

Supplement to Base Prospectus approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) on 9 August, 2017, Dnr 17-6853.
Date for the publication of the Prospectus Supplement (Dnr 20-10102) 8 May 2020.

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 17-6853, which was approved and registered by the SFSA on 9 August, 2017 (the “**Base Prospectus**”), the prospectus supplement approved and registered by the SFSA on 5 April 2018, Dnr 18-6027 (the “**Prospectus Supplement I**”), the prospectus supplement approved and registered by the SFSA on 18 September, 2018, Dnr 18-15965 (the “**Prospectus Supplement II**”), the prospectus supplement approved and registered by the SFSA on 17 May, 2019, Dnr 19-10434 (the “**Prospectus Supplement III**”) and the prospectus supplement approved and registered by the SFSA on 31 October 2019, Dnr 19-23060 (the “**Prospectus Supplement IV**”). This Prospectus Supplement has been established in accordance with chapter 2, section 34 of the Swedish Financial Instruments Trading Act (*Lag (1991:980) om handel med finansiella instrument*) and was approved and registered by the SFSA on 8 May 2020 and made public on the website of the Issuer on 8 May 2020.

This Prospectus Supplement shall be read in conjunction with and is a part of the Base Prospectus and the Prospectus Supplements I-IV. The Base Prospectus and Prospectus Supplements I-IV together with 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.

Investors who have already agreed to purchase or subscribe for Covered Bonds before this Prospectus Supplement is published have the right to withdraw their acceptances within 2 business days from the date of publication, being 12 May 2020.

This Prospectus Supplement has been prepared due to (1) the publication by the Issuer of its annual report for the financial year 2019 on 27 March, 2020, (2) the change of board members decided on an Extra Shareholders meeting on 2 March, 2020, (3) the addition of a credit rating agency, Nordic Credit Rating, and (4) updates on the ongoing 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 2019

The Issuer has on 27 March 2020 published its annual report for the financial year 2019. The publication of the annual report for the financial year 2019, 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 39 is replaced with the following:

There has been no material adverse change in the prospects of the Issuer since 27 March 2020, being the date of publication of the last audited financial information of the Issuer.

The wording under the heading “Material Change and Significant Change” in section “Legal considerations and supplementary information” on page 39 is replaced with the following:

- *There has been no significant change in the financial position of the Issuer since 31 December 2019, the last day of the financial period in respect of which the most recent financial statements of the Issuer have been prepared; and*
- *there has been no material adverse change in the prospects of the Issuer since 31 December 2019, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared, however, please see Note 26 in the Annual Report 2019 on the Covid-19 situation.*

A new sixth paragraph under the heading “Documents incorporated by reference” in section “Legal considerations and supplementary information” on page, 40 shall be added:

Annual Report 2019 <https://danskehypotek.se/-/media/pdf/danske-hypotek/danske-hypotek-annual-report-2019.pdf?rev=f60d4e6ddb4d4b88b9664a222b6ed847&hash=E6A41CD00D4FBDC772E4745DBC8772D> as regards the audited financial information and the audit report on pages 11 (Income statement), 12 (Balance sheet), 13 (Statement of changes in equity), 14-15 (Cash flow statement), 16-35 (Notes) and 37 (Auditor’s report)

The new paragraph seven under the heading “Documents incorporated by reference” in section “Legal considerations and supplementary information” on page 40 is amended as follows:

*The Issuer’s Annual Report for 2016 (the “**2016 Annual Report**”), the Issuer’s Annual Report for 2017 (the “**2017 Annual Report**”), the Interim Half Year Report 2018 (the “**2018 Half Year Report**”), the Issuer’s Annual Report for 2018 (the “**2018 Annual Report**”), the Issuer’s Interim Half Year Report 2019 (“**2019 Half Year Report**”) and the Issuer’s Annual Report for 2019 (the “**2019 Annual Report**”) has 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 2018 Half Year Report is also prepared in accordance with IAS 34. With the exception of the 2016 Annual Report, the 2017 Annual Report, the 2018 Annual Report and the 2019 Annual Report no information in this Prospectus has been audited or reviewed by the Issuer’s auditor.*

The wording under the heading “Documents on display” in section “Legal considerations and supplementary information” on page 40 is amended as follows:

- Copies of the following documents are available at the Issuer’s office, at Norrmalmstorg 1, 103 92 Stockholm, Sweden (regular office hours):*
- *the Issuer’s certificate of incorporation and Articles of Association;*
 - *the Issuer’s 2016 Annual Report;*

- *the Issuer's 2017 Annual Report;*
- *the Issuer's 2018 Half Year Report;*
- *the Issuer's 2018 Annual Report;*
- *the Issuer's 2019 Half Year Report; and*
- *the Issuer's 2019 Annual Report*

Change of Board of Directors

The Issuer has on an Extra Shareholders meeting held on 2 March, 2020 decided to elect Kristina Alvendal as a new member of the board.

The wording under the heading "Board of Directors" on page 32 is replaced with the following:

The board of directors of the Issuer consist of six members of which one was elected at an extra shareholders meeting on 2 March, 2020 and of which all were re-elected at the general shareholders meeting on 27 March 2020.

| Name | Position | Board member since |
|---------------------------|-----------------|---------------------------|
| Glenn Söderholm | Chairman | 5 July 2018 |
| Kim Borau | Member | 5 July 2018 |
| Carsten Nøddebo Rasmussen | Member | 2017 |
| Robert Wagner | Member | 5 July 2018 |
| Anneli Adler | Member | 27 August 2019 |
| Kristina Alvendal | Member | 2 March 2020 |

Glenn Söderholm

Other on-going principal assignments: *Member of the Executive Leadership Team and Head of Banking Nordic at the Parent.*

Kim Borau

Other on-going principal assignments: *Head of Performance Management, Banking Nordic at the Parent.*

Carsten Nøddebo Rasmussen

Other on-going principal assignments: *Chief Executive Officer of Realkredit Danmark A/S.*

Robert Wagner

Other on-going principal assignments: *Head of Group Financial Steering at the Parent.*

Anneli Adler

Other on-going principal assignments: *Co-head of Retail Banking SE at the Swedish branch.*

Kristina Alvendal

Other on-going principal assignments: *Board member in Belatchew Arkitekter AB, AF Gruppen ASA, Svefa AB and AB Salktennis.*

Credit Rating Agency

The Issuer has added a credit rating agency, Nordic Credit Rating (NCR), for its covered bonds. The wording under the headline “Credit rating” on page 15 is replaced with the following:

*The Programme has been rated AAA by Standard & Poor’s Global Ratings. The Covered Bonds issued under the Programme has been rated AAA by Nordic Credit Rating. Standard & Poor’s Global Ratings and Nordic Credit Rating are both established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency. Credit ratings are a way of evaluating credit risk. However, the credit ratings assigned to the Programme and the Covered Bonds do not always reflect the risks associated with individual Covered Bond Loans under the Programme. For more information regarding the credit ratings, visit www.standardpoors.com and www.nordiccreditrating.com.*

The following table sets out the possible long-term ratings assigned by Standard & Poor’s Global Ratings and Nordic Credit Rating.

| <i>Standard & Poor’s Global Ratings’ long-term rating scale</i> | <i>Nordic Credit Rating’s long-term rating scale</i> |
|--|---|
| <i>AAA</i> | <i>AAA</i> |
| <i>AA+</i> | <i>AA+</i> |
| <i>AA</i> | <i>AA</i> |
| <i>AA-</i> | <i>AA-</i> |
| <i>A+</i> | <i>A+</i> |
| <i>A</i> | <i>A</i> |
| <i>A-</i> | <i>A-</i> |
| <i>BBB+</i> | <i>BBB+</i> |
| <i>BBB</i> | <i>BBB</i> |
| <i>BBB-</i> | <i>BBB-</i> |
| <i>BB+</i> | <i>BB+</i> |
| <i>BB</i> | <i>BB</i> |
| <i>BB-</i> | <i>BB-</i> |
| <i>B+</i> | <i>B+</i> |
| <i>B</i> | <i>B</i> |
| <i>B-</i> | <i>B-</i> |
| <i>CCC+</i> | <i>CCC</i> |
| <i>CCC</i> | <i>CC</i> |
| <i>CCC-</i> | <i>C</i> |

| <i>Standard & Poor's Global Ratings' long-term rating scale</i> | <i>Nordic Credit Rating's long-term rating scale</i> |
|---|--|
| <i>CC</i> | <i>D/SD</i> |
| <i>C</i> | |
| <i>D</i> | |

Money laundering investigations

The following updates shall be made in the section RISK FACTORS under the heading “The Issuer is dependent upon other Group companies and their business” on page 9:

The sentence starting with “*The timing of the completion...*” and all the following sentences thereafter on page 9 shall be deleted in its entirety and replaced with the following:

On 3 March 2019, a court case was initiated against the Parent for approval of a class action lawsuit led by a newly formed association with the aim of representing former and current shareholders in a liability action relating to the Estonian AML matter. No specific claim amount has been calculated.

On 14 March 2019, 169 separate cases were further initiated against the Parent simultaneously concerning shareholder claims relating to the Estonian AML matter with claims totalling approximately DKK 3.5 billion. In October 2019, the claimants' Danish counsel filed an additional 64 claims against the Parent, increasing the total value of the claims by approximately DKK 2.5 billion. In January 2020, an additional nine claims were raised bringing the total to approximately DKK 6.3 billion and on 20 March 2020, an additional 38 claims were filed, bringing the total number of claims to 279 with a total claim amount of approximately DKK 7 billion. However, of the 38 claims filed on 20 March 2020, nine are duplicate cases which have been refiled by claimants pending the Court's decision regarding amendment of the claimant names. These court actions relate to alleged violations in the Parent's Estonian branch of the rules on prevention of money laundering and alleged failure to timely inform the market of such violations. At present, 228 of the cases have been referred to the Eastern High Court.

On 27 December 2019, 63 private and institutional investors initiated a similar case against the Parent with a total claim amount of approximately DKK 1.3 billion. The case is pending before the City Court of Copenhagen, but is expected to be referred to the Eastern High Court.

On 20 February 2020, the Parent received a procedural notification in a case initiated against Thomas Borgen, the previous CEO of the Parent, by 72 institutional investors, and funded by the litigation funder Deminor Recovery Services. The total claim amount is approximately DKK 2.7 billion. The case is pending before the District Court of Lyngby, but the claimants have requested that the case be referred to the Eastern High Court. Under Danish law, the purpose of a procedural notification is to make a formal reservation of rights to bring a potential claim against the notified party in the future, so that the notified party cannot later say that it was not aware of the matter. The notification also prevents the claimants' claim from being time barred, unless the claim against the notified party was

already time barred before the notice was given. The procedural notification does not constitute service of legal proceedings on the Issuer and has not been submitted to the court.

Reports in the media have pointed to potential further legal actions being raised against the Parent in connection with the AML matters at the Parent's Estonian branch and related matters, and the Parent has received a number of claims for compensation threatening litigation. Further similar claims may be filed in the future, although the timing of completion of any such lawsuits (pending or threatening) and their outcome are uncertain. The Parent intends to defend itself against the claims.

The timing of the completion of the on-going investigations into the AML matters at the Estonian branch, the outcome and the subsequent discussions with the authorities regarding such matters are subject to uncertainty. It is not yet possible to reliably estimate the timing or amount of any potential settlement or fines, if any, which could be material.

The outcome of these investigations and the impact on the Parent from such investigations is currently unknown and will ultimately depend on the findings of the authorities. The impact on the Issuer may entail that the refinancing costs of its Covered Bonds may be higher and/or that its mortgage lending volumes become lower.