



**DANISH
SHIP FINANCE**

Nasdaq Copenhagen A/S
Nikolaj Plads 6
Postboks 1040
1007 Copenhagen

10 March 2021
Company announcement no. 7

New Final Bond Terms for the Danish Ship Finance A/S Base Prospectus dated 9 July 2020

Danish Ship Finance issues new floating rate non-callable bullet bond (SMB) with maturity date 1 January 2029.

In connection with the opening of new ISINs under the Danish Ship Finance A/S Base Prospectus dated 9 July 2020, Danish Ship Finance issues new Final Bond Terms.

The Final Bond Terms are stated below.

The Danish Ship Finance A/S Base Prospectus dated 9 July 2020 and the relevant Final Bond Terms are available for download on Danish Ship Finance A/S' website at <http://www.shipfinance.dk/investor-relations/>.

ISIN	Capital Centre	Currency	Opening date	Maturity
DK0004133055	Institute in General	DKK	12 March 2021	1 January 2029

Questions may be addressed to Head of Funding, Casper Fries, tel +45 33 33 93 33, IR@skibskredit.dk

Final Terms dated 10 March 2021
Danish Ship Finance A/S
LEI code: 549300T70JXFWEXCK295
Business Reg. No. (CVR-nr.): 27492649
(“The Issuer”)

For the issue of Ship Mortgage Bonds (SMB)

These final terms (“**Final Terms**”) shall only apply to Ship Mortgage Bonds (SMB) issued in the ISIN code stated below (“**Bonds**”). The Bonds are issued according to the Issuer's base prospectus for the issue of Ship Covered Bonds (“**SCB**”), Ship Mortgage bonds (“**SMB**”) and bonds issued, pursuant to Section 2j of the Act (“**Senior Secured Bonds**”) dated on 9 July 2020 and any supplement to this base prospectus (“**Base Prospectus**”).

Together with the terms of the bonds in the Base Prospectus section 5 “TERMS AND CONDITIONS”, these Final Terms constitute the terms of the issued Bonds.

The total prospectus for the Bonds consists of the Base Prospectus and the Final Terms. Definitions stated in these Final Terms shall be understood in accordance with the definitions in section 5 “TERMS AND CONDITIONS” of the Base Prospectus. Definitions stated elsewhere in the Base Prospectus will have the same meaning in the Final Terms unless otherwise stated by the context.

The Issuer declares that:

- the Final Terms were prepared according to the Prospectus Regulation and must be read in connection with the Base Prospectus in order to obtain all relevant details about the Bonds
- the Base Prospectus (including any addenda) has been made available electronically on the Issuer’s website www.shipfinance.dk
- the Base Prospectus and the Final Terms must be read in order to obtain all information
- The summary of the Bonds has been attached as Appendix A to these Final Terms.

MiFID II product management/target markets

THE TARGET MARKET FOR THE BONDS IS RETAIL CLIENTS, PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES - Solely what applies to the individual producer’s procedure for product approval, the assessment of the target market of the Bonds led to the conclusion that: (i) the target market for the Bonds is solely eligible counterparties, professional clients and retail clients as defined in Directive 2014/65/EU (“**MiFID II**”) and (ii) all channels of distribution are appropriate. Any person who subsequently offers, sells or recommends the Bonds (a “**Distributor**”) must take the producer's assessment of the target market into consideration. A Distributor who is subject to MiFID II is, however, responsible for undertaking their own assessment of the target market of the Bonds (either by assuming or improving the producer’s assessment of the target market) and also for determining appropriate distribution channels subject to the Distributor’s execution of suitability and appropriateness tests under MiFID II, if relevant.

Series/Capital Centre	Institute in General
Bond type	SMBs
ISIN	DK0004133055
Trading	Nasdaq Copenhagen A/S
First day of listing	12 March 2021
Currency	DKK
Denomination	0.01
Issue Price	Not relevant
Issue Date	Not relevant
Number of interest payment dates per year	2
Principal	Cannot be specified, as the Bonds are issued regularly as long as the ISIN is open
Outstanding amount	Cannot be specified, as the Bonds are issued regularly as long as the ISIN is open
Interest Basis	Floating Rate Bonds
Interest Coupon	0.3867% pa in the period to the first interest rate adjustment
Reference rate	CIBOR6M or it's successor rate
Interest Rate Spread(s)	50bp.
Derivative Components	Not applicable
Minimum Interest Coupon	There is no interest rate floor
Maximum Interest Coupon	Not applicable
Fixing methods	Second last Business day
Day Count Fraction	Actual/360 adjusted
Determination Date	Not applicable

Interest Commencement Date 1 January 2021

Banking Day Danish Banking Day

Banking Day Convention Following Banking Day Convention

First bond coupon First bond coupon is 0.3867%. The first interest period runs from and including 12 March 2021 to (and not including) 1 July 2021

Effective interest rate The effective interest rate cannot be provided as the Bonds are issued on tap, and the effective interest rate depends on the price and the transaction date

Interest rate floor/cap There is no interest rate floor

Price at redemption In case of a negative Interest Coupon on the Bonds at some point in the payment period, the Issuer will have a claim against the Bondholders equivalent to the absolute value of the negative interest coupon.

In such case, the Issuer will be entitled, but not required, to redeem Bonds for settlement at par value, equivalent to a value of up to the nominal negative interest coupon. The negative interest coupon will be paid by the Bondholders by way of set-off against the redeemed Bonds.

In case of extraordinary redemption as a result of the negative interest coupon, the redemption pool will be based on par value. In case of extraordinary redemption at par value, the nominal redemption amount may deviate from the amount that could have been obtained if the redeemed Bonds had been sold in the market.

The proceeds from the redemption will fall due for payment to the Bondholders on the due date of the payment period due to negative interest.

Amortisation The Bond is a hard bullet loan

Redemption/ Payment Basis	Subject to any purchase and cancellation or early redemption, the Bonds will be redeemed on the Maturity Date at 100 per cent of their nominal amount
Payment	<p>If the date of interest accrual or redemption of the principal amount is not a Banking Day, payment will be deferred in accordance with the Banking Day Convention.</p> <p>Bondholders will have no claim for interest or other amounts on account of such deferred payment.</p>
Payment Dates	1 January and 1 July in each year until Maturity Date
Payment Period	1 January and 1 July in each year until Maturity Date
Redemption dates	Not applicable
Termination	Not applicable
Opening date	12 March 2021
Closing date	Open ended
Maturity date	1 January 2029
Value date	In general, when the Bonds are traded, the value date is two banking days, but exceptions may be made
Calculation agent	Issuer
Restrictions on the individual Investor's right to subscribe for the Bonds	The issuer has not imposed any restrictions on an individual investor's right to subscribe for the Bonds
Place of Recording	VP Securities A/S Weidekampsgade 14 P.O. Box 4040 2300 Copenhagen S Denmark
Names and addresses of the financial intermediaries	Not applicable

Access to information on Bondholders	Yes
Rating	The bonds being issued are expected to be rated by Standard & Poor's Financial Services LL (S&P)
Rating trigger	No
Sales trigger	No
Early Redemption Amount	Not applicable
Issuer Call	Not applicable
Investor Put	Not applicable
Notice periods	Not applicable
Redemption Schedule	Not applicable
Tax Gross Up	Not applicable
Terms and conditions	Together with section 5 "TERMS AND CONDITIONS" of the "Base Prospectus for Danish Ship Finance A/S Bond Programme", including the related supplements or appendices, these Final Terms constitute the terms and conditions for the issued Bonds.
General terms	Not applicable
Conflicts of interest	Danish Ship Finance A/S is not aware of any conflicts of interest of importance to the offering of the Bonds
Statement	<p>The Issuer hereby states that:</p> <ol style="list-style-type: none"> 1. the Final Terms have been prepared in accordance with the Prospectus Regulation and must be read in the context of this Base Prospectus including any supplements; 2. the Base Prospectus including any supplements has been made available electronically on the Issuer's website: www.shipfinance.dk; 3. the Base Prospectus and any supplements and the Final Terms must be read in order to obtain all information; and 4. the summary of the specific issue is attached as an appendix to the Final Terms.

Prohibition of sales to EEA Retail Investors The issuer has not imposed any restrictions on an individual investor's right to subscribe for the bonds

These Final Bond Terms are signed on behalf of Danish Ship Finance A/S

Erik I. Lassen
Chief Executive Officer

Lars Jebjerg
Member of the Management Board, CFO

Michael Frisch
Member of the Management Board, CCO

Appendix A – Summary of the Bonds

This summary covers Danish Ship Finance A/S’ (“**the Issuer**”) issue of Ship Mortgage Bonds (SMBs) (“**Bonds**”) in the ISIN code stated below.

The summary is made up of disclosure requirements, known as “elements”. This summary contains all the elements required to be included in a summary of the issue of this type of securities and Danish Ship Finance A/S as the issuer.

Even though an element may be required to be inserted in a summary of the issue of this type of securities and the Issuer as the issuer, it is possible that no relevant information can be given regarding such element. In cases where an element is not relevant to a prospectus, the summary states that the element is “Not applicable”.

Introduction and warnings	
Warnings	<p>The Issuer draws the attention of prospective investors to the fact that:</p> <ul style="list-style-type: none"> • this summary should be read as an introduction to the Base Prospectus; • any decision to invest in the Bonds should be based on consideration of the Base Prospectus as a whole; • where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, key information to aid investors when considering whether to invest in such Bonds.
The name and international identification number (ISIN) of the securities.	Ship Mortgage Bonds (“ SMBs ”). The ISIN and the bond series is: DK0004133055 (“ Bonds ”).
The identity and contact details of the issuer, including its identification code for legal entities (LEI code)	<p>The issuer of the Bonds is: Danish Ship Finance A/S Sankt Annae Plads 3 DK-1250 Copenhagen K Denmark Telephone No.: +45 33 33 93 33 Email: danish@shipfinance.dk Business Reg. No. (CVR-nr.): 27 49 26 49 LEI code: 549300T70JXFWEXCK295</p>
Identity and contact details of the competent authority that approves the prospectus	<p>The competent authority that approves the prospectus is: Finanstilsynet (Danish Financial Supervisory Authority) (“DFSA”) Århusgade 110 DK-2100 Copenhagen Ø Denmark Telephone No.: +45 33 55 82 82 Email: finanstillsynet@ftnet.dk Business Reg. No. (CVR-nr.): 10598184</p>
Date of approval of the prospectus	The Issuer's base prospectus for the issuance of covered bonds, ship mortgage bonds and Senior Secured Bonds was dated and approved by the DFSA on 9 July 2020 and an addendum to this base prospectus was dated and approved by the DFSA on 1 March 2021 (“ Base Prospectus ”).
Key information about the Issuer	
Who is the issuer of the Bonds?	

<p>The issuer's registered office, legal form, the rules the issuer is subject to, as well as country of registration</p>	<p>The Issuer is a privately held Denmark-based public limited company that operates its ship financing business in accordance with the Danish Act no. 1780 of 12 December 2018 on a Ship Finance Institute (the "Act") and other legislation applicable at any given time to ship finance institutes. The Issuer is subject to Danish law and to supervision by the Danish Financial Services Authority.</p> <p>The Issuer's LEI code is: 549300T70JXFWEXCK295.</p> <p>The Issuer has the following secondary names:</p> <ul style="list-style-type: none"> - Danish Ship Finance A/S, - Danmarks Skibskreditfond A/S, - Dansk Skibsfinansiering A/S 																					
<p>The issuer's principal activity</p>	<p>The objective 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 objective of the Issuer is to provide ship financing in Denmark. In addition, the Issuer provides ship financing in the international market as long as those activities do not unnecessarily limit the Issuer's Danish operations.</p> <p>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 for introducing significant new mortgage credit products or pursuing new business opportunities.</p> <p>The Issuer's principal market is the Danish market. Except Denmark, the principal markets are the rest of Europe, North America and Asia.</p>																					
<p>The issuer's largest shareholder, including a statement of whether the issuer is directly or indirectly owned or controlled by others and by whom</p>	<p>The Issuer is a subsidiary of Danish Ship Finance Holding A/S, which holds 86.6% of the shares. In addition, Den Danske Maritime Fond (the Danish Maritime Fund) holds 10% of the shares, while the remaining 3.4% is held by a small number of minority shareholders.</p>																					
<p>The identity of the Executive Board</p>	<p>The Chief Executive Officer of the Issuer is: Erik I. Lassen The Chief Financial Officer of the Issuer is: Lars Jebjerg The Chief Commercial Officer of the Issuer is: Michael Frisch</p>																					
<p>The identity of the auditors</p>	<p>The Issuer's auditors are: Kasper Bruhn Udam, State-Authorised Public Accountant, and Bjørn W. Rosendal, State-Authorised Public Accountant, Deloitte Statsautoriseret Revisionselskab, CVR no. 33 96 35 56, Weidekampsgade 6, 2300 Copenhagen S.</p>																					
<p>What are the most material financial data about the issuer?</p>																						
<p>Material financial data</p>	<table border="1" data-bbox="448 1637 1390 1865"> <thead> <tr> <th>DKK million</th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>412</td> <td>468</td> </tr> <tr> <td>Costs</td> <td>(158)</td> <td>(166)</td> </tr> <tr> <td>Profit before impairment charges</td> <td>254</td> <td>302</td> </tr> <tr> <td>Loan impairment charges</td> <td>(100)</td> <td>(5)</td> </tr> <tr> <td>Profit before tax</td> <td>154</td> <td>296</td> </tr> <tr> <td>Common Equity Tier 1 capital ratio (%)</td> <td>22.3</td> <td>18.5</td> </tr> </tbody> </table> <p>The Issuer had total assets of DKK 59,805 million as at 31 December 2020. The total equity amounted to DKK 9,275 million at 31 December 2020, and profit before tax for the financial year ended 31 December 2020 was DKK 154 million.</p>	DKK million	2020	2019	Income	412	468	Costs	(158)	(166)	Profit before impairment charges	254	302	Loan impairment charges	(100)	(5)	Profit before tax	154	296	Common Equity Tier 1 capital ratio (%)	22.3	18.5
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	<p>The prospects for the Issuer have not deteriorated significantly since the end of the last financial period.</p> <p>No significant changes in terms of financial or commercial position have been recorded since the period covered by historical financial information.</p>
What are the most important risks specific to the issuer?	
Issuer risks	<p>The Issuer's activities are associated with various risks, which may have a negative effect on the Issuer's activities, financial position, results and reputation and, consequently, investors may, in part or in full, lose their investment in the Bonds.</p> <p>If one or more of the risks mentioned below occur, it may have a negative effect on the Issuer's activities and the Issuer's ability to pay amounts due on the Bonds issued under this Base Prospectus.</p> <ul style="list-style-type: none"> • Risks associated with geopolitical and economic conditions • Credit risk • Market risk • Liquidity risk • Operational risk • Business risk • Cyber risk • Risk relating to the implementation of new regulation
Key information about the Bonds	
What are the main features of the securities?	
The currency, nominal value and number of the Bonds	The bonds are issued in Danish kroner (DKK) with a face value of 0.01 (unit size). The bonds are floating rate and non-callable.
The rights attached to the Bonds	The Bondholders will, together with other holders of ship mortgage bonds, have a primary preferential right (after deduction of expenses relating to the administration of the estate in bankruptcy and similar expenses) to all the assets in the Institute in General through which the relevant ISIN code was issued in pursuance of the provisions of the Act.
The relative seniority of the Bonds in the issuer's capital structure in the event of insolvency, including information of their place in the order of priority and the potential effect on the investment in the event of resolution within the framework of Directive 2014/59/EU.	<p>If the Issuer goes bankrupt, the funds in the Institute in General will be applied – after payment of costs for administration of the estate, etc. – to payment of claims from the Bondholders as well as counterparties to Preferential Derivatives Agreements with the same preferential position as the Bondholders. Bankruptcy does not constitute an event of default. The trustee must, to the extent possible, continue to make the payments without changes. If the full amounts due cannot be paid on the due date, the Bondholders and the privileged derivative counterparties shall retain their claims and preferred rights. At worst, it can only at the final statement of the estate in bankruptcy be clarified to what extent the Bondholders and the privileged derivative counterparties can have their unpaid claims covered.</p> <p>Once a year, the Issuer submits a recovery plan to the DFSA. The recovery plan includes a number of indicators that must continuously be complied with and be included in the reporting. The recovery plan must ensure timely intervention in order to secure the recovery of the institution. If recovery is not possible, the resolution authority has a series of options available for intervention and takeover of the institution to ensure financial stability.</p>
Where will the Bonds be traded?	
Admission to trading	The Issuer will apply to have bonds admitted to trading on Nasdaq Copenhagen A/S
Is there a guarantee linked to the Bonds?	
The nature and extent of the guarantee	Not applicable

Risks relating to the Bonds	
What are the most important risks specific to the Bonds?	
Bond risks	<p>The Bonds are associated with various risks. The most important risks specific to the Bonds are discussed below.</p> <p>Risks associated with the Bonds in general, including:</p> <ul style="list-style-type: none"> • No events of default • The secondary market in general • Interest rate risk • Ratings may not reflect all risks
Which market risks are associated with the Bonds?	
Market risks	<p>The most important market risks associated with the Bonds are discussed below:</p> <ul style="list-style-type: none"> • Discontinuation of reference rates • Foreign exchange risk
Key information about the offering	
Under which conditions and timetable can I invest in these Bonds?	
Terms and conditions of the offer	<p>Generally, the Bonds can be sold in various ways:</p> <ul style="list-style-type: none"> • Sale or auction to the market via Bloomberg system • Private placements, possibly via organisers • Nasdaq Copenhagen A/S or another regulated market <p>In the event of regular issues and block issues, SMB Bonds are sold on an ongoing basis in the bond market, and no investor has any preferential right to buy these. In connection with auctions via Bloomberg's auction system, SMB Bonds are allocated according to the Issuer's conditions of sale by auction. The SMB Bonds are allocated after a period stipulated by the Issuer.</p>
Why is this prospectus being produced?	
Reasons for offering and use of proceeds	<p>Funds generated by issuance of SMB's under this Base Prospectus are applied to the funding of loans secured against ship mortgages.</p> <p>Funds generated by the issuance of SMBs may also in accordance with the Act be invested in secure and liquid securities.</p>
Underwriting agreements	None
Conflicts of interest	The Issuer is not familiar with any interests and/or conflicts of interest of importance for the supply of the Bonds.