

List of Signatures

Page 1/1



Res Life Investments AS - Half Year Report 2024.pdf

Name	Method	Signed at
Jeppe Buskov	MitID	2024-09-10 17:09 GMT+02
Ketil Poul Petersen	MitID	2024-09-10 14:59 GMT+02
Henrik Franck	MitID	2024-09-10 14:34 GMT+02
Søren Andersen	MitID	2024-09-10 11:17 GMT+02
Anne Buchardt	MitID	2024-09-10 11:13 GMT+02



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

External reference: 5CB3C5BB0C48419E9757555D7159554C

Ress Life Investments A/S
Half-Year Report
For the period 1 January 2024 - 30 June 2024
Nyrogade 12, DK-1203 Copenhagen K

Corporate Announcement no. 28/2024, 9 September 2024

CVR NO. 33 59 31 63



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
5CB3C5BB0C48419E9757555D7159554C

Contents

Statement by the Board of Directors and the Management	2
Directors' report	3
Principal activities	3
Development in the Group's activities and financial position	3
Result for the period	4
Development in the portfolio	4
Outlook	4
Forward-looking statements	4
Unusual circumstances	5
Tax risks	5
Events after the balance sheet date	5
Performance attribution	5
Realized maturities – actual to expected	6
Uncertainties regarding the measurement and determination of financial data	7
Status on corporate governance recommendations	7
Board of Directors	7
Management	8
Risks	8
Capital structure	8
Credit management	8
Corporate Social Responsibility	8
Target figures and policies for the underrepresented gender	8
Consolidated interim financial statements for the period 1 January – 30 June	9
Consolidated income statement and statement of comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the consolidated financial statements	13



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
5CB3C5BB0C48419E9757555D7159554C

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 2024 – 30 June 2024. 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 2024 and of the results of the Group's consolidated operations and cash flows for the period 1 January 2024 – 30 June 2024.

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

Copenhagen, 9 September 2024
Management:

Ketil Poul Petersen

Board of Directors:

Søren Andersen
Chairman of the Board

Anne Buchardt

Jeppe Buskov

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 where permitted, as well as retail investors in Denmark 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.resslifeinvestments.com under the heading 'Fund Announcements'.

Development in the Group's activities and financial position

The fair value of the investment in life insurance contracts decreased from USD 356,920 thousand at 31 December 2023 to USD 284,273 thousand at 30 June 2024 due to redemptions. The internal rate of return (IRR) has remained stable in the first half of 2024. 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 1 capital increase by a total of 1,721 new ordinary shares with a nominal value of EUR 500 per share and a total share premium of USD 3,244 thousand from shares issued during the period. The Group holds 34,493 treasury shares at 30 June 2024.

As of 30 June 2024 the Group had USD 65,867 thousand of current assets compared to USD 38,543 thousand as of 30 June 2023. The current assets are mainly invested in US Treasury bills and are held by the Group for cash management purposes.

The Group's operating costs decreased to USD 3,735 thousand for the period until 30 June 2024, compared to USD 4,339 thousand for the 6-month period to 30 June 2023. Operating costs decreased mainly due to lower policy management and custody fees as a result of fewer policies in the portfolio as well as accrued management fees during the period, as these fees are linked to the size of the Group's investments.



Directors' report (continued)

Result for the period

During the period, the net asset value of the Group has increased from USD 2,437 per share at 31 December 2023 to USD 2,512 per share at 30 June 2024.

The Half-Year Report shows a gain in comprehensive income amounting USD 10,823 thousand for the period 1 January 2024 – 30 June 2024 compared with a loss in income of USD 781 thousand for the period 1 January 2023 – 30 June 2023.

Development in the portfolio

As of 30 June 2024, all life settlement assets were owned directly by the Group. The Group owned 398 policies issued by over 60 different US life insurance companies. The total face value of the policies exceeds USD 1,150 million.

During the 6-month period the fund experienced 6 policies paying out with a total USD 6.9 million in face value. The actual number of maturities is slightly below expected maturities, but within the 95% confidence interval, and the average size of maturing policies has also been below average policy size. The returns for life settlements are stochastic and there is no way of predicting when or which policies that will mature. Main performance drivers during the period were realized performance, which mainly means policies paying out, and aging effect, which means insureds getting older, thus their remaining life expectancies decreasing.

The Fund Manager has communicated that an efficient policy selection process combined with conservative medical underwriting, results in the Group purchasing a very small sub-set of reviewed policies. As a result, in the Fund Manager's view the Group has assembled a robust portfolio with limited tail risks.

Outlook

The assets of the Group have decreased from USD 373.3 million to USD 350.1 million during the period primarily due to redemptions. The outlook for growth of the Fund's assets under management is still challenging. However, the Fund Manager is positive about the outlook for growth in the medium term.

The value per share in the Group increased with 3.09% 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.

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.

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 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.



Directors' report (continued)

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.

Performance attribution

The table below shows the estimated performance attribution for the first half of 2024. The breakdown below is an illustration of contributions.

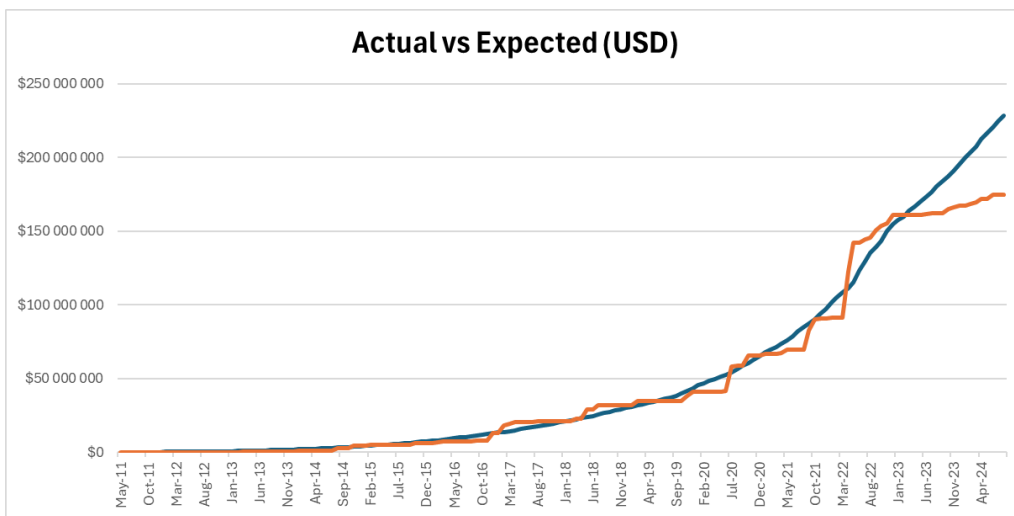
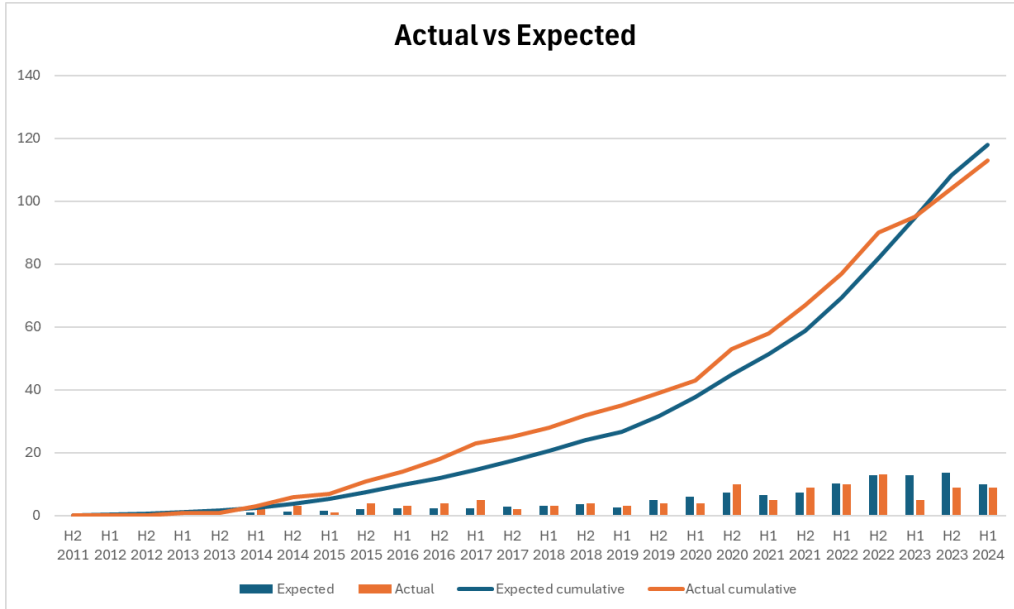
Performance 2024-06-30	2019	2020	2021	2022	2023	2024 YTD
Realised (Maturities & sold policies)	5.92%	11.53%	7.36%	12.81%	2.12%	1.46%
Aging effect	2.72%	2.08%	2.36%	2.08%	2.38%	1.97%
Mtm-adjustment (Change in discount rates)	3.74%	-1.30%	0.11%	-2.13%	-0.55%	-0.08%
Valuation policy change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Life Expectancy Updates	0.31%	-0.07%	0.00%	-0.02%	0.24%	0.64%
Premium prepayments	-0.14%	-0.15%	-0.16%	-0.15%	-0.12%	-0.05%
Premium optimization	-0.40%	-0.21%	-0.60%	-0.02%	-0.12%	0.57%
COI increases	-0.60%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross portfolio performance	11.55%	11.89%	9.06%	12.57%	3.95%	4.50%
Investment factor effect	-1.03%	-1.54%	-0.84%	-1.10%	-0.27%	-0.50%
Net portfolio performance	10.52%	10.35%	8.22%	11.47%	3.68%	4.00%
Fund Costs	-2.53%	-3.14%	-2.92%	-2.98%	-2.08%	-0.91%
Net Fund Performance	7.99%	7.21%	5.30%	8.49%	1.60%	3.09%



Directors' report (continued)

Realized maturities – actual to expected

Actual to expected figures were in line with expectations. The below graphs show the actual number of maturities/proceeds from maturities (both red) versus estimated expectation (blue). The portfolio has experienced more than USD 174 million worth of maturities since inception.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
 5CB3C5BB0C48419E9757555D7159554C

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.resscapiital.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 and CEO at S.A. Consulting ApS. 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 currently holds the position as chairman of the Board of Directors of KR 649 A/S. Mr. Buskov is a shareholder in the Group.

Board Member Ms Anne Buchardt (born 1969) was elected for the Board of Directors on 30 January 2020. Ms Buchardt is a managing director of Bølgebrus Holding ApS and the chairman of the Board of Directors of Danske Invest Management A/S. Ms Buchardt does not hold any shares 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.

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



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, DFS Real Estate A/S and DFS Holding A/S 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, financial risk, 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 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 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 is therefore considered to have equal representation of genders at the Board of Directors, as per guidance from the Danish Business authorities.

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 2024 – 30 June 2024	1 January 2023 – 30 June 2023
	Staff costs	-53,316	-43,661
3	Other operating costs	-3,734,688	-4,339,378
	Operating loss	-3,788,004	-4,383,039
4	Financial income	14,629,183	3,630,258
	Financial expenses	-18,635	-28,152
	Profit (loss) before tax	10,822,544	-780,933
	Tax on profit for the period	0	0
	Profit (loss) for the period	10,822,544	-780,933
	Other comprehensive income	0	0
	Comprehensive income	10,822,544	-780,933
Earnings per share, USD			
	Weighted average no. of shares outstanding	171,354	165,725
	Earnings per share (basic and diluted)	63.16	-4.71



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

Consolidated statement of financial position

Note	USD	30 June 2024	31 December 2023
	ASSETS		
	Non-current assets		
	Financial assets		
5	Other investments	284,272,536	356,920,259
		284,272,536	356,920,259
	Total non-current assets	284,272,536	356,920,259
	Current assets		
	Receivables		
	Prepayments	77,882	29,576
		77,882	29,576
5	Other investments	54,607,030	4,936,925
		54,607,030	4,936,925
	Cash and cash equivalents	11,182,462	11,401,026
	Total current assets	65,867,373	16,367,527
	TOTAL ASSETS	350,139,909	373,287,786
	EQUITY AND LIABILITIES		
	Equity		
	Contributed capital	100,411,111	99,460,162
	Retained earnings	244,004,958	268,129,877
	Total equity	344,416,069	367,590,039
	Current liabilities		
	Other payables	5,723,840	5,697,747
	Total liabilities	5,723,840	5,697,747
	TOTAL EQUITY AND LIABILITIES	350,139,909	373,287,786

- 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

USD	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	95,612,994	291,884,607	387,497,601
Comprehensive income for the period	0	-780,933	-780,933
Capital increase	3,847,168	13,401,315	17,248,483
Transactions with shareholders*	0	-32,846,208	-32,846,208
Equity at 30 June 2023	99,460,162	271,658,781	371,118,943
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
Equity at 30 June 2024	100,411,111	244,004,958	344,416,069

*Transactions with shareholders include repurchase of shares (2023: Repurchase of shares and resale of treasury shares).

During the period, the Group issued a net quantity of 1,721 (1 Jan – 30 Jun 2023: 7,193) new ordinary shares of EUR 500 nominal value per share and with a total share premium of USD 3,244 (1 Jan – 30 Jun 2023: 13,401) thousand from shares issued during the period. The Group holds 34,493 (1 Jan – 30 Jun 2023: 14,831) treasury shares at 30 June 2024.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
5CB3C5BB0C48419E9757555D7159554C

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

Consolidated statement of cash flows

Note	USD	1 January 2024 – 30 June 2024	1 January 2023 – 30 June 2023
	Profit before tax	10,822,544	-780,933
	Change in current liabilities	26,093	-854,910
	Change in receivables	-48,306	-31,182
	Unrealised financial income	-12,989,614	-2,597,552
	Cash flows from operating activities	-2,189,283	-4,259,793
	Additions of financial assets	-183,611,194	-100,903,715
	Premium payments	-14,293,550	-17,747,807
	Premium refunds	26,930	75,958
	Disposal proceeds and maturities	233,845,046	130,635,123
	Cash flows from investing activities	35,967,232	12,059,559
	Capital increase	4,194,731	17,248,483
	Redemption of shareholders	-38,191,245	-33,872,085
	Resale of treasury shares	0	1,025,877
	Cash flows from financing activities	-33,996,514	-15,597,725
	Net cash flows from operating, investing, and financing activities	-218,564	-7,802,743
	Cash and cash equivalents at 1 January	11,401,026	17,481,812
	Cash and cash equivalents at 30 June	11,182,462	9,679,068
Additional information on operational cash flows from interest and dividends			
	Interest paid	0	0
	Interest received	1,255,547	733,872
	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 2024 – 30 June 2024 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 annual report 2023.

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

USD	1 January 2024 – 30 June 2024	1 January 2023 – 30 June 2023
Accounting and audit	181,928	193,033
Company and share related costs including insurances	168,725	164,440
Company legal fees	115,070	236,910
Policy legal fees	131,417	181,566
Policy Management and custody	289,399	514,767
Depository fees	143,618	149,515
Management fees	2,704,531	2,899,147
	3,734,688	4,339,378



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

Notes to the consolidated financial statements (continued)

4 Financial income

USD	1 January 2024 – 30 June 2024	1 January 2023 – 30 June 2023
Exchange rate adjustments	18,660	13,233
Fair value adjustments of other investments	13,350,811	2,883,153
Interest received	1,259,712	733,872
	14,629,183	3,630,258

5 Financial risks and financial instruments

Other investments

USD	30 June 2024	31 December 2023
Treasury bills	54,607,030	4,936,925
Investment in other investment companies	18,051	6,716
Life insurance policies	284,254,484	356,913,543
	338,879,565	361,857,184

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 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 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.



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

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.

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 opinion 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 2024 was 11.09 %.

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.



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 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.

The following table analyses within the fair value hierarchy the Group’s financial assets are measured at fair value at 30 June 2024. All fair value measurements disclosed are recurring fair value measurements.

USD	Level 1	Level 2	Level 3
Financial Assets			
Treasury bills	54,607,030	0	0
Investment in other investment companies	0	18,051	0
Life insurance policies	0	0	284,254,484
Total	54,607,030	18,051	284,254,484

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:

USD	1 January 2024 – 30 June 2024	1 January 2023 – 30 June 2023
Opening balance	356,913,543	341,983,390
Additions	4,175,914	9,864,002
Premium payments	14,293,550	17,747,807
Premium refunds	-26,930	-75,958
Sales and maturities	-103,995,353	-35,756,547
Fair value adjustment	12,893,760	2,598,640
Closing balance	284,254,484	336,361,334



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 arise 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 2024			31 December 2023		
	Policies	Fair value	% of NAV	Policies	Fair value	% of NAV
A++	25	26,302,844	7.6%	37	39,357,192	10.7%
A+	185	113,593,883	33.0%	240	140,417,373	38.2%
A	161	123,496,950	35.9%	218	153,704,500	41.8%
A-	2	313,799	0.1%	4	965,948	0.3%
B++	16	17,896,480	5.2%	17	16,362,258	4.5%
B-	2	1,066,391	0.3%	6	4,583,866	1.2%
C++	7	1,584,138	0.5%	9	1,522,406	0.4%
Total	398	284,254,484	82.5%	531	356,913,543	97.1%

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 2024			31 December 2023		
	Policies	Face value	% Weight	Policies	Face value	% Weight
Female	70	153,594,997	13.1%	101	197,173,344	14.0%
Male	279	713,241,729	60.9%	377	883,346,060	63.0%
Joint	49	304,110,128	26.0%	53	322,860,128	23.0%



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>	30 June 2024			31 December 2023		
	Policies	Face value	% Weight	Policies	Face value	% Weight
<65	25	63,230,157	5.4%	40	124,840,157	8.9%
65-69	53	161,179,296	13.8%	68	172,259,296	12.3%
70-74	78	277,632,583	23.7%	98	278,241,870	19.8%
75-79	70	231,282,934	19.8%	102	285,170,314	20.3%
80-84	80	198,484,796	17.0%	89	195,964,764	14.0%
85-89	49	119,914,308	10.2%	64	155,213,962	11.1%
90-94	31	99,235,605	8.5%	50	159,001,995	11.3%
95<	12	19,987,175	1.7%	20	32,687,175	2.3%

Life Expectancy estimate

	Policies	Face value	% Weight	Policies	Face value	% Weight
< 2	17	25,677,175	2.2%	17	24,782,743	1.8%
2-3	30	51,216,310	4.4%	54	87,918,008	6.3%
4-5	63	126,292,969	10.8%	82	196,928,975	14.0%
6-7	45	133,429,537	11.4%	67	156,329,655	11.1%
8-9	47	144,613,437	12.4%	65	179,613,437	12.8%
10-11	49	137,493,478	11.7%	54	129,744,993	9.2%
12-15	70	276,602,082	23.6%	90	214,189,554	15.3%
16-	77	275,622,167	23.5%	102	413,872,167	29.5%

Spreads of face value for the individual contracts

	Policies	Face value	%Weight	Policies	Face value	% Weight
100,000-250,000	16	2,795,500	0.2%	35	6,950,000	0.5%
250,001-500,000	38	16,970,399	1.4%	65	28,748,108	2.0%
500,001-1,000,000	104	96,969,847	8.3%	154	142,445,730	10.2%
1,000,001-2,000,000	88	159,847,417	13.7%	100	180,181,285	12.8%
2,000,001-3,000,000	44	120,622,959	10.3%	51	138,144,377	9.8%
3,000,001-5,000,000	54	244,606,130	20.9%	62	279,933,330	19.9%
5,000,001-10,000,000	42	330,709,660	28.2%	52	421,511,760	30.0%
10,000,001-15,000,000	6	80,144,785	6.8%	5	62,144,785	4.4%
15,000,001-	6	118,280,157	10.1%	7	143,280,157	10.2%



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)

Sensitivity analysis

The sensitivity of the valuation result from 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 outflows consist of scheduled premium payments.

Discount rate sensitivity

The discount rate sensitivity analysis has been performed around weighted (by face value) average discount rate across the portfolio.

USD	30 June 2024			
Discount rate	10%	12%	14%	16%
Value of portfolio	306m	264m	230m	204m
% of total face amount	25.9%	22.3%	19.5%	17.3%
Impact in profit and loss (and equity)	22m	-20m	-54m	-80m

USD	31 December 2023			
Discount rate	10%	12%	14%	16%
Value of portfolio	386m	335m	295m	263m
% of total face amount	27.2%	23.6%	20.8%	18.5%
Impact in profit and loss (and equity)	29m	-22m	-62m	-94m

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 of one month on the entire portfolio.

USD	30 Jun 2024	31 Dec 2023
Impact on value of portfolio	4,500,105	5,543,448
Increment as percentage of face value	0.38%	0.39%



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

Notes to the consolidated financial statements (continued)

6 Related parties

Related parties with whom the Group has transacted:

Name of related party	Nature of transactions
Resscapital AB	AIF Management fees
Board of Directors	Board remuneration
Executive Board	Remuneration

Transactions with related parties comprise:

USD	1 January 2024 - 30 June 2024	1 January 2023 - 30 June 2023
Resscapital AB	2,737,021	2,915,003
Board of Directors	28,462	74,753
Executive Board	24,854	13,268
	2,790,337	3,003,024

Outstanding balances are as of 30 June 2024.

USD	30 June 2024	31 December 2023
Resscapital AB	432,152	466,103
Board of Directors	28,350	29,545
Executive Board	0	0
	460,502	495,648

