

Corporate Announcement no. 57/2017: Half-Year Report 1 October 2016 – 31 March 2017  
Copenhagen, 24 May 2017

The Board of Directors and the Management have today discussed and approved the Half-Year Report of Ress Life Investments A/S for the period 1 October 2016 – 31 March 2017.

- During the financial period, the Company was moved to the Nasdaq Nordic Alternative Investment Fund Market, and the Company's ticker changed to 'RLAINV'. The ISIN and historical net asset values reported remain unchanged.
- Ress Life Investments A/S realised a net profit before and after tax of USD 4,789,502 for the period 1 October 2016 – 31 March 2017. The net profit for the period corresponds to a net return on equity of 5.52 % and an increase in net asset value of USD 90.07 per share.
- The profit before tax mainly relates to positive fair value adjustments offset by administrative expenses and staff costs.
- The fair value of the Company's investment assets increased from USD 72,696,310 at 30 September 2016 to USD 82,653,631 at 31 March 2017.
- Equity stands at USD 86,725,564 as of 31 March 2017, corresponding to a net asset value of USD 1,628.04 per share compared with a net asset value of USD 1,537.97 at 30 September 2016.
- During the period, 1,647 new ordinary shares were issued.
- Both increasing investments and the expectations that the life settlements market continues to offer attractive returns enables Management to take a positive view on full-year profits.

Questions related to this announcement can be made to the Company's AIF-manager, Resscapital AB, Jonas Mårtenson, telephone: (+46) 8 545 282 09, or to the Company's Chairman Helle M. Breinholt, email: [hmb@breinholt-consulting.dk](mailto:hmb@breinholt-consulting.dk).

Yours sincerely

Ress Life Investments A/S  
The Board of Directors

# Ress Life Investments A/S

## Half-Year Report

For the period 1 October 2016 - 31 March 2017

Holbergsgade 14, 2. tv., DK-1057 Copenhagen K

Corporate Announcement no. 57/2017, 24 May 2017

CVR NO. 33 59 31 63

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## Statement by the Board of Directors and Management

The Board of Directors and the Management have today discussed and approved the Half-Year Report of Ress Life Investments A/S for the period 1 October 2016 – 31 March 2017. The Half-Year report has not been subject to audit or review.

The Half-Year Report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by EU and Danish disclosure requirements for listed companies.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2017 and of the results of the Company's operations and cash flows for the period 1 October 2016 – 31 March 2017.

Further, in our opinion, the Directors' report includes a fair review of the development in the Company's activities and financial conditions, the result for the period, cash flows and financial position as well as the most significant risks and uncertainties that the Company faces.

Copenhagen, 24 May 2017  
Management:

.....  
Ole Meier Sørensen

Board of Directors:

.....  
Helle Marianne Breinholt  
Chairman of the Board

.....  
Jack Austern

.....  
Jeppe Buskov

## Directors' report

### Development in the Company's activities and financial position

During the financial period, the Company was moved to the Nasdaq Nordic Alternative Investment Fund Market, and the Company's ticker changed to 'RLAINV'. The ISIN and historical net asset values reported remain unchanged.

The fair value of the investment in Master Fund units increased from USD 72,696 thousand at 30 September 2016 to USD 82,654 thousand at 31 March 2017. The fair value of the fund units is calculated by the Fund Manager (Resscapital AB in Sweden) based on life expectancy and insurance premium outlooks and other such factors. The increase in fair value recorded during the period is both due to conversion of receivables of USD 5,000 thousand to additional fund units, and fair value adjustments of USD 4,957 thousand.

During the period, the Company issued a net quantity of 1,647 new ordinary shares of EUR 500 nominal value per share and with a total share premium of USD 881 thousand of shares issued during the period. The Company holds 513 treasury shares at period end.

### Result for the period

During the period, the net asset value of the Company has increased from USD 1,537.97 per share to USD 1,628.04 per share at 31 March 2017. The increase in the net asset value is in accordance with Management's expectations as expressed in the 2015/16 annual report. The Half-Year Report shows an increase in comprehensive income from USD 4,790 thousand for the current period compared with USD 1,595 thousand for the period 1 October 2015 – 31 March 2016. Management considers the result of the period to be satisfactory.

### Outlook

The assets of the Company have grown considerably during the period. The outlook for further growth is positive and the Fund Manager has communicated to the Company that it expects to continue increasing the assets. The net asset value per share of the Company is also expected to gradually increase as more insurance policies are acquired, insured individuals are getting older and policy payouts increase.

Due to the nature of the Company and its investments it is not possible to estimate the level of expected future profits.

### Unusual circumstances

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

### Risks and uncertainties

The Company's most significant risks and uncertainties remain unchanged from the annual report, to which we refer. However, insurance carriers have continued to publicly announce increased cost of insurance during 2017.

## Directors' report

### Events after the balance sheet date

There are no events after the balance sheet date affecting the Half-Year Report.

### Development in the master fund

Ress Life Investments A/S acts as a feeder fund and owns fund units issued by Ress Uncorrelated Asset Fund – Ress Life Sub-Fund in Luxembourg (the "Master Fund"). The Master Fund invests in US life insurance policies and owns a diversified life insurance portfolio.

As of 31 March 2017, the Master Fund owned 214 policies issued by 52 different US life insurance companies. The total face value of the policies exceeds USD 430 million.

During first half of the fiscal year 2016-2017, 2 policies with a combined face value of USD 5.3 million paid out. Maturities during the first half of the fiscal year exceeded expectations in terms of absolute amounts in US dollars.

The actual number of maturities is in line with expected maturities, but the average size of maturing policies has previously been below average policy size. The Fund Manager believes this is due to the fact that the number of policies in the Master Fund is still not large enough to minimize volatility in maturities. The portfolio is still growing and therefore the volatility in actual-to-expected ratios is expected to gradually decrease as the number of policies in the portfolio increases.

### Performance attribution

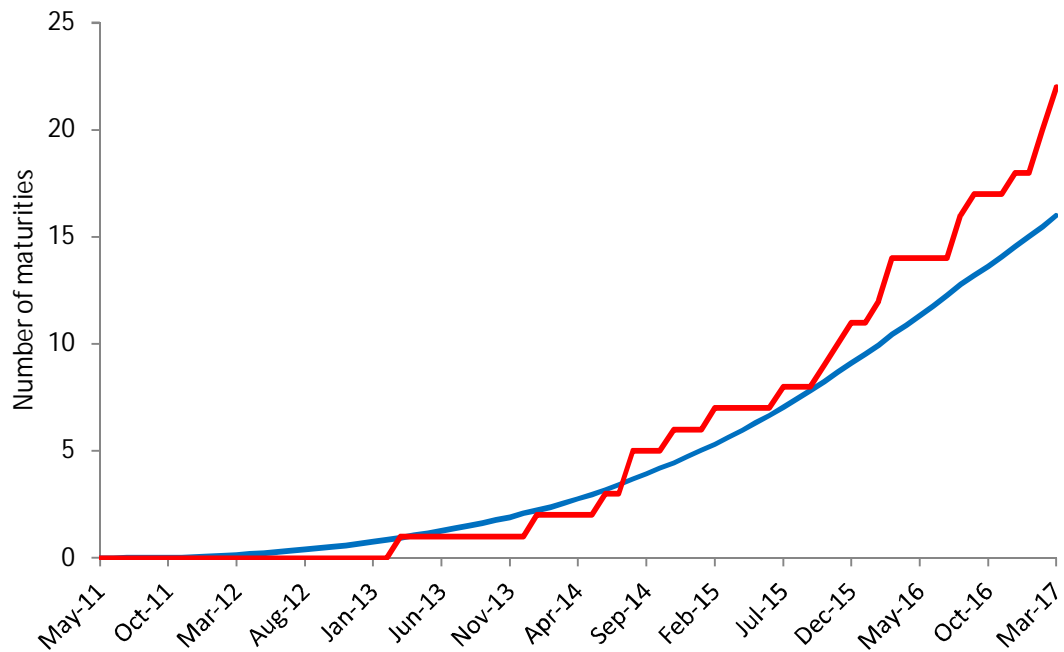
The table below shows the estimated performance attribution for 2016 as well as Q1 2017.

Performance 2017-03-31	2016	2017 Ytd
Realised (Maturities & sold policies)	2.45%	5.86%
Aging effect	3.96%	0.76%
Mtm-adjustment (Change in discount rates)	0.27%	0.68%
Life Expectancy Updates	0.06%	0.01%
Premium prepayments	-0.31%	-0.01%
Premium optimization	-0.15%	0.21%
COI increases	-0.66%	-0.25%
Gross portfolio performance	5.63%	7.26%
Investment factor effect	-0.18%	-0.24%
Net portfolio performance	5.45%	7.02%
Master Fund Costs	-2.26%	-1.28%
Feeder Fund Costs	-0.48%	-0.41%
FX	0.00%	0.00%
Interest	-0.03%	-0.01%
Other	-0.02%	0.00%
Net Fund Performance	2.67%	5.32%

## Directors' report

### Realized maturities - actual to expected

Actual to expected figures were in line with expectations. The below graph shows the actual number of matured lives (red) versus expected (blue) as informed by the manager of the Master Fund.



## Financial statements for the period 1 October – 31 March

### Income statement and statement of comprehensive income

Note	USD	1 October 2016 – 31 March 2017	1 October 2015 – 31 March 2016
	Staff costs	-8,495	-16,836
	Other operating costs	-161,330	-166,946
	Operating loss	-169,825	-183,782
	Financial income	4,962,566	1,787,815
	Financial expenses	-3,238	-8,585
	Profit before tax	4,789,502	1,595,448
	Tax on profit for the year	0	0
	Profit for the year	4,789,502	1,595,448
	Comprehensive income	4,789,502	1,595,448

There have been no transactions in other comprehensive income

Earnings per share, USD		
Average number of shares issued	52,703	41,373
Earnings per share	90.44	38.56
Earnings per share, diluted	90.44	38.56



## Financial statements for the period 1 October – 31 March

### Statement of financial position

Note	USD	31 March 2017	30 September 2016	31 March 2016
	ASSETS			
	Non-current assets			
	Financial assets			
	Other investments	82,653,631	72,696,310	64,173,541
	Other receivables	0	5,000,000	1,163,352
		82,653,631	77,696,310	65,336,893
	Total non-current assets	82,653,631	77,696,310	65,336,893
	Current assets			
	Receivables			
	Prepayments	9,906	9,149	1,935
		9,906	9,149	1,935
	Cash and cash equivalents	4,151,517	2,610,963	2,228,710
	Total current assets	4,161,423	2,620,112	2,230,645
	TOTAL ASSETS	86,815,054	80,316,422	67,567,538
	EQUITY AND LIABILITIES			
	Equity			
	Contributed capital	33,191,655	32,320,561	27,693,341
	Share premium	0	0	34,384,125
	Retained earnings	53,533,909	47,863,221	5,414,128
	Proposed dividends	0	0	0
	Total equity	86,725,564	80,183,782	67,491,594
	Current liabilities			
	Other payables	89,490	132,640	75,944
	Total liabilities	89,490	132,640	75,944
	TOTAL EQUITY AND LIABILITIES	86,815,054	80,316,422	67,567,538

- 1 Accounting policies
- 2 Contractual obligations and contingencies, etc.
- 3 Transactions with related parties

## Financial statements for the period 1 October – 31 March

### Statement of changes in equity

USD	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 October 2015	24,882,001	29,342,549	3,818,680	58,043,230
Comprehensive income for the period	0	0	1,595,448	1,595,448
Transactions with shareholders	2,811,340	5,041,576		7,852,916
Equity at 31 March 2016	<u>27,693,341</u>	<u>34,384,125</u>	<u>5,414,128</u>	<u>67,491,594</u>
Equity at 1 October 2016	32,320,561	0	47,863,221	80,183,782
Comprehensive income for the period	0	0	4,789,502	4,789,502
Transactions with shareholders	871,094	0	881,186	1,752,280
Equity at 31 March 2017	<u>33,191,655</u>	<u>0</u>	<u>53,533,909</u>	<u>86,725,564</u>

## Financial statements for the period 1 October – 31 March

### Statement of cash flows

Note	USD	2016/17	2015/16
	Total comprehensive income for the period	4,789,502	1,595,448
	Change in current liabilities	-43,150	-38,440
	Change in receivables	757	-5,674
	Financial income	-4,961,487	-1,787,815
	Financial expenses	2,160	8,585
	Corporation tax paid	0	0
	Cash flows from operating activities	-212,218	-227,896
	Purchase of financial assets	-5,000,000	-6,614,734
	Repayment of other receivables	5,000,000	0
	Interest received	2,104	50,437
	Cash flows from investing activities	2,104	-6,564,297
	Issuance of ordinary shares, net	1,752,280	7,852,916
	Interest paid	-1,613	-3,551
	Cash flows from financing activities	1,750,667	7,849,365
	Net cash flows from operating, investing and financing activities	1,540,554	1,057,172
	Cash and cash equivalents at 1 October	2,610,963	1,171,538
	Cash and cash equivalents at 31 March	4,151,517	2,228,710

## Financial statements for the period 1 October – 31 March

### Notes to the financial statements

#### 1 Accounting policies

The Half-Year report of Ress Life Investments A/S for 2016/17 has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by EU and Danish disclosure requirements for listed companies.

The accounting policies used in the preparation of the financial statements are consistent with those presented in the annual report 2016/17, to which we refer.

The investments classified at fair value held by the Company are measured at fair value based on inputs other than quoted prices, that are observable for the investment, either directly or indirectly (Level 2 of the fair value hierarchy).

#### 2 Contractual obligations and contingencies, etc.

The Company has no contractual obligations or contingent liabilities. Further, the Company has not issued mortgages or bonds or provided collateral for any assets held by the Company, except that the Company has placed its fund units in the Master Fund as security for its credit facility with Carnegie.

#### 3 Related parties

The Company's transactions with related parties are carried out on arms-length conditions. A specification of those parties considered related to the Company is presented in the annual report.