

## H. LUNDBECK A/S



*(incorporated with limited liability under the laws of The Kingdom of Denmark)*

**EUR 2,000,000,000**

### **Euro Medium Term Note Programme**

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Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), H. Lundbeck A/S (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 2,000,000,000 (or the equivalent in other currencies).

The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof which are admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**") and/or which are to be offered to the public in any Member State of the European Economic Area (the "**EEA**"). Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes issued under the Programme within 12 months of this Base Prospectus to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing and/or trading by any competent authority and/or stock exchange.

Tranches of Notes may be rated or unrated. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the EEA or in the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**") will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under "Risk Factors" below.*

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

This Base Prospectus is valid within twelve months from the date of this Base Prospectus. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Base Prospectus is no longer valid.

#### **Arranger**

**NORDEA**

#### **Dealers**

**BNP PARIBAS**

**BofA Securities**

**Danske Bank**

**Jyske Bank A/S**

**Nordea**

**SEB**

24 February 2020

## IMPORTANT NOTICES

### *Responsibility for this Base Prospectus*

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is, in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

### *Final Terms/Drawdown Prospectus*

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as supplemented by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

### *Other relevant information*

This Base Prospectus comprises a prospectus for the purposes of the Prospectus Regulation. This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

### *Unauthorised information*

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme 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 or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the

Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes may be offered and sold in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S. For a description of this and certain further restrictions on offers, sales and transfers of Notes, see "*Subscription and Sale*".

**NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

### ***Product Governance under Directive 2014/65/EU (as amended)***

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Final Terms or Drawdown Prospectus, as the case may be in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

**PRIIPS / IMPORTANT – EEA AND UK RETAIL INVESTORS** If the Final Terms (Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to

EEA and 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 EEA or in the UK. 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

### ***Benchmark Regulation***

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

### ***Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")***

Unless otherwise stated in the Final Terms (or Drawdown Prospectus), as the case may be, in respect of any Notes and solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Notes to be issued under the Programme should be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any time under the Programme will not exceed EUR 2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into EUR at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

### ***Certain definitions***

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended and references to "**SEK**" are to Swedish krona, references

to "NOK" are to Norwegian kroner, references to "DKK" are to Danish kroner and references to "GBP", "Sterling" and "£" are to pounds sterling.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### ***Ratings***

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA or in the UK but will be endorsed by a CRA which is established in the EEA or in the UK and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

### ***Stabilisation***

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

### ***Third Party Information***

With respect to any information included herein and specified to be sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which it expects to operate in the future. Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors described in this Base Prospectus:

- the Issuer's ability to integrate its newly-acquired operations and any future expansion of its business;
- the Issuer's ability to realise the benefits it expects from existing and future investments in its existing operations and pending expansion and development projects;
- the Issuer's ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed terminal development projects;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Issuer and their customers operate;
- changes in the competitive environment in which the Issuer and their customers operate;
- changes to regulation and failure to comply with regulations applicable to the Issuer's business; and
- fluctuations in the currency exchange rates in the markets in which the Issuer operates;
- the Issuer's ability to retain or replace key personnel;
- changes in the Issuer's business, strategy, development and investment plan; and
- the ability of the Issuer to successfully develop and expand the range of products offered.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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## OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Prospectus will be published.*

This overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.

<b>The Issuer:</b>	H. Lundbeck A/S
<b>Arranger:</b>	Nordea Bank Abp
<b>Dealers:</b>	BNP Paribas, Danske Bank A/S, Jyske Bank A/S, Merrill Lynch International, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ) and any other Dealers appointed in accordance with the Dealer Agreement
<b>Fiscal Agent:</b>	Deutsche Bank AG, London Branch
<b>Description:</b>	Euro Medium Term Note Programme
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus.
<b>Notes having a maturity of less than one year:</b>	Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended (the " <b>FSMA</b> ") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see " <i>Subscription and Sale</i> ".
<b>Programme Size:</b>	Up to EUR 2,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at



any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

**Issuance in Series:**

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Distribution:**

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**Currencies:**

Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.

**Maturities:**

The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

**Issue Price:**

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

**Interest:**

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.,

and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (b) on the basis of the Reference Rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:**

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Selling Restrictions Addressing Additional United Kingdom Securities Laws*".

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Selling Restrictions Addressing Additional United Kingdom Securities Laws*", and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA or in the UK or offered to the public in a Member State of the EEA or the UK in circumstances which

would otherwise require the publication of a prospectus under the Prospectus Regulation will be EUR 100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 12. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 12, be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

The terms of the Notes will contain a negative pledge provision as further described in Condition 5.

**Cross Acceleration:**

The terms of the Notes will contain a cross acceleration provision as further described in Condition 13(c).

**Listing and admission to trading:**

Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List and to trading on the regulated market of Euronext Dublin.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market and/or stock exchange may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**United States Selling Restrictions:**

Regulation S, Category 2. TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.

**Status:**

The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer.

**Form:**

The Notes may be issued in Bearer or Registered form

The Temporary Global Note and the Permanent Global Note may be issued in new global note form.

The Global Registered Note may be held under the New Safekeeping Structure.

<b>Rating:</b>	Tranches of Notes will be rated or unrated. Where a tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.
	In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.
<b>Governing Law:</b>	The Notes, the Deed of Covenant, the Agency Agreement and the Dealer Agreement will be governed by English law.
<b>Clearing Systems:</b>	Euroclear and Clearstream, Luxembourg
<b>Selling Restrictions:</b>	See " <i>Subscription and Sale</i> ".
<b>Risk Factors:</b>	Investing in the Notes involves risks. See " <i>Risk Factors</i> ".
<b>Financial Information:</b>	See " <i>Description of the Issuer</i> ".
<b>Use of proceeds:</b>	The net proceeds from each issue of Notes will be used for the: (i) general financing, corporate and funding purposes of the Issuer and its subsidiaries taken as a whole (the " <b>Group</b> "); (ii) if so specified in the relevant Final Terms, exclusively to finance or refinance projects of the Group; or (iii) if, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## **RISK FACTORS**

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur.*

*Prospective investors should note that the risks relating to the Issuer, the industry in which it operates and the Notes summarised in the section of this Base Prospectus headed "Risk Factors" are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances, and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of Notes issued under the Programme.*

### **Risk factors relating to the Issuer**

#### **1. Pipeline, research and development and product portfolio risks**

*Any failure or delay in the delivery of pipeline or development and launch of new and innovative products may impair the Issuer's achievement of development targets, and adversely affect the reputation of its research and development capabilities and its ability to reach its business and financial targets.*

The Issuer's success is highly dependent on the development and launch of new and innovative pharmaceutical products. The Issuer cannot predict whether a drug can be successfully introduced to the market in advance. The development of a new drug is a highly time-consuming, very risky and complicated process which requires significant financial investment and research and development ("R&D") efforts.

A product that is considered successful at an initial stage may fail or be delayed at a later stage due to various factors, for example, failure or problems with obtaining the relevant regulatory approval, unfavourable clinical data, issues with data reproducibility, increased regulatory requirements for clinical trials, data requirements from production of non-clinical studies and clinical studies, and intrinsic biological variation in pre-clinical and clinical trials, unknown side effects discovered at later stages, concerns about the safety and effectiveness of the product, failure to demonstrate sufficient cost-effective benefits to the relevant authorities and/or buyers, or changes to the competitive environment that make continuing development of a product commercially impractical.

Further, the Issuer may not be able to identify and successfully acquire - via merger & acquisitions, joint ventures or otherwise - new compounds and drug candidates that can supplement the Issuer's early and late stage pipeline. Even if such compounds and drug candidates are acquired there can be no guarantee that the Issuer will be able to successfully bring a new pharmaceutical product to the market or that a new

pharmaceutical product brought to the market will be a success. Any such failure of the compounds and/or drugs could potentially lead to an impairment loss.

As a result of such uncertainties, the Issuer may not be able to successfully develop or acquire new products in a timely manner and/or the Issuer may experience delays to anticipated launch dates of new products. This could have a material adverse effect on the Issuer's development targets, costs of investments, reputation for its R&D capabilities and the Issuer's business and results of operations. Further, a delay in the launch of products could significantly reduce the return on investment and increase costs in marketing and sales.

***Failure in arranging and maintaining successful alliance and cooperation agreements with third parties could limit the Issuer's access to wider product portfolio and shared expertise.***

Pharmaceutical companies are increasingly forming strategic partnerships with third parties, such as by entering into cooperation agreements with other pharmaceutical and biotech companies to access a greater portfolio of products, technology and shared expertise. The Issuer has entered into important strategic partnerships with several key partners, amongst others Otsuka Pharmaceuticals Co., Ltd., Takeda Pharmaceutical Company Limited and Mochida Pharmaceutical Co., Ltd.

Failures or delays in completing collaborative projects in a timely, cost-effective manner, disputes with strategic partners or failure to successfully execute on existing and future partnerships could undermine the benefits and effectiveness of such collaborations and have a negative impact on the Issuer's business and operations. The Issuer may also be unable to enter into cooperation agreements at suitable or favourable terms and conditions, which could limit its access to other products or shared expertise. Increasingly competition among different pharmaceutical and biotech companies for acquisition of licenses and technologies developed by third parties also makes it more difficult for the Issuer to form suitable strategic partnerships.

***Failure to obtain necessary regulatory approvals from relevant regulatory and governmental bodies including but not limited to the Food and Drug Administration (the "FDA") in the US, the European Medicines Agency (the "EMA") in the EU, the National Medicine Products Administration (the "NMPA") in China and the Pharmaceuticals and Medical Devices Agency (the "PMDA") in Japan could lead to the Issuer's failure or delay in developing or launching new products or introduce new therapies and adversely affect its business and financial targets.***

The Issuer is subject to increasingly strict statutory and regulatory control on launch, development and commercialisation of pharmaceutical products. In many of the jurisdictions in which the Issuer operates, the Issuer needs to obtain regulatory approval to launch its products and/or introduce new therapies. The Issuer is required to comply with requirements in a number of areas, including the development, manufacture, distribution, import, advertising and marketing of its pharmaceutical products.

The requirements vary by country and region. Even though a product may have already been approved or launched in one country or region, the regulators of other countries or regions may refuse to grant approval or require additional data and clinical studies from the Issuer before granting approval. The regulators may consider a large variety of factors when granting approval, for example, new laws and policies, public receptivity, whether the product's benefits outweigh its known risks, the product's efficacy and views of other third-party interest groups, which increases the difficulty for obtaining approval. Further, decisions from regulatory authorities may impact labelling, manufacturing processes, safety and/or other matters that could affect the availability or commercial potential of any product and its competitive potential.

The regulatory approval process is time-consuming and costly, and it can take several years for a pharmaceutical company to determine whether its product would be approved. Unpredictable policymaking by governments and regulators adds uncertainty to the process, which could often lead to delays or even failures of regulatory approvals.

The regulatory control on post-marketing regulatory requirements and commitments has also been tightened in recent years. Product labelling changes could influence decisions of health professionals on whether to prescribe or supply a specific product to patients. There have also been calls for more third-party access to regulatory and clinical trial data packages and increased data transparency. Inaccurate data analyses could damage the Issuer's reputation and adversely affect its sales. Other post-approval regulatory requirements, such as additional clinical trials and data management could increase the operational costs, delay launch and impact its profitability.

Any delays or failures in regulatory approval could lead to the Issuer's failure or delay in developing and launching new pharmaceutical products and adversely affect its business, reputation and financial results.

## **2. Supply chain, quality and product safety risks**

*Any delay or disruption in the Issuer's manufacturing and supply processes may lead to product shortage, loss of product sales and adversely affect the Issuer's reputation, costs, business, profitability and ability to reach its financial targets*

Any delay or disruption in the Issuer's manufacturing and supply processes can lead to product shortage, loss of product sales and adversely affect the Issuer's reputation, costs, business, profitability and ability to reach its financial targets.

Delays and interruptions can be caused by various factors, such as delays in construction of new facilities or expansion of existing facilities, actual product demand exceeding the forecast demand causing a shortage in supply, disturbance to the supply chain caused by natural disasters, loss of licenses to manufacture or sell pharmaceuticals, quality issues, human errors relating to its facilities or audits from regulatory authorities, critical suppliers or vendors, and other manufacturing issues such as closure of production sites, termination of supply agreements with external providers, reduction of manufacturing capacity to meet regulatory requirements, or other changes to the type of products produced.

The Issuer is also dependent on partners and third-party suppliers to supply goods and raw materials, such as critical pharmaceutical ingredients or components in certain drug substances, relevant scientific equipment, packaging and finished products in a timely manner to ensure a smooth operation of its supply chain. Such goods and raw materials are often difficult to substitute, and alternative goods may not be readily available for several years. Any difficulty in ensuring timely supply of goods and raw materials could impact the Issuer's manufacturing schedules, production capacities and supply to the market.

The Issuer also relies on third-party providers in other critical areas of its operations, such as warehousing, transportation, IT systems, finance, accounting and human resources. The Issuer not only relies on third-party providers to provide efficient and timely services, but also relies on them to comply with applicable laws and regulations. Any failure by third-party providers to provide timely and efficient services or comply with relevant laws and regulations could materially adversely affect the Issuer's financial condition, results of operations or reputation.

The Issuer is subject to heavy regulation of its manufacturing and supply processes. The Issuer is required to comply with relevant statutes, regulations or codes of practices in the countries and regions in which it operates, and regulatory bodies may regularly inspect and audit the Issuer's manufacturing facilities and identify deficiencies, which could lead to temporary closure of manufacturing sites, limits to production capacity, other penalty or enforcement actions. As a result, the Issuer could face difficulties in manufacturing, supply, forecasting and distribution which could lead to a shortage in supply, loss of product sale and materially affect its reputation and its ability to reach its financial targets. Failure to comply with manufacturing regulations can result in regulatory investigations against the Issuer, product seizure, debarment, withdrawal or recalls which could damage the Issuer's reputation and financial condition.

*Defects in the quality and safety of the Issuer's products*

As a leading global pharmaceutical company, the Issuer is required to comply with and maintain high standards of product quality and safety. This includes, for example, the Issuer's obligation to comply with Good Manufacturing Practices ("GMP"). GMP constitutes the license to operate in pharmaceutical manufacturing and is a core condition worldwide. Rules and interpretations differ from country to country and change frequently. The Issuer is subject to stringent regulatory control by relevant authorities and any defects found in the Issuer's products could lead to manufacturing cessation, product seizure and debarment, temporary bans on products, production facilities, withdrawal recalls or loss of licence, and affect future registration with the relevant authorities. Breach of product quality and safety standards could also generate negative publicity, undermine consumer confidence and materially adversely affect the Issuer's reputation, business, financial condition, results of operations and prospects.

### **3. Intellectual property risks**

*Any failure to obtain, defend and enforce protection of patent or intellectual property rights may expose the Issuer to the risks of being challenged or sued by third parties for patent infringement and adversely affect the Issuer's reputation and financial position.*

The Issuer owns many patents and intellectual property rights worldwide that are crucial to its success. In the pharmaceutical industry, products are typically protected from being copied for a limited period of time under the relevant intellectual property and patent rights. Products protected by such rights are typically significantly more profitable than those which are not protected, as they are not copied by third parties. The Issuer's ability to obtain, defend and enforce protection of the relevant patent or intellectual property rights is therefore important to the short-term and long-term status and development of the Issuer and the safeguard of its R&D capabilities.

The patent application, maintenance and enforcement processes are expensive, lengthy and complicated. The Issuer may not be able to obtain the necessary patents in pending or future applications. It is expensive and time consuming for the Issuer to defend its patents, licenses and intellectual property rights through legal action. The Issuer's patent rights may be challenged on the grounds of their validity or effective scope. A legal dispute over intellectual property rights could take several years and the Issuer may lose in a legal dispute, which could substantially prevent, delay or limit the successful launch, marketing and sale of a product. Intellectual property ("IP") is an area of the law that is still developing and the legal precedents relating to intellectual property rights protection are continuously evolving, which adds to uncertainty of intellectual property rights protection.

The Issuer needs to protect its trademarks effectively to ensure its continued success in the pharmaceutical industry. Trademarks are exclusive rights to use a registered mark and prevent third parties from using the mark. Trademark protection is in many jurisdictions effective when the Issuer conducts extensive controls and detailed subsequent research to ensure its trademarks are not copied. If the Issuer is unable to identify the illegal use of trademarks by third parties or take legal action early enough to prevent further infringement, this would materially adversely affect the Issuer's ability to protect its trademarks effectively and undermine its reputation and ability to introduce and sell a given product. Public loss of confidence in the integrity of pharmaceutical products as a result of illegal trade could materially adversely affect the Issuer's reputation and financial performance. In addition, undue or misplaced concern about this issue may cause some patients to stop taking their medicines, with consequential risks to their health. Authorities may take action, financial or otherwise, if they believe the Issuer is liable for breaches in its own supply chains.

The Issuer may be sued by third parties, such as other research-based and generic pharmaceutical companies or individuals, for patent and license infringements. The third parties may seek various remedies (such as injunction against the Issuer to sell and market a certain product) and damages (monetary loss of the third party arising from the Issuer's infringement of its intellectual property rights), which would give rise to significant costs and materially adversely affect the Issuer's business. Third-parties may be awarded remedies for alleged infringement of their IP, for example injunctions and damages for alleged patent



infringement. In the US, courts may order enhanced (up to treble) damages for alleged wilful infringement of patents. From time to time the Issuer may acquire licences, discontinue activities and/or modify processes to avoid claims of patent infringement. These steps could entail significant costs and the Issuer's revenue and margins could be materially adversely affected.

The Issuer's failure to obtain, maintain and safeguard related licences and intellectual property rights could have a material adverse effect on its financial results or results of operations.

***Expiry or loss of intellectual property rights and increasing competition with generic versions of products may raise pricing pressure on the Issuer's products, decline in revenue and adversely affect the Issuer's profitability.***

The Issuer's pharmaceutical products may compete with other generic or biosimilar drugs manufactured and marketed by generic drug manufacturers in the pharmaceutical industry.

When the Issuer's intellectual property rights have expired or if they are lost, the Issuer's products would face direct competition from the launch of cheaper generic copies and biosimilars which are often sold at significantly lower prices as the relevant manufacturers do not incur substantial R&D costs at the initial development stage. Expiry or loss of intellectual property rights can materially adversely affect the Issuer's revenues and financial condition due to the launch of cheaper generic copies of the product in the country where the rights have expired or been lost.

Some countries in which the Issuer operates do not offer robust IP protection. This may be because IP laws are still developing, the scope of those laws is limited, or the political environment does not support such legislation. The Issuer has noted increasing use of compulsory licensing in some of the countries in which it operates. Whilst the Issuer is not aware of any current compulsory licensing issues affecting the Issuer, this is a general problem for the pharmaceutical industry and other pharmaceutical companies. As a result, the Issuer may face compulsory licensing issues in some countries in the future, especially with new products such as eptinezumab.

Generic drug manufacturers may also seek to launch generic drugs or biosimilars even before the relevant patents or regulatory exclusivity periods expire. Generic drug manufacturers may seek to challenge the validity of the Issuer's patents by legal action. For example, the Issuer is currently facing challenges from numerous generic drug manufacturers regarding its patents relating to Brintellix®/Trintellix® which is a key product for the Issuer.

In the event that the Issuer is unsuccessful in defending its related patent or intellectual property rights, third parties may in some countries seek potentially significant damages against the Issuer, for instance claiming that their market entry had been restrained inappropriately.

Approval of competitive products, generic drugs or biosimilars could give rise to immediate competition with the Issuer's business, and potentially have a material adverse effect on its financial condition or results of operations. One example of such product is Onfi (clobazam) for the treatment of Lennox-Gastaut syndrome, which due to loss of exclusivity in October 2018, was significantly exposed to generic competition leading to a decline in sales volume and thereby a decline in revenue from DKK 3,165 million in 2018 to DKK 1,052 million in 2019.

#### **4. Information technology security risks**

***Failure of information security, data protection, cyberattacks or disruption of information technology systems may lead to system down-time, loss of critical or sensitive information (such as patient data, clinical trial records and key scientific research) and harm the Issuer's business.***

The Issuer is dependent on effective IT systems to successfully operate all parts of its operations, secure product supply and to provide data protection to the Issuer's critical and sensitive information, such as

clinical trial records, personal data of their clients and employees, the Issuer's intellectual property and research and development capabilities. The Issuer is also dependent on the internal IT policies and procedures that are in place in order to safeguard processes and communication of data, as well as protect the confidentiality, integrity and availability of information of their IT systems. Under the EU Regulation 2016/679 (General Data Protection Regulation) ("GDPR"), the Issuer, or any third-party vendor who has access to the Issuer's data, must ensure that the personal data it holds and processes are protected.

The Issuer's IT systems, as well as the data processed on these systems, are susceptible to security disruptions and vulnerabilities. Any disruption or compromise of the security of the IT systems could affect all parts of the Issuer's operations to efficiently run its business and could affect the Issuer's product supply to its patients, which could materially adversely affect the Issuer's reputation and its financial conditions and results.

If critical business (safety or manufacturing) processes are disrupted, if the Issuer experiences a permanent loss of data, or if personal data is breached, this could result in non-compliance with relevant laws and regulation, that may further damage the Issuer's business.

Although the Issuer has IT policies and safeguards in place to protect its data, and regularly conduct cybersecurity testing to ensure the effectiveness of implemented controls, the Issuer may be unable to prevent unforeseen cyberattacks or breakdowns and breaches in its systems.

In addition, the increasing use of cloud-based solutions and the outsourcing of the Issuer's IT systems, means the Issuer is increasingly dependent on the security of cloud providers and outsourcing partners to ensure the availability, integrity and confidentiality of the information held on the systems.

Even though the Issuer has maintained cybersecurity insurance, it is uncertain whether the insurance coverage would sufficiently protect the Issuer from losses suffered from cyberattacks and cyberattacks may lead to system down-time and significant rebuild of infrastructure that may significantly harm or hinder significant parts of the Issuer's operations and may significantly impact the Issuer's business.

## **5. Market and commercial risks**

***Rising pricing pressure driven by restrictive reimbursement policies and cost control clauses, legislative and regulatory proposals to lower the costs of prescription drugs and other healthcare system reforms worldwide may impose downward pressure on the prices of the Issuer's products and significantly affect its profitability and financial results.***

The Issuer's main markets have been and may in the future be further affected by various cost controls and regulatory proposals to lower the costs of pharmaceutical products.

As the Issuer markets its pharmaceutical products and operates in the US, which is a significant market to the Issuer, the Issuer may be subject to pricing pressure as a result of restrictive reimbursement policies and cost control clauses. Step therapies (a prior authorisation program that encourages the use of less costly medications before more costly medications are approved for coverage) and requirements for prior authorisations in place by health insurance plans can limit patients' accessibility to medicines. The out-of-pocket costs that patients are responsible for are increasing due to the insurance industry's shift to high deductible health plans and higher percentage co-pays. These out-of-pocket expense changes impact affordability and may decrease overall utilisation.

The costs of prescription drugs are also affected by the regulatory reforms in the US healthcare system, as there is an ongoing push for lowering the price of pharmaceutical products. Proposals to reform drug pricing such as but not limited to potential reimportation, federal price negotiation, or international price referencing could potentially have a material adverse effect on the Issuer's pricing of its products, financial conditions and profitability.

The pharmaceutical industry outside Europe has been shaped by ongoing cost-containment measures and reference pricing mechanism, including a push for transparency and comparison in the prices of pharmaceutical drugs between the countries, resulting in the pressure to lower the costs of prescription drugs. The pharmaceutical industry is also affected by national processes, such as the Health Technology Assessment (“HTA”) which reviews the clinical and cost-effectiveness of healthcare treatments. Such regulations and key stakeholders (such as government agencies and healthcare providers) have the ability to impose a downward pressure onto the Issuer on the pricing of its products and in turn affect the Issuer’s profitability and financial results.

***Mergers and acquisitions are a strategic element to diversify the portfolio of a pharmaceutical company and expand its expertise. However, significant competition for diversification in the industry may drive up prices significantly and prevent the Issuer from having access to these opportunities and the inability to realise the anticipated benefits of the acquisition, integrate the acquired business and achieve cost savings and synergies may materially adversely affect the Issuer’s financial condition and results of its operation.***

Mergers and acquisitions and business alliances provide key opportunities for the Issuer to diversify its pharmaceutical products portfolio. However, the competition and market for the acquisition of new drug candidates and companies is fierce, which may drive up prices, and the Issuer may risk not being able to successfully acquire new drug candidates or companies to further diversify its portfolio.

The Issuer’s recent acquisitions include the acquisition of Alder BioPharmaceuticals Inc. (“Alder”), acquired in October 2019, Abide Therapeutics Inc. (“Abide”), acquired in May 2019 and Prexton Therapeutics BV, acquired in March 2018. The Alder and Abide acquisitions are further described under the section “Description of the Issuer - Recent Acquisitions”.

Such recent and other past and future acquisitions involve risks related to the ability to realise the anticipated benefits of the acquisition. As described under “Risk Factors - Pipeline, research and development and product portfolio risks” above, the results from current or future (if any) clinical studies may fail or be unfavourable preventing the Issuer from moving forward and bringing a product to the next phase of clinical studies or a product to the market. Even after mergers or acquisitions have been completed, the launch of any new products may be delayed, fail or not have the positive financial impact expected due to a large number of factors such as unfavourable market conditions and requirements from regulatory bodies.

Moreover, anticipated costs savings and synergies may not materialise, and there are always certain tax risks and a potential risk that any identified and/or latent liabilities of the acquired company materialise and are not recoverable and must be assumed by the Issuer.

The above-mentioned risks may significantly negatively affect the Issuer’s financial condition, business operations and financial results.

## **6. Legal, compliance and tax risks**

***The Issuer’s failure to comply with applicable laws, rules and regulations (such as rules under competition laws and securities laws, GMP, environmental and occupational health laws, regulations set out by the US Department of Justice, the US Physician Payments Sunshine Act and the International Federation of Pharmaceutical Manufacturers and Associations (“IFPMA”) Code of Practice) may give rise to civil or criminal liability of the Issuer or its employees, and adversely affect its reputation, business and financial condition.***

The Issuer is required to comply with a significant number of laws, pharmaceutical industry standards, regulations and the Issuer’s Code of Conduct. Any non-compliance could affect the Issuer’s licence to operate and may result in an investigation into the Issuer’s operation by relevant agencies, authorities and legal proceedings could be brought forward against the Issuer. Any investigation or proceedings could give

rise to civil and criminal liability against the Issuer, which could materially damage the Issuer's reputation, affect the earnings for its shareholders and the Issuer's overall financial condition. The results of such investigation or proceedings could also potentially bring forth substantial fines or damages, as well as civil and criminal sanctions imposed upon the Issuer.

Key examples of such laws, pharmaceutical industry standards and regulations include, but are not limited to: (i) compliance with GMP, as further described in "*Risk Factors - Supply chain, quality and product safety risks*"; (ii) laws and regulations for the promotion of medicinal products, interactions with healthcare professionals and disclosure of transfers of value to healthcare professionals, including The Physician Payments Sunshine Act (a United States healthcare law to increase transparency of financial relationships between health care providers and pharmaceutical manufacturer) and European Federation of Pharmaceutical Industries and Associations' Code of Practice ("**EFPIA**"), an organisation representing the research-based pharmaceutical industry operating in Europe which constitutes the collection of ethical rules agreed by EFPIA members for the promotion of medicines and interactions with healthcare professionals, healthcare organisations and patient organisations; (iii) environmental and occupational health and safety laws; (iv) trade control laws in relation to trade agreements, embargoes and economic sanctions; (v) financial regulations for external financial reporting, taxation and money laundering; (vi) competition laws and regulations, private damages actions and challenges from competition authorities; (vii) ethical supply chain rules and regulations, employment practices, human rights compliance; (viii) continuous disclosure of product donations, patient group and community support; (ix) compliance of environmental practices; (x) personal data protection laws and regulation, including the GDPR; (xi) laws and regulations regarding the capital markets, including the European Market Abuse Regulation; (xii) statutes, regulations and written directives of Medicare, Medicaid and other federal health care programmes, including the federal Anti-Kickback Statute; and (xiii) the IFPMA Code of Practice (the Code of Practice umbrella for the US (Pharmaceutical Research and Manufacturers of America ("**PhRMA**")), European (EFPIA), Japanese (Japan Pharmaceutical Manufacturers Association ("**JPMA**")) and other national pharmaceutical associations where research-based pharmaceutical companies, including the Issuer, are members).

In relation to the Issuer's currently and formerly owned, leased and third-party business operating premises, the Issuer is also subject to safety standards, environmental and occupational health laws. Any failure to comply with such rules, regulation and applicable laws relating to the Issuer's environmental, occupation health and safety standards may result in affecting the Issuer's license to operate and materially adversely impact the Issuer's business operations. Any harm caused onto people or the environment as a result of failure to comply with such rules could damage the Issuer's reputation and result in fines or other penalties. If the Issuer does not comply or meet the environmental standards, current GMP or safety regulations in relation to its production of pharmaceutical goods, the Issuer may be subject to product liability, such as product withdrawals or recalls, loss of product approval and delays in the production process, all of which could materially damage the Issuer's ability to obtain new product approvals, potential product shortages and restrict patient access to the Issuer's products. If the Issuer fails to comply with the rules, regulations and applicable laws in the countries in which the Issuer operates which are subject to economic and trade sanctions, this could affect the Issuer's ability to import and export within these countries, which could result in loss of financial earnings for the Issuer's business. Any violation made by the Issuer or its employees in relation to the laws of the countries subject to trade and economic sanctions could potentially result in civil and criminal penalties and further damage to the Issuer's reputation.

The Issuer may be subject to fraudulent behaviour of the Issuer's employees or of its business partners that could lead to financial harm, materially damage the Issuer's reputation and/or lead to government investigations and fines.

***The Issuer may be subject to various product liability, consumer, commercial, environment, employment litigation matters or governmental investigations which may result in the Issuer incurring substantial cost in defending itself in legal proceedings and paying damages.***

Pharmaceutical companies are subject to the risk of litigation, such as product liability (often in the form of class action suits), personal injury claims, contractual, employment and environmental liability. Such liability claims could materially adversely damage the Issuer's financial performance and reputation, as well as resulting in lengthy legal proceedings, substantial costs in legal representation and potentially inordinate compensation and damages. Due to the nature of pharmaceutical products, the Issuer may be susceptible to various product liability claims if there are any unforeseeable safety issues relating to the products or any risk warnings not adhered to resulting in injuries of the user of the product. Any safety issues relating to the pharmaceutical product may result in product recall or product withdrawal and affect the Issuer's output in operations and financial conditions. In some countries in which the Issuer operates, a special legal framework for pharmaceutical products is in place which could lead to a higher risk of significant product liability claims being brought against the Issuer and higher litigation and discovery costs in defending itself in legal proceedings as a result. In the US, which is a significant market for the Issuer, there is a general trend towards an increase in the number of product liability claims against pharmaceutical manufactures and awards for damages, if granted, are likely to be high and the outcome of the proceedings can be unpredictable. The Issuer could be materially adversely affected by liability claims brought against the Issuer, as it could potentially significantly damage the Issuer's financial position, reputation, business, operations and financial conditions. For more information on particular claims that the Issuer is subject to, please see the section "*Description of the Issuer – Legal and Arbitration Proceedings*".

***The Issuer may be subject to certain tax disputes and tax risks***

The Issuer operates in a multinational tax environment and is taxed under laws in the jurisdictions in which it operates. International standards governing the global tax environment regularly change. Changes in global standards and in tax regulation in the jurisdictions in which the Issuer operates may change the total tax burden of the Issuer. The integrated nature of the Issuer's worldwide operation imposes the risk that revenue authorities party to a cross-border intercompany transaction may claim tax on the same income. The majority of the jurisdictions in which the Issuer operates have double tax treaties with other foreign jurisdictions, which provides a framework for mitigating double taxation on the Issuer's revenues and capital gain.

Changes in network of double tax treaties may change the tax burden for the Issuer and thereby affect the Issuer's financial results and profitability. To the Issuer's knowledge such changes are currently not expected within the next year.

Complying with tax rules can be complex as the interpretation of legislation and case law may not always be clear or may change over time. Disputes with tax authorities in the jurisdictions where the Issuer operates may occur and may change the tax burden and may affect the Issuer's financial results and profitability.

The Issuer's annual report 2019 provides for uncertain tax positions where historic transactions are considered likely to be impacted. The provision for uncertain tax positions which are not yet settled with local authorities amounts to DKK 385 million. The actual obligation may differ from the provision made and depends on the outcome of litigation and settlements with relevant tax authorities.

## **7. Economic and financial risks**

***As a global business, the Issuer is subject to currency risks, such as fluctuation of exchange rates (including currency devaluation) and interest rate changes, which may adversely affect the Issuer's cash flow and earnings.***

The Issuer, as a global business, largely generates its revenue from three main regions/markets, namely, North America, Europe and international markets, including China etc. With the foreign currencies in each of the Issuer's three targeted markets, the Issuer is subject to exchange rate fluctuations of the respective currencies to Danish krone. Depreciation and devaluations of the foreign currencies where the Issuer sells its products or in currencies where the Issuer has a loan portfolio could lead to a decrease in the Issuer's financial position and financial results. The Issuer's policy to hedge material currency exposures does not eliminate the currency risks faced by the Issuer. The Issuer also faces exchange rate risks from unforeseen exposures and adverse conditions could adversely affect the Issuer's financial results. The Issuer's policy to hedge material interest rate exposures does not eliminate the interest rate risks faced by the Issuer. Changes affecting the interest rate, could impact the Issuer's ability to finance future activities and could also potentially reduce the Issuer's profits. The interest rate could also impact the Issuer's ability to refinance its current debt portfolio, as well as establish new loans if needed.

As the US is the Issuer's biggest market, the Issuer will be affected by the fluctuation of the US dollar value against other currencies. The political and economic conditions in the US are one of the main factors that affect the value of the US dollar, including, but not limited to the financial performance, interest rate level and the trade war situation in the US. Such changes will likely impact the value of the US dollar against other currencies which could adversely affect the Issuer's financial and business conditions.

As China is the Issuer's second biggest market, the Issuer will be affected by the fluctuation of the Renminbi value against other currencies. The political and economic conditions in the PRC (People's Republic of China) are some of the main factors that affects the value of the Renminbi, such as a recent change implemented by the People's Bank of China on determining the daily mid-point against the US dollar by referencing the closing rate of the inter-bank markets of the previous day. Such change will likely impact the value of the Renminbi against other currencies which could adversely affect the Issuer's financial and business conditions.

***The Issuer operates in more than 50 countries and any deterioration of the political, socio-economic and financial situation globally or in individual countries may adversely affect the Issuer's supply and distribution chain and customers' ability to purchase its products.***

With operation in over 50 countries, the Issuer is subject to political, socio-economic and financial factors both globally and in individual countries.

A prolonged global economic recession may exert significant pressure on governments and healthcare payers to reduce their healthcare expenditure, which could materially adversely affect medicine prices and volumes of sales. This may cause a slow down or even sharp decline in growth of some markets of the Issuer. The Issuer's customers may face financial difficulties and even cease to trade, which may result in the Issuer's losses from writing off debts, or a reduction in demand for the Issuer's products.

With global operations, the Issuer is also subject to the trade relationship between the EU and the rest of the world. Any deterioration in global trade could therefore materially impact the Issuer, including but not limited to its market access, prices of medicines, financial results and overall business. Due to the Issuer's significant sales in the US, any such negative development in the trade between EU and US could also significantly impact the Issuer.

The Issuer's supply and/or distribution chain in the affected countries and customers or healthcare payers' ability to purchase its medicine could be severely impacted by the deterioration of, or failure to improve, socio-economic conditions, and situations and/or resulting events, depending on their severity. This could adversely affect the Issuer's business, results of operations and revenue.

The Issuer relies on a sustainable liquidity and funds flow to operate its business owing to high fixed operational costs and uncertainties in product developments cycles. When there is a prolonged global economic recession, financial institutions with whom the Issuer deals may cease to trade and there can be

no assurance that the Issuer can access money owed to it without a time-consuming, costly and protracted process.

The rapid spread of 2019-nCoV (the “**Coronavirus**”) first identified in December 2019 is one factor that has resulted in a deterioration of the political, socio-economic and financial situation globally, and this may consequently have a negative impact on the Issuer’s business. China is the Issuer’s second largest market after the US, and the widespread health crisis in China increases the uncertainty regarding the Issuer’s product distribution and sales in China, and could result in a restriction in the level of business activity in affected areas, which may in turn adversely affect the Issuer’s sales, revenue and operations in the country. The potential impact and the effects of any future spread are difficult to assess and quantify at this point in time. The Issuer’s financial guidance ranges for 2020, as set out in the annual report 2019, are wider than normal due to the uncertainties following the outbreak.

***Uncertainty and volatility in relation to the UK’s planned exit from the EU may impair the Issuer’s ability to transport raw materials or products from Denmark or other parts of Europe to the UK or vice versa.***

The UK held a referendum on 23 June 2016 on the UK’s current membership with the European Union. The outcome of the referendum was for the UK to withdraw its membership from the EU (“**Brexit**”). A withdrawal agreement was approved by the UK Parliament, and the UK left the EU on 31 January 2020, with the UK’s existing arrangements with the EU maintained during the transitional period while negotiations between the EU and UK’s future relationship take place. If by the end of the transition period a favourable outcome has not been reached, this will likely drastically impact the future of the trading relationships between the UK and the EU.

Due to the uncertain nature of Brexit and the ongoing negotiations, the impact of Brexit on the UK, the EU and the Issuer’s business cannot be determined at this point in time. The Issuer’s business in the UK will likely be affected by downward turn of the economy, devaluation of the pound compared to the euro and US dollar, fluctuations of exchange rates, changes in regulation and legislation, increase in taxation, trade barriers and tariffs, political and macroeconomic developments, which would impact the Issuer’s market share, profitability, cash flow, earnings and business operations in the UK.

Such developments may impact the Issuer’s ability to transport its products from Denmark to the UK and impede patients’ access to the Issuer’s products. In the aftermath of Brexit, there is a high risk that the ports’ ability to transport and trade goods from the UK and EU will be substantially reduced and it is uncertain as to the duration of such risk. As the UK’s regulations and policies will likely diverge from the EU’s under Brexit, the Issuer will become subject to greater risks of costs and challenges in their trading environment.

The uncertain nature of Brexit and the post-withdrawal trading arrangements, could have materially adverse effects on the UK, EU and the world economy, all of which could create a significant adverse financial impact on the Issuer’s business operations and profitability.

#### **Risk factors relating to the Notes**

##### **1. Risks related to the structure of certain types of Notes which may be issued under the Programme**

Set out below is a description of material risks (including material market risks such as liquidity risk, exchange rate risk, interest rate risk and credit risk) relating to the Notes which may be issued under the Programme.

*Certain benchmark rates, including LIBOR and EURIBOR, may be discontinued or reformed in the future -including the potential phasing-out of LIBOR after 2021.*

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. The Benchmark Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became mostly applicable from 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks." Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the Benchmark Regulation. Such announcements indicate that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021.

As a result, various workstreams have been initiated globally to determine successor rates for different currency inter-bank offered rates (IBORs), with GBP-LIBOR products being transitioned generally to the Sterling Overnight Index Average ("**SONIA**") rate (with a potential for a term-based SONIA rate being developed) as described below, EURIBOR products being transitioned generally to a new risk-free Euro Short-term Rate (€STR) (which was published by the European Central Bank ("**ECB**") for the first time on 2 October 2019) and USD-LIBOR products being transitioned generally to the Secured Overnight Financing Rate (SOFR) rate.

At this time, it is not possible to predict the effect of any establishment of alternative rates or any other reforms to LIBOR that may be enacted in the UK or elsewhere. Uncertainty as to the nature of such alternative rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.



The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(i) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "*Terms and Conditions of the Notes*" provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***The Issuer may issue Fixed/Floating Rate Notes under the Programme.***

The Issuer may issue Fixed/Floating Rate Notes under the Programme which may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes, since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be negatively impacted and may become less favourable than then prevailing spreads on comparable Floating Rate Notes in the market tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes, resulting in less interest being paid out to Noteholders and potentially affecting the market value of the Notes concerned.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include

the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Investors will not be able to calculate in advance their rate of return on Floating Rate Notes***

The Issuer may issue Floating Rate Notes. A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

**2. *Risks related to all Notes issued under the Programme***

Set out below is a description of the Notes issued under the Programme generally:

***Modification and Waiver***

The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not

less than three-quarters of the nominal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution. Provisions in the Terms and Conditions of the Notes permit defined majorities to bind all Noteholders, including Noteholders who do not attend and vote at the relevant meeting and Noteholders who vote in a manner contrary to the majority, adversely affecting their interests.

The Terms and Conditions of the Notes also provide that the Notes, Deed of Covenant and the Terms and Conditions may be amended without the consent of Noteholders or Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to: (i) any modification of any of the provisions thereof that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification that is in the opinion of the parties not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders.

***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with such Notes are governed by English law in effect as at the date of this Base Prospectus.

***No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it. The trading market for the Notes may be volatile and may be adversely impacted by various external factors.***

The market for the Notes is influenced by economic and market conditions, including interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no guarantee that the social, political and economic events in the countries of the Issuer's operations will not cause market volatility or that such volatility will not affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily and may only be able to sell their Notes at a discount, which could be substantial from the issue price or the purchase price paid by such Noteholder, and which will not provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. In addition, any negative change in the credit rating of the Issuer could adversely affect the trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in

the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus. If the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

***Investment activities of certain investors are subject to legal investment laws or regulations.***

As the investment activities of certain investors may be subject to regulation by certain authorities or legal investment laws and regulations, each potential investor should consult its legal advisers to determine whether the Notes are legal investments, if the Notes are used for collateral in various types of borrowing and if there are any other restrictions applicable to the purchase of the Notes. Financial institutions should also consult their legal advisers or appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes***

On 29 November 2017, the Bank of England and the FCA announced that the Bank of England's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to SONIA over the following four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Compounded Daily SONIA differs from LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA may behave materially differently as interest reference rates for the Notes issued under the Programme.

The use of Compounded Daily SONIA as a reference rate for Eurobonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing Compounded Daily SONIA.

Accordingly, prospective investors in any Notes referencing SONIA should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to LIBOR. Therefore, SONIA has a limited performance history and future performance is impossible to predict. As a consequence no future performance of SONIA or Notes referencing SONIA may be inferred from any of the hypothetical or actual historical performance data, rendering such Notes a potentially risky investment. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring forward-looking 'term' SONIA reference rates which seek to measure the market's forward expectation of an average SONIA rate over a designated term). Whether backwards-looking rates are ultimately determined on a compounding daily basis or a weighted average basis, and whether forward-looking 'term' rates derived from SONIA will be developed and adopted by the markets, remains to be seen. The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions of the Notes as applicable to the Notes referencing a SONIA rate that are issued under this Programme. Furthermore, the Issuer may in future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes issued by it under the Programme. The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

Furthermore, the Interest Rate on Notes issued under the Programme which reference SONIA is only capable of being determined at the end of the relevant Reference Period and immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes issued under the Programme. Further, in contrast to LIBOR-based Notes, if the Notes become due and payable as a result of an Event of Default under Condition 13 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

SONIA is published and calculated by third parties based on data received from other sources and the Issuer has no control over their respective determinations, calculations or publications. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to or which reference SONIA (or that any applicable benchmark fallback provisions provided for in the Terms and Conditions of the Notes will provide a rate which is economically equivalent for Noteholders). Neither the Bank of England nor the ECB have an obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing Compounded Daily SONIA.

Investors should carefully consider these matters when making their investment decision with respect to any such Notes, which carry potential risk for the reasons explained in this section.

## INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the Central Bank and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. (i) the audited consolidated financial statements of the Issuer in respect of the year ended 31 December 2019 (the "**2019 Financial Statements**"); (ii) the audit report from Deloitte Statsautoriseret Revisionpartnerselskab in respect of the 2019 Financial Statements; and (iii) the section entitled "Core Reconciliation", each as set out on pages 39 to 83 (inclusive), pages 97 to 101 (inclusive) and pages 102 to 103 (inclusive) respectively of the Issuer's annual report 2019:

<https://investor.lundbeck.com/static-files/9cd4c58f-9da4-4635-9b87-03b8777cbb69>; and

2. (i) the audited consolidated financial statements of the Issuer in respect of the year ended 31 December 2018 (the "**2018 Financial Statements**"); and (ii) the audit report from Deloitte Statsautoriseret Revisionpartnerselskab in respect of the 2018 Financial Statements, as set out on pages 35 to 73 (inclusive) and pages 86 to 90 (inclusive) respectively of the Issuer's annual report 2018:

<https://investor.lundbeck.com/static-files/fd57befc-4625-42f3-8003-e2c1082ca2c7>.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless expressly incorporated by reference into this Base Prospectus, information contained on any websites referred to herein does not form part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Any website referred to in this document does not form part of the Base Prospectus and has not been scrutinised or approved by the Central Bank.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used for the: (i) general financing, corporate and funding purposes of the Group; (ii) if so specified in the relevant Final Terms, exclusively to finance or refinance projects of the Group; or (iii) if, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note.



## FORMS OF THE NOTES

### Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the ECB announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg from 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") ("**TEFRA C**") or U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA D**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than one year and do not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), that TEFRA is not applicable.

### Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C is applicable or that TEFRA is not applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that TEFRA D is applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of such Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

### **Rights under Deed of Covenant**

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

## **Legend concerning United States persons**

In the case of Bearer Notes having a maturity of more than one year, such Notes and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Coupons or Talons and will not be entitled to capital gains treatment of any gain on the sale, disposition, redemption or payment of principal in respect of such Notes, Coupons or Talons.

## **Registered Notes**

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg from 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("New Safekeeping Structure" or "NSS"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note ", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
  - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note

became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Registered Notes will not be exchangeable for Bearer Notes or vice versa.

**Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme:* H. Lundbeck A/S (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 2,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 24 February 2020 (the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Deutsche Bank Luxembourg S.A as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the specified offices of the Fiscal Agent at Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
- (e) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.



## 2. Interpretation

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Acquisition**" means an acquisition by a member of the Group of:

- (a) shares, partnership interests or other ownership interests in a person; or
- (b) assets or businesses

which, in each case, is complementary in nature to the business of the Group;

"**Acquisition Costs**" means all fees, costs and expenses and stamp, transfer, registration, notarial and other taxes incurred by a member of the Group directly or indirectly in connection with any Acquisition including hedging costs incurred by way of one-off payments incurred in implementing any agreed hedging strategy;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**CIBOR**" means, in respect of Danish kroner and for any specified period, the Copenhagen interbank offered rate administered by the Danish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the relevant period displayed on page CIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**DA Selected Bond**" means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the same currency as the Notes and with a comparable remaining maturity to the remaining term of the Notes;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of: (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iv) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\frac{\text{Day Count Fraction}}{360} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means an independent adviser, investment bank or financial institution of recognised standing selected by the Issuer;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Early Termination Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

**"EBITDA"** means, in respect of a Relevant Period, the consolidated operating profit of the Group for that Relevant Period before interest (including the results from discontinued operations) but:

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period;
- (b) not including any accrued interest, fees and other finance charges owing to any member of the Group;
- (c) before taking into account any Exceptional Items, provided that this adjustment shall not exceed 15 per cent. of EBITDA for any Relevant Period;
- (d) before deducting any Acquisition Costs;
- (e) plus or minus the Group's share of the profits or losses (after finance costs and tax) of Non-Group Entities;
- (f) before taking into account any unrealised gains or losses on any derivative instrument or financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (g) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset or on the disposal of an asset, in each case other than in the ordinary course of trading;
- (h) before taking into account any Pension Items;
- (i) after adding back, to the extent deducted and deducting, to the extent included, the amount of any losses or gains of discontinued operations; and
- (j) plus the interest expenses in respect of any lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation, depreciation and amortisation;

**"EURIBOR"** means, in respect of euros and any specified period, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);

**"Exceptional Item"** means any exceptional, one off or extraordinary item;

**"Extraordinary Resolution"** has the meaning given in the Agency Agreement;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**"First Interest Payment Date"** means the date specified in the relevant Final Terms;

**"Fixed Coupon Amount"** has the meaning given in the relevant Final Terms;

"GAAP" means generally accepted accounting principles in Denmark (including IFRS);

"Gross Redemption Yield" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*" (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

"Group" means the Issuer and its Subsidiaries taken as a whole;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

"Indebtedness" means any indebtedness of any Person for or in respect of:

- (a) moneys borrowed or raised;
- (b) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease) ("**Finance Leases**");
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; and
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of

the termination or close-out of that derivative transaction, that amount) shall be taken into account);

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Benchmarks Supplement"** means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) and, if specified in the relevant Final Terms, as supplemented by the ISDA Benchmarks Supplement) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

**"Make Whole Redemption Price"** has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

**"Margin"** has the meaning given in the relevant Final Terms;

**"Material Subsidiary"** means any Subsidiary of the Issuer which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) or gross assets representing ten per cent. or more of consolidated EBITDA or gross assets of the Group (in each case excluding intra-group items). For this purpose:

- (a) subject to paragraph (b) below:

- (i) the contribution of a Subsidiary of the Issuer will be determined from its financial statements which were consolidated into the latest audited consolidated financial statements of the Issuer; and
  - (ii) the financial condition of the Group will be determined from the latest audited consolidated financial statements of the Issuer;
- (b) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the latest audited consolidated financial statements of the Issuer were prepared:
  - (i) the contribution of the Subsidiary will be determined from its latest financial statements; and
  - (ii) the financial condition of the Group will be determined from the latest audited consolidated financial statements of the Issuer but adjusted to take into account any subsequent acquisition or disposal of a business or a company (including that Subsidiary);
- (c) the contribution of a Subsidiary will, if it has Subsidiaries, be determined from its consolidated financial statements;
- (d) if a Material Subsidiary disposes of all or substantially all of its assets to another member of the Group, it will immediately cease to be a Material Subsidiary and the other member of the Group (if it is not the Company or already a Material Subsidiary) will immediately become a Material Subsidiary; and
- (e) except as specifically mentioned in paragraph (d) above, a member of the Group will remain a Material Subsidiary until the next audited consolidated financial statements of the Company show otherwise under paragraph (a) above;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Non-Group Entity**" means any investment or entity (which is not itself a member of the Group (including associates and joint ventures)) in which any member of the Group has an ownership interest;

"**Non-recourse Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any project, provided that:

- (i) any Security Interest given by the Issuer or its Material Subsidiaries in connection therewith is limited solely to the assets of the project;
- (ii) the persons providing such financing expressly agree to limit their recourse to the project financed and the revenues derived from such project as the sole source of repayment for the moneys advanced; and
- (iii) there is no other recourse to the Issuer in respect of any default by any person under the financing;

"**Non-Sterling Make Whole Redemption Amount**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has



the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**NIBOR**" means, in respect of Norwegian kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Norwegian association for banks, insurance companies and financial institutions, Finance Norway – FNO based on estimated interbank borrowing rates for Norwegian kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic NIBOR rates can be obtained from the designated distributor);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in Copenhagen and the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day on which dealings in foreign currencies may be carried on in Copenhagen and each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in Copenhagen and the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in Copenhagen, the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Pension Item**" means any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme;

"**Permitted Security Interest**" means any Security Interest listed below:

- (a) any Security Interest over or affecting any asset acquired by a member of the Group after the date of this Base Prospectus if:
  - (i) the Security Interest was not created in contemplation of the acquisition of that asset by a member of the Group;

- (ii) the principal amount secured has not been increased (other than by capitalisation of interest) in contemplation of or since the acquisition of that asset by a member of the Group; and
  - (iii) the Security Interest is removed or discharged within 90 days of the date of acquisition of such asset;
- (b) any Security Interest over or affecting any asset of any company which becomes a member of the Group after the date of this Base Prospectus, where the Security Interest is created prior to the date on which that company becomes a member of the Group, if:
- (i) the Security Interest was not created in contemplation of the acquisition of that company; and
  - (ii) the principal amount secured has not increased (other than by capitalisation of interest) in contemplation of or since the acquisition of that company;
- (c) any Security Interest granted to secure a Non-recourse Project Financing or to secure any indebtedness incurred in connection with a Securitisation; and
- (d) any Security Interest granted to secure any indebtedness incurred in connection with a Securitisation;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that** in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Quotation Time"** has the meaning given in the relevant Final Terms;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Redemption Margin"** means the figure specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

**"Reference Bond"** means the bond specified in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

**"Reference Bond Price"** means, with respect to any Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

**"Reference Bond Rate"** means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

**"Reference Date"** means the date falling three Business Days prior to the Optional Redemption Date (Call);

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** means EURIBOR or LIBOR or CIBOR or NIBOR or STIBOR or SONIA as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being/intended by the Issuer to be, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**"Relevant Period"** means each period of twelve months ending on or about the last day of the Issuer's financial year and each period of twelve months ending on or about the last day of each of the Issuer's financial quarters;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Reserved Matter"** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution however for the avoidance of doubt Benchmark Amendments and the selection of a Successor Rate, an Alternative Rate or an Adjustment Spread (in each case in accordance with the provisions of Condition 7(i) shall not constitute a Reserved Matter;

**"Securitisation"** means any securitisation of existing or future assets and/or revenues, provided that:

- (i) any Security Interest given by the Issuer in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation;
- (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the sole source of repayment for the money advanced or payment of any other liability; and
- (iii) there is no other recourse to the Issuer in respect of any default by any person under the securitisation;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Specified Currency"** has the meaning given in the relevant Final Terms;

**"Specified Denomination(s)"** has the meaning given in the relevant Final Terms;

**"Specified Office"** has the meaning given in the Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Final Terms;

**"Sterling Make Whole Redemption Amount"** has the meaning given in Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*);

**"STIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently the Swedish Bankers' Association) in accordance with the requirements from time to time of the Swedish Bankers' Association (or any other Person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor).

**"Subsidiary"** means a *dattervirksomhed* within the meaning of section 5(3) of the Danish Companies Act (*selskabsloven*);

**"Talon"** means a talon for further Coupons;

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**"TARGET Settlement Day"** means any day on which TARGET2 is open for the settlement of payments in euro;

**"Treaty"** means the Treaty on the Functioning of the European Union, as amended; and

**"Zero Coupon Note"** means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the

purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. **Status**

*Status of the Notes:* The Notes constitute direct, unsecured, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### 5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

#### 6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6(b) (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Final Terms for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents) and the Noteholders in accordance with Condition 19 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.
- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (before and after judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date;
  - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date, where:



- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

***provided, however, that*** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Determination Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by four major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; ***provided, however, that*** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

*provided, however, that* if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period).

- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. In no event shall the Rate of Interest be less than zero.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the

event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (i) *Benchmark Discontinuation:* If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall notify the Calculation Agent of the occurrence of such Benchmark Event and use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(i)(cc)) and any Benchmark Amendments (in accordance with Condition 7(i)(dd)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 7(i) shall act in good faith as an expert and in the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, Agents or the Noteholders for any determination made by it pursuant to this Condition 7(i).

- (aa) If: (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(i) and notify the Calculation Agent of such determinations prior to the date which is 7 (seven) Business Days prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this final paragraph of Condition 7(i) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of, and adjustment as provided in, this Condition 7(i).
- (bb) If the Independent Adviser determines in its discretion that:
  - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(i)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i); or
  - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(i)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i).

- (cc) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders arising out of the replacement of the Reference Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (dd) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(i) and the Independent Adviser determines in its discretion: (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (provided that the amendments do not, without the consent of the Calculation Agent, Paying Agents and/or Fiscal Agent (as applicable), have the effect of imposing more onerous obligations upon it or them or exposing it or them to any additional duties, responsibilities or liabilities or reducing or amending the protective provisions attached to it) (such amendments, the “**Benchmark Amendments**”)); and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(i)(ee), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(i)).
- (ee) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(i) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date (which shall be not less than 10 (ten) Business Days prior to the next Interest Determination Date) of the Benchmark Amendments, if any.
- (ff) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
- (A) confirming: (x) that a Benchmark Event has occurred; (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate; and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(i); and
- (B) certifying that the relevant Benchmark Amendments are, in the Issuer’s opinion (following consultation with the Independent Adviser and acting in good faith), necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.
- (gg) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be

binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(j) As used in Condition 7(i):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which is notified by the Issuer to the Calculation Agent as being:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 7(i)(aa) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

**"Benchmark Event"** means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date; or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Fiscal Agent or such other party specified in the applicable Final Terms, as

applicable), or any Paying Agent to calculate any payments due to be made under the Notes using the Reference Rate (including, without limitation, under the Benchmark Regulation, if applicable);

provided that in the case of sub-paragraphs (B), (C) and (D), the Benchmark Event shall occur on the date of the cessation of publication of the relevant Reference Rate, the discontinuation of the relevant Reference Rate, or the prohibition of use of the relevant Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Benchmark Amendments**" has the meaning given to it in Condition 7(i)(dd).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(i).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

#### **7A. Interest – Floating Rate Notes referencing SONIA**

- (a) This Condition 7A is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and the "Reference Rate" is specified in the relevant Final Terms as being "SONIA".
- (b) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Condition 7A:

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

"**d**" means, for any Interest Period, the number of calendar days in such Interest Period;

"**d<sub>o</sub>**" means, for any Interest Period, the number of London Banking Days in such Interest Period;

"i" means, for any Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

"Interest Determination Date" means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

"London Banking Day" or "LBD" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"ni" for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"p" for any Interest Period, means the number of London Banking Days included in the Reference Look-Back Period as specified in the relevant Final Terms provided that "p" shall not be less than three London Banking Days at any time and shall not be less than five London Banking Days without prior written approval of the Calculation Agent.

"Reference Look-Back Period" has the meaning specified in the relevant Final Terms.

"Reference Period" means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"SONIA Reference Rate" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("SONIA") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"SONIA<sub>i-pLBD</sub>" means, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling p London Banking Days prior to the relevant London Banking Day "i".

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

If, subject to Condition 7(i), in respect of any London Banking Day in the relevant Reference Period, the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:

- (a) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (b) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or

otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraphs above, but subject to Condition 7(i), if the Bank of England publishes guidance as to: (i) how the SONIA Reference Rate is to be determined; or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions or the Agency Agreement are required in order for the Agent Bank to follow such guidance in order to determine the Interest Rate, the Agent Bank shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Agency Agreement.

If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 7A, the Interest Rate shall be: (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period); or (B) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the Notes become due and payable in accordance with Condition 13 (*Events of Default*), the final Interest Determination Date shall, notwithstanding the definition specified above, be deemed to be the date falling five London Banking Days prior to the date on which the Notes became due and payable (with corresponding adjustments being deemed to be made to the Compounded Daily SONIA formula) and the Interest Rate on the Notes shall, for so long as the Notes remain outstanding, be the rate determined on such date.

#### **8. Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).



9. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled as provided below, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant final terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:

- (i) the Optional Redemption Amount (Call); or
- (ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be:

- (i) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the sum of (x) the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus (y) the Redemption Margin, as determined by the Determination Agent; or
- (ii) if "**Non-Sterling Make Whole Redemption Amount**" is specified in the applicable Final Terms an amount equal to the higher of: (i) 100 per cent. of the principal amount of such Notes; and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the yield to maturity (or, if applicable, yield to the Par Redemption Date) on such Notes on the Reference Date is equal to the sum of: (x) the Reference Bond Rate at the Quotation Time on the Reference Date; plus (y) the Redemption Margin, as determined by the Determination Agent,

provided however that, in the case of either (i) or (ii) above, if the Optional Redemption Date (Call) occurs on or after the Par Redemption Date (if any) specified in the relevant Final Terms, the Make-Whole Redemption Price will be equal to 100 per cent of the principal amount of the Notes.

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant final terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *Change of Control Put Option:* If this Condition 9(f) is specified as applicable in the relevant Final Terms, if at any time while any Note remains outstanding, there occurs:
- (A) a Change of Control (as defined below), and, within the Change of Control Period, a Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Event not having been cured prior to the expiry of the Change of Control Period); or
  - (B) a Change of Control (as defined below), and, on the occurrence of the Change of Control, the Issuer is not rated by any Rating Agency (as defined below),

(each, a "**Change of Control Put Event**"), each Noteholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Condition 9(b) or (c) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Notes, on the Optional Redemption Date (as defined below) at the principal amount outstanding of such Notes together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

Where:

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (other than Lundbeckfonden (CVR number 11 81 49 13) and Lundbeckford Invest A/S (CVR number 21 85 55 45)) (the "**Relevant Person(s)**") at any time directly or indirectly come(s) to beneficially own or acquire(s) or reach(es) final unconditional agreement conferring a right, or imposing an obligation, to acquire such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person(s) are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the direct or indirect shareholders of the Issuer with the same (or substantially the same) pro rata

interest in the share capital of the Relevant Person(s) as such shareholders have, or as the case may be, had in the share capital of the Issuer.

**"Rating Agency"** means S&P Global Ratings Europe Limited and its successors and/or, any other rating agency of equivalent standing notified by the Issuer to the Noteholders and the Fiscal Agent in accordance with Condition 19 (*Notices*).

A **"Rating Event"** shall be deemed to have occurred in respect of a Change of Control if (within the Change of Control Period): (A) the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer is: (x) withdrawn; or (y) changed from an investment grade rating (BBB-/Baa3 or its equivalent for the time being, or better) to a non-investment grade rating (BB+/Ba1 or its equivalent for the time being, or worse); or (z) (if the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by (or with the consent of) the Issuer was below an investment grade rating (as described above)), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents); and (B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency, *provided that* the Rating Agency making the reduction in rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer in writing that the lowering of the rating or the failure to assign an investment grade rating was the result, in whole or in part, of the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Rating Event). If on the Relevant Announcement Date the Issuer or the Notes carry a credit rating from more than one Rating Agency, at least one of which is an investment grade rating, then sub-paragraph (z) above will not apply.

**"Change of Control Period"** means the period beginning on the date (the **"Relevant Announcement Date"**) that is the earlier of: (A) the first public announcement by or on behalf the Issuer or any bidder or any designated advisor, of the relevant Change of Control; and (B) the date of the earliest Potential Change of Control Announcement, and ending 90 days after the Relevant Announcement Date (such 90th day, the **"Initial Longstop Date"**); provided that, (unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Event in respect of its rating of the Issuer, or the Notes) if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer or the Notes under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the date of such public announcement by such Rating Agency.

**"Potential Change of Control Announcement"** means any public announcement or statement by the Issuer, any actual or potential bidder or any designated adviser thereto relating to any specific and near-term potential Change of Control (where "near-term" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated adviser to be intended to occur, within 180 days of the date of such announcement of statement).

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a **"Change of Control Put Event Notice"**) to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 9(f).

To exercise the Change of Control Put Option, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Change of Control Put Option Notice (as defined below) for the account of the Issuer within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a "**Change of Control Put Option Notice**") and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 9(f).

A Change of Control Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer as described above by the date which is the fifth Business Day following the end of the Change of Control Put Period (the "**Optional Redemption Date**"). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Change of Control Put Option Notice.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 80 per cent. or more in principal amount of the Notes have been redeemed pursuant to this Condition 9(f) (*Change of Control Put Option*), the Issuer may, on not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 19 (*Notices*) given within 30 days after the Optional Redemption Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the date of redemption.

- (g) If the Clean-up Call Option is specified in the relevant Final Terms as being applicable, in the event that Notes representing an aggregate amount equal to or exceeding 80 per cent. have been purchased or redeemed and cancelled by the Issuer (other than as a result of the exercise by the Issuer of its redemption right under Condition 9(c)), the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem on the date specified in such notice all, but not some only, of the remaining Notes in that Series at their Early Redemption Amount together with any interest accrued to but excluding the date set for redemption.
- (h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (g) above.
- (i) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day

Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(i) or, if none is so specified, a Day Count Fraction of 30E/360.

- (j) *Purchase:* The Issuer or its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (k) *Cancellation:* All Notes so redeemed or purchased by the Issuer or its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### 10. **Payments – Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if: (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due; (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and (iii) payment is permitted by applicable United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such

missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for

redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments - Registered Notes**

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed: (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from: (A) the due date for a payment not being a Payment Business Day; or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.



- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Kingdom of Denmark or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment
- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Kingdom of Denmark by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of any FATCA Withholding.

- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than The Kingdom of Denmark respectively, references in these Conditions to The Kingdom of Denmark shall be construed as references to The Kingdom of Denmark or (as the case may be) and/or such other jurisdiction.

## 13. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 Business Days after written notice thereof has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-acceleration of Issuer or Subsidiary:*
  - (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Subsidiary or **(provided that** no event of default howsoever described has occurred) any Person entitled to such Indebtedness; or
  - (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

**provided that** the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 35,000,000 (or its equivalent in any other currency or currencies).

No rights shall arise under this Condition 13(c):

- (A) as a result of any Indebtedness arising under any derivative, hedging or other treasury transaction becoming due and payable prior to its specified maturity as a result of an automatic early termination event (however described) under such derivative, hedging or other treasury transaction by reason of the insolvency or other default of the counterparty to (or of a specified entity of such counterparty), or any credit support provider of, such derivative, hedging or other treasury transaction; or
- (B) if the relevant Indebtedness is owed to other members of the Group; or
- (d) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries having an aggregate value (net of any expropriation or other compensation received or receivable) of EUR 15,000,000 (or its equivalent in any other currency or currencies), unless the relevant petition is disputed by the relevant member of the Group in good faith and is discharged, stayed or dismissed within 45 days of commencement; or
- (e) *Insolvency etc:* (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or
- (f) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a

Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring, whilst solvent); or

- (g) *Analogous event*: any event occurs which under the laws of The Kingdom of Denmark has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (h) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall be prescribed and become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the fees and costs incurred in connection with such replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate or Coupon is subsequently presented for payment or, as the case may be, for exchange for future Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and

- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

Additionally, the Issuer may, subject to Condition 7(i), vary or amend these Conditions to give effect to certain amendments without any requirement for the consent or approval of Noteholders, as described in Condition 7(i) (*Benchmark Discontinuation*).

- (b) *Modification and waiver:* The Notes, the Deed of Covenant and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the issue date) so as to form a single series with the Notes.

19. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of the Euronext Dublin (*www.ise.ie*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication has been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, published on the website of Euronext Dublin (*www.ise.ie*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication has been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (*www.ise.ie*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of: (a) making or filing a claim or proof against the Issuer; (b) obtaining an order or judgment in any court or other tribunal; or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between: (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms): (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.); (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up); (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Notwithstanding Condition 22(b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Hackwood Secretaries Limited at 1 Silk Street, London, EC2Y 8HQ, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA AND 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 European Economic Area (the "EEA") or in the United Kingdom (the "UK"). 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, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/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 [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; or (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*] Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/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)(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 "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["Excluded Investment Products "]/["Specified Investment Products"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]*

**Final Terms dated [•]**

### H. LUNDBECK A/S

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Legal entity Identifier (LEI): 5493006R4KC2OI5D3470**

**EUR 2,000,000,000**

**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 (the "Conditions") set forth in the Base Prospectus dated 24 February 2020 [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Regulation. 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 Base Prospectus in order to obtain all the relevant information.]

This Base Prospectus will be available, in electronic format, on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)) and the website of the Issuer at <https://www.lundbeck.com/global>.

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

[In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

1. [(i)] Issuer: H. Lundbeck A/S
2. [(i) Series Number:] [•]  
[(ii) Tranche Number:] [•]  
[(iii) Date on which the Notes become fungible:] [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below [which is expected to occur on or about [•]].]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount: [•]  
[(i) [Series]:] [•]  
[(ii) Tranche:] [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6. (i) Specified Denominations: [•]  
(ii) Calculation Amount: [•]
7. (i) Issue Date: [•]  
(ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[•] per cent. Fixed Rate]  
[•][•] [EURIBOR/LIBOR/SONIA/CIBOR/NIBOR/STIBOR]+/-  
[•] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [14/15/16] below)



10. Redemption/Payment 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 or Redemption/Payment Basis: [Specify the date when any Fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there[]/Not Applicable]
12. Put/Call Options: [Investor Put]  
 [Change of Control Put/Put Event] *(The placeholder here should reflect the name ascribed to any "event risk" put in the Conditions)*  
 [Clean-up Call]  
 [Issuer Call]  
 [See paragraph [17/18/19/20] below]
13. (i) Status of the Notes: Senior  
 [(ii)][(iii)] [Date [Board] [•] [and [•], respectively  
 approval for issuance of Notes obtained: *(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) [First Interest Payment Date]: [•]

- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [•] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: [•][•] [EURIBOR/ LIBOR/SONIA/CIBOR/NIBOR/STIBOR]
  - Interest Determination Date(s): [•]/[•] London Banking Days prior to the end of each Interest Period]
  - "p": [•]  
(provided that "p" shall not be less than three London Banking Days at any time and shall not be less than five London Banking Days without prior written approval of the Calculation Agent.)
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]
  - Reference Look-Back Period: [•]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]

- Reset Date: [•]
  - ISDA Benchmarks Supplement: [Applicable / Not Applicable]
- (x) [Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [ +/- ][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

**PROVISIONS RELATING TO REDEMPTION**

17. Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount[/Make-whole Redemption Price] [(in the case of the Optional Redemption Dates falling on [ ]/[in the period from and including [date]]]
- [(iii) Make Whole Redemption Price: [Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable]
- (If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph)*
- [(a) Reference Bond: [Insert applicable Reference Bond]
- [(b) Quotation Time: [•]

- [(c) Redemption Margin: [•] per cent.
- [(d) Par Redemption Date: [•]/Not Applicable
- (iii) Redemption in part: [Applicable/Not Applicable]
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]
18. Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]
19. Change of Control Put Option/ Put Event]: [Applicable/Not Applicable] *(A Change of Control Put option is contained in Condition 9(f)) [If another type of Put Event is included in the Conditions, this placeholder should reflect the name ascribed to such "Event Risk" put]*
- [(i) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount]
- [(ii) Put Period [•]
20. [Clean-up Call Option Applicable/Not Applicable]
21. Final Redemption Amount of each Note [•] per Calculation Amount
22. Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. Form of Notes: **[Bearer Notes:]**
- [[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]
- [[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]]
- [[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]
- [Registered Notes:]**
- [Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note]]
- [[and]]
- [Global Registered Note [(U.S.\$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure).]]
24. New Global Note: [Yes] [No]/[Not Applicable]]
25. New Safekeeping Structure: [Yes] [No]/[Not Applicable]]
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which subparagraph 15(v) relates*]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of **H. Lundbeck A/S**:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Dublin] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Dublin] with effect from [•].]

*(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total [ ] expenses related to admission to trading:

### 2. RATINGS

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

***[Option 1 - CRA established in the EEA and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority].

***Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

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

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] 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 its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

4. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

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

5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

FISN: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

CFI: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

Relevant Benchmark[s]: [*specify benchmark*] is provided by [*administrator legal name*][*repeat as necessary*]. As at the date hereof, [*administrator legal name*][*appears*]/[*does not appear*][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by European Securities and Markets Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the EU, recognition, endorsement or equivalence)]/ [Not Applicable]



[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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for registered notes*] 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.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 6. DISTRIBUTION

[Syndicated/Non-syndicated]

(i) Method of Distribution:

[Not Applicable/*give names*]

(ii) If syndicated:

[Not Applicable/*give names*]

(A) Names of Dealers

(B) Stabilisation Manager(s), if any:

[Not Applicable/*give names*]

(iii) If non-syndicated, name of Dealer:

(iv) U.S. Selling Restrictions:

[Reg S Compliance Category [1/2]; [*In the case of Bearer Notes*] – [TEFRA C/TEFRA D/ TEFRA not applicable]

(v) Prohibition of Sales to EEA and UK Retail Investors:

[Applicable/ Not Applicable]

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the

Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified)

**7. REASONS FOR THE OFFER  
AND ESTIMATED NET  
AMOUNT OF PROCEEDS**

Reasons for the offer:  [See ["Use of Proceeds"] in Base Prospectus"/Give details] [If reasons differ from what is disclosed in the Base Prospectus, give details here.

Estimated net proceeds:  ]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

### Conditions applicable to Global Notes

Each Global Note or Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day:* In the case of a Global Note or Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and on which dealings in foreign currencies may be carried on in Copenhagen and each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in Copenhagen, the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

*Electronic Consent and Written Resolution:* While any Global Note or Global Registered Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Registered Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give

any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## DESCRIPTION OF THE ISSUER

### INTRODUCTION

The Issuer’s business originally commenced in Denmark in 1915. H. Lundbeck A/S was incorporated in Denmark on 14 October 1950. The Issuer’s registered office is Ottiliavej 9, 2500 Valby, Denmark. Its telephone number is +45 3630 1311 and facsimile number is +45 3630 1940. Its legal company registration number (CVR) is 56759913. Its website is <https://lundbeck.com>. The Issuer exists as a Danish public limited liability company (*aktieselskab*) under the Danish Companies Act (*selskabsloven*).

### BUSINESS OVERVIEW

#### *Principal Activities*

The Issuer is a global pharmaceutical company dedicated to improving the lives of people with brain diseases. The Issuer engages in research, development, manufacturing, marketing and sales of pharmaceutical products globally and focuses on the areas of psychiatry and neurology. The Issuer’s products are registered in more than 100 countries.

As at 31 December 2019, the Issuer employed 5,806 people in more than 50 countries: 3,207 in Europe, 1,178 in North America and 1,421 in other international markets. The Issuer has production facilities in Denmark, France and Italy and research centres in Denmark and the US.

#### *Research and Development and Pipeline*

Research and development form a key part of the Issuer’s ambition to improve the well-being of people with brain diseases. The Issuer aims to identify the underlying causes of brain diseases and develop new medication to treat brain diseases more effectively.

The Issuer has formed many strategic partnerships to strengthen its research and development capabilities. In 2018, the Issuer collaborated with the personal genetics company, 23andMe Inc., and the think tank, the Milken Institute, in a major project to investigate the underlying causes of major depressive disorder and bipolar depression and to explore how these diseases and brain functions such as attention and decision-making are related to genetics. In 2018, the Issuer also participated in the RADAR-CNS Project to develop new ways of monitoring brain disease conditions such as major depressive disorder, epilepsy and multiple sclerosis using portable devices and smartphone technology. In 2019, the Issuer made two acquisitions to further support and strengthen the pipeline and prepare for more diverse market products. The first acquisition was of Abide Therapeutics Inc. (“**Abide**”) with clinical asset in phase 1 and phase 2 aiming for neuropathic pain and Tourette’s syndrome, respectively as well as a strong research platform. The second acquisition was of Alder BioPharmaceuticals Inc. (“**Alder**”) with assets for migraine prevention. The lead compound, eptinezumab, was approved by the US Food and Drug Administration (“**FDA**”) for the US market on 21 February 2020. The other drug candidates for migraine were early stage drugs. Please see the section entitled “*Description of the Issuer – Recent Acquisitions*” for further information.

#### *The Issuer’s Development Portfolio (Pipeline Overview):*

The table below sets out which phase each project is currently in and when filing is expected:

Project	Indication	Phase I	Phase II	Phase III	Filing
Eptinezumab (anti CGRP-mAb)	Migraine prevention				U.S.
Brexiprazole <sup>1)</sup>	Agitation in Alzheimer’s disease				
Brexiprazole <sup>1)</sup>	PTSD				
Brexiprazole <sup>1)</sup>	Borderline personality disorder				
Foliglurax (MGLUR4 PAM)	Parkinson’s disease				
Lu AF11167 (PDE10 inhibitor)	Schizophrenia				
Lu AG06466 (MAGLI) <sup>2)</sup>	Tourette’s syndrome				

Aripiprazole 2-months injectable	Schizophrenia	
Lu AF82422 (Alpha-synuclein mAb)	Synucleinopathies	
Lu AF28996 (D <sub>1</sub> /D <sub>2</sub> agonist)	Parkinson's disease	
Lu AG06466 (MAGLi) <sup>2)</sup>	Neuropathic pain	
Lu AF88434 (PDE1b inhibitor)	Cognitive dysfunction	
Lu AF87908 (Tau mAb)	Taopathies	
Lu AG09222 (PACAP mAb)	Migraine	
Lu AF95245 (Kv7)	Neuropsychiatric disorders	

1) Acts as a partial agonist at 5-HT<sub>1A</sub> and dopamine D<sub>2</sub> receptors at similar potency, and an antagonist at 5-HT<sub>2A</sub> and noradrenaline alpha<sub>1B/2C</sub> receptors.

2) MAGLi: Monoacylglycerol lipase ("MAGlipase").

3) PACAP: inhibits pituitary adenylate cyclase-activating polypeptide

The Issuer expects to receive headline results on the following projects in 2020:

- Clinical phase IIa: Foliglurax (mGluR 4 PAM) for Parkinson's disease. Headline results are expected during the first half of 2020.
- Clinical phase IIa: Lu AG06466 (MGLLi) – formerly ABX-1431 for Tourette's syndrome. Headline results are expected during the first half of 2020.
- Phase I: Lu AF82422 (Alpha-synuclein mAb) for Parkinson's disease
- Phase I: Lu AF88434 (PDE1b inhibitor) for cognitive impairment

### **Key Products**

The Issuer sells a number of pharmaceutical products for the treatment of brain diseases such as alcohol dependence, anxiety, Alzheimer's disease, bipolar disorder, depression, epilepsy, Parkinson's disease and schizophrenia.

The Issuer's product portfolio consists of two categories (1) strategic brands and (2) mature products. The Strategic Brands are classified as the main products that are still under patent protection or data exclusivity where the Issuer does not currently face competition from generic drugs. Mature products are products that do not have global patent protection or data exclusivity due to loss of exclusivity (subject to competition from generic drugs) in most of the world.

The strategic brands include Abilify Maintena® (schizophrenia), Brintellix®/Trintellix® (depression), Northera® (symptomatic neurogenic orthostatic hypotension), and Rexulti®/Rxulti® (depression/schizophrenia). The mature products include, but are not limited to Azilect® (Parkinson's disease), Ciprolex®/Lexapro® (depression), Deanxit® (depression and anxiety), Ebixa® (Alzheimer's disease), Onfi® (Lennox-Gastaut syndrome), Sabril® (epilepsy), Xenazine® (Chorea associated with Huntington's disease) and others.

The details of these products are set out as follows:

<b>Product</b>	<b>Revenue in 2019 (DKK m)</b>	<b>Percentage of total revenue in 2019 (per cent.)</b>	<b>Annual growth rate in 2019 (per cent.)</b>	<b>Description and past revenue</b>
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#### **Strategic Brands**

Abilify Maintena® (aripiprazole once-monthly)	1,961	11	23	This once-monthly intramuscular injection is used for the treatment of schizophrenia, and in the US,
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				Australia and a few other international markets also for bipolar disorder. The Issuer sells this product in Europe and in the US with its business partner Otsuka Pharmaceutical. This product was launched in the US in 2013 and thereafter launched in more than 45 countries. Revenue of this product in 2018 was DKK 1,595 million.
Brintellix®/Trintellix® (vortioxetine)	2,826	17	30	This product is used for the treatment of major depressive disorder. The Issuer sells this product in Europe and international markets, and in the US and Japan with its business partner Takeda Pharmaceutical. This product was first launched in 2014. Revenue of this product in 2018 was DKK 2,182 million.
Northera® (droxidopa)	2,328	14	29	This product is used for the treatment of symptomatic neurogenic orthostatic hypotension. Northera® is the only US FDA-approved prescription for this condition. The Issuer launched the product in 2014 and sells it in the US. Revenue of this product in 2018 was DKK 1,806 million.
Rexulti® (brexpiprazole)	2,270	13	32	This product is used for adjunctive therapy for the treatment of adults with major depressive disorder and schizophrenia. It was launched in the US in 2015 and is sold by the Issuer to countries with its business partner Otsuka. This product is in the launch phase in EU. Revenue of this product in 2018 was DKK 1,723 million.
<b><u>Mature Products</u></b> <b><u>(Non-Exhaustive List)</u></b>				
Onfi® (clobazam)	1,052	6	(67)	This product is used for adjunctive treatment of Lennox-Gastaut syndrome for patients aged two years or older. It was launched in the US in 2012. Revenue of this product in 2018 was DKK 3,165 million.
Cipralex®/Lexapro® (escitalopram)	2,314	14	3	This product is used to treat depression. This product was first launched in 2002 and is now available



				in more than 100 countries. Revenue of this product in 2018 was DKK 2,257 million.
Sabril® (vigabatrine)	847	5	(37)	This product is used to treat refractory complex partial seizures and infantile spasms. It was launched in the US in 2009. Revenue of this product in 2018 was DKK 1,342 million.
<b><u>Total Revenue</u></b>	<b><u>17,036</u></b>		<b><u>(6)</u></b>	

### ***Industry and Market Review***

The treatment of brain diseases accounts for the third largest therapeutic category globally in 2018, representing 14 per cent. of the global pharmaceutical market. The global market value is expected to increase from USD 149 billion to USD 161 billion in the period 2019 to 2024.<sup>1</sup> The market is expected to grow further as a result of the following factors:

- *Growing and ageing populations:* A study by the World Economic Forum estimates that the total cost of mental illness is expected to increase to USD six trillion in 2030, more than double the total cost of cancer, diabetes and cardiovascular diseases combined. Brain diseases are the leading cause of disability-adjusted life years and the second leading cause of death. With the projected growth and aging of the world's population, brain diseases will become even greater contributors to premature death and disability.
- *Emerging markets:* The emerging markets present many opportunities for the growing global pharmaceutical business. For example, in China, mental illness has overtaken heart disease and cancer as the biggest strain on the Chinese healthcare system. China is now the Issuer's second biggest market after the US. The Issuer expects to continue to build its Chinese sales force following the launch of Azilect® and Brintellix®/Trintellix® in 2018 and the Issuer's direct distribution and sale of Lexapro® in 2019 (which was previously sold through a third-party distributor but is now sold by the Issuer directly).

### **Market Position**

<b>Subsector</b>	<b>The Issuer's market position in 2018 in market share value or key highlight</b>
Psycholeptics (e.g. antipsychotics)	Rexulti®/Rxulti® was ranked number four in the US (IQVIA US NSP November value sales), while Abilify Maintena® was ranked number two in the US in terms of long-acting injectable antipsychotics (IQVIA US NSP November value sales).
Psychoanalectics (e.g. antidepressants)	Brintellix®/Trintellix® was ranked number one in the US in terms of Antidepressants (IQVIA US NSP, November value sales).
Anti-Parkinson's	Northera® was the first in class US-FDA approved product for treatment of Neurogenic Orthostatic Hypotension.

<sup>1</sup> Source: IQVIA™ Analytics Link 2019.

Anti-Alzheimer's	The Issuer has lost exclusivity of Ebixa® but still markets it in selected markets. In China the Issuer was ranked number two as a producer of anti-Alzheimer's products with a value market share of 26 per cent. <sup>2</sup>
Anti-epileptics	The Issuer markets its products Onfi® and Sabril® in the US market, which, prior to a loss of exclusivity, had a #3 and #6 position in 2018 respectively. The loss of exclusivity has since resulted in a material drop in sales but stabilised towards the end of 2019.

### ***Financial Performance***

The Issuer's financial results for the year ended 31 December 2019 were impacted by two recent acquisitions of Abide and Alder that were recently completed by the Issuer. For more information please see the section entitled "*Description of the Issuer - Recent Acquisitions*".

#### *Revenue*

For the year ended 31 December 2019, the Issuer's total revenue reached DKK 17,036 million (compared to DKK 18,117 million for the year ended 31 December 2018) driven by improved sales of the strategic brands: Abilify Maintena®, Brintellix®/Trintellix®, Northera® and Rexulti®/Rxulti® which as a group grew 28 per cent. in 2019.

The Issuer's revenue decreased by 6.0 per cent. for the year ended 31 December 2019 (from DKK 18,117 million to DKK 17,036 million).

#### *Costs*

For the year ended 31 December 2019, total costs amounted to DKK 12,914 million, compared to DKK 12,772 million for the year ended 31 December 2018. Cost of sales decreased by 2.0 per cent. to DKK 3,385 million in 2019. This corresponds to 19.9 per cent. of the total revenue for the year ended 31 December 2019, compared to 19.1 per cent. for the year ended 31 December 2018.

Sales and distribution costs were DKK 5,514 million for the year ended 31 December 2019, representing a 4.5 per cent. increase from the year ended 31 December 2018. Sales and distribution costs correspond to 32.3 per cent. of revenue for the year ended 31 December 2019, compared to 29.1 per cent. for the year ended 31 December 2018.

Administrative expenses increased by 18.0 per cent. to DKK 899 million for the year ended 31 December 2019, corresponding to 5.3 per cent. of the total revenue for the year ended 31 December 2019.

Selling, general & administrative expenses ("SG&A") were DKK 6,413 million for the year ended 31 December 2019, compared to DKK 6,039 million for the year ended 31 December 2018. The SG&A ratio in 2019 was 37.6 per cent., compared to 33.3 per cent. in 2018.

Research and development ("R&D") costs decreased by 5.0 per cent. to DKK 3,116 million for the year ended 31 December 2019. The R&D ratio reached 18.3 per cent. for the year ended 31 December 2019, compared to 18.1 per cent. for the year ended 31 December 2018.

#### *EBITDA, EBIT and Core EBIT*

EBITDA (earnings before interest, taxes, depreciation and amortisation) for the year ended 31 December 2019 reached DKK 4,823 million, compared to DKK 6,436 million for the year ended 31 December 2018.

<sup>2</sup> Source: IQVIA™ Analytics Link 2019.

The Issuer's operating profit (EBIT/earnings before interest and taxes) reached DKK 3,608 million (compared to DKK 5,301 million for the year ended 31 December 2018), representing a 31.9 per cent decrease from the year ended 31 December 2018.

The Issuer's operating profit (core EBIT/core earnings before interest and taxes) reached DKK 4,976 million (compared to DKK 6,158 million for the year ended 31 December 2018), representing a 19.2 per cent decrease from the year ended 31 December 2018.

#### *Net Profit and Earnings Per Share*

Net profit for the year ended 31 December 2019 reached DKK 2,667 million, compared to DKK 3,907 million for the year ended 31 December 2018. Net profit for 2019 corresponds to earnings per share (EPS) of DKK 13.42 per share, compared to EPS of DKK 19.66 per share for the year ended 31 December 2018.

#### *Free Cash Flow*

Free cash flow for the year ended 31 December 2019 was DKK -5,146 million, compared to DKK 3,074 million for the year ended 31 December 2018.

#### *Operating Cash Flow*

Operating cash flow for the year ended 31 December 2019 reached DKK 2,609 million, compared to DKK 5,981 million for the year ended 31 December 2018.

#### *Net Cash/Debt Position*

Net debt for the year ended 31 December 2019 reached DKK 6,566 million, compared to DKK -6,635 million (net cash position) for the year ended 31 December 2018.

#### ***Geographical Markets***

According to IQVIA's most recent full year data, the global market for prescription drugs for brain diseases was valued at USD 149 billion in 2018, representing 14 per cent of the global pharmaceutical market. The Issuer divided its market into three regions, namely, North America (representing 58 per cent. of its revenue for the year ended 31 December 2019), Europe (representing 19 per cent. of its revenue for the year ended 31 December 2019) and international markets (representing 23 per cent. of its revenue for the year ended 31 December 2019). The global CNS market split is similar: 55 per cent. for North America, 22 per cent. for Europe and 23 per cent. for the international markets.<sup>3</sup>

- *North America:* Revenue generated in North America reached DKK 9,583 million for the year ended 31 December 2019, compared to DKK 10,743 million for the year ended 31 December 2018, representing an 11 per cent. decrease. This was driven by the uptake of Abilify Maintena®, Brintellix®/Trintellix®, Northera® and Rexulti®/Rxulti, partly offsetting the decline in sales of Onfi® (a drug used to treat seizures associated with Lennox-Gastaut Syndrome) as a result of the Issuer losing exclusivity in connection with its sale in October 2018, as well as Sabril® (a drug used to treat epilepsy) and Xenazine® (a drug used to treat chorea associated with Huntington's disease) which also declined due to loss of exclusivity. The strategic brands sold in 2019 in the North American market amounted to approximately 73 per cent. of the revenue compared to the mature products, which amounted to 27 per cent. of the revenue. The Issuer has a strong presence in the US with around 1,178 employees and offices in Chicago, Seattle and California.

<sup>3</sup> Source: IQVIA™ Analytics Link 2019.

- *Europe:* Revenue generated in Europe reached DKK 3,223 million for the year ended 31 December 2019, compared to DKK 2,970 million for the year ended 31 December 2018, representing an 8.5 per cent. increase. In particular, the sales of Abilify Maintena® and Brintellix®/ Trintellix® grew by 23.5 per cent. and 33.5 per cent., respectively. The strategic brands Abilify Maintena®, Brintellix®/Trintellix® and Rexulti®/Rxulti® represented 53 per cent. of revenue in Europe as at 31 December 2019, with the remaining revenue coming from the mature brands.
- *International Markets:* Revenue generated in other international markets, which comprise all of the Issuer’s markets outside of Europe and North America, reached DKK 3,892 million for the year ended 31 December 2019, compared to DKK 3,500 million for the year ended 31 December 2018. The growth was driven by the improved sales of Abilify Maintena® and Brintellix®/Trintellix®. The strategic brands Abilify Maintena®, Brintellix®/Trintellix® and Rexulti®/Rxulti® represented 19 per cent of the sales with the majority of the revenue coming from the mature brands.

China is now the Issuer’s second biggest market. The Issuer’s Chinese operation has 491 employees and is headquartered in Beijing. The Issuer will continue to build its Chinese sales force following the launch of Azilect® and Brintellix®/Trintellix® in 2018 and the Issuer’s direct distribution and sale of Lexapro® in 2019 (which was previously sold through a third-party distributor but is now sold by the Issuer directly). Japan is another important market where the Issuer will build its Japanese sales force following the launch of Brintellix®/Trintellix® towards the end of 2019.

### *Strategy*

Through its neuroscience expertise, the Issuer aims to advance neuroscience studies, develop new and innovative treatments for brain diseases and strengthen support for patient communities.

In 2019 the Issuer launched a new strategy “Expand & Invest to Grow”. The strategy to invest in the expansion and growth of the business is to be implemented by focusing on five strategic imperatives. This follows from the previous strategy from 2015 that centered on optimising the business and improving the corporate profitability. This was done by implementing a cost reduction and restructuring programme, and by creating a focused business that centered on four disease areas (depression, Parkinson’s disease, Schizophrenia and Alzheimer’s disease). The 2015 strategy did increase corporate profitability and thus the Issuer believes that the strategy was successfully implemented.

### *The Issuer’s strategic imperatives*

In its latest strategic review in 2019, the Issuer has adopted the following 5 strategic imperatives:

1. Maximising the performance of its existing brands:
  - Launching new pharmaceutical formulations and indications.
  - Exploring new market segments and expanding label indications for existing brands.
  - Continuing successful partnerships with established pharmaceuticals.
2. Expanding operating space within brain diseases:
  - Expanding focus from four disease areas to focus on a broader range of brain diseases with: (1) clear unmet needs, (2) attractive commercial potential and (3) strategic fit for the Issuer.

- Utilising the Issuer’s extensive experience and knowledge in the biological mechanisms and targeting the underlying disease biology.
3. Rebuilding the pipeline:
    - Accelerating business development efforts to access external innovation.
    - Selectively refining and progressing the most promising internal projects.
    - Leveraging technologies to advance innovation.
  4. Enhancing organisational agility and collaboration:
    - Simplifying processes and streamlining decision making.
    - Increasing collaboration across the organisation.
    - Developing and fostering talent in both current and future employees.
    - Continued focus on motivated and satisfied employees (a current score of 77 versus a benchmark score of 71) who are committed and loyal (a current score of 86 versus a benchmark score of 80).
  5. Maintaining focus on high profitability:
    - A strong financial position has allowed the Issuer to be selective with finding attractive investments in Alder and Abide.
    - The Issuer will continue to strive for high profitability while allowing flexibility to invest in the right growth opportunities.

In 2019 the Issuer successfully acquired Abide and Alder in May and October respectively. These acquisitions support the expansion of the operating space and the pipeline with new areas that fit in the Issuer’s skills and capabilities and thus support the future growth ambitions of the Issuer.

Execution of the strategic imperatives is progressing and will continue to be the focus of the Issuer in the coming years.

***Sustainability***

Sustainability is at the heart of the Issuer’s business. The Issuer has been a signatory to the UN Global Compact since September 2009. With this commitment, the Issuer recognises its corporate responsibility to respect human and labour rights, to commit to environmental protection and to work against corrupt behaviour in any form. The Issuer has established a sustainability strategy and action plan that supports the UN Global Compact Principles, that helps to mitigate risks and adverse impacts related to its business activities and that contributes towards fulfilment of the UN Sustainable Development Goals (SDG) by 2030 specifically:

- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 5: Achieve gender equality and empower all women and girls
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 12: Ensure sustainable consumption and production patterns
- Goal 13: Take urgent action to combat climate change and its impacts

- Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (anti-corruption)

The Issuer's sustainability strategy, the related actions and public reporting are organised under the following themes.

#### *Access to health*

The Issuer leverages its specialist knowledge to address the burden of brain diseases and make medicine available. The Issuer aims to promote accessibility of its medicines by addressing discriminatory, physical, economical and informational barriers. The Issuer works to reduce stigma and enhance cultural acceptability of brain diseases. Further, the Issuer acts to provide medicine of good quality, to safeguard patient safety and combat falsified medicine. To raise awareness of mental health, the Issuer supports the World Mental Health Day (WMHD) on 10 October every year. In 2019, the Issuer's affiliates and employees were engaged in WMHD activities in 58 countries directed at policy-makers and healthcare professionals, advocacy groups, media and the public.

#### *Gender equality*

The Issuer plans to establish a diversity board to accelerate diversity and inclusion efforts. Fostering an inclusive work environment that integrates varied backgrounds and perspectives creates a workplace where talent can flourish and can also strengthen its culture and ability to bring forth innovative therapies for people with brain diseases.

#### *Transparent interactions*

The Issuer works with healthcare professionals and patients to deliver new treatment options within brain diseases. The Issuer publishes its clinical research results in accordance with its policy for scientific publications and responsible clinical trial data sharing. The Issuer annually discloses payments and other transfers to qualified healthcare professionals and healthcare organisations in accordance with applicable legal requirements, including the EFPIA Disclosure Code and the US Physician Payments Sunshine Act.

#### *Responsible business conduct*

The Issuer has established a Code of Conduct with a related Compliance Structure consisting of steering documents, annual training, monitoring activities and appropriate management governance and follow up. The aim is to sustain an ethical culture and support its employees in making appropriate ethical decisions. The Issuer has an established policy to promote inclusion and diversity in the workplace and prevent any form of discrimination. The Issuer's global employee satisfaction survey identifies the most important topics within each business area and provides a framework for dialogue on employee satisfaction and motivation.

#### *Sustainable consumption*

The Issuer has adopted an integrated approach to Health, Safety and Environment (HSE) and manages an ISO14001 certified HSE System. The aim is to minimise consumption of resources, air emissions and wastes by enhancing processes and recycling materials. As an example, in 2019 the Issuer recovered approximately 67 per cent. of the most used solvents in the Danish chemical production. This ongoing effort eliminates the need to purchase thousands of tons of solvents and reduces additional resources required for external production, transportation and waste management. The Issuer also investigates the environmental effects of its medicines to meet regulatory requirements.

#### *Climate action*

The Issuer has acted to combat climate change and since 2006 it has reduced its CO2 emissions by 68 per cent., mainly by reducing its energy consumption. The Issuer has established science-based targets for 2020, which align with the standards set out in the Paris Agreement, UN Climate Change Conference of the Parties (COP-21). As part of the renewal of its science-based targets, the Issuer has publicly pledged to reduce all CO2 emissions by 4.2 per cent. annually, including emissions generated from purchased goods and services, business travel, employee's commuting, wastes, etc. This signals the Issuer's commitment to a zero emissions future.

In January 2020, the Issuer was recognised as being 'world leading' by the Carbon Disclosure Project ("CDP") and included on the CDP's Climate A-list, the highest possible rating awarded to only the top 2 per cent. of the more than 8,400 companies surveyed by CDP worldwide.

#### *Safe and healthy at work*

The Issuer provides its employees with a physical and mental work environment where staying safe and healthy is a fundamental right. To ensure this, the Issuer maintains an OHSAS 18001 certified HSE System. The HSE System's procedures and organisation deliver prioritised and continuous improvements in line with defined annual targets. These include preventing work-related accidents where systematic root cause analysis is used to define preventive actions. Internal audits are performed to identify improvements and the system's performance is reviewed annually by senior management. The Issuer's health and safety principles are extended to its contract manufacturer's facilities where regular audits are conducted.

#### *Supplier and third parties*

The Issuer engages suppliers and third parties when providing innovative treatments to patients. While these collaborations add value to local economies they may also hold adverse impacts. Therefore, the Issuer applies systematic due diligence and monitoring procedures for business collaborations aimed at respecting human and labour rights, ensuring environmental protection and preventing promotional misconduct, conflicts of interest and financial crime e.g. bribery, tax evasion, violations of trade sanctions. The procedures are particularly important for collaborations involving chemical manufacturing, customs clearance, price negotiations, when obtaining product marketing authorisation, organising promotional or educational events and selling products.

#### *Patient group support*

The Issuer is focused on and recognised for its work with patient groups which is also evident from its ratings by various patient groups in "PatientView" in their latest report "The corporate reputation of pharma in 2018". The Issuer was ranked number 1 globally in the category "Net Promotor", a score which indicates the willingness of patients to recommend the company or its products to others. Furthermore, the Issuer was ranked number 1 overall in the US across multiple patient review metrics. This includes several number 1 rankings in the following sub-categories:

- Patient-centricity
- Patient information
- Patient safety
- Corporate integrity
- Quality of patient-group relationships
- "Beyond the pill" services

- High-quality products
- Transparency in pricing
- Transparency in clinical data
- Transparency in funding

### *Intellectual Property*

The principal economic safeguard in the pharmaceutical industry is a well-functioning system of patent and related protection that recognises the Issuer's efforts and rewards innovation with appropriate protection – and allows time to generate the revenue the Issuer needs to reinvest in pharmaceutical innovation.

The Issuer endeavours to protect its products on a worldwide basis in countries where appropriate with patents, trademarks and other intellectual proprietary rights, in order to safeguard its investments, particularly in R&D, but also in production and marketing. The Issuer aims to achieve a high level of protection for its product developments. The Issuer also endeavours to patent new processes and production procedures, secondary indications, active ingredient combinations and preparations for new and existing products.

#### *Patents*

Patent protection is available in most industrialised countries for both new active ingredients and the products that contain them, and for the formulations and manufacturing procedures. The basic term of a patent is typically 20 years from the filing of the patent application with the relevant patent office. Patent rights are limited by territory and duration. The Issuer files for patent protection applications for its inventions to safeguard the large investment required to obtain marketing approvals for potential new drugs. As the Issuer further develops a product and its uses, these new developments may lead to further inventions. The Issuer applies for patents through government patent offices around the world. These government patent offices assess whether the Issuer's inventions meet the strict legal requirements for a patent to be granted. The Issuer's competitors can challenge its patents in patent offices and/or courts. The Issuer may face challenges early in the patent application process and throughout a patent's life. The grounds for these challenges could be the validity of a patent and/or its effective scope and are based on ever-evolving legal precedents. The Issuer is experiencing increased challenges in the US and elsewhere in the world (such as in Australia, Brazil, Canada, China, Europe and Japan) and there can be no guarantee of success for either party in patent proceedings. For more information on particular legal proceedings please see the section "*Description of the Issuer – Legal and Arbitration Proceedings*".

The Issuer monitors and follows up on any patent infringements. To compensate for the lengthy development times of pharmaceutical products, it has been possible for several years to extend the normal terms of patents for pharmaceutical products by up to five years in the United States, Europe, Australia, Canada and Japan. The Issuer takes advantage of these laws insofar as it seems reasonable and is feasible and applies for patent extensions or supplementary protection certificates. The term of the patent term extension or supplementary protection certificate can vary from zero to five years, depending on the time taken to obtain any marketing approval. The maximum patent term, when including patent term extension or supplementary protection certificate, cannot exceed 15 years (EU) or 14 years (US) from the first marketing authorisation.

The Issuer's marketed products and products in R&D are currently protected by about 320 patent families.

#### *Other exclusivities*

Regulatory data protection ("**RDP**") is an important additional form of exclusivity which is separate from, but runs in parallel to, patent exclusivity. RDP arises in respect of data which is required to be submitted



to regulatory authorities to obtain marketing approvals for the Issuer's medicines. Significant investment is required to generate such data (for example, through conducting global clinical trials) and this proprietary data is protected from use by third parties (such as generic manufacturers) for a number of years in a limited number of countries. The period of such protection, and the extent to which it is respected, differs significantly among countries and varies depending on whether an approved drug is a small or large molecule compound. RDP is an important protection for the Issuer's products, and strives to enforce its rights to it, particularly as patent rights are increasingly being challenged.

The RDP period starts from the date of the first marketing approval from the relevant regulatory authority and runs parallel to any patent protection. For small molecule drugs, RDP generally expires prior to patent expiry in all major markets.

If a product takes an unusually long time to secure marketing approval, or if patent protection has not been secured, has expired or has been lost, then RDP may be the sole right protecting a product from being copied. In the EU, the RDP period is eight years followed by two years of market exclusivity. In the US, new chemical entities are entitled to a period of five years of RDP under the Federal Food, Drug and Cosmetic Act. This period of RDP runs parallel to any pending or granted patent protection and starts at the approval of the new application. There are circumstances where RDP could be the sole layer of exclusivity protecting a product from being copied. Further, under the Biologics License Application process, the FDA will grant 12 years RDP for a new biologic to an innovator manufacturer.

Under orphan drug laws in the EU and US, market exclusivity is granted to an innovator who gains approval for a pharmaceutical product developed to treat a rare disease. What qualifies as a rare disease differs between the EU and US. Qualifying orphan drugs are granted 10 years of market exclusivity in the EU and seven years of market exclusivity in the US.

Patent expiries are normal in the course of business in the pharmaceutical industry and are the main reason why pharmaceutical companies spend significant time and money on developing the pipeline for future products. The Issuer is also facing patent expiries on an ongoing basis and this can potentially have a material effect on the Issuer. For further information, please see the section entitled "*Risk Factors - Expiry or loss of intellectual property rights and increasing competition with generic versions of products may raise pricing pressure on the Issuer's products, decline in revenue and adversely affect the Issuer's profitability.*"

### ***Legal and Arbitration Proceedings***

Save as disclosed in this section, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position of the Issuer and its subsidiaries.

The Group is involved in a number of legal proceedings, including patent disputes. In the opinion of the Issuer, the outcome of the proceedings specified below will either not have a significant effect on the Group's financial position beyond the provisions already provided for by the Group in its latest audited annual financial statements, or the outcome is too uncertain to enable the Issuer to make a reliable provision.

- On 19 June 2013, the Issuer received the European Commission's decision (case AT.39226) that the Issuer's agreements concluded with four generic competitors concerning citalopram violated competition law. The decision included fining the Issuer EUR 93.8 million (approximately DKK 700 million). The Issuer paid the fine in the third quarter of 2013 despite continuing to appeal. On 8 September 2016, the Issuer announced that the General Court of the European Union had delivered its judgment (case T-472/13) concerning the Issuer's appeal against the European Commission's 2013 decision. The Issuer's appeal was rejected by the General Court. The Issuer appealed the judgment to the European Court of Justice in 2016 (case C-591/16 P). An oral hearing

was conducted by the European Court of Justice on 24 January 2019. The Advocate General is expected to deliver her opinion to the European Court on 12 March 2020, and a final judgment is expected during 2020 after the delivery of the opinion. So-called “follow-on claims” for reimbursement of alleged losses, resulting from alleged violation of competition law, often arise when decisions and fines issued by the European Commission are upheld by the European Court of Justice. UK health authorities (more specifically the Secretary of State for Health and Social Care, the National Health Service Business Services Authority and NHS Wales) and health authorities of the Netherlands have taken formal protective steps against the Issuer with the principal purpose of preventing potential claims from being time-barred under the applicable statutes of limitation. The Issuer expects no further material development in regard hereto until after the European Court of Justice has issued its final judgment.

- In Canada, the Issuer and its subsidiary Lundbeck Canada Inc. are involved in three product liability class-action lawsuits relating to Ciprallex®/Celexa® (two cases allege various Celexa® induced birth defects and one case against several SSRI manufacturers (including the Issuer) alleges that SSRI (Celexa®/Lexapro®) induced autism birth defect); two relating to Abilify Maintena® (alleging, *inter alia*, a failure to warn about compulsive behaviour side effects); and one relating to Rexulti® (also alleging, *inter alia*, a failure to warn about compulsive behaviour side effects). The cases are in the preliminary stages and as such there is significant uncertainty as to how these lawsuits will be resolved. The Issuer strongly disagrees with the claims raised.
- In June 2018, the Issuer announced that its U.S. subsidiary Lundbeck LLC had reached an agreement in principle to resolve the U.S. Department of Justice (the “DOJ”) investigation related to Lundbeck LLC’s relationship with and donations to independent patient assistance charitable foundations, which called for a payment of USD 52.6 million. In April of 2019, the Issuer finalised this settlement, executed a Settlement Agreement, and made a payment of USD 52.6 million. The Settlement Agreement does not include any admission by Lundbeck LLC that it violated any law. The resolution of this matter will allow Lundbeck LLC to continue its focus on providing innovative medications to patients.
- The Group has entered into settlements with three of the four generic companies involved in an Australian federal court case, where the Issuer was pursuing patent infringement and damages claims over the sale of escitalopram products in Australia. The Issuer received AUD 51.7 million (DKK 242 million) in 2018. In the Issuer’s case against the final generic company, Sandoz Pty Ltd, the Federal Court found that Sandoz Pty Ltd had infringed the Issuer’s escitalopram patent between 2009 and 2012 and awarded the Issuer AUD 26.3 million in damages. Sandoz’ appeal of the decision was heard on 8-10 May 2019 and a decision is expected in the first half of 2020. In the meantime, the Australian Patent Office has issued a license to exploit the patent to Sandoz for the entire period of infringement. The license may potentially remove the damages awarded to the Issuer. The Issuer has appealed this license decision.
- The Issuer has together with Takeda instituted patent infringement proceedings against 16 generic companies that have applied for marketing authorisation for generic versions of Trintellix® in the U.S. One counterpart has now withdrawn and the cases against the remaining 15 parties continue. Decisions are expected shortly before the end of March 2021. The Issuer has strong confidence in its vortioxetine patents. The FDA cannot grant marketing authorisations to the generic companies unless they receive a decision in their favour. The compound patent, including patent term extensions, will expire in the U.S. on 17 December 2026. The Issuer has other patents relating to vortioxetine with expiry in the period until 2032.
- The Issuer has together with Otsuka instituted patent infringement proceedings against several generic companies that have applied for marketing authorisation for generic versions of Rexulti®

in the US. The Issuer has strong confidence in the Rexulti® patents. The FDA cannot grant marketing authorisation in the US to the generic companies before the patents expire unless the generic companies receive decisions in their favour.

- In February 2019, Alder terminated a Development and Manufacturing Services Agreement (“**DMSA**”) with Lonza Ltd. (“**Lonza**”), based on material breaches of that agreement by Lonza. In April 2019, Lonza filed a claim for arbitration with the American Arbitration Association (“**AAA**”), asserting claims for breach of contract and declaratory judgment arising from the termination. Lonza disputed the material breaches asserted by Alder, denying that Alder is entitled to terminate the DMSA without further payment, and is seeking monetary damages representing Lonza’s calculation of the fee due upon termination for convenience. In May 2019, Alder filed an answer to Lonza’s claim with the AAA, in which Alder disputed Lonza’s claims and asserted counterclaims arising from Lonza’s breach of the DMSA. In June 2019, Lonza filed its reply to the counterclaims. The arbitration hearing is scheduled for September 2020.

### ***Recent Acquisitions***

#### *Alder BioPharmaceuticals Inc.*

In October 2019 the Issuer made the largest acquisition in its history with the completion of the acquisition of Alder. The total acquisition price was approximately USD 1.95 billion net of cash, including the potential payment under a Contingent Value Right (CVR) in the amount of approximately USD 236 million payable – subject to certain terms and conditions - upon the approval of eptinezumab by the European Medicines Agency.

Alder (now named “Lundbeck Seattle BioPharmaceuticals, Inc.”) was a clinical-stage biopharmaceutical company that discovered, developed and sought to commercialise genetically engineered therapeutic antibodies with the potential to meaningfully transform current treatment paradigms. Alder’s lead product candidate, eptinezumab, was being evaluated for migraine prevention. Eptinezumab is a monoclonal antibody that inhibits calcitonin gene-related peptide (CGRP), a protein that is active in mediating the initiation of migraine. Eptinezumab was approved by the FDA for sale in the US market on 21 February 2020. The Issuer expects to submit eptinezumab for approval to regulatory authorities in Canada during February 2020, in the European Union by the end of 2020 and in other countries during 2020. The Issuer expects the sales to increase exponentially in the coming years (subject to the risks set out in the section headed “*Risk factors – Pipeline, research and development and product portfolio risks*”).

The Issuer’s “Expand & Invest to Grow” strategy has the ambition of revenue growth. The acquisition of Alder has the potential to significantly diminish several of the challenges addressed in the Issuer’s strategy developed in 2019 (please see the section headed “*The Issuer’s strategic imperatives*”). At the same time, the Issuer could take advantage of its strong financial position to commercialise Alder’s lead drug eptinezumab. Eptinezumab will mainly be prescribed to patients through neurologists and headache specialists, thus leveraging the Issuer’s specialised commercial expertise. The Issuer has gained this expertise through a long-standing presence of over 70 years in the Central Nervous Systems (CNS) disease space where the Issuer has substantial experience in dealing with neurologists and other specialised personnel. The Issuer’s US business has, with the launch of seven new products in the past ten years, substantial experience in bringing new products to market.

To fund the acquisition, the Issuer paid with a mix of current cash as well as raised bank debt. The bank debt consisted of a EUR 1.5bn Revolving Credit Facility (maturing in the third quarter of 2023 – with the possibility of extensions) and a term-loan of DKK 2.0bn (maturing in the fourth quarter of 2020). The Issuer plans to invest significantly in the commercialisation of eptinezumab to support future sales.

#### *Migraine Market*

The market for migraine products, specifically the sub-area of anti-CGRP preventive medicine is viewed as an attractive market for the Issuer. Overall, the market for migraine products is a growth market. The sub-area of anti-CGRP is one of the main drivers, and its growth is forecasted to be greater than \$5 billion by 2025 in the US.<sup>4</sup>

Migraine is the most disabling neurological disorder for people under the age of 50 and overall migraine is the sixth highest cause of disability globally and the fourth highest cause among women.<sup>5</sup> The Issuer therefore sees the market as highly attractive and believes that there is a significant unmet need which will allow the Issuer to improve the lives of patients with eptinezumab. There are approximately 18 million candidates for preventive migraine medication, and only 27 per cent. of those are currently under treatment.<sup>6</sup>

#### *Abide Therapeutics Inc.*

In May 2019 the Issuer completed the acquisition of Abide. Abide was a US-based biopharmaceutical company focused on developing medicines that target the enzyme class “Serine Hydrolases”. Abide created a platform, based on technology which specifically targets serine hydrolases with selective small molecules.

Abide (now “Lundbeck La Jolla Research Center Inc.”) has strengthened the Issuer’s discovery platform as well as added the lead compound Lu AG06466 (formerly ABX 1431) to the Issuer’s pipeline which is currently in clinical development in relation to Tourette’s syndrome and neuropathic pain.

The acquisition of Abide thereby provides the Issuer access to a world-class discovery platform which is focused on harnessing the therapeutic potential of one of the largest and most diverse enzyme classes – the serine hydrolases (SHs) – with the potential to deliver new compounds across a broad spectrum of central nervous system (CNS) indications which was and will continue to be important in rebuilding the early-stage and mid-stage pipeline in the long-term.

#### *Organisational Structure*

As at the date of this Base Prospectus, the Issuer had approximately 32,300 shareholders. Lundbeckfond Invest A/S, a fully owned subsidiary of Lundbeckfonden (the “**Lundbeck Foundation**”), is the Issuer’s largest shareholder, holding 137,351,918 shares and representing 69 per cent of the Issuer’s share capital and voting rights. The Issuer is the parent company and holds the majority of the Group’s intellectual property rights. Although the Issuer performs the majority of production, it also depends on other subsidiaries within the Group to perform a significant part of its business activities - for example, sales of products are made by the Issuer’s subsidiaries to relevant markets around the world. An overview of the Issuer’s directly or indirectly owned subsidiaries can be found on page 75 of the Issuer’s annual report 2019.

#### *Share capital*

The Issuer’s shares are listed on the Copenhagen Stock Exchange, NASDAQ Copenhagen, with 69 per cent. of Issuer’s share capital and voting rights being indirectly (via Lundbeckfond Invest A/S) held by the Lundbeck Foundation. The remaining 31 per cent of the shares in the Issuer are traded on the Copenhagen Stock Exchange. The Lundbeck Foundation is the only shareholder to report a holding in excess of 5 per cent of the Issuer’s share capital. All shares belong to the same class and rank equally. The shares are negotiable and there are no restrictions on their transferability. Each share has a nominal

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<sup>4</sup> Source: DRG 2018 market report.

<sup>5</sup> Source: Steiner, TJ, Stovner, LJ, & Vos, T. The Journal of Headache and Pain (2018) 19:177 “Most Disabling disease of people under 50 years old”.

<sup>6</sup> Source: US census bureau, Migraine Research Foundation, Buse, DC, Amack AN, Fanning KM, et al.

value of DKK 5 and carries one vote. At the end of 2019, the Issuer's total share capital amounted to DKK 995,683,625 which is equivalent to 199,136,725 shares.

#### *Composition of shareholders*

According to the Issuer's share register, the company had approximately 32,300 shareholders at the end of 2019, representing approximately 98.7 per cent. of the outstanding shares.

At the end of 2019, investors in North America held 45 per cent. of the free float compared to 48 per cent. in 2018; European (excluding Danish) investors held 31 per cent. compared to 27 per cent. in 2018; Danish investors held 7 per cent. compared to 5 per cent. in 2018; the rest of the world held 4 per cent. compared to 3 per cent. in 2018, and other investors, including private investors, held 13 per cent. compared to 17 per cent. in 2018.

In order to fund its long-term share-based incentive programs, Lundbeck acquired treasury shares in 2019 at a value of DKK 20 million (DKK 25 million in 2018), corresponding to 69,000 shares (87,000 shares in 2018).

At the end of 2019, Lundbeck's Board of Directors and Executive Management held a total of 130,339 Lundbeck shares compared to 122,665 Lundbeck shares by the end of 2018, and this corresponds to 0.07 per cent. of the total shares outstanding in 2019.

#### **Board of Directors**

As at 24 February 2020, the Board of Directors, their functions, memberships within the Issuer and other key positions are set out below:

<b>Name</b>	<b>Function within the Issuer</b>	<b>Other key positions</b>
Lars Søren Rasmussen	Chairman, member of the Audit Committee, Chairman of the Remuneration and Nomination Committee	Chairman of Coloplast A/S, Chairman of Ambu A/S, Chairman of Igenomix S.L, Director of William Demant Holding A/S
Lene Skole-Sørensen	Deputy Chairman, Chief Executive Officer of the Lundbeck Foundation and director in two subsidiaries, member of the Remuneration and Nomination Committee and the Scientific Committee	Deputy Chairman of ALK-Abelló A/S, Deputy Chairman of Falck A/S, Deputy Chairman of Ørsted A/S, Director of Tryg A/S, Director of Tryg Forsikring A/S
Henrik Andersen	Director, Chairman of the Audit Committee	Group President and CEO of Vestas Wind systems A/S, Director of the Investment Committee of Maj Invest Equity 4 K/S, Director of the Investment Committee of Maj Invest Equity 5 K/S
Jeffrey Berkowitz	Director, member of the Scientific Committee, member of the Remuneration and Nomination Committee	CEO of Real Endpoints, Director of Infinity Pharmaceuticals, Inc., Director of Esperion Therapeutics, Inc., Director of Zealand Pharma A/S

Lars Holmqvist	Erik	Director, Member of the Audit Committee	Chairman of Biovica International AB; Director of ALK-Abelló A/S, Director of Naka UK Topco Ltd., Director of Lundbeck Foundation, Director of Tecan AG, Director of Vitrolife AB
Jeremy Levin	Max	Director, Chairman of the Scientific Committee	Chief Executive Officer and Chairman of Ovid Therapeutics, Director of BioCon, Chairman of BIO (Biotechnology Innovation Organisation in the US)
Rikke Andreassen	Kruse	Director, Senior Laboratory Technician	None
Henrik Jensen	Sindal	Director, Corporate Business Development and Licencing	None
Ludovic Tranholm Otterbein		Director, Research Informatics & Operations	Director of Lundbeck Foundation

The business address of each of the Directors referred to above is Ottiliavej 9, 2500 Valby, Denmark.

There are no potential conflicts of interests between the duties to the Issuer of its Directors and their private interests and other duties.

#### ***Description of Alternative Performance Measures***

This section provides further information relating to alternative performance measures ("**APMs**") for the purposes of the guidelines (the "**Guidelines**") published by ESMA. Certain of the financial measures included in the "*Description of the Issuer*" above can be characterised as APMs and we set out below a summary of the APM used, the definition, bases of calculation and reconciliation of such APMs and the rationale for their inclusion.

The Issuer believes that the presentation of these APMs is helpful to investors because these and other similar measures are used by certain investors as supplemental measures of performance and liquidity. However, these measures are not measures of financial performance under IFRS and should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of the Issuer's results of operations or liquidity computed in accordance with IFRS. Other companies, including those in the Issuer's industry, may calculate these measures differently from the Issuer. As all companies do not calculate such measures in the same manner, the presentation of these measures pertaining to the Issuer may not be comparable to other similarly titled measures of other companies.

#### **Financial Measure**

#### **Definition**

EBIT

Profit/(loss) from operations (profit before interest and tax)

Core EBIT	Core operating income (excludes amortisation of product rights, impairment of intangible assets and property, plants and equipment, major restructuring costs, acquisitions and integration costs, divestments and milestones)
EBITDA	Profit before interest, tax, depreciation, amortisation and gain on divestment of properties
Core EBIT Margin	Core operating income as a percentage of revenue
Net Debt / EBITDA	Net interest-bearing cash/debt divided by EBITDA
Free Cash Flow	Measure used to evaluate the amount of cash generated by the regular operating activities (including any non-cash items and adjustments for changes in net working capital).
Earnings Per Share, Basic	Net profit/(loss) for the year divided by average number of shares, excluding treasury shares
Free Cash Flow	Measure used to evaluate cash available for financing activities, including dividend payments, after investment in maintaining and growing the business. It is defined as the sum of “cash flow from operating activities” and “cash flow from investing activities”.
Interest Bearing Net Cash	Cash, bank balances and securities less interest-bearing debt
Operating Cash Flow	Measure used to evaluate the amount of cash generated by the regular operating activities (including any non-cash items and adjustments for changes in net working capital).

## TAXATION

**The tax laws of the investor's Member State and of the Issuer's Member State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries**

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### **The Kingdom of Denmark**

*The following is a summary description of the taxation in Denmark of the Notes according to Danish tax laws in force as at the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Notes.*

#### *Taxation at source*

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in sec. 2(1)(d) of consolidated act no. 1164 of 6 September 2016, as amended. This will not have any impact on holders of Notes who are not in a relationship whereby they control, or are controlled by, the Issuer.

#### *Resident holders of Notes*

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on interest received on the Notes.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish act on taxation of debt, debt claims and financial contracts (in Danish: "*Kursgevinstloven*") (the "**Act**"). Gains and losses on Notes held by corporate entities are generally included in their taxable income in accordance with a mark-to-market principle (in Danish: "*lagerprincippet*"), i.e. on an unrealised basis. Gains and losses on Notes held by individuals are generally included in their taxable income on a realised basis and if the annual gains or losses do not exceed DKK 2,000, the gains or losses will be exempt from taxation.

Gains and losses on Notes, which are subject to adjustments on principal or interest as set out in section 29(3) of the Act will, irrespective of realisation, be taxable on an annual basis in accordance with a mark-to-market principle (in Danish: "*lagerprincippet*") as further specified in the Act.



A variety of features regarding principal and interest may apply to the Notes. The applicable taxation of capital gains to corporate entities or individuals will depend on the features applicable to the Notes in question.

Pension funds and other entities governed by the Danish act on taxation of pension yield (in Danish: "*Pensionsafkastbeskatningsloven*") would, irrespective of realisation, be taxed on the annual value increase or decrease of the Notes according to a mark-to-market principle (in Danish "*lagerprincippet*") as specifically laid down in the Act.

#### *Non-Resident holders of Notes*

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Notes are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above. No Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to under "*Taxation at source*" above.

This tax treatment applies solely to holders of Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

#### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the Kingdom of Denmark) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as

the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date of which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Danske Bank A/S, Jyske Bank A/S, Merrill Lynch International, Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, the Dealers are set out in a Dealer Agreement dated 24 February 2020 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

**United States of America:** *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### ***Prohibition of Sales to EEA and UK Retail Investors***

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Public Offer Selling Restriction Under the Prospectus Regulation**

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the EEA and the UK (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

**provided that** no such offer of Notes referred to in (a) or (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit-taking**: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
  - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Selling Restrictions Addressing Additional Danish Securities Laws**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Capital Markets Act, consolidated act no. 931 of 6 September 2019, as amended, and any executive orders issued thereunder and in compliance with Executive Order no. 1580 of 17 December 2018 issued pursuant to, inter alia, the Danish Financial Business Act, consolidated act no. 937 of 6 September 2019, as amended, to the extent applicable.

#### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

#### **General**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has, to the best of its knowledge and belief, complied and will comply in all material respects with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### 1. Authorisation

The establishment of the Programme was authorised by a board resolution of the Issuer passed on 5 February 2020 and the Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### 2. Legal and Arbitration Proceedings

Save as disclosed in the section headed "*Description of the Issuer – Legal and Arbitration Proceedings*" on page 104 of this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

### 3. Significant/Material Change

Since 31 December 2019 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries (taken as a whole) nor any significant change in the financial position or financial performance of the Issuer or the Issuer and its Subsidiaries (taken as a whole).

### 4. Auditors

The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2019 and 31 December 2018 by Deloitte Statsautoriseret Revisionpartnerselskab, Weidekampsgade 6, DK-2300 Copenhagen S, Denmark, state-authorized public accountants, who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included.

### 5. Documents on Display

Copies of the following documents will be available on the website of Issuer (<https://www.lundbeck.com/global>) for the life of the Base Prospectus:

- (a) the constitutive documents of the Issuer (as the same may be updated from time to time); and
- (b) the Deed of Covenant.

Any website referred to in this document does not form part of the Base Prospectus and has not been scrutinised or approved by the Central Bank. This Base Prospectus will be available, in electronic format, on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)) and the website of the Issuer at <https://www.lundbeck.com/global>. Copies of the Agency Agreement will be available for inspection by Noteholders during normal business hours at Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

### 6. Material Contracts

There are no material contracts not entered into in the ordinary course of the Issuer's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes to be issued.

### 7. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN) in relation

to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

8. **Issue Price and Yield**

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated on the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

9. **Conflicts of Interest**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers or their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments

10. **Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Notes to the Official List or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

11. **Legal Entity Identifier (LEI)**

The Legal Entity Identifier (LEI) of the Issuer is 5493006R4KC2OI5D3470.



12. **Issuer's website**

The Issuer's website is <https://www.lundbeck.com/global>. Any website referred to in this document does not form part of the Base Prospectus and has not been scrutinised or approved by the Central Bank.

13. **Validity of prospectus and prospectus supplements**

For the avoidance of doubt, the Issuer has no obligation to supplement this base prospectus after the end of its 12-month validity period.

14. **Language**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**REGISTERED OFFICE OF THE ISSUER**

**H. Lundbeck A/S**

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