

**GWG WIND DOWN TRUST AND SUBSIDIARY**

*Financial Statements (Unaudited)*

*September 30, 2023*

# GWG WIND DOWN TRUST AND SUBSIDIARY

## BALANCE SHEET (Unaudited)

As of September 30, 2023

	<b>(unaudited)</b>
<b>ASSETS</b>	
Cash	\$ 23,389,431
Restricted Cash - Life Insurance Portfolio	29,557,427
Investment in Life Insurance Policies, at Fair Value	606,015,889
Life Insurance Policy Benefits Receivable	23,313,725
Marketable Securities	400,019,401
Marketable Securities – Litigation Share Reserve	40,000,000
Prepaid Insurance	2,098,919
<b>TOTAL ASSETS</b>	<b>\$ 1,124,394,792</b>
<b>LIABILITIES</b>	
Senior Secured Credit Facility	\$ 604,751,878
Interest Payable	2,133,656
Accounts Payable	8,210,183
Accrued Expenses	2,332,102
Prepaid Transaction Liability	10,000,000
Interestholder Liabilities	1,836,758,220
<b>TOTAL LIABILITIES</b>	<b>\$ 2,464,186,039</b>
Member Capital	(1,339,791,247)
<b>MEMBER'S DEFICIT</b>	<b>\$ (1,339,791,247)</b>
<b>TOTAL LIABILITIES AND MEMBER'S DEFICIT</b>	<b>\$ 1,124,394,792</b>

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**GWG WIND DOWN TRUST AND SUBSIDIARY**

**STATEMENT OF OPERATIONS (Unaudited)**

*Year-to-Date September 30, 2023*

	<u>(unaudited)</u>
<b>REVENUE</b>	
Gain on Life Insurance Policies, net	\$ 7,117,574
Interest and Other Income	78,568
<b>TOTAL REVENUE</b>	<b>\$ 7,196,142</b>
<b>EXPENSES</b>	
<b>Life Insurance Portfolio</b>	
Interest Expense	\$ 12,417,707
Legal and Professional Fees	236,588
Consultant Fees	258,500
Life Expectancy Reports	64,169
<b>Wind Down Trust General and Administrative</b>	
Legal and Professional Fees	1,086,643
Computer and Communications	91,080
Insurance	613,238
Other Expenses	327,768
<b>TOTAL EXPENSES</b>	<b>\$ 15,280,793</b>
<b>OTHER INCOME</b>	
Unrealized Holding Gain (Loss) Marketable Securities	\$ 82,611,541
<b>NET INCOME (LOSS)</b>	<b>\$ 74,526,890</b>

**GWG WIND DOWN TRUST AND SUBSIDIARY****STATEMENT OF CASH FLOWS (Unaudited)***Year-to-Date September 30, 2023*

	<b>(unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Income (Loss)	\$ (8,084,651)
Unrealized Holding Gain (Loss) - Marketable Securities	82,611,541
<b>Net Income (Loss)</b>	<b>\$ 74,526,890</b>
Adjustment to reconcile net income (loss) to net cash flow from operating activities:	
<b>(Increase) decrease in operating assets:</b>	
Policy benefits receivable	(23,313,725)
Prepaid Insurance	(2,098,919)
<b>Increase (decrease) in operating liabilities:</b>	
Accounts payable	8,210,183
Interest payable	2,133,656
Other accrued expenses	2,332,102
<b>Net Cash Flow from Operating Activities</b>	<b>\$ 61,790,187</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Investments in Life Insurance Policies	\$ (613,615,420)
Carrying value of matured life insurance policies	7,599,531
Marketable Securities	(400,019,401)
Marketable Securities – Litigation Share Reserve	(40,000,000)
Prepaid Transaction Liability	10,000,000
<b>Net Cash Flow from Investing Activities</b>	<b>\$ (1,036,035,290)</b>
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Senior Secured Credit Facility Debt Issuance, net	\$ 605,424,078
Payments for issuance of Senior Secured Credit Facility	(672,200)
Issuance of Interestholder Liabilities	1,836,758,220
Issuance of member capital	(1,414,318,137)
<b>Net Cash Flow from Financing Activities</b>	<b>\$ 1,027,191,961</b>
 <b>Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</b>	<b>\$ 52,946,858</b>
 <b>Cash, Cash Equivalents and Restricted Cash:</b>	
Beginning of Period	-
End of Period	<b>\$ 52,946,858</b>

**GWG WIND DOWN TRUST AND SUBSIDIARY**  
**EXPLANATORY NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**September 30, 2023**

**Basis of Presentation**

The accompanying condensed consolidated financial statements as of and for the quarter ended September 30, 2023, included herein have been prepared by the GWG Winddown Trust ("WDT"), without audit. The September 30, 2023, unaudited financial statements include the activity for the period August 1, 2023 (effective date) through September 30, 2023. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted. The WDT believes that the disclosures included herein are adequate so as to make the information presented not misleading.

**Basis of Consolidation**

The unaudited condensed consolidated financial statements include the operations of the GWG Wind Down Trust and its wholly owned subsidiary, Life Recovery Fund, LLC.

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the Trustee and her advisors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Marketable Securities and Marketable Securities Litigation Share Reserve**

The table below, summarizes common shares included in Marketable Securities and Marketable Securities Litigation Share Reserve as of September 30, 2023;

Common Shares Held	August 1, 2023	Changes in Share Count Per		September 30, 2023
		Fluctuations in Published Market Value		
FOXO Technologies, Inc.	4,646,698	-	-	4,646,698
Beneficient Shares	150,653,868	-	3,603,604	154,257,472
Beneficient Litigation Share Reserve (1)	19,047,619	(3,603,604)	-	15,444,015
Total Beneficient Shares	<u>169,701,487</u>			<u>169,701,487</u>

The table below, summarizes published values and mark to market adjustments for the Marketable Securities and Marketable Securities Litigation Share Reserve for the quarter ended September 30, 2023;

Common Shares \$	August 1, 2023 (unaudited)	Unrealized Holding		September 30, 2023 (unaudited)
		Gains (2) (unaudited)	Losses (2) (unaudited)	
FOXO Technologies, Inc	\$ 929,739	\$ -	\$ (437,190)	\$ 492,549
Beneficient Shares	316,478,121	83,048,731	-	399,526,852
Beneficient Litigation Share Reserve (1)	40,000,000	-	-	40,000,000
	<u>\$ 357,407,860</u>	<u>\$ 83,048,731</u>	<u>\$ (437,190)</u>	<u>\$ 440,019,401</u>

(1) The Beneficient Litigation Share Reserve includes \$40,000,000 of Beneficient common shares, held in reserve by the GWG Wind Down Trust, pursuant to Document 1952, filed in TXSB on June 20, 2023.

(2) Share values utilized herein have been derived from published market data. The market values utilized herein are not indicative of the WDT's opinion of value. The WDT will complete its valuation analysis of the Beneficient shares with 180 days of the effective date or no later than January 26, 2024.