

**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 28 February 2023**

This supplement no 2 (the "**Supplement**") to the base prospectus dated 11 July 2022 (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 2022 published on 27 February 2023; (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 directorships and executive positions for several of the board members.

The following changes have been made:

The original Base Prospectus	Amendment
Page 11, Section 3.1.2 "Credit risk related to borrowers, counterparties and clients of the Issuer"	<p><i>The following section is deleted:</i></p> <p><i>" For an overview of the credit risk of the Issuer as of 31 December 2021 reference is made to pages 68-73 of the Danish Ship Finance 2021 Annual Report incorporated by reference into this Base Prospectus. Reference is also made to pages 11-22 of the Danish Ship Finance 2021 Risk Report. See 7 "Information incorporated in the Base Prospectus by reference" below."</i></p> <p><i>And replaced by:</i></p> <p><i>" For an overview of the credit risk of the Issuer as of 31 December 2022 reference is made to pages 70-75 of the Danish ShipFinance 2022 Annual Report incorporated by reference into this Base Prospectus. Reference is also made to pages 14-25 of the Danish Ship Finance 2022 Risk Report. See 7 "Information incorporated in the Base Prospectus by reference" below."</i></p>
Page 43, Section 7 "Information incorporated in the base prospectus by reference"	<p><i>The following section is deleted:</i></p> <p><i>" The Issuer's audited financial annual reports for the financial years ending 31 December 2021 (the "Danish Ship Finance 2021 Annual Report") and 31 December 2020 (the "Danish Ship Finance 2020 Annual Report"), to which page references are made in the tables below"</i></p> <p><i>And replaced by:</i></p> <p><i>" The Issuer's audited financial annual reports for the financial years ending 31 December 2022 (the "Danish Ship Finance 2022 Annual Report") and 31 December 2021 (the "Danish Ship Finance 2021 Annual Report"), to which page references are made in the tables below"</i></p> <p><i>The following section is deleted:</i></p> <p><i>" the Danish Ship Finance 2021 Risk Report (which can be viewed online at <a href="https://www.skibskredit.dk/media/2187/dsfrisk-report.pdf">https://www.skibskredit.dk/media/2187/dsfrisk-report.pdf</a>)"</i></p>

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*And replaced by:  
“ the Danish Ship Finance 2022 Risk Report (which can be viewed online at <https://www.skibskredit.dk/media/2306/dsf-risk-report-2022.pdf>)*

*The following text is added at the end of section 7 "INFORMATIONS INCORPORATED IN THIS BASE PROSPECTUS BY REFERENCE":*

*“On 27 February 2023, the Issuer's Board of Directors approved the Issuer's audited Annual Report 2022 (for the period 1 January – 31 December 2022). The Financial Statements are hereby incorporated in the Supplement, and copies thereof have been submitted to the Danish Financial Supervisory Authority.*

*The information incorporated in this Supplement are publicly available on the Issuer's website at [www.shipfinance.dk/investor-relations/reports-and-announcements/](http://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.*

*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 2022 of the Issuer for the period 1 January – 31 December 2022.*

**AUDITED ANNUAL REPORT OF THE ISSUER FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2022**

**Danish Ship Finance A/S – Annual Report 2022**

Statement by the Management on the annual report	Page 92
Independent auditor’s report	Pages 93-96
Income statement	Page 51
Balance sheet	Page 52
Statement of changes in equity	Pages 53
Notes	Pages 54-90

Link to the Annual Report 2022:  
[www.shipfinance.dk/investor-relations/reports-and-announcements/](http://www.shipfinance.dk/investor-relations/reports-and-announcements/).”

Page 47,  
Section 9.2.4  
“Area of  
activity”

*The following section is deleted:*

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

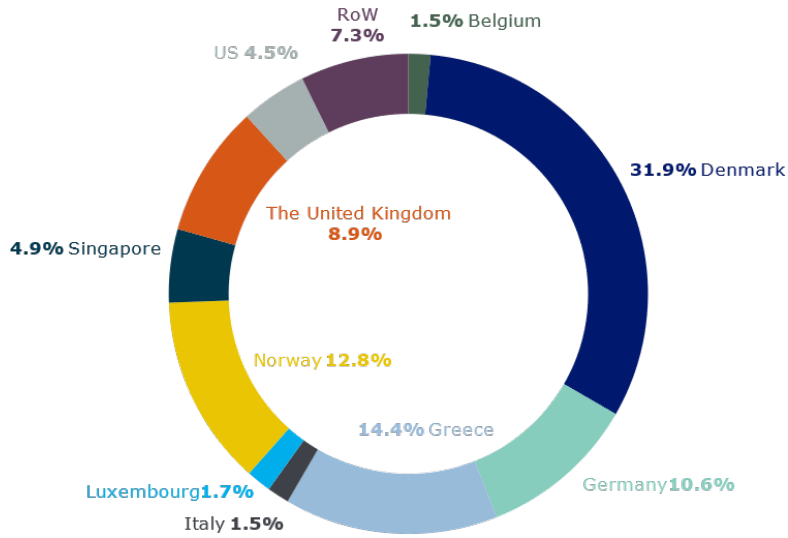
*The object of the Issuer is to operate as a ship finance institute, including engaging in any activities permitted according to legislation applicable to a Danish ship finance institute from time to time. The object of the Issuer is to provide ship financing in Denmark. In addition, the Issuer provides 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.*

*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 2021**

**Debtor distribution by operational head office as at 31.12.2021**



”

And replaced by:

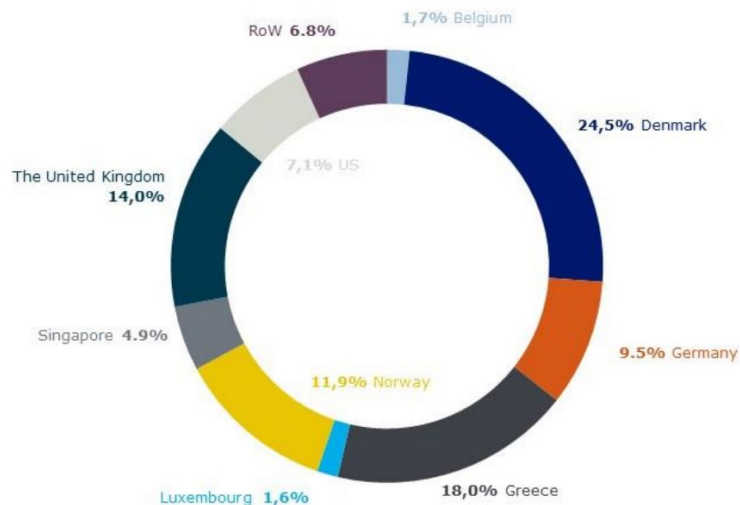
“As of 31 December 2022, the Issuer’s loan book equalled DKK 35.0 billion, collateralised by a total of 678 vessels.

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 31.12.2022**



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The original Base Prospectus	Amendment
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Page 47,  
Section 9.2.5  
“Risk  
organization”

*The following section is deleted:*

“ For further information, see the Danish Ship Finance’s risk report for 2021, which is incorporated into this Base Prospectus by reference. See Section 7 (Information incorporated in the Base Prospectus by reference)”

*And replaced by:*

“ For further information, see the Danish Ship Finance’s risk report for 2022, which is incorporated into this Base Prospectus by reference. See Section 7 (Information incorporated in the Base Prospectus by reference)”

Page 48,  
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 2021 and the Issuer’s Annual Report 2022 show the Issuer’s capital structure, capital ratios, adequate capital base and buffer requirements.

DKK MILLION	2022	2021
<b>CAPITAL ADEQUACY</b>		
<b>Common Equity Tier 1 capital</b>		
Share capital A shares	300	300
Share capital B shares	33	33
Tied-up reserve capital	8,343	8,343
Retained earnings	842	451
Proposed dividends for the financial year	167	128
Revaluation reserves	70	70
<b>Total Common Equity Tier 1 capital</b>	<b>9,755</b>	<b>9,325</b>
<b>Deductions from Common Equity Tier 1 capital</b>		
Proposed dividends for the financial year	167	128
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	-	-
Prudent valuation pursuant to Article 105 of the CRR	31	24
Deductions for NPE Loss coverage	260	8
Deductions pursuant to transitional rules regarding B share capital *)	33	33
<b>Total deductions from Common Equity Tier 1 capital</b>	<b>492</b>	<b>194</b>
<b>Common Equity Tier 1 capital after deductions</b>	<b>9,263</b>	<b>9,131</b>
<b>Own funds after deductions</b>	<b>9,263</b>	<b>9,131</b>

DKK MILLION	2021	2021
<b>Risk exposure amount</b>		
Assets outside the trading book	34,414	36,856
Off-balance sheet items	1,892	1,678
Counterparty risk outside the trading book	2,645	2,766

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Market risk	2,625	3,346
Operational risk	813	829
<b>Total risk exposure amount</b>	<b>42,389</b>	<b>45,477</b>
<b>Common Equity Tier 1 capital ratio</b>	<b>21.9</b>	<b>20.1</b>
<b>Tier 1 capital ratio</b>	<b>21.9</b>	<b>20.1</b>
<b>Total capital ratio</b>	<b>21.9</b>	<b>20.1</b>
<b>The risk exposure amount for market risk consists of:</b>		
Position risk related to debt instruments	1,994	3,045
Position risk related to shares	93	18
Total currency position	538	284
<b>Total risk exposure amount for market risk</b>	<b>2,625</b>	<b>3,346</b>

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Page 51, Section 10.1 “Board of Directors”, Eivind Kolding	<i>The following lines are added:</i> <i>DAFA A/S</i> <i>MFT Energy A/S</i>
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Page 51, Section 10.1 “Board of Directors”, Peter Nygaard	<i>The following line is deleted:</i> <i>“FIH “</i>
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Page 51, Section 10.1 “Board of Directors”, Anders Damgaard	<i>The following lines are added:</i> <i>“Finansforeningen”</i> <i>“PFA International Real Estate K/S”</i>
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Page 52, Section 10.1 “Board of Directors”, Christian Frigast	<i>The following line is deleted:</i> <i>“Christian Frigast, Partner, Axcel”</i> <i>and replaced by</i> <i>“Christian Frigast”</i>
	<i>The following line is added:</i> <i>“Danmarks Eksport &amp; Investeringsfond”</i>
	<i>The following line is moved from Vice Chairman of rhe Board of Directors to Chairman of the Board of Directors:</i> <i>“ Axcelfuture, Axcel’s think tank”</i>

Page 52, Section 10.1 “Board of Directors”, Thor Jørgen Guttormsen	<i>The following lines are deleted:</i> <i>“CEO, Hoegh LNG AS”</i> <i>“CEO, HOEGH LNG Holdings Ltd (alternate)”</i>
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Page 52,  
Section 10.1  
“Board of  
Directors”,  
Jacob  
Meldgaard

*The following lines is added::*

”ICS (International Chamber of Shipping)”

Page 53,  
Section 10.1  
“Board of  
Directors”,  
Michael N.  
Pedersen

*The following lines are deleted:*

- Danish Ship Finance Holding A/S
- Refshaleøen Holding A/S
- Refshaleøens Ejendomsselskab A/S
- Margrethelholmen P/S
- Komplementarselskabet Margrethelholm ApS
- PKA Skejby Komplementar ApS
- PKA Skejby P/S
- Hotel Koldingfjord A/S
- Fonden Dansk Sygeplejehistorisk Museum
- Poppelstykket 12 A/S
- P/S PKAE Ejendom
- Komplementarselskabet PKA AE ApS
- SAS Pilot & Navigators Pension Fund
- Investeringselskabet af 24. februar 2015 A/S
- Tuborg Havnevej I/S
- PKA Ejendomme I I/S
- PKA Ejendomme af 2013 I/S
- PKA Projektselskab I/S
- Brokvarteret P/S
- P/S Tranders Høje
- Investeringselskabet af 4. juli 2018 ApS
- Institutional Holding GP ApS
- Institutional Holding P/S
- PKA Ejendomme af 2012 I/S
- Komplementarselskabet Vilvordevej 70 ApS
- Ejendomsselskabet Vilvordevej 70 P/S
- PKA Private Funds III GP ApS
- Rugårdsvej Odense A/S
- PKA Venture I GP ApS
- Falckgården P/S
- PKA AIP A/S
- IIP Denmark P/S
- IIP Denmark GP P/S
- PKA Private Funds I GP ApS
- PKA Private Funds III GP ApS
- PKA Private Funds IV GP ApS
- DEAS Invest I A/S
- DEAS Invest Holding A/S
- PS Gjellerup”

*And replaced by:*

“ Member of the Board of Directors:  
Danish Ship Finance Holding A/S  
Danish Ship Finance A/S  
Refshaleøens Ejendomsselskab A/S  
Refshaleøen Holding  
Margrethelholmen P/S  
Komplementarselskabet Margrethelholm ApS  
PKA Skejby Komplementar ApS  
PKA Skejby P/S  
Hotel Koldingfjord A/S

The original Base Prospectus	Amendment
	<i>Fonden Dansk Sygeplejehistorisk Museum  Poppelstykket 12 A/S  P/S PKAE Ejendom  P/S Parkering PKAE  Komplementarselskabet PKA AE ApS  SAS Pilot &amp; Navigators Pension Fund  Investeringselskabet af 24. februar 2015 A/S  Brokvarteret P/S  P/S Tranders Høje  P/S Fredensgård  Institutional Holding P/S  Komplementarselskabet Vilvordevej 70 ApS  Ejendomsselskabet Vilvordevej 70 P/S  PKA Private Funds III GP ApS  Rugårdsvej Odense A/S  PKA Venture I GP ApS  Falckgården P/S  PKA AIP A/S  IIP Denmark P/S  IIP Denmark GP APS  PKA Private Funds I GP ApS  PKA Private Funds III GP ApS  PKA Private Funds IV GP ApS  PS Gjellerup  Tuborg Havnevej I/S  Tuborg Havnevej I I/S  PKA Ejendomme I I/S  PKA Ejendomme af 2013 I/S  PKA Projektselskab I/S  Institutional Holding GP ApS  PKA Ejendomme af 2012 I/S”</i>
Page 53, Section 10.1 “Board of Directors”, Henrik Sjøgreen	<i>The following lines are deleted:  “CEO, FIH A/S”  “CEO, FIH Holding A/S”</i>

## 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 two working days after the publication of this supplement, ie until 3 March 2023, pursuant to article 23(2) of the prospectus Regulation. 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, 28 February 2023

Erik I. Lassen  
Chief Executive Officer

Lars Jebjerg  
Chief Financial Officer

Michael Frisch  
Chief Commercial Officer