

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or Section 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 13, 2024

Abacus Life, Inc.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation  
or organization)

001-39403  
(Commission  
File Number)

85-1210472  
(I.R.S. Employer  
Identification Number)

2101 Park Center Drive, Suite 200  
Orlando, Florida 32835  
(800) 561-4148

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation to the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ABL	The NASDAQ Stock Market LLC
Warrants, each whole warrant exercisable for one share of common stock at an exercise price of \$11.50 per share	ABLLW	The NASDAQ Stock Market LLC
9.875% Fixed Rate Senior Notes due 2028	ABLLL	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition**

On May 13, 2024, Abacus Life, Inc. announced the results of its operations and its financial condition for the quarterly period ended March 31, 2024. The full text of the earnings release is included here as Exhibit 99.1 hereto.

The information contained in this item 2.02 and in the accompanying Exhibits 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly incorporated by specific reference in such filing.

**Item 9.01. Financial Statement and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Exhibit Description</b>
99.1	<a href="#">Earnings Release dated May 13, 2024.</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

**Abacus Life, Inc.**

Date: May 13, 2024

By: /s/ Jay Jackson  
Name: Jay Jackson  
Title: Chief Executive Officer

## ABACUS LIFE REPORTS FIRST QUARTER 2024 RESULTS

*- First Quarter 2024 Total Revenue More Than Doubled Year-over-Year to \$21.5 Million -*

*- Driven by 59% Year-over-Year Growth in Direct-to-Consumer Division -*

**ORLANDO, Fla. – May 13, 2024** – Abacus Life, Inc. (“Abacus” or the “Company”) (NASDAQ: ABL), a pioneering alternative asset manager specializing in longevity and actuarial technology, today reported results for the first quarter ended March 31, 2024.

“We are pleased with our continued momentum, delivering yet another strong quarterly performance due to our relentless execution, and further validating the resiliency and profitability of our business model,” said Jay Jackson, Chief Executive Officer of Abacus. “In addition to our strong growth, we launched our technology subdivision ABL Tech, raised an additional \$25 million from the issuance of our 9.875% Fixed Rate Senior Notes, and continued to repurchase shares. We also strengthened our senior management team with the hiring of Elena Plesco as our new Chief Capital Officer, and appointing Fei Xue to lead our efforts at ABL Wealth. We remain focused and committed to delivering on our key strategic priorities by leveraging our considerable technology and data advantages to further drive shareholder value.”

### **First Quarter 2024 Highlights**

- Total revenue for the first quarter of 2024 more than doubled to \$21.5 million, compared to \$10.3 million in the prior-year period. The increase was primarily driven by higher active management revenue, increased capital deployed and more policies sold directly to third parties.
  - o Total revenue from portfolio servicing segment for the first quarter of 2024 was \$0.2 million, compared to \$0.3 million in the prior-year period.
- Originations capital deployment for the first quarter of 2024 were \$33.3 million, compared to \$34.4 million in the prior-year period; number of policy originations for the first quarter of 2024 grew 6% to 119, compared to 112 in the prior-year period.
- GAAP net loss attributable to shareholders for the first quarter of 2024 was \$1.3 million, compared to GAAP net income attributable to shareholders of \$8.1 million in the prior-year period, primarily driven by higher interest expenses, a non-cash expense related to employee stock compensation of \$5.8 million and public company expenses incurred in the first quarter of 2024 that were not recorded in the prior-year period.
- Adjusted net income for the first quarter of 2024 was \$6.7 million, compared to \$7.6 million in the prior-year period.
- Adjusted EBITDA for the first quarter of 2024 grew 38.1% to \$11.6 million, compared to \$8.4 million in the prior-year period. Adjusted EBITDA margin (a non-GAAP measure) for the first quarter of 2024 was 53.9%, compared to 81.4% in the prior-year period.
- Annualized return on invested capital (ROIC) (a non-GAAP measure defined below) for the first quarter of 2024 was 15%.

- Annualized Return on equity (ROE) (a non-GAAP measure defined below) for the first quarter of 2024 was 16%.

### **Liquidity and Capital**

As of March 31, 2024, the Company had cash and cash equivalents of \$65.4 million, balance sheet policy assets of \$126.9 million and outstanding long-term debt of \$131.4 million.

From the commencement of the Company's \$15 million stock repurchase program previously announced on December 12, 2023 (the "Repurchase Program") through May 6, 2024, Abacus has repurchased 966 thousand shares of its common stock at an average price of \$11.41 on the open market at a total cost of approximately \$11 million. As of May 6, 2024, the Company has \$4 million of availability under the Repurchase Program, which expires on June 10, 2025, unless sooner suspended or discontinued.

### **Webcast and Conference Call**

A webcast and conference call to discuss the Company's results will be held today beginning at 9:00 a.m. (Eastern Time). A live webcast of the conference call will be available on Abacus' investor relations website at [ir.abaculife.com](http://ir.abaculife.com). The dial-in number for the conference call is (877) 407-9716 (toll-free) or (201) 493-6779 (international). Please dial the number 10 minutes prior to the scheduled start time.

A webcast replay of the call will be available at [ir.abaculife.com](http://ir.abaculife.com) for one year following the call.

### **Non-GAAP Financial Information**

Adjusted Net Income, a non-GAAP measure, is defined as net income (loss) attributable to Abacus adjusted for non-controlling interest income, amortization, change in fair value of warrants and non-cash stock-based compensation and the related tax effect of those adjustments. Management believes that Adjusted Net Income is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance. A reconciliation of Adjusted Net Income to Net income attributable to Abacus, the most directly comparable GAAP measure, appears below.

Adjusted EBITDA, a non-GAAP measure, is defined as net income (loss) attributable to Abacus adjusted for depreciation expense, amortization, interest expense, income tax and other non-cash and certain non-recurring items that in our judgement significantly impact the period-over-period assessment of performance and operating results that do not directly relate to business performance within Abacus' control. A reconciliation of Adjusted EBITDA to Net income attributable to Abacus Life, the most directly comparable GAAP measure, appears below.

Adjusted EBITDA margin, a non-GAAP measure, is defined as Adjusted EBITDA divided by Total revenues. A reconciliation of Adjusted EBITDA margin to Net income margin, the most directly comparable GAAP measure, appears below.

Annualized return on invested capital (ROIC), a non-GAAP measure, is defined as Adjusted net income for the quarter divided by the result of Total Assets less Intangible assets, net, Goodwill and Current Liabilities multiplied by four. ROIC is not a measure of financial performance under GAAP. We believe ROIC should be considered in addition to, not as a substitute for, operating income or loss, net income or loss, cash flows provided by or used in operating, investing and financing activities or other income statement or cash flow statement line items reported in accordance with GAAP.

Annualized return on equity (ROE), a non-GAAP measure, is defined as Adjusted net income divided by total shareholder equity multiplied by four. ROE is not a measure of financial performance under GAAP. We believe ROE should be considered in addition to, not as a substitute for, operating income or loss, net income or loss, cash flows provided by or used in operating, investing and financing activities or other income statement or cash flow statement line items reported in accordance with GAAP. The below table presents our calculation of ROE.

### **Forward-Looking Statements**

All statements in this press release (and oral statements made regarding the subjects of this press release) other than historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and factors that could cause actual results to differ materially from such statements, many of which are outside the control of Abacus. Forward-looking information includes but is not limited to statements regarding: Abacus's financial and operational outlook; Abacus's operational and financial strategies, including planned growth initiatives and the benefits thereof, Abacus's ability to successfully effect those strategies, and the expected results therefrom. These forward-looking statements generally are identified by the words "believe," "project," "estimate," "expect," "intend," "anticipate," "goals," "prospects," "will," "would," "will continue," "will likely result," and similar expressions (including the negative versions of such words or expressions).

While Abacus believes that the assumptions concerning future events are reasonable, it cautions that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of its business. The factors that could cause results to differ materially from those indicated by such forward-looking statements include, but are not limited to: the fact that Abacus's loss reserves are based on estimates and may be inadequate to cover its actual losses; the failure to properly price Abacus's insurance policies; the geographic concentration of Abacus's business; the cyclical nature of Abacus's industry; the impact of regulation on Abacus's business; the effects of competition on Abacus's business; the failure of Abacus's relationships with independent agencies; the failure to meet Abacus's investment objectives; the inability to raise capital on favorable terms or at all; the effects of acts of terrorism; and the effectiveness of Abacus's control environment, including the identification of control deficiencies.

These forward-looking statements are also affected by the risk factors, forward-looking statements and challenges and uncertainties set forth in documents filed by Abacus with the U.S. Securities and Exchange Commission from time to time, including the Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and subsequent periodic reports. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Abacus cautions you not to place undue reliance on the forward-looking statements contained in this press release. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Abacus assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Abacus does not give any assurance that it will achieve its expectations.

### **About Abacus**

Abacus is a leading vertically integrated alternative asset manager and market maker, specializing in longevity and actuarial technology. The company is democratizing the life insurance space through three groundbreaking new channels: ABL Tech, ABL Wealth, and ABL Longevity Growth & Income Funds. Since 2004, Abacus has purchased life insurance policies from consumers seeking liquidity and has actively managed those policies over time (via trading, holding, and/or servicing). With over \$5BN in face value of policies purchased, we have helped thousands of clients maximize the value of life insurance. Abacus Life is the only public life settlement company, trading on the Nasdaq Exchange under the ticker symbol ABL.

Over the past 20 years, the company has built an institutionalized origination and portfolio management process that is supported by a 100+ person team, long-term relationships with 78 institutional partners and 30,000 financial advisors, and the ability to operate in 49 states. The Company complies with HIPAA and privacy laws to maintain and protect confidentiality of financial, health, and medical information. Abacus is also proud to be a BBB Accredited Business with an A+ rating.

[www.Abaculife.com](http://www.Abaculife.com)

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## ABACUS LIFE, INC. Condensed Consolidated Balance Sheets

	March 31, 2024 (unaudited)	December 31, 2023
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$65,386,512	\$25,588,668
Equity securities, at fair value	3,403,897	2,252,891
Accounts receivable	2,520,869	2,149,111
Accounts receivable, related party	215,033	79,509
Due from affiliates	760,364	1,007,528
Prepaid expenses and other current assets	2,037,753	699,127
Total current assets	74,324,428	31,776,834
Property and equipment, net	547,561	400,720
Intangible assets, net	28,048,028	29,623,130
Goodwill	140,287,000	140,287,000
Operating right-of-use assets	2,182,681	1,893,659
Life settlement policies, at cost	1,434,444	1,697,178
Life settlement policies, at fair value	125,488,525	122,296,559
Available-for-sale securities, at fair value	1,145,630	1,105,935
Other investments, at cost	1,650,000	1,650,000
Other assets	1,501,036	998,945
Equity securities, at fair value	110,067	96,107
<b>TOTAL ASSETS</b>	<b>\$376,719,400</b>	<b>\$331,826,067</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$15,648,628	\$13,029,632
Accrued expenses	707,159	4,354,225
Operating lease liabilities	232,138	118,058
Due to affiliates	5,236	5,236
Due to former members	1,159,712	1,159,712
Contract liabilities, deposits on pending settlements	667,500	507,000
Other current liabilities	3,797,808	3,400,734
Income taxes payable	1,617,171	751,734
Total current liabilities	23,835,352	23,326,331
Long-term debt, related party	38,794,519	37,653,869
Long-term debt	131,365,988	89,137,013
Operating lease liabilities	2,028,959	1,796,727
Deferred tax liability	9,657,810	9,199,091
Warrant liability	5,696,000	6,642,960
<b>TOTAL LIABILITIES</b>	<b>211,378,628</b>	<b>167,755,991</b>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Class A common stock, \$0.0001 par value; 200,000,000 authorized shares; 63,776,058 and 63,388,823 shares issued at March 31, 2024 and December 31, 2023, respectively	6,378	6,339
Treasury stock - at cost; 778,766 and 146,650 shares repurchased at March 31, 2024 and December 31, 2023, respectively	(8,807,454)	(1,283,062)
Additional paid-in capital	209,889,362	199,826,278
Accumulated deficit	(36,074,880)	(34,726,135)
Accumulated other comprehensive income	120,323	108,373
Non-controlling interest	207,043	138,283
Total stockholders' equity	165,340,772	164,070,076
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$376,719,400</b>	<b>\$331,826,067</b>

## ABACUS LIFE, INC. Condensed Consolidated Statement of Operations

	Three Months Ended	
	March 31,	
	2024	2023
<b>REVENUES:</b>		
Portfolio servicing revenue	\$217,935	\$302,871
Active management revenue	19,796,999	9,970,518
Origination revenue	1,472,250	—
Total revenues	21,487,184	10,273,389
Total cost of revenue	2,720,897	489,550
Gross Profit	18,766,287	9,783,839
<b>OPERATING EXPENSES:</b>		
Sales and marketing	1,929,944	729,004
General and administrative (including stock-based compensation)	11,353,499	696,892
Loss on change in fair value of debt	2,712,627	953,433
Unrealized (gain) on investments	(1,164,966)	(125,220)
Depreciation and amortization expense	1,682,054	1,043
Total operating expenses	16,513,158	2,255,152
Operating Income	\$2,253,129	\$7,528,687
<b>OTHER INCOME (EXPENSE):</b>		
Gain on change in fair value of warrant liability	946,960	—
Interest expense	(3,670,445)	(357,383)
Interest income	421,426	7,457
Other income (expense)	(53,028)	(210,432)
Net (loss) income before provision for income taxes	(101,958)	6,968,329
Income tax expense (benefit)	1,173,513	(656,467)
NET (LOSS) INCOME	(1,275,471)	7,624,796
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	73,274	(460,707)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	(\$1,348,745)	\$8,085,503
<b>(LOSS) EARNINGS PER SHARE:</b>		
(Loss) earnings per share - basic and diluted	(\$0.02)	\$0.16
Weighted-average stock outstanding—basic and diluted <sup>[1]</sup>	63,027,246	50,369,350
NET (LOSS) INCOME	(1,275,471)	7,624,796
<b>Other comprehensive income (loss), net of tax or tax benefit:</b>		
Change in fair value of debt (risk adjusted)	7,436	(112,313)
Comprehensive (loss) income before non-controlling interests	(1,268,035)	7,512,483
Net and comprehensive income (loss) attributable to non-controlling interests	68,760	(487,638)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	(\$1,336,795)	\$8,000,121

[1] The 2023 number of shares outstanding have been retrospectively recast for prior period presented to reflect the outstanding stock of Abacus Life, Inc. as a result of the Business Combination.

## ABACUS LIFE, INC. Adjusted Net Income and Adjusted EPS

	Three Months Ended March 31,	
	2024	2023
Net income attributable to common stockholders	(\$1,348,745)	\$8,085,503
Net income (loss) attributable to noncontrolling interests	73,274	(460,707)
Stock based compensation	6,093,371	—
Amortization expense	1,667,109	—
Gain on change in fair value of warrant liability	(946,960)	—
Tax impact <sup>[1]</sup>	1,165,902	—
Adjusted Net Income	\$6,703,951	\$7,624,796
Weighted-average shares of Class A common stock outstanding - basic and diluted <sup>[2]</sup>	63,027,246	50,369,350
Adjusted EPS - basic and diluted	\$0.11	\$0.15
Adjusted EPS - basic and diluted	\$0.11	\$0.15
Adjusted EPS - diluted	\$0.11	\$0.15

[1] Tax impact represents the permanent difference in tax expense related to the restricted stock awards granted to the CEO due to IRC 162(m) limitations.

[2] The 2023 number of shares outstanding have been retrospectively recast for prior period presented to reflect the outstanding stock of Abacus Life, Inc. as a result of the Business Combination.

## ABACUS LIFE, INC. Adjusted EBITDA

	Three Months Ended March 31,	
	2024	2023
Net (loss) income	(\$1,275,471)	\$7,624,796
Depreciation and amortization expense	1,682,054	1,043
Income Tax	1,173,513	(656,467)
Interest (Expense)	3,670,445	357,383
Other Income (Expenses)	53,028	210,432
Interest Income	(421,426)	(7,457)
Gain on change in fair value of warrant liability	(946,960)	—
Stock based compensation	6,093,371	—
Unrealized loss (gain) on investments	(1,164,966)	(125,220)
Loss on change in fair value of debt	2,712,627	953,433
Adjusted EBITDA	\$11,576,215	\$8,357,943
Adjusted EBITDA Margin	53.9%	81.4%
Net (Loss) Income Margin	-5.9%	74.2%

**ABACUS LIFE, INC. Return on Invested Capital (ROIC)**

	<b>For the Period Ended March 31, 2024</b>
Total Assets	\$376,719,400
Less:	
Intangible assets, net	(28,048,028)
Goodwill	(140,287,000)
Current Liabilities	(23,835,352)
Total Invested Capital	\$184,549,020
Adjusted Net income	<b>\$6,703,951</b>
Adjusted Annualized ROIC	<b>15%</b>

**ABACUS LIFE, INC. Return on Equity (ROE)**

	<b>For the Period Ended March 31, 2024</b>
Total Shareholder Equity	\$165,340,772
Adjusted Net income	<b>\$6,703,951</b>
Adjusted Annualized ROE	<b>16%</b>

