

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 2024

This supplement no 2 (the "**Supplement**") to the base prospectus dated 11 July 2023 (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**"), 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 2 "RISK FACTORS" and 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 2023 published on 28 February 2024 and (b) to update 9 "ABOUT THE ISSUER" of the Base Prospectus.

The following changes have been made:

The original Base Prospectus	Amendment
Page 8, Section 2.1.2 "Credit risk related to borrowers, counterparties and investments of the Issuer"	<p><i>The following section is deleted:</i></p> <p><i>"As of 31 December 2022, the Issuer's Risk Exposure Amount ("REA") for credit risk amounted to DKK 38,951 million, out of the total REA of DKK 42,389 million."</i></p> <p><i>And replaced by:</i></p> <p><i>"As of 31 December 2023, the Issuer's Risk Exposure Amount ("REA") for credit risk amounted to DKK 37,383 million, out of the total REA of DKK 42,093 million."</i></p>
Page 9, Section 2.1.2 "Credit risk related to borrowers, counterparties and investments 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 2022 reference is made to pages 70-75 of the Danish Ship Finance 2022 Annual Report incorporated by reference into this Base Prospectus. Reference is also made to pages 13-25 of the Danish Ship Finance 2022 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 2023 reference is made to pages 83-88 of the Danish Ship Finance 2023 Annual Report incorporated by reference into this Base Prospectus. Reference is also made to pages 13-24 of the Danish Ship Finance 2023 Risk Report. See 7 "Information incorporated in the Base Prospectus by reference" below."</i></p>

Page 10,
Section 2.1.3
“Market risk
related to
adverse
developments
in market
values
resulting from
fluctuations in
interest rates,
credit
spreads,
foreign
currency
exchange
rates”

The following section is deleted:

“As of 31 December 2022, the Issuer’s risk exposure amount for market risk amounted to DKK 2,625 million out of the total REA of the Issuer of DKK 42,389 million. The Market Risk REA is split across the following categories:

<i>Item</i>	<i>REA, DKK million</i>
<i>Position risk related to debt instruments</i>	<i>1,994</i>
<i>Position risk related to shares</i>	<i>93</i>
<i>Total currency position</i>	<i>538</i>
<i>Total Market Risk REA</i>	<i>2,625</i>

“

And replaced by:

“As of 31 December 2023, the Issuer’s risk exposure amount for market risk amounted to DKK 3,660 million out of the total REA of the Issuer of DKK 42,093 million. The Market Risk REA is split across the following categories:

<i>Item</i>	<i>REA, DKK million</i>
<i>Position risk related to debt instruments</i>	<i>3,216</i>
<i>Position risk related to shares</i>	<i>18</i>
<i>Total currency position</i>	<i>425</i>
<i>Total Market Risk REA</i>	<i>3,660</i>

“

Page 11,
Section 2.1.5
“Risks related
to the
operations,
business,
conduct and
reputation of
the Issuer”

The following section is deleted:

“As of 31 December 2022, the Issuer’s risk exposure amount for operational risk amounted to DKK 813 million out of the total REA of the Issuer of DKK 42,389 million”

And replaced by:

“As of 31 December 2023, the Issuer’s risk exposure amount for operational risk amounted to DKK 1,050 million out of the total REA of the Issuer of DKK 42,093 million”

Page 45,
Section 7
“Information
incorporated
in the base
prospectus by
reference”

The following section is deleted:

“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”

And replaced by:

“The Issuer’s audited financial annual reports for the financial years ending 31 December 2023 (the “Danish Ship Finance 2023 Annual Report”) and 31 December 2022 (the “Danish Ship Finance 2022 Annual Report”), to which page references are made in the tables below”

The following section is deleted:

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

And replaced by:

“the Danish Ship Finance 2023 Risk Report (which can be viewed online at <https://shipfinance.dk/investor-relations/risk-and-capital-management/>)”

The following text is added at the end of section 7 “INFORMATION INCORPORATED IN THIS BASE PROSPECTUS BY REFERENCE”:

“On 28 February 2024, the Issuer’s Board of Directors approved the Issuer’s audited Annual Report 2023 (for the period 1 January – 31 December 2023). 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 is 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.

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 2023 of the Issuer for the period 1 January – 31 December 2023.

AUDITED ANNUAL REPORT OF THE ISSUER FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

Danish Ship Finance A/S – Annual Report 2023

Statement by Management on the Annual Report	Page 106
Independent auditor’s report	Pages 107-110
Income statement	Page 63
Balance sheet	Page 64
Statement of changes in equity	Page 65
Notes	Pages 66-104

Link to the Annual Report 2023:

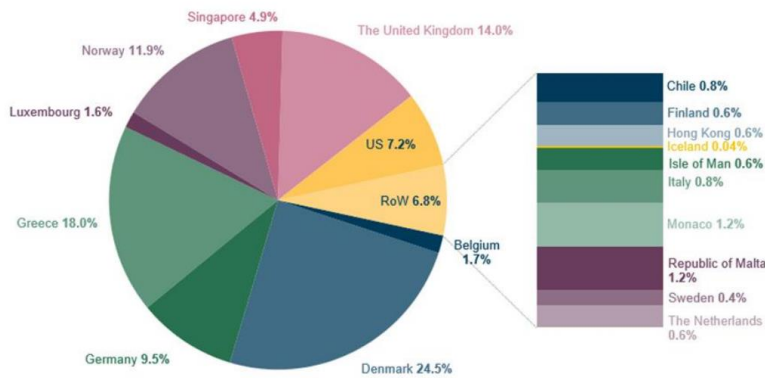
www.shipfinance.dk/investor-relations/reports-and-announcements/.”

Page 49,
Section 9.2.4
“Area of
activity”

The following section is deleted:

“As of 31 December 2022, the Issuer’s loan book equalled DKK 35 billion, collateralised by a total of 678 vessels.

Loan book broken down by clients’ operational head office as of 31 December 2022

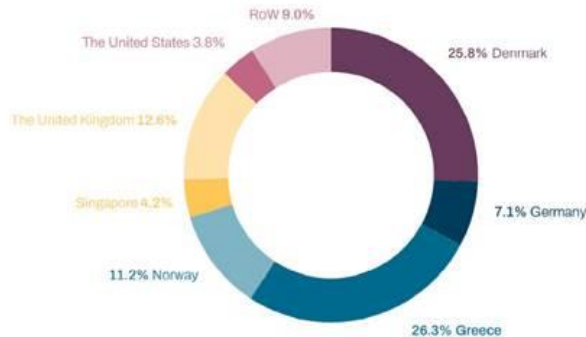


”

And replaced by:

“As of 31 December 2023, the Issuer’s loan book equalled DKK 32.0 billion, collateralised by a total of 596 vessels.

Loan distribution by operational head office as at 31.12.2023



”

Page 50,
Section 9.2.5
“Risk
organisation”

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 2023, which is incorporated into this Base Prospectus by reference. See Section 7 (Information incorporated in the Base Prospectus by reference)”

Page 50,
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 2023 and the Issuer’s Annual Report 2022 show the Issuer’s capital structure, capital ratios, adequate capital base and buffer requirements.

DKK MILLION	2023	2022
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	1,341	842
Proposed dividends for the financial year	320	167
Revaluation reserves	70	70
Total Common Equity Tier 1 capital	10,407	9,755
Deductions from Common Equity Tier 1 capital		
Proposed dividends for the financial year	320	167
Additional capital charge pursuant to the Executive Order on a Ship Finance Institute	-	-
Prudent valuation pursuant to Article 105 of the CRR	37	31
Deductions for NPE Loss coverage	64	260
Deductions pursuant to transitional rules regarding B share capital *)	33	33
Total deductions from Common Equity Tier 1 capital	455	492
Common Equity Tier 1 capital after deductions	9,952	9,263
Own funds after deductions	9,952	9,263

DKK MILLION	2023	2022
Risk exposure amount		
Assets outside the trading book	32,842	34,414
Off-balance sheet items	1,546	1,892
Counterparty risk outside the trading book	2,995	2,645
Market risk	3,660	2,625
Operational risk	1,050	813
Total risk exposure amount	42,093	42,389

Common Equity Tier 1 capital ratio	23.6	21.9
Tier 1 capital ratio	23.6	21.9
Total capital ratio	23.6	21.9
The risk exposure amount for market risk consists of:		
Position risk related to debt instruments	3,216	1,994
Position risk related to shares	18	93
Total currency position	425	538
Total risk exposure amount for market risk	3,660	2,625

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 two working days after the publication of this supplement, ie until 1 March 2024, 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 2024

Erik I. Lassen	Lars Jebjerg
Chief Executive Officer	Chief Financial Officer