

Supplement Number 2 dated 10 August 2020

To the Offering Circular dated 29 December 2016



KINGDOM OF SWEDEN

U.S.\$50,000,000,000

Euro Medium Term Note Programme

This supplement ("**Supplement**") is supplemental to, forms part of and must be read and construed together with the Offering Circular dated 29 December 2016, as supplemented on 4 January 2018 (the "**Offering Circular**") prepared by The Kingdom of Sweden (the "**Issuer**"), represented by Riksgäldskontoret, with respect to its U.S.\$50,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). This Supplement does not comprise a supplemental prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**"), a supplement to a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended), or supplementary listing particulars given in compliance with the listing rules made under Part VI of the FSMA by the United Kingdom Financial Services Authority in its capacity as competent authority under the FSMA.

The purpose of this Supplement is to:

- (a) Include references to allow for Green Bond issues; and
- (b) Provide an update with respect to the COVID-19 developments.

Terms defined in the Offering Circular shall, unless the context otherwise requires, have the same meaning when used in this Supplement. This Supplement shall be deemed to be incorporated in, and forms part of, the Offering Circular.

The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon oral or written request, a copy of this Supplement. Written or oral requests for such documents should be directed to the specified office of any Paying Agent.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Supplement and confirms that this Supplement is true and accurate in all material respects and is not misleading in any material respect, and that this Supplement does not omit to state any material fact necessary to make this Supplement as a whole or any such information contained or incorporated by reference herein not misleading in any material respect.

No dealer, salesman or other person has been authorised to give any information or to make any representation not contained in or not consistent with this Supplement or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (a) above will prevail.

AMENDMENTS TO THE OFFERING CIRCULAR

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Offering Circular shall be amended and/or supplemented in the manner described below.

1. **Green Bonds**

A new section entitled "Green Bonds" will be added to page 5, before the section entitled "Summary of the Programme", as follows:

GREEN BONDS

The Issuer has established a green bond framework for the issuance of Green Bonds (as defined below) (the "**Green Bond Framework**") to fund central government appropriations which qualify as 'eligible green expenditure' as described therein (the "**Eligible Projects**"). Where the net proceeds of an issue of Notes are used for green projects in accordance with the Issuer's Green Bond Framework, such Notes may be referred to as "**Green Bonds**". If specified in the relevant Pricing Supplement, the use of proceeds of a Series of Notes will be used to fund Eligible Projects under the Green Bond Framework.

Details of the Green Bond Framework can be found at <https://www.government.se/government-policy/financial-markets/the-green-bond-framework/>, but have not been incorporated into, and do not form part of, this Offering Circular.

Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets

The Pricing Supplement relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply the proceeds of those Notes for projects that contribute to the fulfilment of the environmental objectives described in the Green Bond Framework. A prospective investor should have regard to the information set out in the section "*Green Bonds*" and determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary. No assurance is given by the Issuer, or any Manager that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Bond Framework. It should be noted that there is currently no consistent definition of what constitutes a "green", "sustainable" or equivalently-labelled project nor can any assurance be given that a clear definition or consensus will develop over time or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or the issues the subject of, or related to, any Eligible Projects. Accordingly, no assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable" or similar labels. Each prospective investor should have regard to the factors described in the Green Bond Framework and seek advice from their independent financial adviser or other professional adviser the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of the Notes before deciding to invest.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. For the avoidance of doubt, any such opinion or certification is not incorporated in this Offering Circular. Any such opinion or certification is not a recommendation by the Issuer, any Manager or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. As at the date hereof, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealer or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in

respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes issued as Green Bonds for Eligible Projects, there can be no assurance that such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Project as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. Any such failure will not constitute an Event of Default under the Notes.

A failure of the Notes issued as Green Bonds to meet investor expectations or requirements as to their "green", "sustainable" or equivalent characteristics including the failure to apply proceeds for Eligible Projects, the withdrawal of a third party opinion, the Notes ceasing to be listed or admitted to trading on any stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Projects as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

2. COVID-19 Disclosure

The following wording shall be inserted in a new section entitled "*Developments relating to COVID-19*" on page 5 of the Offering Circular after the new section 'Green Bonds':

DEVELOPMENTS RELATING TO COVID-19

The outbreak of coronavirus ("**COVID-19**") has led to a major global economic shock. Whilst the direct and indirect impact of the COVID-19 outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a significant negative impact on GDP during 2020. It is extremely difficult to evaluate the financial impact of the pandemic, or the impact of the measures aimed at containing the pandemic. Concerns also remain as to whether such measures will be sufficient to counter anticipated macro-economic risks.

The reduction in economic activity as a result of the COVID-19 pandemic is expected to contribute to a substantial worsening of the budgetary position. Additionally, in the event of weaker than expected budgeted growth, driven by decreased external or domestic demand or other COVID-19 consequences, the Kingdom of Sweden may need to implement further cost-reduction or revenue raising measures in order to meet its targets. Such measures may further adversely affect economic growth.

Specifically, in the case of the Kingdom of Sweden, the COVID-19 outbreak is expected to lead to increased unemployment, a contraction in GDP, increased external indebtedness, an increased budget deficit and reduced tax receipts, as well as increased expenditure on other government support measures.

A prolongation of the outbreak could have a significantly adverse effect on economic growth, and impact business operations across the economy generally (within the Kingdom of Sweden and that of its trading partners), as a result of weakened economic activity and the effect of the pandemic on the health and wellbeing of employees affected. Such weakening of the economy and/or operations could have a material adverse impact on the economic performance of the European Union area and the trading partners of the Kingdom of Sweden, adversely affect economic growth in the Kingdom of Sweden and, consequently, have an adverse effect on the Kingdom of Sweden's fiscal position.

3. Use of Proceeds

The following is added to page 55 in the Form of Pricing Supplement section as paragraph 46:

REASONS FOR THE OFFER

46. Reasons for the offer: The Issuer intends to apply the net proceeds from this offer of Notes specifically for [projects and activities that promote climate-friendly and/or other environmental purposes / other "*Green Bond*" description (See "*Green Bonds*" wording in Offering Circular)]

THE ISSUER

Kingdom of Sweden
Represented by Riksgäldskontoret
Olof Palmes Gata 17
S-103 74 Stockholm

FISCAL AGENT AND PAYING AGENT

Citibank, N.A., London Branch
14th Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

U.S. REGISTRAR

Citigroup Global Markets Deutschland AG
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

NON-U.S. REGISTRAR

Citigroup Global Markets Deutschland AG
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

TRANSFER AGENT

Citibank, N.A., London Branch
14th Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

LEGAL ADVISERS

Clifford Chance LLP
10 Upper Bank Street
Canary Wharf
London E14 5JJ