as a consequence of jobseekers, such as newly graduated students, outside the labour force becoming unemployed rather than employed. The Covid-19 outbreak has accelerated this development and the household sector has decreased consumption and companies have decreased investments during 2020.

Sweden was exposed to the supply shock caused by the standstill of the global manufacturing industry and the disruptions caused to the global value chains. Also, the demand shock to the domestic economy by lockdowns worldwide presented a challenge during 2020. The Covid 19 pandemic had an immediate effect on the Issuer's credit risk and funding activity during March and April 2020. However, during the remaining part of 2020 the pandemic did not affect the Issuer's income, cost, credit risk or funding activity negatively in a material way. Swedish authorities took measures during 2020 to mitigate the economic consequences of the Covid-19 pandemic. However, the economic activity in Sweden will probably continue to be affected during 2021 and it is not known to what extent the authorities will continue to support the Swedish economy. Any sustained decline in the general economic conditions in Sweden may have an adverse effect on the Issuer's business, financial condition and/or results of operations.

Globally, there has been a weakening of productivity growth following the financial crisis and this, combined with population ageing effects in the Nordic countries, raises the prospect that overall growth in production and income will be modest going forward. Financial markets have been characterised by periods of large price movements, and markets are very dependent on central bank policies. Low interest rates and central bank bond purchases have not yet succeeded in securing the desired level of inflation in the euro area for an extended period, and thus the future course of these policies is an important source of uncertainty. Should the global growth not continue, there is a risk that this will have a material adverse effect on the Group's and the Issuer's business, financial condition and/or results of operations.

In 2020, a novel strain of the Covid-19 virus spread across the world including to the Nordic countries, where the disease and the measures taken against it have had a significant negative effect on the economy in terms of GDP, employment and income. GDP declined 4-5.5 per cent. in the Nordics in the first half of 2020. While economic activity has increased significantly in the second half of 2020, rising infections which result in further restrictions will dampen the rebound in the economy. It is also likely that the Nordic economies have not yet seen the full effect of the substantial fall in income elsewhere and that there might be a delayed effect on exports.

As Nordic countries are small, open economies, they are sensitive to disruptions in the global economy or the free flow of goods and services. Very accommodating central bank monetary policy and low interest rates have had, and continue to have, an impact on the Group's net interest income. Adverse economic developments have affected and will continue to affect the Group's business in a number of ways, including, among others, the income, wealth, liquidity, business and/or financial condition of the Group's customers, particularly its small- and medium-sized enterprise ("SME") customers, which, in turn, could further reduce the Group's credit quality (resulting in increased impairment charges) and demand for the Group's financial products and services. As a result, any or all of the conditions described above could continue to have a material adverse effect on the Group's business, results of operations and financial position, and measures implemented by the Group might not be satisfactory to reduce any credit, market and liquidity risks.

A new risk factor “*Covid-19 outbreak could have a material adverse effect on the Group’s business, results of operations and financial position*” shall be included after the risk factor “*The Issuer and the Group may be affected by general economic and geopolitical conditions*” in the section RISK FACTORS:

Covid-19 outbreak could have a material adverse effect on the Group’s business, results of operations and financial position

Covid-19, identified in China in late 2019, has spread throughout the world. On 11 March 2020, the World Health Organization confirmed that its spread and severity had escalated to the point of a pandemic. The outbreak of Covid-19 has resulted in authorities, including those in the Nordic countries, implementing numerous measures to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of business and workplaces, and has led to materially increased volatility and declines in financial markets and significant worsening of the macroeconomic outlook. The duration of such restrictions is highly uncertain, but could be prolonged, and even stricter measures may be put in place. Such restrictions are already in place in all of the Group’s markets.

The spread of Covid-19 has led the Group to modify its operational practices, and it may take further actions required by authorities or that it determines are in the best interests of its employees, customers and other stakeholders. There is no certainty that such measures will be sufficient to mitigate the risks posed by Covid-19, and the implementation of such measures (or their insufficiency) could harm the Group’s ability to perform some of its critical functions and serve its customers. The pandemic and related counter-measures have affected and continue to affect some of the Group’s customers adversely, which in some cases may be material, which could in turn have an adverse impact on the Group (for example, through deteriorations in credit quality and higher impairments). In the jurisdictions in which the Group operates, schemes have been initiated by both the Group and national governments to provide financial support to parts of the economy most impacted by the Covid-19 outbreak. The details of how these schemes will operate, the impact on the Group’s customers and, therefore, the impact on the Group remain uncertain at this stage.

The full economic impact of Covid-19 is outside of the Group’s control and will depend on the spread of the virus and the response of the local authorities and the global community. Based on the financial performance of the Group to date, Covid-19 could have a negative impact on the Issuer’s financial results for the year ending 31 December 2021. Furthermore, the global financial markets are impacted by very high volatility, which may have a negative impact on the Group’s trading income for the full year ending 31 December 2021 should the volatility continue throughout the year. The ability of the Group’s customers to serve their contractual obligations, including to the Group, may also be materially adversely affected. The degree to which Covid-19 impacts the Group’s results of operations, liquidity, access to funding and financial position will depend on future developments, which, as at the date of this Prospectus Supplement, are highly uncertain and cannot be predicted. These developments may include, but are not limited to, the duration and spread of Covid-19, its severity, actions taken to contain the virus or treat its impact, the extent and effectiveness of economic stimulus taken to contain the virus or treat its impact and how quickly and to what extent normal economic and business activity can resume.

The factors described above could, together or individually, have a material adverse effect on the business, results of operations, financial position and liquidity of the Group.

Update on the money laundering investigations in the Parent

The Issuer's Parent is subject to investigations from authorities and ongoing litigations due to a former customer portfolio in the Parent's Estonian branch. The current sections on this in the Base Prospectus shall be updated as follows.

All paragraphs under the heading "*The Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks*" on page 14 in the section RISK FACTORS shall be deleted in its entirety and replaced with the following:

The Group and the Issuer may become involved in various disputes and legal proceedings in different jurisdictions, including litigation and regulatory investigations. The Group's banking and other operations have been the subject of regulatory scrutiny from time to time. For example, the Group and the Issuer are subject to applicable anti-money laundering and terrorist financing laws. The supervisory authorities conduct on-going inspections from time to time of the Group's compliance with anti-money laundering ("**AML**") legislation, sanctions, and terrorist financing laws, which can potentially lead to supervisory actions. In particular, the investigations and events that took place in the Estonian branch (as further described below) are being discussed with the relevant authorities.

Estonian AML matter

Danske Bank is reporting to, responding to and cooperating with various authorities, including the Danish State Prosecutor for Serious Economic and International Crime ("**SØIK**"), the U.S. Department of Justice (the "**DOJ**") and the U.S. Securities and Exchange Commission (the "**SEC**"), relating to the Danske Bank's Estonian branch. The internal investigation work that Danske Bank had planned to complete during 2020 has been finalised and Danske Bank has reported the findings to relevant authorities. Danske Bank continues to fully cooperate and will provide the authorities with further information if and when requested. The overall timing of the authorities' investigations remains unknown and is not within Danske Bank's control. It is not yet possible to reliably estimate the timing, form of resolution, or amount of potential settlement or fines, which could be material.

Danske Bank is also subject to ongoing litigation in relation to the Estonian AML matter. This includes, inter alia, an action filed against Danske Bank in the United States District Court for the Southern District of New York (which was initially dismissed but later appealed) and a number of court cases initiated against Danske Bank in Denmark. Danske Bank intends to defend itself against the various claims. The timing of completion of any such lawsuits (pending or threatening) and their outcome are uncertain and could be material.

The impact on the Issuer may entail that the refinancing costs may be higher and/or that its mortgage lending volumes become lower.