

Ress Life Investments A/S

Annual Report

For the period 1 October 2022 - 31 December 2022

Nybrogade 12, 1203 Copenhagen K, Denmark

22 March 2023

CVR no. 33 59 31 63

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Company details

Name	Ress Life Investments A/S
Address, zip code, city	Nybrogade 12, 1203 Copenhagen K, Denmark
CVR no.	33 59 31 63
Established	1 April 2011
Registered office	Copenhagen
Financial year	1 January – 31 December
Website	www.ressslifeinvestments.com
E-mail	info@ressslifeinvestments.com
Board of Directors	Søren Andersen, Chairman Ketil Poul Petersen Jeppe Buskov Anne Buchardt
Executive Board	Michael Hovard Ekmann
AIF manager	Resscapital AB, Sturegatan 46, SE-114 36 Stockholm, Sweden
Depository	Artha Fondsmæglerselskab A/S, Strandvejen 58, DK-2900 Hellerup, Denmark
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, DK-2300 Copenhagen
Annual General Meeting	The Annual General Meeting is to be held on 19 April 2023 at the Company's registered address.
Share information	
Exchange	Nasdaq Copenhagen
Nominal value per share	EUR 500
Shares outstanding at the balance sheet date	162,661
Share classes	One
Voting rights per share	One
Ticker	RLAINV
ISIN	DK0060315604
Financial calendar	
22 March 2023	Annual Report for transition period from 1 October 2022 through 31 December 2022
19 April 2023	Annual General Meeting
23 August 2023	Interim financial statements for the period from 1 January 2023 through 30 June 2023

Statement by the Board of Directors and Management

The Board of Directors and Management have today discussed and approved the Annual Report of Ress Life Investments A/S, the Group, for the period 1 October 2022 - 31 December 2022.

The consolidated and parent financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in accordance with the Danish Financial Statements Act.

In our opinion the consolidated and parent financial statements give a true and fair view of the Group's and Parent's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent's operations and cash flows for the period 1 October 2022 – 31 December 2022.

Further, in our opinion the Directors' report includes a fair review of the development in the Group's activities and financial conditions, of the result for the period, cash flows and financial position and describes significant risks and uncertainties affecting the Group.

Moreover, in our opinion the additional information of the AIF's compliance with the Sustainable Finance Disclosure Regulation (SFDR) is correct and aligned with the regulation.

We recommend that the Annual General Meeting approve the Annual Report.

Copenhagen, 22 March 2023
Management:

Michael Hovard Ekmann

Board of Directors:

Søren Andersen
Chairman of the Board

Anne Buchardt

Jeppe Buskov

Ketil Poul Petersen

Independent auditor's report

To the shareholders of Ress Life Investments A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Ress Life Investments A/S for the financial year 01.10.2022 – 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022, and of the results of their operations and cash flows for the financial year 01.10.2022 – 31.12.2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our audit book comments issued to the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Ress Life Investments A/S for the first time on 13.10.2010 for the financial year 2011/12. On the general meeting on 11.01.2023 we were reappointed for the financial year 01.10.2022 – 31.12.2022 after a mandatory tender.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 01.10.2022 – 31.12.2022. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report

<p><i>Fair value measurement of life settlement contracts</i></p>	
<p>Life settlement contracts (other investments) for the Group amount to USD 341,992 thousand at 31.12.2022. We consider measurement of life settlement contracts a key audit matter as such measurement is based on accounting estimates, including management judgements. Changes in accounting estimates may have a material impact on the measurement of other investments.</p> <p>The most significant management judgements and assumptions comprise:</p> <ul style="list-style-type: none"> • Choice of valuation method • Estimation of future cash flows (premiums and death benefits) • Choice of discount rates • Assessment of life expectancies (mortality assumptions). <p>Management has described the principles and assumptions used to measure life settlement contracts in more detail in the summary of accounting policies.</p>	<p>Based on our risk assessment, we have audited the fair value measurement of life settlement contracts made by Management.</p> <p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> • Assessment and testing of key controls related to Management's definition of assumptions, including whether such key controls were in place. • Assessment of the chosen valuation method chosen by Management based on the characteristics of the investments, our knowledge of the industry and history. • Assessment of the most significant management judgements, including test to underlying documentation.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists.

Independent auditor's report

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent auditor's report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Statement on the management commentary and statement on the supplementary report provided in the Sustainable Finance Disclosure Regulation (SFDR)

Management is responsible for the management commentary, as well as for the supplementary report on disclosures in accordance with the SFDR etc., hereinafter referred to as "the supplementary report".

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary or the supplementary report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and the supplementary report, in doing so, consider whether the management commentary and the supplementary report is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the additional requirements of the Danish Financial Statements Act.

Based on the work we have performed we conclude that the management commentary and the supplementary report is in accordance with the financial statements and has been prepared in accordance with the additional requirements of the Danish Financial Statements Act and the SFDR. We did not identify any material misstatement of the management commentary or the supplementary report.

Copenhagen, 22 March 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56

Michael Thorø Larsen
State-Authorised Public Accountant
Identification No (MNE) mne35823

Rikke Frydkjær Petersen
State-Authorised Public Accountant
Identification No (MNE) mne46616

Directors' report

Consolidated financial highlights

USD'000	1 Oct 2022 – 31 Dec 2022*	2021/22	2020/21	2019/20	2018/19
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Key figures

Operating profit/loss	-1,547	-12,121	-7,410	-6,127	-3,938
Financial income and expenses, net	3,334	47,017	19,722	18,835	12,899
Profit/loss for the year	1,787	34,896	12,312	12,707	8,964

Financial assets, non-current	343,637	303,228	255,262	192,449	118,792
Total assets	392,092	391,984	283,422	221,122	160,242
Equity	387,498	384,915	281,659	219,268	155,079

Net asset value per share in USD	2,399	2,388	2,159	2,058	1,918
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Financial ratios

Financial assets <i>in percentage of total assets</i>	96.0	91.3	92.6	87.0	74.1
Solvency ratio	98.8	98.2	99.4	99.2	96.8
Return on equity	0.5	10.5	4.9	6.8	7.0

*The company has changed its financial year from 1 October – 30 September to 1 January – 31 December, hence the 3 month stub-period.

Solvency ratio:
$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

Return on equity:
$$\frac{\text{Profit/Loss for the year}}{\text{Average equity}}$$

Principal activities

The main activity of the Group is to invest in securities ensuring exposure to the secondary market for US life insurance policies, also known as life settlements. The investment strategy is primarily pursued through investments in life settlements.

The Parent Company is an Alternative Investment Fund ("AIF") as defined in the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") and the Danish Act on Managers of Alternative Investment Funds.

The Group is marketed towards professional investors as defined in the European Union's MiFID Directive (Markets in Financial Instruments Directive), semi-professional investors where permitted. Ress Capital AB holds a license to market, to retail investors in Denmark and Sweden as well.

The Group's Alternative Investment Fund Manager (AIFM) is Resscapital AB, a limited liability company incorporated in Sweden (company no 556698-1253). The Fund Manager's focus is insurance-linked securities with an emphasis on the secondary market for US life insurance policies. The Fund Manager is authorised and supervised as an alternative investment fund manager (AIFM) by Finansinspektionen, the Swedish Financial Supervisory Authority.

All Group announcements are published through Nasdaq GlobeNewswire and can also be found on the Parent Company's website www.reslifeinvestments.com under the heading 'Corporate Information'.

Directors' report

Change of reporting period

On 5 January 2023 the annual general meeting of Ress Life Investments A/S decided to approve change of reporting period from 1 October – 30 September to 1 January – 31 December with a transition period from 1 October 2022 through 31 December 2022.

Development in activities and finances

During the Group's 3 months reporting period, the net asset value of the Group increased from USD 2,388 per share to USD 2,399 at 31 December 2022. The Annual Report shows a profit of USD 1,787 thousand. Management considers the results of operation for the fiscal year satisfactory and within the range of expectations.

During the fiscal year, there have been 2 capital increases by a total of 697 shares with a nominal value of EUR 500 per share. During the period, 697 new ordinary shares were issued, and 962 shares were bought back from investors. In addition, 594 of the bought treasury shares were resold to investors and 1,137 treasury shares remain.

Development in the fund

As of 31 December 2022, all life settlement assets were owned directly by the Group. The Group owned 532 policies issued by over 60 different US life insurance companies. The total face value of the policies exceeds USD 1,450 million.

During the period the fund experienced 6 policies paying out with a total 8.5 MUSD in face amount. The actual number of maturities is in line with expected maturities.

The pool of larger face policies is still increasing while not being large enough to minimize volatility in maturities. The Fund Manager believes that as the portfolio grows, the volatility will continue to decrease. The Fund Manager has communicated that an efficient policy selection process combined with conservative medical underwriting, results in the Company purchasing a very small sub-set of reviewed policies. As a result, in the Fund Manager's view the Company has assembled a robust portfolio with limited tail risks.

Outlook

Management is well aware of the current market developments. Thus far, life insurance policies have proven resilient despite the sharp increases in certain macroeconomic variables such as market interest rates and inflation rates globally. Management and the Fund Manager will continue to follow these developments closely.

The assets of the Group have grown from USD 389.8 million to USD 392.1 million during the fiscal year. The outlook for further growth is positive. After taking into account the current market environment and all known future cash flows, the Fund Manager has communicated to the Company that it expects to continue gradually increasing the assets.

The value per share in the Group increased with 0.5% during the fiscal year. The value per share in the Company is also expected to continue to increase as insured individuals are getting older and policy pay-outs increase.

Due to the nature of the Company and its investments it is difficult to estimate the level of expected future profits. However, the net target returns for the Group is 7.0% in USD per annum and it is reasonable to believe that the yield on the underlying assets is sufficient to reach the target over the long term.

Directors' report

Exceptional matters

Management is giving ongoing consideration to the current macroeconomic climate, with an increase in global inflation and a high level of volatility in financial markets. Currently, no material impact on the Group's operation is expected.

No other major post balance sheet events affecting the financial statements have occurred to date.

Performance attribution

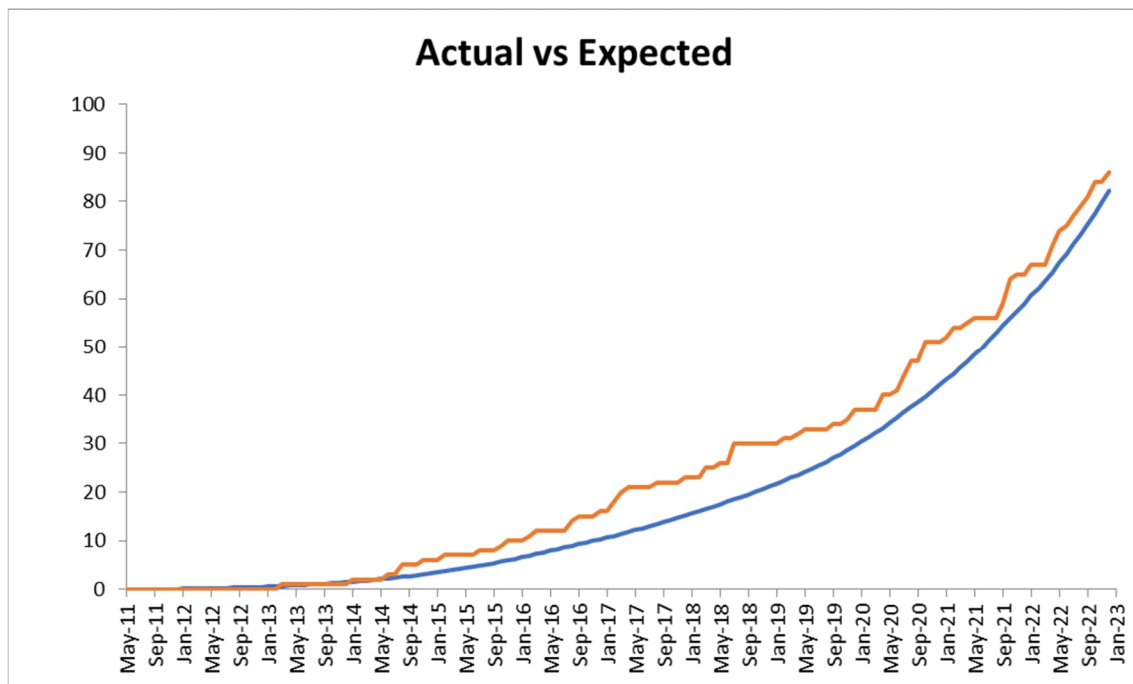
The table below shows the estimated calendar year performance attribution since 2017.

Performance 2022-12-31	2017	2018	2019	2020	2021	2022
Realised (Maturities & sold policies)	8.48%	9.17%	5.92%	11.53%	7.36%	12.81%
Aging effect	3.44%	1.15%	2.72%	2.08%	2.36%	2.08%
Mtm-adjustment (Chg. in disc. rates)	-1.01%	3.03%	3.74%	-1.30%	0.11%	-2.13%
Valuation policy change	0.00%	1.00%	0.00%	0.00%	0.00%	0.00%
Life Expectancy Updates	0.01%	-0.47%	0.31%	-0.07%	0.00%	-0.02%
Premium prepayments	-0.23%	-0.37%	-0.14%	-0.15%	-0.16%	-0.15%
Premium optimization	0.57%	0.28%	-0.40%	-0.21%	-0.60%	-0.02%
COI increases	-0.38%	-0.30%	-0.60%	0.00%	0.00%	0.00%
Gross portfolio performance	10.89%	13.50%	11.55%	11.89%	9.06%	12.57%
Investment factor effect	-0.34%	-0.85%	-1.03%	-1.54%	-0.84%	-1.10%
Net portfolio performance	10.55%	12.65%	10.52%	10.35%	8.22%	11.47%
Fund Costs	-3.78%	-2.74%	-2.53%	-3.14%	-2.92%	-2.98%
Net Fund Performance	6.77%	9.91%	7.99%	7.21%	5.30%	8.49%

Directors' report

Realized maturities - actual to expected

Actual to expected figures were in line with expectations. The below graph shows the actual number of maturities (red) versus estimated expectation (blue). The portfolio has experienced more than USD 156 million worth of maturities since inception.



Uncertainties regarding the measurement and determination of financial data

The majority of the Group's assets consist of life settlements. The liquidity of the tertiary market for life settlements is limited and thus it is not certain that the sale of a Life Settlement policy would realize the amount at which the asset is recognised in the financial statements at a given point in time. Life expectancies and fair values are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision.

Status on corporate governance recommendations

The recommendations are best practice guidelines, which companies should generally follow. A company failing to comply with a recommendation must explain why it has deviated from the recommendation and what it has done differently (the "comply or explain" approach). Failure to comply with a recommendation is not considered a breach of rules, but merely implies that the Board of Directors of the Company has chosen a different approach.

By adhering to sound principles of corporate governance, the Company wishes to maintain the confidence of investors, achieve its financial objectives and act with integrity towards all its stakeholders.

The Company's position on the Corporate Governance Recommendations is listed on its webpage: <http://www.resscapi.com/fund/#corporate-information>

Directors' report

Board of Directors

Board members are elected for a one-year term and are re-appointed at the Annual General meeting.

Chairman Mr Søren Andersen (born 1967) was elected for the board of directors on 27 August 2019 and obtained chairmanship at the Annual General meeting on 30 January 2020. Mr Andersen is the managing director of S.A. Consulting ApS, FPension A/S, NHMSA ApS and Specialist Services ApS and appointed actuary of ISP Pension. Mr Andersen currently is a board member of FPension A/S. Mr. Andersen does not hold any shares in the Company.

Board member Mr Jeppe Buskov (born 1975) was elected for the board of directors on 28 February 2014. Mr Buskov currently holds the position as chairman of the board of directors of Kromann Reumert, Advokatfirmaet Kromann Reumert International A/S, KR 647 A/S, KR 649 A/S and KR 650 P/S.. Mr. Buskov does not hold any shares in the Company.

Board Member Mr Ketil Petersen (born 1962) was elected for the Board of Directors on 27 August 2019. Mr Petersen is a member of the Board of Directors of St. Petri Capital A/S, Dannebrog Invest Fondsmæglerselskab A/S, Dannebrog Invest Holding ApS and the managing director of Verismo ApS. Mr. Petersen does not hold any shares in the Company.

Board Member Mrs Anne Buchardt (born 1969) was elected for the Board of Directors on 30 January 2020. Mrs Buchardt is a member of the Board of Directors of PKA+ Pension and Pensionskassen for Sygeplejersker og Lægesekretærer (PKA) and managing director of Bølgebrus Holding ApS. Mrs. Buchardt does not hold any shares in the Company.

Neither of the members of the Board of Directors or Management hold options, warrants or similar in the Company.

Management

CEO. Mr Michael Hovard Ekmann is the chairman of the Board of Directors for Investeringsforeningen Fundamental Invest and member of the Board of Directors for R & H A/S. Mr. Ekmann do not hold any shares in the Company.

Risks

The Board has reviewed the most important strategic and business-related risks. Among the most important risks are; financial risk, i.e. the fact that the value of the life insurance policies can decrease and changes in applicable law, which could adversely affect the Group and its share price and longevity risk, which can affect the yearly returns. Currency risk is another risk factor since the shares are denominated in EUR, the accounting currency is USD and the underlying assets are in USD. Other important risk factors are the liquidity risk, i.e. the fact that the shares may not trade regularly and the Group's dependence on its Alternative Investment Fund Manager and tax risks related to the Group's investments.

Directors' report

Capital structure

The Group is primarily funded through equity. The Group may raise loans of a maximum of 50% of the Group's total equity.

The Group has no interest in holding treasury shares other than for the purpose of reselling them to new or existing shareholders. Consequently, no policy regarding the possession of treasury share has been established.

Capital management

The capital of the Group is represented by the net assets attributable to the investors. The Group's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns for investors and benefits for other stakeholders as well as maintain a strong capital base to support the development of the investment activities of the Group.

Corporate Social Responsibility

The business of the Company is limited to investments in US life settlement contracts and treasury bills and has no employees except for the Executive Management, comprising of 1 Executive Board member. The business model is described under Principal activities, where it is referred to. Based on a materiality and risk assessment of the company's business activities within investments of life insurance in US, the company have assessed that it does not have any material risks in relation to human rights, social and labour conditions, climate and environment and anti-corruption. The Company has through its materiality and risk assessment assessed the nature of its investments and concluded that due to the activities characteristics there is no material risk in relation to greenhouse gas emissions. Furthermore, as the markets in which the Company is located and operates in has stringent GDPR-legislation implemented, it is also assessed that risks to human rights and corruption are deemed immaterial. Lastly, as described above, since the Company has no employees expect for upper management the risks related to social and labour conditions has also been assessed immaterial. As such, the Company does not have a corporate social responsibility policy, including one for human rights, social and labour conditions, climate and environment and anti-corruption.

Please refer to page 34 for Ress Life Investments A/S periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 for the period 1 October 2022 - 31 December 2022.

Data Ethics

The Company has not adopted a policy for data ethics. The Company accepts investment requests from reliable investors and has KYC checks in place.

The Fund Manager has the equivalent policy for data ethics. The Fund Manager is regulated by Finansinspektionen, the Swedish Financial Supervisory Authority and has various policies and procedures in place which ensures data are handled according to relevant legislation.

Target figures and policies for the underrepresented gender

The Board currently has 1 woman and 3 men. The Board does not consider having an underrepresented gender, Management aside, the Company has no employees, thus also no underrepresented gender in relation to other management levels.

Financial statements

Income statement and statement of comprehensive income

Note	USD	Consolidated		Parent Company	
		1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
4	Staff costs	-20,892	-81,386	-20,892	-81,386
5	Other operating costs	-1,538,684	-12,039,766	-1,526,134	-11,954,214
	Operating profit/loss	-1,559,576	-12,121,151	1,547,026	-12,035,599
11	Income from investments in subsidiaries	0	0	-15,020	26,965
6	Financial income	3,396,414	47,178,175	3,395,123	47,061,090
7	Financial expenses	-49,378	-161,152	-45,617	-156,585
	Profit before tax	1,787,460	34,895,871	1,787,460	34,895,871
	Tax on profit for the year	0	0	0	0
	Profit for the year	1,787,460	34,895,871	1,787,460	34,895,871
	Other comprehensive income	0	0	0	0
	Total comprehensive income for the year	1,787,460	34,895,871	1,787,460	34,895,871

There have been no transactions in other comprehensive income.

	31 December 2022	30 September 2022
Weighted average no. of shares issued	162,408	147,964
Earnings per share (Basic and Diluted)	11.01	235.84

Financial statements

Statement of financial position

Note	USD	Consolidated		Parent Company	
		31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022
		EQUITY AND LIABILITIES			
		Equity			
8	Contributed capital	95,612,994	95,272,702	95,612,994	95,272,702
	Retained earnings	291,884,607	289,641,874	291,884,607	289,628,554
	Reserve for net revaluation under the equity method	0	0	0	13,321
	Total equity	387,497,601	384,914,576	387,497,601	384,914,576
	Current liabilities				
	Other payables	4,647,394	7,069,399	4,594,856	6,996,281
		4,647,394	7,069,399	4,594,856	6,996,281
	Total liabilities	4,647,394	7,069,399	4,594,856	6,996,281
	TOTAL EQUITY AND LIABILITIES	392,144,995	391,983,975	392,092,456	391,910,857

- 1 Accounting policies
- 2 Critical accounting judgements, estimates, assumptions and uncertainties
- 3 Segment disclosures
- 9 Contingencies
- 10 Related parties
- 14 Events after the balance sheet date

Financial statements

Statement of changes in equity

Consolidated

USD	Contributed capital	Retained earnings	Reserve for net revaluation under the equity method	Total
Equity at 1 October 2021	77,729,233	203,929,833	0	281,659,065
Comprehensive income for the period	0	34,895,871	0	34,895,871
Capital increase	17,543,469	52,192,369	0	69,735,839
Redemptions and gain/loss on own shares	0	-1,376,199	0	-1,376,199
Equity at 30 September 2022	<u>95,272,702</u>	<u>289,641,874</u>	<u>0</u>	<u>384,914,576</u>
Equity at 1 October 2022	95,272,702	289,641,874	0	384,914,576
Comprehensive income for the period	0	1,787,460	0	1,787,460
Capital increase	340,292	1,324,487	0	1,664,779
Redemptions and gain/loss on own shares	0	-869,214	0	-869,214
Equity at 31 December 2022	<u>95,612,994</u>	<u>291,884,607</u>	<u>0</u>	<u>387,497,601</u>

Parent Company

USD	Contributed capital	Retained earnings	Reserve for net revaluation under the equity method	Total
Equity at 1 October 2021	77,729,233	203,929,833	0	281,659,065
Comprehensive income for the period	0	34,882,550	13,321	34,895,871
Capital increase	17,543,469	52,192,369	0	69,735,839
Redemptions and gain/loss on own shares	0	-1,376,199	0	-1,376,199
Equity at 30 September 2022	<u>95,272,702</u>	<u>289,628,553</u>	<u>13,321</u>	<u>384,914,576</u>
Equity at 1 October 2022	95,272,702	289,628,553	13,321	384,914,576
Comprehensive income for the period	0	1,800,781	-13,321	1,787,460
Capital increase	340,292	1,324,487	0	1,664,779
Redemptions and gain/loss on own shares	0	-869,214	0	-869,214
Equity at 31 December 2022	<u>95,612,994</u>	<u>291,884,607</u>	<u>0</u>	<u>387,497,601</u>

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Statement of cash flows

USD	Consolidated		Parent Company	
	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
Profit for the year	1,787,460	34,895,871	1,787,460	34,895,871
Change in current liabilities	-2,422,005	5,305,804	-2,401,425	5,252,453
Change in receivables	5,684,836	-3,457,800	5,255,911	-4,280,746
Unrealised financial income	-2,991,958	-47,632,766	-2,976,938	-46,659,731
Cash flow from operating activities	<u>2,058,333</u>	<u>-9,888,891</u>	<u>1,665,008</u>	<u>-10,792,189</u>
Purchase of financial assets	-55,117,386	-180,682,285	-54,730,605	-180,487,485
Premium payments	-8,219,968	-31,179,256	-8,183,111	-31,130,821
Sales and maturities	49,486,829	160,983,467	49,486,829	160,769,033
Cash flow from investing activities	<u>-13,850,525</u>	<u>-50,878,073</u>	<u>-13,426,887</u>	<u>-50,849,273</u>
Capital increase	1,664,779	70,635,839	1,664,779	69,735,839
Redemption of shareholders	-1,011,977	-837,664	-1,011,977	-837,664
Resale of shares	142,763	-538,570	142,763	-538,570
Cash flow from financing activities	<u>795,565</u>	<u>69,259,605</u>	<u>795,565</u>	<u>68,359,605</u>
Net cash flows from operating, investing and financing activities	<u>-10,996,628</u>	<u>7,592,640</u>	<u>-10,966,314</u>	<u>6,718,178</u>
Cash and cash equivalents at 1 October	<u>13,869,359</u>	<u>6,276,718</u>	<u>12,988,742</u>	<u>6,270,564</u>
Cash and cash equivalents at 31 December/30 September	<u><u>2,872,731</u></u>	<u><u>13,869,359</u></u>	<u><u>2,022,428</u></u>	<u><u>12,988,742</u></u>

Financial statements

Notes to the financial statements

1 Accounting policies

Ress Life Investments A/S is a public limited company registered in Denmark.

The consolidated financial statements and the parent financial statements of Ress Life Investments A/S for the period 1 October 2022 - 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and the provisions in the Danish Financial Statements Act applying to reporting class D.

At the annual general meeting the 5 January 2023 it was elected to change the reporting period from 1 October – 30 September to 1 January – 31 December. These financial statements have therefore been prepared for 3-month stub-period from 1 October 2022 – 31 December 2022, hence the amounts presented are not fully comparable.

Basis of preparation

The consolidated financial statements and the parent financial statements have been presented in United States Dollars (USD), rounded to the nearest whole USD.

The accounting policies set out below have been applied consistently in respect of the financial year and to comparative figures.

Changes to the accounting policies

There have been no changes to the accounting policies in the financial year.

Going concern statement

In connection with the financial reporting, the Board of Directors and Management assessed whether the presentation of the annual report under the going concern assumption is well-founded. The Board of Directors and Management have concluded that no such factors exist at the balance sheet date as could raise doubt about the Company's ability to continue as a going concern at least until the next balance sheet date. The conclusion drawn is based on knowledge of the Company, the estimated outlook and the uncertainties and risks identified in this respect (described in the Director's report and note 12) as well as an examination of budgets, including the expected developments in liquidity, capital base, etc., existing credit facilities, including contractual and expected maturity periods, as well as other terms. Thus, it is deemed appropriate, reasonable and well-founded to base the financial reporting on the going concern assumption.

Determination of functional currency

The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

If indicators of the primary economic environment are mixed, then Management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Management considers the USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Group measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Fund is compared.

Financial statements

Notes to the financial statements

1 Accounting policies – continued

Foreign currency translation

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the rate at the transaction date and the rate at the date of payment are recognised in profit or loss as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the date of the statement of financial position.

The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses.

New accounting standards – not yet effective

IAS 8 and IAS 12

The IASB has issued amendments to IAS 8 concerning definitions of accounting estimates and to IAS 12 concerning deferred tax related to assets and liabilities arising from a single transaction, both are which are effective for periods beginning 1 January 2023. Management has elected not to early adopt these amendments and has assessed the impact to be immaterial.

IFRS 17 Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Disclosures of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities to provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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Notes to the financial statements

1 Accounting policies – continued

The amendments to IAS are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

For all of the aforementioned accounting standard changes Management plans to implement these as of their effective date where applicable.

Principles of consolidation

The inclusion of the subsidiary Direct Life Capital K/S is within the consolidated financial statements. The consolidated financial statements are prepared on the basis of the Parent Company and the subsidiary, and they are prepared in accordance with the Parent's accounting policies and accounting period. All intragroup assets and liabilities, equity, income expenses and cash flows related to transactions between the Group are eliminated accordingly to IFRS 10. In the preparation of the consolidated financial statements, the book value of shares in subsidiaries held by the Parent Company is set off against the equity of the subsidiaries.

Income statement and statement of comprehensive income

Staff costs

Staff costs comprise fees to members of the Board of Directors and the Executive Board.

Other operating expenses

Other operating expenses comprise domiciliary and management fee expenses, professional services fees and other such expenses and are recognised as incurred.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, financial liabilities and transactions in foreign currencies.

Fair value adjustments are recognised in profit or loss as value adjustments of financial assets under financial income/expenses in the financial year in which the adjustment occurs.

Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit/loss for the year

The Company is exempt from corporate taxes in Denmark in accordance with the Danish tax rules for Investment Companies as the taxation occurs with the investors instead. Therefore, the Company has no recognition of corporate tax, but immaterial amounts may be recorded in the financial statements in terms of withholding taxes.

Financial statements

Notes to the financial statements

1 Accounting policies – continued

Statement of financial position

Listed bonds

Listed bonds are measured at fair value. Listed bonds are classified as level 1 investments according to IFRS 13.

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method.

The items “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity.

The reserves are reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognized as USD 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

Other investments

The Group classifies its investments in securities and life settlement contracts as financial assets at fair value through profit or loss. These financial assets are classified by Management at fair value through profit and loss at inception.

Financial assets/other investments are measured at fair value through profit and loss in line with the Group’s business model and documented investment strategy.

The Group’s policy requires the AIF-Manager and Management to evaluate the information about these financial assets on a fair value basis. Assets in this category are classified as non-current assets as they are not expected to be realised within 12 months of the balance sheet date.

Regular purchases and sales of life settlement contracts are recognised at the trade date — the date at which the Group commits to purchase or sell the investment. Financial assets at fair value through profit and loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit and loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets are presented in the statement of comprehensive income within “other financial income or expenses” in the period in which they arise.

Fair value adjustments of the life settlement investments consist of adjustments based on actuary assumptions on life expectancies (mortality assumptions) and discount rates.

Financial statements

Notes to the financial statements

1 Accounting policies – continued

Current assets

Prepayments recognised as assets include costs incurred relating to the subsequent financial years and are measured at cost.

Current liabilities

Other payables are measured at amortised cost. Interest-bearing loans are initially measured at the fair value of the proceeds received net of issue costs associated with the borrowing. Subsequently, liabilities are measured at amortised cost using the effective interest method if the time-value of money is significant.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of financial assets is shown separately in cash flows from investing activities.

Cash and cash equivalents comprise cash and short-term marketable securities (maturing in less than three months at the time of acquisition) which are subject to an insignificant risk of changes in value.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss after tax adjusted for non-cash operating items, changes in working capital and interest income and expenses.

Cash flows from investing activities include payments in connection with purchase and sale of financial asset investments and realised interest income.

Cash flows from financing activities include changes in the size or composition of share capital and related costs, borrowings and repayment of interest-bearing debt and payment of dividend to shareholders and realised interest expenses.

New financial reporting standards

New and amended financial reporting interpretations, issued the IASB, have been evaluated and will not have any impact on the financial statements.

2 Critical accounting judgements, estimates, assumptions and uncertainties

The consolidated financial statements and the parent financial statements are prepared on the basis of certain special assumptions that result in the use of accounting estimates. These estimates are made by management in accordance with accounting policies and on the basis of historical experience and assumptions that management considers reasonable and realistic, however, unexpected future events or circumstances may arise, just as others may arrive at other estimates.

Financial statements

Notes to the financial statements

2 Critical accounting judgements, estimates, assumptions and uncertainties – continued

The areas that involve a higher degree of assessments or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements and the parent financial statements, are listed below. When preparing the consolidated annual report, management makes a number of accounting assessments that form the basis for the presentation, recognition and measurement of the Group's assets and liabilities.

The most significant estimates made by management in connection with the recognition and measurement of these assets and liabilities, and the significant estimates of uncertainties associated with the preparation of the consolidated report, are

- Measurement of fair value of investments in life insurance policies

3 Segment disclosures

The Group, has during the current and prior period, only operated in the marketed of acquiring life insurance contracts in the United States of America. Management has assessed that the acquired life insurance contracts is representing one activity, due to the nature of the insurance contracts. The geographical locations are confined to the United States of America.

Based on the above the operating segment will be corresponding to that of the income statement and financial statements.

4 Staff cost

USD	Consolidated		Parent Company	
	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
Wages and salaries	20,338	74,745	20,338	74,745
Other social security costs	555	6,640	555	6,640
	<u>20,892</u>	<u>81,386</u>	<u>20,892</u>	<u>81,386</u>
Remuneration:				
Board of Directors, ordinary	6,370	59,108	6,370	59,108
Executive Board, ordinary	14,522	22,278	14,522	22,278
Total remuneration to key management	<u>20,892</u>	<u>81,386</u>	<u>20,892</u>	<u>81,386</u>
Average number of employees	0	0	0	0

Financial statements

Notes to the financial statements

5 Other operating costs

USD	Consolidated		Parent Company	
	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
Accounting and audit	81,558	279,103	75,274	248,847
Company and share related costs including insurances	69,243	172,561	69,194	172,521
Company legal fees	16,978	85,088	12,846	63,996
Policy legal fees	108,232	409,215	108,232	409,215
Policy Management and custody	-255,138	5,765,478	-257,224	5,731,314
Depository fees	74,646	267,945	74,646	267,945
Management fees	1,443,166	5,060,376	1,443,166	5,060,376
	<u>1,538,684</u>	<u>12,039,766</u>	<u>1,526,134</u>	<u>11,954,124</u>
Remuneration of the Company's statutory auditors comprise:				
Statutory audit	28,520	47,462	27,224	36,867
Other audit & assurance-related services	5,379	5,161	5,379	5,161
Tax and VAT assistance	0	0	0	0
Other, actuarial services	6,624	11,929	6,624	11,929
	<u>39,226</u>	<u>64,552</u>	<u>39,226</u>	<u>53,957</u>

6 Financial income

USD	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
Fair value adjustments of other investments	2,981,958	46,944,111	2,991,958	46,838,257
Exchange rate adjustments	47,468	92,160	46,807	90,929
Interest received	73,316	0	62,686	0
Other financial income	293,672	141,904	293,675	141,904
	<u>3,396,414</u>	<u>47,178,175</u>	<u>3,395,126</u>	<u>47,061,090</u>

7 Financial expenses

USD	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
Exchange rate adjustments	45,714	159,600	45,617	155,033
Interest paid	0	1,551	0	1,551
	<u>45,714</u>	<u>161,152</u>	<u>45,617</u>	<u>156,585</u>

Financial statements

Notes to the financial statements

8 Contributed capital

		USD
Contributed capital at 1 October 2022		<u>95,272,702</u>
	Retained earnings	Contributed capital
31 October 2022, issue of capital, 628 shares	1,193,500	306,088
30 November 2022, issue of capital, 69 shares	<u>130,986</u>	<u>34,204</u>
	<u>1,324,487</u>	<u>340,292</u>
The contributed capital at 31 December 2022 comprises:		
162,661 shares, equivalent to USD		<u><u>95,612,994</u></u>

9 Contingencies, etc.

Neither the Group or the Parent Company has any contractual obligations or contingent liabilities.

10 Related parties

Ress Life Investments A/S' related parties include:

Name of related party	Nature of transactions
Resscapital AB	AIF Management and performance fees
Board of Directors	Board remuneration
Executive Board	Remuneration
Direct Life Capital K/S	Subsidiary

Transactions with related parties comprise:

USD	Consolidated		Parent Company	
	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022	1 Oct 2022 - 31 Dec 2022	1 Oct 2021 - 30 Sep 2022
Resscapital AB	1,443,166	6,985,882	1,443,166	6,985,882
Board of Directors	14,001	62,599	14,001	62,599
Executive Board	6,891	19,508	6,891	19,508
Direct Life Capital K/S	0	0	0	900,000
	<u>1,454,931</u>	<u>7,067,989</u>	<u>1,454,931</u>	<u>7,967,989</u>

Outstanding balances are as of 31 December 2022:

USD	Consolidated	Parent company
	31 Dec 2022	31 Dec 2022
Resscapital AB	481,959	481,959
Board of Directors	72,610	72,610
Executive Board	0	0
Direct Life Capital K/S	0	0
	<u>554,569</u>	<u>554,569</u>

Financial statements

Notes to the financial statements

10 Related parties – continued

Transactions with related parties are carried out on market terms and governed by underlying contracts. Outstanding balances at year-end comprise regular trade payables and accruals that fall due in the subsequent accounting period. Such balances are unsecured in nature and settled on a cash basis. Neither the Group nor the Parent company have issued any guarantees to any related party, nor have these issued any guarantees to the Group or the Parent company.

Remuneration of the Executive Board and Board of Directors is disclosed in note 4.

Shareholders of the Parent Company holding more than 5% of the share capital at the balance sheet date:

	<u>Home of registered office</u>	<u>Owner and voting rights % of total</u>
Volvo Personvagnars Pensionsstiftelse	Gothenburg, Sweden	9.2%
Banque Carnegie Luxembourg SA, (Union Bancaire Privee)	Rte d'Arlon, Luxembourg	6.2%
Volvo Pension Fund	Gothenburg, Sweden	5.5%
Volvo Car UK Pension Scheme	Warwick, United Kingdom	5.3%

11 Investments in subsidiaries

	<u>31 Dec 2022</u>	<u>30 Sep 2022</u>
Cost on 1 October	3,000,000	2,100,000
Additions	0	900,000
Cost on 31 December	3,000,000	3,000,000
Revaluations on 1 October	13,321	-13,645
Net profit for the year	-15,020	26,965
Revaluations on 31 December	-1,699	13,321
Carrying amount on 31 December	<u>2,998,301</u>	<u>3,013,321</u>

Subsidiaries	<u>Home of registered office</u>	<u>Ownership</u>
Direct Life Capital K/S	Copenhagen, Denmark	100%

12 Other investments

Foreign exchange risks

The shares are denominated in EUR. The functional currency is USD, and the underlying assets are USD based. Accordingly, the value of the shares is likely to fluctuate with any fluctuations in the exchange rate between USD and EUR. If the value of EUR depreciates against USD, the EUR price of the shares will appreciate. In addition, there is a currency risk depending on the local functional currency for each shareholder.

Financial statements

Notes to the financial statements

12 Other investments – continued

Interest rate risks

Due to its investing and financing activities, Ress Life Investments A/S, is to a limited extent exposed to interest rate risks related to fluctuations in interest levels in the USA, the Eurozone and Denmark.

The interest rate exposure is mainly relating to investments in short term treasury bills with a maturity date under 1 year. Due to the nature of the treasury bills the discrepancy between the interest yields on the treasury bills and the markets fluctuations is assessed as limited.

Further, the group, is exposed to interest rate changes on balances with banks. Overall, the interest rate risks are limited in the group due to the nature of the investments and financial positions.

Tax risks

For the Group an investment in the life insurance contracts involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Group holds life insurance contracts, or changes in tax treaties negotiated by those countries, could adversely affect the returns to its shareholders. Each shareholder is strongly urged to consult its own tax advisers regarding their tax implications of investing and holding life insurance contracts.

Fair value measurement

The life insurance contracts and other investments are valued using the 'Fair value' concept in connection with certain disclosure requirements and for recognition of financial instruments. Direct investments in life insurance contracts are measured at level 3, and investments in other life settlement funds are measured at level 2.

'Fair value' is the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. The valuation approach used in relation to the life insurance contracts is based on discounted probability weighted cash flows. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows (premiums and death benefits), discount rates and life expectancies (mortality assumptions).

The probabilities are based on applying the life expectancy (LE) to a mortality table in order that the mortality factor (the ultimate factor) applicable to the given insured can be derived from the table itself. The approach to the mortality distribution is based on the use of the most recent VBT tables (currently 2015 Valuation Basic Table created by the Society of Actuaries from North America). The LE is one of the most important variables in pricing policies in the life settlement market and the valuation of life settlement contracts is heavily dependent on LE information. Upon purchase of the assets, LE reports are obtained from at least two underwriters. LE reports are medical opinions from specialised medical underwriters, based on the latest medical records or other relevant information. The Alternative Investment Fund Manager is using a conservative approach, selecting the most conservative LE report in most cases.

Financial statements

Notes to the financial statements

12 Other investments – continued

Fair value measurement - continued

The fair value of the life insurance contracts is sensitive to the choice of discount rates. Discount rates are determined at the level of sub-groups of the life insurance portfolio. The sub-groups are based on the face value of policies and the credit rating of insurance carriers. The discount rates of each sub-group result from the Internal Rate of Return (“IRR”) for each policy in the sub-group, at purchase. A parameterisation of the discount rates for each sub-group is based on an exponential moving average taking into account changes in IRRs when new acquisitions are made within the respective sub-group. Under this methodology, the discount rate in each sub-group is recalibrated whenever a policy that falls into the sub-group is acquired. The average IRR of the sub-groups used for the fair value measurements as of 31 December 2022 was 10.7 %.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are classified based on the fair value hierarchy, see below:

- Level 1: Value in an active market for similar assets/liabilities
- Level 2: Value based on recognised valuation methods on the basis of observable market information
- Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

The determination of what constitutes ‘observable’ requires significant judgement by the Group. Management of the Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following method and assumptions were used to estimate the fair values. The Group primarily invests directly in the life insurance policies. The fair value measurement of the investments is estimated on an individual basis based on several factors such as premium payments and changes in these updates of life expectancy, changes in discount rates and general “mark-to-market” adjustments.

Investments in other life settlement funds are investments that are valued based on NAV statements received from Saffery Champness Fund Services Limited.

The following table analyses within the fair value hierarchy the Group's financial assets measured at fair value at 31 December 2022. All fair value measurements disclosed are recurring fair value measurements.

USD	Consolidated		Parent Company	
	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022
Level 1	32,623,714	54,544,382	32,623,714	54,544,382
Level 2	8,126	8,097	8,126	8,097
Level 3	341,983,390	303,220,268	340,630,952	302,291,468
	<u>374,615,230</u>	<u>357,772,747</u>	<u>373,262,792</u>	<u>356,843,947</u>

The carrying amount is equal to fair value for all financial assets and financial liabilities.

There have been no transfers between the levels in the fair value hierarchy this year.

Financial statements

Notes to the financial statements

12 Other investments – continued

Fair value measurement - continued

The fair value of receivables, prepayments, cash, payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments. The Group's own credit risk has not been taken into account.

For instruments with recurring Level 3 fair value measurements, the carrying value has been specified in below table:

USD	Consolidated		Parent Company	
	1 Oct 2022 – 31 Dec 2022	1 Oct 2021 – 30 Sep 2022	1 Oct 2022 – 31 Dec 2022	1 Oct 2021 – 30 Sep 2022
Opening balance	303,220,268	255,254,519	302,291,468	255,254,519
Additions	37,337,826	56,279,424	36,951,045	55,184,624
Sales and maturities	-9,786,601	-86,125,372	-9,786,601	-85,910,937
Premium payments	8,219,968	31,179,256	8,183,111	31,130,821
Fair value adjustment*	2,991,929	46,632,422	2,991,929	46,632,442
Closing balance	<u>341,983,390</u>	<u>303,220,268</u>	<u>340,630,952</u>	<u>302,391,468</u>

*Realized performance from maturities and sales, aging effect and changes in discount rates

Credit and counterparty risks

There is a credit risk in respect of the life settlement investments as recognised under "Other investments". There is no guarantee that the insurance companies will meet their obligations to make payment on maturity claims. The credit risk is mitigated by limiting the exposure to any single insurance company, and by only buying policies issued by insurers that meet the rating requirements.

The life settlement investments are made with over 60 different life insurance companies, and are presented on a Group level, due to all life settlement investments are integrated in Ress Life Investments. The fair values are distributed on AM Best Ratings as below:

	31 December 2022			30 September 2022		
	Policies	Fair value	Weight % of NAV	Policies	Fair value	Weight % of NAV
A++	43	41,702,813	10.8%	39	34,610,916	9.0%
A+	236	135,080,379	34.9%	273	165,344,544	43.0%
A	215	141,836,285	36.6%	147	77,095,143	20.0%
A-	8	5,677,975	1.5%	8	5,154,965	1.3%
B++	15	12,501,016	3.2%	14	16,104,273	4.2%
B	0	0	0.0%	6	3,388,632	0.9%
B-	6	3,479,503	0.9%	0	0	0.0%
C++	9	1,705,419	0.4%	8	1,521,769	0.4%
Total	<u>532</u>	<u>341,983,390</u>	<u>88.3%</u>	<u>495</u>	<u>303,220,268</u>	<u>78.8%</u>

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12 Other investments – continued

Concentration risk

The following tables set forth concentration risks, divided into the face value of the life settlement investments in gender, age group, Life Expectancy estimates ("LE") and spreads of face value of the individual contracts:

	31 December 2022			30 September 2022		
	Policies	Face value	Weight %	Policies	Face value	Weight %
<i>Gender:</i>						
Female	104	218,213,319	15.2%	100	203,614,972	16.3%
Male	373	889,892,851	61.8%	349	800,212,086	64.0%
Joint	55	331,045,773	23.0%	46	245,915,751	19.7%

Age group:

	31 December 2022			30 September 2022		
	Policies	Face value	Weight %	Policies	Face value	Weight %
<65	42	128,206,157	8.9%	42	140,256,157	11.2%
65-69	63	170,987,696	11.9%	55	139,809,296	11.2%
70-74	95	303,027,128	21.1%	76	208,927,128	16.7%
75-79	113	273,528,996	19.0%	116	275,203,996	22.0%
80-84	83	215,947,124	15.0%	71	171,463,795	13.7%
85-89	72	183,781,977	12.8%	73	176,281,977	14.1%
90-94	48	136,385,651	9.5%	49	116,385,651	9.3%
95<	16	27,287,175	1.9%	13	21,414,810	1.7%

Life Expectancy estimate:

	31 December 2022			30 September 2022		
	Policies	Face value	Weight %	Policies	Face value	Weight %
< 2	13	15,417,933	1.1%	11	7,407,933	0.6%
2-3	46	72,269,851	5.0%	46	75,507,486	6.0%
4-5	78	185,672,418	12.9%	76	150,412,642	12.0%
6-7	73	152,349,309	10.6%	74	149,054,130	11.9%
8-9	67	192,988,000	13.4%	53	162,405,783	13.0%
10-11	54	155,923,837	10.8%	57	160,042,680	12.8%
12-15	92	230,618,388	16.0%	68	184,420,489	14.8%
16-	109	433,912,167	30.2%	110	360,491,666	28.8%

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12 Other investments – continued

Concentration risk - continued

	Policies	Face value	Weight %	Policies	Face value	Weight %
<i>Spreads of face value for the individual contracts:</i>						
	31 December 2022			30 September 2022		
100,000-250,000	31	6,230,000	0.4%	28	5,620,000	0.4%
250,001-500,000	71	31,696,638	2.2%	72	32,046,638	2.6%
500,001-1,000,000	143	131,211,730	9.1%	140	129,053,330	10.3%
1,000,001-2,000,000	100	177,781,285	12.4%	92	164,931,285	13.2%
2,000,001-3,000,000	53	143,244,198	10.0%	46	125,193,504	10.0%
3,000,001-5,000,000	69	314,183,330	21.8%	62	286,093,330	22.9%
5,000,001-10,000,000	53	429,379,780	29.8%	46	366,379,780	29.3%
10,000,001-15,000,000	5	62,144,785	4.3%	5	62,144,785	5.0%
15,000,001-	7	143,280,157	10.0%	4	78,280,157	6.3%

Sensitivity analysis

The sensitivity of the valuation results to changes in assumptions is illustrated by introducing changes to one specific assumption at a time and comparing the result before and after the change.

A sensitivity analysis is made based on the following scenarios:

- Discount rate sensitivity
- Mortality sensitivity

No sensitivity analysis is presented in relation to cash flows as cash inflows consist of death benefits fixed at policy inception and cash inflows consist of scheduled premium payments.

Discount rate sensitivity

The discount rate sensitivity analysis has been performed using a set of fixed discount rates across the portfolio for the Group

USD	31 December 2022				30 September 2022			
Discount rate	10%	12%	14%	16%	10%	12%	14%	16%
Value of portfolio	360m	309m	269m	236m	317m	273m	237m	208m
% of tot. face amt.	24.8%	21.3%	18.5%	16.3%	25.2%	21.7%	18.9%	16.6%
Impact in profit and loss	18m	-33m	-73m	-106m	14m	-30m	-66m	-95m

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12 Other investments – continued

Sensitivity analysis – continued

Mortality sensitivity

An extension for life expectancies in the portfolio corresponds to negative impact of the life settlement investments. Vice versa a reduction in life expectancies corresponds to a positive impact. The mortality sensitivity has been performed based upon an increment/reduction of one month on the entire portfolio for the Group.

USD	<u>31 December 2022</u>	<u>30 September 2022</u>
Impact of face value	5,565,806	4,874,175
Percentage of increment	0.38%	0.39%

13 Prepayments and cash and cash equivalents

Prepayments contain primarily deposits made to Wilmington Trust for new investments, which has increased compared to last year. New investments have caused cash and cash equivalents to decrease compared to last year.

14 Events after the balance sheet date

There are no events after the balance sheet date materially affecting the annual report.

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Additional information regarding Sustainable Finance Disclosure Regulation

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Ress Life Investments A/S

Legal entity identifier: 549300IMFROMW4KZKU

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Resscapital works with responsible investments through two strategies, 1) exclusion and 2) impact.

Exclusion:

The fund Ress Life Investments does not invest in life insurance policies issued by life insurance companies that do not have an economic activity that contributes to social characteristics. In addition, the Fund does not invest in life insurance policies from life

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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Additional information regarding Sustainable Finance Disclosure Regulation

insurance companies involved in violations of international norms and conventions (at least the UN Global Compact and OECD guidelines for multinational companies) on the environment, human rights, working conditions and business ethics.

Impact:

The fund Ress Life Investments and the fund management company Ress Capital only invest through counterparties who are registered and authorized according to the state legislation in the state where the transaction takes place. Resscapital premieres business with service providers who support improved transparency in the secondary market for US life insurance policies.

Furthermore, Resscapital is active in promoting and supporting investor initiatives aiming at improving the consumers' rights when selling their life insurance policies.

Resscapital is an active member of the trade organisations ILMA (Institutional Longevity Markets Association) and ELSA (European Life Settlement Association) that support such initiatives.

Regarding social sustainable investments objectives, life insurance policies are purchased from US households who no longer need life insurance coverage. The company therefore enables individual households to receive compensation for an unneeded insurance policy, for which premiums have been paid during many years.

Resscapital only promotes social characteristics and works with responsible investments through two strategies, 1) exclusion and 2) impact. The social characteristics promoted by this financial product were met. Resscapital does not consider environmental characteristics.

● **How did the sustainability indicators perform?**

Resscapital uses the following sustainability indicators:

*-Number of companies that contribute to social cohesion: **100%***

*-Number of companies that do not contribute to social cohesion: **0%***

*-Number of companies that follow international norms and conventions: **100 %***

*-Number of companies that violate international norms and conventions: **0%***

For 9% of the value of the portfolio sufficient data is missing. Therefore, the numbers above only considers 91% of the portfolio value

● **...and compared to previous periods?**

No previous periods are recorded, as this is the first reporting period.

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Additional information regarding Sustainable Finance Disclosure Regulation

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Ress Life Investments does not make sustainability investments.



How did this financial product consider principal adverse impacts on sustainability factors?

The financial product does not consider principal adverse impacts on sustainability factors.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: H2 2022

Largest investments	Sector	% Assets	Country
Treasury Bill 2023-01	Money Market	3.8%	US
Life Insurance Policy 1	Life Insurance	2.8%	US
Treasury Bill 2023-02	Money Market	2.5%	US
Treasury Bill 2023-02	Money Market	2.0%	US
Life Insurance Policy 2	Life Insurance	1.9%	US
Life Insurance Policy 3	Life Insurance	1.2%	US
Life Insurance Policy 4	Life Insurance	1.1%	US
Life Insurance Policy 5	Life Insurance	1.0%	US
Life Insurance Policy 6	Life Insurance	1.0%	US
Life Insurance Policy 7	Life Insurance	1.0%	US
Life Insurance Policy 8	Life Insurance	1.0%	US
Life Insurance Policy 9	Life Insurance	0.9%	US
Life Insurance Policy 10	Life Insurance	0.9%	US
Life Insurance Policy 11	Life Insurance	0.9%	US
Life Insurance Policy 12	Life Insurance	0.9%	US

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Additional information regarding Sustainable Finance Disclosure Regulation

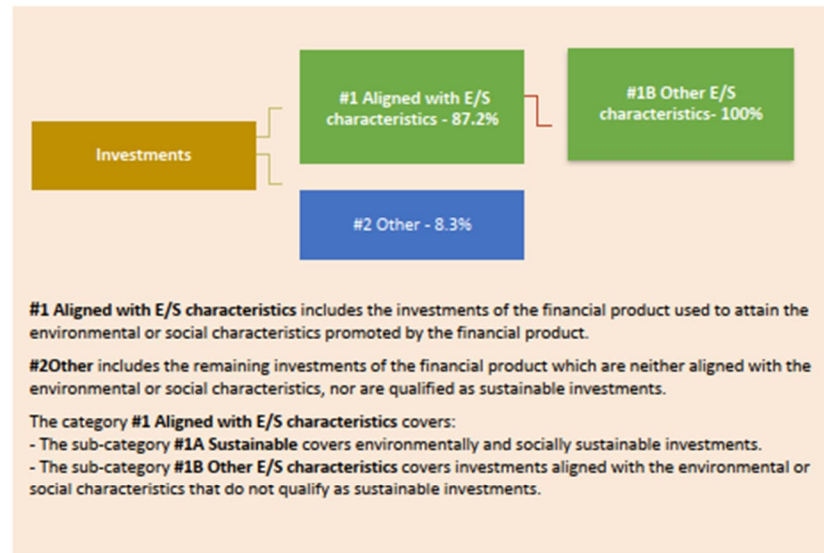


What was the proportion of sustainability-related investments?

The proportion was: 87.2%

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



In which economic sectors were the investments made?

Largest investments	Sector	% Assets	Country
US Life Insurance Policies	Life Insurance	87.2%	US
US Treasury Bills	Money Market	8.3%	US



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not consider the EU Taxonomy, as the assetclass is not in scope of the EU Taxonomy, nor are the companies whom are counterparties to Ress Life Investments A/S in scope of Taxonomy reporting. The total turnover from Taxonomy aligned activities is thus 0%.

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Additional information regarding Sustainable Finance Disclosure Regulation

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

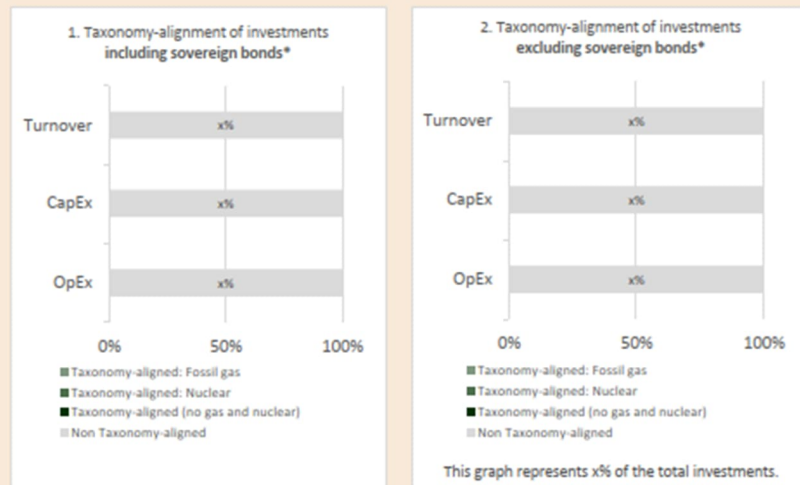
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

- Yes
 - In fossil gas
 - In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in the Commission Delegated Regulation (EU) 2022/1214.

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Additional information regarding Sustainable Finance Disclosure Regulation

- **What was the share of investments made in transitional and enabling activities?**

Not relevant for US life insurance policies.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The fund does not consider the EU Taxonomy.



- **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Investments under "other" are Treasury Bills and their purpose were fund liquidity management.



- **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

All investmes followed the E/S-characteristics and followed the exclusion criteria and impact threshold. No actions were thus necessary.



- **How did this financial product perform compared to the reference benchmark?**

No reference benchmark exists for the financial product.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.