

**Ress Life Investments A/S**  
Half-Year Report  
**For the period 1 January 2025 - 30 June 2025**  
**Nybrogade 12, DK-1203 Copenhagen K**

**Corporate Announcement no. 28/2025, 9 September 2025**

**CVR NO. 33 59 31 63**



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**Statement by the Board of Directors and the Management**

The Board of Directors and the Management have today considered and approved the Half-Year Report of the Ress Life Investments A/S Group for the period 1 January 2025 – 30 June 2025. The Half-Year report has not been subject to audit or review.

The Half-Year Report has been prepared in accordance with IAS 34 '*Interim Financial Reporting*' as adopted by EU. Furthermore, the Half-Year Report has been prepared in accordance with Danish disclosure requirements for interim reports of listed companies.

In our opinion, the consolidated interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2025 and of the results of the Group's consolidated operations and cash flows for the period 1 January 2025 – 30 June 2025.

Further, in our opinion, the Directors' Report gives a fair review of the matters discussed in the Directors' report.

Copenhagen, 9 September 2025  
Management:

.....  
Ketil Poul Petersen

Board of Directors:

.....  
Søren Andersen  
Chairman of the Board

.....  
Jeppe Buskov

.....  
Gitte Minet Aggerholm

.....  
Henrik Franck



## **Directors' report**

### **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 in jurisdictions where permitted, as well as retail investors in Denmark, Finland and Sweden.

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](http://www.reslifeinvestments.com) under the heading 'Fund Announcements'.

### **Development in the Group's activities and financial position**

The Group has entered into an agreement, through which a majority of policies are being sold to a market counterparty. The Group is entitled to a share of the future payouts of the disposed policies in an earnout agreement. The earnout agreement is included in the Group's financial assets. The fair value of the Group's financial assets decreased from USD 289,301,942 at 31 December 2024 to USD 227,208,224 at 30 June 2025.

The internal rate of return (IRR) has remained stable in the first half of 2025 and had minimal effect on the fair value measurement of the assets. The fair value of the investments is estimated by the Alternative Investment Fund Manager (Resscapital AB in Sweden) based primarily on life expectancy and insurance premium outlooks among other factors. The change in fair value of these life insurance contracts is specified in note 5.

During the period, there have been 2 capital increases by a total of 302 new ordinary shares with a nominal value of EUR 500 per share and a total share premium of USD 624 thousand from shares issued during the period. The Group holds 79,149 treasury shares at 30 June 2025.

As of 30 June 2025 the Group had 30,682 USD thousands of current assets compared to USD 10,449 thousand as of 31 December 2024.

The Group's operating costs decreased to USD 2,890 thousand for the period until 30 June 2025, compared to USD 3,735 thousand for the 6-month period to 30 June 2024. Operating costs decreased mainly due to lower service provider fees during the period.



## **Directors' report (continued)**

### **Result for the period**

During the period, the net asset value of the Group has increased from USD 2,595 per share at 31 December 2024 to USD 2,609 per share at 30 June 2025. The increase in the net asset value per share is below Management's expectations.

The Half-Year Report shows a gain in comprehensive income amounting USD 704 thousand for the period 1 January 2025 – 30 June 2025 compared with an income of USD 10,823 thousand for the period 1 January 2024 – 30 June 2024.

### **Development in the portfolio**

During Q2 2025 the Group entered into an agreement whereby most of its life insurance portfolio as per end of 2024 ("Legacy Portfolio") was sold to a market counterparty. The transaction is completed in separate quarterly tranches until the end of Q3 2026. The price for each tranche is pre-agreed and locked in.

The Group will maintain a percentage of the policy pay-outs in the Legacy Portfolio until the completion of the last tranche, the percentage depending on the number of tranches completed at the time of the pay-out. As of 30 June 2025, the Group held a 62.5% ownership of the Legacy Portfolio. Further, the Group will maintain a portion of future portfolio performance in the Legacy Portfolio above a threshold even past the end of Q3 2026.

The Group will reinvest excess liquidity by purchasing new policies at potentially higher IRRs as the sale of each tranche completes during 2025 and 2026. The new policies purchased during 2025 YTD have an average expected gross IRR of 16%.

As of 30 June 2025, the Legacy Portfolio and new policies purchased during the period amounted to a total of 375 policies issued by over 55 different US life insurance companies. The total face value of the policies exceeds USD 1.1 billion.

During the 6-month period 4 policies paid out a total USD 8.51 million in face value. The actual number of maturities is below expected maturities, but within the 95% confidence interval. However, the average size of maturing policies has also been below average policy size. The combined effect of fewer policies and smaller than average policies paying out has led to the below than expected result for the period. The returns for life settlements are stochastic, hence it is challenging to predict when or which policies will mature. Given that life expectancies are stochastic variables, the point in time when an insurance maturity occurs is associated with inherent uncertainty. Therefore, it is not possible to identify reasons to why there are more or fewer maturities during certain periods.

### **Outlook**

The assets of the Group have decreased from USD 294.8 million to USD 257.9 million during the period. The Fund Manager views the sale of the Legacy Portfolio and reinvestment of proceeds into new policies with higher IRRs as an opportunity to increase its future target return.

The value per share in the Group increased with 0.52% during the period. However, the value per share in the Group is expected to continue to increase as insured individuals are getting older and policy pay-outs increase.



## **Directors' report (continued)**

### **Outlook (continued)**

Due to the nature of the Group and its investments it is difficult to estimate the level of expected future profits. However, the target net return for the Group is 7.0% in USD per annum and it is reasonable to assume that the yield on the underlying assets is sufficient to reach the target over the medium term. The volatility of Ress Life Investments' share is 3.4% measured over a 10-year period. The volatility is measured as the yearly rolling standard deviation of monthly returns.

### **Forward-looking statements**

Expectations towards the future, including with regards to future levels of profit as discussed in this report are inherently associated with risks and uncertainties, and may be affected by altered conditions in the life settlement market or macroeconomic circumstances outside of Management's control. Consequently, realized results may deviate significantly from reported outlooks and expectations expressed in this report or elsewhere. Refer also to the risk described in note 5.

### **Unusual circumstances**

There have been no unusual circumstances that have materially affected the Half-Year Report.

### **Tax risks**

For the Group an investment in the life insurance contracts involves a number of complex tax considerations. Changes in tax legislation in the country in which the Group holds life insurance contracts, or changes in tax treaties negotiated within OECD, 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.

### **Events after the balance sheet date**

There are no events after the balance sheet date materially affecting the half-year report.



**Directors' report (continued)**

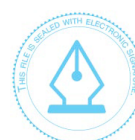
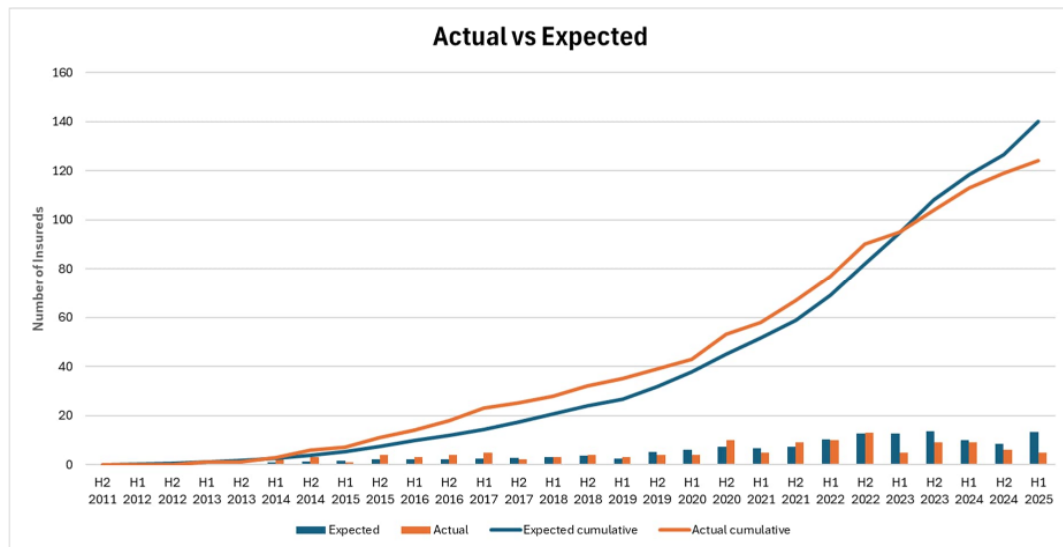
**Performance attribution**

The table below shows the estimated performance attribution for the first half of 2025. The breakdown below is an illustration of contributions. The way performance attribution is illustrated has been updated in 2025 and will look slightly different compared to previous reports.

Performance 2025-06-30	2020	2021	2022	2023	2024	2025 YTD
Realised (Maturities & sold policies)	11.53%	7.36%	12.81%	2.12%	4.01%	0.94%
Aging effect	2.08%	2.36%	2.08%	2.38%	2.30%	0.40%
Mtm-adjustment (Change in discount rates)	-1.30%	0.11%	-2.13%	-0.55%	-0.40%	0.00%
Life Expectancy Updates	-0.07%	0.00%	-0.02%	0.24%	2.40%	0.00%
Premium prepayments	-0.15%	-0.16%	-0.15%	-0.12%	-0.06%	-0.07%
Premium optimization	-0.21%	-0.60%	-0.02%	-0.12%	0.76%	0.15%
COI increases	0.00%	0.00%	0.00%	0.00%	-0.06%	0.00%
Unrealised – legacy portfolio	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
<b>Gross portfolio performance</b>	<b>11.89%</b>	<b>9.06%</b>	<b>12.57%</b>	<b>3.95%</b>	<b>8.95%</b>	<b>1.73%</b>
Investment factor effect	-1.54%	-0.84%	-1.10%	-0.27%	-0.41%	-0.47%
<b>Net portfolio performance</b>	<b>10.35%</b>	<b>8.22%</b>	<b>11.47%</b>	<b>3.68%</b>	<b>8.54%</b>	<b>1.66%</b>
Fund Costs	-3.14%	-2.92%	-2.98%	-2.08%	-2.05%	-1.14%
<b>Net Fund Performance</b>	<b>7.21%</b>	<b>5.30%</b>	<b>8.49%</b>	<b>1.60%</b>	<b>6.49%</b>	<b>0.52%</b>

**Realized maturities – actual to expected**

Actual to expected figures were below expectations. The below graph shows the actual number of maturities/proceeds from maturities (both red) versus estimated expectation (blue). The portfolio has experienced more than USD 187 million worth of maturities since inception.



## Directors' report (continued)

### 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. Life expectancies and fair values are subjective in nature and involve uncertainties and matters of significant judgement 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/fund-documentation/>

### 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 Group CEO at Norli Group A/S, CEO at S.A. Consulting ApS, Chairman at Nordisk Pensionservice A/S and Board Member at Norli Pensjon AS, Norway. Mr. Andersen does not hold any shares in the Group.

Board member Mr Jeppe Buskov (born 1975) was elected for the board of directors on 28 February 2014. Mr Buskov is a partner and Chairman of the Board at the Danish law firm Kromann Reumert (and its subsidiary Advokatfirmaet Kromann Reumert International A/S) and is a liquidator of Fujitsu A/S. Mr. Buskov is a shareholder in the Group.

Board Member Mr Henrik Franck (born 1960) was elected for the Board of Directors on 17 April 2024. Mr Franck has 35 years of experience from the Asset Management Industry including 24 years in CIO positions. Mr Franck is a shareholder in the Group.

Board Member Mrs Gitte M. Aggerholm (born 1962) was elected for the Board of Directors on 16 April 2025. Mrs Gitte M. Aggerholm is employed at Velliv as the Chief Financial Officer since 2008, in May 2018 has joined the executive board of Velliv and chairs all the property companies in Velliv. Mrs Gitte M. Aggerholm is a member of the Board of Directors at Forenede Gruppeliv. Mrs Gitte M. Aggerholm does not hold any shares in the Company.





## **Directors' report (continued)**

### **Management**

CEO, Mr Ketil Poul Petersen was a member of the Board of Directors of the Group from August 2018 until November 2023. Mr Petersen is a member of the Board of Directors of St. Petri Capital A/S, Dannebrog Invest Holding ApS, partner in BB-Vinimport ApS and the Managing Director of Verismo ApS. He is the Chairman of Dannebrog Invest Fondsmæglerselskab A/S. Mr. Petersen does not hold any shares in the Group.

### **Risks**

The Board has reviewed the most important strategic and business-related risks. Among the important risks are longevity, i.e., the fact that the value of the life insurance policies can decrease and may be affected by changes in applicable law, which could adversely affect the Group and its share price. Currency risk is another risk factor since the shares are denominated in EUR, the accounting currency is in USD and the underlying assets are in USD. Other important risk factors are the financial 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.

### **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 shares 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 Group is limited to investments in US life settlement contracts, and the Group has no employees except for the CEO. Based on materiality and a risk assessment, the Group has assessed that it does not have any material risks in relation to human rights, social and labour conditions, climate and environment and anti-corruption. As such, the Group does not have a corporate social responsibility policy, including one for human rights, social and labour conditions, climate and environment and anti-corruption.

### **Target figures and policies for the underrepresented gender**

The Board consists of 1 woman and 3 men and has therefore achieved what is considered equal representation of genders at the Board of Directors.

Management aside, the Group has no employees, thus also no underrepresented gender.



**Consolidated interim financial statements for the period 1 January – 30 June**

**Consolidated income statement and statement of comprehensive income**

Note	USD	1 January 2025 – 30 June 2025	1 January 2024 – 30 June 2024
	Staff costs	-72,998	-53,316
3	Other operating costs	-2,890,289	-3,734,688
	<b>Operating loss</b>	<b>-2,963,287</b>	<b>-3,788,004</b>
4	Financial income	3,739,301	14,629,183
	Financial expenses	-71,664	-18,635
	<b>Profit (loss) before tax</b>	<b>704,350</b>	<b>10,822,544</b>
	Tax on profit for the period	0	0
	<b>Profit (loss) for the period</b>	<b>704,350</b>	<b>10,822,544</b>
	Other comprehensive income	0	0
	<b>Comprehensive income</b>	<b>704,350</b>	<b>10,822,544</b>
<b>Earnings per share, USD</b>			
	Weighted average no. of shares outstanding	175,706	171,354
	Earnings per share (basic and diluted)	4.01	63.16



**Consolidated interim financial statements for the period 1 January – 30 June**

**Consolidated statement of financial position**

Note	USD	30 June 2025	31 December 2024
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	<b>Financial assets</b>		
5	Other investments	184,489,689	284,310,582
5	Other receivables	42,718,535	0
		227,208,224	284,310,582
	<b>Total non-current assets</b>	<b>227,208,224</b>	<b>284,310,582</b>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Other receivables	175,108	0
	Prepayments	92,799	53,660
		<b>267,907</b>	<b>53,660</b>
5	Other investments	0	4,991,360
		<b>0</b>	<b>4,991,360</b>
	<b>Cash and cash equivalents</b>	<b>30,414,280</b>	<b>5,404,209</b>
	<b>Total current assets</b>	<b>30,682,187</b>	<b>10,449,229</b>
	<b>TOTAL ASSETS</b>	<b>257,890,411</b>	<b>294,759,811</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Contributed capital	102,703,745	102,541,420
	Retained earnings	149,590,496	191,191,487
	<b>Total equity</b>	<b>252,294,241</b>	<b>293,732,907</b>
	<b>Current liabilities</b>		
	Other payables	5,596,170	1,026,904
	<b>Total liabilities</b>	<b>5,596,170</b>	<b>1,026,904</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>257,890,411</b>	<b>294,759,811</b>

- 1 Accounting policies
- 2 Critical accounting judgements, estimates, assumptions and uncertainties
- 6 Transactions with related parties



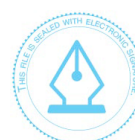
**Consolidated interim financial statements for the period 1 January – 30 June**

**Consolidated statement of changes in equity**

<b>USD</b>	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 January 2024	99,460,162	268,129,877	367,590,039
Comprehensive income for the period	0	10,822,544	10,822,544
Capital increase	950,949	3,243,782	4,194,731
Transactions with shareholders*	0	-38,191,245	-38,191,245
<b>Equity at 30 June 2024</b>	<b>100,411,111</b>	<b>244,004,958</b>	<b>344,416,069</b>
Equity at 1 January 2025	102,541,420	191,191,487	293,732,907
Comprehensive income for the period	0	704,350	704,350
Capital increase	162,325	623,678	786,003
Transactions with shareholders*	0	-42,929,019	-42,929,019
<b>Equity at 30 June 2025</b>	<b>102,703,745</b>	<b>149,590,496</b>	<b>252,294,241</b>

\*Transactions with shareholders include repurchase of shares (2024: Repurchase of shares and resale of treasury shares).

During the period, the Group issued a net quantity of 302 (1 Jan – 30 Jun 2024: 1,721) new ordinary shares of EUR 500 nominal value per share and with a total share premium of USD 624 (1 Jan – 30 Jun 2024: 3,244) thousand from shares issued during the period. The Group holds 79,149 (1 Jan – 30 Jun 2024: 34,493) treasury shares at 30 June 2025.



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**Consolidated interim financial statements for the period 1 January – 30 June**

**Consolidated statement of cash flows**

Note	USD	1 January 2025 – 30 June 2025	1 January 2024 – 30 June 2024
	Profit before tax	704,350	10,822,544
	Change in current liabilities	4,569,265	26,093
	Change in receivables	-214,247	-48,306
	Unrealised financial income	-3,260,300	-12,989,614
	<b>Cash flows from operating activities</b>	<b>1,799,068</b>	<b>-2,189,283</b>
	Additions of financial assets	-62,193,740	-183,611,194
	Premium payments	-11,508,518	-14,293,550
	Premium refunds	34,953	26,930
	Disposal proceeds and maturities	139,021,324	233,845,046
	<b>Cash flows from investing activities</b>	<b>65,354,019</b>	<b>35,967,232</b>
	Capital increase	786,003	4,194,731
	Redemption of shareholders	-42,929,019	-38,191,245
	<b>Cash flows from financing activities</b>	<b>-42,143,016</b>	<b>-33,996,514</b>
	<b>Net cash flows from operating, investing, and financing activities</b>	<b>25,010,071</b>	<b>-218,564</b>
	Cash and cash equivalents at 1 January	5,404,209	11,401,026
	<b>Cash and cash equivalents at 30 June</b>	<b>30,414,280</b>	<b>11,182,462</b>

**Additional information on operational cash flows from interest and dividends**

Interest paid	0	0
Interest received	219,731	1,255,547
Dividend received	0	0



**Consolidated interim financial statements for the period 1 January – 30 June**

**Notes to the consolidated financial statements**

**1 Accounting policies**

The Half-Year report of Ress Life Investments A/S, the Group, for the period 1 January 2025 – 30 June 2025 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by EU and Danish disclosure requirements for interim reports for listed companies. The accounting policies used in the preparation of the financial statements are consistent with those presented in the 2024 annual report.

**2 Critical accounting judgements, estimates, assumptions and uncertainties**

The financial statements include accounting estimates which are prepared on the basis of certain assumptions as set down by Management. 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.

The areas that involve a higher degree of judgement or subjectivity, or areas where assumptions and estimates are significant to the financial statements, are listed below:

- Measurement of fair value of investments in life insurance policies.

**3 Other operating costs**

<b>USD</b>	<b>1 January 2025 – 30 June 2025</b>	<b>1 January 2024 – 30 June 2024</b>
Accounting and audit	56,222	181,928
Company and share related costs including insurances	204,640	168,725
Company legal fees	88,328	115,070
Policy legal fees	146,018	131,417
Policy Management and custody	247,165	289,399
Depositary fees	115,805	143,618
Management fees	2,032,111	2,704,531
	<b>2,890,289</b>	<b>3,734,688</b>

**4 Financial income**

<b>USD</b>	<b>1 January 2025 – 30 June 2025</b>	<b>1 January 2024 – 30 June 2024</b>
Exchange rate adjustments	77,806	18,660
Fair value adjustments of other investments	3,441,764	13,350,811
Interest received	219,731	1,259,712
	<b>3,739,301</b>	<b>14,629,183</b>



**Consolidated interim financial statements for the period 1 January – 30 June**

**Notes to the consolidated financial statements (continued)**

**5 Financial risks and financial instruments**

**Financial assets**

<b>USD</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
Treasury bills	0	4,991,360
Investment in other investment companies	19,396	17,164
Life insurance policies	184,470,293	284,293,418
Other receivables*	42,718,535	0
	<b>227,208,224</b>	<b>289,301,942</b>

\*Other receivables included in financial assets comprise an earnout agreement on the legacy portfolio, the fair value of which value is derived from the fair values of the underlying policies in the Legacy Portfolio (i.e., the portfolio of life insurance policies disposed).

**Foreign exchange risks**

The shares outstanding are denominated in EUR. The Group's 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 of the Group will appreciate. In addition, there is a currency risk depending on the local functional currency for each shareholder.

**Interest rate risks**

Due to its investing and financing activities the Group 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 has an effect related to the internal rate of return and discount rate, which affects the fair value measurement of the Group's investments in life policies.

The interest rate exposure is mainly related 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 to be 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.

**Fair value measurement**

The life insurance contracts are valued using the 'Fair value' concept in connection with certain disclosure requirements and for recognition of financial instruments. Investments in life insurance contracts are measured at level 3 of the fair value hierarchy.

'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, including counterparty credit risk. The valuation approach used in relation to the life insurance contracts is based on discounted probability weighted cash flows.



**Consolidated interim financial statements for the period 1 January – 30 June**

**Notes to the consolidated financial statements (continued)**

**5 Financial risks and financial instruments (continued)**

**Fair value measurement (continued)**

The valuation approach incorporates all the factors that market participants would consider 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 such 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 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 insurance 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.

The fair value of 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 considering 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 30 June 2025 was 11.10 %.

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 based on 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 Management. The 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 the changes in these, updates of life expectancy, changes in discount rates and general “mark-to-market” adjustments.

Investments in other investment companies are investments that are valued based on NAV statements received from Saffery Champness Fund Services Limited. The fair value is recognised as 20% of the NAV.





**Consolidated interim financial statements for the period 1 January – 30 June**

**Notes to the consolidated financial statements (continued)**

**5 Financial risks and financial instruments (continued)**

**Fair value measurement (continued)**

The following table analyses within the fair value hierarchy the Group's financial assets are measured at fair value at 30 June 2025. All fair value measurements disclosed are recurring fair value measurements.

<b>USD</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>			
Investment in other investment companies	0	19,396	0
Life insurance policies	0	0	184,470,293
Other receivables*	0	0	42,718,535
<b>Total</b>	<b>0</b>	<b>19,396</b>	<b>227,188,828</b>

\*Other receivables included in financial assets comprise an earnout agreement on the legacy portfolio, the fair value of which value is derived from the fair values of the underlying policies in the Legacy Portfolio (i.e., the portfolio of life insurance policies disposed) and is recognized as level 3 in the fair value hierarchy.

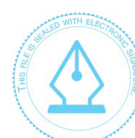
The carrying amount is equal to fair value for all financial assets and financial liabilities.

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

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 considered as this is assessed to be immaterial.

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

<b>USD</b>	<b>1 January 2025 – 30 June 2025</b>	<b>1 January 2024 – 30 June 2024</b>
Opening balance	284,293,419	356,913,543
Additions	404,535	4,175,914
Premium payments	11,508,518	14,293,550
Premium refunds	-34,953	-26,930
Sales and maturities	-72,248,822	-103,995,353
Fair value adjustment	3,266,131	12,893,760
<b>Closing balance</b>	<b>227,188,828</b>	<b>284,254,484</b>



**Consolidated interim financial statements for the period 1 January – 30 June**

**Notes to the consolidated financial statements (continued)**

**5 Financial risks and financial instruments (continued)**

**Credit and counterparty risks**

Credit risk arises 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 the face values are distributed on AM Best Ratings as below:

Carrier rating	30 June 2025			31 December 2024		
	Policies	Fair value	% of NAV	Policies	Fair value	% of NAV
A++	21	18,025,737	7.1%	22	23,256,805	7.9%
A+	178	96,982,677	38.4%	178	119,010,705	40.5%
A	152	99,000,949	39.2%	153	122,288,654	41.6%
A-	1	115,279	0.0%	1	116,528	0.0%
B++	14	10,911,797	4.3%	15	16,748,939	5.7%
B-	2	784,963	0.3%	2	1,100,503	0.4%
C++	7	1,367,423	0.5%	7	1,771,284	0.6%
<b>Total</b>	<b>375</b>	<b>227,188,827</b>	<b>90.0%</b>	<b>378</b>	<b>284,293,418</b>	<b>96.7%</b>

**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:

Gender:	30 June 2025			31 December 2024		
	Policies	Face value	% Weight	Policies	Face value	% Weight
Female	68	151,226,558	13.8%	69	150,076,558	13.7%
Male	264	689,441,729	63.1%	265	691,531,729	63.1%
Joint	43	251,691,285	23.0%	44	254,691,285	23.2%



**Consolidated interim financial statements for the period 1 January – 30 June**

**Notes to the consolidated financial statements (continued)**

**5 Financial risks and financial instruments (continued)**

**Concentration risk (continued)**

<i>Age group</i>	<b>30 June 2025</b>			<b>31 December 2024</b>		
	<b>Policies</b>	<b>Face value</b>	<b>% Weight</b>	<b>Policies</b>	<b>Face value</b>	<b>% Weight</b>
<65	20	54,580,157	5.0%	22	60,280,157	5.5%
65-69	49	153,812,010	14.1%	48	146,192,010	13.3%
70-74	64	220,209,869	20.2%	72	258,729,869	23.6%
75-79	80	245,072,934	22.4%	74	214,422,934	19.6%
80-84	66	171,318,675	15.7%	68	167,173,351	15.2%
85-89	52	130,239,776	11.9%	53	140,587,767	12.8%
90-94	29	83,738,977	7.7%	28	87,176,310	8.0%
95<	15	33,387,175	3.1%	13	21,737,175	2.0%

*Life Expectancy estimate*

	<b>Policies</b>	<b>Face value</b>	<b>% Weight</b>	<b>Policies</b>	<b>Face value</b>	<b>% Weight</b>
< 2	17	29,397,175	2.7%	16	28,897,175	2.6%
2-3	34	73,399,255	6.7%	36	68,811,710	6.3%
4-5	57	129,933,090	11.9%	57	136,357,630	12.4%
6-7	54	149,088,789	13.6%	47	132,399,621	12.1%
8-9	37	110,243,837	10.1%	39	114,786,010	10.5%
10-11	46	123,765,761	11.3%	52	140,715,761	12.8%
12-15	73	274,501,509	25.1%	68	251,209,499	22.9%
16-	57	202,030,157	18.5%	63	223,122,167	20.4%

*Spreads of face value for the individual contracts*

	<b>Policies</b>	<b>Face value</b>	<b>%Weight</b>	<b>Policies</b>	<b>Face value</b>	<b>% Weight</b>
100,000-250,000	14	2,445,500	0.2%	14	2,445,500	0.2%
250,001-500,000	36	15,980,399	1.5%	36	16,110,399	1.5%
500,001-1,000,000	98	90,819,847	8.3%	100	92,969,847	8.5%
1,000,001-2,000,000	80	146,290,135	13.4%	81	147,790,135	13.5%
2,000,001-3,000,000	43	117,622,959	10.8%	43	117,622,959	10.7%
3,000,001-5,000,000	54	243,606,130	22.3%	53	238,606,130	21.8%
5,000,001-10,000,000	40	317,169,660	29.0%	41	322,329,660	29.4%
10,000,001-15,000,000	6	80,144,785	7.3%	6	80,144,785	7.3%
15,000,001-	4	78,280,157	7.2%	4	78,280,157	7.1%

