



**DANISH
SHIP FINANCE**

Danish Ship Finance A/S

(domiciled in Denmark as a Danish limited liability company, CVR no. 27492649)

Supplement no. 2 to Base Prospectus for the issuance of ship covered bonds, ship mortgage bonds and senior secured bonds

Supplement no. 2 dated 1 March 2022

This supplement no 2 (the "**Supplement**") to the base prospectus dated 9 July 2021 (the "Base Prospectus"), which is a supplement for the purposes of Article 23(1) of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 as amended (the "**Prospectus Regulation**") and the relevant implementation legislation in Denmark, was prepared by Danish Ship Finance A/S (the "**Issuer**"). Terms defined in the Base Prospectus (but not herein) have the same meaning when applied in the Supplement.

Purpose of this supplement

The purpose of this Supplement is (a) to update 7 "INFORMATION INCORPORATED IN THE BASE PROSPECTUS BY REFERENCE" of the Base Prospectus with the Annual Report of the Issuer for the period 1 January – 31 December 2021 published on 28 February 2022; (b) to update 9 "ABOUT THE ISSUER" of the Base Prospectus and (c) to update 10 "BOARD OF DIRECTORS AND EXECUTIVE BOARD OF THE ISSUER" of the Base Prospectus due to changes in the Board of Directors and changes in directorships and executive positions for several of the board members.

The following changes have been made:

The original Base Prospectus	Amendment
Page 44, Section 7 "Information incorporated in the base prospectus by reference"	<p><i>The following text is added at the end of section 7 "INFORMATIONS INCORPORATED IN THIS BASE PROSPECTUS BY REFERENCE":</i></p> <p>"On 28 February 2022, the Issuer's Board of Directors approved the Issuer's audited Annual Report 2021 (for the period 1 January – 31 December 2021). The Financial Statements are hereby incorporated in the Supplement, and copies thereof have been submitted to the Danish Financial Supervisory Authority.</p> <p>The information incorporated in this Supplement are publicly available on the Issuer's website at www.shipfinance.dk/investor-relations/reports-and-announcements/, and copies may be obtained on request in person at the registered office of the Issuer, Sankt Annae Plads 3, DK-1250 Copenhagen K, during ordinary business hours on all business days in Denmark.</p>

For the sake of ease, the table below lists the relevant page references to the audited Financial Statements of the Issuer as stated in the Annual Report 2021 of the Issuer for the period 1 January – 31 December 2021. The information incorporated by reference which is not included in the table below is considered to be supplementary information and is not mandatory pursuant to the relevant tables set out in Regulation (EC) no 809/2004 as amended (the "**Prospectus Regulation**").

AUDITED ANNUAL REPORT OF THE ISSUER FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2021

Danish Ship Finance A/S – Annual Report 2021

Management report	Pages 3-46
Statement by the Management on the annual report	Page 90
Independent auditor's report	Pages 91-94
Income statement	Page 48
Balance sheet	Page 49
Capital statement	Pages 79-80
Accounting policies	Pages 52-57
Notes	Pages 51-88

The original Base Prospectus	Amendment
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Link to the Annual Report 2021:
www.shipfinance.dk/investor-relations/reports-and-announcements/”

Page 48,
Section 9.2.4
“Area of activity”

The following section is deleted:

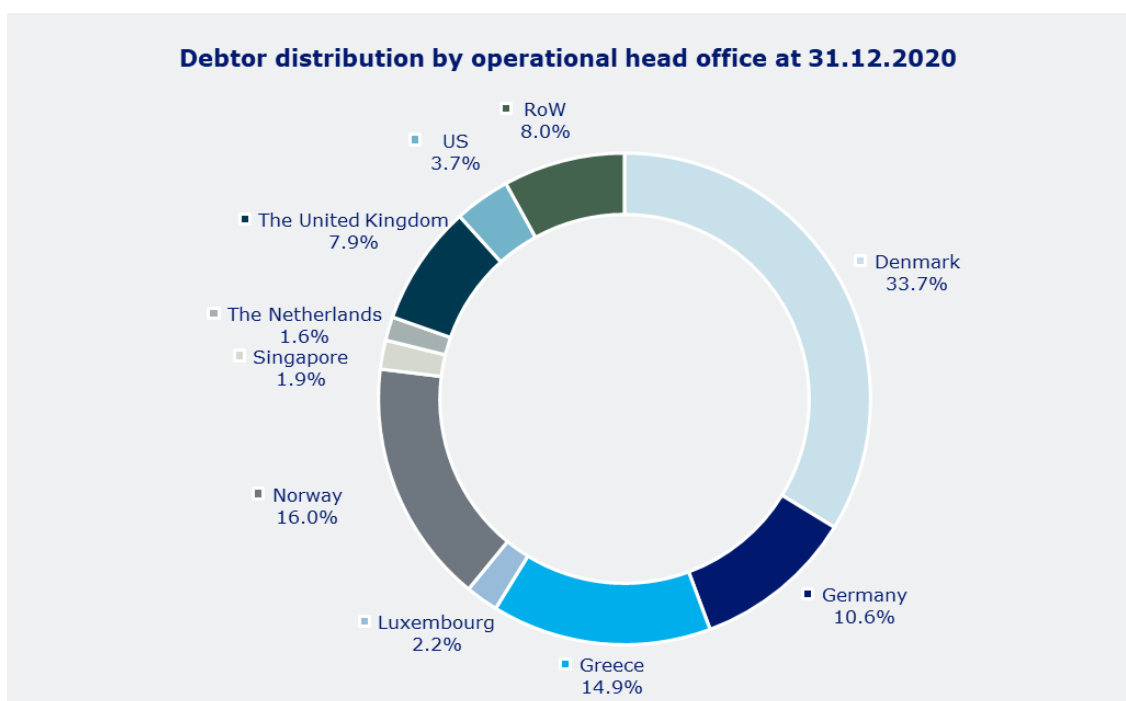
“As of 31 December 2020, the Issuer’s loan book equalled DKK 33.6 billion, collateralised by a total of 792 vessels.

The object of the Issuer is to operate as a ship finance institute, including engaging in any activities permitted according to legislation applicable to a Danish ship finance institute from time to time. The object of the Issuer is to provide ship financing in Denmark. In addition, the Issuer provides ship financing in the international market provided that those activities do not unnecessarily limit the Company’s Danish operations.

The Issuer intends to develop new mortgage finance products and pursue new business opportunities within the ship mortgage finance business and to the extent it is deemed commercially viable. At the date of this Base Prospectus, the Issuer has no plans to introduce significant new mortgage credit products or pursue new business opportunities.

The Issuer’s principal market is Denmark. Other principal markets are the rest of Europe, North America and Asia.

DEBTOR DISTRIBUTION BY OPERATIONAL HEAD OFFICE AT 31 DECEMBER 2020



”

And replaced by:

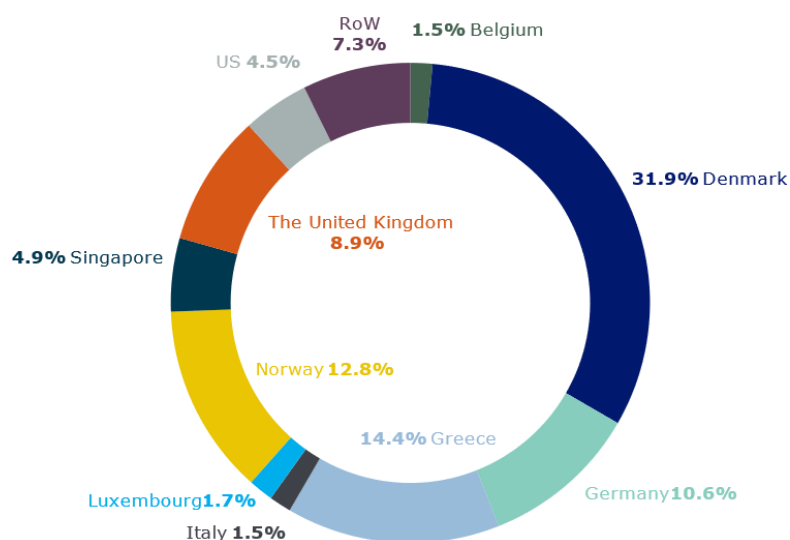
“As of 31 December 2021, the Issuer’s loan book equalled DKK 37.5 billion, collateralised by a total of 803 vessels.

The object of the Issuer is to operate as a ship finance institute, including engaging in any activities permitted according to legislation applicable to a Danish ship finance institute from time to time. The object of the Issuer is to provide ship financing in Denmark. In addition, the Issuer provides ship financing in the international market provided that those activities do not unnecessarily limit the Company’s Danish operations.

The Issuer intends to develop new mortgage finance products and pursue new business opportunities within the ship mortgage finance business and to the extent it is deemed commercially viable. At the date of this Base Prospectus, the Issuer has no plans to introduce significant new mortgage credit products or pursue new business opportunities.

The Issuer’s principal market is Denmark. Other principal markets are the rest of Europe, North America and Asia.

Debtor distribution by operational head office as at 31.12.2021



Page 49,
Section 9.2.6
“Capital
structure”

The following text is added at the end of 9.2.6 “CAPITAL STRUCTURE”:

“The tables below based on the Issuer’s Annual Report 2020 and the Issuer’s Annual Report 2021 show the Issuer’s capital structure, capital ratios, adequate capital base and buffer requirements.

DKK MILLION	2021	2020
CAPITAL ADEQUACY		
Common Equity Tier 1 capital		
Share capital A shares	300	300
Share capital B shares	33	33
Tied-up reserve capital	8,343	8,343
Retained earnings	451	471
Proposed dividends for the financial year	128	59
Revaluation reserves	70	70
Total Common Equity Tier 1 capital	9,325	9,275
Deductions from Common Equity Tier 1 capital		
Proposed dividends for the financial year	128	59
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	-	-
Prudent valuation pursuant to Article 105 of the CRR	24	28
Deductions for NPE Loss coverage	8	-
Deductions pursuant to transitional rules regarding B share capital *)	33	33
Total deductions from Common Equity Tier 1 capital	194	119
Common Equity Tier 1 capital after deductions	9,131	9,156

The original Base Prospectus	Amendment
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Own funds after deductions	9,131	9,156

DKK MILLION	2021	2020
Risk exposure amount		
Assets outside the trading book	36,856	32,309
Off-balance sheet items	1,678	1,862
Counterparty risk outside the trading book	2,766	2,255
Market risk	3,346	3,736
Operational risk	829	880
Total risk exposure amount	45,477	41,042
Common Equity Tier 1 capital ratio	20.1	22.3
Tier 1 capital ratio	20.1	22.3
Total capital ratio	20.1	22.3
The risk exposure amount for market risk consists of:		
Position risk related to debt instruments	3,045	3,454
Position risk related to shares	18	18
Total currency position	284	265
Total risk exposure amount for market risk	3,346	3,736

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Page 50,
Section 9.2.8
“Selected
finansiell
information”

The following lines are deleted:

“Audited financial information, including the income statement, balance sheet, statement of changes in equity, capital statement and accounting policies, as well as notes for the latest two financial years, is set out in Annual Report 2019 and Annual Report 2020 of the Issuer. See section 7 “INFORMATION INCORPORATED IN THE BASE PROSPECTUS BY REFERENCE”. The auditors' report is included in the Issuer's annual reports for 2019 and 2020.

And replaced by:

“Audited financial information, including the income statement, balance sheet, statement of changes in equity, capital statement and accounting policies, as well as notes for the latest two financial years, is set out in Annual Report 2020 and Annual Report 2021 of the Issuer. See section 7 “INFORMATION INCORPORATED IN THE BASE PROSPECTUS BY REFERENCE”. The auditors' report is included in the Issuer's annual reports for 2020 and 2021.

Page 52,
Section 10.1
“Board of
Directors”

The following lines are deleted:

*“Chairman of CASA A/S (and one group company)
BiQ ApS”*

Page 52,
Section 10.1
“Board of
Directors”

The following line is deleted:

“Peter Nyegaard, CFO and Partner, Axcel”

and replaced by:

“Peter Nyegaard, Senior Advisor, Axcel”

The original Base Prospectus	Amendment
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The following line is added:

“Member of the Board of Directors in Nuuday A/S”

Page 52,
Section 10.1
“Board of
Directors”

The following line is deleted:

“Christian Frigast, Partner, Axcel”

and replaced by

“Christian Frigast”

Page 53,
Section 10.1
“Board of
Directors”

The following lines are deleted:

Directorships and executive positions:

Member of the Board of Directors:

- *Høegh Autoliners*
- *Høegh LNG AS*
- *Høegh LNG Holdings Ltd (alternate)*
- *Telenor Maritime”*

and replaced by:

“Directorships and executive positions:

- *CEO of Hoegh LNG A*
- *CEO of HOEGH LNG Holdings Ltd (alternate)*
- *Member of the Board of Directors :*
 - *HOEGH Autoliners ASA*
 - *Telenor Maritime AS*
 - *Aequitas Ltd”*

Page 54,
Section 10.1
“Board of
Directors”

The following lines are deleted:

”

- *PKA Private Funds*
- *IV GP ApS*
- *IIP Denmark*
- *ApS”*

and replaced by:

“

- *IIP Denmark ApS*
- *PKA Private Funds I GP ApS*
- *PKA Private Funds III GP ApS*
- *PKA Private Funds IV GP ApS ”*

Page 54,
Section 10.1
“Board of
Directors”

The following line is deleted:

“Berit Koertz, Senior Relationship Manager”

and replaced by:

“Berit Koertz, Senior Client Executive, Danish Ship Finance A/S”

Page 55,
Section 10.1
“Board of
Directors”

The following lines are deleted:

“Nanna Flint, Controller

Employee representative”

The original Base Prospectus	Amendment
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And replaced by:

“Marcus Freuchen Christensen, Senior Client Executive, Danish Ship Finance A/S

Employee representative”

Other information

In the event of discrepancy between (a) any representation in the Supplement or any representation incorporated by reference in the Base Prospectus by the Supplement, and (b) any other representation in or incorporated by reference in the Base Prospectus, (a) above shall take precedence.

Except as described in the Supplement, no other new material circumstance, material error or incorrectness regarding the information in the Base Prospectus has occurred since the publication of the Base Prospectus.

Withdrawal

Investors who have accepted buying or subscribing for Bonds before the publication of this Supplement are entitled to withdraw their acceptance within a time limit of at least three working days after the publication of this supplement, ie until 4 March 2022, pursuant to article 23(2a) of the prospectus Regulation and the relevant implementation legislation in denmark. The right to withdraw is exercised by giving written notice to the relevant offeror or seller of the Bonds within the time limit.

Responsibility statement

We declare that we have used our best endeavours to ensure that the information in this Supplement is consistent with the facts to the best of our knowledge and belief, that nothing has been omitted which is likely to affect its contents.

This supplement is signed on behalf of the Executive Board and the Board of Directors pursuant to special authority of the Board of Directors.

Copenhagen, 1 March 2022

Erik I. Lassen
Chief Executive Officer

Lars Jebjerg
Chief Financial Officer

Michael Frisch
Chief Commercial Officer