



(incorporated as a public limited company in Denmark with CVR number 36213728)

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**€7,000,000,000**  
**Debt Issuance Programme**

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Under the Debt Issuance Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), Ørsted A/S (the "**Issuer**" or "**Ørsted**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "**Notes**"). Subject to compliance with all relevant laws, regulations and directives, the Notes may have no maximum maturity. The aggregate nominal amount of Notes outstanding will not at any time exceed €7,000,000,000 (or the equivalent in other currencies), subject to increase as provided in the Dealer Agreement (as defined herein).

Any Notes to be issued after the date hereof under the Programme are issued subject to the provisions set out herein save that Notes which are to be consolidated and form a single series with Notes issued prior to the date hereof will be issued subject to the Conditions of the Notes applicable on the date of issue for the first tranche of Notes of such series. Subject as aforesaid, this does not affect any Notes issued prior to the date hereof.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (as amended, the "**Prospectus Act 2005**") to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Market**") and to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**"). References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MIFID II**") of the European Parliament and of the Council on markets in financial instruments.

Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes for each Tranche (as defined herein) of Notes will be set out in the final terms (the "**Final Terms**") which, with respect to Notes to be admitted to the Official List and to trading on the Luxembourg Stock Exchange, will be delivered to the CSSF and the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

Each Series (as defined in "*General Description of the Programme*") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (a "**temporary Global Note**") or a permanent global note in bearer form (a "**permanent Global Note**"), and each of the temporary Global Note and permanent Global Note, a "**Global Note**". If a Global Note is issued in new global note ("NGN") form, the Global Note will be delivered on or prior to the issue date to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Notes in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**"), the Global Certificate will be delivered on or prior to the issue date to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Global Certificates which are not held under the NSS may be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Programme has been rated Baa1 by Moody's Investors Service Ltd. ("**Moody's**"), BBB+ by S&P Global Ratings Europe Limited, France branch ("**S&P**") and BBB+ by Fitch Ratings Ltd. ("**Fitch**"). S&P, Moody's and Fitch are established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Notes to be issued under the Programme may be rated or unrated (in each case as specified in the applicable Final Terms). Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms and such rating will not necessarily be the same as the rating assigned to the Programme, the Issuer or Notes already issued. A 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 agency.

**Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus.**

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*Arranger*  
**Barclays**  
*Dealers*

**Barclays**  
**Citigroup**  
**Deutsche Bank**  
**Goldman Sachs International**  
**Morgan Stanley**  
**NatWest Markets**  
**Rabobank**

**BNP PARIBAS**  
**Danske Bank**  
**Handelsbanken Capital Markets**  
**J.P. Morgan**  
**MUFG**  
**Nordea**  
**SEB**

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as defined herein) and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, Citicorp Trustee Company Limited (the "**Trustee**") or any of the Dealers (each as defined below). Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or of the Issuer and its subsidiaries and affiliates taken together (the "**Group**") since 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 in the financial position of the Issuer or the Group since the date hereof or 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 as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (the "**EEA**") or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

**The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or other offering material may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including the United Kingdom, Belgium and the Republic of Italy), Japan, Switzerland and Singapore, see "*Subscription and Sale*".

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Dealers, the Arranger or the Trustee that any

recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers, the Trustee or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Trustee or the Arranger.

This Base Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the intentions of the Issuer, beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "*Risk Factors*" below.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to a "**Member State**" are references to a Member State of the EEA, references to the "**Prospectus Directive**" are to Directive 2003/71/EC (as amended or superseded) and includes any relevant implementing measure in the Relevant Member State, references to a "**Relevant Member State**" are to a Member State which has implemented the Prospectus Directive, references to the "**EU**" are to the European Union, references to "**Danish Kroner**" and "**DKK**" are to the currency of the Kingdom of Denmark, "**Euro**", "**euro**", "**EUR**" or "**€**" are to the currency introduced at the start of the third stage of European Economic and Monetary Union, pursuant to the Treaty establishing the European Community, as amended, references to "**Pounds Sterling**", "**GBP**" and "**£**" are to the currency of the United Kingdom and references to "**U.S. dollars**", "**U.S.\$**" and "**\$**" are to the currency of the United States of America.

In connection with the issue of any Tranche of Notes (as defined in "*General Description of the Programme — Method of Issue*"), the Dealer(s) (if any) acting as the stabilisation manager(s) (the "**Stabilisation Manager(s)**") (or any person acting on behalf of any Stabilisation Manager(s)) 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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in any applicable supplement;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (e) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

**IMPORTANT – EEA RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes will 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.

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.

**Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures

Act (Chapter 289) of Singapore (as modified or amended from time to time, the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) 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).

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 (the “**Benchmark Regulation**”). If any such reference rate does constitute a benchmark, the Final Terms for any such Notes will specify whether the administrator for the relevant reference rate appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. However, Article 51 (*Transitional provisions*) of the Benchmark Regulation provides that index providers already providing a benchmark on 30 June 2016 have until 1 January 2020 to apply for authorisation or registration in accordance with Article 34 (*Authorisation and registration of an administrator*) of the Benchmark Regulation and may continue to provide such an existing benchmark until 1 January 2020 or, where the index provider submits an application for authorisation or registration, unless and until such authorisation or registration is refused. 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 relevant Final Terms to reflect any change in the registration status of the administrator.

In this Base Prospectus, references to websites or uniform resource locators (“**URLs**”) are inactive textual references. The contents of any such website or URL shall not form part of this Base Prospectus.

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## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other unknown reasons, and therefore the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations with respect to the Notes**

#### **Risks related to the Issuer's business operations**

##### *The Issuer is exposed to competition risks*

- The markets in which the Issuer operates are increasingly competitive, and as such, the Issuer is exposed to the risk of not being able to compete effectively on an on-going basis in relation to being awarded new renewables and energy projects, the energy sourcing and supply businesses and other of the Issuer's activities. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

##### *The Issuer is exposed to the risk of technical breakdowns and operational disruptions*

- The Issuer is exposed to risks in connection with disruptions to the Issuer's operations, which may be caused by technical breakdowns at wind power assets, including transmission assets, power stations, distribution grids, natural gas assets, liquid natural gas ("LNG") or power storage facilities, solar photovoltaic ("Solar PV") assets or other assets, aged or defective facility components, insufficient maintenance, failed repairs, power outages, adverse weather conditions, natural disasters, labour disputes, ill-intentioned acts or other accidents or incidents. These disruptions could result in shut downs, delays or long-term decommissioning in production or distribution of energy. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

##### *The Issuer is exposed to risks relating to construction projects*

- The Issuer faces risks in connection with construction projects, including risks relating to capital expenditure overruns and delays arising from, among other factors, sub-suppliers not fulfilling contractual supply obligations including having to be replaced, delays in installation and transit vessels, adverse weather conditions, commercial and partner-related factors, delays in grid connection provided by transmission system owners, or breach of contract by suppliers and sub-suppliers. Such delays can lead to obligations, including compensation to partners, liquidated damages to authorities granting the project licences or not meeting subsidy scheme milestones, and following any divestments, potential warranties relating to assets constructed by the Issuer including grid connections for its off-shore wind projects in the United Kingdom or other countries, or other. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer has entered into partnerships under which the Issuer as constructor, operator and off-taker under a long-term power purchase agreement ("PPA") has given certain guarantees for the construction, timing of commencement and/or operation of its projects and made commitments relating to off-take of production, and the Issuer may consequently face a larger risk in connection with the construction projects than its ownership interest may imply and the Issuer may consequently not earn the expected return or incur losses on the projects. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to completion risk and availability of certain new infrastructure assets***

- In relation to the development, construction and operation of energy producing assets and long-term contracts, the Issuer is exposed to risks relating to the establishment and continuous availability of export and import transmission and its distribution grids. Furthermore, the Issuer has entered into energy sourcing and supply contracts which are conditional upon the availability and completion of new infrastructure assets, and the Issuer will not benefit under these contracts in the event such infrastructure assets are not developed, completed or do not operate according to expectations and the Issuer may consequently not earn the expected return on related projects. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks in its wind power businesses***

- The Issuer's wind power business, is subject to certain risks, including the risks of not being able to compete efficiently for new projects, construction risks, risks relating to technical defects, including serial defects, in equipment and machinery, including but not limited to turbines, foundations, substations, export and array cables, not being able to export generated power, risks from natural wind fluctuations, adverse weather conditions, regulatory risks including changes to agreed tariffs, risks relating to abandonment obligations and other. The Issuer may not be insured against part of these risks which could also work to the effect that the Issuer is unable to meet its obligations under any construction and/or operation and maintenance ("O&M") agreements. Furthermore, the Issuer faces continual rapid pace of technological development in the wind power industry and increasing degree of complexity due to increased water depths and distances to shore in some markets, which could affect the Issuer's ability to compete efficiently and/or the profitability of its projects. A materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to sourcing and contract risks related to natural gas***

- The Issuer faces risks and uncertainties in the replacement of expiring long-term natural gas sourcing and sales contracts, including LNG contracts, over time, the timing and result of any renegotiation of long-term sourcing and sales contracts, and sourcing and availability of natural gas, including but not limited to the risk of incurring take-or-pay obligations. The Issuer may receive less natural gas through certain of its existing long-term sourcing contracts in the coming years mainly due to natural gas depletion, aging infrastructure and supplier production facilities and for other reasons. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to capital expenditures and divestments***

- The Issuer's strategy for the future development of its business is supported by an investment portfolio, and in some cases expectations of divestments or the entry into joint ventures, to each of which it anticipates making significant net capital expenditures in the coming years. There can be no assurance that the Issuer will be able to secure the various investment opportunities on economically attractive terms or secure investment opportunities at all, or secure required project rights, consents, permits, licences, subsidies, including US equity tax credits and access to relevant infrastructure or that, once secured, such opportunities will ultimately prove profitable, and this may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer makes significant long-term capital expenditures and commitments on the basis of forecasts on certain investment parameters, including but not limited to capital expenditure and operating expenditure assumptions, market prices, subsidy levels, production volumes, currency exchange rates and interest rates which may turn out to be wrong. In the event of any material deviations from such estimates the Issuer may not earn the expected return on related projects or may decide not to complete an investment project for which a Final Investment Decision ("FID") has been taken or where project rights have been awarded and FID has not yet been taken. This may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks relating to expanding its business activities into new green technologies***

- The Issuer may decide to make strategic investments and expand its business activities into new green energy technologies, where it does not have or only have little presence such as energy storage, Solar PV, onshore wind or green hydrogen. There can be no assurance that such investments and expansion will ultimately prove profitable, and this may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to the risks relating to the costs of decommissioning its assets***

- The cost of decommissioning the Issuer's operating assets such as wind farms, power plants, power networks, pipelines, infrastructure assets and other assets required upon abandonment is dependent on timing and scope, future cost levels and on the legislative and regulatory requirements in effect at the time of decommissioning where the Issuer is currently subject to various regulatory environments which contain uncertainties with respect to these obligations. As a result, the Issuer's cost estimates and reserve provisions for decommissioning the Group's operating assets may be insufficient, which could have a material adverse effect on the Issuer's business, cash flows, results of operation and/or financial condition.

***The Issuer is exposed to risks related to mergers, acquisitions and disposals***

- The Issuer faces risks, including but not limited to, risks such as those relating to integration, obligations, representations and warranties in respect of mergers, acquisitions, disposals and abandonments that have been undertaken and it would also face similar risks in the future if it engages in such transactions. A materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to its alliances and partnerships***

- The Issuer may be subject to joint and several liability in connection with existing and future alliances or partnerships. Furthermore, the Issuer may be exposed to risks related to various partners having different regulatory and business frameworks that might counteract the interests of the Issuer, including but not limited to differences in tax regimes. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to assets in which it is a minority shareholder***

- The Issuer has joint control over, or hold only minority interests in, some of the assets in which the Issuer participates. Furthermore, there are some assets in which the Issuer owns a majority interest but where the relevant contractual terms give rights to minority investors that could limit the Issuer's ability to control the asset in the Issuer's individual interest. A lack of control over such assets could result in collective strategic, tactical and operational decisions with respect to these assets that diverge from the Issuer's individual interests. Any such decisions may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to the risks of insufficient supply of fuel, materials and equipment***

- The Issuer is exposed to risks arising from delays in or insufficient supply of or lack of competition between suppliers of fuel (for example, coal, natural gas, oil and biomass), services, materials and equipment that the Issuer needs for its constructions and operations, including compressors, turbines, export cables, substations, vessels and boilers. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to weather conditions and shifts in climate***

- Seasonality and weather conditions and long-term shifts in climate, including, but not limited to, unseasonably warm weather in autumn and winter, high levels of precipitation and unexpected wind conditions, may affect both demand and market prices for the Issuer's products and the

Issuer's generation levels for power and heat, and may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The profitability of the Issuer's gas and power supply business including gas storage and LNG capacity is exposed to price risk from changes in energy supplies***

- The Issuer's gas and power supply business including LNG and gas storage capacity is exposed to risks related to the market supply of natural gas, including LNG, heat and power production, including but not limited to changes in the market supply as a result of, for example, the hydro balance relating to power production and changes in power interconnector capacity in the Nordic region and/or a lack of interconnection capacity to Western Europe and other regions and countries where the Issuer conducts business. These risks could lead to a general change in market prices in one or more of the geographical areas where the Issuer conducts its supply business. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to risks related to changes in the market supply of energy as a result of the development of new technologies that improve the efficiency of energy extraction and discoveries of new energy sources, for example, shale gas and any future new energy sources. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to tensions in the geopolitical environment involving Europe, the United States, Russia and the Middle East. These tensions may shift supply of and prices for energy and natural gas in particular. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to the availability of certain transmission, hub platforms and distribution infrastructure owned by external parties***

- The Issuer is exposed to risks related to the availability of natural gas, heat and power transmission, hub platforms and distribution infrastructure owned by external parties in order to meet its contractual supply obligations or for the transportation of the Issuer's own heat and power production. The Issuer is also exposed to market risks, including market liquidity risk, if booked capacity with natural gas or power infrastructure operators cannot be utilised or sold at attractive prices. Furthermore, the Issuer is dependent upon the availability of infrastructure related to the storage of natural gas and processing of liquefied natural gas. An adverse materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer operates facilities and infrastructure by which it is exposed to risks related to causing significant harm to the natural and human environment***

- The Issuer operates facilities and infrastructure by which it is exposed to the risks of causing significant harm to the natural or human environment. These risks include accidents and injuries, oil spills or discharges or other pollution of water, air, or soil, or with regard to waste disposal, electromagnetic fields and the use and handling of hazardous or toxic chemicals and other materials in or near, or external attacks on, the Issuer's production facilities and infrastructure or other, and may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to breakdown of its IT systems***

- The Issuer's information technology ("IT") landscape is complex and essential for the operation of its energy infrastructure assets, energy producing assets and administration. A breakdown of IT systems and/or networks through malfunction, hacking, cyber-attacks, viruses or other or disruption to business critical supplies of data from external sources may affect the Issuer's operations, which may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to risks related to its personnel***

- Failure to recruit or retain the personnel the Issuer needs for its operations, cost inflation in relation to the recruitment or retention of such personnel, or occurrences of short- or long-term strike action among personnel may affect the Issuer's operations, productivity and other business activities including causing delays in the completion of construction projects, and consequently the Issuer may not earn the expected return on related projects. This may consequently materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is subject to risks related to ethical misconduct or breaches of applicable laws by employees, suppliers, agents or other third parties***

- The Issuer has implemented compliance policies and procedures with respect to applicable anti-corruption, anti-money laundering and sanctions laws. However, there can be no assurance that all of the Issuer's employees, suppliers, agents, investors, joint venture partners or other third parties involved in the Issuer's activities will not take actions in violation of the Issuer's policies or of applicable law. Any incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti-corruption, sanctions, anti-money laundering or other applicable laws, by the Issuer's employees, suppliers, agents or other third parties, may cause the Issuer to be subject to significant fines, prevent the Issuer from participating in certain projects or may lead to other consequences, including, but not limited to, the termination of existing contracts, which could have a material adverse effect on the Issuer's reputation, business, cash flows, results of operation and/or financial condition.

***The Issuer is exposed to risks related to intellectual property rights and proprietary technologies***

- As the Issuer develops and patents proprietary technologies within its renewable energy business, biofuels and in other areas, it is increasingly exposed to adverse impact from competitors and other entities attempting to contest the Issuer's patents and proprietary rights prior to their expiration or using the technology "at risk" prior to a final patent decision. Any such impact from competitors and other entities may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- Third-parties may assert claims alleging infringement of patents or other intellectual property rights against the Issuer, the Issuer's suppliers or partners, which could result in liability or prevent the Issuer from using or offering certain items or processes. Furthermore, the Issuer is reliant upon its contractors and suppliers not infringing third-party intellectual property rights in relation to the Issuer's projects, and in case of doing so are capable of indemnifying the Issuer any expenses, costs or liabilities resulting from such infringement. Any such infringement of third party intellectual property rights could have a material adverse effect on the Issuer's business, cash flows, results of operations and/or financial conditions.

***The Issuer may enter into new markets, which will require it to successfully meet new regulatory, technical, legal, cultural and other challenges***

- The Issuer is expanding, and may in the future continue to expand, operations into markets other than those in which it currently operates in order to maintain and grow its business. Expanding operations into new markets may be dependent on attracting qualified personnel in these new areas and will cause the Issuer to be subject to risks associated with operating under regulatory, financial, technical, legal, cultural and other requirements that are different from those with which the Issuer is familiar in the countries in which it operates.

***The Issuer is exposed to reputational risks***

- The Issuer is a well-known group in the countries in which it operates as a result of the size and scope of its business. This is particularly true with respect to Customer Solutions' activities in Denmark, where, among other things, disruptions to the Issuer's operations, price increases in the power or gas offered to customers or customer service difficulties could harm the Issuer's reputation. Harm to the Issuer's reputation may be exacerbated by media coverage of the events described above or any other events which are negatively perceived. A substantial erosion in the

Issuer's reputation could have a material adverse effect on its business, financial condition and results of operations.

***The Issuer is exposed to risks related to decisions made by the Issuer's majority shareholder: the Kingdom of Denmark***

- The Kingdom of Denmark is the Issuer's majority shareholder and may control or otherwise influence important actions it takes, such as decisions requiring a simple majority of the share capital and voting rights represented at the Issuer's general meetings, including distribution of dividends. Depending on the extent to which other shareholders are present or represented at the Issuer's general meetings, the Kingdom of Denmark may also be able to control decisions requiring a qualified majority of the votes, such as amendments to the Issuer's Articles of Association. Conversely, if the Kingdom of Denmark ceases to be the majority shareholder, this might trigger new requirements in respect of certain of the Issuer's consents, permits and licences, may require a renegotiation of certain of the Issuer's loan documents and have other effects due to a change-of-control event. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

**Risks related to developments in macroeconomic factors, financial markets and capital structure**

***The Issuer is exposed to adverse developments in the European or global economy***

- Adverse changes in the level of economic activity and/or political uncertainty, including global and regional financial crises or political uncertainty caused by the United Kingdom or other countries leaving the EU or other, may affect currency exchange rates, interest levels, capital movements, investments, cause delays in capital expenditure decisions by investors and lead to higher costs, including from increases in duties and levies, lower prices on or declining demand for the Issuer's projects or energy sales activities as a result of reduced activity in the industry or other. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to currency exchange risks***

- The Issuer conducts a significant portion of its activities, including its debt obligations, cash position and bond investments, with asset values, liabilities and prices related to currencies other than the Danish Kroner and is therefore exposed to fluctuations in currency exchange rates relative to the Danish Kroner. In particular, the Issuer has significant business activities in the United Kingdom and is therefore exposed to fluctuations in the exchange rate of the Pound Sterling including any effects arising from the United Kingdom leaving the EU. Furthermore, the Issuer has significant business activities in Germany and other countries taking part in the European Monetary Union and has established significant business activities in other countries such as the United States and Taiwan, and may therefore become exposed towards fluctuations in the exchange rate of the currencies of such countries relative to Danish Kroner.
- The Issuer's currency exchange risk includes any implementation by relevant governments or monetary authorities (including that of the European Monetary Union) of exchange controls or the break-up of relevant currencies and/or currency regimes. Any such fluctuations and changes and implementation or break-up of currency regimes may materially and adversely affect the Issuer's revenue, profitability and cash flows and cause harm to the Issuer's reputation.

***The Issuer is exposed to interest rate and inflation risks***

- A significant portion of the Issuer's activities including its debt obligations, cash position and bond investments are exposed to changes in nominal interest rates and/or inflation, including risk relating to significant time span between tendering for and being awarded new off-shore wind projects and time of construction and/or time of divestment, risk where differences in inflation between currencies in which the Issuer is active are not in the medium to long term levelled out by exchange rate movements, risk of increasing interest and/or inflation levels will affect investor appetite for and the Issuer divestment of owner-shares in its projects and other risks. In some countries, including Denmark, Germany and Netherlands, the Issuer receives a fixed nominal price per MWh produced from its wind farms over a contracted period for up to 10 to 20 years. The

value of such revenue and other fixed nominal revenue streams that the Issuer may receive, will net of any hedges put in place by the Issuer be affected by change in market rates and inflation. Any such fluctuations and changes may materially and adversely affect the nominal and/or real value of the Issuer's revenue, profitability and cash flows and cause harm to the Issuer's reputation.

***The Issuer is exposed to market risks related to energy commodity prices, prices of CO<sub>2</sub> emission and green certificates, and fixed tariffs for renewable energy production***

- The Issuer is exposed to fluctuations in and correlation between the prices of power, certificates for the emission of carbon dioxide, coal, biomass, enzymes and other fuels and additives utilised in relation to the Issuer's production processes. Any adverse correlation may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to risks from fluctuations in tariffs in its existing or any new regulated business, including heat and biomass, and for renewable energy production, particularly in Denmark, Germany, the United Kingdom, the Netherlands, the United States and Taiwan and the market prices of and ability to sell green certificates, including the Renewables Obligation Certificates in the United Kingdom market, which makes up a significant part of earnings related to the Issuer's renewable power generation. Any adverse fluctuation in such tariffs or market prices may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to risks related to price relation between natural gas spot pricing and oil indexed pricing elements as well as the complex price mechanics of the Issuer's natural gas sourcing and sales contracts which are based on variables including market prices for various fuels and currency exchange rates, and are subject to indexations and periodic recalculations. An adverse materialisation of any of these risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is currently in the process of and expects in the future to renegotiate long-term natural gas purchase contracts including LNG supplies, covering several past and future delivery years, and any adverse outcome of such renegotiations may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to fluctuations in energy commodity prices and correlations with currency exchange rates***

- The Issuer's risk exposure to fluctuations in energy commodity prices and currency exchange rates is complex and the Issuer's results of operations are uncertain. In addition, movements in one energy commodity price or currency value may be significantly positively or negatively correlated at times with movements in prices of other energy commodities or currencies that are important to the Issuer, whereas at other times there will be no significant positive or negative correlations. The size of the Issuer's energy price exposure is subject to uncertainty, due to, among other factors, uncertainty related to power production volumes and special contractual risks, including flexibility in natural gas purchases or renegotiation clauses. Any adverse development of these fluctuations, correlations and magnitude of the energy price exposure may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to financing, liquidity and rating risks***

- The Issuer's business is partly financed through debt including hybrid capital and the ability to secure financing through the credit or capital markets may be materially adversely affected by, among other factors, global financial crisis, or a crisis affecting a particular geographic region, industry or economic sector or by downgrades or potential downgrades of the Issuer's credit rating. For these or other reasons, the cost of financing may be significantly increased or, if sufficient financing proves to be unavailable even at unattractive terms, the Issuer may not be able to raise liquidity required to finance its business activities. This may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

## **Risks related to risk management and legal proceedings**

### ***The Issuer is exposed to the risk of ineffective management of market, credit and operational risks***

- The Issuer is exposed to the risk of not effectively managing its exposure to energy commodity, currency exchange, interest rate, inflation, counterparty and operational risks, including fraud mitigation and initiatives to prevent negligence. Any ineffective hedging and/or managing of these exposures may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

### ***The Issuer is exposed to risks related to energy commodity trading***

- The Issuer is exposed to risks in relation to its hedging and trading activities, which mainly cover hedging of energy commodities price and related currency exchange rate fluctuations, including situations where the hedging in place, which in some cases may be based on expected high correlations between different types of energy commodities, proves not to be efficient or suffers from illiquidity or inefficiencies in the relevant markets. Hedging activities may in some cases be based on assumptions about future prices, indices and volumes which may be wrong and cause inefficient commodity and currency hedges. The Issuer's trading activities also to a limited extent include proprietary trading in commodities and certificates, and a role as market maker in the Danish and German power market, where the Issuer consequently must accept certain trades in illiquid markets. Furthermore, if the Issuer's risk management systems, policies and procedures do not adequately capture the risk exposure from these activities or if the IT systems, including valuation and pricing models, and contingency procedures that support these activities break down or are inadequate, the Issuer may be further exposed to trading activities risks. Potentially, this may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

### ***The Issuer is exposed to the risks related to not being insured against all potential losses***

- The Issuer is not insured against all potential losses, being self-insured, including political risks and business interruption and with losses related to pollution liability and pollution clean-up obligations restricted by insurance coverage currently available on the commercial market. Such potential losses are applicable during both operations and for construction projects. As a consequence, the Issuer could be seriously harmed by accidents, operational catastrophes or external attacks, and this may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation.

### ***The Issuer is exposed to counterparty credit risks***

- The Issuer is dependent on the creditworthiness of its suppliers, partners, customers, debtors and counterparties in relation to its trading activities, bilateral sales of energy commodities and placement of liquidity reserve in banks and securities, as well as other counterparties and is exposed to risks relating to counterparties fulfilling all payment obligations and/or collateral requirements. Furthermore, the Issuer is exposed to risks related to failures to have adequate credit risk management systems and procedures, including risks of inaccurate assumptions related to exposure calculations and the Issuer's and counterparties legal positions. These risks may materially and adversely affect the Issuer's financial condition and cause harm to the Issuer's reputation.
- As part of the Issuer's divestment of its oil and gas exploration and production licenses, including the divestment of the Issuer's upstream Oil & Gas business to INEOS UK E&P Holdings Ltd ("INEOS"), the Issuer has assumed secondary liabilities relating to the decommissioning of offshore facilities in Denmark and Norway. In the UK, a potential decommissioning liability follows from the regulation. The terms of the Issuer's liabilities are different depending on which country it relates to. For further details on the Issuer's divestment of its Oil & Gas business, please see the note 3.6 within the Annual Report 2017. The Issuer is exposed to risks relating to the creditworthiness and ability of the buyers and any guarantor, to which the Issuer may have recourse, to meet any and all costs relating to the decommissioning of these offshore facilities. The risk of such secondary liability materializing may materially and adversely affect the Issuer's financial condition and cause harm to the Issuer's reputation.

- For risks relating to the cost of decommissioning of the offshore facilities mentioned above, reference is made to the factors mentioned in "*The Issuer is exposed to the risks relating to the costs of decommissioning its assets*", among other factors.

***The Issuer is exposed to risks related to litigation and arbitration proceedings***

- The Issuer is exposed to risks related to litigation and arbitration proceedings which the Issuer is or may in the future become involved in and the Issuer will remain exposed to such liability in the future. These risks may materially and adversely affect the Issuer's operations or financial condition and cause harm to the Issuer's reputation. For further details on material litigation currently affecting the Issuer please refer to "*Ørsted A/S – Legal Proceedings*".

***Enforcement of judgments issued by the courts of EU member states in Denmark***

- A final judgment of the courts of an EU member state against a company incorporated in Denmark is recognised and enforceable in Denmark without re-examination of the merits, subject to and in accordance with the provisions of Regulation (EU) No. 1215/2012 of the European Parliament and Council on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters of 12 December 2012 (the "**Brussels I-Regulation**") and the bilateral agreement in relation thereto between Denmark and the European Community of 19 October 2005 (and any protocol and accession convention in respect thereof) and Danish Act No. 1563 of 20 December 2006 (as amended) consolidated in Danish Consolidated Act No.1282 of 15 November 2018, implementing the Brussels I-Regulation and such bilateral agreement in Denmark. If the United Kingdom leaves the EU without any arrangements providing for the continued enforcement in Denmark of final judgments of English courts, such final judgments against the Issuer in respect of legal proceedings in relation to the Notes or the Trust Deed may not be recognised or enforced in Denmark without re-examination by the Danish courts of the substantive matters adjudicated.

**Risks related to laws and regulation**

***The Issuer is exposed to national, EU and other international regulatory risks***

- The Issuer has been, is, and will continue to be subject to, a number of EU, international and national laws and regulations, including financial regulations on regulated activities. Changes to, or clarification of, existing laws and regulations may be made to relevant regulations and subsidy schemes as a result of government budgetary constraints and other factors (both economic and non-economic), for example changes in regulators' perception and recognition of sustainable energy, or other. Such changes, particularly those affecting the supply, usage and distribution of power, biomass and/or heat, or the transmission of gas and oil in the Issuer's off-shore infrastructure assets, in particular in the United Kingdom where a significant proportion of the Issuer's operative offshore wind assets are located, may adversely affect the Issuer's operations, cash flow or financial condition and cause harm to the Issuer's reputation.
- The Issuer's power distribution business is subject to a national regulatory revenue framework under the Danish Electricity Supply Act ("**DESA**") which determines the revenue that can be charged for power distribution services. The DESA requires compliance with a revenue cap which is based on 5-year regulatory periods and is made up of a 'cost cap' (covering operational expenditure and depreciations and based on average actual historical costs with certain adjustments) and a 'return cap' (reflecting regulatory return on invested capital) and a number of adjustments including possible reductions in the revenue cap due to efficiency requirements based on a benchmark of economic efficiency of the Danish distribution system operators. The Issuer's regulatory accounts are subject to approval by the Danish Utility Regulator ("**DUR**"). In 2017 and 2018, the DUR approved the regulatory accounts for the period 2005-2016. However, the DUR's approvals are open to discussion with power distribution businesses, and in particular Radius Elnet A/S has a number of pending applications for additions to the revenue cap. The present economic regulatory regime came into force on 1 January 2018, based on changes to the DESA and secondary legislation. The financial impact of this on the Issuer's power distribution business is still not fully known, although most of the new regulation is now implemented and operates as expected. The uncertainties are primarily due to the continued development of the model to be used by the DUR for benchmarking of the economic efficiency of the Danish distribution system operations. Any future changes in the economic regulation that may be implemented and any adverse change to the

regulation or approval of historical regulatory accounts may affect the Issuer's operation, cash flow or financial condition and cause harm to the Issuer's reputation.

- Although licences covering the operations of regulated activities are in general closely linked to the ownership of the regulated infrastructure assets being regulated, some of the Issuer's licences are granted for a certain time-period, and the Issuer is not guaranteed that the licence will be renewed at expiry, and the Issuer risks that its existing licences may be revoked if licence conditions are not deemed to be fulfilled, or other. Furthermore, different terms including new unbundling requirements may be introduced or included in new licences, which could have a material adverse effect on the Issuer's business, cash flow and/or financial condition.
- A permanent or temporary reduction in carbon allowances under the EU Emissions Trading Scheme, as is being considered by EU policymakers, could lead to higher carbon allowances prices, which if not fully offset against higher power prices, may materially and adversely affect the Issuer's financial condition and the operation of activities that require EU CO<sub>2</sub> emission permits.
- The Issuer has also been, is, and will continue to be subject to competition and other regulatory investigations and decisions by EU, Danish and other national competition authorities and energy regulatory authorities (for example, for alleged abuse of a dominant position or for application of tariffs which allegedly are too high), and this may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer may incur material costs in order to comply with, or as a result of, health, safety, and environmental laws and other related national and EU regulations, in particular those relating to the release of carbon dioxide and other emissions. Any such costs may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is exposed to changes or implementation of financial regulation in the markets in which the Issuer operates, including but not limited to regulations such as Regulation on Wholesale Energy Market Integrity and Transparency (REMIT), Market Abuse Regulation (MAR), European Market Infrastructure Regulation (EMIR), Markets in Financial Instrument Directive (MiFID II), Anti-Money Laundering regulations (AML), Securities Financing Transactions Regulation (SFTR) and the Dodd Frank Wall Street Reform and Consumer Protection Act (Dodd Frank). The financial regulation applicable to the Issuer is often difficult to interpret and apply, especially in the context of an energy business and due to the regulation being under constant change. Actions in breach of financial regulation may result in severe criminal sanctions and cause harm to the Issuer's reputation and any adverse changes in such regulation may materially and adversely affect Issuer's operations or financial condition.
- The Issuer is required to comply with EU, Danish and other public procurement regulations applicable to it in various areas of its business. Such requirements apply, inter alia, to the process of selecting many of our suppliers and contractors on construction projects and service providers. These regulations are often difficult to interpret and apply and may, in particular, considerably prolong the selection process. In addition, an agreement entered into in breach of public procurement regulations may be rendered void or a fine calculated on the basis of the contract value may be imposed on the procuring party. Any such changes may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.
- The Issuer is subject to EU and national regulations regarding processing of personal data. Such requirements apply, inter alia, to processing of data regarding our employees and customers. In May 2018, a new comprehensive regulatory framework was implemented in the EU, the EU General Data Protection Regulation, which imposes additional requirements on the Issuer. Non-compliance with the EU General Data Protection Regulation may potentially result in significant fines, which may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to changes in tax and accounting laws and standards***

- The Issuer is exposed to adverse changes in tax and customs legislation, rules and regulations, its application or manner of enforcement, including by way of elimination or reduction in tax or levy exemptions, in each jurisdiction in which it operates. For some long-term contracts, the Issuer

could bear the risk of any such adverse changes for the counterpart related to the contract. Any such changes may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.

- The Issuer is exposed to changes in or interpretation of accounting principles and to the risk of asset impairment if the assumed interest rate applied in impairment tests increase or forecast cash flow decline. This may materially and adversely affect Issuer's operations or financial condition and cause harm to the Issuer's reputation.

***The Issuer is exposed to changing methodology by rating agencies***

- The Issuer is exposed to changes in the rating methodologies applied by rating agencies, including changes related to (i) the equity content of individual outstanding hybrid capital securities and the ability of structures to attract a certain level of equity credit, (ii) application of rating uplift for government support, where the Issuer's rating is currently supported by the Danish State being its majority shareholder (iii) assessment of criteria for business risk and financial risk, and (iv) consolidation principles and adjustment practises to key credit metrics applied by the rating agencies. Any adverse changes of such methodologies and practises may materially and adversely affect Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market reputation and market access.

Notwithstanding anything in these risk factors, these risk factors should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities listed on the Official List.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

***Notes subject to optional redemption by the Issuer***

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer, including a Call Option as described in Condition 7(e), a Make-Whole Redemption as described in Condition 7(e) and/or a Clean-up Call Option as described in Condition 7(f). See "*Terms and Conditions of the Notes — Redemption, Purchase and Options*".

The existence of these early redemption options could limit the market value of such Notes. During any period where there is an actual or perceived increase in the likelihood that the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time: for example, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

With respect to the Clean-up Call Option, there is no obligation on the Issuer to inform investors if and when the Minimum Percentage of a particular Series of Notes has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-up Call Option by the Issuer the Notes may have been trading significantly above the redemption price, thus potentially resulting in a loss of capital invested.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to effect a conversion, and any conversion of the interest basis, may affect the secondary market and the market value of the Notes since the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes 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 in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes. Furthermore, if any Notes are issued upon terms providing for automatic conversion of the interest rate on any Notes from a fixed rate to a floating rate or *vice versa*, this may also affect the secondary market and the market value of the Notes concerned if the rate or basis to which the interest rate is required to switch is lower than the interest rate prevailing up to such time.

### *Inflation Linked Notes*

The Issuer may issue Inflation Linked Notes where interest and redemption amounts will be adjusted by reference to movements in RPI or CPI (each an “**Index**”), as the case may be, during a reference period.

A decrease in the relevant Index over the reference period will reduce the interest or redemption amounts payable in respect of such Notes. In a deflationary environment, (i) the annual interest received may be lower than the rate of interest specified in the applicable Final Terms and (ii) the amount to be repaid upon redemption of the Notes would be reduced to less than the nominal amount of the Notes (unless the applicable Final Terms specify redemption at par or a Minimum Redemption Amount (as defined in the Final Terms) which is equal to or higher than the nominal amount of the Notes). As a consequence, investors may lose the value of their entire investment or part of it. The historical experience of the relevant Index should not be viewed as an indication of future performance of such Index during the term of any Inflation Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisors about the risk entailed by an investment in any Inflation Linked Notes and the suitability of such Notes in light of its particular circumstances.

Moreover, the methodology used by the Office for National Statistics (“**ONS**”) for calculating RPI or CPI may change over time which may affect the actual RPI or CPI figure. Consequently, the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of Inflation Linked Notes may increase, or decrease, as a result of such a change to the RPI or CPI figure.

If the relevant Index ceases to be published or where there is a fundamental change in the rules governing such Index, adjustments to such Index may be made, or a substitute index may be agreed. If an adjustment to such Index cannot be made or any substitute for such Index found then, in specified circumstances, the Issuer may redeem the Inflation Linked Notes early. See Conditions 6(d) and 7(d) for further detail.

The application of Conditions 6(d) and 7(d) may have a positive or negative impact on the amount of interest payable on each Interest Payment Date and/or the amount to be repaid upon, or the timing of, any redemption of Inflation Linked Notes.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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

The Issuer may issue Notes under the Programme which are specified to be "Green Bonds" in the applicable Final Terms. The Issuer may choose to apply the proceeds from the issue of such Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("**Green Projects**") as described in the Green Finance Framework dated January 2019 (the "**Green Finance Framework**") published on the Issuer's website at [www.orsted.com](http://www.orsted.com) and as updated from time to time. Prospective investors should have regard to the information set out in this Base Prospectus, the relevant Final Terms and the Green Finance Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. Pursuant to the International Capital Markets Association's *Green Bond Principles 2018* recommendations, the Issuer has engaged CICERO to issue a second-party opinion regarding its Green Finance Framework dated 9 November 2017 (the "**CICERO Opinion**"). The Green Finance Framework, the CICERO Opinion and associated reporting are available on the Issuer's website [www.orsted.com](http://www.orsted.com). The CICERO Opinion is not incorporated into and does not form part of this Base Prospectus. The CICERO Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed here and other factors that may affect the value of the Green Bonds. The CICERO Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date on which the CICERO Opinion was initially issued.

No assurance is given by the Issuer, the Arranger or the Dealers that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects.

While it is the intention of the Issuer to apply the proceeds of such Green Bonds specifically for a portfolio of eligible green projects as described in the Green Finance Framework, there can be no assurance that the relevant project(s) or use(s) (including those the subject of, or related to, any Green Projects) will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project(s) or use(s). Nor can there be any assurance that any Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project, or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any project(s) or use(s) the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any project(s) or use(s) the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification (i) is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus, (ii) is not, nor should be deemed to be, a recommendation by the Issuer, the Arranger, the Dealers or any other person to buy, sell or hold any such Notes and (iii) would only be current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, for example with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Additionally, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Arranger, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any project(s) or use(s), including any Green Projects, and/or withdrawal of any opinion or certification as described above or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended by the Issuer to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

#### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

##### *Modification, waivers and substitution*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 12 of the conditions of the Notes.

##### *Change of law*

The conditions of the Notes are based on 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.

##### *Integral multiples of less than €100,000*

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will 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 such that it holds an amount equal to one or more Specified Denominations.

*Regulation and reform of LIBOR, EURIBOR or other "benchmarks" could adversely affect any Notes linked to such "benchmarks".*

LIBOR, EURIBOR and other rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

The Benchmark Regulation was published in the official journal on 29 June 2016 and became applicable from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied from 30 June 2016). 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. In addition, the Benchmark Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential 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 provisions of the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. 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. Any such consequences could have a material adverse effect on the value and return on any such Notes.

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 disappearance of certain "benchmarks". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

#### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

##### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

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, where the foreign currency is the Euro, and the risk of a breakup of the Euro and the risk of a redenomination of the Notes. 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. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. Where a Tranche of Notes issued under the Programme is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Programme, the Issuer or to Notes already issued. Such ratings may also 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 or withdrawn by the rating agency at any time.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following description 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 relevant Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" below shall have the same meanings in this description.*

|                                      |   |
|--------------------------------------|---|
| <b>Issuer:</b>                       | Ørsted A/S  |
| <b>Description of the Programme:</b> | Debt Issuance Programme   |
| <b>Size:</b>                         | €7,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time, subject to increase as provided in the Dealer Agreement.   |
| <b>Arranger:</b>                     | Barclays Bank PLC   |
| <b>Dealers:</b>                      | Barclays Bank Ireland PLC<br>Barclays Bank PLC<br>BNP PARIBAS<br>Citigroup Global Markets Limited<br>Coöperatieve Rabobank U.A.<br>Danske Bank A/S<br>Deutsche Bank AG, London Branch<br>Goldman Sachs International<br>J.P. Morgan Securities plc<br>Morgan Stanley & Co. International plc<br>MUFG Securities (Europe) N.V.<br>NatWest Markets Plc<br>Nordea Bank Abp<br>Skandinaviska Enskilda Banken AB (publ)<br>Svenska Handelsbanken AB (publ) |

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

|                                  |                                  |
|----------------------------------|----------------------------------|
| <b>Trustee:</b>                  | Citicorp Trustee Company Limited |
| <b>Issuing and Paying Agent:</b> | Citibank, N.A.                   |

|                         |   |
|-------------------------|---|
| <b>Method of Issue:</b> | The Notes will be issued on a syndicated or a non-syndicated basis. The Notes will be issued in series (each a " <b>Series</b> ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " <b>Tranche</b> ") on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms. |
|-------------------------|---|

|                                   |   |
|-----------------------------------|---|
| <b>Consolidation:</b>             | Notes of one Series may be consolidated with Notes of another Series having substantially the same terms and conditions.  |
| <b>Issue Price:</b>               | Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price in respect of each issuance of Notes under the Programme will be set out in the applicable Final Terms.  |
| <b>Form of Notes:</b>             | Notes may be issued in bearer form (" <b>Bearer Notes</b> "), in bearer form exchangeable for Registered Notes (" <b>Exchangeable Bearer Notes</b> ") or in registered form (" <b>Registered Notes</b> "). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in " <i>Selling Restrictions</i> " below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as " <b>Global Certificates</b> ".   |
| <b>Clearing Systems:</b>          | Euroclear, Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Trustee and the relevant Dealer.  |
| <b>Initial Delivery of Notes:</b> | On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems. |
| <b>Currencies:</b>                | Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).   |
| <b>Maturities:</b>                | Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one year.<br><br>According to the Luxembourg Act relating to prospectuses for securities (the " <b>Luxembourg Act</b> "), the CSSF is not competent to approve prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months   |

and which also comply with the definition of securities in the Luxembourg Act.

- Denomination of Notes:** Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).
- Fixed Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
- Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined separately for each Series:
- (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 in respect of the Notes, as amended and supplemented up to and including the Issue Date for the first Tranche of the Notes (or as otherwise specified in the Final Terms); or
  - (b) by reference to LIBOR, EURIBOR, CIBOR, CMS London or CMS Brussels, as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
- Zero Coupon Notes:** Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
- Inflation Linked Notes:** Some or all of the interest payable and/or the Redemption Amount payable at maturity is determined by the performance of the inflation index specified hereon.
- Interest Periods and Interest Rates:** The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
- Redemption by Instalments:** The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
- Optional Redemption:** The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders and, if so, the terms applicable to such redemption. See "*Terms and Conditions of the Notes — Redemption, Purchase and Options*".

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|--|---|
| <b>Status of the Notes:</b>              | The Notes will constitute unsubordinated and unsecured obligations of the Issuer, all as described in " <i>Terms and Conditions of the Notes — Status</i> ".  |
| <b>Negative Pledge:</b>                  | See " <i>Terms and Conditions of the Notes — Negative Pledge</i> ".   |
| <b>Cross Default:</b>                    | See " <i>Terms and Conditions of the Notes — Events of Default</i> ".   |
| <b>Early Redemption:</b>                 | Except as provided in " <i>Optional Redemption</i> " above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons and at the option of the Noteholders only in certain defined circumstances. See " <i>Terms and Conditions of the Notes — Redemption, Purchase and Options</i> ".  |
| <b>Withholding Tax:</b>                  | All payments of principal and interest in respect of Notes will be made free and clear of withholding taxes of the Kingdom of Denmark unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in " <i>Terms and Conditions of the Notes — Taxation</i> ".   |
| <b>Governing Law:</b>                    | English law.  |
| <b>Listing and Admission to Trading:</b> | Application has been made to admit Notes issued under the Programme to the Official List and to admit them to trading on the Market (which is a regulated market for the purposes of MiFID II) or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly.  |
| <b>Ratings:</b>                          | <p>The Programme has been rated Baal by Moody's, BBB+ by S&amp;P and BBB+ by Fitch. Moody's, S&amp;P and Fitch are established in the EU and registered under the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, it will be specified in the applicable Final Terms. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme, the Issuer or the Notes already issued.</p> <p>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 EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EU, but which is certified under the CRA Regulation.</p> <p>The European Securities and Markets Authority ("<b>ESMA</b>") is obliged to maintain on its website, <a href="https://www.esma.europa.eu/supervision/credit-rating-agencies/risk">https://www.esma.europa.eu/supervision/credit-rating-agencies/risk</a>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. The ESMA website is not incorporated by reference into, nor does it form part of, this Base Prospectus. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore, such list is not conclusive</p> |

evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

A 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 agency.

**Selling Restrictions:**

The United States, the EEA (including the United Kingdom, Belgium and the Republic of Italy), Japan, Switzerland, Singapore and such other restrictions as may be required in connection with a particular issue. See "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms state that Notes are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration-required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

- (a) the annual reports of the Issuer as at and for the financial years ended 31 December 2017 (the "**2017 Annual Report**") and 31 December 2018 (the "**2018 Annual Report**") (excluding (a) in relation to the 2018 Annual Report, the section entitled "*Outlook 2019*" appearing on pages 12 and 13 and the section entitled "*Financial estimates and policies*" on page 14 and (b) in relation to the 2017 Annual Report, the section entitled "*Outlook 2018*" appearing on pages 13 and 14 and the section entitled "*Financial targets and policies*" on page 15), including the audited consolidated annual financial statements of the Issuer, together in each case with the audit report thereon;
- (b) the interim report of the Issuer as at and for the three months ended 31 March 2019 (excluding the section entitled "*Outlook*" appearing on page 6 therein);
- (c) the terms and conditions set out on pages 23 to 49 of the prospectus dated 17 May 2017, the terms and conditions set out on pages 20 to 42 of the prospectus dated 29 March 2012, the terms and conditions set out on pages 21 to 43 of the prospectus dated 24 March 2010 and the terms and conditions set out on pages 20 to 41 of the prospectus dated 17 April 2009 relating to the Programme,

each of which have been filed with the CSSF and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Such documents shall be incorporated by reference in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a 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.

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

Copies of documents incorporated by reference in this Base Prospectus are available to view on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The table below sets out the relevant page references for the audited consolidated annual financial statements as at and for the financial years ended 31 December 2017 and 31 December 2018 as set out in the 2017 Annual Report and the 2018 Annual Report, respectively.

### **Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2017**

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### **Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2018**

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The table below sets out the relevant page references for the interim report of the Issuer as at and for the three months ended 31 March 2019.

**Consolidated financial statements of the Issuer as at and for the three months ended 31 March 2019**

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| Income Statement.....                  | Page 18 |
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| Statement of Changes in Equity .....   | Page 21 |
| Statement of Cash Flows.....           | Page 22 |
| Notes .....                            | Page 23 |
| Management Statement.....              | Page 35 |

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "**Prospectus Regulation**").

## **SUPPLEMENTARY PROSPECTUS**

The Issuer has given an undertaking to the Dealers and the Luxembourg Stock Exchange that if at any time during the duration of the Programme there is a significant new factor, mistake or material inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in this Base Prospectus or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement prospectus approved by the CSSF for use in connection with any subsequent offering of the Notes and shall supply to each Dealer and the Luxembourg Stock Exchange such number of copies of such supplement hereto or replacement prospectus as such Dealer and the Luxembourg Stock Exchange may reasonably request.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to each Series of the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. The full text of these terms and conditions together with the relevant Final Terms shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 3 May 2019 between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 3 May 2019 has been entered into in relation to the Notes between the Issuer, the Trustee, Citibank, N.A. as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

### 1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") as specified hereon in each case in the Specified Denomination(s) shown hereon **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Linked Note or an Instalment Note, a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

The Notes are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all legal and/or regulatory and/or central bank requirements.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**") or as specified hereon. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2. **Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

### (a) ***Exchange of Exchangeable Bearer Notes:***

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmaturing Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; **provided, however, that** where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### (b) ***Transfer of Registered Notes:***

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

### (c) ***Exercise of Options or Partial Redemption in Respect of Registered Notes:***

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial

redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) ***Delivery of New Certificates:***

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 7(g)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) ***Exchange Free of Charge:***

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the applicant of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) ***Closed Periods:***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Conditions 7(e), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. **Status**

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4. **Negative Pledge**

(a) **Restriction:**

So long as any Note, Receipt or Coupon remains outstanding (as defined in the Trust Deed) the Issuer will not, and will ensure that none of its Material Subsidiaries (as defined below) will create, or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled share capital) to secure any Relevant Debt, or payment under any guarantee or indemnity granted by the Issuer or any Material Subsidiary in respect of any Relevant Debt without at the same time or prior thereto according to the Notes, the Coupons and the Issuer's obligations under the Trust Deed, equal and rateable security to that which is created or subsisting to secure any such Relevant Debt, guarantee or indemnity or such other security as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

(b) **Definitions:**

For the purposes of these Conditions:

(i) "**Material Subsidiary**" at any time means any member of the Group (not being a Subsidiary falling within sub-paragraph (iv) of the definition of Non-Recourse Project Financing and whose only indebtedness for borrowed money is Non-Recourse Project Financing):

(i) which was a Subsidiary of the Issuer at the date to which the then latest audited consolidated annual financial statements of the Issuer (the "**Accounts**") were made up and whose total revenue and/or gross assets (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) at the time of its latest financial statements (consolidated where applicable) exceeded 10 per cent. of the consolidated total revenue and/or gross assets of the Group at such date, as determined by reference to such Accounts;

(ii) which has been a Subsidiary of the Issuer for more than 180 days and which became a Subsidiary of the Issuer subsequent to the date of the then latest Accounts and whose total revenue and/or gross assets (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) would, as at the balance sheet date of the then latest Accounts on the basis that such Subsidiary was a Subsidiary on such balance sheet date, exceed 10 per cent. of the consolidated total revenue and/or gross assets of the Group as would be determined by reference to such consolidated financial statements; or

(iii) any Subsidiary of the Issuer which, although not a Material Subsidiary at the date of the then latest Accounts, subsequently acquires or develops assets and/or generates revenues which would, when aggregated with its existing assets and/or revenues (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries), constitute 10 per cent. or more of the consolidated total revenue and/or gross assets of the Group if at the balance sheet date of the then latest Accounts, those Accounts and the latest financial statements of the relevant Subsidiary (consolidated where applicable) had been prepared on the basis that such assets had already been acquired or developed or such revenues had already been generated,

**provided that** if any Material Subsidiary shall at any relevant time cease to have revenue and/ or gross assets (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) which constitute more than 10 per cent. of the

consolidated total revenues and/or gross assets of the Group if consolidated financial statements of the Issuer were prepared at that time, it shall at that time cease to be a Material Subsidiary, until such time as its revenues and/or gross assets (in each case consolidated in the case of a Subsidiary which itself has Subsidiaries) subsequently exceed 10 per cent. of the consolidated total revenues and/or gross assets of the Group at any relevant time. A certificate of two Directors of the Issuer that, in their opinion, a Subsidiary is or is not, or was or was not, at any particular time or during any particular period, a Material Subsidiary may be relied upon by the Trustee and, if so relied upon, shall, in the absence of manifest error, be conclusive and binding on all concerned;

- (ii) "**Non-Recourse Project Financing**" means any present or future indebtedness incurred to finance the ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset (whether or not an asset of the Issuer or any of its Subsidiaries), or any associated rehabilitation works, in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not the Issuer or any of its Subsidiaries) has or have no recourse whatsoever to the Issuer or any of its Subsidiaries for the repayment thereof other than:
- (i) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset or the business of owning, acquiring, constructing, developing, maintaining and/or operating such asset; and/or
  - (ii) (A) recourse for the purpose only of enabling amounts to be claimed in respect of such indebtedness in an enforcement of any encumbrance given over such asset (and/or any other assets primarily used in the business of owning, acquiring, constructing, creating, developing, maintaining and/or operating such asset) or the income, cash flow or other proceeds deriving therefrom (or given over shares or the like in the capital of the borrower or owner of the asset or any Subsidiary described in paragraph (iv)) to secure such indebtedness, **provided that** (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such person or persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up or dissolution of the Issuer or any of its Subsidiaries (other than a Subsidiary described in paragraph (iv)) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the Issuer or any of its Subsidiaries (other than a Subsidiary described in paragraph (iv)) or any of its assets (save for the assets the subject of such encumbrance); and/or (B) recourse against the assets, income, cashflow, proceeds or shares or the like subject to an encumbrance referred to in this paragraph (ii); and/or
  - (iii) recourse under any form of assurance, undertakings or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) or under an indemnity for breach of an obligation or representation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition other than costs to complete tests or project completion tests) of the Issuer or any of its Subsidiaries; and/or
  - (iv) recourse against (aa) any Subsidiary, or the assets of any Subsidiary, whose principal business comprises the ownership, acquisition, construction, creation, development, maintenance and/or operation of the asset concerned; or (bb) any Subsidiary, or the assets of any Subsidiary, whose principal business comprises the ownership or financing, directly

or indirectly, of any Subsidiary described in paragraph (iv)(aa); and/or

- (v) recourse under any guarantee and/or indemnity of such indebtedness or completion of construction or development of an asset, **provided that** in any such case the guarantee and/or indemnity is (to the extent not permitted by any of the foregoing paragraphs) released or discharged if completion of the relevant construction or development occurs on or prior to the agreed date for completion referred to in or in connection with the guarantee and/or indemnity and no default under or in connection with such indebtedness, guarantee or indemnity or any agreement relating thereto is then subsisting;
- (iii) **"Permitted Security Interest"** means (a) any Security Interest created by either the Issuer or any Material Subsidiary upon real property, energy producing assets and/or ships in favour of one or more Danish mortgage institutions (*realkreditinstitutter*) or other credit institutions (including, but not limited to, Danish Ship Finance (*Danmarks Skibskredit*)) in respect of Relevant Debt constituting indebtedness owed to such institutions, **provided that** the aggregate principal amount of the Relevant Debt in respect of which all such Security Interests shall have been created as shown on the then most recent annual audited consolidated accounts of the Issuer shall be equal to not more than 15 per cent. of the total consolidated assets of the Issuer, also as shown in the then most recent annual audited consolidated accounts of the Issuer or (b) any Security Interest over assets of a company which becomes a Subsidiary (as defined below) after the date on which agreement is reached to issue the first Tranche of Notes, but only if (i) the Security Interest (1) was in existence prior to the date of the company concerned becoming a Subsidiary and (2) was not created in contemplation of such company becoming a Subsidiary and (ii) the principal amount secured by the Security Interest as at the date the company became a Subsidiary is not subsequently increased; and
- (iv) **"Relevant Debt"** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, but shall in any event not include any Non-Recourse Project Financing; and
- (v) **"Subsidiary"** means a limited liability company covered by the term "*dattervirksomhed*" as defined in section 5(3) of the Danish Companies Act (Consolidated Act. No. 322 of 11 April 2011 as amended).

## 5. Interest and other Calculations

Notes may be interest bearing or non-interest bearing as specified in the Final Terms.

### (a) **Interest on Fixed Rate Notes:**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).

### (b) **Interest on Floating Rate Notes and Inflation Linked Notes:**

(i) **Interest Payment Dates:** Each Floating Rate Note and Inflation Linked Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f) (and Condition 6, if applicable). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment

Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination, Screen Rate Determination and/or Linear Interpolation shall apply, depending upon which is specified hereon.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
  - (1) the offered quotation; or
  - (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or CMS London or Brussels time in the case of EURIBOR or CMS Brussels or Copenhagen time in the case of CIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if subparagraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR or CMS London, the principal London office of each of the Reference Banks or if the Reference Rate is EURIBOR or CMS Brussels, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is CIBOR, the principal Danish office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR or CMS London, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR or CMS Brussels, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be:
  - (1) if the Reference Rate is LIBOR, EURIBOR or CIBOR, the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London interbank market, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is CIBOR, the Copenhagen

interbank market as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CIBOR, at approximately 11.00 a.m. (Copenhagen time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London interbank market, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is CIBOR, the Copenhagen interbank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

- (2) if the Reference Rate is CMS Brussels or CMS London, a rate determined on the basis of the mid-market annual swap rate, as selected by the Calculation Agent in its sole discretion on the Interest Determination Date at approximately 11.00 a.m. (London time), if the Reference Rate is CMS London or, if the Reference Rate is CMS Brussels, at approximately 11.00 a.m. (Brussels time). The mid-market annual swap rate as referred to in the preceding sentence means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating interest rate swap transaction denominated in EUR with respect in CMS Brussels and GBP with respect to CMS London with a maturity equal to the Designated Maturity for in an amount that is representative for a single transaction in the relevant market commencing on the first day of the Interest Period with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to 6 months.

(C) *Linear Interpolation:* Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which 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 Accrual Period and the other of which 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 Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent, following consultation with the Issuer, shall determine such rate at such time and by reference to such sources as it determines appropriate.

(c) ***Zero Coupon Notes:***

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(b)(i)).

(d) ***Accrual of Interest:***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 9).

(e) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:***

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(f) ***Calculations:***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:***

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount (each, a "**Redemption Amount**"), obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the relevant Redemption Amount(s) to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) ***Definitions:***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

- (ii) in the case of euro, a day on which the TARGET system is operating (a "**TARGET Business Day**") and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**CIBOR**" means, in respect of any currency and any period specified hereon, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (currently Nasdaq Copenhagen A/S) in accordance with the requirements from time to time of Finance Denmark based on estimated interbank borrowing rates for Danish Kroner for a number of designated maturities which are provided by a panel of contributor banks.

"**CMS Brussels**" or "**CMS London**" means a rate for the Designated Maturity determined in accordance with the Floating Rate Option for each relevant Reset Date, each as specified in the Final Terms and having the meanings given to them in the ISDA Definitions.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the "**Calculation Period**"):

- (i) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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)
- (ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

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

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

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

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

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

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

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

- (vii) if "**Actual/Actual (ICMA)**" is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

**"Determination Period"** means the period from and including a Determination Date in any year to but excluding the next Determination Date and

**"Determination Date"** means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

**"Directive"** means a directive of the European Union.

**"EURIBOR"** means, in respect of any currency and any period specified hereon, the interest rate benchmark known as the Euro-zone 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 European Banking Federation 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.

**"Euro-zone"** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

**"Interest Accrual Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**"Interest Amount"** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified hereon.

**"Interest Determination Date"** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, unless otherwise specified hereon.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified hereon.

**"ISDA Definitions"** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and in respect of the Notes, as amended and supplemented up to and including the Issue Date for the first Tranche of the Notes, unless otherwise specified hereon.

**"LIBOR"** means, in respect of any currency and any period specified hereon, the London interbank offered rate for that currency and period displayed as quoted on the appropriate page (being currently Thomson Reuters screen page LIBOR01 or LIBOR02) on the information service which publishes that rate.

**"Minimum Percentage"** means the percentage of the initial aggregate principal amount of that particular Series of Notes (including, for the avoidance of doubt, any Notes which have been consolidated and form a single Series therewith) specified as such hereon.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**"Reference Banks"** means, in the case of a determination of LIBOR or CMS London, the principal London office of four major banks in the London interbank market, in the case of a determination of EURIBOR or CMS Brussels, the principal Euro-zone office of four major banks in the Euro-zone interbank market and, in the case of a determination of CIBOR, the principal Danish office of four major banks in the Copenhagen interbank market in each case selected by the Calculation Agent or as specified hereon.

**"Reference Rate"** means the rate specified as such hereon, and includes any successor to such rate.

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service as may be specified hereon. In the event that any Relevant Screen Page stops providing quotations for a Reference Rate, then such other page, section, caption, column or other part as may replace the same on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the relevant Reference Rate for the purpose of displaying comparable rates or prices will be used. If there is more than one service displaying the Reference Rate, the one approved in writing by the Calculation Agent after consultation with the Issuer will be used.

**"Specified Currency"** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**"TARGET System"** means the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(i) ***Calculation Agent:***

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior written approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. **Indexation**

This Condition 6 is applicable only if the applicable Final Terms specifies the Notes as Inflation Linked Notes.

(a) ***Indexation of Principal:***

Unless otherwise specified hereon, the Final Redemption Amount, the Early Redemption Amount and the Optional Redemption Amount in respect of the Inflation Linked Notes shall be the nominal amount of the Inflation Linked Notes multiplied by the Index Ratio applicable to the date on which the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount (as the case may be) becomes payable (as determined in accordance with Condition 6(f)), **provided that:**

- (i) if a Minimum Final Redemption Amount, Minimum Early Redemption Amount and/or Minimum Optional Redemption Amount is specified in the applicable Final Terms and such amount is greater than the amount of principal in respect of the Notes determined in accordance with this Condition 6(a) (expressed on a per Calculation Amount basis), the Final Redemption Amount, Early Redemption Amount and/or Optional Redemption Amount (as applicable) shall be, respectively, the Minimum Final Redemption Amount, Minimum Early Redemption Amount and/or Minimum Optional Redemption Amount (as applicable) so specified in the applicable Final Terms; and/or
- (ii) if a Maximum Final Redemption Amount, Maximum Early Redemption Amount and/or Maximum Optional Redemption Amount is specified in the applicable Final Terms and such amount is less than the amount of principal in respect of the Notes determined in accordance with this Condition 6(a) (expressed on a per Calculation Amount basis), the Final Redemption Amount, Early Redemption Amount and/or Optional Redemption Amount (as applicable) shall be, respectively, the Maximum Final Redemption Amount, Maximum Early Redemption Amount or Maximum Optional Redemption Amount (as applicable) so specified in the applicable Final Terms; and
- (iii) the Calculation Agent will calculate the Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount (as the case may be) as set out in Condition 5(g).

(b) ***Changes in Circumstances Affecting the Index:***

- (i) ***Change in Base:***

If at any time and from time to time the Index is changed by the substitution of a new base for it, then with effect from (and including) the month in respect of which such substitution takes effect:

- (A) the definition of Index and Index Figure in Condition 6(f) shall be deemed to refer to the month and/or year (as applicable) in substitution for January 1987 (where RPI is specified as the Index in the relevant Final Terms) or 2015 (where CPI is specified as the Index in the relevant Final Terms) (or, as the case may be, for such other date or month as may have been substituted for it); and
- (B) the definition of Base Index Figure in Condition 6(f) shall be amended to mean the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index immediately prior to such substitution.

(ii) *Delay in publication of the Index:*

If in relation to a particular Interest Accrual Period or to the redemption of all or some only of the Notes and otherwise than in circumstances which the Issuer certifies to the Trustee may fall with Condition 6(d) or Condition 7(d) (notwithstanding that the Issuer may subsequently be advised that they do not fall within Condition 6(d) or Condition 7(d)), the Index Figure relating to any month (the "**calculation month**") which is required to be taken into account for the purposes of the determination of the Index Figure applicable to any date is not published on or before the fourteenth day before the date on which such payment is due (the "date for payment"), the Index Figure for the relevant calculation month shall be:

- (A) the substitute index figure (if any) as is published by the Bank of England or the United Kingdom Debt Management Office (or such other United Kingdom authority as may be appropriate) for the purposes of indexation or payments on the Reference Gilt or the Indexed Benchmark Gilt (as applicable) or, failing such publication, on any one or more of HM Government's index-linked stocks that is indexed to the same Index as the Notes, as determined by the Expert; or
- (B) if no such determination is made by the Expert within seven days, the Index Figure last published before the date for payment.

(c) *Application of Changes:*

Where the provisions of Condition 6(b)(ii) apply, the Issuer shall deliver to the Issuing and Paying Agent and Calculation Agent a certificate, acting on the sole advice of the Expert, as to the Index Figure applicable to the date for payment which shall be conclusive and binding. If a substitute index is published as specified in Condition 6(b)(ii)(A) above, a determination made based on that Index shall be final and no further payment by way of adjustment shall be made, notwithstanding that the Index Figure applicable to the date for payment may subsequently be published.

If no substitute index is so published and the index relating to the date for payment is subsequently published then:

- (i) in the case of an Inflation Linked Note not falling due for redemption on the date for payment of interest or principal (as the case may be), if the index so subsequently published (if published when such Note remains outstanding) is greater or less than the Index applicable by virtue of Condition 6(b)(ii)(B), the interest payable on that Note on the Interest Payment Date next succeeding the date of such subsequent publication shall be increased or reduced to reflect the amount by which the interest or principal (as the case may be) next payable on that Note on the date for payment on the basis of the index applicable by virtue

of the preceding paragraph fell short of, or (as the case may be) exceeded the interest or principal (as the case may be) which would have been payable on that Note if the Index subsequently published had been published on or before the fourteenth business day before the date for payment; or

- (ii) in the case of any Note falling due for final redemption on the date of payment, no subsequent adjustment to amounts paid will be made.

(d) ***Cessation of or Fundamental Changes to the Index:***

If the Index ceases to be published or any changes are made to it which, in the opinion of the Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Issuer or the Noteholders and if, within 30 days after its appointment (or such longer period as the Trustee may in its sole discretion agree), the Expert recommends for the purposes of the Inflation Linked Notes one or more adjustments to the Index or substitute index (with or without adjustments), then provided that such adjustments or substitute index (as the case may be) are not materially detrimental (in the opinion of the Expert) either to the interests of the Issuer or the interests of the Noteholders, as compared to the interests of the Issuer and the Noteholders (as the case may be) as they would have been had the Index continued to be published or such fundamental change in the rules governing the Index had not been made, the Index shall be adjusted as so recommended or (as the case may be) shall be replaced by the substitute index so recommended (as so adjusted, if so recommended) and references in these Conditions to the Index shall be construed accordingly and the Issuer shall notify the Noteholders of the adjustments to the Index or the introduction of the substitute index (with or without adjustments) in accordance with Condition 16.

If any payment in respect of the Inflation Linked Notes is due to be made after the cessation or changes referred to in the preceding paragraph but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the date of payment is not available in accordance with the provisions of Condition 6(f)) make a provisional payment on the basis that the Index Figure applicable to the date for payment is the Index last published. In that event or in the event of any payment on the Inflation Linked Notes having been made on the basis of an index deemed applicable under Condition 6(b)(ii)(A) above (also referred to below as a "provisional payment") the Expert subsequently determines that the relevant circumstances fall within this Condition 6(d), then:

- (i) except in the case of a payment on redemption of the Inflation Linked Notes, if the sum which would have been payable if such adjustments or such substitute index had been in effect on the due date for such provisional payment is greater or less than the amount of such provisional payment, the interest payable on the Inflation Linked Notes on the Interest Payment Date next succeeding the date on which the Issuer and the Trustee receive such recommendation shall be increased or reduced to reflect the amount by which such provisional payment of interest fell short or, (as the case may be) exceeded, the interest which would have been payable on the Notes if such adjustments or such substituted index had been in effect on that date; or
- (ii) in the case of a payment of principal or interest on redemption of the Notes, no subsequent adjustment to amounts paid will be made.

(e) ***Trustee Action and/or Steps:***

The Trustee shall be entitled to assume that no cessation of or change to the Index has occurred until notified otherwise by the Issuer and it will not be responsible for identifying or appointing an Expert. The Trustee may rely absolutely on any determination made or advice given by the Expert without need for further investigation.

(f) ***Definitions:***

In these Conditions:

"**Base Index Figure**" means (subject to Condition 6(b)) the base index figure as specified in the relevant Final Terms;

"**Calculation Date**" means any date when an Interest Amount or principal amount, as the case may be, falls due;

"**CPI**" means the U.K. Consumer Price Index (for all items) published by the Office for National Statistics (2015 = 100), or any comparable index which may replace such index for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any);

"**Expert**" means a gilt-edged market maker, an independent investment bank or other expert in London appointed by the Issuer;

"**Index**" or "**Index Figure**" means, subject as provided in Conditions 6(b), 6(d) and 7(d), either RPI or CPI as specified in the relevant Final Terms

- (i) Where RPI is specified as the Index in the relevant Final Terms, any reference to the "Index Figure applicable" to a particular Calculation Date shall, subject as provided in Conditions 6(b), 6(d) and 7(d), and if "3 months lag" is specified in the applicable Final Terms, be calculated in accordance with the following formula:

$$RPI_{m-3} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (RPI_{m-2} - RPI_{m-3})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

"**RPI<sub>m-3</sub>**" means the Index Figure for the first day of the month that is three months prior to the month in which the payment falls due; and

"**RPI<sub>m-2</sub>**" means the Index Figure for the first day of the month that is two months prior to the month in which the payment falls due;

- (ii) Where RPI is specified as the Index in the relevant Final Terms, any reference to the "Index Figure applicable" to a particular Calculation Date shall, subject as provided in Conditions 6(b), 6(d) and 7(d), and if "8 months lag" is specified in the applicable Final Terms, mean the Index Figure for the first day of the month that is eight months prior to the month in which the payment falls due;
- (iii) Where CPI is specified as the Index in the relevant Final Terms, any reference to the "Index Figure applicable" to a particular Calculation Date shall, subject as provided in Conditions 6(b), 6(d) and 7(d), be calculated in accordance with the following formula:

$$CPI_{m-t} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (CPI_{m-(t-1)} - CPI_{m-t})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

"**CPI<sub>m-t</sub>**" means the Index Figure for the first day of the month that is "t" months prior to the month in which the payment falls due, where the lag period "t" has a value of 2 to 24 as specified in the applicable Final Terms;

"**Indexed Benchmark Gilt**" means the index-linked sterling obligation of the United Kingdom Government listed on the Official List of the Financial Conduct Authority (in

its capacity as competent authority under the Financial Services and Markets Act 2000, as amended) and traded on the London Stock Exchange that is indexed to the same Index as the Notes and whose average maturity most closely matches that of the Notes as the Expert shall determine to be appropriate;

“**Index Ratio**” applicable to any Calculation Date means the Index Figure applicable to such month or date divided by the Base Index Figure and rounded to five decimal places (0.000005 being rounded upwards);

“**Reference Gilt**” means the Treasury Stock specified in the applicable Final Terms (or, if such stock is not in existence, such other index-linked stock issued by or on behalf of HM Government as the relevant Issuer, on the advice of the Expert, may consider to be the most appropriate reference government stock for the Inflation Linked Notes); and

“**RPI**” means the U.K. Retail Price Index (for all items) published by the Office for National Statistics (January 1987 = 100) as published by HM Government.

## 7. **Redemption, Purchase and Options**

### (a) ***Redemption by Instalments and Final Redemption:***

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Note that provides for Instalment Dates and Instalment Amounts (other than an Inflation Linked Note) shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note (other than an Inflation Linked Note) shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### (b) ***Early Redemption:***

- (i) ***Zero Coupon Notes:***
  - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 7(c) or upon it becoming due and payable as provided in Condition 11, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
  - (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually (the "**Amortised Face Amount**").
  - (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(c) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph

(B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Notes other than Zero Coupon Notes:* The Early Redemption Amount payable in respect of any Note (other than Zero Coupon Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(c) or Condition 7(d) or upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) ***Redemption for Taxation Reasons:***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 7(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 9 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, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) ***Redemption for Index Reasons:***

In the case of Inflation Linked Notes, if Redemption for Index Reasons is specified hereon and where:

(i) the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Noteholders and if the Expert fails within 30 days after its appointment (or such longer period as the Trustee may in its sole discretion agree), or states to the Issuer and the Trustee that it is unable, to recommend for the purposes of the Notes any adjustments to the Index or any substitute index (with or without adjustments), as described in Condition 6(d), the Issuer shall, within 14 days of the expiry of such period or (as the case may be) after the date of such statement, give notice (which shall be irrevocable and shall state the date fixed for redemption which shall not be more than 15 days after the date on which the notice is given) to redeem the Notes then outstanding, at a price equal to their

nominal amount multiplied by the Index Ratio applicable to the date on which the date fixed for redemption falls, together with accrued interest; or

- (ii) the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Issuer and if the Expert fails within 30 days after its appointment (or such longer period as the Trustee may in its sole discretion agree), or states to the Issuer and the Trustee that it is unable, to recommend for the purposes of the Notes any adjustments to the Index or any substitute index (with or without adjustments), as described in Condition 6(d), the Issuer may at its option, within 14 days of the expiry of such period or (as the case may be) after the date of such statement, give notice (which shall be irrevocable and shall state the date fixed for redemption which shall not be more than 15 days after the date on which the notice is given) to redeem the Notes then outstanding, at a price equal to their nominal amount multiplied by the Index Ratio applicable to the date on which the date fixed for redemption falls, together with accrued interest,

**provided that** no change as set out in Condition 7(d)(i) shall constitute a fundamental change in the rules governing the Index which would be detrimental to the interests of the Noteholders unless (i) the Fundamental Change Reference Bond specified hereon contains similar terms allowing redemption on a fundamental change to the relevant index and (ii) a notice has been published offering holders of the Fundamental Change Reference Bond the right to redeem such Fundamental Change Reference Bonds in accordance with their terms.

(e) ***Redemption at the Option of the Issuer:***

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

If Make-Whole Redemption is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Notes at any time or from time to time (i) where no particular period during which Make-Whole Redemption is applicable is specified, prior to their Maturity Date, or (ii) where Make-Whole Redemption is specified as only being applicable for a certain period, during such period, in each case on the date for redemption specified in such notice (the "**Make-Whole Redemption Date**") at the Make-Whole Redemption Amount.

In the case of Notes other than Inflation Linked Notes where CPI is specified as the Index in the relevant Final Terms, the Make-Whole Redemption Amount will be calculated by the Financial Advisor and will be the greater of:

- (i) 100 per cent. of the principal amount of the Notes so redeemed (where applicable, adjusted for indexation in accordance with Condition 6); and
- (ii) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin, if any, specified in the applicable Final Terms, plus, in each case, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

In the case of Inflation Linked Notes where CPI is specified as the Index in the relevant Final Terms:

- (i) unless the Financial Advisor advises the Issuer that an appropriate CPI Gilt is outstanding which would be utilised, at the time of selection and in accordance with customary financial practice at such time, in pricing new issues of corporate debt securities with a similar remaining weighted average life to the Notes, the Make-Whole Redemption Amount will be calculated by the Financial Advisor and will be the greater of:
  - a. 100 per cent. of the principal amount of the Notes so redeemed (adjusted for indexation in accordance with Condition 6); and
  - b. the RPI Adjusted Redemption Amount; or
- (ii) if the Financial Advisor advises the Issuer that an appropriate CPI Gilt is outstanding (the "**Redemption Reference CPI Gilt**") which would be utilised, at the time of selection and in accordance with customary financial practice at such time, in pricing new issues of corporate debt securities with a similar remaining weighted average life to the Notes, the Make-Whole Redemption Amount will be calculated by the Financial Advisor and will be the greater of:
  - a. 100 per cent. of the principal amount of the Notes so redeemed (adjusted for indexation in accordance with Condition 6) and
  - b. the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (not including any interest accrued on the Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on an annual basis at the CPI Make-Whole Redemption Rate plus the Make-Whole Redemption Margin, if any, specified in the applicable Final Terms, plus, in each case, any interest accrued on the Notes to, but excluding, the Make-Whole Redemption Date.

All Notes in respect of which any such notice of redemption is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

For the purposes of this Condition 7(e):

"**CPI Gilt**" means a sterling obligation of the UK government listed on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange which is linked to the CPI;

"**CPI Make-Whole Redemption Rate**" means with respect to the Reference Dealers and the Make-Whole Redemption Date, the average of the five quotations of the mid-market annual yield to maturity of the Redemption Reference CPI Gilt at the Quotation Time specified hereon on the Determination Date specified hereon quoted in writing to the Issuer and the Trustee by the Reference Dealers;

"**Financial Advisor**" means an independent financial institution of international repute or an independent advisor of recognised standing with appropriate expertise selected by the Issuer after notification of such selection to the Trustee;

"**Make-Whole Redemption Rate**" means with respect to the Reference Dealers and the Make-Whole Redemption Date, the average of the five quotations of the mid-market

annual yield to maturity of the Make-Whole Reference Bond specified hereon or, if the Make-Whole Reference Bond is no longer outstanding, a similar security in the reasonable judgment of the Reference Dealers, at the Quotation Time specified hereon on the Determination Date specified hereon quoted in writing to the Issuer and the Trustee by the Reference Dealers;

**"Notional RPI Bond"** means a bond issued by the Issuer, the terms of which are the same as those of the Notes to be redeemed, save only that payments of principal and interest are adjusted for indexation by reference to RPI (rather than CPI);

**"Real Yield"** means a yield, expressed as a percentage, calculated by the Financial Advisor 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 (Index-Linked Gilts) (published on 8 June, 1998 and updated on 15 January, 2002 and 16 March, 2005) (as updated, amended or supplemented from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to five decimal places). Such method requires the adoption of an assumed inflation rate which shall be such rate as the Financial Advisor may determine and notify to the Trustee and the Issue and Paying Agent to be appropriate and, for the avoidance of doubt, the assumed inflation rate shall be a long-term UK inflation rate for the remaining life of the Notes. If such formula does not reflect generally accepted market practice at the time of redemption, a yield calculated in accordance with generally accepted market practice at such time, all as advised to the Issuer by the Financial Advisor;

**"Redemption Reference RPI Gilt"** means such RPI Gilt as the Financial Advisor determines would be utilised, at the time of selection and in accordance with customary financial practice at such time, in pricing new issues of corporate debt securities of comparable maturity and amortisation profile to the remaining term of the Notes (or, where the Financial Advisor advises the Issuer) that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other government stock as the Financial Advisor may recommend as appropriate for this purpose;

**"Reference Dealers"** means those Reference Dealers specified hereon;

**"RPI Adjusted Redemption Amount"** is an amount equal to the sum of:

- (i) the product (adjusted for indexation in accordance with Condition 6) of the outstanding principal amount of the Notes to be redeemed and the price, expressed as a percentage (rounded to five decimal places, with 0.000005 being rounded upwards), (as reported in writing to the Issuer by the Financial Advisor) at which the Real Yield on the Notes on the Yield Calculation Date is equal to the sum of (x) the Real Yield at 11.00 a.m. (London time) on such date of the Redemption Reference RPI Gilt (or, where the Financial Advisor determines in good faith and advises to the Issuer that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other government stock as advised to the Issuer by the Financial Advisor) and (y) 0.1 per cent.; and
- (ii) the Wedge Value (which may be positive or negative and, if negative, the absolute value shall be deducted for the purpose of calculating the RPI Adjusted Redemption Amount);

**"RPI Gilt"** means a sterling obligation of the UK government listed on the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange which is linked to the RPI;

**"Wedge Value"** means the market value to a market counterparty on the Yield Calculation Date (based on three (or such lower number as the Issuer and the Financial Advisor may agree as appropriate) third party quotes) of a notional swap (where the parties are deemed to have a bilateral, daily, zero-threshold, no initial amount, ISDA Credit Support Annex) under which the market counterparty:

- (i) receives the remaining cashflows of the Notes; and
- (ii) pays the remaining cashflows of the Notional RPI Bond,

and where, in providing such quotes, such third parties are asked to use discount factors calculated from the zero coupon curve derived from the interest rate used to calculate payments on GBP cash collateral, **provided that**, if the Financial Advisor determines and advises the Issuer that it is not reasonably practicable to determine the Wedge Value on such basis (including, without limitation, because it is not reasonably practicable to obtain third party quotes) the Wedge Value shall be determined by the Financial Advisor and advised to the Issuer; and

**“Yield Calculation Date”** means the date which is the second Business Day prior to the date on which the notice to redeem is dispatched; and

in the case of Inflation Linked Notes only, the **“then present values of the remaining scheduled payments of principal and interest on such Notes”** shall be calculated in accordance with the customary conventions applied to the calculation of such amounts in the inflation linked debt transactions from time to time.

(f) ***Clean-up Call Option of the Issuer:***

If Clean-up Call Option is specified hereon, in the event that Notes representing an aggregate amount equal to or exceeding the Minimum Percentage have been purchased or redeemed and cancelled by the Issuer, 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 the date set for redemption.

(g) ***Redemption at the Option of Noteholders:***

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) ***Purchases:***

The Issuer and any of its subsidiaries may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) ***Cancellation:***

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or

surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8. **Payments and Talons**

(a) ***Bearer Notes:***

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 8(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) ***Registered Notes:***

(i) Payments of principal (which for the purposes of this Condition 8(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 8(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) ***Payments in the United States:***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by 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 are subject in all cases to (i) without prejudice to the provisions of Condition 9, any applicable fiscal or other laws, regulations and directives, and (ii) notwithstanding the provisions of Condition 9, 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 any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Appointment of Agents:***

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) ***Unmatured Coupons and Receipts and unexchanged Talons:***

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest

Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(h) **Non-Business Days:**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

9. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Denmark or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders 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 with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Denmark other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts

and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

10. **Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11. **Events of Default**

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** the Issuer fails to pay any interest on, or any principal or premium in respect of, the Notes and such failure continues for a period of 14 days in respect of principal or interest; or
- (b) **Breach of Other Obligations:** the Issuer fails in any material respect to perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (as defined in Condition 4) for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised unless any such right of acceleration or obligation referred to in this paragraph (c) (i), (ii) or (iii) is contested by the Issuer or any of its Material Subsidiaries, as the case may be, in good faith by appropriate and adequate provisions having been made and further **provided that** the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €25,000,000 or its equivalent (as reasonably determined by the Trustee); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 90 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and, in any case, the value of the claim secured by any such mortgage, charge, lien or other encumbrance is equal to or exceeds (or if added to the value of any other claim falling to be taken into account under this paragraph (e) would equal or exceed) €25,000,000 or its equivalent (as reasonably determined by the Trustee); or

- (f) **Insolvency:** the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries; or
- (g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer, or another of its Material Subsidiaries; or
- (h) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

**provided that** in the case of paragraphs (b), (d), (e) and (h) and, in relation to Material Subsidiaries only, (f) and (g), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

## 12. Meetings of Noteholders, Modification, Waiver and Substitution

### (a) **Meetings of Noteholders:**

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum Rate of Interest, Instalment Amount or Redemption Amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

*These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.*

(b) ***Modification of the Trust Deed:***

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that in its opinion is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) ***Substitution:***

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of certain other entities in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) ***Entitlement of the Trustee:***

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

13. **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (b) it shall have been indemnified to its satisfaction. No Noteholder, Receipt holder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

15. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on

payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

16. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with outstanding securities of any Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

17. **Notices**

Notices required to be given to the holders of Registered Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bearer Notes pursuant to the Conditions shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices required to be given to the holders of the Notes pursuant to the Conditions shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

18. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. **Governing Law and Jurisdiction**

(a) ***Governing Law:***

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

(b) ***Jurisdiction:***

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) ***Service of Process:***

The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

## USE OF PROCEEDS

The net proceeds from the issue of any Notes will be used by the Issuer: (i) for general corporate purposes of the Issuer; (ii) if so specified in the relevant Final Terms, exclusively to finance or refinance, in whole or in part, Green Projects; or (iii) if, in respect of any particular issue of Notes, there is a particular identified use of proceeds, for a purpose that will be specified in the applicable Final Terms.

According to the definition criteria set out by the International Capital Market Association *Green Bond Principles 2018*, only Tranches of Notes exclusively financing or refinancing Green Projects will be denominated "Green Bonds". See "*Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets*" for more information.

None of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

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

### Initial Issue of Notes

If the Global Notes or Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), on or prior to the issue date, the Global Notes or Global Certificates will be delivered to a Common Safekeeper.

Depositing the Global Notes or the Global Certificates intended to be held as Eurosystem eligible collateral with a Common Safekeeper 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 ("**Eurosystem eligible collateral**") either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met. In the case of Notes issued in NGN form or to be held under the NSS (as the case may be) which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as Common Safekeeper.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the issue date to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository or the Common Safekeeper, as the case may be, may also be credited to the accounts of subscribers with other clearing systems (if indicated in the relevant Final Terms) through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for his/her share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

#### 1. **Exchange**

##### 1. *Temporary Global Notes*

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (see "*Overview the*

*Programme — Selling Restrictions*"), in whole, but not in part, for Definitive Notes defined and described below; and

- (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement, for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

## 2. *Permanent Global Notes*

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "*Partial Exchange of Permanent Global Notes*", in part for Definitive Notes or, in the case of paragraph 3 below, Registered Notes:

- (a) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes;
- (b) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so to the Issuing and Paying Agent of its election for such exchange; or
- (c) if principal in respect of any Notes is not paid when due, by the holder giving notice of the Issuing and Paying Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

## 3. *Permanent Global Certificates*

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Registered Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (a) if the Registered Notes represented by the Global Certificate are held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal or interest in respect of any Registered Notes is not paid when due; or
- (c) with the consent of the Issuer,

**provided that**, in the case of the first transfer of part of a holding pursuant to paragraph 3(a) or 3(b) above, the holder of the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of the intention of the holder of the Global Certificate to effect such transfer.

4. ***Delivery of Notes***

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is an NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

5. ***Exchange Date***

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal or interest in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

6. ***Other***

If a Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

**Amendment to Conditions**

The temporary Global Notes, the permanent Global Notes and the Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

1. ***Payments***

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Bearer Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Trust Deed. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is an NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the

relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

2. ***Prescription***

Claims against the Issuer in respect of Notes that are represented by a Global Note or a Global Certificate will become void unless it is presented for payment within a period of 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in "*Terms and Conditions of the Notes — Taxation*").

3. ***Meetings***

At any meeting of Noteholders, the holder of a permanent Global Note or Global Certificate shall be treated as being two persons for the purposes of any quorum requirements at a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Note. All holders Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4. ***Cancellation***

Cancellation of any Note represented by a Global Note or a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note or Global Certificate, as the case may be.

5. ***Purchase***

Notes represented by a Global Note or a Global Certificate may only be purchased by the Issuer or any of its Subsidiaries (as defined in the Trust Deed) if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) set out in the Final Terms.

6. ***Issuer's Option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg and/or the relevant Alternative Clearing System (as the case may be) and shall be reflected in the records of the relevant clearing system as either a pool factor or a reduction in nominal amount, at their discretion. Following the exercise of any such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant clearing systems and represented by the relevant Global Note or Global Certificate shall be reduced accordingly.

7. ***NGN nominal amount***

Where the Global Note is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to

the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

8. ***Noteholders' Option***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate may be exercised by the holder of the Global Note or Global Certificate giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Global Note is a CGN, presenting the Global Note or Global Certificate to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is an NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

9. ***Trustee's Powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

10. ***Notices***

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate. Any such notice shall be deemed to have been given on the seventh day after the date on which it is delivered to the holder of the relevant Global Note or Global Certificate.

## ØRSTED A/S

### Information about the Issuer

The Issuer is a limited liability company incorporated in Denmark under Danish law and centrally registered with the Danish Business Authority (*Erhvervsstyrelsen*) in Copenhagen under CVR no. 36 21 37 28. The shares of the Issuer have been listed on Nasdaq Copenhagen since 9 June 2016. The principal registered office of the Issuer is located at Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark, and the telephone number of the Issuer is +45 99 55 11 11.

The share capital of the Issuer is DKK 4,203,810,800 and is divided into shares of DKK 10 each or multiples thereof. The issued share capital is fully paid-up. There are no other classes of shares besides the ordinary shares. There are no non-voting shares.

According to Article 3 of the Issuer's Articles of Association, the corporate purpose of the Issuer is to carry on business in the energy sector and activities related thereto.

### Major Shareholders

As at the date of this Base Prospectus, the Kingdom of Denmark holds a 50.1 per cent. ownership interest in the Issuer. Other shareholders holding 5 per cent. or more of the ownership interest and/or voting rights in the Issuer are The Capital Group Companies, Inc., Europacific Growth Fund and SEAS-NVE A.m.b.a. The Kingdom of Denmark exercises its shareholder rights through the Danish Ministry of Finance. The shares owned by the Kingdom of Denmark have the same voting rights as all other shares in the Issuer. The Danish Companies Act provides the minority shareholders with certain minority protection rights, including that no resolutions shall be passed at the general meeting of shareholders that are clearly likely to confer upon certain shareholders an undue advantage over other shareholders of the Issuer.

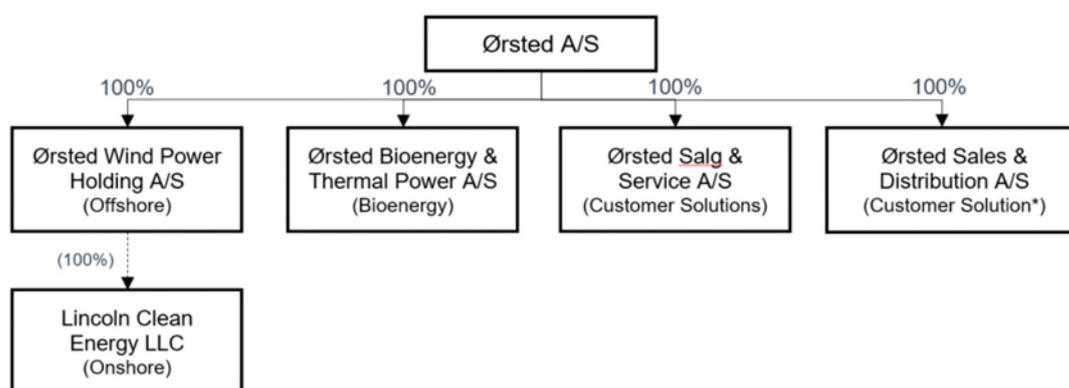
Majority ownership by the Kingdom of Denmark shall ensure that the natural gas infrastructure and oil pipeline facilities currently owned by the Issuer remain under control by the Kingdom of Denmark in accordance with a political agreement from October 2004 between the Danish Government and a broad majority of the parties in the Danish Parliament. This agreement was re-confirmed in October 2007, February 2013 and again in September 2015 (the "**Confirmation Political Agreement**"). According to the Confirmation Political Agreement the Kingdom of Denmark shall retain a majority interest in the Issuer at least until 2020, unless the parties backing the Confirmation Political Agreement agree otherwise. Any subsequent changes in the ownership interest of the Kingdom of Denmark also require agreement among the parties to the Confirmation Political Agreement.

The Confirmation Political Agreement states that the Kingdom of Denmark wishes to secure the continued state control over (i) the natural gas infrastructure facilities currently consisting of the Issuer's off-shore natural gas pipeline system connecting gas producing assets in the Danish part of the North Sea to the onshore transmission grid and the Nybro gas treatment facility and (ii) the oil pipeline business consisting of the oil pipeline connecting the Gorm E platform in the North Sea to the oil terminal at Fredericia, Jutland, including the stabilisation plant, in both cases by seeking a sale of the Issuer's gas infrastructure and oil pipeline facilities to the state-owned Energinet on commercial terms.

### Organisational Structure of the Issuer

The Issuer serves as a holding company, with all primary business activities conducted through its subsidiaries. The chart below illustrates the relationship of the Issuer with its principal subsidiaries (all of which are wholly owned by the Issuer):

**Figure 1: The Issuer's principal subsidiaries**



\* Radius Elnet A/S, the owner of the Issuer's Danish power distribution grid, is a subsidiary of Ørsted Sales & Distribution A/S.

## Business Overview

The Issuer was founded as Dansk Naturgas A/S by the Kingdom of Denmark on 27 March 1972, as a vehicle for the development of Danish energy activities. The Issuer established the Danish gas transmission grid, procured natural gas from the producers in the Danish North Sea and developed from a passive investor in oil exploration and production licenses in the Danish North Sea to become an independent offshore oil and gas explorer and producer in Denmark, Norway and the United Kingdom. In 1999 and 2000, the Issuer acquired the Southern Jutland and Western and Southern Zealand gas distribution and supply companies, comprising two out of five Danish gas distribution and supply companies.

In 2006, the acquisitions of five regional Danish energy companies (Elsam, NESAs, Energi E2, part of Københavns Energi, and part of Frederiksberg Forsyning) were completed, and the Issuer's name was changed to DONG Energy A/S (now Ørsted A/S). The acquisitions allowed the Issuer to expand into power generation, sales and distribution activities.

In the years following the acquisitions, the growing demand for renewable energy and the need to reduce coal-fired thermal generation capacity in the Nordic area led the Issuer to revise its strategy. International coal-fired power plant projects under preparation were cancelled in 2009, capacity closures of Danish power plants were initiated and a plan to reduce CO<sub>2</sub> emissions was adopted.

Following significant financial challenges in 2012, a financial action plan was executed in 2013 and 2014 to improve the Issuer's capital structure and to ensure a sufficient financial foundation to continue the transformation of the Group and enable the implementation of the strategy towards achieving the Issuer's 2020 goals. The financial action plan included a significant divestment of non-core assets, cost reductions and a capital injection of DKK 13 billion, which took place in February 2014.

In September 2016 the Issuer divested its gas distribution network and on 29 September 2017, the Issuer divested its oil & gas exploration and production activities to INEOS. Furthermore, in June 2018 the Issuer decided to initiate a structured divestment process of its Danish power distribution, residential customer and city light businesses. Therefore, these activities together with the Issuer's oil pipeline and offshore gas pipeline are accounted for as assets held for sale in the Issuer's consolidated 2018 accounts. The Issuer's gas transmission activity was divested to Energinet.dk in 2004 as part of the unbundling of the Danish power sector.

Today, the Issuer is an energy company with a strategic focus on upstream renewable energy production, with leading competences in offshore wind, bioenergy, energy solutions, and building a platform to expand in onshore wind, solar energy and energy storage facilities.

The Issuer carries out its business activities in four operating segments, referred to as "Offshore", "Bioenergy", "Onshore" and "Customer Solutions". The principal activities include (i) development, construction and operation and maintenance of offshore and onshore wind farms, (ii) generation of power and heat from offshore and onshore wind farms, and thermal generation assets and (iii) gas and power business-to-business sales activities.

At the end of December 2018, the Issuer employed 6,080 full-time equivalent employees throughout the Group.

### **Recent Group Developments**

In June 2018, the Issuer decided to initiate a structured divestment process of the Issuer's Danish power distribution, residential customer and city light businesses. Although the political support for continuing this structured process in the form originally contemplated ceased in January 2019, the Issuer is continuing to investigate different options for exiting these business activities.

On 30 April, the Issuer took a FID on the Changhua 1 and 2a offshore wind farms in Taiwan with a combined capacity of approximately 900 MW. Prior to such FID being taken, Taiwan's Ministry of Economic Affairs approved the Issuer's local supply chain plan, and subsequently the Issuer signed a PPA with Taiwan Power Company at the feed-in-tariff level announced on 30 January 2019. The Issuer intends to construct the Changhua 1 and 2a offshore wind farms in 2021 and 2022, respectively.

For recent events relating to a specific segment, please see the relevant section for each business unit.

## Summary of Key Operating Data

**Table 1: Summary of Key Operating Data**

|   | <b>FY<br/>2017</b> | <b>FY<br/>2018</b> | <b>Q1<br/>2018</b> | <b>Q1<br/>2019</b> |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Offshore:</b>  |                    |                    |                    |                    |
| Decided (FID made) capacity <sup>(a)</sup> , offshore wind (GW) ..... | 8.9                | 9.0                | 8.9                | 9.0                |
| Installed capacity <sup>(a)</sup> , offshore wind (GW) .....          | 3.9                | 5.6                | 4.4                | 5.6                |
| Generation capacity <sup>(a)</sup> , offshore wind (GW) .....         | 2.5                | 3.0                | 2.7                | 3.0                |
| Wind speed (m/s) .....  | 9.3                | 9.1                | 10.3               | 10.4               |
| Load factor <sup>(a)</sup> (%) .....                                  | 44                 | 42                 | 55                 | 51                 |
| Availability <sup>(a)</sup> (%) .....                                 | 93                 | 93                 | 94                 | 96                 |
| Power generation (TWh).....   | 8.5                | 10.0               | 3.0                | 3.1                |
| <b>Onshore:</b>   |                    |                    |                    |                    |
| Decided (FID made) capacity, onshore wind (MW)                        | -                  | 997                | -                  | 997                |
| Installed capacity, onshore wind (MW)                                 | -                  | 813                | -                  | 813                |
| Wind speed (m/s)  | -                  | 7.3                | -                  | 7.8                |
| Load factor (%)   | -                  | 41                 | -                  | 47                 |
| Availability(%)   | -                  | 92                 | -                  | 97                 |
| Power generation (GWh)  | -                  | 552                | -                  | 826                |
| <b>Bioenergy:</b>   |                    |                    |                    |                    |
| Degree days <sup>(a)</sup> (number) .....                             | 2,705              | 2,526              | 1,417              | 1,140              |
| Heat generation (TWh).....  | 9.0                | 8.8                | 4.8                | 3.7                |
| Power generation (TWh).....   | 8.2                | 6.7                | 3.3                | 1.9                |
| <b>Customer Solutions:</b>  |                    |                    |                    |                    |
| Regulatory value of power distribution assets <sup>(b)</sup> .....    | 10,623             | 10,957             | 10,623             | 10,957             |
| Volume of power distribution (TWh).....                               | 8.4                | 8.4                | 2.4                | 2.3                |
| Volume of power sales (TWh) .....                                     | 37.7               | 35.3               | 11.5               | 9.7                |
| Volume of gas sales (TWh).....  | 136.1              | 134.1              | 42.5               | 26.5               |
| <b>Environment:</b>   |                    |                    |                    |                    |
| CO <sub>2</sub> emissions (g CO <sub>2</sub> e/kWh) .....             | 151                | 131                | 147                | 131                |
| <b>Oil &amp; Gas (discontinued operations):</b>                       |                    |                    |                    |                    |
| Oil and Gas production (million boe) <sup>(c)</sup> .....             | 36.6               | -                  | -                  | -                  |

Notes:

(a) For definitions, please see page 192 and the ESG statements in the 2018 Annual Report.

(b) The figures indicate values from the latest regulatory financial statements (updated in June 2018).

(c) The Issuer's Oil & Gas segment was divested on 29 September 2017.

**Table 2: Income statement (Business Performance)**

| (DKK million)  | <b>FY<br/>2017<sup>(a)</sup></b> | <b>FY<br/>2018<sup>(a)</sup></b> | <b>Q1<br/>2018</b> | <b>Q1<br/>2019</b> |
|--|----------------------------------|----------------------------------|--------------------|--------------------|
| <b>Revenue:</b> .....                                      | <b>59,504</b>                    | <b>76,946</b>                    | <b>19,808</b>      | <b>17,239</b>      |
| Offshore .....   | 20,352                           | 30,566                           | 7,018              | 6,338              |
| Onshore .....  | -                                | 80                               | -                  | 114                |
| Bioenergy .....  | 5,864                            | 6,353                            | 2,885              | 2,248              |
| Customers Solutions .....                                  | 40,195                           | 47,999                           | 12,659             | 9,842              |
| Other activities (including eliminations) .....            | (6,907)                          | (8,052)                          | (2,754)            | (1,303)            |
| <b>EBITDA:</b> .....                                       | <b>22,519</b>                    | <b>30,029</b>                    | <b>5,519</b>       | <b>5,130</b>       |
| Offshore .....   | 20,595                           | 27,809                           | 3,956              | 3,999              |
| Onshore .....  | -                                | 44                               | -                  | 152                |
| Bioenergy .....  | 152                              | 367                              | 439                | 435                |
| Customers Solutions .....                                  | 2,082                            | 1,970                            | 1,214              | 567                |
| Other activities (including eliminations) .....            | (310)                            | (161)                            | (90)               | (23)               |
| <b>EBIT:</b> .....   | <b>16,235</b>                    | <b>24,654</b>                    | <b>4,137</b>       | <b>3,512</b>       |
| Profit (loss) for the period continuing operations .....   | 13,279                           | 19,486                           | 3,032              | 2,639              |
| Profit (loss) for the period discontinued operations ..... | 6,920                            | 10                               | 8                  | (43)               |
| <b>Profit (loss) for the period</b> .....                  | <b>20,199</b>                    | <b>19,496</b>                    | <b>3,040</b>       | <b>2,596</b>       |

Notes:

(a) Source: Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2018.

For the financial year ending 31 December 2018, the Issuer's employed capital in its businesses made up DKK 82.9 billion, of which 79 per cent. was employed in Offshore, 13 per cent. was employed in Customer Solutions, 6 per cent. was employed in Onshore, and 2 per cent. was employed in Bioenergy.

### The Issuer's strategic playing field

The renewable energy value chain is made up of various components. These range from generation of green power, through storage, transmission and distribution to the consumption side. Within this energy system, the Issuer has taken the following strategic positions.

Offshore wind is the Issuer's core focus and has been since the Issuer decided to transform into a green energy company. It is a rapidly growing market in the global energy system with attractive value-creating opportunities. The Issuer has been successful in leveraging capabilities to become the leading global player in the offshore wind market, representing a 30 per cent. share<sup>1</sup> of the total capacity in operation or under construction.

Onshore wind is the Issuer's second growth platform where the Issuer now has a strong regional position, with the acquisition of Lincoln Clean Energy ("LCE") in the U.S. The U.S. onshore market offers attractive value-creating opportunities and has significant long-term growth potential. The transaction provides technology and market diversification and enables the Issuer to serve the future energy demand through a multi-technology business platform. In addition, the U.S. market will add to the Issuer's scale and critical mass.

To secure market access, the Issuer has strategic focus on wholesale and corporate customers which account for the largest share of energy consumption. This position enables a route to market for the Issuer's green energy generation.

Besides existing market positions, the Issuer explores the strategic and financial potential of additional green growth opportunities. Both Solar PV, bioenergy and energy storage offer significant growth opportunities on the back of significant cost reductions.

Considering the Issuer's rapidly growing global portfolio of renewable energy assets, the Issuer decided to initiate a structured divestment process of the Issuer's Danish power distribution, residential customer and city light businesses in June 2018. Although the political support for continuing this structured process ceased on 13 January 2019, the Issuer is continuing to investigate different options for exiting the businesses during 2019. In addition, following the political agreement in support of the Issuer's initial public offering in 2016, the Issuer is conducting a structured divestment process of the Issuer's offshore gas pipeline

<sup>1</sup> Bloomberg New Energy Finance 2018, Ørsted analysis

(including the Nybro Gas Treatment Plant) and oil pipeline (including the Frederica stabilisation plant). These transactions are expected to be signed in 2019.

Although the Issuer acknowledges electric heating and electric vehicles as key components in the renewable energy value chain, the Issuer has no current plans to enter these markets.

## **The Issuer's strategy and capital allocation**

### ***Strategic direction and growth***

The Issuer's strategic shift from black to green energy is reflected in the Issuer's asset base. In 2007, only 16 per cent. of the Issuer's total capital employed was invested in renewables. In 2018, the share of renewables increased to 87 per cent.

In addition, the Issuer's strategic transformation to become a green energy company has positioned the Issuer as one of the largest commercial renewable energy companies in the world, measured by the capacity of renewable energy that is installed and under construction<sup>2</sup>. By the end of 2018, the Issuer had 12 GW of renewable energy capacity installed, under construction, or where a FID has been taken, with the vast majority being in offshore wind. In addition, the Issuer has been awarded or contracted projects with a capacity of 4.8 GW where investment decisions are yet to be taken. Furthermore, the Issuer has a strong pipeline of projects under development.

Towards 2030, the Issuer expects that the global market for renewable energy will more than triple to 3,600 GW. As one of the leading companies in renewable energy, the Issuer is strongly positioned to take part in this growth.

The Issuer has increased its ambition for offshore wind from a capacity of 11-12 GW to a capacity of 15 GW by 2025. By 2030, the Issuer's strategic ambition is to achieve an installed renewable capacity of more than 30 GW, provided that the development creates value for the Issuer's shareholders.

The Issuer has a strong growth platform to support the Issuer's strategic ambition, comprising its four business units: Offshore, Onshore, Bioenergy and Customer Solutions.

The Issuer's Offshore business unit includes offshore wind, transmission and storage. The Issuer strives to maintain its global market leadership in offshore wind and intends to continue to expand in Europe, North America, and Asia. The Issuer aims to keep pioneering and innovating the industry. Offshore wind remains the strategic core of the Issuer's activities.

The second growth avenue is the Issuer's Onshore business unit, where the aim is to create a leading North American company within renewable energy, with a main emphasis on onshore wind, but also including solar energy and energy storage.

Bioenergy includes the Issuer's biomass-converted combined heat and power plants in Denmark and the Issuer's waste-to-energy and biogas technologies.

Customer Solutions provides route-to-market services for the Issuer's product portfolio as it brings the Issuer's power, gas and green certificates to market, while also managing the risk profile of the Issuer's energy portfolio.

The Issuer's key milestones for 2019 are as follows:

#### Offshore

- Commissioning of Hornsea 1 (1,218 MW offshore wind in the UK)
- FID on the Changhua 1 and 2a projects in Taiwan (900 MW) (achieved)
- Outcome of New Jersey, New York, Rhode Island and Massachusetts offshore wind solicitations in the U.S.

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<sup>2</sup> BNEF Energy Asset Database, 2018

- Full consent for Hornsea 3 project in the UK
- Successful integration of Deepwater Wind into the Issuer's Offshore organization in the U.S.

#### Onshore

- Commissioning of Lockett (184 MW onshore wind project in Texas)
- FID on Sage Draw (338 MW onshore wind in Texas) and Plum Creek (230 MW onshore wind in Nebraska) (achieved)
- First utility-scale energy storage solution in operation (UK)
- Solar PV project (Permian in Texas)
- Successful integration of LCE

#### Bioenergy

- Completion of Renescience plant in Northwich, UK
- Bioconversion of Asnæs Power Station in Denmark

#### Customer Solutions

- Divestment of the Issuer's power distribution, residential customer and city light businesses
- Signing of the oil and gas pipeline divestments
- First offshore corporate PPAs signed

Towards 2025, the Issuer plans to invest substantially in green energy, thereby contributing to the conversion of the global energy system and creating value for our shareholders and the communities within our footprint.

#### ***Capital allocation***

Subject to continued value creation, the Issuer expects to invest up to DKK 200 billion in the period 2019-2025 to continue its growth towards an installed renewables capacity of more than 30 GW by 2030. The Issuer's capital will be allocated to the best risk-return project opportunities in its portfolio. The Issuer has already committed gross investments of DKK 65-70 billion in the period, assuming no further partial divestments of offshore wind farms in Europe after the recent Hornsea 1 farm-down. Additional investments will primarily be allocated to its awarded 3.0 GW offshore wind projects, its offshore pipeline as well as its contracted 0.9 GW onshore wind and solar projects and its onshore pipeline.

In the period 2019-2025, the Issuer expects to allocate 75-85 per cent. of its gross investments to Offshore, 15-20 per cent. to Onshore, and 0-5 per cent. to Bioenergy and Customer Solutions combined.

Based on the above anticipated build-out of offshore and onshore wind, including the acquisitions of LCE and Deepwater Wind acquired by the Issuer in October and November 2018, respectively, the Issuer expects the current financial headroom, relative to the Issuer's rating target, to be deployed within a few years.

#### **The Issuer's markets**

##### ***The market share of renewables is increasing***

The renewable energy share of global power generation is increasing. Excluding hydro, it grew from less than 2 per cent. in 2000 to 12 per cent. in 2018. This share is expected to continue to grow and to reach 26 per cent. by 2030. With renewable energy representing 27 per cent. of Europe's total power generation in 2018 (excluding hydro), Europe is leading the transformation. By 2030, renewable energy is expected to account for more than half of the European power generation (55 per cent.).

The global installed capacity of renewables (excluding Middle East, Africa and hydro) was 1,153 GW in 2018 and is forecast to more than triple by 2030, reaching 3,678 GW according to Bloomberg New Energy Finance (“BNEF”).

In 2018, China and Europe were the regions with most renewable capacity installed, each accounting for approximately 30 per cent. The global installed capacity is expected to continue to grow 10 per cent. annually, with China and Europe remaining the major regions followed by North America.

The technologies that constituted the largest share of global installed renewable capacity in 2018 were onshore wind and solar photovoltaics (PV). Onshore wind accounted for almost half of the renewable capacity, 46 per cent., while Solar PV accounted for 41 per cent. Both technologies will remain the primary sources, accounting for 88 per cent. of the total renewable capacity. However, offshore wind is expected to grow the fastest towards 2030 at an annual rate of 16 per cent.

A key driver behind the growth in renewable energy is the rapidly declining costs. Onshore wind has become the most cost-competitive energy technology due to its rapidly expanding global capacity, which has contributed to economies of scale, higher learning effects and more technological innovation. On the other hand, conventional non-renewable technologies, such as coal, are facing increased costs due to reduced capacity factors, as they face increasing competition from renewable technologies.

*Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2018, H1 2018 offshore wind market outlook. U.S. includes the latest BNEF U.S. offshore wind forecast from September 2018 (3 GW higher than H1 2018 offshore wind market outlook from July 2018).*

### ***Offshore wind***

Global installed offshore wind capacity reached 21 GW in 2018. In just three years, it has almost doubled, with an annual growth rate of 22 per cent. According to BNEF, the offshore wind market is expected to continue this strong growth trajectory.

With an annual addition of more than 6 GW, capacity is expected to reach 34 GW by 2020. Thereafter, it is expected to grow by 15 per cent. on average, bringing the global installed capacity to 132 GW in 2030.

Currently, most offshore wind farms are located in Europe, which makes up approximately 80 per cent. of the total market. Europe is expected to continue growing at strong double-digit rates towards 2030, thus upholding the position as the largest offshore wind market in the world with an expected share of the global installed capacity of 50 per cent. in 2030.

However, new markets in Asia Pacific and North America are expected to follow with booming growth. Asia Pacific, excluding China, is expected to grow at an average annual growth rate of 58 per cent. towards 2030. North America is also expected to grow significantly after 2020, with installed capacity expected to increase from 30 MW in 2018 to 10 GW by 2030 according to BNEF. This expectation does not fully take the recent 9 GW by 2035 ambition announced by the New York Governor into account.

The strong growth in offshore wind can be attributed to the significant reduction in costs. In 2018, the levelised cost of electricity for newly commissioned generation capacity in North-western Europe was reduced by approximately 45 per cent. compared to the level four years earlier, and it is expected to decrease further.

Newly built offshore wind has become more competitive than conventional generation technologies using gas and coal. The continuous reductions in offshore wind costs are evident in recent auctions in Germany and the Netherlands where some developers bid for zero subsidy projects.

*Sources for the information in this section: Bloomberg New Energy Finance (BNEF), 1H 2018 offshore wind market outlook. U.S. includes the latest BNEF U.S. offshore wind forecast from September 2018 (3 GW higher than the H1 2018 offshore wind market outlook from July 2018)*

### ***Onshore wind***

The global onshore wind market, excluding Middle East and Africa, shows strong growth as the installed capacity reached 536 GW in 2018, up from 395 GW in 2015, growing at 11 per cent. annually. The global market is forecasted to almost triple by 2030.

Among key markets, Asia Pacific represents 43 per cent. of the global onshore capacity, driven by China. Europe reached 164 GW installed capacity in 2018, representing 31 per cent. of the market. Another key market is North America with 121 GW, representing 23 per cent. of the global capacity.

Onshore wind is the most cost-competitive renewable energy resource, with the lowest levelised cost of electricity in the U.S. in 2018. North America is expected to continue installing onshore wind with an annual average growth rate of 11 per cent. towards 2020 and to double its capacity by 2030. In the short term, the market will continue to be driven by projects that has secured production tax credits (“PTCs”), but once all PTC-backed projects have been built in 2024, the low cost of onshore wind will be the main driver for further capacity build-outs.

*Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2018, American Wind Energy Association, Production tax credit.*

### **Solar PV**

Among the new renewable technologies, Solar PV witnessed the fastest growth, as the global capacity grew by 31 per cent. from 2015 to 2018. The global capacity, excluding Middle East and Africa, reached 468 GW in 2018. This strong growth is expected to continue towards 2030, reaching 1,905 GW installed capacity at an annual growth rate of 12 per cent. Large-scale Solar PV, with a power capacity greater than 1 MW, represented 66 per cent. of the total capacity in 2018, while small-scale Solar PV, typically for residential use with a 5 kW power capacity, is expected to catch up towards 2030, reaching a share of 43 per cent. of cumulative Solar PV installations.

North America reached 65 GW in 2018 and was one of the fastest growing regions. It is expected to continue this growth trajectory with an annual growth rate of 23 per cent. towards 2020 and is to quadruple its installed capacity, reaching 261 GW by 2030.

Towards 2023, the levelised cost of electricity for Solar PV is expected to be cheapest in North America, barely overtaking onshore wind. Key drivers supporting cost reductions are scale, material savings due to less waste, and more incentives for technological innovations.

*Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2018.*

### **Energy storage**

As the share of intermittent renewable sources is increasing in the global energy mix, the need for more dynamic dispatchable units to store energy and support rapid load-shifting is also growing. Battery storage solutions can balance electricity supply and demand and may also provide ancillary services.

Global energy storage, excluding Middle East and Africa, is expected to rise significantly over the next decade. In 2018, it had grown by 58 per cent. from 2015, reaching 6 GW, and it is expected to continue this strong growth path to reach 158 GW by 2030.

Today, most of the capacity (73 per cent.) is developed for large-scale and only 27 per cent. for small scale storage. Large-scale storage systems (more than 1 MW) primarily provide services directly to the grid, while small-scale storage systems typically provide end-customer services.

A key driver for the strong outlook is the decreasing cost of lithium-ion battery packs. Between 2010 and 2017, prices fell by 80 per cent. and going forward, BNEF forecasts further cost reductions, supported by economies of scale from increasing battery manufacturing capacity.

*Sources for the information in this section: Bloomberg New Energy Finance (BNEF), New Energy Outlook 2018.*

### **Bioenergy**

Global waste volumes are rapidly increasing. In 2004, the municipal solid waste (“MSW”) generated globally amounted to 680 million tonnes per year. By 2016, volume had tripled to 2.0 billion tonnes per year, and it is expected to continue growing. In 2016, only 17 per cent. of MSW was recycled, while the majority was sent to landfilling, which can potentially have significant negative effects on the environment.

Regulation is attempting to boost the recycling share. The EU has set targets to increase the recycling share of MSW to 65 per cent. by 2030 and reduce landfilling to less than 10 per cent.

Alternatives to landfilling, such as incineration and full-source separation, contribute to high carbon emission levels and only marginally to recycling. Hence, it is increasingly important to find alternative solutions.

In addition to MSW, industries produce waste from their production activities, e.g. organic residues and by-products, that need to be handled. In 2014, bio-based waste from industrial processes and agriculture, forestry, fishing and water treatment in the EU accounted for 157 million tonnes per year. For companies that depend on natural gas and are looking for greener processes, the conversion of organic waste into bio-methane is an appealing solution.

*Sources for the information in this section: World bank on Urban Development, EU waste framework directive, Eurostat 2014.*

### **Customer Solutions**

In 2018, the downstream electricity market size in Europe was 3.3 PWh. Of this, the business segment accounted for the largest share with 60-70 per cent., while residential customers accounted for 30-40 per cent.

In 2018, 42 per cent. of the European power demand was met by renewable energy (including hydro), and the share is forecasted to reach 69 per cent. by 2030. Considering the growth in renewables, the consequent increase in intermittent power generation will lead to continuous discrepancies between forecasted and actual production. There is value in efficiently managing this gap for wholesale customers by providing balancing services.

With subsidies for renewable power generation trending lower and eventually reaching zero, it becomes increasingly important to find ways to manage the increasing merchant power price exposure. This entails development of new products and solutions for the wholesale and retail markets.

In the business segment, many corporate customers demand greener and more innovative energy solutions that are also sustainable and cost efficient. To address this demand, the market for corporate power purchase agreements ("cPPA") has experienced considerable growth. Despite remaining a smaller share of the total downstream power market, the global market size for cPPAs is expected to reach 28 GW in 2018, up from only 9 GW in 2015. As customers pursue sustainable and greener solutions, 74 per cent. of the cPPAs are sourced from wind and 24 per cent. from solar energy.

*Sources for the information in this section: IHS Markit, Planning scenario 2018, Bloomberg New Energy Finance (BNEF), Corporate PPA deal tracker, New Energy Outlook 2018.*

### **Segments**

#### ***Offshore***

The Issuer is currently the global market leader in offshore wind generation<sup>3</sup> and by the end of February 2019, had installed close to 1,300 offshore wind turbines. Offshore wind continues to be a key strategic priority and the Issuer is currently engaged in developing, constructing, operating and maintaining offshore wind farms in Denmark, the United Kingdom, Germany, the Netherlands, Taiwan and the United States.

#### ***Offshore's main strategy***

The Issuer's main strategic focus for Offshore is to:

- Maintain market leadership in offshore wind;
- Continue to pioneer new markets and develop a global business;

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<sup>3</sup> As at end February 2019, the Issuer had installed 28 per cent. (BNEF, March 2019, Ørsted analysis) of global offshore wind capacity. If a project is executed on behalf of a lead developer managing the construction, then 100 per cent. of capacity is allocated to the lead developer. If construction is executed by an integrated joint venture, capacity is allocated in proportion to the joint venture share.

- Continue to reduce the cost of electricity from offshore wind;
- Leverage market leading partnership model for incremental value creation and risk diversification;
- Realise the current build-out plan of 9.0 GW towards 2022 and expand to 15 GW by 2025; and
- Implement operational excellence and innovation and digitalisation initiatives across the business.

The strategic target of the Offshore unit includes an ambition to have installed 15 GW of offshore wind capacity by 2025 provided that the risk and return profile is sound.

#### *Major projects and activities in operation*

At the end of 2018, the Issuer had an installed offshore wind capacity of 5.6 GW in total, of which the Issuer owns 3.0 GW. With the current build-out plan, the total installed capacity will have increased to 9.9 GW by 2022.

In 2018, power generation from the Issuer's wind turbines amounted to 10.0 TWh compared to 8.5 TWh in 2017. The increase is mainly a result of power generation at newly constructed offshore wind farms in the United Kingdom, which contributed 1.6 TWh, and commissioning of Borkum Riffgrund 2 in Germany in Q4 2018, which contributed 0.2 TWh, partly offset by lower wind speeds in 2018 compared to 2017.

In order to maintain its leading position in the market, the Issuer considers it important to have a robust and balanced pipeline of offshore wind development projects and to construct, operate and maintain a portfolio of wind farms efficiently. The Issuer currently has a significant pipeline of offshore wind capacity under development across markets in Europe, the United States and Taiwan.

#### *European project development pipeline*

In Germany, the Issuer has five development projects. In April 2018, the Issuer was awarded two of the five German offshore wind projects with a total capacity of 552 MW in the 2018 auction round. The two projects are planned to be commissioned in 2024/2025, subject to FID by the Issuer in 2020/2021. The remaining three German projects, with a total capacity of 590 MW, were awarded in the first German offshore wind auction, which took place in April 2017. In total, the Issuer will build 1,142 MW new offshore wind capacity in Germany by 2024/2025, subject to FID. 900 MW out of the 1,142 MW new offshore wind capacity awarded in Germany will not receive a subsidy on top of the wholesale electricity price. The 900 MW capacity in Germany is the only subsidy free capacity currently secured in the Issuer's offshore wind portfolio.

In the United Kingdom, the Issuer is preparing bids for the upcoming CfD rounds. The Issuer can participate in the bid with the Hornsea 3 project in the third CfD round assuming the CfD round is delayed until October 2019, as the Issuer is not eligible to enter a CfD before October 2019 as the Development Consent Order cannot be obtained before then. The fourth CfD round is expected to take place in H1 2021 where the Issuer is expected to participate with the Hornsea 4 project.

#### *United States project pipeline*

In the United States, on 8 November 2018 the Issuer acquired Rhode Island-based Deepwater Wind at a purchase price of U.S.\$ 510 million. At the time of the acquisition Deepwater Wind had built-up a portfolio of 810 MW of development stage offshore wind assets with long-term revenue contracts awarded, and with a further approximately 2.5 GW of potential offshore wind capacity. As of March 2019, the awarded capacity from the Deepwater Wind legacy amounted to 954 MW.

The Issuer has participated in three auctions in the United States where the winners have yet to be announced. In February 2019, the Issuer submitted a bid in the +800 MW New York auction. The announcement of the bidder(s) selected for PPA negotiations with the local distribution companies is expected in the second quarter of 2019. In December 2018, the Issuer submitted a bid with the Ocean Wind project in the first offshore wind auction in New Jersey. The announcement of the bidder(s) selected for PPA negotiations with the local distribution companies is expected by June 2019. In October 2018, the Issuer submitted a bid with the Revolution Wind project (Deepwater Wind legacy) in the solicitation for renewable energy issued by Rhode Island. The announcement of the bidder(s) selected for PPA negotiations with the local distribution companies is expected in the second quarter of 2019.

### *Taiwan project development pipeline*

In Taiwan, the Issuer was awarded 900 MW of grid capacity in the first Taiwanese non-price based grid allocation in April 2018 for its Greater Changhua 1 and 2a projects for which FID was taken on 30 April 2019. In relation to taking such FID, the Issuer also decided to pursue a farm down of the Changhua 1 project.

In the price auction in June 2018, the Issuer was awarded an additional 920 MW for its Greater Changhua 2b and 4 projects. With a total capacity of 1,820 MW, the Issuer is able to fully utilise its Greater Changhua 1, 2 and 4 sites. It is the Issuer's expectation to participate with its remaining approximately 600 MW Greater Changhua 3 project in future auction rounds. With the FID taken on Greater Changhua 1 and 2a, construction will now commence and offshore works are expected to connect to the grid in 2021. Subject to the Issuer taking such FID, Greater Changhua 2b and 4, with combined capacity of 920 MW, will start onshore construction work in 2023 and are expected to connect to the grid in 2025. In April 2018, the Issuer took a FID on the 120 MW Formosa 1 Phase 2 project in which the Issuer has a 35 per cent. ownership interest.

### *Projects under construction*

As of the date of this Base Prospectus, the Issuer has four offshore wind projects under construction including Changhua 1 and 2a. Of these the Hornsea 1 Project in the United Kingdom is the most advanced. The Hornsea 1 Project will have a capacity of 1,218 MW and consists of 174 turbines from Siemens Gamesa Renewable Energy (7.0 MW). The installation of the turbines started in February 2019, with first power generated in March 2019 and full wind farm commissioning is expected during second half of 2019.

In addition, the Issuer has two construction projects planned to be commissioned in the period from 2020 to 2022:

- In July 2016, the Issuer was awarded a concession to build offshore wind farms Borssele 1&2 in the Netherlands, totalling 700 MW (2x350 MW). In July 2017, the Issuer signed a contract with Siemens Gamesa Renewable Energy, which will supply 94 units of their 8 MW turbines upgrading the capacity to 752 MW. The wind farms are due to be commissioned in the fourth quarter of 2020 or the first quarter of 2021.
- In September 2017, the Issuer was awarded a CfD contract for the 1.4 GW Hornsea 2 offshore wind farm. The wind farm commissioning is expected in 2022 by when it is expected to be the world's largest offshore wind farm. In February 2018, the Issuer signed a contract with Siemens Gamesa Renewable Energy for delivery of 8 MW turbines for the project.

In parallel with the development and construction of offshore wind farms, the Issuer will continue to enter into partnerships with industrial and financial players for the purpose of extracting value from its projects and/or diversifying risks. However, no further partial divestments are expected for the Issuer's European projects. The Issuer has successfully applied its partnership model, divesting ownership interests to long-term industrial and financial investors.

### *Offshore wind farms in operation*

As of March 2019, the Issuer has 25 offshore wind farms in operation and four offshore wind farms under construction. The capacity and commercial operational date of the operational wind farms are listed below:

**Table 3: Overview of the Issuer's operating offshore windfarms**

| <b>Offshore wind farms<br/>Country &amp; equity share</b> | <b>Installed capacity<br/>Ørsted share (MW)</b> | <b>Commercial<br/>Operational Date</b> | <b>O&amp;M<br/>Service Provider</b> |
|---|---|--|-------------------------------------|
| Nysted<br>Denmark – 42.75%                                | 166   | 2003                                   | Ørsted                              |
| Horns Rev 1<br>Denmark – 40%                              | 160   | 2003                                   | Vattenfall                          |
| Avedøre Holme<br>Denmark – 100%                           | 11  | 2009/2011                              | Siemens Gamesa<br>Renewable Energy  |

| <b>Offshore wind farms<br/>Country &amp; equity share</b> | <b>Installed capacity<br/>Ørsted share (MW)</b> | <b>Commercial<br/>Operational Date</b> | <b>O&amp;M<br/>Service Provider</b>                                       |
|---|---|--|---|
| Horns Rev 2<br><i>Denmark – 100%</i>                      | 209   | 2010                                   | Ørsted  |
| Anholt<br><i>Denmark – 50%</i>                            | 400   | 2013                                   | Ørsted  |
| London Array<br><i>United Kingdom – 25%</i>               | 315   | 2013                                   | London Array Ltd.,<br>Siemens Gamesa<br>Renewable Energy,<br>James Fisher |
| West of Duddon Sands<br><i>United Kingdom – 50%</i>       | 389   | 2014                                   | Ørsted  |
| Walney <sup>1</sup><br><i>United Kingdom – 50.1%</i>      | 184   | 2011                                   | Ørsted  |
| Walney <sup>2</sup><br><i>United Kingdom – 50.1%</i>      | 184   | 2012                                   | Ørsted  |
| Lincs<br><i>United Kingdom – 25%</i>                      | -   | 2013                                   | Ørsted  |
| Westermost Rough<br><i>United Kingdom – 50%</i>           | 210   | 2015                                   | Ørsted  |
| Gunfleet Sands 1<br><i>United Kingdom – 50.1%</i>         | 108   | 2010                                   | Ørsted  |
| Gunfleet Sands 2<br><i>United Kingdom – 50.1%</i>         | 65  | 2010                                   | Ørsted  |
| Barrow<br><i>United Kingdom – 100%</i>                    | 45  | 2006                                   | Ørsted  |
| Burbo Bank<br><i>United Kingdom – 50.1%</i>               | 90  | 2007                                   | Ørsted  |
| Gunfleet Sands Demo<br><i>United Kingdom – 100%</i>       | 12  | 2013                                   | Ørsted  |
| Burbo Bank Extension<br><i>United Kingdom – 50%</i>       | 259   | 2017                                   | Ørsted  |
| Race Bank<br><i>United Kingdom – 50%</i>                  | 573   | 2018                                   | Ørsted  |
| Walney Extension<br><i>United Kingdom – 50%</i>           | 659   | 2018                                   | Ørsted  |
| Borkum Riffgrund 1<br><i>Germany – 50%</i>                | 312   | 2015                                   | Ørsted  |
| Borkum Riffgrund 2<br><i>Germany – 50%</i>                | 465   | 2018                                   | Ørsted  |
| Gode Wind 1<br><i>Germany – 50%</i>                       | 345   | 2016                                   | Ørsted  |
| Gode Wind 2<br><i>Germany – 50%</i>                       | 263   | 2016                                   | Ørsted  |
| Block Island<br><i>United States – 100%</i>               | 30  | 2016                                   | Ørsted  |
| Formosa I, Phase I<br><i>Taiwan – 35%</i>                 | -   | 2017                                   | -   |

An overview of Ørsted's operational wind farms and projects under constructions, including details about turbine type, partners, subsidy schemes, can be assessed through the Investor Relations section on the Issuer's website <https://orsted.com/en/Our-business/Offshore-wind>.

#### *Allocation of offshore wind capacity*

The allocation of offshore wind projects typically takes place through a public procurement process, organised as an auction or a tender. In auctions, project developers compete with one or more of their own developed projects. The auction system is prevalent in countries such as the United Kingdom, the United States, Germany (excluding part of the transmission grid - going forward the procurement process in Germany will be tender based) and to some extent Taiwan. Bid price is often the only award criterion, however increasingly more weight is given to local content by authorities when evaluating auction and tender bids.

In tenders, which is the allocation process applied in Denmark, the Netherlands and France, the regulatory authority carries out most development activities such as site investigations on wind, seabed and environmental conditions for preselected sites. For project developers who prequalify to bid, tender processes typically require lower up-front investments than auction processes, and the risk for project owners of obtaining the necessary permissions is also lower. In a tender process, the project is typically awarded to the bidder offering the lowest cost, however other reward criteria such as local content requirements may apply.

#### *Recent developments Offshore Segment*

In November 2018, the Issuer completed a divestment of a 50 per cent. ownership interests in the Hornsea 1 project to Global Infrastructure Partners (“GIP”) for a total sales price (consisting of the purchase price for GIP for its acquisition of 50 per cent. of the project and its commitment to fund 50 per cent. of the payments under a full-scope EPC agreement with the Issuer) amounting to approximately GBP 4.46 billion.

In December 2018, the Issuer received approval from Connecticut regulators of its 20-year PPA with Eversource and United Illuminating for the 200 MW that the Revolution Wind project will deliver to the state of Connecticut. Offshore installation work on the Revolution Wind project will begin in 2022, with the project being in operation by 2023.

In December 2018, the Issuer's Revolution Wind project in Connecticut was also selected to move forward to negotiate a fixed PPA with the State's power distribution companies for 100 MW offshore wind capacity (subject to contract signing and FID).

In January 2019, the Issuer and Japanese power producer TEPCO signed a memorandum of understanding to work jointly on offshore wind projects in Japan.

In February 2019, the Issuer and Northumbrian Water Limited signed the first Corporate PPA in the United Kingdom. The 10-year Corporate PPA will deliver approximately 100 GWh per year of renewable electricity from Race Bank Offshore Wind farm to Northumbrian Water Limited's consumption sites.

In February 2019, the Issuer signed an agreement to divest a 50 per cent. ownership interest in South Fork, Revolution Wind and two New England offshore wind lease areas to existing partner U.S. utility, Eversource Energy for a total sales price amounting to approximately U.S.\$225 million.

In March 2019, the Issuer submitted a bid in the Dunkirk tender in France together with the Joint Venture partners TOTAL and Elicio. The announcement of the winners is expected mid-2019.

In March 2019, the Issuer submitted a subsidy free bid in the Holland Coast South 03+04 tender in the Netherlands. The Issuer has already taken FID on the project (subject to award) and is working to establish green hydrogen projects based on power from its Dutch offshore wind farms. The announcement of the winners is expected in June 2019.

On 30 April, the Issuer took FID on the Changhua 1 and 2a offshore wind farms in Taiwan with a combined capacity of approximately 900 MW. Prior to such FID being taken, Taiwan's Ministry of Economic Affairs approved the Issuer's local supply chain plan, and subsequently the Issuer signed a PPA with Taiwan Power Company at the feed-in-tariff level announced on 30 January 2019.

The Issuer has recently completed the Borkum Riffgrund 2 offshore wind farm in Germany with a capacity of 465 MW. Borkum Riffgrund 2 consists of 56 turbines from Siemens Gamesa Renewable Energy (8.0 MW with performance enhancing features delivering 8.3 MW). Furthermore, the Issuer completed the Walney Extension offshore wind farm in the United Kingdom in September 2018. Walney Extension has a capacity of 659 MW and consist of 47 turbines from Siemens Gamesa Renewable Energy (7.0 MW) and 40 turbines from MHI Vestas (8.0 MW with performance enhancing features delivering 8.25 MW).

#### *Onshore*

The Issuer entered into the U.S. onshore wind market through the acquisition of LCE in October 2018. LCE is a U.S.-based developer, owner and operator of onshore wind and Solar PV projects and serves as the

Issuer's platform for creating a leading North American onshore renewables business, spanning onshore wind, solar and energy storage, providing a strategic diversification to the Issuer's portfolio.

The U.S. onshore market offers attractive value-creating opportunities and has significant long-term growth potential. The acquisition of LCE provides technology and market diversification and enables the Issuer to serve the future energy demand through a multi-technology business platform.

The main form of U.S. federal support for onshore wind is PTC's. These are tax credits for electricity generated by qualified energy resources for the first ten years of operation and are a significant component of the overall project economics of an onshore wind project in the U.S. Under current legislation, the amount of PTC for which projects performing qualifying activities after 2016 are eligible for is declining by 20 per cent. per annum until end 2019. In order for projects to be eligible for 100 per cent. of the PTC benefit, they must have commenced construction before the end of 2016 and reach commercial operation date ("COD") before the end of 2020, four years after the start of construction. The final year for qualification is 2019, for a COD 2023 at 40 per cent. of the PTC benefit. To qualify for start of construction, developers can either procure safe harbour equipment corresponding to a minimum of 5 per cent. of total project cost or initiate physical works of a significant nature.

For Solar PV projects, U.S. federal support is in the form of solar Investment Tax Credits ("ITCs") which provide a direct credit based on a percentage of the eligible capital expenditures. Projects starting construction in 2019 receive the full ITC of 30 per cent. During the next few years, the ITC percentage will gradually decline and end at 10 per cent. from 2021.

#### *Operational portfolio*

At the end of the first quarter of 2019, the Issuer's Onshore business segment had an installed capacity of 813 MW total.

The 803 MW wind capacity is from three large scale, recently commissioned Electric Reliability Council of Texas ("ERCOT") projects, with solid offtake counterparties: Amazon Windfarm Texas, a 253 MW 2017 project, has a 15-year PPA with Amazon and Iron Mountain; Willow Springs Wind, a 250 MW 2017 project, and Tahoka Wind, a 300 MW 2018 project, have 13-year hedges with Bank of America Merrill Lynch for 77 per cent. of their offtake. These projects all benefit from 100 per cent. PTCs.

The Issuer has a fully merchant 10 MW Solar PV project in New Jersey, commissioned in 2011, receiving Renewable Energy Certificates ("RECs") until 2020 and a 20 MW utility scale battery in the UK.

In the first quarter of 2019, power generation from the Issuer's onshore assets amounted to 823 GWh.

#### *Pipeline*

The Issuer has a robust pipeline of onshore projects, with a target operational capacity of 2.5 GW by the end of 2022, including two projects under construction.

Lockett Wind, a 184 MW West Texas Project, is currently under construction and on track for a 2019 COD and on 30 April 2019, the Issuer took a FID on Sage Draw, a 338 MW West Texas onshore wind project. The Issuer's near-term 2020 portfolio is in advanced stages of development with offtake secured. Plum Creek, a 230 MW Nebraska project, is well progressed with interconnection on schedule and an executed turbine supply agreement, scheduled for FID later this year. All three projects will be eligible for 100 per cent. PTC, should they meet the target CODs.

The Issuer has a 2021-22 portfolio of projects that are large scale, regionally diverse, expanding the Issuer's footprint to South Texas (ERCOT) and Indiana (Midcontinent Independent System Operator, MISO) and eligible for at least 60 per cent. PTC. The Issuer also has multiple solar opportunities. The most advanced solar project is Permian Solar, a 400 MW<sup>4</sup> Solar PV project, in West Texas.

#### *Bioenergy*

Bioenergy's core activities are producing and selling district heating, power and ancillary services in the Danish and Northwestern European markets. The Issuer is the largest producer of heat and power in

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<sup>4</sup> Alternating current (AC)

Denmark and in 2017 heat generated at the Issuer's facilities amounted to approximately 24 per cent.<sup>5</sup> of Danish district heating supplies and in 2018 the power generated at Issuer's facilities amounted to approximately 32 per cent.<sup>6</sup> of Danish power production. The Issuer's portfolio of plants uses a variety of fuels including biomass, coal, gas, gas oil and fuel oil to generate heat and power. Bioenergy's key assets in Denmark are seven large scale CHP plants, the H.C. Ørstedværket plant, which primarily produces heat, the Svanemølleværket heat plant and Kyndbyværket, a peak load power plant. In table 4 the power and heat capacities are listed for the plants.

**Table 4: Total and bio converted capacities for CHP's**

| Unit                  | Total capacity      |                              | Bio converted capacity |                              |
|-----------------------|---------------------|------------------------------|------------------------|------------------------------|
|                       | Power capacity (MW) | Heat + steam capacity (MJ/s) | Power capacity (MW)    | Heat + steam capacity (MJ/s) |
| Avedøre               |                     |                              |                        |                              |
| Unit 1 <sup>(a)</sup> | 215 MW              | 368 MJ/s                     | 215 MW                 | 368 MJ/s                     |
| Unit 2                | 303 MW              | 501 MJ/s                     | 303 MW                 | 501 MJ/s                     |
| Studstrup             |                     |                              |                        |                              |
| Unit 3 <sup>(a)</sup> | 266 MW              | 507 MJ/s                     | 266 MW                 | 507 MJ/s                     |
| Unit 4                | 267 MW              | 500 MJ/s                     | - MW                   | - MJ/s                       |
| Skærbæk               |                     |                              |                        |                              |
| Unit 3 <sup>(b)</sup> | 314 MW              | 431 MJ/s                     | 61 MW                  | 188 MJ/s                     |
| Asnæs                 |                     |                              |                        |                              |
| Unit 2                | 88 MW               | 193 MJ/s                     | - MW                   | - MJ/s                       |
| Unit 5                | 304 MW              | 220 MJ/s                     | - MW                   | - MJ/s                       |
| Unit 6 <sup>(c)</sup> | 25 MW               | 125 MJ/s                     | 25 MW                  | 125 MJ/s                     |
| Esbjerg               |                     |                              |                        |                              |
| Unit 3                | 334 MW              | 444 MJ/s                     | - MW                   | - MJ/s                       |
| Herning               | 74 MW               | 171 MJ/s                     | 74 MW                  | 171 MJ/s                     |
| Kyndby                |                     |                              |                        |                              |
| Unit 21               | 260 MW              | - MJ/s                       | - MW                   | - MJ/s                       |
| Unit 22               | 404 MW              | - MJ/s                       | - MW                   | - MJ/s                       |
| H.C. Ørsted           |                     |                              |                        |                              |
| Unit 7                | 32 MW               | 156 MJ/s                     | - MW                   | - MJ/s                       |
| Unit 8                | 24 MW               | 92 MJ/s                      | - MW                   | - MJ/s                       |
| Unit 21+22            | - MW                | 199 MJ/s                     | - MW                   | - MJ/s                       |
| Svanemøllen           | - MW                | 256 MJ/s                     | - MW                   | - MJ/s                       |
| <b>Total</b>          | <b>2.910 MW</b>     | <b>4.163 MJ/s</b>            | <b>944 MW</b>          | <b>1.860 MJ/s</b>            |

Notes:

(a) AVV1 and SSV3 were bio converted in 2016, but until 2023 it is possible to use a mix of biomass and coal on the units.

(b) Contains SKV3 and SKV40.

(c) Bio conversion is under construction and expected commercial operations date is end of 2019.

As a response to deteriorating market conditions in the Northwestern European power markets, over the past several years the focus of the Bioenergy business segment has shifted from generation and sale of power to generation and sale of heat primarily to municipal district heating companies under long-term contracts. This shift has resulted in a more resilient, stable and growing business. The Issuer has taken the decision that by 2023, coal will be phased out entirely as a fuel from the Issuer's heat and power plants, and the Issuer has already converted or is in the process of converting all of its CHP plants from fossil fuels to sustainable biomass, see Table 4 above for bio converted capacities.

The Issuer has long-term heat contracts with Danish municipal district heating companies to secure the heat offtake from all the heat producing plants. Table 5 shows the length of the heat contracts for all CHP's. The heat contracts are constructed to cover the full life time of the plants. The Issuer's earnings from heat sales

<sup>5</sup> Source: calculations from Sales Development & Analysis, BIO

<sup>6</sup> Source: calculations from Sales Development & Analysis, BIO

consists of more elements. Overall the heating companies pay a variable and a fixed price for the heat. The variable heat price is dependent on the fuel prices and ensures that the heating companies cover the fuel costs related to the heat production. The fixed heat price consists primarily of the heat companies' share of CAPEX<sup>7</sup>, the heat companies share of OPEX<sup>8</sup> and compensation for forced operation<sup>9</sup>. The purpose of the heat contracts is to secure the Issuer's heat sale and to split the costs related to heat production with the heating companies. However, the risk for the Issuer relating to weather conditions still remains, as heat demand depends on temperatures which can vary.

**Table 5: Heat contract periods for CHP's**

| Unit        | First year of operation | Year of lifetime extension or bio conversion | Heat contracts      |
|-------------|-------------------------|--|---------------------|
| Avedøre     |                         |  |                     |
| Unit 1      | 1990                    | 2016   | 2016-2033           |
| Unit 2      | 2002                    |  | 2015-2027           |
| Studstrup   |                         |  |                     |
| Unit 3      | 1984                    | 2016   | 2016-2030           |
| Unit 4      | 1985                    |  |                     |
| Skærbæk     |                         |  |                     |
| Unit 3      | 1997                    | 2017   | 2017-2037           |
| Asnæs       |                         |  |                     |
| Unit 2      | 1961                    | 2010   | 2019                |
| Unit 5      | 1981                    | 2005   | 2019                |
| Unit 6      | 2019 <sup>(a)</sup>     | 2019 <sup>(a)</sup>                          | 2019-2039           |
| Esbjerg     |                         |  |                     |
| Unit 3      | 1992                    | -  | 2019 <sup>(b)</sup> |
| Herning     | 1982                    | 2009   | 2019-2033           |
| Kyndby      |                         |  |                     |
| Unit 21     | 1974                    | 2007   | -                   |
| Unit 22     | 1976                    | 2008   | -                   |
| H.C. Ørsted | 1985                    | 2006   | 2015-2033           |
| Svanemøllen | 1994                    | 2008   | 2015-2023           |

Notes:

(a) Expected year of bio conversion of the unit.

(b) Last operation year is 2022 for ESV3.

The Issuer is also pursuing growth opportunities in the bioenergy sector, in particular by commercialising the patented innovative enzymatic waste treatment technology, *Renescience*. The first full-scale commercial *Renescience* plant in Northwich in the United Kingdom has been constructed and is currently being tested and optimised. The Issuer expects the plant to be in commercial operation during first half of 2019.

#### *Bioenergy's main strategy*

The Bioenergy unit will continue optimising the Danish assets according to market conditions, including driving down costs and enhancing technical flexibility.

Bioenergy's strategic priorities include:

- Continuing the conversion of Danish CHP plants to sustainable biomass and phase out coal by 2023;

<sup>7</sup> E.g. CAPEX related to bio conversions or lifetime extension of the plants.

<sup>8</sup> Fixed cost related to operation and maintenance of the plants.

<sup>9</sup> In situations with very low power prices where it is not profitable for the Issuer to produce power, but where it is necessary to produce power to meet the heat demand.

- Continuously strengthening operational efficiency; and
- Continuing the commercial development of our *Renescience* enzyme based waste technology.

Further, the financial target for EBITDA in 2020 is four times the EBITDA in 2017.

### *Operations*

The power generated by the Issuer in Denmark is sold on the Nordic power exchange Nord Pool. Therefore, an important driver behind the profitability of Bioenergy's operations is the supply-demand balance in the Nordic region, which depends on factors such as wind capacity and levels, volume of water in reservoirs for the Norwegian and Swedish hydro power capacity, and temperature. The Issuer's thermal power generation in 2018 in Denmark amounted to 6.26 TWh and the Issuer's thermal power generation in the first half of 2018 in the Netherlands<sup>10</sup> amounted to 0.39 TWh. The Issuer delivers heat to Danish households and industries and heat generation amounted to 8.8 TWh in 2018.

The Issuer continues to be focused on ensuring a flexible and efficient operation of its power plants and on helping to achieve a balance in the Danish energy system following the expansion of wind- and solar-generation capacity on the national level. This includes the continuous optimisation of the Issuer's power plant portfolio. At the same time, the process of shifting from coal and natural gas to sustainable biomass is ongoing, while efforts to commercialise *Renescience* continue.

### *Recent developments Bioenergy Segment*

In July 2018, the Issuer divested its 50 per cent. owner share in the gas-fired power plant Enecogen in the Netherlands to Castleton Commodities International LLC.

Conversion of the Asnæs CHP plant to biomass was started in 2017 with expected COD in 2019.

Construction of a new biogas plant in Kalundborg in cooperation with Bigadan and expansion of the Linkogas biogas upgrading plant were both completed in 2018.

Commissioning of the first full-scale commercial *Renescience* plant in Northwich in the United Kingdom is expected within the coming months.

### *Customer Solutions*

The Issuer's Customer Solutions business consists of the following activities:

*Sales:* The Sales business handles direct customer liaison and serves Commercial and Industries and Small and Medium size Enterprise (“**C&I**” and “**SME**”) customers in Denmark, Sweden, Germany and the United Kingdom through the sale of power, gas and other services. The Sales business generates earnings with a limited capital employed. In 2018, the Sales business had an EBITDA (business performance) of DKK - 113 million. The Issuer intends to exit the parts of the Sales business which relate to residential customers and city light businesses in 2019.

*Markets:* The Markets business operates in North-western Europe and manages the Group's overall energy portfolio, executes the Group's hedging strategy and sells parts of the physical energy production to the market. It also provides similar services to external parties to increase its earnings while utilising its existing resources. The Markets business also has a portfolio of legacy gas sourcing contracts and operates the Group's offshore natural gas pipelines in the North Sea and the oil pipeline from the North Sea to Fredericia in Denmark. In 2018, the EBITDA (business performance) of the Markets business was DKK 925 million.

*LNG:* The LNG business is active in buying and selling LNG and lease capacity in the Dutch regasification terminal, Gate, through a long-term contract entered into in 2007. The LNG business is loss-making due to the fixed costs associated with accessing the Gate terminal import facilities, which are higher than the earnings generated from the trading activities. In 2018, the EBITDA (business performance) of the LNG business was DKK -40 million.

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<sup>10</sup> Enecogen was divested in July 2018, why the production is only related to a half year.

*Distribution:* The Distribution business operates and maintains the Group's power distribution network in Denmark. In 2018, the EBITDA (business performance) of the Distribution business was DKK 1,198 million. The Issuer has announced its intention to exit the power distribution business in 2019 and it has therefore been accounted for as assets held for sale in the Issuer's 2018 financial reporting.

#### *Customer Solutions main strategy*

Customer Solutions provides route-to-market services for the Issuer's product portfolio as it brings the Issuer's power, gas and green certificates to market, while also managing the risk profile of the Issuer's energy commodity portfolio. The Issuer's main strategic focus for Customer Solution is to:

- Add further scale to the Issuer's green power and gas and green certificates business;
- Mitigate merchant risk through trading and green energy corporate PPAs; and
- Optimise the Issuer's legacy gas sourcing contracts and LNG positions.

#### *Major projects and activities in operation*

*Power sales:* Customer Solution's sale of power totalled 35.3 TWh in 2018.

*Natural gas sales:* Customer Solution's physical natural gas sales in 2018 totalled 134.1 TWh, of which 39.6 TWh was sold to end customers and 94.5 TWh was sold to wholesale customers and gas hubs.

*Gas sourcing:* The Issuer has concluded renegotiations of the gas prices on all of its long-term gas sourcing contracts relating to the period 2011-2016.

*Gas and oil infrastructure:* The Issuer owns or partly owns and operates offshore natural gas pipelines and oil infrastructure used by oil and gas producers in the North Sea. The regulated gas and oil pipelines enable the transportation of gas to Denmark and the Netherlands and crude oil from fields on the Danish shelf to the oil terminal in Fredericia, Denmark. It has been decided that the Issuer shall on market terms seek to divest its Oil Pipeline Business and offshore gas pipeline activities to Energinet.dk at an appropriate time.

Moreover, the Issuer has a portfolio of longer-term capacity agreements for partly owned and leased natural gas storage facilities in Germany and Denmark and for LNG regassification in the Netherlands.

#### *Business activities with an expected exit in 2019*

*Power distribution:* The Issuer owns and operates regulated power distribution grids in the Copenhagen area and North-Eastern Zealand and distributed power to almost 1 million connections as at the end of 2018. The distribution activity is conducted under licences granted by the Danish Minister of Energy and is regulated by the Electricity Supply Act along with other Danish and EU legislation.

*Residential gas and power sales:* The Issuer's residential business sells gas to approximately 725,000 gas customers and approximately 102,000 residential customers.

*City Light:* The Issuer's city light businesses operate in 17 municipalities across Zealand.

## **Finance and Liquidity**

### ***Anticipated Future Investments***

The Issuer's strategy is supported by a range of investment opportunities capitalising on core competencies, new business opportunities within the defined strategy and existing market positions within the Issuer's reporting segments. The Issuer's investment portfolio consists both of projects which have been approved by the Board of Directors and projects that are still being considered for approval.

The Issuer's gross investments for 2019 are expected to be between DKK 21 and 23 billion.

The Issuer's investment programme is primarily related to:

- substantial and continuing investments in the development, construction and maintenance of offshore wind projects in the United Kingdom, Germany, the Netherlands, Denmark, North America and Asia;
- investments in the development, construction and maintenance of onshore wind, Solar PV and energy storage projects in North America and other countries and continents where the Issuer conducts business;
- investments in the Danish legacy utility business comprising Bioenergy and Customer Solutions mainly comprising conversion of existing coal fired plants to biomass and installation of smart meters in relation to the Issuer's power distribution activities; and
- investments in new green value creating business opportunities.

#### ***Anticipated Divestments***

The Issuer may make further divestments of ownership interests in new wind farms being developed and constructed in addition to those previously completed if viewed by the Issuer as value creating or to reduce risk. However, the Issuer is assuming no further partial divestments of offshore wind farms in Europe after the recent Hornsea 1 farm-down.

Furthermore, in June 2018 the Issuer decided to initiate a structured divestment process of its Danish power distribution, residential customer and city light businesses. Therefore, these activities together with the Issuer's oil pipeline and offshore gas pipeline are accounted for as assets held for sale in the Issuer's consolidated 2018 accounts.

#### ***Liquidity and cash position***

The Issuer's investment policy for excess liquidity is focused on limiting the Issuer's sensitivity to volatility in financial markets. The Issuer's total available liquidity was DKK 37,879 million as of end December 2018, which consisted of cash and cash equivalents in the form of short-term bank deposits of DKK 3,515 million, liquid assets in the form of securities, primarily liquid AAA-rated Danish mortgage bonds and, to a lesser extent, investment-grade corporate bonds, including hybrid bonds, of DKK 25,501 million, less cash and securities not available for distribution (excluding repo loans) of DKK 1,584 million and including undrawn long-term credit facilities from Nordic and international banks of DKK 10,447 million.

The Issuer has defined a minimum liquidity reserve requirement in line with rating agency requirements, which should be complied with at all times. The Issuer's available liquidity as at end December 2018 was significantly above such minimum liquidity reserve requirements. This excess cash position is available to fund future capital expenditures and investments in new value creating business opportunities. In case of excess capital beyond such opportunities, this will be applied to prepay debt or returned to shareholders through increased dividends and/or share buy-backs.

#### ***Funding of the Group Investments***

The Issuer's capital expenditures are generally financed through cash flow from operations, debt financing raised from national and international banks and debt capital markets issuances, including hybrid capital. It is expected that planned investments will be funded through similar sources and to a lesser extent through reductions of ownership in core activities.

In 2017, the Issuer established its Green Bond Framework, which in April 2019 was updated to a Green Finance Framework thereby expanding the framework to also cover green bank loans and other types of debt instruments. Proceeds from securities issued by the Issuer and labelled as "Green Bonds" will be applied in accordance with the Green Finance Framework. The Green Finance Framework sets out, amongst other things, the type of projects and investments that are eligible for allocation of proceeds raised from Green Bonds or green financing instruments, the process around selection and approval of allocation of proceeds to green projects and how the Issuer will manage and report on the allocation and impact of its green bonds and financing instruments.

Pursuant to the International Capital Markets Association's *Green Bond Principles 2018* recommendations, the Issuer has engaged CICERO to issue a second-party opinion regarding its Green Finance Framework.

The Green Finance Framework, the CICERO Opinion and associated reporting are available on the Issuer's website [www.orsted.com](http://www.orsted.com).

It is the Issuer's policy to finance the Group's activities out of the parent company and limit external interest-bearing debt in its subsidiaries to the extent possible. However, in relation to entering new markets, the Issuer may to some extent take up local currency debt through a local subsidiary, with such debt being backed by a guarantee issued by the Issuer. In general, the business activities in the Issuer's operating subsidiaries are primarily financed by the Issuer, through equity and intercompany debt on arm's-length terms. In relation to the Issuer's acquisition of LCE and Deepwater Wind in the U.S., the Issuer has taken over operating onshore wind projects and one offshore wind project which are financed by non-recourse project financing.

In connection with entering into new markets, the Issuer may deviate from this policy depending on the risk relating to a project, potential partner preferences, structuring possibilities or other factors.

As at end December 2018, the Issuer's interest-bearing gross debt was DKK 27.3 billion (DKK 40.7 billion including hybrid capital issues), while interest-bearing net debt was DKK -2.2 billion (net cash position), which compares to DKK 29.6 billion (DKK 42.9 billion including hybrid capital issues) and DKK -1.5 billion, respectively, as at 31 December 2017.

### **Credit Ratings**

The Issuer is rated by Moody's, S&P and Fitch. As at the date of this Base Prospectus:

- Moody's ratings were Baa1 for the Issuer's corporate and senior debt ratings, and Baa3 for the Issuer's hybrid capital securities (all ratings with stable outlook).<sup>11</sup>
- The Issuer's corporate and senior debt ratings from S&P were BBB+, and BB+ for the Issuer's hybrid capital securities (all ratings with stable outlook).<sup>12</sup>
- Fitch's ratings were BBB+ for the Issuer's corporate and senior debt ratings, and BBB- for the Issuer's hybrid capital securities (all ratings with stable outlook).<sup>13</sup>

### **Risk Management of the Group**

As part of the normal operations, the Issuer encounters, in addition to general operational and business risk, a number of different areas of risk, including, and relating to, market fluctuations in commodity prices, currency exchange rates, interest rates, inflation rates as well as credit and insurance, among others. The purpose of the Issuer's risk management activity is to identify the various areas of risk to which the Issuer is exposed and subsequently decide how to address such risks, including assessing to what extent the individual risks are acceptable or even desirable, in conjunction with an evaluation of the extent to which these risks can be mitigated, to ensure an optimal balance between risk and return. Market and counterparty risk management is governed by overall governance systems, risk policies and mandates. These are

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<sup>11</sup> Moody's defines Baa1 and Baa3 for the Issuer as follows: Issuers or issues rated Baa represent average creditworthiness relative to other domestic issuers. Moody's defines Baa for obligations as follows: Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>12</sup> S&P defines BBB+ for the Issuer as follows: An obligor rated 'BBB+' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. S&P defines BBB for obligations as follows: An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. S&P defines BB for obligations as follows: An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

<sup>13</sup> Fitch defines BBB+ and BBB- for the Issuer as follows: 'BBB+' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. Fitch defines BBB for obligations as follows: A 'BBB' rating indicates that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. The modifiers plus or minus may be appended to a rating to denote relative status within major rating categories.

approved by the Board of Directors after having been reviewed by its Audit and Risk sub-committee. Mandates are granted to the Executive Board which delegates the risk mandates to the Business Units under supervision of the Executive Risk Committee headed by the Chief Financial Officer ("CFO"). The Executive Risk Committee monitors compliance with market and counterparty risk mandates and limits and serves as advisory functions to the Executive Board on risk matters.

The Issuer has a group level Risk Management function (market risks and counterparty credit risk) which, for the purpose of segregation of duties, is organisationally separated from the operating and risk taking units. The Risk Management function is responsible for monitoring the risk mandates granted to the Executive Board by the Board of Directors, for reporting of risk limit violations to the Board of Directors and Executive Risk Committee, for reporting of significant events directly to the CFO and for risk calculation methods and models.

The Issuer has a separate Internal Audit function reporting to the Audit and Risk Committee. The mission of Internal Audit is to provide independent and objective assurance and consulting services designed to add value and improve the Issuer's processes. The department helps the Issuer accomplish its objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### ***Market risks***

The Issuer's main market risks relate to fluctuations in commodity prices, currency exchange rates, interest rates and inflation rates. The management of the Issuer's markets risk is based on the Group's desire for stable and robust financial ratios to ensure a solid foundation for the Group's growth strategy as well as protecting the value of the Group's assets. The Issuer's risk management strategies seek to reduce volatility in after tax cash flows that results from fluctuations in market prices of oil, oil products, gas, power, coal, CO<sub>2</sub> certificates and other relevant commodities as well as to reduce cash flow volatility caused by fluctuations in currency exchange rates, interest rates and inflation rates.

The Issuer's policy is to identify and assess all material market risks, with a reasonably high likelihood of materialising, with a view to including a consideration of such risks in the overall risk management policy. Commodity price risk is defined as the unhedged production or unhedged volumes from sourcing and sales contracts multiplied by the forward energy price at the time of risk assessment, whereas currency risk is defined as future net cash flows in foreign currencies multiplied by the forward currency price. The Issuer has implemented a risk governance structure designed to manage identified market risks by adjusting the risk profile to a level of exposure deemed appropriate by the Board of Directors.

To reduce fluctuations in cash flows in the short and medium term, market price risks are generally hedged with a risk management horizon of up to five years. The Issuer manages its risk profile by entering into financial and physical contracts (spot transactions, fixed price transactions and contracts for future delivery, as well as swaps, forwards, options and other derivative products) on commodities, interest rates and foreign currencies. Beyond the five-year horizon, market risks are mainly determined by strategic choices regarding the composition of production assets and long-term physical contracts and a matching in part between the currency of the net cash flow from the assets with the currency composition of long term debt obligations, and of fixed nominal or inflation linked revenue with fixed nominal or inflation linked debt or payment obligations, respectively, to hedge interest and inflation risk.

Commodity price risks are hedged in accordance with the minimum hedging levels decided for each of the reporting segments. The general hedging strategy is to hedge more of the price risk in the near future and to hedge less price risk in the more distant future. This approach is adopted partly because there is less certainty about long-term production volumes, and partly because the financial and physical markets for hedging instruments are less liquid in the longer-term end of the price curve. The Issuer may use proxy hedges to hedge medium to long-term energy price risk exposures.

The energy market trading function is responsible for executing the Group's hedges in the external market, and in connection with these activities, and in part to support these activities, the Issuer also engages in a limited amount of proprietary trading in gas, power, coal, oil, oil products and CO<sub>2</sub> certificates to take advantage of market opportunities, to discover prices and to maintain high levels of market understanding required to support portfolio optimisation and risk management activities. Market trading also balances physical volumes in the market and takes positions to earn a profit and ensure an ongoing market presence and thus gain more detailed market insight. Furthermore, the Issuer has assumed the role of market maker

in the Danish and German power market which involves further market risks as the Issuer must accept certain trades in illiquid markets. Limits for market trading are based on VaR and Stress, which measure the risk of losses on the portfolio from day-to-day, calculated on a fair value basis. VaR is determined as the maximum one-day loss with a 95 per cent. probability and thus measures the risk under normal market conditions.

The main principle behind the risk management of Pounds Sterling is that currency exposures are hedged when the underlying cash flows in foreign currency are highly certain with subsidised revenue following a staircase principle with a declining hedge ratio over time. For U.S. Dollars and Taiwanese Dollars, the main principle is to hedge highly certain cashflows in the short run while still maintaining the time-spread between short exposure in the construction period and long exposure after first wind. Currency exposures consist of cash flows from production with known sales or purchase prices, the value of hedged energy contracts, revenue from green certificates and fixed tariff elements, divestments, capital expenditure, operating expenses, tax assets, and loans in foreign currency. When the Issuer enters into financial or physical contracts or otherwise seeks to manage market risks, the focus is primarily on the impact that such contracts or other actions would have on cash flows over the next five years and, secondarily, on the accounting effect of such transactions. Under the business performance measures, value adjustments of contracts hedging energy prices and related currency risks are postponed and recognised in the period in which the hedged exposure materialises.

The Issuer's main currency risks are in Pounds Sterling and to a lesser degree U.S. dollars and Taiwanese dollars. The Pound Sterling exposure mainly derives from the operating result, investments and divestments relating to the Issuer's wind assets in the United Kingdom and debt denominated in Pounds Sterling. The Issuer's Euro risk is subject to continuous assessment, but is normally not hedged as Denmark is deemed very unlikely to abandon its fixed exchange rate policy.

The Issuer's interest rate risk relates primarily to its interest-bearing debt, including hybrid capital, interest bearing assets, inflation-indexed revenues and financial hedging contracts on cross currency swaps. The fixed/floating rate profile of the Issuer's debt portfolio is determined by the Group's assets and the interest rate sensitivity of the cash flows generated by these assets. Fixed-interest financing over a longer term is sought for assets with fixed, interest-insensitive cash flows over a longer-term. Conversely, more variable-interest financing is sought for assets with varying, interest-sensitive cash flows. For assets with inflation-indexed revenues, either the fixed-rate inflation-indexed debt is prioritised, or the revenue is fixed with derivatives. The Issuer adjusts interest rate risk through the interest rate terms of its loans and by entering into interest rate derivatives such as interest rate swaps, swaptions (options on interest rate swaps), caps and floors.

### ***Credit risks***

The Issuer's credit risk arises partly from power and gas sales and partly from entry into financial and physical transactions based on fixed or indexed prices. As part of the normal course of business, the Issuer enters into contracts for physical delivery of energy products with customers and suppliers as well as hedging contracts for commodities, currencies and interest rates with different market participants, such as other energy companies, specialised trading houses and international banks. Physical contracts with a maturity of more than one year are common and certain other contracts can have maturities of more than five years. All these contracts expose the Issuer to a cost if the counterparty to a contract cannot fulfil its obligations under the contract. The Issuer could potentially also be exposed to counterparty risk from secondary liabilities relating to the divestment of its O&G business activities. The risk of this cost is measured and managed as credit risk.

The Issuer manages credit exposures in such a way as to facilitate business activities without subjecting itself to unreasonable credit exposure in respect of any individual counterparties. The methodology for calculating credit risk takes into account the risk of non-payment of outstanding receivables from already delivered contracts and a financial element covering current and future replacement costs arising from changes in the market value for contracts not based on floating prices. Future replacements costs are estimated based on an "add-on factor" derived from the historical price volatility of the underlying contract asset type.

The Issuer manages its counterparty credit risk through its Group Credit Risk Policy which, among other things, defines how credit lines are set along with calculation principles for the actual credit exposure. This Policy also establishes roles and responsibilities within the Issuer's organisation and is designed to ensure

that all major credit exposures are monitored at the group-wide level. The Issuer manages credit lines on the basis of its assessment of the counterparty's creditworthiness. Where counterparties have been rated externally by, among others, Fitch, Moody's or S&P, these ratings play a significant role in determining the internal rating for such counterparties. The Issuer uses standardised contractual frameworks (for example, International Swaps and Derivatives Association, Inc. and the European Federation of Energy Traders) for trading in energy and financial markets.

For the management of the Issuer's credit risk, its trading and financial counterparties are monitored on a daily basis. All significant credit risk exposures are reported on a regular basis to the Executive Risk Committee and the Board of Directors.

### ***Insurable risks***

The Issuer's insurance programme and type of insurance coverage is based on analysis and mapping of risks related to the Issuer's activities, including factors such as diversification of risks between the business areas, the geographical spread of assets, the likelihood and frequency of events and the likely impact of such events.

A part of the property insurance cover relates to the Issuer's membership in the mutual insurance company, Oil Insurance Ltd. Through this membership, the Issuer is insured up to a limit of U.S.\$400 million, with a deductible amount of U.S.\$10 million for each occurrence resulting in damage to assets. In addition to the cover afforded by Oil Insurance Ltd., the Issuer is covered through separate policies designed to ensure adequate insurance coverage for all operational and construction assets. This additional coverage comprises of specific insurance policies established through Lloyd's of London and other markets.

The Issuer is not insured for business interruption. The Issuer's risk relating to business interruption is diversified between the various business areas, the geographical spread of assets as well as the introduction of partnerships. Furthermore, the frequency and likelihood for worst-case scenario business interruption losses are considered low.

With a view to optimising the insurance portfolio and managing the property insurance with Oil Insurance Ltd., among others, a subsidiary, Ørsted Insurance A/S, has been established. Ørsted Insurance A/S is reinsured by a large number of reinsurers including Oil Insurance Ltd. Oil Insurance Ltd. is a mutual insurance company rated A (stable) by S&P and A2 (stable) by Moody's. In addition to the reinsurance protection, the captive is also protected by a stop loss insurance to limit the potential exposure to the captive in case of frequency losses and claims on the property onshore insurance. Ørsted Insurance A/S is subject to supervision by the Danish Financial Supervisory Authority.

### **Legal Proceedings**

#### ***Elsam***

The Issuer is engaged in competition disputes relating to Danish wholesale power prices which could have a significant effect on the Group's financial position or profitability.

The Issuer is party to an action relating to the competition authorities' claim that the former Elsam A/S ("**Elsam**"), now part of the Group, charged excessive prices in the Danish wholesale power market in some periods. The Danish Competition Appeals Tribunal found that Elsam abused its dominant position in the wholesale power market in Western Denmark to some extent in the period from 1 July 2003 to 31 December 2004 by charging excessive prices. The Issuer has appealed the decision to the Danish Maritime and Commercial Court where until recently it has been stayed on the outcome of a similar case with the competition authorities concerning the period 1 January 2005 to 30 June 2006. In the latter case, the High Court of Western Denmark has ruled in favour of Elsam finding that the competition authorities have not proved that Elsam's behaviour in this period constituted an abuse of a dominant position. After the ruling became final, the parties initiated discussion to settle the case concerning 1 July 2003 to 31 December 2004 on similar terms. These discussions are still ongoing.

The Competition Appeals Tribunal has abrogated a similar finding of excessive pricing from the Danish Competition Council concerning the period from 1 July 2006 to 31 December 2006 and referred it back to the Council. This decision was based on the finding that the Danish Competition Council had not proved that Elsam's behaviour in this period constituted an abuse of a dominant position.

In connection with the above actions relating to excessive prices in Western Denmark, a number of power consumers have either filed a claim with the Maritime and Commercial Court for compensation against the Issuer or have entered into agreements with the Issuer to suspend the statutory limitation of their alleged claims and therefore not yet filed a claim. The biggest claim filed so far is by a group of power consumers claiming compensation which at the moment is calculated as an amount of up to DKK 4,405 million with the addition of interest from the date of the individual payments of allegedly excessive prices until settlement of the claim. i.e. in the period from 1 July 2003 and until a final non-appealable decision has been made by the courts and the amount has been finally paid.

The plaintiffs' claim for interest can therefore exceed any damages which may be awarded to the plaintiffs including the aggregate primary claim of DKK 4,405 million.

The outcome of these actions is subject to considerable uncertainty. However, the Danish Competition Council has calculated that the consumers' actual losses amount to DKK 298 million and, based thereupon, a DKK 298 million provision (with addition of the interest) has been recognised in the Issuer's accounts.

## **Material Contracts**

The following is a summary of material contracts, other than contracts in the ordinary course of business, into which the Issuer or any of its subsidiaries have entered, which contain obligations or entitlements that are material to the Issuer as at the date of this Base Prospectus. In the course of its ordinary business, the Issuer enters into contracts which have obligations or entitlements that are material to the Group. Amongst these contracts entered into in the ordinary course of its business is, for example, agreements entered into as part of the offshore wind partnerships (share purchase agreements, shareholders' agreements, construction agreements, O&M agreements and Power Purchase Agreements), heat agreements entered into in connection with the conversion of our CHP plants to biomass and long term gas purchase contracts. Certain of such contracts, including agreements entered into in relation to our offshore wind farm partnerships, contain provisions relating to change-of-control events, pre-emption rights, transfer restrictions or buy-back arrangements related to specific events or other transfer provisions. Certain of the long term gas purchase contracts contain provisions on price reviews and take-or-pay obligations.

### *Divestment of upstream oil and gas business*

On 24 May 2017, the Issuer entered into an agreement to divest the entire share capital of DONG E&P A/S to INEOS, thereby divesting its upstream oil and gas business. The divestment was completed on 29 September 2017. As part of the divestment, the Issuer assumed secondary liabilities relating to the decommissioning of the offshore facilities owned by DONG E&P A/S and its subsidiaries in Denmark and Norway. The beneficiaries are the Danish and Norwegian states, respectively, depending on the location of the licences, and the other participants in the relevant licenses. In the UK, a potential decommissioning liability follows due to regulation. The key terms are different depending on country of licence, please see the Interim Financial Report for the first nine months of 2017, note 9, that has been incorporated to this Base Prospectus by reference. In case of any of the secondary liabilities being exercised, the Issuer has full recourse for such liabilities against INEOS, INEOS Industries Holdings Limited and INEOS Holdings AG.

## **Management**

### *General*

The Issuer is governed by the Board of Directors, which has overall responsibility for the management of the Issuer's business. The Issuer's Executive Committee is in charge of the day-to-day management and in that capacity, follows the directions and guidelines provided by the Board of Directors.

According to the Articles of Association of the Issuer, the Board of Directors must consist of six to eight members elected by the shareholders and the number of members elected by the employees according to legislation (i.e., the Danish Companies Act). The Board of Directors currently consists of six members elected by the shareholders and three members appointed by the employees (the "**Group Representatives**"). The Board of Directors holds a minimum of five meetings each year. Extraordinary board meetings are convened when required.

The Board of Directors has appointed the Issuer's Executive Committee, including a Chief Executive Officer ("**CEO**") and a Chief Financial Officer ("**CFO**"). The CEO and CFO comprise the Issuer's

executive board (the "**Executive Board**") and are registered managers with the Danish Business Authority. The Issuer's Executive Committee currently consists of seven members.

The business address of the members of the Board of Directors and Executive Committee is Ørsted A/S, Kraftværksvej 53, Skærbæk, DK-7000 Fredericia, Denmark.

### **Board of Directors**

The members of the Board of Directors of the Issuer, as at the date of this Base Prospectus, were:

| <b>Name</b>                | <b>Year Born</b> | <b>Year First Appointed</b> | <b>Current Term Expires</b> | <b>Position</b>      |
|----------------------------|------------------|-----------------------------|-----------------------------|----------------------|
| Thomas Thune Andersen..... | 1955             | 2014                        | 2020                        | Chairman             |
| Lene Skole.....            | 1959             | 2015                        | 2020                        | Deputy Chairman      |
| Lynda Armstrong.....       | 1950             | 2015                        | 2020                        | Director             |
| Peter Korsholm.....        | 1971             | 2017                        | 2020                        | Director             |
| Dieter Wemmer.....         | 1957             | 2018                        | 2020                        | Director             |
| Jørgen Kildahl.....        | 1963             | 2018                        | 2020                        | Director             |
| Hanne Sten Andersen.....   | 1960             | 2007                        | 2022                        | Group Representative |
| Poul Dreyer.....           | 1964             | 2014                        | 2022                        | Group Representative |
| Benny Gøbel.....           | 1967             | 2011                        | 2022                        | Group Representative |

*Thomas Thune Andersen* is the Chairman of the Board of Directors. He also serves as Chairman of Lloyds Register Group and Foundation and as Deputy Chairman of the Board of Directors of VKR Holding A/S. Furthermore, Thomas Thune Andersen is a member of the Board of Directors of BW Offshore Ltd., Arcon-Sunmark A/S and IMI plc. Furthermore, Thomas Thune Andersen is a member of the Remuneration Committee of Lloyds Register Group, the Nomination Committee of Lloyds Register Foundation, the Nomination Committee and Remuneration Committee of IMI plc, the Audit Committee of BW Offshore Ltd. and the Nomination Committee of VKR Holding A/S.

*Lene Skole* is the Deputy Chairman of the Board of Directors. She is CEO of the Lundbeck Foundation and Lundbeckfond Invest A/S. She also serves as the Chairman of the Board of Directors of LFI Equity A/S. Furthermore, Lene Skole is the Deputy Chairman of the Board of Directors of H. Lundbeck A/S, ALK-Abelló A/S and Falck A/S and member of the Board of Directors of Tryg A/S and Tryg Forsikring A/S. Lene Skole is a member of the Audit & Risk Committee of Tryg A/S, member of the Remuneration Committee of Falck A/S and member of the Audit, Nomination and Scientific Committee of ALK-Abelló A/S. She also serves as a member of the Remuneration & Scientific Committee of H. Lundbeck A/S.

*Lynda Armstrong* is a member of the Board of Directors. She is Non-executive Director of KAZ Minerals plc. She also serves as Chairman of the Board of Directors of The Engineering Construction Industry Training Board. Furthermore, Lynda Armstrong is Chair of the Remuneration Committee, member of the HSE Committee and the Project Assurance Committee of KAZ Minerals Plc.

*Peter Korsholm* is a member of the Board of Directors. He is CEO of DSVM Invest A/S, DSV Miljø Group A/S, Togu ApS, Day et Invest ApS. and Ejendomsselskabet Nordre Fasanvej ApS. He also serves as Chairman of the Board of Directors of Forward TopCo A/S, Nymølle Stenindustrier A/S, GDL Transport Holding AB, Lion Danmark I ApS and two wholly-owned subsidiaries of Lion Danmark I ApS. Furthermore, Peter Korsholm is a member of the Board of Directors of DSVM Invest A/S and four wholly-owned subsidiaries of DSVM Invest A/S, A/S United Shipping and Trading Company and three wholly-owned subsidiaries of A/S United Shipping and Trading Company, Day et A/S, DANX Holding I ApS and three wholly-owned subsidiaries of DANX Holding I ApS. Peter Korsholm is also Chairman of the Investment Committee of Zoscales Partners.

*Dieter Wemmer* is a member of the Board of Directors. Furthermore, he is a member of the Board of Directors of UBS Group AG and UBS AG. Dieter Wemmer is also a member of the Audit and Risk Committee of UBS Group AG.

*Jørgen Kildahl* is a member of the Board of Directors. He is Chairman of the Board of Directors of eSmart Systems and Nysäter Wind AB. He also serves as Deputy Chairman of the Board of Directors of Telenor ASA. Furthermore, *Jørgen Kildahl* is as a member of the Board of Directors of Hoegh LNG Holding Ltd. He also serves as a member of the Audit Committee, Sustainability and Compliance Committee of Telenor ASA and the Audit Committee of Hoegh LNG Holding Ltd. He also acts as senior advisor of Credit Suisse Infrastructure Partners.

*Hanne Sten Andersen, Poul Dreyer, and Benny Gøbel* are Group Representatives and members of the Board of Directors.

### **Executive Committee**

The members of the Issuer's Executive Committee, as at the date of this Base Prospectus, were:

| <b>Name</b>                     | <b>Year Born</b> | <b>Position</b>               |
|---------------------------------|------------------|-------------------------------|
| Henrik Poulsen .....            | 1967             | CEO                           |
| Marianne Wiinholt.....          | 1965             | Executive Vice President, CFO |
| Thomas Dalsgaard.....           | 1966             | Executive Vice President      |
| Morten Hultberg Buchgreitz..... | 1967             | Executive Vice President      |
| Martin Neubert .....            | 1973             | Executive Vice President      |
| Anders Lindberg.....            | 1965             | Executive Vice President      |
| Ole Kjems Sørensen .....        | 1972             | Executive Vice President      |

*Henrik Poulsen* has been the Issuer's CEO since 27 August 2012 and is a registered manager of the Issuer with the Danish Business Authority. *Henrik Poulsen* was educated at the Aarhus School of Business, where he received his M. Sc. (Finance and Accounting) in 1994. Prior to joining the Issuer in August 2012, *Henrik Poulsen* served four years as CEO and President of TDC A/S. *Henrik Poulsen* served as Vice President, Senior Vice President and Executive Vice President at LEGO. His career includes managerial positions at Kohlberg Kravis Roberts & Co., London, and McKinsey & Company as well as positions at Aarsø Nielsen & Partners and Novo Nordisk A/S. *Henrik Poulsen* is Deputy Chairman of the Board of Directors and member of the Audit Committee of Kinnevik AB. Furthermore, *Henrik Poulsen* is a member of the Board of Directors of ISS A/S and one wholly-owned subsidiary of ISS A/S and Chairman of the Audit Committee of ISS A/S. He also acts as advisor to EQT Partners.

*Marianne Wiinholt* has been the Issuer's CFO since 3 October 2013 and is a registered manager of the Issuer with the Danish Business Authority. *Marianne Wiinholt* was educated at Copenhagen Business School, where she received her M.Sc. (Business Administration and Auditing) in 1992. Prior to joining the Issuer in 2004, *Marianne Wiinholt* served as an accountant at Arthur Andersen and as head of Group Accounting, Controlling & Tax at Borealis AS. *Marianne Wiinholt* is a member of the Board of Directors and Audit Committee of Norsk Hydro ASA. She is also a member of the Board of Directors and Chairman of the Audit Committee of Hempel A/S.

*Thomas Dalsgaard* has been a member of the Issuer's Executive Committee since 2011 and is responsible for the Issuer's Bioenergy business unit. *Thomas Dalsgaard* was educated as Economist at Aarhus University (cand. oecon) in 1993. Prior to joining the Issuer, *Thomas Dalsgaard* served as Economist, Special Advisor and Head of Division within the Danish Ministry of Finance. His career also includes positions within OECD, Paris, France, and IMF, Washington D.C., USA.

*Morten Hultberg Buchgreitz* has been a member of the Issuer's Executive Committee since March 2013 and is responsible for the Customer Solutions business unit. *Morten Buchgreitz* holds a Master's degree in Business Administration and Computer Science from Copenhagen Business School. Prior to joining the Issuer in 2002, *Morten Buchgreitz* held various positions in KPMG Consulting and before that positions at Unibank/Privatbanken in the International Division and Treasury.

*Martin Neubert* has been a member of the Issuer's Executive Committee since February 2018 and is responsible for the Offshore business unit. *Martin Neubert* holds a Master in Economics and Finance and a CFA Charter. *Martin Neubert* joined the Issuer in 2008 and has served as Head of Group M&A, Head of Partnerships & M&A and Head of Commercial Transactions & Market Development and Chief Strategy Officer. Prior to joining the Issuer, *Martin Neubert* held various positions with Bain Capital, EY and Arthur Andersen.

*Anders Lindberg* has been a member of the Issuer's Executive Committee since February 2018 and is responsible for the EPC and QHSE organisation in Offshore Wind. Anders Lindberg holds an engineering degree and an executive MBA. Prior to joining the Issuer in 2015, Anders Lindberg served as President for three different global business units of Bombardier Transportation and before that held various functions in ABB Traction AB having various functions.

*Ole Kjems Sørensen* has been a member of the Issuer's Executive Committee since February 2018 and is responsible for Onshore Wind & Corporate Development/ M&A for the Issuer. Ole Kjems Sørensen holds a Master in Laws. Ole Kjems Sørensen joined the Issuer in 2006 and has served as Head of Wind Power M&A, Head of Partnerships and M&A and Head of Commercial Transactions & Market Development in Wind Power. Prior to joining the Issuer, Ole Kjems Sørensen served as Vice President at ATP Equity Partners and before that as a lawyer at Gorrissen Federspiel.

### **Statement on Conflicts of Interest**

No actual or potential conflicts of interest exist with respect to the duties of any member of the Board of Directors or Executive Committee towards the Issuer and their private interests and/or duties to other persons.

### **Corporate Governance**

As a listed company, the Issuer consider the Recommendations for Corporate Governance prepared by the Danish Committee on Corporate Governance. The Issuer has consequently elected to broadly comply with these recommendations. The Board of Directors of the Issuer review the corporate governance recommendations annually based on best practice.

### **Board Practices**

#### *Audit and Risk Committee*

After the Issuer's annual general meeting, the Board of Directors of the Issuer appoints members to the Audit and Risk Committee.

The Audit and Risk Committee assists the Board of Directors of the Issuer in overseeing the financial reporting process, financial and business-related risks, internal controls and compliance with statutory and other requirements from public authorities. Moreover, the Audit and Risk Committee decides the framework for the work of the Issuer's external and internal auditors, evaluates the auditor's independence and qualifications as well as monitoring the Issuer's whistle-blower scheme.

As at the date of this Base Prospectus, the Audit and Risk Committee members are Dieter Wemmer (Chairman), Peter Korsholm, and Jørgen Kildahl.

### **Selected Financial Information**

The following tables set out selected financial information concerning the Issuer's assets and liabilities, financial position and profits and losses as at the dates and for the periods specified therein:

**Table 6: Consolidated Income Statement (Business Performance)**

|   | <u>FY2017<sup>(a)</sup></u> | <u>FY 2018<sup>(a)</sup></u> | <u>Q1 2018</u> | <u>Q1 2019</u> |
|---|-----------------------------|------------------------------|----------------|----------------|
|   | <i>(DKK million)</i>        |                              |                |                |
| Revenue.....  | 59,504                      | 76,946                       | 19,808         | 17,239         |
| EBITDA.....   | 22,519                      | 30,029                       | 5,519          | 5,130          |
| Operating profit (EBIT).....                              | 16,235                      | 24,654                       | 4,137          | 3,512          |
| Profit before tax.....                                    | 15,044                      | 23,504                       | 3,830          | 3,597          |
| Profit (loss) for the period continuing operations .....  | 13,279                      | 19,486                       | 3,032          | 2,639          |
| Profit (loss) for the period discontinued operations..... | 6,920                       | 10                           | 8              | (43)           |
| Profit (loss) for the period .....                        | 20,199                      | 19,496                       | 3,040          | 2,596          |

Notes:

(a) Source: Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2018

**Table 7: Consolidated Income Statement IFRS**

|  | <u>FY</u><br><u>2017<sup>(a)</sup></u> | <u>FY</u><br><u>2018<sup>(a)</sup></u> | <u>Q1</u><br><u>2018</u> | <u>Q1</u><br><u>2019</u> |
|--|--|--|--------------------------|--------------------------|
|  | <i>(DKK million)</i>                   |  |                          |                          |
| Revenue .....  | 59,70                                  | 75,52                                  | 19,698                   | 18,7                     |
|  | 9                                      | 0                                      |                          | 63                       |
| EBITDA .....   | 22,57                                  | 28,49                                  | 5,285                    | 6,00                     |
|  | 4                                      | 1                                      |                          | 7                        |
| Operating profit (EBIT) .....                              | 16,29                                  | 23,11                                  | 3,903                    | 4,38                     |
|  | 0                                      | 6                                      |                          | 9                        |
| Profit before tax .....                                    | 15,09                                  | 21,96                                  | 3,596                    | 4,47                     |
|  | 9                                      | 6                                      |                          | 4                        |
| Profit (loss) for the period continuing operations .....   | 13,32                                  | 18,26                                  | 2,849                    | 3,32                     |
|  | 1                                      | 6                                      |                          | 2                        |
| Profit (loss) for the period discontinued operations ..... | 6,104                                  | 10                                     | 8                        | (43)                     |
| Profit (loss) for the period .....                         | 19,42                                  | 18,27                                  | 2,857                    | 3,27                     |
|  | 5                                      | 6                                      |                          | 9                        |

Notes:

(a) Source: Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2018

**Table 8: Consolidated Balance Sheet as at 31 December**

| <i>Assets</i>                          | <u>FY 2017<sup>(a)</sup></u> | <u>FY 2018<sup>(a)</sup></u> | <u>Q1 2018</u> | <u>Q1 2019</u> |
|--|------------------------------|------------------------------|----------------|----------------|
|  | <i>(DKK million)</i>         |                              |                |                |
| Intangible assets .....                | 689                          | 777                          | 605            | 791            |
| Property, plant and equipment.....     | 75,845                       | 84,055                       | 79,061         | 92,127         |
| Other non-current assets.....          | 5,337                        | 7,986                        | 4,680          | 7,497          |
| Non-current assets.....                | 81,871                       | 92,818                       | 84,346         | 100,415        |
| Current assets.....                    | 62,008                       | 66,534                       | 60,738         | 66,793         |
| Asset classified as held for sale..... | 2,642                        | 15,223                       | 2,655          | 15,575         |
| Assets.....                            | 146,521                      | 174,575                      | 147,739        | 182,783        |

Notes:

(a) Source: Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2018

| <i>Equity and Liabilities</i>                                       | <u>FY 2017<sup>(a)</sup></u> | <u>FY 2018<sup>(a)</sup></u> | <u>Q1 2018</u> | <u>Q1 2019</u> |
|---|------------------------------|------------------------------|----------------|----------------|
|   | <i>(DKK million)</i>         |                              |                |                |
| Equity attributable to the equity holders of Ørsted A/S.....        | 54,791                       | 68,488                       | 53,861         | 69,193         |
| Equity.....   | 71,837                       | 85,115                       | 70,823         | 85,843         |
| Non-current liabilities .....                                       | 44,397                       | 49,673                       | 44,035         | 54,747         |
| Current liabilities.....  | 29,657                       | 34,936                       | 32,244         | 37,568         |
| Liabilities associated with assets classified as held for sale..... | 630                          | 4,851                        | 637            | 4,625          |
| Liabilities .....   | 74,054                       | 84,609                       | 76,279         | 92,315         |
| Equity and liabilities .....  | 146,521                      | 174,575                      | 147,739        | 182,783        |

Notes:

(a) Source: Audited consolidated annual financial statements of the Issuer as at and for the financial year ended 31 December 2018

## DESCRIPTION OF ALTERNATIVE PERFORMANCE MEASURES

This section provides further information in relation to alternative performance measures for the purposes of the guidelines published by ESMA.

### Non-IFRS Measures

This Base Prospectus contains non-IFRS measures and ratios, including those listed below, which are not required by, or presented in accordance with, IFRS as adopted by the EU or the accounting standards of any other jurisdiction. The Issuer presents non-IFRS measures to measure operating performance and as a basis for its strategic planning and forecasting, as well as monitoring certain aspects of operating cash flow and liquidity. The Issuer also believes that non-IFRS measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Issuer's non-IFRS measures are defined as follows:

- **"EBITDA"** indicates the operating profit or loss (EBIT) before depreciation, amortizations and impairment losses;
- **"EBIT"** is earnings before interest and tax equivalent to operating profit (loss);
- **"Capital employed"** is calculated as non-interest-bearing assets less non-interest-bearing liabilities;
- **"Average capital employed"** is calculated on a rolling 12 month period as the capital employed at the beginning of the 12 month period plus the capital employed at the end of the 12 month period, divided by two;
- **"ROCE"**, or return on capital employed, is calculated on a rolling 12 month period as (i) the EBIT, divided by (ii) the average capital employed;
- **"Gross investments"** is calculated as cash flows from investing activities, excluding dividends received from associates, joint ventures and equity investments, purchase and sale of securities, loans to joint ventures and joint operations, and divestments of assets and enterprises;
- **"Net investments"** is calculated as payments in connection with the purchase and sale of intangible assets, property, plant and equipment and other non-current assets as well as payments in connection with the acquisition and divestment of enterprises and activities;
- **"Free cash flow"** is calculated as cash flows from operating activities less gross investments plus divestments;
- **"Net working capital"** is calculated as inventories, trade receivables, prepayments and other current operating assets less trade payables and deferred income and other operating current liabilities;
- **"Net working capital, excluding trade payables relating to capital expenditures"** is calculated as net working capital excluding trade payables relating to purchases of intangible assets and property, plant and equipment;
- **"FFO"**, or funds from operations, is calculated on a rolling 12 month period on the basis of EBITDA (business performance), adjusted for interest expenses (net), the interest element of decommissioning obligations, 50 per cent. of the hybrid capital coupon payments and current tax. In addition, operating lease obligations have been recognised as if they were finance lease obligations, where operating payments have been reversed with the deduction of calculated interest expenses on the present value of the lease payments;
- **"Interest-bearing net debt"** is calculated as interest bearing debt less interest bearing assets;
- **"Adjusted interest-bearing net debt"** is calculated as interest-bearing net debt plus 50 per cent. of hybrid capital, cash, cash equivalents and securities not available for use (with the exception of

repo transactions), present value of lease obligations (operating lease obligations calculated as if they were finance lease obligations), and decommissioning obligations less deferred tax; and

- **"FFO/Adjusted interest-bearing net debt"** is calculated as the ratio between FFO and Adjusted interest-bearing net debt.

The non-IFRS measures, including its business performance measures, may not be comparable to other similarly titled measures of other companies and should be considered together with the Issuer's IFRS results. Non-IFRS measures and ratios are not measurements of the Issuer's performance or liquidity under IFRS as adopted by the EU and investors should bear this in mind when considering non-IFRS measures as alternatives to operating profit or profit for the year or other performance measures derived in accordance with IFRS as adopted by the EU or any other generally accepted accounting principles, or as alternatives to cash flow from operating, investing or financing activities. Investors should rely on the Issuer's IFRS results, supplemented by its non-IFRS measures, to evaluate the Issuer's performance.

### **Business performance measure**

Business performance measure is a non-IFRS alternative performance measure introduced in 2011 to supplement the Group's IFRS financial statements. The business performance measures included in this Base Prospectus represent the financial performance of the Group's activities in the reporting period, as the result is adjusted for temporary fluctuations in the market value of contracts (including hedging transactions) relating to other periods. The value adjustment of hedging transactions is deferred and recognised for the period in which the hedged exposure materialises with the following three exceptions:

- (i) the Issuer's long-term oil-indexed purchase contracts, the prices at which the Issuer purchase gas are calculated on the basis of formulas incorporating variables based on market prices for fuel oil, gas oil, etc. over periods of up to 17 months prior to the purchase date. These prices are automatically recalculated periodically, typically quarterly. Accordingly, the impact on earnings and cash flow will be exaggerated in the short-term in periods of increasing and decreasing oil prices, an effect which will be stabilised in the long-term, providing an overall neutral effect unless there is a permanent change in oil prices or the purchase contracts terminate
- (ii) the Issuer's hedging contracts related to the purchase contracts, the changes in the prices of fuel oil, gas oil etc. are mitigated through hedging of the expected price exposure that will exist following the conclusion of renegotiations. The market value of the Issuer's hedging contracts related to the Issuer's purchase contracts with a time lag are recognised in the business performance income statement at the time of the settlement of the hedging contracts which is the point in time the Issuer's exposure cease, which is at an earlier date than the physical delivery date of the underlying gas purchase contract.
- (iii) the Issuer's hedging contracts related to gas at storage, changes in the price of gas in the Issuer's storage facilities are also mitigated through hedging. The value adjustment of the hedging transaction is recognised for the period in which the hedged exposure materialises, which is when gas leaves the storage facility for delivery. Each month, the Issuer revalue the current volume of gas in storage, such that the underlying change in gas prices may be recognised earlier than the recognition of the value of the hedge.

Contracts included in business performance measures are hedging contracts concerning energy and related currencies and commercial contracts. When hedging instruments do not fully correspond to the hedged exposure, for example, if proxy hedges are used, any difference between the development in market value of the hedging contract and the market value of the hedged exposure is recognised immediately in the income statement as part of the gain or loss from the trading portfolio. Contracts included in business performance measures are hedging contracts concerning energy and related currencies and commercial contracts.

The main reasons for introducing business performance measures were (i) an inability for the Issuer to achieve the same degree of timing between the recognition of commercial exposure and hedging contracts under the IFRS rules, for example with respect to option premiums and certain commercial fixed price contracts, and (ii) a high risk of hedging contracts being in non-compliance with the IFRS hedge accounting rules, which would require the Issuer to account for the hedging contracts at fair value through profit or loss, while the commercial exposure is accrual accounted.

The timing of the recognition of hedging contracts is the only difference between the two accounting methods, and this difference is eliminated when the hedging contracts expire.

Business performance measures are audited by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab ("**PwC**") as part of their audit of the audited consolidated annual financial statements. To reflect whether an income statement figure is an IFRS or a business performance measure, IFRS or business performance (or BP) is written in connection with the relevant figures in the Base Prospectus, unless they are identical under IFRS and BP.

#### **Auditors of the Issuer**

The auditors of the Issuer for 2018 and 2017 were PwC (authorised by the Danish Commerce and Companies Agency and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark). PwC have audited the consolidated financial statements and the parent company financial statements of the Issuer as at and for the financial years ended 31 December 2018 and 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the European Union and additional requirements under Danish audit regulation. PwC has issued an unqualified auditors' report without emphasis of matter on such consolidated financial statements and parent company financial statements. PwC has no financial interest in the Issuer.

## FORM OF FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>14</sup>

**[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]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[s/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.]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [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 Recommendation on Investment Products.)<sup>15</sup>

**Final Terms dated [date]**

**Ørsted A/S**

**Legal entity identifier (LEI): W9NG6WMZIYEU8VEDOG48**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] by Ørsted A/S (the "Issuer")**

**under the €7,000,000,000 Debt Issuance Programme**

### **PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 3 May 2019 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of [Directive 2003/71/EC (as amended or superseded, "**Prospectus Directive**")][the Prospectus Directive]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing [on the website of the Luxembourg Stock Exchange, *www.bourse.lu*] and copies may be obtained from Ørsted A/S at Nesa Allé 1, 2820 Gentofte, Denmark.]

<sup>14</sup> Include where "Prohibition of sales to EEA retail investors" under Part B item 9 (*Distribution*) of the Final Terms specifies "Applicable".

<sup>15</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date).*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") contained in the Trust Deed dated [*original date*] and set forth in the [Base Prospectus] dated [*original date*] [and the supplement to the Base Prospectus dated [•]] and incorporated by reference into the Base Prospectus dated [3 May 2019/17 May 2017/29 March 2012/24 March 2010/17 April 2009]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of [Directive 2003/71/EC (as amended or superseded, "**Prospectus Directive**")][the Prospectus Directive] and must be read in conjunction with the Base Prospectus dated [3 May 2019/17 May 2017/29 March 2012/24 March 2010/17 April 2009] [and the supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. The Base Prospectuses [and the supplements to the Base Prospectuses] are available for viewing [on the website of the Luxembourg Stock Exchange, *www.bourse.lu*] and copies may be obtained from Ørsted A/S at Nesa Allé 1, 2820 Gentofte, Denmark.]

*(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub paragraphs. Italics denote guidance for completing the Final Terms).*

- |    |       |  |   |
|----|-------|--|---|
| 1. | (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 described in these Final Terms [which is expected to occur on or about [•]] |
| 2. |       | Specified Currency:                      | [•]   |
| 3. |       | Aggregate Nominal Amount of Notes:       |   |
|    | (i)   | Series:                                  | [•]   |
|    | (ii)  | Tranche:                                 | [•]   |
| 4. |       | Issue Price:                             | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]  |
| 5. | (i)   | Specified Denominations:                 | [•]   |
|    | (ii)  | Calculation Amount:                      | [•]   |
| 6. | (i)   | Issue Date:                              | [•]   |
|    | (ii)  | Interest Commencement Date:              | Issue Date/Not Applicable/ <i>Other</i>   |
| 7. |       | Maturity Date:                           | [•]   |
| 8. |       | Interest Basis:                          | [•] per cent. Fixed Rate / [LIBOR/EURIBOR/CIBOR/CMS London/CMS Brussels] +/- [•] per cent. Floating Rate / Zero Coupon / Inflation Linked Interest  |

See paragraph 13/14/15/16 below

- |     |  |   |
|-----|--|---|
| 9.  | Redemption/Payment Basis:                              | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date [at par/in instalments/in accordance with Condition 6(a) – Indexation of Principal] |
| 10. | Change of Interest or Redemption/<br>Payment Basis:    | Not Applicable/[•]  |
| 11. | Put/Call Options:                                      | Not Applicable/Investor Put/Issuer Call/Make-Whole Redemption Amount/Clean-up Call Option/Redemption for Index Reasons  |
| 12. | Date Board approval for issuance of<br>Notes obtained: | [•]   |

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

- |     |  |  |
|-----|--|--|
| 13. | <b>Fixed Rate Note Provisions</b>          | Applicable/Not Applicable<br><br><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>  |
|     | [(i) Rate(s) of Interest:                  | [•] per cent. per annum payable [annually/<br>semi-annually/quarterly/monthly/other] in arrear]  |
|     | [(ii) Interest Payment Date(s):            | [•] in each year [adjusted for payment purposes only<br>in accordance with the [Floating Rate Convention /<br>Following Business Day Convention / Modified<br>Following Business Day Convention / Preceding<br>Business Day Convention]/, not adjusted]] |
|     | [(iii) Fixed Coupon Amount(s):             | [•] per Calculation Amount]  |
|     | [(iv) Broken Amount(s):                    | Not Applicable/[•] per Calculation Amount payable<br>on the Interest Payment Date falling [in/on] [•]]   |
|     | [(v) Day Count Fraction:                   | [Actual/Actual]<br>[Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)]<br>[Actual/360]<br>[30/360]/[360/360]/[Bond Basis]<br>[30E/360]/[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual (ICMA)]]  |
|     | [(vi) Determination Date(s):               | Not Applicable/[•] in each year]   |
| 14. | <b>Floating Rate Note Provisions</b>       | Applicable/Not Applicable<br><br><i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>  |
|     | [(i) Interest Period(s):                   | [•]  |
|     | [(ii) Specified Interest Payment<br>Dates: | [•]  |
|     | [(iii) First Interest Payment Date:        | [•]  |
|     | [(iv) Interest Period Date:                | Not Applicable/[•]   |

|         |  |  |
|---------|--|--|
| [(v)    | Business Day Convention:   | Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]   |
| [(vi)   | Business Centre(s):  | [•]  |
| [(vii)  | Manner in which the Rate(s) of Interest is/are to be determined:               | Screen Rate Determination/ISDA Determination]  |
| [(viii) | Party responsible for calculating the Rates of Interest and Interest Amounts): | Calculation Agent/[•]  |
| [(ix)   | Screen Rate Determination:   | <ul style="list-style-type: none"> <li>• Reference Rate: LIBOR/EURIBOR/CIBOR/CMS London/CMS Brussels</li> <li>• Interest Determination Date(s): [•]</li> <li>• Relevant Screen Page: [•]</li> <li>• [CMS London/CMS Brussels only]</li> <li>• Designated Maturity: [•]</li> <li>• Floating Rate Option: [•]</li> <li>• Reset Date(s): [•]</li> </ul> |
| [(x)    | ISDA Determination:  | <ul style="list-style-type: none"> <li>• Floating Rate Option: [•]</li> <li>• Designated Maturity: [•]</li> <li>• Reset Date: [•]</li> <li>• ISDA Definitions: [•]</li> </ul>  |
| [(xi)   | Linear Interpolation:  | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]]   |
| [(xii)  | Margin(s):   | +/- [•] per cent. per annum]   |
| [(xiii) | Minimum Rate of Interest:  | Not Applicable/[•] per cent. per annum]  |
| [(xiv)  | Maximum Rate of Interest:  | Not Applicable/[•] per cent. per annum]  |
| [(xv)   | Day Count Fraction:  | [Actual/Actual]<br>[Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)]<br>[Actual/360]<br>[30/360]/[360/360]/[Bond Basis]<br>[30E/360]/[Eurobond Basis]   |

|     |   |  |
|-----|---|--|
|     |   | [30E/360 (ISDA)]<br>[Actual/Actual (ICMA)]   |
| 15. | <b>Zero Coupon Note Provisions</b>                            | Applicable/Not Applicable<br><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
|     | [(i) Yield:   | [•] per cent. per annum]   |
| 16. | <b>Inflation Linked Note Provisions</b>                       | Applicable/Not Applicable<br><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>   |
|     | [(i) Index:   | [RPI/CPI]  |
|     | [(ii) Rate of Interest:                                       | [•] per cent. per annum multiplied by the Index Ratio]   |
|     | [(iii) Name and address of Calculation Agent:                 | [•]  |
|     | [(iv) Specified Period(s)/Specified Interest Payment Date(s): | [•]  |
|     | [(v) Business Day Convention:                                 | [Not Applicable/Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]]                                       |
|     | [(vi) Additional Business Centre(s):                          | [•][Not Applicable]]   |
|     | [(vi) Day Count Fraction                                      | [Actual/Actual]<br>[Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)]<br>[Actual/360]<br>[30/360]/[360/360]/[Bond Basis]<br>[30E/360]/[Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual (ICMA)] |
|     | [(viii) Base Index Figure:                                    | [•]  |
|     | [(ix) Index Figure applicable to:                             | [[•] month lag applies] [Not Applicable]]  |
|     | [(x) t:   | [•] [Not Applicable]]  |
|     | [(xi) Reference Gilt:   | [[•] per cent. Index-Linked Treasury Stock due [•]]<br><br>[Not Applicable]]   |
|     | [(xii) Minimum Rate of Interest:                              | [•] per cent. per annum]   |
|     | [(xiii) Maximum Rate of Interest:                             | [•] per cent. per annum]   |

**PROVISIONS RELATING TO REDEMPTION**

17. Call 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: [•] per Calculation Amount]
- [(iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount]
- [(vi) Notice period: As set out in the Conditions/[•]]
18. Clean-up Call Option: Applicable/Not Applicable  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [(i) Early Redemption Amount: [•] per Calculation Amount]
- [(ii) Minimum Percentage: [•] per cent.]
- [(iii) Notice period: As set out in the Conditions/[•]]
19. Make-Whole Redemption: Applicable/Applicable from, and including, [•] to, but excluding, [•]/Not Applicable  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [(i) Make-Whole Redemption Margin: [•]]
- [(ii) Notice period: As set out in the Conditions/[•]]
- [(iii) Make-Whole Reference Bond: [•]]
- [(iv) Reference Dealers: [•]]
- [(v) Quotation Time: [•]]
- [(iv) Determination Date: [•]]
- [(v) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount]
20. Put Option: Applicable/Not Applicable

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- [ (i) Optional Redemption Date(s): [•]]
- [ (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount]
- [ (iii) Notice period: As set out in the Conditions/[•]]
21. Final Redemption Amount of each Note: [•] per Calculation Amount
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount
22. Early Redemption Amount(s) per Calculation Amount payable per Note on redemption for taxation reasons or on event of default or other early redemption: [•] per Calculation Amount
23. Fundamental Change Reference Bond:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes: Bearer Notes:
- Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes [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 [in the limited circumstances specified in the permanent Global Note]]
- Exchangeable Bearer Notes
- Registered Notes:
- [Regulation S Global Note (U.S.\$/€[1] nominal amount) registered in the name of a nominee for DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]
- TEFRA C/TEFRA D/TEFRA not applicable
25. New Global Note/New Safekeeping Structure: Yes/No/Not Applicable
26. Green Bond: Yes/No
27. Financial Centre(s): Not Applicable/[•]

28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Yes. The Talons mature on [•]/No
29. Details relating to Instalment Notes: amount of each instalment date on which each payment is to be made: Not Applicable/[•]

**SIGNATURE**

Signed on behalf of the Issuer:

By: .....  
Duly authorised

## PART B — OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the [Official List] of [the Luxembourg Stock Exchange] and to trading on [the regulated market of the Luxembourg Stock Exchange] 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 [the regulated market of the Luxembourg Stock Exchange] with effect from [•].] / [Not Applicable]

The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MIFID II**”) of the European Parliament and of the Council on markets in financial instruments

*(Where documenting a fungible issue need to indicate the original Notes are already admitted to trading)*

Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

The Notes to be issued have not been rated. / The Notes to be issued have been rated:

[Moody's Investors Service Ltd.: [•]

S&P Global Ratings Europe Limited, France branch: [•]

Fitch Ratings Ltd.: [•]

### 3. REASONS FOR THE OFFER[, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]<sup>16</sup>

(i) Reasons for the offer: [The proceeds of the issue of the Notes will be used [by the Issuer for general corporate purposes/ exclusively to finance or refinance, in whole or in part, Green Projects] / [•].]

*(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different will need to include those reasons here.)*

[(ii)] [Estimated net proceeds: [•]]<sup>17</sup>

[(iii)] [Estimated total expenses: [•]]<sup>18</sup>

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

<sup>16</sup> Include only if Notes are issued that require information to be given in accordance with Annex XII.

<sup>17</sup> Include only if Notes are issued that require information to be given in accordance with Annex XII.

<sup>18</sup> Include only if Notes are issued that require information to be given in accordance with Annex XII.

Save as discussed in "*Subscription and Sale*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer/[•]

5. **YIELD** (*Fixed Rate Notes only*)

Indication of yield: [•]/[Not Applicable]

6. **HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/CIBOR/CMS] rates can be obtained from [•]

7. **PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE INDEX:** (*Inflation-Linked Notes only*)

[The details of past and future performance and volatility of the index/formula can be obtained on [insert relevant website where published / Bloomberg page].

[Include details of where the information about [the/each] Index can be obtained.]

[Not Applicable]

8. **[THIRD PARTY INFORMATION]**

[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading]

9. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

CFI: [[•]/Not Applicable]

FISN: [[•], as updated as set out on the website of the Association of National Number Agencies (ANNA)/Not Applicable]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")*

Name and address of Calculation Agent: [•]

Names and addresses of initial Paying Agent(s): [•]/Not Applicable

Names and addresses of additional Paying Agent(s) (if any): Not Applicable/[•]

10. **DISTRIBUTION**

Method of syndication: Syndicated/Non-syndicated

Name[s] of Manager[s]: [•]

[Date of Subscription Agreement: [•]]

|   |   |
|---|---|
| Stabilisation Manager(s) (if any):            | Not Applicable/[•]                        |
| Prohibition of sales to EEA retail investors: | [Applicable/Not Applicable] <sup>19</sup> |
| Prohibition of sales to Belgian Consumers:    | [Applicable/Not Applicable]               |

11. **ADDITIONAL OPERATIONAL INFORMATION**

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. [and the relevant identification number(s)]: Not Applicable/[•]

Delivery: Against payment/Free of payment

Intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable]

[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 European Central Bank 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

Relevant Benchmark: *[specify benchmark]* is provided by *[administrator legal name]*. As at the date hereof, *[administrator legal name]* *[appears]/[does not appear]* 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. *[As far as the Company is aware, as at the date hereof,*

<sup>19</sup> If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.

[*specify benchmark*] does not fall within the scope of the Benchmark Regulation.]/[Not Applicable]

## TAXATION

Persons considering the purchase, ownership or disposition of the Notes should consult their own tax advisors concerning the tax consequences in light of their particular situations. No representations with respect to the tax consequences of any particular holder are made hereby.

### Danish Taxation

*The following is a summary description of the taxation in Denmark of the Notes according to the 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 may be subject to special rules. The tax considerations for Danish resident investors of requiring, holding or disposing the Notes depend on the investor's tax status and the specific terms applicable to every single emission. Potential investors are in all circumstances strongly recommended to contact their own tax advisors to clarify the individual consequences of the investment, holding and disposal of the Notes. No representations with respect to the tax consequences of any particular holder are made hereby.*

To qualify under the below rules the Notes actually issued must qualify as ordinary debt instruments for Danish tax purposes. Under existing Danish tax laws all payments of the Notes will be made without deduction of Danish withholding tax except in certain cases on payments between affiliated parties as referred to in sections 2 (1) (d) and 2 (1) (h) of the Danish Corporation Tax Act and section 65 D of the Danish Withholding Tax Act. According to Danish withholding tax rules, subject as set out in the paragraph below, there should be no Danish tax implications for holders of the Notes that are not affiliated with the Issuer pursuant to Chapter 4 of the Danish Tax Control Act (Act. no. 1535 of 19 December 2017). Under Danish law, affiliated parties would include, but not be limited to, cases where one party controls the other party by way of ownership of a majority of the voting rights or by way of agreement or where the two parties are subject to common control.

Pursuant to section 3 of the Danish Tax Assessments Act (Consolidated Act no. 66 of 22 January 2019, as amended), an arrangement or series of arrangements (i) not entered into for commercial reasons reflecting the underlying economic reality and (ii) which are implemented for the primary purpose of obtaining, or one of the primary purposes of which is to obtain, a tax benefit which is against the purpose and intent of the Danish tax laws should be ignored for purposes of calculating the Danish tax liability. The general anti-abuse rule in section 3 of the Danish Tax Assessments Act has recently been enacted in Danish tax law, and it is presently unclear how the rule could be applied. If a holder of Notes is considered to have taken part in an arrangement that is covered by Section 3 of the Danish Tax Assessments Act this could result in the application of withholding tax to payments made to such holder under the Notes.

Danish tax resident investors will generally be taxable on interest. Both capital gains and losses, if any, will with few exceptions be taxable or respectively deductible. One exception to this concerns private individual investors. Such investors are subject to Danish taxation on gains and losses on bonds denominated in all currencies with the exception of an annual de minimis threshold of DKK 2,000.

### Luxembourg Taxation

*The following is a general description of certain tax laws relating to the Notes as in effect and as applied by the relevant tax authorities as at the date of this Base Prospectus and does not purport to be a comprehensive discussion of the tax treatment of the Notes.*

*Prospective investors should consult their own professional advisors on the implications of making an investment in, holding or disposing of Notes and the receipt of interest with respect to such Notes under the laws of the countries in which they may be liable to taxation.*

Under Luxembourg tax law currently in effect subject to certain exceptions (as described below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

*In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.*

### **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 Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the 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 Notes are advised to seek their own professional advice in relation to the FTT.

### **The U.S. Foreign Account Tax Compliance Act ("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 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 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 payments on instruments such as the Notes, such withholding would not apply prior the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "Terms and Conditions — Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. 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

Subject to the terms and on the conditions contained in a Dealer Agreement dated 3 May 2019 (such agreement, as amended, supplemented or restated from time to time, the "**Dealer Agreement**") between the Issuer and the Permanent Dealers and the Arranger, the Notes will be offered from time to time by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it the Issuer and the Dealer, which commission may be deducted from the net proceeds payable to the Issuer on the closing of any series of Notes. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment and any future update of the Programme and the Dealers for certain of their expenses in connection with issues of Notes under the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

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. In addition, in the ordinary course of 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 may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer 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 short positions could adversely affect future trading prices of such Notes. 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.

### **United States**

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 under the Securities Act.

Notes in bearer form having a maturity of more than one year 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. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period 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, an 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 Retail Investors**

Unless the applicable Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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 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 applicable Final Terms in relation thereto to any retail investor in the European Economic Area. 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 Directive 2014/65/EU (as amended, "MiFID II"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive (as defined below); and
- (b) the expression an "offer" includes 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 the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") 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 to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (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 Directive), 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 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded) and includes any relevant implementing measure in the Relevant Member State.

## United Kingdom

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

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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
- (b) it has complied with and shall 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.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

## Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (the "**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in the Republic of Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

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 offered, sold or delivered, and will not offer, sell or deliver, any Notes or distribute any copy of this Base Prospectus or any other document relating to the Notes in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**Issuers Regulation**"), all as amended from time to time; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) and (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

## Switzerland

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that (a) it has not offered and sold and will not publicly offer or sell, the Notes in Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations ("CO") and the Swiss Collective Investment Schemes Act ("CISA") and (b) neither this Base Prospectus nor any other documents related to the Notes constitute a prospectus within the meaning of art.652a or art.1156 CO.

The Issuer has not applied for a listing of the Notes on the SIX Swiss Stock Exchange or any other regulated securities market in Switzerland, and consequently the information presented in this Base Prospectus does not necessarily comply with the information standards set out in the listing of the SIX Swiss Exchange. In addition, the Notes do not constitute a participation in a collective investment scheme in the meaning of the CISA and they are neither subject to approval nor supervision by the Swiss Federal Banking Commission, the Swiss Financial Market Supervision Authority or any other regulatory authority in Switzerland.

## Belgium

Unless the Final Terms in respect of any Notes specifies "*Prohibition of Sales to Belgian Consumers*" as "Not Applicable", 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 offered or sold or otherwise made available and that it will not offer or sell or otherwise make available the Notes to consumers (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit économique*).

## 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 and agreed, and each further Dealer appointed under the Programme will be required to represent 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 (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")), pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) 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;
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) 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;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice of the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Arranger, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Arranger, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

- (1) It is expected that each Tranche of Notes which is to be admitted to the Official List and admitted to trading on the Market (which is a regulated market for the purposes of MiFID II) will be admitted separately as and when issued, subject only to the issue of the temporary or permanent Global Note or one or more certificates in respect of each Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or around 3 May 2019.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme. The update of the Programme and the issue of Notes by it thereunder was authorised by resolutions of the Board of Directors of the Issuer passed on 30 January 2019.
- (3) There has been no significant change in the financial or trading position of the Group and no material adverse change in the prospects of the Issuer and the Group since 31 December 2018, the date to which the most recent published audited annual accounts were prepared.
- (4) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Group, except for those disclosed in "*Ørsted A/S — Legal Proceedings*" on pages 86 to 87 of this Base Prospectus.
- (5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "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 section 165(j) and 1287(a) of the Internal Revenue Code of the United States".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). In relation to any Tranche, Notes may also be cleared through such other clearing system as may be agreed between the Issuer, the Trustee and the relevant Dealer. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms. Notes issued in Series comprising more than one Tranche may be assigned a temporary ISIN and Common Code on issue. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.
- (7) 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 will be set out in the relevant 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.
- (8) The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the relevant Final Terms will be calculated as of 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) The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes, except to the extent required by any applicable laws and regulations.
- (10) Where information in this Base Prospectus has been sourced from third parties, the information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

- (11) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (and public holidays excepted), for inspection at the registered office of the Issuer and the specified office of the Issuing and Paying Agent:
- (i) the Trust Deed (which includes the forms of the Global Notes, the Global Certificates, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Agency Agreement;
  - (iii) the Articles of Association of the Issuer;
  - (iv) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2017;
  - (v) the interim report of the Issuer as at and for for the three months ended 31 March 2019;
  - (vi) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);
  - (vii) all documents incorporated herein by reference; and
  - (viii) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus and any documents incorporated therein.

This Base Prospectus will be published on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

- (12) Copies of the latest audited annual report and interim financial statements of the Issuer may be obtained, and copies of the Trust Deed will be available for inspection at, the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (13) The auditors of the Issuer for 2017 and 2018 were PwC at its address of Strandvejen 44, DK-2900 Hellerup, Denmark (authorised by the Danish Business Authority and regulated by the Danish Auditors Act and otherwise by the laws of the Kingdom of Denmark), who have audited in accordance with International Standards on Auditing and additional requirements under Danish audit regulations the consolidated financial statements and parent company financial statements of the Issuer as at and for the years ended 31 December 2017 and 31 December 2018, and issued an auditors' report on the consolidated financial statements without qualifications. PwC has no financial interest in the Issuer.
- (14) The Legal Entity Identifier code of the Issuer is W9NG6WMZIYEU8VEDOG48.

## GLOSSARY OF SELECTED ENERGY AND OTHER TERMS

The following explanations are not intended as technical definitions, and are provided purely for assistance in understanding certain terms as used in this Base Prospectus.

|  |   |
|--|---|
| " <b>biomass</b> " .....                     | Also known as biomass fuel. A term for all combustible organic materials including straw, woodchips and wood pellets. CO <sub>2</sub> emissions produced by the combustion of biomass are not covered under the EU Emissions Trading Scheme. Biomass can be used in both central power plants and local CHP plants. |
| " <b>boe</b> " .....                         | Barrels of oil equivalent.  |
| " <b>central power plant</b> " .....         | A large power plant, typically with a net installed power capacity of over 100 MW.  |
| " <b>CHP</b> " .....                         | Combined heat and power generation (also known as " <b>cogeneration</b> ").   |
| " <b>CHP plant</b> " .....                   | A CHP plant that generates both heat and power in the same process. The heat generated may be used for industrial purposes and/or district heating.   |
| " <b>CO<sub>2</sub></b> " .....              | Carbon dioxide.   |
| " <b>CO<sub>2</sub> Certificates</b> " ..... | Certificates for the emission of carbon dioxide under the EU Emissions Trading Scheme.  |
| " <b>district heating</b> " .....            | The supply of heat to customers who are connected to the centralised district heating system. The district heating system relies primarily upon CHP plants or generation from waste (either from a single generator, or from multiple generators) in order to supply heat.  |
| " <b>EU Emissions Trading Scheme</b> " ..... | The EU Emissions Trading Scheme, which aims to reduce emissions of carbon dioxide and combat climate change by means of a scheme that allocates CO <sub>2</sub> Certificate allowances and enables power generators and other emitters to trade these CO <sub>2</sub> Certificates.                                 |
| " <b>FID</b> " .....                         | Final Investment Decision.  |
| " <b>fossil fuel</b> " .....                 | Organic fuels including coal, coal products, natural gas, crude oil and other petroleum products.   |
| " <b>GW</b> " .....                          | Gigawatt, a unit of power. 1 GW is equivalent to 1,000 MW and 1,000,000,000 W   |
| " <b>GWh</b> " .....                         | Gigawatt hour. The amount of energy generated in 1 hour with the effect of 1 GW.  |
| " <b>Hydropower</b> " .....                  | Power generated by using the force of moving water.   |
| " <b>kV</b> " .....                          | Kilovolt, a unit of voltage in a power grid. 1 kV is equivalent to 1,000 V.   |
| " <b>kW</b> " .....                          | Kilowatt, a unit of power. 1 kW is equivalent to 1,000 W.   |
| " <b>kWh</b> " .....                         | Kilowatt hour. The amount of energy generated in 1 hour with the effect of 1,000 watt.  |
| " <b>LNG</b> " .....                         | Liquefied Natural Gas.  |
| " <b>local CHP plant</b> " .....             | A CHP plant, typically with a net installed power capacity of less than 100 MW.   |

|                                      |   |
|--------------------------------------|---|
| "MW" .....                           | Megawatt, a unit of power. 1 MW is equivalent to 1,000 kW and 1,000,000 W   |
| "MWh" .....                          | Megawatt hour. The amount of energy generated in 1 hour with the effect of 1 MW.  |
| "natural gas" .....                  | Any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at normal operating conditions are in a gaseous state.  |
| "net installed power capacity" ..... | The maximum capacity at which a plant generating power is designed to operate (without heat generation), as measured at the point of entry to the transmission network (after deducting the power absorbed by plant use and the power lost in the transformers required to raise voltage to the network level). |
| "NGL" .....                          | Natural Gas Liquids, which are processed from reservoirs along with oil.  |
| "Nord Pool" .....                    | The Norwegian-based Nordic power exchange, which facilitates the trading of power in Norway, Sweden, Finland and Denmark.   |
| "PWh" .....                          | Petawatt hour. The amount of energy used in one hour with the effect of 1,000 TW.   |
| "power grid" .....                   | Network of high, medium and low voltage lines used for the distribution of power in a defined area.   |
| "renewable energy" .....             | Power and heat generated using renewable energy sources, which include water (hydropower) and wind (windpower).   |
| "residential" .....                  | Private households.   |
| "supply obligation" .....            | A company with a supply obligation is bound by law to deliver power or natural gas in a certain geographic area at prices approved by the Danish Energy Regulatory Authority.   |
| "thermal generation" .....           | Power and heat generated through the combustion of fossil fuels, biomass or waste.  |
| "thermal generation plant" .....     | A plant that generates energy using thermal generation.   |
| "TWh" .....                          | Terawatt hour. The amount of energy generated or used in 1 hour with the effect of 1 TW.  |
| "windpower" .....                    | Power generated using onshore or offshore wind turbines.  |

## HEAD OFFICE OF THE ISSUER

**ØRSTED A/S**  
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Denmark

## ARRANGER

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## DEALERS

**Barclays Bank Ireland PLC**  
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**Morgan Stanley & Co. International plc**  
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**Svenska Handelsbanken AB (publ)**  
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**TRUSTEE**

**Citicorp Trustee Company Limited**

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United Kingdom

**ISSUING AND PAYING AGENT**

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