



**DANISH
SHIP FINANCE**

Danish Ship Finance A/S

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

Supplement no. 1 to Base Prospectus for the issuance of ship covered bonds, ship mortgage bonds and senior secured bonds

Supplement no. 1, 2021

Date: 1 March 2021

This supplement no 1 (the "**Supplement**") to the base prospectus dated 9 July 2020 (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 2020 published on 26 February 2021; (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.

The following changes have been made:

The original Base Prospectus	Amendment
Page 42, Section 7 "Information incorporated in the baseprospectus 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 26 February 2021, the Issuer's Board of Directors approved the Issuer's audited Annual Report 2020 (for the period 1 January – 31 December 2020). 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> <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 2020 of the Issuer for the period 1 January – 31 December 2020. 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").</p> <p>AUDITED ANNUAL REPORT OF THE ISSUER FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2020</p> <p>Danish Ship Finance A/S – Annual Report 2020</p>
Management report	Pages 3 – 43
Statement by the Management on the annual report	Page 90
Independent auditor's report	Pages 91 – 94
Income statement	Page 45
Balance sheet	Page 46
Capital statement	Pages 78 – 79

Accounting policies	Pages 49 – 54
Notes	Pages 49 – 88

Link to the Annual Report 2020:
[www.shipfinance.dk/investor-relations/reports-and-announcements/.](http://www.shipfinance.dk/investor-relations/reports-and-announcements/)”

Page 46,
Section 9.2.4
“Area of
activity”

The following section is deleted:

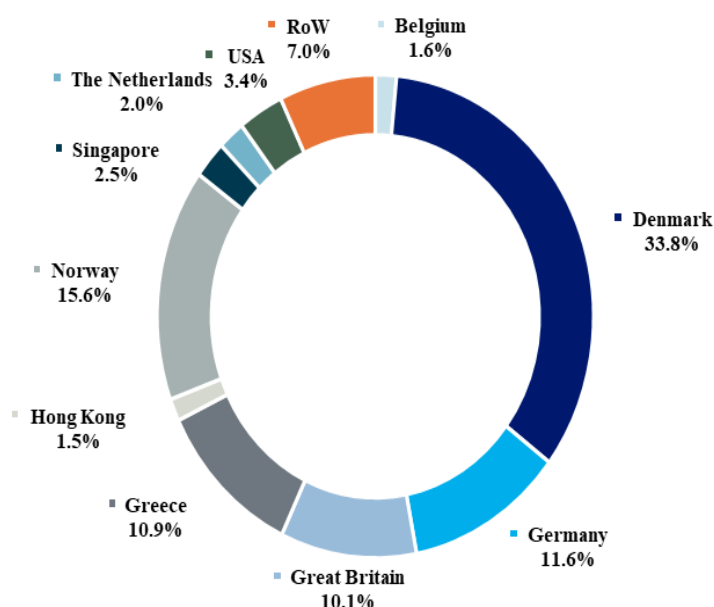
“As of 31 December 2019, the Issuer’s gross lending equalled DKK 41.3 billion, collateralised by a total of 774 vessels.

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 31.12.2019



”

And replaced by:

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

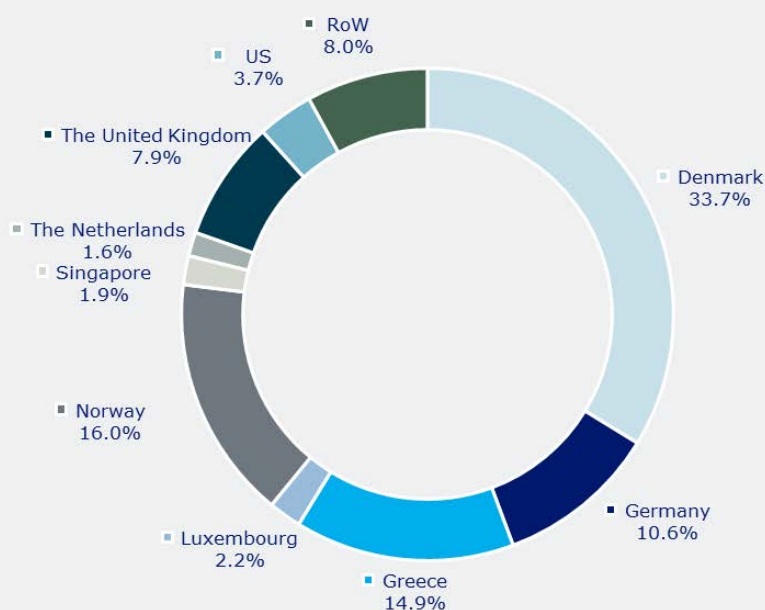
The object of the Issuer is to operate as a ship finance institute, including engaging in any activities permitted according to legislation applicable to a Danish ship finance institute from time to time. The object of the Issuer is to provide ship financing in Denmark. In addition, the Issuer provides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

Debtor distribution by operational head office at 31.12.2020



Page 47,
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 2019 and the Issuer’s Annual Report 2020 show the Issuer’s capital structure, capital ratios, adequate capital base and buffer requirements.

DKK MILLION	2020	2019
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	470	412
Proposed dividends for the financial year	59	133
Revaluation reserves	70	38
Total Common Equity Tier 1 capital	9,265	9,260
Deductions from Common Equity Tier 1 capital		
Proposed dividends for the financial year	59	133
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	0	0
Prudent valuation pursuant to Article 105 of the CRR	28	28
Deductions pursuant to transitional rules regarding B share capital *)	33	33
Total deductions from Common Equity Tier 1 capital	119	195
Common Equity Tier 1 capital after deductions	9,156	9,065
Own funds after deductions	9,156	9,065

DKK MILLION	2020	2019
Risk exposure amount		
Assets outside the trading book	32,309	40,069
Off-balance sheet items	1,862	1,732
Counterparty risk outside the trading book	2,255	1,953
Market risk	3,736	4,211
Operational risk	880	1,056
Total risk exposure amount	41,042	49,020
Common Equity Tier 1 capital ratio	22.3	18.5
Tier 1 capital ratio	22.3	18.5
Total capital ratio	22.3	18.5
The risk exposure amount for market risk consists of:		
Position risk related to debt instruments	3,454	3,952
Position risk related to shares	18	7
Total currency position	265	253
Total risk exposure amount for market risk	3,736	4,211

”

Page 48,
Section 9.2.8
“Selected
finansiel
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 2018 and Annual Report 2019 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 2018 and 2019.”

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 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.

Page 50,
Section 10.1
“Board of
Directors”

The following line is added to “Anders Damgaard, Group CFO, PFA Pension – Directorships and executive positions”

“PFA Nordic Real Estate Low P/S”

Page 50,
Section 10.1
“Board of
Directors”

The following line are deleted:

“Axcelfuture, Axcel's think tank”

and replaced by:

“ Aktive Ejere (Active Owners)”

The following line are deleted:

“DVCA (Danish Venture Capital and Private Equity Association)”

and replaced by:

“ Axcelfuture, Axcel's think tank”

Page 50,
Section 10.1
“Board of
Directors”

The following lines are deleted:

“ Thor Jørgen Guttormsen, CEO, Høegh Autoliners

Member of the Remuneration Committee

Directorships and executive positions:

- *Member of the Board of Directors:*
 - o *Høegh LNG AS*
 - o *Høegh LNG Holdings Ltd (alternate)*
 - o *Telenor Maritime AS*
 - o *Aequitas Ltd”*

and replaced by:

Thor Jørgen Guttormsen

Member of the Remuneration Committee

Directorships and executive positions:

- *Member of the Board of Directors:*
 - o *Høegh Autoliners*
 - o *Høegh LNG AS*
 - o *Høegh LNG Holdings Ltd (alternate)*
 - o *Telenor Maritime AS*
 - o *Aequitas Ltd”*

Page 50,
Section 10.1
“Board of
Directors”

The following line is added to “Jacob Meldgaard,CEO, Torm A/S – Directorships and executive positions”

“Chairman of Grant Compass”

Page 50,
Section 10.1
“Board of
Directors”

The following lines is added to “Michael N. Pedersen, Management Executive, PKA A/S – Directorships and executive positions”

“Member of the Board of Directors:

- *AE ApS*
- *Falckgården P/S*
- *PKA AIP A/S*
- *PKA Private Funds*
- *IV GP ApS*
- *IIP Denmark GP*
- *ApS*
- *DEAS Invest I A /S*
- *DEAS Invest I*
- *Holding A/S*
- *PS Gjellerup”*

Page 50,
Section 10.1
“Board of
Directors”

The following lines are deleted:

“Henrik Sjøgreen, CEO, FIH A/S

Member of the Audit Committee

Directorships and executive positions:

- *Chairman of the Board of Directors:*
 - o *Simon Fougner Hartmanns Fond*
 - o *CEO of FIH A/S*
 - o *CEO FIH Holding A/S*
- *Member of the Board of Directors:*
 - o *Henrik Frode Obels Fond”*

and replaced by:

“Henrik Sjøgreen, CEO, FIH A/S

Member of the Audit Committee

Directorships and executive positions:

-
- *CEO of FIH Holding A/S*
 - *Chairman of Simon Fougner Hartmanns Fond*
 - *Member of the Board of Directors:*
 - o *Henrik Frode Obels Fond*
 - o *Spar Nord A/S*
- Other:*
- *Advisor to the Executive Board in PFA Pensionsselskab*
-

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 2021, pursuant to article 23(2) 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 2021

Erik I. Lassen
Chief Executive Officer

Lars Jebjerg
Chief Financial Officer

Michael Frisch
Chief Commercial Officer