

EXECUTION VERSION

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is **eligible** counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to **eligible** counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only **eligible** counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to **eligible** counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (as modified or amended from time to time, the **SFA**), the Issuer has determined, and hereby notifies all relevant

persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

23 February 2021

H&M Finance B.V.

Legal entity identifier (LEI): 25490079TX62U2IW2D78

Issue of EUR500,000,000 0.250 per cent. Notes due 25 August 2029

Guaranteed by H & M Hennes & Mauritz AB (publ)

under the EUR2,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 17 July 2020 and the supplement to it dated 12 February 2021 which together constitute a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on www.hm.com.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

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| 1. | (a) | Issuer: | H&M Finance B.V. |
| | (b) | Guarantor: | H & M Hennes & Mauritz AB (publ) |
| 2. | (a) | Series Number: | 1 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 3. | | Specified Currency or Currencies: | Euro (EUR) |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | EUR500,000,000 |
| | (b) | Tranche: | EUR500,000,000 |
| 5. | | Issue Price: | 98.774 per cent. of the Aggregate Nominal Amount |
| 6. | (a) | Specified Denominations: | EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No Notes in definitive form will be issued with a denomination above EUR199,000 |
| | (b) | Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions): | EUR1,000 |

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| 7. | (a) Issue Date: | 25 February 2021 |
| | (b) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 25 August 2029 |
| 9. | Interest Basis: | Subject as set out in Condition 5.3 and paragraph 17 below, 0.250 per cent. Fixed Rate

(see paragraphs 14 and 17 below) |
| 10. | Redemption Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 11. | Change of Interest Basis: | Not Applicable |
| 12. | Put/Call Options: | Change of Control Put
Issuer Call
Issuer Maturity Par Call
Clean-Up Call

(see paragraphs 19, 20, 22 and 23 below) |
| 13. | (a) Status of the Notes: | Senior |
| | (b) Status of the Guarantee: | Senior |
| | (c) Date Board approval for issuance of Notes and Guarantee obtained: | 15 July 2020 and 25 June 2020, respectively |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 14. | Fixed Rate Note Provisions | Applicable |
| | (a) Rate of Interest: | 0.250 per cent. per annum payable in arrear on each Interest Payment Date, subject as set out in Condition 5.3 and paragraph 17 below |
| | (b) Interest Payment Date(s): | 25 August in each year up to and including the Maturity Date, commencing on 25 August 2021 (short first coupon) |
| | (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | Subject to adjustment as set out in Condition 5.3 and paragraph 17 below, EUR2.50 per Calculation Amount |
| | (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | Subject to adjustment as set out in Condition 5.3 and paragraph 17 below, EUR1.24 per Calculation Amount, payable on the Interest Payment Date falling on 25 August 2021 |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |

	(f) Determination Date:	25 August in each year
15.	Floating Rate Note Provisions	Not Applicable
16.	Zero Coupon Note Provisions	Not Applicable
17.	Step Up Option	Applicable
	(a) Reference Year:	2025
	(b) Recycled Materials Event:	
	• Recycled Materials Event Step Up Margin:	0.100 per cent. per annum
	• Recycled Materials Percentage Threshold:	30 per cent.
	(c) Scope 1 and 2 GHG Emissions Event:	
	• Scope 1 and 2 GHG Emissions Event Step-Up Margin:	0.050 per cent. per annum
	• Scope 1 and 2 GHG Emissions Percentage Threshold:	20 per cent.
	(d) Scope 3 GHG Emissions Event:	
	• Scope 3 GHG Emissions Event Step-Up Margin:	0.100 per cent. per annum
	• Scope 3 GHG Emissions Percentage Threshold:	10 per cent.

PROVISIONS RELATING TO REDEMPTION

18.	Notice periods for Condition 7.2:	Minimum period: 30 days Maximum period: 60 days
19.	Issuer Call:	Applicable
	(a) Optional Redemption Date(s):	From (and including) the Issue Date to (but excluding) 25 May 2029
	(b) Optional Redemption Amount:	Make-whole Amount
	(i) Reference Bond:	DBR 0.00 per cent. due 15 August 2029 (ISIN: DE0001102473)
	(ii) Redemption Margin:	0.150 per cent.

	(iii) Quotation Time:	11.00 a.m. (London time)
	(c) If redeemable in part:	Not Applicable
	(d) Notice periods:	Minimum period: 10 days Maximum period: 30 days
20.	Issuer Maturity Par Call:	Applicable
	(a) Maturity Par Call Period:	From (and including) 25 May 2029 to (but excluding) the Maturity Date.
	(b) Notice periods:	Minimum period: 10 days Maximum period: 30 days
21.	Investor Put:	Not Applicable
22.	Change of Control Put:	Applicable
	(a) Change of Control Redemption Amount:	EUR1,000 per Calculation Amount
	(b) Notice periods:	Minimum period: 15 days Maximum period: 30 days
23.	Clean-Up Call:	Applicable
	(a) Clean-Up Call Amount:	EUR1,000 per Calculation Amount
	(b) Notice periods:	Minimum period: 10 days Maximum period: 30 days
24.	Final Redemption Amount:	EUR1,000 per Calculation Amount
25.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	EUR1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	Form of Notes:	
	(a) Form:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event
	(b) New Global Note:	Yes
27.	Additional Financial Centre(s):	Not Applicable
28.	Talons for future Coupons to be attached to Definitive Notes:	No

THIRD PARTY INFORMATION

The information in item 2 of Part B of these Final Terms has been extracted from the website of S&P as defined below. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by S&P, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of H&M Finance B.V.:

Signed on behalf of H & M Hennes & Mauritz AB
(publ):

By:

By:

Duly authorised

Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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| (i) | Listing and Admission to trading | Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of Euronext Dublin and listing on the official list of Euronext Dublin with effect from 25 February 2021. |
| (ii) | Estimate of total expenses related to admission to trading: | EUR1,000 |

2. RATINGS

Ratings: The Notes to be issued have been rated BBB by S&P Global Ratings Europe Limited (**S&P**).

S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)

S&P is not established in the UK and is not registered under Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) but it is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the UK CRA Regulation. Ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited in accordance with the UK CRA Regulation.

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the fees payable to the Joint Lead Managers, so far as the Issuer and the Guarantor are aware, no person involved in the issue of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

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| (i) | Reasons for the offer: | See "Use of Proceeds" in the Offering Circular |
| (ii) | Estimated net proceeds: | EUR492,520,000 |

5. YIELD (Fixed Rate Notes only)

Indication of yield: 0.397 per cent. per annum calculated on an annual basis.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

- (i) ISIN: XS2303070911
- (ii) Common Code: 230307091
- (iii) CFI: See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.
- (iv) FISN See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7. DISTRIBUTION

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names of Managers: BNP Paribas
Commerzbank Aktiengesellschaft
Danske Bank A/S
Scandinaviska Enskilda Banken AB (publ)
Standard Chartered Bank AG

- (iii) Stabilisation Manager(s) (if any): BNP Paribas
- (iv) If non-syndicated, name of relevant Dealer: Not Applicable
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
- (vi) Prohibition of Sales to EEA Retail Investors: Applicable
- (vii) Prohibition of Sales to UK Retail Investors: Applicable