

# List of Signatures

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**FINAL\_DLC KS\_Annual report 2022.pdf**

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# Direct Life Capital K/S

C/O Citco (Denmark) ApS  
Nybrogade 12, 1203 Copenhagen K

CVR no. 42 32 06 33

## Annual report 2022

Approved at the Company's annual general meeting on 20 June 2023

Chair of the meeting:

.....  
Søren Andersen



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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Direct Life Capital K/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 20 June 2023  
Executive Board:

.....  
Michael Hovard Ekmann  
CEO

Board of Directors:

.....  
Søren Andersen  
Chairman

.....  
Jeppe Buskov

.....  
Anne Buchardt

.....  
Ketil Poul Petersen



## Independent auditor's report

To the shareholders of Direct Life Capital K/S

### Opinion

We have audited the financial statements of Direct Life Capital K/S for the financial year 1 January - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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. 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 the 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 skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



## Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Company'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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 20 June 2023  
DELOITTE STATS AUTORISERET REVISIONSPARTNERSELSKAB  
CVR no. 33 96 35 56

Rikke Frydkjær Petersen  
State Authorised Public Accountant  
mne46616



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## Management's review

### Company details

Name	Direct Life Capital K/S
Address, Postal code, City	C/O Citco (Denmark) ApS Nybrogade 12, 1203 Copenhagen K
CVR no.	42 32 06 33
Established	12 April 2021
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	<a href="http://www.resscapiatal.com">www.resscapiatal.com</a>
Board of Directors	Søren Andersen, Chairman Jeppe Buskov Anne Buchardt Ketil Poul Petersen
Executive Board	Michael Hovard Ekmann, CEO
General Partner	Direct Life Capital GP ApS
Auditors	DELOITTE STATSATORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6, 2300 København S

### Management commentary

#### Business review

Direct Life Capital K/S (the Company) was founded in April 2021 as a Limited Partnership. The general partner is Direct Life Capital Gp ApS, and the limited partner is the alternative investment fund Ress Life Investments A/S.

The Company's objects are to invest the Limited Partnership's funds in assets ensuring exposure to American life insurance policies. The Company has signed a Securities Account Control and Custodian Agreement (SACCA) with Wilmington Trust N.A in the United States to act as Securities Intermediary and Custodian. Wilmington Trust also serves as Escrow Agent and Premium Paying Agent. The Company has also signed a control agreement with Artha Fondsmæglerselskab A/S in Denmark for control and reconciliation of cash accounts and policy transactions.

The Company cooperates with Berkshire Settlements Inc. in purchasing American Life Insurance policies and has made nine investments as at 31 December 2022.

#### Recognition and measurement uncertainties

The 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.

The areas that involve a higher degree of assessments or complexity, or areas where assumptions and estimates are significant to the financial statements, are listed below. When preparing the annual report, management makes a number of accounting assessments that form the basis for the presentation, recognition and measurement of the Company's assets and liabilities. The most significant estimates made by management in connection with the recognition and measurement of these assets and liabilities.

- Impairment of financial assets



## Management's review

### Financial review

The income statement for 2022 shows a profit of USD 37,924 against a loss of USD 29,624 last year, and the balance sheet at 31 December 2022 shows equity of USD 3,008,300. Management considers the Company's financial performance in the year satisfactory.

### Unusual matters having affected the financial statements

There have been no unusual circumstances that have materially affected the annual report.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



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## Financial statements 1 January - 31 December

### Income statement

Note	USD	2022 12 months	2021 9 months
	Gross profit/loss	-81,970	-29,546
4	Financial income	127,731	743
	Financial expenses	-7,837	-821
	<b>Profit/loss for the year</b>	<b>37,924</b>	<b>-29,624</b>
<b>Recommended appropriation of profit/loss</b>			
	Retained earnings/accumulated loss	37,924	-29,624
		<b>37,924</b>	<b>-29,624</b>



## Financial statements 1 January - 31 December

### Balance sheet

Note	USD	2022	2021
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
5	<b>Financial assets</b>		
	Other investments	1,352,438	195,000
		<u>1,352,438</u>	<u>195,000</u>
	<b>Total non-current assets</b>	<u>1,352,438</u>	<u>195,000</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Other receivables	843,385	1,904,969
	Prepayments	14,713	0
		<u>858,098</u>	<u>1,904,969</u>
	<b>Cash</b>	<u>850,304</u>	<u>6,018</u>
	<b>Total current assets</b>	<u>1,708,402</u>	<u>1,910,987</u>
	<b>TOTAL ASSETS</b>	<u>3,060,840</u>	<u>2,105,987</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	3,000,000	2,100,000
	Retained earnings	8,300	-29,624
	<b>Total equity</b>	<u>3,008,300</u>	<u>2,070,376</u>
	<b>Liabilities</b>		
	<b>Current liabilities</b>		
	Trade payables	52,540	35,611
	<b>Total current liabilities</b>	<u>52,540</u>	<u>35,611</u>
	<b>Total liabilities</b>	<u>52,540</u>	<u>35,611</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,060,840</u>	<u>2,105,987</u>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Staff costs
- 6 Related parties



## Financial statements 1 January - 31 December

### Statement of changes in equity

USD	Share capital	Retained earnings	Total
Equity at 12 April 2021	2,100,000	0	2,100,000
Transfer through appropriation of loss	0	-29,624	-29,624
<b>Equity at 1 January 2022</b>	<b>2,100,000</b>	<b>-29,624</b>	<b>2,070,376</b>
Capital increase	900,000	0	900,000
Transfer through appropriation of profit	0	37,924	37,924
<b>Equity at 31 December 2022</b>	<b>3,000,000</b>	<b>8,300</b>	<b>3,008,300</b>



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Direct Life Capital K/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### Reporting currency

The financial statements are presented in US Dollars (USD) as the Company's functional currency is USD. At the balance sheet date, the DKK/USD exchange rate was 697.22.

### Income statement

#### Gross profit/loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Financial assets

##### Other investments

The Company classifies its investments in securities and life settlement contracts as financial assets at cost price.

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.

Subsequent to initial recognition, all financial assets are measured at cost. Gains and losses arising from sales 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. Impairments of financial assets are recognised as financial expenses.

##### Impairment of non-current assets

The carrying amount of financial assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment.

The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

##### Other payables

Other payables are measured at net realisable value.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Recognition and measurement uncertainties

The 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.

The areas that involve a higher degree of assessments or complexity, or areas where assumptions and estimates are significant to the financial statements, are listed below. When preparing the annual report, management makes a number of accounting assessments that form the basis for the presentation, recognition and measurement of the Company's assets and liabilities. The most significant estimates made by management in connection with the recognition and measurement of these assets and liabilities, are the following:

- ▶ Impairment of financial assets

#### 3 Staff costs

	2022	2021
Average number of full-time employees	0	0

The Company has no employees.  
The Board and Management have not received any remuneration.

#### 4 Financial income

Other interest income	10,630	743
Exchange gain	11,247	0
Gain on the sale of financial assets	105,854	0
	<u>127,731</u>	<u>743</u>

#### 5 Financial assets

USD	Other investments
Cost at 1 January 2022	195,000
Additions and premium payments	1,566,873
Disposals and maturities	-409,435
Cost at 31 December 2022	<u>1,352,438</u>
Value adjustments at 1 January 2022	0
Carrying amount at 31 December 2022	<u>1,352,438</u>



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Related parties

Direct Life Capital K/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Ress Life Investments A/S	Copenhagen	Parent company

##### Significant influence

Related party	Domicile	Basis for significant influence
Direct Life Capital GP ApS	Copenhagen	General Partner

##### Information about consolidated financial statements

Parent	Domicile
Ress Life Investments A/S	Copenhagen

##### Related party transactions

Direct Life Capital K/S was engaged in the below related party transactions:

USD	2022	2021
Ress Life Investments A/S, capital increase	900,000	2,100,000
Direct Life Capital GP ApS, compensation	-387	-305
Payables to Direct Life Capital GP ApS at year-end:	6,124	6,397

