

# ASML

**ASML Holding N.V.**  
Veldhoven, the Netherlands

## **€750,000,000 0.250% NOTES DUE 2030**

**Issue Price: 99.029%**

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The €750,000,000 0.250% Notes due 2030 (the **Notes**) will mature on 25 February 2030. Interest on the Notes will accrue from 25 February 2020, and the first interest payment will be made on 25 February 2021.

The Notes will be general unsecured obligations of ASML and will rank equally with ASML's existing and future unsecured senior debt.

The Notes may be redeemed at the option of ASML (as defined below), (i) at any time prior to the maturity of the Notes in whole, but not in part, at a price of 100% of the principal amount of the Notes, plus accrued and unpaid interest if ASML is required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation or if at least 80% of the Notes originally issued has been purchased and cancelled, (ii) at any time prior to the maturity of the Notes in whole or in part, at a price of 100% of the principal amount of the Notes, plus accrued and unpaid interest plus a "make-whole" premium, and (iii) in the three-months period prior to the Maturity Date of the Notes in whole, but not in part, at a price of 100% of the principal amount of the Notes, plus accrued and unpaid interest.

For a more detailed description of the Notes, see "*Terms and Conditions of the Notes*" beginning on page 35.

Application has been made to the Luxembourg Stock Exchange in its capacity as competent authority under the Luxembourg Law of 16 July 2019 on Prospectuses for Securities (the **Prospectus Law 2019**) to approve this Offering Memorandum as a prospectus for the purposes of Article 62 of the Prospectus Law 2019.

Application has also been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of the Luxembourg Stock Exchange (**Euro MTF Market**). The Euro MTF Market is not a regulated market within the meaning of Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**).

This Offering Memorandum has not been approved by and will not be submitted for approval to the Commission de surveillance du secteur financier of Luxembourg. The Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except (i) for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and listing of the Notes on the Official List of the Luxembourg Stock Exchange and (ii) in circumstances which do not constitute an offer of securities to the public within the meaning of the Prospectus Law 2019.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the **Securities Act**), and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the Securities Act).

For a further description of certain restrictions on the offering and sale of the Notes, see "*Subscription and Sale*" beginning on page 58.

Investing in the Notes involves risks. See "*Risk Factors*" beginning on page 18.

*Joint Lead Managers*

ING

J.P. Morgan

Rabobank

SMBC Nikko

*Co-Lead Managers*

BofA Securities

Citigroup

Commerzbank

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the importance of such information.

No person is authorized to give any information or to make any representation not contained or incorporated by reference in this Offering Memorandum and any information or representation not contained or incorporated herein must not be relied upon as having been authorized by or on behalf of ASML or Coöperatieve Rabobank U.A. (**Rabobank**), ING Bank N.V. (**ING**), J.P. Morgan (**J.P. Morgan**), and SMBC Nikko Capital Markets Europe GmbH (**SMBC Nikko**, and together with Rabobank, ING and J.P. Morgan, the **Joint Lead Managers**) or Merrill Lynch International (**BofA Securities**), Citigroup Global Markets Limited (**Citigroup**) and Commerzbank Aktiengesellschaft (**Commerzbank**, and together with BofA Securities and Citigroup, the **Co-Lead Managers**, and together with the Joint Lead Managers, the **Managers**). Neither the delivery of this Offering Memorandum nor any sale made hereunder at any time shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Neither this Offering Memorandum nor any other information supplied in connection with the offering of the 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 or any of the Managers that any recipient of this Offering Memorandum or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Memorandum nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

No action has been taken in any jurisdiction that would permit a public offering of the Notes or possession or distribution of this Offering Memorandum or any other offering material in any jurisdiction where action for that purpose is required to be taken. This Offering Memorandum does not constitute an offer of or an invitation by or on behalf of ASML or the Managers or any affiliate or representative thereof to subscribe for or to purchase, any securities or an offer to sell or the solicitation of an offer to buy any securities by any person in circumstances or in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Offering Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons in whose possession this Offering Memorandum comes must inform themselves about and observe any such restrictions.

This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (the **EEA**) in which Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**) applies (each, a **Member State**) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a

prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

This communication is directed only at persons who (i) are outside the United Kingdom (the **UK**) or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as **relevant persons**). This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The Notes have not been and will not be registered under the Securities Act, and may not be sold or offered within the United States or to U.S. persons except pursuant to an exemption from the registration requirements under, or in a transaction not subject to, the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States to non-U.S. persons in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. Neither the United States Securities and Exchange Commission (the **Commission** or **SEC**) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see "*Subscription and Sale*" below.

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

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

This Offering Memorandum may only be used in connection with the offer and sale of the Notes.

The Notes may not be a suitable investment for all investors. 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:

- (i) 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 this Offering Memorandum or any applicable supplement;

- (ii) 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;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets and of any financial variable which might have an impact on the return on the Notes; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased by potential investors 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 the Notes unless it has the expertise (either alone or with a financial adviser) 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.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

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 advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs (International Central Securities Depositories) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

## PRESENTATION OF INFORMATION

In this Offering Memorandum, unless the context otherwise requires, the terms **ASML**, the **Company**, "we", "us" and "our" mean ASML Holding N.V., a Netherlands corporation, and its consolidated subsidiaries, and the term **Issuer** refers to ASML Holding N.V. without its subsidiaries.

In this Offering Memorandum, references to **€** or **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and references to **U.S. dollars** are to United States dollars and references to the U.S. are to the United States of America.

## FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains and incorporates by reference forward looking statements, including statements with respect to our expected trends and outlook, strategies, corporate priorities, expected semiconductor industry trends and roadmap, expected market growth and drivers of such trends and growth, expected financial results, including expected sales, EUV revenue, gross margin, capital expenditures, R&D and SG&A expenses, cash conversion cycle, target effective annualized tax rate, sales target for 2020, annual revenue opportunity and potential for 2025, expected growth in 2020, expected trends in customer demand and demand for particular systems and upgrades and expected trends in end markets, including Memory, Logic and Foundry, expected innovation drivers, expected trends in DUV systems revenue, expected DUV sales and Holistic Lithography and expected installed based management revenues, our supply chain strategies and goals, customer, partner and industry roadmaps, ASML's applications business, expected development of High-NA and its benefits, including the expected timing for development of future generation EUV systems, the expected benefits of the indirect interest in Carl Zeiss SMT GmbH, expected productivity of our tools and systems, including EUV productivity targets and goals, and system performance, expected shipments of our tools and systems, including demand for and timing of shipments, statements with respect to the expected benefits of ASML's systems, including statements with respect to DUV and EUV competitiveness, the development of EUV technology and EUV industrialization, expected productivity upgrade releases, enabling high-volume production of next generation chips and expected designs of such chips and their benefits, and revenue recognition, predicted growth in wafer production, sustainability strategy, shrink being a key driver supporting innovation and providing long-term industry growth, lithography enabling affordable shrink and delivering value to customers, sustainability strategy, goals and targets, including targeted greenhouse gas emission and waste reduction and recycling initiatives and investments, our expectation of the continuation of Moore's Law and that EUV will continue to enable Moore's Law and drive long-term value for ASML beyond the current decade, tax strategy, capital allocation policy, dividend policy, our expectation to continue to return cash to our shareholders through share buybacks and dividends including our proposed dividend for 2019 and our share repurchase plan for 2020-2022, and statements with respect to the expected impact of accounting standards and the intended use of proceeds of the Notes offered hereby. You can generally identify these statements by the use of words like "may", "will", "could", "should", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue" and variations of these words or comparable words.

These forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and our future financial results and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance, and actual results may differ materially from projected results as a result of certain risks, and uncertainties. These risks and uncertainties include, without limitation, those described below under "*Risk Factors*". These forward-looking statements are made only as of the date of this Offering Memorandum. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

ASML's principal executive and registered office is located at De Run 6501, 5504 DR Veldhoven, the Netherlands, and its telephone number is +31-40-268-3000.

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In connection with the issue of any Notes, J.P. Morgan (**Stabilization Manager**) or persons acting on behalf of the Stabilization Manager 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, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the Notes and 60 calendar days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilization Manager (or persons acting on behalf of the Stabilization Manager) in accordance with all applicable laws and rules.

## AVAILABLE INFORMATION

ASML is subject to the informational reporting requirements of the U.S. Securities Exchange Act of 1934 (the **Exchange Act**) and in accordance therewith files reports and other information with the Commission. The Commission maintains a website that contains reports and other information regarding registrants that file electronically with the Commission, including ASML. The address of this website is <http://www.sec.gov>.

ASML makes available annual reports in English containing consolidated annual financial statements of the Company prepared on the basis of accounting principles generally accepted in the United States (**US GAAP**), as well as consolidated statutory financial statements of ASML prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**), in each case accompanied by an auditor's report thereon by its independent auditor. ASML also makes available unaudited summary consolidated interim financial statements prepared in conformity with US GAAP after the end of each quarter. ASML also makes available unaudited consolidated condensed interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union at the end of each first half year.



## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this Offering Memorandum the document listed below, which has also been filed with or furnished with the Commission:

1. ASML's Annual Report on Form 20-F for the fiscal year ended 31 December 2019 (the **2019 Form 20-F**) filed with the Commission on 12 February 2020.

This Offering Memorandum is qualified in its entirety by the more detailed information contained in these reports.

In addition, all documents or reports filed by ASML pursuant to Section 13(a), 13(c) or 13(d) of the Exchange Act after the date of this Offering Memorandum and prior to termination of the offering contemplated hereby shall be deemed to be incorporated by reference in this Offering Memorandum and to be a part hereof from the date of filing or submitting of such documents or reports, to the extent not superseded by documents or reports subsequently filed or submitted.

Any statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained herein or therein or in any other subsequently filed document which also is incorporated by reference herein modifies or replaces such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

The table below sets out the relevant page references for the information incorporated into this Offering Memorandum by reference.

<b>Information Incorporated by Reference</b>	<b>Page Reference</b>
Who we are and what we do	10 up to and including 20 of the 2019 Form 20-F
What we achieved in 2019	22 up to and including 61 of the 2019 Form 20-F
CFO Financial review	63 up to and including 73 of the 2019 Form 20-F
How we manage risk	75 up to and including 90 of the 2019 Form 20-F
Leadership and governance	92 up to and including 132 of the 2019 Form 20-F

*Audited annual consolidated financial statements of ASML prepared in accordance with US GAAP  
for the financial year ended 31 December 2019*

Report of Independent Registered Public Accounting Firm	134 and 135 of the 2019 Form 20-F
Consolidated Statements of Operations	136 of the 2019 Form 20-F
Consolidated Statements of Comprehensive Income	137 of the 2019 Form 20-F
Consolidated Balance Sheets	138 of the 2019 Form 20-F
Consolidated Statements of Shareholders' Equity	139 of the 2019 Form 20-F
Consolidated Statements of Cash Flows	140 of the 2019 Form 20-F
Notes to the Consolidated Financial Statements	141 up to and including 183 of the 2019 Form 20-F

## SUMMARY

*The following summary is qualified in its entirety by the more detailed information and consolidated financial statements, including the notes thereto, incorporated by reference in this Offering Memorandum. The information disclosed in this section should therefore be read in conjunction with our financial statements and the accompanying notes to the consolidated financial statements included in our 2019 Form 20-F. In addition, prospective purchasers should carefully consider the factors set forth herein under "Risk Factors".*

### **Introduction**

We are a global innovation leader in the chip industry. We provide chipmakers with hardware, software and services to mass produce patterns on silicon through lithography. What we do increases the value and lowers the cost of a chip, which advances us all towards a smarter, more connected world.

Headquartered in Europe's top tech hub, the Brainport Eindhoven region in the Netherlands, we're a global team of 24,900 people from 118 different nationalities, based in over 60 locations across 16 countries worldwide. ASML's shares are traded on Euronext Amsterdam and NASDAQ under the symbol ASML.

### **Business Strategy**

#### *Our Vision and Mission*

For all the ways we have moved forward as a society, the world faces crucial challenges for the future. We must change how we think and act on themes that impact everyone, like energy use, climate change, mobility and access to healthcare and nutrition.

At ASML, we believe that the chip industry is in a unique position to help tackle these challenges. From artificial intelligence (AI) to a vast internet of things (IoT), microchips are at the heart of modern technology. So whether it's transitioning to sustainable energy, improving global health, increasing the safety and efficiency of transport, tackling pollution, bridging the digital divide, or feeding eight billion people without exhausting the earth's resources, our vision is that we will enable the groundbreaking technology that will help solve some of humanity's toughest challenges.

As the innovation leader that makes vital systems for chip manufacturing, we are proud to not only be a part of these solutions, but also the ones who are making them possible. We can only play this role if we continue to challenge the status quo, tap into the collective knowledge of our global ecosystem and create an environment where people can contribute, learn and grow. At ASML, we believe our purpose is to unlock the potential of people and society by pushing technology to new limits.

We are a focused supplier of holistic lithography solutions to all of the world's major chipmakers. Our mission is together with our partners, to provide leading patterning solutions that drive the advancement of microchips. Through our sustained investment in, and our dedication to, research and development, we innovate at least at the same pace as our customers. We put our innovations in the hands of chipmakers as quickly as possible by engineering in parallel, not sequentially, while ensuring their quality, reliability, manufacturability, and serviceability.

## *Our Strategy*

The long-term growth of the semiconductor industry is based on the principle that the power, cost and time required for every computation on a digital electronic device can be reduced by shrinking the density of transistors on microchips. Our guiding principle is continuing Moore's Law towards ever-smaller, cheaper, more powerful and energy-efficient semiconductors. To enable shrink, lithography is key, as the process is used to pattern the structures on a microchip. We innovate across our entire product portfolio at the same pace as our customers through large and sustained investment in research and development. To accelerate our product development, we engineer in parallel, not sequentially, all the while guarding the product's quality, reliability, manufacturability and serviceability. This enables us to get our innovations into the hands of chipmakers faster.

We collaborate with chipmakers to understand how our technology best fits their needs, challenges and visions of the future. It is through this collaboration and trust that we can build for today and develop for tomorrow. ASML invests in a technology-based innovation roadmap that enables the continued shrink of microchips by enhancing resolution with EUV and High-NA, together with the holistic scaling of overlay and pattern fidelity control. This is how we pursue our long-term strategic vision.

To realize our long-term strategic vision within the semiconductor industry, we continue to drive our core strategy, which we define around four major pillars:

- **Holistic lithography extension:** Strengthen our leadership position in in-device metrology, enabling high-order overlay correction. Secure a winning position in pattern fidelity control and combine this with superior computational lithography.
- **DUV:** Continue our innovation leadership, driving DUV to the highest level of performance by expanding our installed base and through continuous improvement and operational excellence.
- **EUV:** Secure high-volume manufacturing and improve cost effectiveness for our customers by enhancing the value of EUV technology for future nodes down to the 2 nm Logic node.
- **High-NA:** Enable next-generation geometric shrink by extending our 0.33 NA product portfolio to enable High-NA EUV at the 2 nm Logic node, followed by Memory nodes at comparable density.

Our innovations push the boundaries of science and physics to provide the best value for our stakeholders for today and in the future. At the same time we want to create sustainable impact. Sustainability is an integral part of our business strategy. Staying focused on what matters for our business and for our stakeholders is the cornerstone of our sustainability strategy. Through a material assessment we identify and assess the topics most relevant to our stakeholders and which sustain ASML's long-term business growth. We focus on five strategic areas of sustainability to create long-term value for our stakeholders, shape a sustainable future, and contribute to the United Nations Sustainable Development Goals.

- **Innovation ecosystem:** We don't innovate in isolation to ensure the fast pace of innovation in our value chain. We develop technology together with the help of our partners and collaborative knowledge network.
- **People:** Empowering individuals for the collective good to ensure our employees are proud to work for us and engaged with our ambitions as a company.
- **Responsible supply chain:** Setting the bar higher for our world-class supplier network to achieve the innovations we strive for, by ensuring we conduct our business in a sustainable and responsible manner.
- **Circular economy:** Minimizing waste, maximizing resources to extract the maximum value from the materials we use and repurpose our products across their life cycles.
- **Climate & energy:** Taking every step to lower our footprint to achieve zero emissions across our operations. While increasing productivity of our products, we are also working towards enhancing the energy efficiency of our products.

## **RECENT DEVELOPMENTS**

N/A

## THE OFFERING

Securities Offered	€750,000,000 principal amount of 0.250% Notes due 2030.
Maturity	25 February 2030.
Issue Price	99.029%.
Issue Date	25 February 2020.
Interest Rate	0.250% per annum.
Interest Payment Dates	25 February of each year, commencing on 25 February 2021.
Tax Redemption	The Notes may be redeemed at the option of ASML, at any time, in whole, but not in part, at their principal amount, together with interest accrued to the date fixed for redemption, if (i) it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 ( <i>Taxation</i> ) as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 February 2020 and (ii) such obligation cannot be avoided by it taking reasonable measures available to it. See " <i>Terms and Conditions of the Notes — 5. Redemption and Purchase — 5.2 Redemption for tax reasons</i> ".
Make-whole Redemption	The Notes may be redeemed at the option of ASML, at any time prior to the maturity of the Notes in whole or in part, at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest plus a "make-whole" premium. See " <i>Terms and Conditions of the Notes — 5. Redemption and Purchase — 5.4 Make-whole redemption at the option of the Issuer</i> ".
Clean-up Redemption	The Notes may be redeemed at the option of ASML, at any time prior to the maturity of the Notes, in whole, but not in part, at a price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest if at least 80% of the Notes originally issued has been purchased and cancelled. See " <i>Terms and Conditions of the Notes — 5. Redemption and Purchase — 5.5 Clean-up redemption</i> ".
Refinancing Redemption	The Notes may be redeemed at the option of ASML in whole, but not in part, from and including 25 November 2029 to but excluding the Maturity Date at a price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest. See " <i>Terms and Conditions of the Notes — 5. Redemption and Purchase — 5.6 Refinancing redemption at the option of the Issuer</i> ".
Change of Control	In the event of a change of control relating to ASML and a subsequent downgrade of the rating of the Notes in respect of such change of control, or if the Notes do not have a credit rating, no investment grade credit rating in respect of the Notes is obtained, within a certain period after announcement

of that change of control, each holder of the Notes will have the right to require ASML to redeem all of such holder's Notes at 101% of their principal amount, plus accrued and unpaid interest. See "*Terms and Conditions of the Notes — 5. Redemption and Purchase — 5.3 Redemption at the option of Noteholders upon a Change of Control*".

Ranking

The Notes will be unsecured obligations of ASML, subordinated in right of payment to ASML's secured debt to the extent of the value of the assets securing such debt. In addition, because ASML is a holding company, the Notes will be structurally subordinated to all existing and future liabilities of ASML's subsidiaries. The Notes will rank equally in right of payment with all ASML's existing and future unsecured unsubordinated debt and will be senior to any future senior subordinated or subordinated debt. The Terms and Conditions of the Notes do not limit the amount of liabilities ranking senior to the Notes that may hereafter be incurred or assumed by the Company. See "*Terms and Conditions of the Notes — 2. Status*".

Dutch Taxation

Currently the Netherlands does not impose any withholding or deduction for taxes in respect of payments on the Notes. In the event that any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature is required by law in the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer shall pay such additional amounts such that Noteholders will receive after such withholding or deduction such amounts as would have been received by them had no such withholding or deduction been required, subject to exceptions. See "*Netherlands Taxation*" and "*Terms and Conditions of the Notes — 7. Taxation*".

Fiscal Agent

Deutsche Bank AG, London Branch.

Paying Agent

Deutsche Bank Luxembourg S.A.

Credit Ratings

The Notes are expected to be assigned a rating of A- by Fitch Ratings Limited (**Fitch**) and A3 by Moody's Investors Service Limited (**Moody's**). A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Notes.

Settlement, Book-Entry and Form

The Notes will initially be represented by a temporary bearer Global Note which will be exchanged for a permanent bearer Global Note, each in New Global Note form, with interest coupons attached, deposited with a common safekeeper for Euroclear and Clearstream. Except in certain limited circumstances, definitive bearer Notes will not be issued in exchange for beneficial interests in global notes. See "*Summary of Provisions Relating to the Notes in Global Form*". It is expected that delivery of the Notes will be made against payment on or about 25 February 2020.

Absence of a Public Market in the Notes

The Notes are new securities, and there is currently no established trading market for them. Accordingly, there can be no assurance as to the development or liquidity of any market for any of the Notes. J.P. Morgan has advised ASML that it intends to make a market in the Notes. However, it is not obliged to do so, and may discontinue any market making with

respect to the Notes at any time in its sole discretion.

Listing	Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of that exchange.
Governing Law	The Notes and the Agency Agreement (as defined herein) and any non-contractual obligations arising out of or in connection with them will be governed by the laws of the Netherlands.
Selling Restrictions	There are selling restrictions in relation to the United States, the EEA, the UK, Luxembourg and Japan. See " <i>Subscription and Sale</i> ".
Covenants	ASML will issue the Notes pursuant to the Agency Agreement with Deutsche Bank AG, London Branch and Deutsche Bank Luxembourg S.A. The Agency Agreement will, among other things, limit our ability to incur liens on "Public Debt", subject to a number of important exceptions. See " <i>Terms and Conditions of the Notes — 3. Negative Pledge</i> ".
Use of Proceeds	The net proceeds from the sale of the Notes offered will be approximately €740,842,500. ASML expects to use the net proceeds from this offering for general corporate purposes, including capital expenditures, and/or for capital structure optimization, including for share buybacks under its existing program.
Clearing and Settlement	Delivery of the Notes will be made through the book-entry facilities of Euroclear Bank SA/NV ( <b>Euroclear</b> ), and Clearstream Banking SA ( <b>Clearstream</b> ).
ISIN	XS2010032378.
Common Code	201003237.

**SUMMARY CONSOLIDATED CONDENSED ANNUAL FINANCIAL STATEMENTS AND  
OTHER DATA (US GAAP)<sup>(1)</sup>**

	Year ended 31 December			
	2016	2017	2018	2019
	€	€	€	€
	(in millions, except per share data)			
<b>Consolidated Statements of Operations data</b>				
Net system sales	4,718.9	6,424.4	8,259.1	8,996.2
Net service and field option sales	2,156.2	2,538.3	2,684.9	2,823.8
Cost of system sales	(2,423.9)	(3,439.9)	(4,141.2)	(4,676.2)
Cost of service and field option sales	(1,305.9)	(1,502.6)	(1,773.6)	(1,864.0)
<b>Gross profit</b>	<b>3,145.3</b>	<b>4,020.2</b>	<b>5,029.2</b>	<b>5,279.8</b>
Other income	93.8	95.8	–	–
Research and development costs	(1,105.8)	(1,259.7)	(1,575.9)	(1,968.5)
Selling, general and administrative costs	(374.8)	(416.6)	(488.0)	(520.5)
<b>Income from operations</b>	<b>1,758.5</b>	<b>2,439.7</b>	<b>2,965.3</b>	<b>2,790.8</b>
Interest and other, net	33.7	(50.3)	(28.3)	(25.0)
<b>Income before income taxes</b>	<b>1,792.2</b>	<b>2,389.4</b>	<b>2,937.0</b>	<b>2,765.8</b>
Provision for income taxes	(234.4)	(306.0)	(351.6)	(191.7)
Profit (loss) related to equity method investments	–	(16.7)	6.2	18.2
<b>Net income</b>	<b>1,557.8</b>	<b>2,066.7</b>	<b>2,591.6</b>	<b>2,592.3</b>
<b>Earnings per share data</b>				
Basic net income per ordinary share	3.66	4.81	6.10	6.16
Diluted net income per ordinary share	3.64	4.79	6.08	6.15
<i>Number of ordinary shares used in computing per share amounts (in thousands):</i>				
Basic	425.6	429.8	424.9	420.8
Diluted	427.7	431.6	426.4	421.6

(1) As of 1 January 2018, ASML has adopted the new Revenue Recognition Standard (ASC 606) and Lease Standard (ASC 842). The comparative numbers in ASML's Annual Report on Form 20-F for 2017 and in ASML's Annual Report on Form 20-F for 2016 may therefore deviate from the numbers in this summary.



	<b>2016</b>	<b>As of year ended,</b>		<b>2019</b>
	<u>€</u>	<u>2017</u>	<u>2018</u>	<u>€</u>
	€	€	€	€
	(in millions, unless indicated otherwise)			
<b>Consolidated Balance Sheets data</b>				
Cash and cash equivalents	2,906.9	2,259.0	3,121.1	3,532.3
Short-term investments	1,150.0	1,029.3	913.3	1,185.8
Working capital <sup>(1)</sup>	5,434.9	5,715.8	6,739.5	7,437.0
Total assets	17,155.0	18,188.9	20,136.9	22,629.6
Long-term debt	3,319.5	3,025.3	3,026.5	3,108.3
Shareholders' equity	9,972.4	10,776.4	11,641.0	12,592.2
<b>Ratios and other data</b>				
Gross profit as a percentage of net sales	45.7	44.9	46.0	44.7
Income from operations as a percentage of net sales	25.6	27.2	27.1	23.6
Net income as a percentage of net sales	22.7	23.1	23.7	21.9
Shareholders' equity as a percentage of total assets	58.1	59.6	57.8	55.6
Sales of lithography systems (in units)	154	197	224	229
Net bookings lithography systems (in units)	160	255	241	236
Number of payroll employees (in FTEs)	13,991	16,219	20,044	23,219
<b>Consolidated Statements of Cash Flows data</b>				
Depreciation, amortization and impairment	360.4	426.5	438.1	453.2
Net cash provided by operating activities	1,665.9	1,818.3	3,072.7	3,276.4
Net cash used in investing activities	(3,188.4)	(1,229.0)	(491.5)	(1,157.5)
Net cash from (used in) financing activities	1,963.6	(1,209.1)	(1,724.3)	(1,712.3)
Net increase (decrease) in cash and cash equivalents	448.2	(647.9)	862.1	411.2

(1) Working capital is calculated as the difference between total current assets and total current liabilities.

## **RISK FACTORS**

*In conducting our business, we face many risks that may interfere with our business objectives. It is important to understand the nature of these risks and the impact they may have on our business, financial condition, results of operations and reputation. Some of the more relevant risks are described below. These risks are not the only ones that we face. Some risks may not yet be known to us and certain risks that we do not currently believe to be material could become material in the future.*

### **Risks related to the semiconductor industry**

***Our business will suffer if we or the industry do not respond rapidly to commercial and technological changes in the semiconductor industry***

Our success in developing new technologies, products, and in enhancing our existing products, depends on a variety of factors. These include the success of our and our suppliers' R&D programs and the timely and successful completion of product development and design relative to competitors. Our business will suffer if the technologies that we pursue to assist our customers in producing smaller and more energy-efficient chips are not as effective as those developed by competitors, or if our customers adopt new technological architectures that are less focused on lithography products. The success of our EUV technology, which we believe is critical for keeping pace with Moore's Law – which postulates that the number of transistors on a chip doubles approximately every 24 months at equivalent cost – remains dependent on continuing technical advances by us and our suppliers. We invest considerable financial and other resources to develop and introduce new technologies, products and product enhancements. If we are unsuccessful in developing new technology, products and product enhancements such as High-NA and multi-beam, or if competitors successfully introduce alternative technologies or processes, our competitive position and business may suffer and we may be unable to recoup some or all of the investments that we have made.

We may incur increased costs related to inventory obsolescence, as a result of technological changes. Such costs may be higher as the complexity of technology increases.

Due to the highly complex nature of our systems including newer technologies, our customers may purchase existing technology systems rather than new leading-edge systems or may delay their investment in new technology systems to the extent that such investment is not economical or required given their product cycles. Some of our customers have experienced and may continue to experience delays in implementing their product roadmaps, which increases the risk of slowing down the overall transition period (or cadence) for the introduction of new systems.

We are also dependent on our suppliers to maintain their development roadmaps to enable us to introduce new technologies on a timely basis, and if they are unable to keep pace whether due to technological factors, lack of financial resources or otherwise, this could prevent us from meeting our development roadmaps.

### ***We face intense competition***

The lithography equipment industry is highly competitive. Our competitiveness depends upon our ability to develop new and enhanced lithography equipment, related applications and services that are competitively priced and introduced on a timely basis, as well as our ability to protect and defend our intellectual property rights. We compete primarily with Canon and Nikon in respect of systems. Both Canon and Nikon have substantial financial resources and broad patent portfolios. Each continues to offer products that compete directly with our DUV systems, which may impact our sales or business. In particular, we face competition from Nikon and Canon in existing technologies such as DUV systems. In addition, adverse market conditions, industry overcapacity or a decrease in the value of the Japanese yen in relation to the euro, could further intensify price-based competition, resulting in lower prices, and lower sales and margins.

We also compete with providers of applications that support or enhance complex patterning solutions, e.g. Applied Materials Inc. and KLA-Tencor Corporation. These applications effectively compete with our Applications offering, which has become an increasingly significant part of our business. The competition we face in our applications business may be higher than for our systems, as there are more competitors and potential competitors in this market.

### ***The semiconductor industry can be cyclical and we may be adversely affected by any downturn***

As a supplier to the global semiconductor industry, we are subject to the industry's business cycles, of which the timing, duration and volatility are difficult to predict. The semiconductor industry has historically been cyclical. Newer entrants in the industry, including Chinese entrants, could increase the risk of cyclicity in the future. Certain key end-market customers - Memory and Logic – exhibit different levels of cyclicity and different business cycles. Sales of our lithography systems, services and other holistic lithography products depend in large part upon the level of capital expenditures by semiconductor manufacturers, which in turn are influenced by industry cycles and a range of competitive and market factors, including semiconductor industry conditions and prospects. The timing and magnitude of capital expenditures of our customers also impact the available production capacity of the industry to produce chips which can lead to imbalances in the supply and demand of chips. Reductions or delays in capital expenditures by our customers or incorrect assumptions by us about our customers' capital expenditures could adversely impact our business.

Our ability to maintain profitability in an industry downturn will depend substantially on whether we are able to lower our costs and break-even level, which is the level of sales that we must reach in a year to have positive net income. If sales decrease significantly as a result of an industry downturn and we are unable to adjust our costs over the same period, our net income may decline significantly or we may suffer losses. Furthermore, as the value per system increases and we have and continue to grow in terms of employees, facilities and inventories, it may be more difficult for us to reduce our costs in order to respond to an industry downturn.

## **Risks related to ASML**

### ***The success of new product introductions is uncertain and depends on our ability to successfully execute our R&D programs***

Our lithography systems and applications have become increasingly complex, and accordingly, the costs and time period to develop new products and technologies have increased, and we expect such costs and time period to continue to increase. In particular, developing new technology such as High-NA and multi-beam requires significant R&D investments by us and our suppliers in order to meet our and our customers' technology demands. Our suppliers may not have, or may not be willing to invest in the resources necessary to continue the development of the new technologies to the extent such investments are necessary, which may result in ASML contributing funds to such R&D programs or limiting the R&D investments that we can undertake. Furthermore, if our R&D programs are not successful in developing the desired new technology, we may be unsuccessful in introducing new products and unable to recoup our R&D investments.

### ***We derive most of our revenues from the sale of a relatively small number of products***

We derive most of our revenues from the sale of a relatively small number of lithography systems (229 units in 2019 and 224 units in 2018). As a result, the timing of shipment, including any delays, and recognition of system sales for a particular reporting period from a small number of systems may have a material adverse effect on our business, financial condition and results of operations in that period. Due to the higher average sales price of EUV systems as compared to DUV, fluctuations in EUV orders and EUV systems sales may have a larger impact on our results.

### ***Failure to adequately protect the intellectual property rights upon which we depend could harm our business***

We rely on intellectual property rights such as patents, copyrights and trade secrets to protect our proprietary technology and applications. However, we face the risk that such measures could prove to be inadequate and we could suffer material harm because, among other things:

- Intellectual property laws may not sufficiently support our proprietary rights or may change in the future in a manner adverse to us;
- Patent rights may not be granted or interpreted as we expect;
- Patents will expire which may result in key technology becoming widely available that may harm our competitive position;
- The steps we take to prevent misappropriation or infringement of our proprietary rights may not be successful; and
- Third parties may be able to develop or obtain patents for similar competing technology.

In addition, legal proceedings may be necessary to enforce our intellectual property rights, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement. Any such proceedings may result in substantial costs and diversion of management resources, and, if decided unfavorably to us, could result in significant costs or have a significant impact on our business.

### ***Defending against intellectual property claims brought by others could harm our business***

In the course of our business, we are subject to claims by third parties alleging that our products or processes infringe upon their intellectual property rights. If successful, such claims could limit or prohibit us from developing our technology, manufacturing and selling our products.

In addition, our customers or suppliers may be subject to claims of infringement from third parties, alleging that our products used by such customers in the manufacturing of semiconductor products and / or the processes relating to the use of our products infringe on one or more patents issued to such third parties. If such claims are successful, we could be required to indemnify our customers or suppliers for some or all of any losses incurred or damages assessed against them as a result of such infringement.

We also may incur substantial licensing or settlement costs to settle disputes or to potentially strengthen or expand our intellectual property rights or limit our exposure to intellectual property claims of third parties.

Since May 2017, a number of patent infringement suits between Nikon on the one hand and ASML and its supplier Carl Zeiss SMT GmbH were pending in multiple jurisdictions. In early 2019 we settled this litigation - see Note 16 (Commitments, contingencies and guarantees) to the Consolidated Financial Statements in the 2019 Form 20-F for more information.

While we have settled this litigation with Nikon, the royalty reports and payments due to Nikon under the cross license are subject to Nikon's audit and review (and vice versa). We continue to face the risk that we may be subject to claims alleging the infringement of others' patents or intellectual property rights or involved in patent litigation to defend our intellectual property rights.

Patent litigation is complex and may extend for a protracted period of time, giving rise to the potential for both substantial costs and diverting the attention of key management and technical personnel. Potential adverse outcomes from patent litigation, may include payment of significant monetary damages, injunctive relief prohibiting our manufacturing, exporting or selling of products, and / or settlement involving significant costs to be paid by us.

***We are exposed to economic and political developments in our international operations that could adversely impact our business, financial condition and results of operations***

Global trade issues and changes in and uncertainties with respect to multilateral and bilateral treaties and trade policies, including the ability to obtain required licenses and approvals and the effects of trade sanctions, export controls, tariffs and similar regulations and international trade disputes, can impact our ability to produce and deliver our systems and services internationally.

Certain of our manufacturing facilities as well as customers are located in Taiwan. Customers in Taiwan represented 45.3% of our 2019 total net sales and 18.2% 2018 total net sales. Taiwan has a unique international political status. The People's Republic of China asserts sovereignty over Taiwan and does not recognize the legitimacy of the Taiwanese government. Changes in relations between Taiwan and the People's Republic of China, Taiwanese government policies and other factors affecting Taiwan's political, economic or social environment could have a material adverse effect on our business, financial condition and results of operations. Furthermore, certain of our manufacturing facilities as well as customers are located in South Korea. Customers in South Korea represented, 18.6% of our 2019 total net sales and 34.0% of our 2018 total net sales were derived from customers in South Korea. There are tensions with the Democratic People's Republic of Korea (North Korea), which have existed since the division of the Korean Peninsula following World War II, which have increased significantly in recent years. A worsening of relations between those countries or the outbreak of war on the Korean Peninsula could have a material adverse effect on our business, financial condition or results of operations.

We have a presence or do business in a number of jurisdictions, including the People's Republic of China and Russia. In particular, our business in People's Republic of China has increased in recent years and is expected to increase further. Such increased presence in new jurisdictions increases the risks we face, including risks relating to compliance with multilateral and bilateral treaties, delays in receipt of appropriate permits, compliance with anti-corruption and anti-bribery laws and regulations, our ability to effectively manage and control our growing business, attracting and retaining sufficiently qualified personnel, the protection of our intellectual property and information technology systems and restrictions on repatriation of cash abroad. For example, we have and are continuing to experience delays in processing work permits for foreign nationals, which could potentially delay development and support provided to customers.

The US administration has enacted trade measures, including import tariffs and other tariffs on People's Republic of China and on other countries and restrictions on conducting business with certain Chinese entities. The European Union and other countries, including China, have raised tariffs on certain products from the United States. Our business involves the sale of systems and services to customers in a number of countries, including China where our business has grown in recent periods, and includes sensitive technologies that may be the subject of increased export regulations, policies or practices. These and further developments in multilateral and bilateral treaties, national regulation, and trade, national security and investment policies and practices have affected and may further affect our business and the businesses of our suppliers and customers. Such developments can impact our ability to sell systems and services to our customers and to obtain necessary permits, including permits for use of US technology and for employees producing and developing such technology.

***We may be unable to make desirable acquisitions or to integrate successfully any businesses we acquire***

We may in the future acquire businesses or technologies to complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. Any such acquisitions could fail to achieve our financial or strategic objectives, fail to perform as we plan or disrupt our ongoing business and adversely impact our results of operations. Furthermore, our ability to complete such transactions may be hindered by a number of factors, including potential difficulties in obtaining government approvals.

Any acquisition that we make could pose risks related to the integration of the new business or technology with our business and organization. We cannot be certain that we will be able to achieve the benefits we expect from a particular acquisition investment. Such transactions may also strain our managerial and operational resources, as the challenge of managing new operations may divert our management from day-to-day operations of our existing business. Furthermore, we may be unable to retain key personnel of acquired businesses or may have difficulty integrating employees, business systems, and technology. The controls, processes and procedures of acquired businesses may also not adequately ensure compliance with laws and regulations and we may fail to identify compliance issues or liabilities.

In connection with acquisitions, anti-trust regulators have in the past and may in the future impose conditions on us, including requirements to divest assets or other conditions that could make it difficult for us to integrate the businesses that we acquire. Furthermore, as the industry is becoming more consolidated, anti-trust clearances may become harder to obtain, which could inhibit future desired acquisitions.

As a result of acquisitions, we have recorded, and may continue to record, a significant amount of goodwill and other intangible assets. Current accounting guidelines require, at least annually and potentially more frequently, assessment of whether there are indicators that the value of goodwill or other intangible assets has been impaired. Furthermore, we have recorded our indirect interest in Carl Zeiss SMT GmbH as an equity method investment and, therefore, we must assess in each reporting period whether there are triggers that cause this investment to be impaired. Any reduction or impairment of the value of our indirect investment in Carl Zeiss SMT GmbH, goodwill or other intangible assets will result in additional charges against earnings, which could materially reduce our reported results of operations in future periods.

***Fluctuations in foreign exchange rates could harm our results of operations***

We are exposed to currency risks. Our Financial Statements are expressed in euros. Accordingly, our results of operations are exposed to fluctuations in exchange rates between the euro and such other currencies, and changes in currency exchange rates can result in losses in our Financial Statements. We are particularly exposed to fluctuations in the exchange rates between the US dollar and the euro, and to a lesser extent to the Japanese yen, the Korean won and the Taiwanese dollar in relation to the euro. We incur costs of sales predominantly in euros with portions also denominated in US and Taiwanese dollars. A small portion of our operating results are driven by movements in currencies other than the euro, yen, US dollar or Taiwanese dollar.

In general, our customers run their businesses in US dollars and therefore a weakening of the US dollar against the euro might impact the ability or desire of our customers to purchase our products at quoted prices.

***Our production is highly dependent on the performance of a limited number of critical suppliers of single source key components***

We rely on outside vendors for components and subassemblies used in our systems including the design thereof. These components and subassemblies are obtained from a single supplier or a limited number of suppliers. As our business has grown, our dependence on single suppliers or a limited number of suppliers has grown, as the highly specialized nature of many of our components, particularly for EUV systems, means it is not economical to source from more than one supplier. Our reliance on a limited group of suppliers involves several risks, including a potential inability to obtain an adequate supply of required components or subassemblies, in a timely manner or at all, additional costs resulting from switching to alternate suppliers, reduced control over pricing and quality. Delays in supply of these components and subassemblies, which could occur for a variety of reasons, such as disruptions experienced by our suppliers, including work stoppages, fire, cyber attacks, energy shortages, pandemic outbreaks such as the novel corona virus, flooding or other natural disasters, can lead to delays in delivery of our products which would impact our business. A prolonged inability to obtain adequate deliveries of components or subassemblies, or any other circumstance that requires us to seek alternative sources of supply, could significantly hinder our ability to deliver our products in a timely manner, which could damage relationships with our customers and materially impact our business.

The number of lithography systems we are able to produce may be limited by the production capacity of one of our key suppliers, Carl Zeiss SMT GmbH, which is our sole supplier of lenses, mirrors, illuminators, collectors and other critical optical components (which we refer to as optics). If Carl Zeiss SMT GmbH is unable to maintain and increase production levels, we could be unable to fulfill orders, which could have a material impact on our business and damage relationships with our customers. If Carl Zeiss SMT GmbH were to terminate its supply relationship with us or if Carl Zeiss SMT GmbH is unable to maintain production of optics over a prolonged period, we would effectively cease to be able to conduct our business.

In addition, some of our key suppliers, including Carl Zeiss SMT GmbH, have a limited number of manufacturing facilities, the disruption of which may significantly and adversely affect our production capacity.

Lead-times in obtaining components have increased as our products have become more complex, and a failure by us to adequately predict demand for our systems or any delays in the shipment of components can result in insufficient supply of components, which can lead to delays in delivery of our systems and can limit our capabilities to react quickly to changing market conditions. Conversely, a failure to predict demand could lead to excess and obsolete inventory.

***A high percentage of net sales is derived from a few customers***

Historically, we have sold a substantial number of lithography systems to a limited number of customers. Customer concentration can increase because of continuing consolidation in the semiconductor manufacturing industry. In addition, although the applications' part of our holistic lithography solutions constitutes an increasing portion of our revenue, a significant portion of those customers are the same customers as those of our systems. Consequently, while the identity of our largest customers may vary from year to year, sales may remain concentrated among relatively few customers in any particular year. The recognized total net sales to our largest customer from each year accounted for €4,688.6 million, or 39.7% of total net sales in 2019, compared with €2,476.8 million, or 22.6% of total net sales, in 2018 and €2,454.4 million, or 27.4% of total net sales in 2017. The loss of any significant customer or any significant reduction or delay in orders by a significant customer may have a material adverse effect on our business, financial condition and results of operations.

Additionally, as a result of our limited number of customers, credit risk on our receivables is concentrated. Our three largest customers (based on total net sales) accounted for €2,191.8 million, or 77.2% of accounts receivable and finance receivables on 31 December 2019, compared with €1,491.3 million, or 58.8% on 31 December 2018. Accordingly, business failure or insolvency of one of our main customers could result in significant credit losses.

***Our business and future success depend on our ability to manage the growth of our organization and attract and retain a sufficient number of adequately educated and skilled employees***

Our business and future success significantly depends upon our employees, including a large number of highly qualified professionals, as well as our ability to attract and retain employees. Competition for such personnel is intense and has increased in recent years, and we may not be able to continue to attract and retain such personnel. Our R&D programs require a significant number of qualified employees. If we are unable to attract sufficient numbers of qualified employees, this could affect our ability to conduct our R&D on a timely basis. In addition, if we lose key employees or officers to retirement, illness or otherwise, particularly a number of our highly qualified professionals and / or senior management, we may not have sufficient time to find a suitable replacement. Moreover, as a result of the uniqueness and complexity of our technology, qualified engineers capable of working on our systems are scarce and generally not available (e.g. from other industries or companies). As a result, we must educate and train our employees to work on our systems. Therefore, a loss of a number of key professionals and / or senior management can be disruptive, costly and time consuming. Our R&D activities with respect to new technology systems, such as High-NA and for further development of EUV technology, and our service activities have increased our need for qualified personnel. Competition for qualified personnel is particularly significant in the area surrounding our headquarters in Veldhoven, the Netherlands, and in the other regions where our facilities are located, where a number of other high technology companies are also located.

Furthermore, the increasing complexity of our products results in a longer learning-curve for new and existing employees and suppliers leading to an inability to decrease cycle times and may result in the occurrence of significant additional costs. Our suppliers face similar risks in attracting qualified employees, including attracting employees in connection with R&D programs that will support our R&D programs and technology developments. To the extent that our suppliers are unable to attract qualified employees, this could impact our R&D programs or deliveries of components to us.



In recent years, our organization has grown significantly. As a result of this growth in a short period of time, we may be unable to effectively manage, monitor and control our employees, facilities, operations and other resources.

***We may face challenges in managing the industrialization of our products and bringing them to high-volume production, which could impact profitability***

Bringing our products to high-volume production at a value-based price and in a cost-effective manner, depends on our ability to manage the industrialization of our products and our ability to manage costs. Customer acceptance of our products depends on performance of our products in the field. As our products become more complex, we face an increasing risk that products that we develop may not meet development milestones or specifications and that our products may not perform according to specifications, including quality standards, increases. If our products do not perform according to specifications and performance criteria or if quality or performance issues arise, this may result in additional costs, reduced demand for our products, and our customers being unable to meet planned wafer capacity.

Transitioning our newly developed products to full-scale production requires the expansion of our infrastructure, including enhancing our manufacturing capabilities, increasing supply of components and training qualified personnel, and may also require our suppliers to expand their infrastructure capabilities. If we or our suppliers are unable to expand infrastructure as necessary, we may be unable to introduce new technologies, products or product enhancements or reach high-volume production of newly developed products on a timely basis or at all.

New technologies might not have the same margins as existing technologies and we might not be able to adjust value-based pricing and or cost in an effective manner. In addition, the introduction of new technologies, products or product enhancements also impacts ASML's liquidity, as new products may have higher cycle times to produce resulting in increased working capital needs. This impact on liquidity increases as our products become more complex and expensive.

The capability, capacity and costs associated with providing the required customer support function to cover the increasing number of shipments and servicing a growing number of EUV systems that are operational in the field could affect the timing of shipments, and the efficient execution of maintenance, servicing and upgrades, which is key to the systems continuing to achieve the required productivity.

***We are dependent on the continued operation of a limited number of manufacturing facilities***

All of our manufacturing activities, including subassembly, final assembly and system testing, take place in cleanroom facilities in Veldhoven, the Netherlands, in Wilton, Connecticut, and in San Diego, California, both in the US, in Pyeongtaek, South-Korea, in Beijing, China, in Linkou and Tainan, Taiwan. These facilities may be subject to disruption for a variety of reasons, including work stoppages, fire, energy shortages, pandemic outbreaks such as the novel corona virus, flooding or other natural disasters. We cannot ensure that alternative production capacity would be available if a major disruption were to occur.

***Hazardous substances are used in the production and operation of our systems and failure to comply with applicable regulations or failure to implement appropriate practices for the environment, health and safety could subject us to significant liabilities***

Hazardous substances are used in the production and operation of our products and systems, which subjects us to a variety of governmental regulations relating to environmental protection, and employee and product health and safety, including the transport, use, storage, discharge, handling, emission, generation, and disposal of toxic or other hazardous substances. In addition, operating our systems (which use lasers and other potentially hazardous systems) can be dangerous and can result in injury. The failure to comply with current or future regulations could result in substantial fines being imposed on us or other adverse consequences. Additionally, our products have become increasingly complex. The increasing complexity requires us to invest in continued risk assessments and development of appropriate preventative and protective measures for health and safety for both our employees (in connection with the production and installation of our systems and field options and performance of our services) and our customers' employees (in connection with the operation of our systems). Our health and safety practices may not be effective in mitigating all health and safety risks. Failing to comply with applicable regulations or the failure of our implemented practices for customer and employee health and safety could subject us to significant liabilities.

***Cybersecurity and other security incidents, or other disruptions in our information technology systems, could adversely affect our business operations***

We rely on the accuracy, availability and security of our information technology systems. Despite the measures that we have implemented, including those related to cybersecurity, our systems could be breached or damaged by computer viruses and systems attacks, natural or man-made incidents, disasters or unauthorized physical or electronic access.

From time to time, we experience cyber attacks on our information technology systems as well as the information technology systems of our suppliers, customers and other service providers, whose systems we do not control. These attacks include malicious software (malware), attempts to gain unauthorized access to data, and other electronic security breaches of our information technology systems as well as the information technology systems of our suppliers, customers and other service providers that have led and could lead, for us, our customers, suppliers or other business partners, including R&D partners, to disruptions in critical systems, unauthorized release, misappropriation, corruption or loss of data or confidential information (including confidential information relating to our customers, employees and suppliers). In addition any system failure, accident or security breach could result in business disruption, theft of our intellectual property, trade secrets (including our proprietary technology), unauthorized access to, or disclosure of, customer, personnel, supplier or other confidential information, corruption of our data or of our systems, reputational damage or litigation. Furthermore, computer viruses or other malware may harm our systems and software and could be inadvertently transmitted to our customers' systems and operations, which could result in loss of customers or litigation. We may also be required to incur significant costs to protect against or repair the damage caused by these disruptions or security breaches in the future, including, for example, rebuilding internal systems, implementing additional threat protection measures, providing modifications to our products and services, defending against litigation, responding to regulatory inquiries or actions, paying damages, providing customers with incentives to maintain the business relationship, or taking other remedial steps with respect to third parties. These cybersecurity threats are constantly evolving. We, therefore, remain potentially vulnerable to additional known or yet unknown threats, as in some instances, we, our customers, and our suppliers may be unaware of an incident or its magnitude and effects. We also face the risk that we expose our customers to cybersecurity attacks through the systems we deliver to our customers, including in the form of malware or other types of attacks as described above, which could harm our customers.

In addition, from time to time, we implement updates to our information technology systems and software, which can disrupt or shutdown our information technology systems. We may not be able to successfully launch and integrate these new systems as planned without disruption to our operations. For example, we are currently implementing a new ERP system and infrastructure. As a result of this system implementation or otherwise, we have and could continue to experience disruptions in our operations.

***We are subject to increasing and increasingly complex regulatory and compliance obligations***

In recent years our business has grown significantly in terms of sales, operations, employees and our business infrastructure. As a result, the complexity of complying with rules and regulations has increased. Furthermore, as we have expanded our business in countries where we did not previously operate, we have become increasingly subject to compliance with additional rules and regulations in such jurisdictions, including anti-corruption, anti-bribery and human rights standards, which can be complex. We are also subject to investigations, audits and reviews by authorities in such jurisdictions regarding compliance with rules and regulations, including tax laws.

The EU General Data Protection Regulation (the **GDPR**) came into effect in May 2018. The regulation imposes a strict data protection compliance regime and includes new rights. The GDPR applies to the collection, use, retention, security, processing, and transfer of personally identifiable information of residents of EU countries, and created a range of new compliance obligations. Implementation of, and compliance with the GDPR has increased and could continue to increase our cost of doing business. In addition, the GDPR may be interpreted or applied in a manner that is unforeseen by or adverse to us. Violations of the GDPR may result in significant fines (up to 4% of worldwide net sales or €20.0 million, whichever is greater) and reputational harm.

Furthermore, the existing rules and regulations that we are subject to, including regulations relating to trade, national security, tax, exchange controls, reporting, anti-corruption laws, data protection, are becoming more complex and the trade and national security environment has resulted in increasing restrictions. We also face the risk that trade and security regulations could limit our ability to sell our products and services in certain jurisdictions.

A global transition to a lower carbon economy and / or climate change may result in the imposition of increased environmental regulations that could lead to technology restrictions, modification of product designs, an increase in energy prices and the introduction of energy or carbon taxes, pollution requirements, required remediation equipment, or other requirements. A variety of regulatory developments have been introduced that focus on restricting or managing the emission of carbon dioxide, methane and other greenhouse gases. This could result in a need to purchase at higher costs new equipment or raw materials with lower carbon footprints. Such regulations may result in an increase in our cost of goods or an increase in compliance costs.

Such changes in the regulation that applies to our business can increase compliance costs and the risk of non-compliance. Non-compliance can result in fines and penalties and regulation could impact our ability to sell our products and services.

***Our business and operations could suffer in the event of successful misappropriation of our intellectual property or proprietary or confidential information***

We are increasingly subject to attempted misappropriation attacks, including theft of our trade secrets, proprietary customer data, intellectual property or other confidential information by third parties or our own employees. For example, in the past we have been subject to the misappropriation of our software by certain employees.

### *Changes in taxation could affect our future profitability*

We are subject to income taxes in the Netherlands and numerous other jurisdictions. Our effective tax rate has fluctuated in the past and may fluctuate in the future.

Changes in tax legislation in the countries where we operate can affect our effective tax rate. For example, in 2012 the OECD has embarked on a project to propose measures against so called Base Erosion and Profit Shifting or BEPS. Based on the BEPS reports the EU has adopted directives to counter base erosion and profit shifting which in turn has resulted or will result in legislative proposals in EU member states. Similar legislative initiatives inspired by the BEPS reports have been taken in Asian jurisdictions in which we operate. These initiatives have resulted in increased compliance requirements for ASML.

In December 2017, US President Trump signed the Tax Cuts and Jobs Act (TCJA), which significantly changed the US income tax code. Regarding TCJA several aspects are currently still waiting for further clarification in the form of to be published Treasury Regulations. In September 2019, a delay to the previously announced reduction in the general Dutch corporate income tax rate was proposed. Furthermore, an increase from 7% to 9% in 2021 to the favorable Dutch corporate income tax rate for innovation was proposed. We are continuing to assess the impact of developments in tax legislation.

Changes to tax legislation of jurisdictions we operate in, may adversely impact our tax position and consequently our net income. Our worldwide effective tax rate is heavily impacted by R&D incentives included in tax laws and regulations in the countries we operate in. An example is the so-called innovation box tax legislation in the Netherlands. In case these jurisdictions alter their tax policies in this respect this may have an adverse effect on our worldwide effective tax rate. In addition, jurisdictions levy corporate income tax at different rates. The mix of our sales over the various jurisdictions in which we operate may vary from year to year, resulting in a different mix of corporate income tax rates applicable to our profits, which can affect our worldwide effective tax rate and adversely impact our net income.

## **Risks Related to an Investment in the Notes**

### ***There is no developed Market for the Notes***

The Notes are new securities for which there is presently no established market and none may develop. Although J.P. Morgan has informed us that it currently intends to make a market in the Notes, it is not obligated to do so. The liquidity of any market for the Notes will depend upon the number of holders of the Notes, the interest of security dealers in making a market in the Notes and other factors. Accordingly, a liquid market for the Notes may not develop.

### ***Because we are a Holding Company, repayment of our Indebtedness, including the Notes offered hereby, is dependent on Cash Flow generated by our Subsidiaries***

ASML is a holding company. All our operations are conducted by and substantially all our assets are owned by, our subsidiaries. Repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend or other distribution, debt repayment or otherwise. Accordingly, the cash flows or assets of those subsidiaries may not be available to us to pay our obligations under the Notes.

### ***The Notes will be structurally junior to the Indebtedness and other Liabilities of our Subsidiaries***

You will not have any claim as a creditor against our subsidiaries, and all existing and future indebtedness and other liabilities, whether secured or unsecured, of those subsidiaries will be structurally senior to the Notes. In the event of any bankruptcy, liquidation or reorganization of any of our subsidiaries, the rights of the holders of Notes to participate in the assets of such subsidiary will rank behind the claims of that subsidiary's creditors (except to the extent we have a claim as creditor of such subsidiary). As a result, the Notes are structurally subordinated to the liabilities of our subsidiaries. Substantially all of our outstanding indebtedness and other liabilities, other than outstanding under our €500,000,000 0.625% notes due 2022, our €750,000,000 3.375% notes due 2023, our €1,000,000,000 1.375% notes due 2026, and our €750,000,000 1.625% notes due 2027, are liabilities of subsidiaries of the Issuer, and accordingly, will be structurally senior to the Notes.

### ***We may exercise our option to redeem the Notes early***

We will have the right to redeem the Notes (i) if we are required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation, (ii) at our option, provided that we pay a "make-whole" premium and (iii) in the three-months period prior to the relevant Maturity Date of the Notes, each as set out in the Terms and Conditions of the Notes.

If we redeem the Notes prior to maturity, a Noteholder is exposed to the risk that due to such early redemption his investment will have a lower than expected yield.

### ***We may be unable to redeem the Notes upon a Change of Control***

Upon a change of control relating to ASML and a subsequent downgrade of the rating of the Notes in respect of such change of control, or if the Notes do not have a credit rating, no investment grade credit rating in respect of the Notes is obtained, within a certain period after announcement of that change of control, we would be required to redeem the Notes, at the option of Noteholders, for cash at 101% of the principal amount thereof plus accrued and unpaid interest. If a change of control were to occur, we may not have sufficient funds to pay the change of control redemption price and we may be required to secure third-party financing in order to do so. However, we may not be able to obtain such financing on commercially reasonable terms, or at all. Our future indebtedness may also contain restrictions on our ability to redeem the Notes upon certain events, including transactions that could constitute a change of control.

***The Laws of the Netherlands may change***

The conditions of the Notes are based on Dutch law in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Offering Memorandum.

***The Notes are denominated in euro and certain Investors may be subject to Exchange Rate Risks and Exchange Controls***

The Issuer will pay principal and interest on the Notes in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro 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.

***Interest rate risks for fixed rate notes***

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

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

Fitch and Moody's are expected to assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. 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.

***If Notes are issued in definitive form, Noteholders holding less than €100,000 of Notes may not be able to receive definitive Notes***

The Notes have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In the event that Notes are issued in definitive form, Noteholders who hold a principal amount of less than €100,000 may not be able to receive a definitive Note in respect of such holding, and may need to purchase a principal amount of Notes such that its holding amounts to a denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 in order to receive a definitive Note.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

### ***Foreign Account Tax Compliance Withholding***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the Netherlands) 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.

Notes issued within 6 months after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register would be grandfathered and exempt from withholding except if the Notes are materially modified on or after that date. 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 to 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.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer will not pay any additional amounts in respect of this withholding, so, if this withholding applies, you will receive significantly less than the amount that you would have otherwise received with respect to your Notes. Depending on your circumstances, you may be entitled to a refund or credit in respect of some or all of this withholding. However, even if you are entitled to have any such withholding refunded, the required procedures could be cumbersome and significantly delay your receipt of any amounts withheld.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

### ***Dutch Withholding Tax Act 2021***

Under current law, payments on the Notes are not subject to withholding tax in the Netherlands. The Dutch Parliament has, however, adopted the Withholding Tax Act 2021 (*Wet bronbelasting 2021*). This Act stipulates that the Netherlands will levy a withholding tax from the beneficiary of interest if the interest is paid (i) to group entities resident in low-taxed jurisdictions or jurisdictions that are included on the EU list of non-cooperative jurisdictions, (ii) to (reverse) hybrid group entities, (iii) to group entities in abusive situations, and (iv) to other group entities if such entities attribute that interest to a permanent establishment situated in a low-taxed jurisdiction or a jurisdiction that is included on the EU list of non-cooperative jurisdictions. The withholding tax on interest will become effective in respect of interest payments made on or after 1 January 2021. The Withholding Tax Act 2021 has not entered into force as of the date of the Prospectus and may be amended. Therefore, it cannot be ruled out that payments under the Notes will become subject to Dutch withholding tax in situations other than those described above.

In the event any withholding would be required pursuant to the Dutch Withholding Tax Act 2021 with respect to payments on the Notes, the Issuer will not pay any additional amounts in respect of this withholding, so, if this withholding applies, you will receive significantly less than the amount that you would have otherwise received with respect to your Notes.

Prospective investors in the Notes should consult their own tax advisors as to whether this interest withholding tax could be relevant to them.

## **USE OF PROCEEDS**

The net proceeds from the sale of the Notes offered will be approximately €740,842,500. ASML expects to use the net proceeds from this offering for general corporate purposes, including capital expenditures, and/or for capital structure optimization, including for share buybacks under its existing program.



## DIRECTORS AND OFFICERS OF THE COMPANY

ASML is incorporated under Netherlands law and has a two-tier board structure. Responsibility for the management of ASML lies with the Board of Management. Independent, non-executive members serve on the Supervisory Board, which supervises and advises the members of the Board of Management in performing their management tasks. The Board of Management has the duty to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its prior approval. The supervision of the Board of Management by the Supervisory Board includes (i) achievement of ASML's objectives, (ii) corporate strategy and management of risks inherent to ASML's business activities, (iii) the structure and operation of internal risk management and control systems, (iv) the financial reporting process and (v) compliance with applicable legislation and regulations.

As of the date of this Offering Memorandum the members of ASML's Supervisory Board and Board of Management are as follows:

<u>Name</u>	<u>Title</u>	<u>Year of Birth</u>	<u>Term Expires</u>
Peter T.F.M. Wennink	President, Chief Executive Officer and member of the Board of Management	1957	2022
Martin A. van den Brink	President, Chief Technology Officer and member of the Board of Management	1957	2022
Roger J.M. Dassen	Executive Vice-President, Chief Financial Officer and member of the Board of Management	1965	2022
Christophe D. Fouquet	Executive Vice-President EUV and member of the Board of Management	1973	2022
Frits J. van Hout	Executive Vice-President, Chief Strategy Officer and member of the Board of Management	1960	2021
Frederic J.M. Schneider-Maunoury	Executive Vice-President, Chief Operations Officer and member of the Board of Management	1961	2022
Gerard J. Kleisterlee <sup>(2)(3)</sup>	Chairman of the Supervisory Board	1946	2023
Douglas A. Grose <sup>(2)(3)</sup>	Vice Chairman and member of the Supervisory Board	1950	2021
Antoinette P. Aris <sup>(2)(3)</sup>	Member of the Supervisory Board	1958	2020
Terri L. Kelly <sup>(4)</sup>	Member of the Supervisory Board	1961	2022

Rolf-Dieter Schwalb <sup>(1)(4)</sup>	Member of the Supervisory Board	1952	2023
Carla M.S. Smits-Nusteling <sup>(1)</sup>	Member of the Supervisory Board	1966	2021
Johannes M.C. Stork <sup>(3)(4)</sup>	Member of the Supervisory Board	1954	2022
Wolfgang H. Ziebart <sup>(1)(3)(5)</sup>	Member of the Supervisory Board	1950	2020

(1) Member of the Audit Committee.

(2) Member of the Selection and Nomination Committee.

(3) Member of the Technology Committee.

(4) Member of the Remuneration Committee.

(5) Announced on 22 January 2020 to resign as of April 2020 and to be replaced by Warren East and Mark Durcan.

The business address of each member of the Supervisory Board and Board of Management is the registered office of the Company at De Run 6501, 5504 DR, Veldhoven, the Netherlands.

## TERMS AND CONDITIONS OF THE NOTES

*The following (subject to completion and amendment, and other than the words in italics) is the text of the Terms and Conditions of the Notes which will be attached to the Global Notes and endorsed on the definitive Notes issued should definitive Notes be issued.*

The €750,000,000 0.250% Notes due 2030 (the **Notes**, which expression includes any further notes issued pursuant to Condition 13 (*Further Issues*) and forming a single series therewith) of ASML Holding N.V. (the **Issuer**) are the subject of a fiscal agency agreement dated 25 February 2020 (as amended or supplemented from time to time, the **Agency Agreement**) between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (each a **Noteholder** and together, the **Noteholders**) and the holders of the related interest coupons (the **Couponholders** and the **Coupons**, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 1. Form, Denomination and Title

The definitive Notes are in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €99,000, with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

### 2. Status

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

### 3. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement),

- (a) the Issuer will not secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary; and
- (b) the Issuer shall procure that none of its Subsidiaries will secure by mortgage, lien, pledge or other security interest upon the whole or part of its assets or revenues any present or future Public Debt (as defined below) of the Issuer or any Subsidiary,

without at the same time securing the Notes equally and rateably with such Public Debt or providing such other security as the Noteholders may approve by Extraordinary Resolution (as defined in the Agency Agreement).

For the purpose of this Condition 3 (*Negative Pledge*) **Public Debt** means any loan, debt, guarantee or other obligation which is represented by bonds or notes or other securities which have an initial life exceeding two years and which as of its date of issue is a type of security which is capable of being listed on any stock exchange or over-the-counter or other generally recognised securities market but, for the avoidance of doubt, excluding any debt that is in the nature of a loan from a bank or other lender, whether or not such debt is traded, singly or in combination with other indebtedness.

In these Conditions:

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

**Subsidiary** means, in relation to any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

#### 4. **Interest**

The Notes bear interest from 25 February 2020 (the **Issue Date**) at the rate of 0.250% per annum (the **Rate of Interest**) payable in arrear on 25 February in each year (each, an **Interest Payment Date**), commencing on 25 February 2021, subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are, upon due presentation, paid and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Note for a period of less than a full year, it shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

**Day Count Fraction** means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

**Regular Period** means each period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next Interest Payment Date.

## 5. Redemption and Purchase

### 5.1 *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 25 February 2030, subject as provided in Condition 6 (*Payments*).

### 5.2 *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 February 2020; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

*provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent:

- (i) a certificate signed by two managing directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5.2 (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.2.

### 5.3 *Redemption at the option of Noteholders upon a Change of Control*

Upon the occurrence of a Put Event (as defined below) each Noteholder will have the option (the **Put Option**) to require the Issuer to redeem such Note on the Put Settlement Date (as defined below) at a price equal to 101% of its principal amount together with interest accrued to (but excluding) such date.

Within ten days after the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 (*Notices*), specifying the details relating to the occurrence of the Put Event and the procedure for the exercise of the Put Option.

In order to exercise the Put Option, the holder of a Note must, not later than 30 Business Days after the Put Event Notice is given (the **Put Period**), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed put option notice (a **Put Option Notice**) in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a **Put Option Receipt**) to the depositing Noteholder. On the Business Day following the end of the Put Option Period the Fiscal Agent shall notify the Issuer in writing of the results of the exercise of the Put Option specifying the aggregate principal amount of the Notes that have been validly delivered to be redeemed in accordance with the Put Option. Provided that the Notes that are the subject of any such Put Option Notice have been delivered to the Fiscal Agent or a Paying Agent prior to the expiry of the Put Period, then the Issuer shall redeem all such Notes on the date falling five Business Days after the expiration of the Put Period (the **Put Settlement Date**).

In these Conditions, **Business Day** means any day (i) other than a Saturday or a Sunday or a day on which banking institutions in Amsterdam and London are generally authorised or obligated by law or regulations to close and (ii) on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system (the **Target System**) is operating and the clearing systems are generally open for business.

No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) may be withdrawn; *provided, however, that* if, prior to the Put Settlement Date, any such Note becomes immediately due and payable or, upon due presentation of any such Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

In this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) a **Put Event** shall be deemed to have occurred each time (a) a Change of Control occurs and (b) within the Change of Control Period a Rating Downgrade occurs in respect of that Change of Control or, as the case may be, potential Change of Control.

A **Change of Control** in respect of the Issuer shall be deemed to have occurred each time:

- (a) Control of the Issuer is acquired or deemed to be held by a Person or any Persons acting in concert which at 21 February 2020 does or do not have (and would not be deemed to have) such Control; or
- (b) the Issuer consolidates with or merges into any other corporation (unless the shareholders of the Issuer immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the outstanding voting securities of the corporation resulting from such transaction in substantially the same relative proportions as their ownership of the share capital immediately before such transaction),

*provided* however a Change of Control will not be deemed to have occurred solely as a result of (x) the issuance or transfer, with the cooperation of the supervisory board (*raad van commissarissen*) or the management board (*raad van bestuur*) of the Issuer or the Issuer's shareholders, as applicable, of any preferred shares in the Issuer's share capital; or (y) the Issuer's abandoning, limiting or changing

the "structure regime" upon the proposal of the management board of the Issuer and approval by the supervisory board of the Issuer or the Issuer's shareholders, as applicable.

**Control** means (a) beneficial ownership of 51% or more of the ordinary shares of the Issuer or (b) control of or right to otherwise control the affairs and policies of the Issuer or its business (whether as the result of the acquisition of assets or otherwise).

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if:

- (a) within the Change of Control Period:
  - (i) the investment grade credit rating (Baa3/BBB-, or equivalent, or better) assigned to the Notes by any Rating Agency is (x) either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
  - (ii) the non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) assigned to the Notes by any Rating Agency is (x) downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and (y) is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
  - (iii) the Notes have no credit rating, and no Rating Agency assigns within the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected to the Change of Control), provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one rating agency, at least one of which is investment grade, then subparagraph (i) will apply; and
- (b) in making the relevant decision(s) referred to in (a)(i) and (ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer, the Fiscal Agent or any Noteholder, that such decision(s) resulted directly, in whole or to a significant degree, from the occurrence of the Change of Control or, as the case may be, potential Change of Control,

provided that if the rating designations employed by any Rating Agency are changed from those in force at the time of the Issue Date, the Issuer shall determine the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5.3 (*Redemption at the option of Noteholders upon a Change of Control*) shall be read accordingly.

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control, or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, under consideration for rating by a rating agency, such period not to exceed 90 days after the public announcement of such consideration.

**Rating Agencies** means Moody's Investors Service Limited and/or S&P Global Rating Europe Limited and/or Fitch Ratings Limited and their respective successors or affiliates and/or any other

rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of Notes at any relevant time (each a **Rating Agency**).

**Relevant Announcement Date** means the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the first public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

#### 5.4 *Make-whole redemption at the option of the Issuer*

The Notes may be redeemed at the option of the Issuer in whole or in part on any date (each, a **Call Settlement Date**) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the relevant Call Settlement Date) at an amount equal to the principal amount of the Notes plus accrued interest to the relevant Call Settlement Date plus the Applicable Premium.

Upon the expiry of any such notice as is referred to in this Condition 5.4 (*Make-whole redemption at the option of the Issuer*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.4.

For the purpose of this Condition 5.4:

**Applicable Premium** means, with respect to any Note on any Call Settlement Date, the excess of:

- (i) the present value at such Call Settlement Date of (i) the principal amount of the Notes at maturity *plus* (ii) all required interest payments due on the Note through 25 February 2030 (excluding accrued but unpaid interest to the Call Settlement Date), computed using a discount rate equal to the Bund Rate as of the third Business Day prior to such Call Settlement Date plus 15 basis points; over
- (ii) the principal amount of the Note, if greater, as reported in writing to the Issuer and the Fiscal Agent by an international credit institution or financial services institution appointed by the Issuer.

**Bund Rate** means, with respect to any Call Settlement Date, the rate per annum equal to the equivalent yield to maturity as of the third Business Day prior to such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination, where:

- (a) **Comparable German Bund Issue** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Call Settlement Date to 25 February 2030, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of Euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to 25 February 2030; *provided*, however, that, if the period from such Call Settlement Date to 25 February 2030 is less than one year, a fixed maturity of one year shall be used;
- (b) **Comparable German Bund Price** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference



German Bund Dealer Quotations or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

- (c) **Reference German Bund Dealer** means any dealer of German Bundesanleihe securities appointed by the Issuer; and
- (d) **Reference German Bund Dealer Quotations** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at or about 03.30 p.m. Frankfurt, Germany time on the third business day (being for this purpose a day on which banks are open for business in Frankfurt and London) preceding the relevant date.

#### 5.5 *Clean-up redemption*

Unless the Issuer has at any time notified the Noteholders that it is exercising the Issuer call option set out in Condition 5.4 (*Make-whole redemption at the option of the Issuer*) in respect of the Notes, the Issuer may at any time after the Issue Date, subject to having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption); and
- (b) notice to the Fiscal Agent not less than 3 days before the giving of notice referred to in (a),

elect to redeem in whole, but not in part, the Notes at their principal amount together with any accrued and unpaid interest to (but excluding) the date fixed for redemption if at least 80% (eighty per cent) of the Notes originally issued (including any further issues pursuant to Condition 13 (*Further Issues*)) has been purchased and cancelled at the time of such election.

#### 5.6 *Refinancing redemption at the option of the Issuer*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, from and including 25 November 2029 to but excluding the relevant Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption.

Upon the expiry of any such notice as is referred to in this Condition 5.6 (*Refinancing redemption at the option of the Issuer*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.6.

#### 5.7 *Purchase*

The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

#### 5.8 *Cancellation*

All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## 6. Payments

### 6.1 *Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the Target System.

### 6.2 *Interest*

Payments of interest shall, subject to paragraph 6.6 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph 6.1 (*Principal*) above.

### 6.3 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

### 6.4 *Deduction for unmatured Coupons*

If a Note is presented without all unmatured Coupons relating thereto, then:

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

Each sum of principal so deducted shall be paid in the manner provided in paragraph 6.1 (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

6.5 *Payments on Business Days*

If the due date for payment of any amount in respect of any Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

6.6 *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

6.7 *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

**7. Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required (the **Additional Amounts**), except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the Netherlands other than the mere holding of the Note or Coupon; or
- (b) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or
- (c) by or on behalf of a holder in respect of any taxes imposed under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, including any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1), any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any law, regulation or practice adopted pursuant to any such intergovernmental agreement; or
- (d) starting from 1 January 2021, where such withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or

- (e) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such Additional Amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Netherlands references in these Conditions to The Netherlands shall be construed as references to the Netherlands and/or such other jurisdiction.

## 8. Events of Default

If any of the following events occurs:

- (a) *Non-payment*

The Issuer fails to pay any amount of principal or interest in respect of the Notes within 15 days of the due date for payment thereof; or

- (b) *Breach of other obligations*

The Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

- (c) *Cross-acceleration of Issuer or Subsidiary*<sup>1</sup>

- (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due (as the case may be); or

- (ii) any such Indebtedness becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described); or

*provided that, in each case, it shall not constitute an Event of Default if: (A) the same is remedied within 15 Business Days after such event occurs, or such non-payment is remedied within any applicable grace period; (B) the obligation in respect of such non-payment is being disputed in good faith by the Issuer or any of its Subsidiaries and (C) the aggregate amount of Indebtedness referred to in subparagraph (i) and/or subparagraph (ii) above, or the aggregate amount of such non-payments is less than €75,000,000 (or its equivalent in any other currency or currencies); or*

- (d) *Unsatisfied judgment*

One or more final judgment(s) or final order(s) for the payment of any amount/an amount in excess of €75,000,000 (or its equivalent in any other currency or currencies) is rendered

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<sup>1</sup> A few changes to align with ASML's RCF.

against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Insolvency, etc*

- (i) The Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness,
- (ii) the Issuer or any of its Material Subsidiaries becomes bankrupt (*failliet wordt verklaard*) or subject to a moratorium of payments (*surseance van betaling*) or (iii) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(f) *Winding up, etc*

An order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent),

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

In this Condition 8 (*Events of Default*):

**Indebtedness** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting principles in the US, be treated as finance or capital leases; and
- (d) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

**Material Subsidiary** at all times shall mean a Subsidiary of the Issuer:

- (a) whose gross revenues attributable to the Issuer (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5% of the consolidated gross revenues of the Issuer and its Subsidiaries taken as a whole attributable to the shareholders of the Issuer, or, as the case may be, consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited

accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or

- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary.

A report of the Issuer signed by two managing directors that in its opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

## **9. Prescription**

Claims in respect of the Notes and Coupons shall become void unless the relevant Notes are presented for payment within five years of the appropriate Relevant Date.

## **10. Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent and the Paying Agent having its Specified Office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **11. Paying Agents**

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

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain (a) a fiscal agent and (b) a paying agent in Luxembourg.

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

## **12. Meetings of Noteholders; Modification**

### *12.1 Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the

Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the number of votes required to pass an Extraordinary Resolution (each, a **Reserved Matter**)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

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

## 12.2 *Modification*

The Issuer may make amendments to the Notes and these Conditions without the consent of the Noteholders or the Couponholders that are (i) not prejudicial to the interests of the Noteholders, (ii) of a formal, minor or technical nature or (iii) made to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

## 13. **Further Issues**

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

## 14. **Notices**

Notices to the Noteholders shall be valid if published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) and/or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

## 15. **Governing Law and Jurisdiction**

The Notes, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Netherlands.

The Issuer agrees for the benefit of the Noteholders and the Couponholders that the courts of Amsterdam, the Netherlands are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and that accordingly any suit, action or proceedings arising thereout or in connection therewith (together referred to as **Proceedings**) may be brought in the courts of the Netherlands.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Amsterdam, the Netherlands and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any

Proceedings brought in the courts of the Netherlands shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction.

The submission to the jurisdiction of the courts of the Netherlands referred to above shall not (and shall not be construed so as to) limit the right of any Noteholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

*There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and Specified Offices of the Fiscal Agent and the Paying Agents as set out at the end of this Offering Memorandum.*



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

The Notes will initially be in the form of a temporary global Note (the **Temporary Global Note**) which will be deposited on or around the Issue Date with a common safekeeper for Euroclear and Clearstream. Each Temporary Global Note will be exchangeable in whole or in part for interests in the permanent global Note (the **Permanent Global Note**) not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under a Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Each Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form (**Definitive Notes**) in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €99,000 if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the Terms and Conditions of the Notes.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes outside of the United States, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If (a) Definitive Notes have not been delivered by 05.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Note for Definitive Notes when the Permanent Global Note has become exchangeable for Definitive Notes in accordance with the terms of the Agency Agreement or (b) the Permanent Global Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of such Permanent Global Note on the due date for payment, the terms of such global Note provide for relevant account holders on behalf of the Noteholders to be able to enforce rights directly against the Issuer (the **Direct Rights**) such as they would have had if they had been holding Definitive Notes to the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholders and operate as final discharge of the Issuer in this respect.

In addition, a Temporary Global Note and Permanent Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the relevant Temporary Global Note and Permanent Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of a Temporary Global Note and Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the relevant Temporary Global Note or (as the case may be) Permanent Global Note, or interest coupons in respect thereof, as applicable, at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

*Notices:* Notwithstanding Condition 14 (*Notices*) of the Terms and Conditions of the Notes, while all the Notes are represented by the Permanent Global Note (or by the Permanent Global Note and/or the Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the temporary Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream and in any case,

such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) of the Terms and Conditions of the Notes.

The following legend will appear on all Notes (other than the Temporary Global Note) and on all receipts and all coupons relating to such Notes to reflect TEFRA D selling restrictions:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

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

## CLEARANCE AND SETTLEMENT

Custodial and depository links have been established among Euroclear and Clearstream to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. Certain restrictions apply to transfers of interest in the Notes and certifications may be required to be given in certain circumstances.

### Registration and Form

The Notes will be represented by a Temporary Global Note or a Permanent Global Note each in bearer form, with interest coupons attached. The Notes will be offered and sold in offshore transactions in reliance on Regulation S under the Securities Act. Except as set forth below, the Notes will be issued in bearer, global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess of €100,000. The Notes will be issued at the closing of the offering only against payment in immediately available funds.

The Global Notes will be issued in New Global Note form and will be deposited with a common safekeeper for Euroclear and Clearstream. Except in certain other limited circumstances, the Notes will not be issued in definitive form to individual beneficial owners of the Notes. Beneficial ownership in the Global Notes can only be held in the form of book-entry interests through financial institutions as direct or indirect participants in Euroclear or Clearstream. Each person having an ownership or other interest in the Notes must rely exclusively on the rules or procedures of Euroclear and Clearstream as applicable, and any agreement with any direct or indirect participant of Euroclear or Clearstream as the case may be, or any other securities intermediary through which that person holds its interest to effect any transfer or to receive or direct the delivery of possessions of any definitive security.

Book-entry interests in the Notes will be held through Euroclear and Clearstream, each of which will hold an interest in the Global Notes. The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other immediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes.

### The Clearing Systems

(a) *Clearstream:*

Clearstream is incorporated under the laws of Luxembourg as a bank. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, eliminating the need for physical movement of certificates. Transactions may be settled in Clearstream in a variety of currencies. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream participants are recognized financial institutions around the world, including securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

(b) *Euroclear:*

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in a variety of currencies. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries.

Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Financial Services and Markets Authority and the National Bank of Belgium. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries.

Indirect access to Euroclear is also available to the firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities clearance accounts.

ASML will not impose any fees in respect of the Notes; however, Noteholders may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

#### **Global Clearance and Settlement Procedures**

(a) *Initial Settlement:*

On original issue the Notes will be in global form represented by a Temporary Global Note and, upon certification of non-U.S. beneficial ownership, a Permanent Global Note. Interests in the Notes will be in uncertificated book-entry form. Purchasers holding book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional euronotes, book-entry interests in the Notes will be credited to Euroclear and Clearstream Participant securities clearance accounts on the business day following the Closing Date against payment.

(b) *Secondary Market Trading:*

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream to purchasers of book-entry interests in the Notes through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional euronotes.

## NETHERLANDS TAXATION

This paragraph outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes or the Coupons. It does not present a comprehensive or complete description of all aspects of Dutch tax law which could be relevant to a Noteholder or a Couponholder. For Dutch tax purposes, a Noteholder or a Couponholder may include an individual or entity that does not hold the legal title of the Notes or the Coupons, but to whom or to which, the Notes or the Coupons are, or income from the Notes or the Coupons is, nevertheless attributed based either on this individual or entity owning a beneficial interest in the Notes or the Coupons or on specific statutory provisions. These include statutory provisions attributing Notes or Coupons to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes or the Coupons.

This paragraph is intended as general information only. Prospective Noteholders or Couponholders should consult their own tax adviser regarding the tax consequences of any acquisition, holding or disposal of Notes or Coupons.

This paragraph is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date of this Offering Memorandum, including the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. This paragraph does therefore not take into account the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) as this act is not yet in effect as of the date of this Offering Memorandum. Once the Dutch Withholding Tax Act 2021 becomes effective on 1 January 2021, interest paid or accrued to certain entities related to the Issuer that are located in certain low-taxed jurisdictions may be subject to Dutch withholding tax at a rate of 21.7%. In the event any withholding would be required pursuant to the Dutch Withholding Tax Act 2021 with respect to payments on the Notes, the Issuer will not pay any additional amounts in respect of this withholding.

Any reference in this paragraph made to Dutch taxes, Dutch tax or Dutch tax law should be construed as a reference to any taxes of any nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities or to the law governing such taxes, respectively. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

This paragraph does not describe any Dutch tax considerations or consequences that may be relevant where a Noteholder or a Couponholder:

- (a) is an individual and the Noteholder's or the Couponholder's income or capital gains derived from the Notes or the Coupons are attributable to employment activities, the income from which is taxable in the Netherlands;
- (b) has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Issuer within the meaning of chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a Noteholder or a Couponholder has a substantial interest in the Issuer if the Noteholder or the Couponholder, alone or – in the case of an individual – together with a partner for Dutch tax purposes, or any relative by blood or by marriage in the ascending or descending line (including foster-children) of the Noteholder or the Couponholder or the partner, owns or holds, or is deemed to own or hold, certain rights to shares, including rights to directly or indirectly acquire shares, directly or indirectly representing 5% or more of the Issuer's issued capital as a whole or for any class of shares or profit participating certificates (*winstbewijzen*) relating to 5% or more of the Issuer's annual profits or 5% or more of the Issuer's liquidation proceeds;

- (c) is an entity which under the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (the **CITA**) is not subject to Dutch corporate income tax or is fully or partly exempt from Dutch corporate income tax (such as a qualifying pension fund);
- (d) is an investment institution (*beleggingsinstelling*) as described in Section 6a or 28 CITA;
- (e) that is an entity which is a resident of Aruba, Curacao or St. Maarten and fully or partly conducts a business through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in Bonaire, Sint Eustatius or Saba to which the Notes or the Coupons are attributable.

### **Withholding Tax**

Any payments made under the Notes or the Coupons will not be subject to withholding or deduction for, or on account of, any Dutch taxes.

### **Taxes on income and capital gains**

#### *Residents of the Netherlands*

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders or Couponholders:

- (a) individuals who are resident or deemed to be resident in the Netherlands (**Dutch Resident Individuals**); and
- (b) entities or enterprises that are subject to the CITA and are resident or deemed to be resident in the Netherlands (**Dutch Resident Corporate Entities**).

#### *Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities*

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to income tax at statutory progressive rates with a maximum of 49.50% on any benefits derived or deemed to be derived from the Notes or the Coupons, including any capital gains realized on any disposal of the Notes or the Coupons, where those benefits are attributable to:

- (a) an enterprise from which a Dutch Resident Individual derives profits, whether as an entrepreneur (*ondernemer*) or by being co-entitled (*medegerechtigde*) to the net worth of the enterprise other than as an entrepreneur or shareholder; or
- (b) miscellaneous activities, including activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

#### *Dutch Resident Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities*

Generally, Notes or Coupons held by a Dutch Resident Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the Notes or the Coupons are not attributable to that enterprise or miscellaneous activities, will be subject to annual income tax imposed on a fictitious yield on the Notes or the Coupons under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit from a Dutch Resident Individual's assets and liabilities taxed

under this regime, including the Notes or the Coupons, is set at a percentage of the positive balance of the fair market value of those assets, including the Notes or the Coupons, and the fair market value of these liabilities. The percentage, which is annually indexed, increases:

- (a) from 1.80% over the first €72,797;
- (b) to 4.22% over €72,797.01 up to and including €1,005,572; and
- (c) to a maximum of 5.33% over €1,005,572.01 or higher.

No taxation occurs if this positive balance does not exceed a certain threshold (*heffingvrij vermogen*). The fair market value of assets, including the Notes or the Coupons, and liabilities that are taxed under this regime is measured once in each calendar year on 1 January. The tax rate under the regime for savings and investments is a flat rate of 30%.

#### *Dutch Resident Corporate Entities*

Dutch Resident Corporate Entities are generally subject to corporate income tax at statutory rates up to 25% on any benefits derived or deemed to be derived from the Notes or the Coupons, including any capital gains realized on their disposal.

#### *Non-Residents of the Netherlands*

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders or Couponholders:

- (a) individuals who are not resident and not deemed to be resident in the Netherlands (**Non-Dutch Resident Individuals**); and
- (b) entities that are not resident and not deemed to be resident in the Netherlands (**Non-Dutch Resident Corporate Entities**).

#### *Non-Dutch Resident Individuals*

A Non-Dutch Resident Individual will not be subject to any Dutch taxes on income or capital gains derived from the acquisition, holding, settlement, redemption and disposal of the Notes or the Coupons, unless:

- (a) the Non-Dutch Resident Individual derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of this enterprise other than as an entrepreneur or shareholder, and this enterprise is fully or partly carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes or the Coupons are attributable;
- (b) the Non-Dutch Resident Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the Notes or the Coupons, including activities which are beyond the scope of active portfolio investment activities (*meer dan normaal actief vermogensbeheer*); or
- (c) the Non-Dutch Resident Individual is entitled to a share - other than by way of securities - in the profits of an enterprise, which is effectively managed in the Netherlands and to which the Notes or the Coupons are attributable.

### *Non-Dutch Resident Corporate Entities*

A Non-Dutch Resident Corporate Entity will not be subject to any Dutch taxes on income or capital gains derived from the acquisition, holding, settlement, redemption and disposal of the Notes or the Coupons, unless:

- (a) the Non-Dutch Resident Corporate Entity derives profits from an enterprise, which is fully or partly carried on through a permanent establishment or a permanent representative in the Netherlands to which the Notes or the Coupons are attributable; or
- (b) the Non-Dutch Resident Corporate Entity is entitled to a share - other than by way of securities - in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which the Notes or the Coupons are attributable.

Under certain specific circumstances, Dutch taxation rights may be restricted for Non-Dutch Resident Individuals and Non-Dutch Resident Corporate Entities pursuant to treaties for the avoidance of double taxation.

### *Dutch Gift Tax or Inheritance Tax*

No Dutch gift tax or inheritance tax is due in respect of any gift of Notes or Coupons by, or inheritance of Notes or Coupons on the death of, a Noteholder or a Couponholder, unless:

- (a) the Noteholder or the Couponholder is a resident, or is deemed to be resident, in the Netherlands at the time of the gift or death of the Noteholder or the Couponholder; or
- (b) the Noteholder or the Couponholder dies within 180 days after the date of the gift of the Notes or the Coupons and was, or was deemed to be, resident in the Netherlands at the time of the Noteholder's or the Couponholder's death but not at the time of the gift; or
- (c) the gift of the Notes or the Coupons is made under a condition precedent and the Noteholder or the Couponholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift and inheritance tax, an individual of Dutch nationality is generally deemed to be a resident of the Netherlands if such individual has been a resident thereof at any time during the ten years preceding the time of the gift or death. For purposes of Dutch gift tax, an individual not possessing Dutch nationality is deemed to be a resident of the Netherlands if such individual has resided therein at any time in the twelve months preceding the gift.

### *Other Taxes and Duties*

No other Dutch Taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a Noteholder or a Couponholder by reason only of the issue, acquisition or transfer of the Notes or the Coupons.

### *Residency*

A Noteholder or a Couponholder will not become a resident or deemed resident of the Netherlands for tax purposes by reason only of holding the Notes or the Coupons. Subject to the exceptions above, a Noteholder or a Couponholder will not become subject to Dutch taxes by reason only of the Issuer's performance, or the Noteholder's or the Couponholder's acquisition (by way of issue or transfer to the Noteholder or the Couponholder), holding or disposal of the Notes or the Coupons.



## **The Proposed Financial Transactions Tax**

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

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the 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 Commission's Proposal remains subject to negotiation between the participating Member States. It has been clarified that should an informal agreement among the participating Member States be reached, it would only be a preliminary step in the legislative process. If, at some point, a draft text of the Directive for a common FTT is tabled by the participating Member States, any decision in the Council should be preceded by an inclusive and substantial debate among all Member States. The Commission's Proposal may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

## SUBSCRIPTION AND SALE

Pursuant to a Subscription Agreement, dated as of 21 February 2020 (the **Subscription Agreement**), the Managers have agreed with ASML, subject to the satisfaction of certain conditions, to subscribe for, at 99.029% of their principal amount, €750,000,000 aggregate principal amount of the Notes, and ASML has agreed to pay to the Managers for performance of their services a commission.

ASML has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

### **Selling Restrictions**

#### *United States*

The Notes will be issued in bearer form and therefore 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 of 1986 and regulations thereunder.

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.

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, the Notes are being offered and sold only to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and it will send to each distributor, dealer or a person receiving a selling concession, fee or other remuneration to which it sells Notes during the 40-day restricted 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. The Managers have also agreed that neither they nor their affiliates nor any persons acting on the Managers' or their affiliates' behalf have engaged or will engage in any directed selling efforts with respect to the Notes.

Terms used in the preceding two paragraphs have the meanings ascribed to them by Regulation S under the Securities Act.

#### *European Economic Area and the United Kingdom*

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in the Prospectus Regulation; and

the expression “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 for the Notes.

### ***United Kingdom***

Each Manager has represented warranted and agreed in the Subscription Agreement that: (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (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 ASML, and (2) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from, or otherwise involving the UK.

### ***The Grand Duchy of Luxembourg***

Each Manager has represented and agreed that it has not and will not, offer or sell the Notes to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, Luxembourg, except (i) for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and listing of the Notes on the Official List of the Luxembourg Stock Exchange and except in circumstances which do not constitute an offer of securities to the public pursuant to the provisions of the Prospectus Law 2019 or (ii) in other circumstances which do not constitute a public offer of securities to the public pursuant to the provisions of the Prospectus Law 2019.

### ***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 Manager has represented, warranted 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 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 any other relevant laws, regulations and ministerial guidelines of Japan.

### ***General***

In addition to the specific restrictions set out above, the Managers have agreed that they will (to the best of their knowledge) comply with all applicable laws and material regulations relating to the distribution of securities in each jurisdiction in which they acquire, offer, sell or deliver Notes or have in their possession or distribute the Offering Document or any such other material.

## **VALIDITY OF SECURITIES**

The Company is being represented as to certain Dutch legal matters by De Brauw Blackstone Westbroek N.V., Amsterdam, the Netherlands. The Managers are being represented as to certain Dutch legal matters by Allen & Overy LLP, Amsterdam, the Netherlands.

## **INDEPENDENT AUDITORS**

The consolidated financial statements of the Company as of 31 December 2019 and 2018, and for each of the years in the three-year period ended 31 December 2019, incorporated by reference in this Offering Memorandum, and the effectiveness of internal control over financial reporting as of 31 December 2019, have been audited by KPMG Accountants N.V., independent registered public accounting firm, as stated in their report appearing therein.

## GENERAL INFORMATION

1. We commenced business operations in 1984. ASM Lithography Holding N.V. was incorporated in the Netherlands on 3 October 1994 to serve as the holding company for our worldwide operations. In 2001, we changed our name to ASML Holding N.V. Our registered office is located at De Run 6501, 5504 DR Veldhoven, the Netherlands, telephone number +31 40 268 3000. We have operating subsidiaries in the Netherlands, the United States, Italy, France, Germany, the UK, Ireland, Belgium, Korea, Taiwan, Singapore, China, Hong Kong, Japan, Malaysia and Israel.

From time to time, we pursue acquisitions of businesses that we believe will complement or enhance our core lithography business: these have included the acquisitions of MaskTools (business unit of MicroUnity Systems Engineering Inc.) in 1999, Silicon Valley Group Inc. in 2001, Brion Technologies Inc. in 2007, Wijdeven Motion Holding B.V. and Wijdeven Motion B.V. in 2012, Cymer Inc. in 2013 and HMI and a 24.9% minority interest in Carl Zeiss SMT in 2016.

ASML is registered under number 17085815 at the Commercial Register in Eindhoven, the Netherlands. Our LEI is 724500Y6DUVHQD6OXN27.

2. As of 31 December 2019, ASML's authorized share capital amounts to €26.0 million and is divided into:
  - 700,000,000 cumulative preference shares with a nominal value of €0.09 each;
  - 699,999,000 ordinary shares with a nominal value of €0.09 each; and
  - 9,000 ordinary shares B with a nominal value of €0.01 each.

As at 31 December 2019, 425,659,704 ordinary shares with a nominal value of €0.09 each were issued and fully paid up, this includes 5,848,998 treasury shares. No ordinary shares B and no cumulative preference shares have been issued.

3. The objects of the Company are to establish, participate in, administer and finance companies and enterprises engaged in the development, manufacture and trading of products which are used for the production of semi-conductors especially lithographic products and systems, and the development and exploitation of technical and other expertise in the field of or in connection with the products and systems referred to above, and to do everything pertaining thereto or connected therewith, including to perform or have performed industrial, commercial and financial activities, to perform or have performed services in general, all this in the widest sense.
4. The issuance of the Notes being offered hereby were authorized by resolutions of the Board of Management on 10 February 2020 and by resolutions of the Supervisory Board on 14 February 2020.
5. KPMG Accountants N.V. has served as the Company's independent auditor for the year ended 31 December 2019 and have rendered an unqualified Report of Independent Registered Public Accounting Firm (auditor's report) with respect to the consolidated financial statements as included in ASML's Annual Report on Form 20-F for 2019. The address of KPMG Accountants N.V. is Laan van Langerhuize 1, 1186 CS Amstelveen, the Netherlands.
6. Copies of the 2019 Form 20-F (including audited US GAAP financials) of ASML are available, free of charge, upon request during normal business hours at the offices of ASML and at the website of ASML at [www.asml.com](http://www.asml.com). The 2019 Form 20-F is incorporated herein by reference.
7. The Notes have been accepted for clearance and settlement through the facilities of Euroclear and Clearstream with the international securities identification number XS2010032378 and common code 201003237.

8. The Notes are expected to be assigned a rating of A- by Fitch and A3 by Moody's. A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Notes.
9. Other than as set out in this Offering Memorandum (including any document incorporated by reference herein), ASML is not, or during the last two financial years has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition as presented in this Offering Memorandum (including any document incorporated by reference herein).
10. There has been no material adverse change in ASML's prospects since 31 December 2019. Moreover, there has been no significant change in ASML's financial position since 31 December 2019.
11. For so long as any of the Notes are outstanding, copies of the following documents may be obtained, free of charge, during normal business hours at the office of the Paying Agent:
- (a) the most recently published audited consolidated annual reports of the Company;
  - (b) the most recently published unaudited consolidated condensed interim financial statements (published quarterly) of the Company;
  - (c) the Articles of Association of the Issuer;
  - (d) this Offering Memorandum; and
  - (e) the Agency Agreement.
12. Fiscal Agent
- Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London, EC2N 2DB  
United Kingdom  
Facsimile No: +44 207 547 6149  
Attention: Debt and Agency Services
13. Paying Agent
- Deutsche Bank Luxembourg S.A.  
2 Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Facsimile No: +352 473 136  
Attention: Coupon Paying Department

**ISSUER**

**ASML Holding N.V.**

De Run 6501  
5504 DR Veldhoven  
The Netherlands

**FISCAL AGENT**

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**PAYING AGENT**

**Deutsche Bank Luxembourg S.A.**

2 Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**LEGAL ADVISORS**

*To the Issuer*

**De Brauw Blackstone Westbroek N.V.**

Claude Debussylaan 80  
1082 MD Amsterdam  
The Netherlands

*To the Managers*

**Allen & Overy LLP**

Apollolaan 15  
1077 AB Amsterdam  
The Netherlands

**AUDITORS OF THE ISSUER**

*As auditors for the years ended 31 December 2016, 31 December 2017, 31 December 2018 and  
31 December 2019*

**KPMG Accountants N.V.**

Laan van Langerhuize 1  
1186 DS Amstelveen  
The Netherlands

PO BOX 74500  
1070 DB Amsterdam  
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