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As filed with the Securities and Exchange Commission on September 29, 2023.

Registration No. 333-274553

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT No. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Abacus Life, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6282**	**85-1210472**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

2101 Park Center Drive, Suite 170
Orlando, Florida 32835
(800) 561-4148
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Jay J. Jackson
Chief Executive Officer
Abacus Life, Inc.
2101 Park Center Drive, Suite 170
Orlando, Florida 32835
(800) 561-4148
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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New York, NY 10016
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 under the Securities Exchange Act of 1934:

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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 7(a)(2)(B) of the Securities Act. ☒

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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This preliminary prospectus relates to a registration statement under the Securities Act of 1933 but is not complete and may be changed. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated September 29, 2023.

PRELIMINARY PROSPECTUS

Up to $60,000,000

% Fixed Rate Senior Notes due 2028

Abacus Life, Inc., a Delaware corporation ("Abacus" or the "Company"), is offering up to $60,000,000 aggregate principal amount of Fixed Rate Senior Notes (the "notes"). The notes will bear interest at the rate of % per annum, payable quarterly in arrears on March 30, June 30, September 30 and December 30 of each year, beginning on December 30, 2023 and ending on the maturity date. The notes will mature on September 30, 2028 (the "maturity date").

The Company may, at its option, redeem the notes in whole or in part at any time or from time to time on or after September 30, 2025 at a redemption price of 100% of the outstanding principal amount of the notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption as further described under "*Description of the Notes—Optional Redemption*." In addition, each holder of the notes may require the Company to repurchase all or a portion of such holder's notes at a purchase price equal to 100% of their principal amount, plus accrued and unpaid interest thereon, if any, to, but excluding, the date of repurchase as further described under *"Description of the Notes-Offer to Repurchase Upon a Change of Control Repurchase Event."* The notes will not be entitled to any sinking fund.

The notes will be senior unsecured obligations of the Company and will rank equal in right of payment to all of the Company's other senior unsecured indebtedness from time to time outstanding (including the Company's $10.5 million Amended and Restated Unsecured Senior Promissory Note, dated as of July 5, 2023). Because the notes will not be secured by any of the Company's assets, they will be effectively subordinated to any future secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness. The notes will be structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries because the notes will be obligations exclusively of the Company and will not be guaranteed by any of the Company's subsidiaries.

The notes will be issued only in registered book-entry form, in minimum denominations of $25 and integral multiples of $25 in excess thereof. The Company intends to list the notes on the Nasdaq Capital Market® ("NASDAQ") within 30 days of the original issue date under the trading symbol " ." Currently, there is no public market for the notes and there can be no assurance that one will develop.

Investing in the notes involves risks. See "*Risk Factors*" beginning on page 10 of this prospectus for a discussion of risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes nor have any of the foregoing authorities determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total[2]
Price to Public[1]		$ 60,000,000
Underwriting discount		
Proceeds, before expenses, to the Company		
Total		$ 60,000,000

(1) Plus accrued interest, if any, from , 2023.

(2) We have granted the underwriters an option to purchase up to an additional $ aggregate principal amount of the notes, solely to cover overallotments, if any, within 30 days from the date of this prospectus. If the underwriters exercise this option in full, the total public offering price will be $, the total underwriting discounts and commissions paid by us will be $, and total proceeds, before expenses, to us will be $.

The underwriters expect to deliver the notes in book-entry only form through the facilities of The Depository Trust Company on or about October , 2023, which is the fifth business day following the pricing of the Notes.

Piper Sandler

The date of this prospectus is , 2023

Neither we nor the underwriters have authorized any other person to provide you with any information other than that contained or incorporated by reference in this prospectus. Neither we nor the underwriters take any responsibility for, or provide any assurance as to the reliability of, any other information that others may give you.

We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. This prospectus does not constitute an offer of, or an invitation on our behalf or on behalf of the underwriters to subscribe for and purchase, any securities, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. You should assume that the information contained in this prospectus is accurate only as of the date on the front of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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Prospectus

INFORMATION ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 (File No. 333-_____). As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement, including its exhibits. Statements contained in this prospectus about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read this prospectus together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in "*Where You Can Find Additional Information*" below. Neither we nor the underwriters have authorized any other person to provide you with any information other than that contained in this prospectus. Neither we nor the underwriters take any responsibility for, or provide any assurance as to the reliability of, any other information that others may give you.

References in this prospectus to "Abacus," "the Company," "we," "us," and "our" refer to Abacus Life, Inc. (formerly known as East Resources Acquisition Company), and not to any of its consolidated subsidiaries, unless otherwise specified or as the context otherwise requires.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements regarding, among other things, the plans, strategies and prospects, both business and financial, of the Company. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements are based on the beliefs and assumptions of the management of the Company. Although the Company believes that its plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, the Company cannot assure you that it will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, and any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "predicts," "projects," "forecasts," "may," "might," "will," "could," "should," "would," "seeks," "plans," "scheduled," "possible," "continue," "potential," "anticipates" or "intends" or similar expressions; provided that the absence of these does not means that a statement is not forward-looking. Forward-looking statements contained in this prospectus include, but are not limited to, statements about the ability of the Company to:

- realize the benefits expected from the previously disclosed business combination (the "Business Combination") and related transactions consummated by the Company on June 30, 2023;
- maintain the listing of the Company on a securities exchange;
- achieve projections and anticipate uncertainties relating to the business, operations and financial performance of the Company, including:
  - expectations with respect to financial and business performance, including financial projections and business metrics and any underlying assumptions thereunder;
  - expectations regarding product development and pipeline;
  - expectations regarding market size;
  - expectations regarding the competitive landscape;
  - expectations regarding future acquisitions, partnerships or other relationships with third parties; and
  - future capital requirements and sources and uses of cash, including the ability to obtain additional capital in the future.
- develop, design and sell services that are differentiated from those of competitors;
- retain and hire necessary employees;
- attract, train and retain effective officers, key employees or directors;
- enhance future operating and financial results;
- comply with laws and regulations applicable to its business;
- stay abreast of modified or new laws and regulations applying to its business, including privacy regulation;
- anticipate the impact of, and response to, new accounting standards;
- anticipate the significance and timing of contractual obligations; and
- maintain key strategic relationships with partners and customers.

SUMMARY

This summary highlights selected information included in this prospectus and does not contain all of the information that may be important to you. You should read the entire prospectus and the other documents to which we refer before you decide to invest.

Overview of the Company

Abacus Life, Inc. is composed of two principal operating subsidiaries, Abacus Settlements, LLC ("Abacus Settlements") and Longevity Market Assets, LLC ("LMA"). These principal operating subsidiaries comprise a leading vertically integrated alternative asset manager specializing in investing in inforce life insurance products throughout the lifecycle of a life insurance policy. As an alternative asset manager, the Company focuses on originating, holding and servicing life insurance policies. The Company purchases life insurance policies from consumers seeking liquidity and actively manages those policies over time (via trading, holding and/or servicing). To date, the Company has purchased over $2.9 billion in policy value and has helped thousands of clients maximize the value of their life insurance policies.

The mailing address of the Company's principal executive office is 2101 Park Center Drive, Suite 170, Orlando, Florida 32835 and the telephone number of the Company's principal executive office is 800-561-4148.

Summary of Historical Financial Data for LMA

The summary of historical statements of income data of LMA for the years ended December 31, 2022 and 2021 and the historical balance sheet data as of December 31, 2022 and December 31, 2021 are derived from LMA's audited financial statements included elsewhere in this prospectus. The summary historical statements of income data of LMA for the six months ended June 30, 2023 and 2022 and the balance sheet data as of June 30, 2023 and 2022 are derived from LMA's unaudited interim condensed financial statements included elsewhere in this prospectus.

LMA's historical results are not necessarily indicative of the results that may be expected in the future. The information below is only a summary and should be read in conjunction with the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the financial statements, and the notes and schedules related thereto, which are included elsewhere in this prospectus.

	As of and for the six months ended June 30, 2023	As of and for the six months ended June 30, 2022	As of and for the year ended December 31, 2022	As of and for the year-ended December 31, 2021
Statement of Income Data:				
Total revenue	$ 21,584,974	$ 18,276,299	$ 44,713,553	$ 1,199,986
Total cost of revenue	1,462,950	2,086,075	6,245,131	735,893
Gross profit	20,122,024	16,190,224	38,468,422	464,093
Sales, general, administrative, and depreciation	2,689,417	2,298,344	3,666,826	597,702
Change in fair value of debt	2,398,662	375,513	90,719	—
Unrealized loss on investments	(798,156)	1,054,975	1,045,623	—
Income (loss) from operations	15,832,101	12,461,392	33,665,255	(133,609)
Other (expense) income Other (expense)	(21,651)	(242,247)	(347,013)	—
Interest (expense)	(941,458)	—	(42,798)	—
Interest income	7,457	—	1,474	—
Total other (expense)	(955,652)	(242,247)	(388,337)	—
Income (loss) before income taxes	14,876,449	12,219,145	33,276,917	(133,609)
Provision for Income taxes (benefit)	(528,104)	(296,806)	889,943	—

	As of and for the six months ended June 30, 2023	As of and for the six months ended June 30, 2022	As of and for the year ended December 31, 2022	As of and for the year-ended December 31, 2021
Less: Net Income (Loss) attributable to Noncontrolling Interest	(487,303)	406,641	—	—
Net and Comprehensive Income (loss)	$ 14,835,648	$ 11,515,698	$ 32,386,975	$ (133,609)
Balance Sheet Data:				
Total assets	$ 277,334,437	$ 22,933,083	$ 59,094,847	$ 1,840,218
Total liabilities	116,835,522	10,626,292	30,945,150	1,073,325
Total members' equity	160,498,915	12,306,791	28,149,697	766,893

Summary of Historical Financial Data for Abacus Settlements

The summary historical statements of income data of Abacus Settlements for the years ended December 31, 2022 and 2021 and the historical balance sheet data as of December 31, 2022 and December 31, 2021 are derived from Abacus Settlement's audited financial statements included elsewhere in this prospectus. The summary historical statements of income data of Abacus Settlements for the three months ended June 30, 2023 and 2022 and the balance sheet data as of June 30, 2023 and 2022 are derived from our unaudited interim financial statements included elsewhere in this prospectus.

Abacus Settlement's historical results are not necessarily indicative of the results that may be expected in the future. The information below is only a summary and should be read in conjunction with the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the financial statements, and the notes and schedules related thereto, which are included elsewhere in this prospectus.

	As of and for the six months ended June 30, 2023	As of and for the six months ended June 30, 2022	As of and for the year ended December 31, 2022	As of and for the year-ended December 31, 2021
Statement of Income Data:				
Total revenue	$ 13,184,676	$ 13,014,664	$ 25,203,463	$ 22,592,144
Total cost of revenue	9,293,303	8,787,625	16,561,005	14,205,341
Gross profit	3,891,373	4,227,039	8,642,458	8,386,803
Operating Expenses	4,854,177	3,954,346	8,686,590	7,449,688
Income (loss) from operations	(962,804)	272,693	(44,132)	937,115
Other (expense) income				
Interest income	1,917	1,147	2,199	10,870
Interest (expense)	(11,725)	—	(8,817)	—
Consulting income	—	—	273	50,000
Other income	—	273	—	630
Total other (expense) income	(9,808)	1,420	(6,345)	61,500
Income (loss) before income taxes	(972,612)	274,113	(50,477)	998,615
Provision for Income taxes.	2,289	1,325	2,018	1,200
Net income (loss)	$ (974,901)	$ 272,788	$ (52,495)	$ 997,415
Balance Sheet Data:				
Total assets	—	$ 3,666,138	$ 3,215,812	$5,291,997
Total liabilities	—	1.330.224	1,204,675	2,569,002
Total members' equity	—	2.335.914	2,011,137	2,722,995

Risk Factors Summary

- The notes will be unsecured and therefore are effectively subordinated to any secured indebtedness we have incurred or may incur in the future.
- The notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.
- The indenture under which the notes are issued contains limited protection for holders of the notes.
- There is no existing trading market for the notes, and, even if NASDAQ approves the listing of the notes, an active trading market for the notes may not develop, which could limit your ability to sell the notes or the market price of the notes.
- We may choose to redeem the notes when prevailing interest rates are relatively low.
- An increase in interest rates could result in a decrease in the fair value of the notes.
- A downgrade, suspension or withdrawal of any credit rating assigned by a rating agency to us or the notes or change in the debt markets could cause the liquidity or market value of the notes to decline significantly.
- If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.
- We may not be able to repurchase the notes upon a Change of Control Repurchase Event.
- The Company has entered into certain credit agreements. Each of these agreements limit the Company's ability to enter into further credit facilities or take on additional debt which could result in additional financial strain on the Company.
- The Company's valuation of certain life insurance policies is tied to their actual maturity date and any erroneous valuations could have a material adverse impact on the Company's business.
- The Company could fail to accurately forecast life expectancies. There may also be changes to life expectancies generally, which could result in a lower return on the Company's life settlement policies.
- The Company's policy acquisitions are limited by the market availability of life insurance policies that meet the Company's eligibility criteria and purchase parameters; failure to secure a sufficient number of quality life insurance policies could have a material adverse effect on the Company's business.
- The Company may experience increased competition from originating life insurance companies, life insurance brokers, and investment funds which could adversely affect the Company's business.
- Historically, there has been a negative public perception of the life settlement industry that could affect the value and/or liquidity of the Company's investments and the life settlement industry faces political opposition from life insurance companies which could adversely affect the Company's business.
- The Company or third parties the Company relies upon could fail to accurately evaluate, acquire, maintain, track, or collect on life settlement policies, which could adversely affect the Company.
- There is a risk of fraud in the origination of the original life insurance policy or in subsequent sales of the life insurance policy that could adversely affect the Company's returns.
- The Company may become subject to claims by life insurance companies, individuals and their families, or regulatory authorities.
- If the life settlements in which the Company invests were to become regulated as securities, further compliance with federal and state securities laws would be required, which could result in significant additional regulatory burdens on the Company and limit the Company's investments.

- The Company faces privacy and cyber security risks related to its maintenance of proprietary information, including information regarding life settlement policies and the related insureds, and any adverse impact related to such risks could have a material adverse impact on the Company's business.
- The Company is subject to U.S. privacy laws and regulations. Failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of operations; reputational harm; loss of revenue or profits; and other adverse business consequences.
- The Company's business may be subject to additional or different government regulation in the future, which could have a material adverse impact on the Company's business.
- There is currently no direct legal authority regarding the proper federal tax treatment of life settlements and potential future rulings from the Internal Revenue Service ("IRS") may have significant tax consequences on the Company.
- There have been lawsuits in various states questioning whether a purchaser of a life insurance policy has the requisite "insurable interest" in the policy which would permit the purchaser to collect the insurance benefits and an adverse finding in any of these lawsuits could have a material adverse effect on the Company's business.
- The failure of the Company to accurately and timely track and pay premium payments on the life insurance policies it holds could result in the lapse of such policies which would have a material adverse impact on the Company's business.
- The originating life insurance company may increase the cost of insurance premiums, which would adversely affect the Company's returns.
- The Company may not be able to liquidate its life insurance policies which could have a material adverse effect on the Company's business.
- The Company assumes the credit risk associated with life insurance companies and may not be able to realize the full value of insurance company payouts.
- The Company's success is dependent upon the services of its management and employees. If the Company is unable to such individuals, its ability to compete could be harmed.
- The Company's intellectual property rights may not adequately protect the Company's business.
- The Company may become subject to costly intellectual property disputes.
- The ongoing COVID-19 pandemic, along with rising interest rates and inflation, may disrupt the ability of the Company and its providers to originate life settlement policies which could have a material adverse impact on the Company's financial position.
- We have identified material weaknesses in our internal control over financial reporting. If our remediation of these issues is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations.
- If we do not develop and implement all required accounting practices and policies, we may be unable to provide the financial information required of a public company in a timely and reliable manner.
- Our ability to raise capital in the future may be limited, or may be unavailable on acceptable terms, if at all. Debt issued to raise additional capital could affect our ability to execute our investment strategy or impact the value of our investments.
- Our management has limited experience in operating a public company.

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the notes, see "Description of the Notes" in this prospectus.

Issuer	Abacus Life, Inc., a Delaware corporation.
Title of the securities	% Fixed Rate Senior Notes due 2028 (the "notes").
Initial aggregate principal amount being offered	$60,000,000
Overallotment option	The underwriters may also purchase from us up to an additional $ aggregate principal amount of notes solely to cover overallotments, if any, within 30 days of the date of this prospectus.
Principal payable at maturity	100% of the aggregate principal amount. The outstanding principal amount of the notes will be payable on the stated maturity date at the office of the trustee, paying agent and security registrar for the notes or at such other office as we may designate.
Maturity date	The notes will mature on September 30, 2028.
Interest rate	% per annum.
Interest periods	The initial interest period will be the period from and including the issue date, to, but excluding, the initial interest payment date, and the subsequent interest periods will be the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be.
Interest payment dates	Each March 30, June 30, September 30 and December 30, beginning on December 30, 2023 and ending on the maturity date. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment.
Interest day count convention	Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.
Record dates	Interest will be paid to the person in whose name a note is registered at the close of business on the 15th calendar day (whether or not a Business Day) preceding the related date an interest payment is due with respect to such note; *provided* that if the notes are global notes held by DTC, the record date for such notes will be the close of business on the Business Day preceding the applicable interest payment date.
No guarantees	The notes are not guaranteed by any of the Company's subsidiaries. As a result, the notes will be structurally subordinated to the liabilities of the Company's subsidiaries as discussed below under "*Ranking*."

Ranking	The notes will be the Company's senior unsecured obligations and will rank: (i) equal in right of payment to the Company's other outstanding and future senior unsecured indebtedness (including the Company's $10.5 million Amended and Restated Unsecured Senior Promissory Note, dated as of July 5, 2023); (ii) senior to any of the Company's existing and future indebtedness that expressly provides it is subordinated to the notes (including the Company's indebtedness under its SPV Investment Facility, dated as of July 5, 2023); (iii) effectively subordinated to all of the Company's existing and future secured indebtedness (including indebtedness that is initially unsecured to which the Company subsequently grants security), to the extent of the value of the assets securing such indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries. As of , 2023, the Company had approximately $ million in principal amount of other senior unsecured long-term debt outstanding, $ of which will be repaid with the proceeds of this offering, and approximately $ million in principal amount of subordinated long-term debt outstanding.
Optional redemption	The notes may be redeemed in whole or in part at any time or from time to time at the Company's option on or after September 30, 2025, upon not less than 15 days nor more than 60 days written notice to holders prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the notes to be redeemed plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to, but not including, the date fixed for redemption. You may be prevented from exchanging or transferring the notes when they are subject to redemption. Any exercise of our option to redeem the notes will be done in compliance with the Indenture. If the Company redeems only some of the notes by partial redemption, the global notes shall be selected in accordance with applicable rules and procedures of the Depository Trust Company ("DTC"), or in the case of certificated notes, any other method in accordance with the policies and procedures of the trustee. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the notes called for redemption.
Change of control offer to repurchase	If the Company is subject to a Change of Control Repurchase Event, each holder of the Notes may require the Company to purchase all or a portion of such holder's notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest thereon, if any, to, but excluding, the date of purchase.
Repayment at holder's option	The notes will not be subject to repayment at the option of the holder at any time prior to the maturity date, except as set forth under *"Description of the Notes-Offer to Repurchase Upon a Change of Control Repurchase Event"* and will not be entitled to any sinking fund.

Use of proceeds	The net proceeds from the offering will be approximately $ million, after deducting the discounts and commissions payable to the underwriters and estimated offering expenses payable by us. The Company intends to use these proceeds for to refinance outstanding debt, which will include the Owl Rock Credit Facility, with the remained used for general corporate purposes. For further information, see "*Use of Proceeds*" in this prospectus.
Form and denomination	The notes will be issued as fully registered global notes which will be deposited with, or on behalf of, the DTC and registered, at the request of DTC, in the name of Cede & Co. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as participants in DTC. Beneficial interests in the global notes must be held in minimum denominations of $25 or any amount in excess thereof which is an integral multiple of $25.
Further issuances	The amount of debt securities the Company can issue under the Indenture is unlimited. The Company will issue notes in the initial aggregate principal amount of $ ($ if the underwriters' overallotment option is exercised in full). However, the Company may, without your consent and without notifying you, create and issue further notes, which notes may be consolidated and form a single series with the series of notes offered by this prospectus and may have the same terms as to interest rate, maturity, covenants or otherwise; *provided* that if any such additional notes are not fungible with the notes for U.S. federal income tax purposes, such additional notes will have a separate CUSIP or other identifying number.
Events of default	For a discussion of events that will permit acceleration of the payment of the principal of the notes, see "*Description of the Notes—Events of Default; Waivers*" in this prospectus.
Indenture and trustee	The notes will be issued under an indenture, to be entered into with U.S. Bank Trust Company, National Association, as trustee, as supplemented by a supplemental indenture relating to the issuance of the notes.
Governing law	The notes will be governed by and construed in accordance with the laws of the State of New York.
Listing	We intend to list the notes on NASDAQ within 30 days of the issue date under the trading symbol " ."
Risk factors	An investment in the notes involves risks. You should carefully consider the information set forth in the section entitled "*—Risk Factors"* below, as well as other information included in this prospectus before deciding whether to invest in the notes.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this prospectus before making an investment in our notes. Our business, financial condition, results of operations, or prospects could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our notes could decline and you could lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. See the section titled "Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including those set forth below.

Risks Related to our Notes

The notes will be unsecured and therefore are effectively subordinated to any secured indebtedness we have incurred or may incur in the future.

The notes will not be secured by any of our assets or any of the assets of our subsidiaries, including our wholly owned subsidiaries. As a result, the notes will be effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness. As of June 30, 2023, the Company and its subsidiaries had long-term debt with a fair market value of $66,165,396. Because the notes will not be secured by any of our assets, they will be effectively subordinated to any secured indebtedness we may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our future secured indebtedness may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the notes.

The notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The notes will be obligations exclusively of the Company, and will not be of any of our subsidiaries. None of our subsidiaries will be a guarantor of the notes and the notes are not required to be guaranteed by any subsidiary we may acquire or create in the future. Any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the notes. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such entities (and therefore the claims of our creditors, including holders of the notes) with respect to the assets of such entities. Even if we are recognized as a creditor of one or more of these entities, our claims would still be effectively subordinated to any security interests in the assets of any such entity and to any indebtedness or other liabilities of any such entity senior to our claims. Consequently, the notes will be structurally subordinated to all indebtedness and other liabilities of any of our subsidiaries and portfolio companies with respect to which we hold equity investments. As of June 30, 2023, the Company and its subsidiaries had long-term debt with a fair market value of $66,165,396. In addition, the Company and its subsidiaries may incur substantial indebtedness in the future, all of which would be structurally senior to the notes.

The indenture under which the notes are issued contains limited protection for holders of the notes.

The indenture under which the notes are issued offers limited protection to holders of the notes. The terms of the indenture and the notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on your investment in the notes. In particular, the terms of the indenture and the notes do not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the notes, (2) any

indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the notes to the extent of the values of the assets securing such debt and (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the notes;

- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

Furthermore, the terms of the indenture and the notes do not protect holders of the notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the notes may have important consequences for you as a holder of the notes, including making it more difficult for us to satisfy our obligations with respect to the notes or negatively affecting the trading value of the notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the notes.

There is no existing trading market for the notes, and, even if NASDAQ approves the listing of the notes, an active trading market for the notes may not develop, which could limit your ability to sell the notes or the market price of the notes.

The notes will be a new issue of debt securities for which there initially will not be a trading market. We intend to list the notes on NASDAQ within 30 days of the original issue date under the symbol “ .” However, there is no assurance that the notes will be approved for listing on NASDAQ.

Moreover, even if the listing of the notes is approved, we cannot provide any assurances that an active trading market will develop or be maintained for the notes or that you will be able to sell your notes. If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, if any, general economic conditions, our financial condition, performance and prospects and other factors. The underwriters have advised us that they intend to make a market in the notes, but they are not obligated to do so. The underwriters may discontinue any market-making in the notes at any time at their sole discretion.

Accordingly, we cannot assure you that the notes will be approved for listing on NASDAQ, that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the price you receive when you sell will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for the notes may be harmed. Accordingly, you may be required to bear the financial risk of an investment in the notes for an indefinite period of time.

We may choose to redeem the notes when prevailing interest rates are relatively low.

On or after , 2025, we may choose to redeem the notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell the notes as the optional redemption date or period approaches.

An increase in interest rates could result in a decrease in the fair value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decrease in value. Consequently, if you purchase these notes and market interest rates increase, the fair value of your notes will likely decrease. We cannot predict the future level of market interest rates.

A downgrade, suspension or withdrawal of any credit rating assigned by a rating agency to us or the notes or change in the debt markets could cause the liquidity or market value of the notes to decline significantly.

Any credit rating is an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in any credit ratings will generally affect the market value of the notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. Neither we nor any underwriter undertakes any obligation to obtain or maintain any credit ratings or to advise holders of notes of any changes in any credit ratings. There can be no assurance that any credit ratings will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the rating agencies if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our company, so warrant. The conditions of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market price of the notes.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness that is not waived by the required lenders and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness, including the notes. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the other debt we may incur in the future could elect to terminate its commitment, cease making further loans and institute foreclosure proceedings against our assets and we could be forced into bankruptcy or liquidation. In addition, any such default may constitute a default under the notes, which could further limit our ability to repay our debt, including the notes. If our operating performance declines, we may in the future need to seek to obtain waivers from the lender under the other debt that we may incur in the future to avoid being in default. If we breach our covenants under the other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the other debt, the lender could exercise its rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt.

We may not be able to repurchase the notes upon a Change of Control Repurchase Event.

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem the notes, each holder of the notes will have the right to require us to repurchase all or any part of such holder's notes at a price equal to 100% of their principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the date of repurchase. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes and any other indebtedness that may be required to be repaid or repurchased as a result of such event. A failure to repurchase the notes as required under the indenture would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. See "*Description of the Notes—Offer to Repurchase Upon a Change of Control Repurchase Event*" herein.

On or about June 30, 2023, the Company entered into each of the Owl Rock Credit Facility, the SPV Purchase and Sale, including the Policy APA, and the SPV Investment Facility. Each of these agreements limits the Company's ability to enter into further credit facilities or take on additional debt which could result in additional financial strain on the Company.

Owl Rock Credit Facility

On July 5, 2023, the Company entered into a Credit Agreement (the "Owl Rock Credit Facility"), among the Company, as borrower, the several banks and other persons from time to time party thereto (the "Owl Rock Lenders"), and Owl Rock Capital Corporation, as administrative and collateral agent for the Owl Rock Lenders thereunder.

The Owl Rock Credit Facility, among other things:

- requires Abacus Settlements and LMA and certain subsidiaries of Abacus Settlements and LMA to guarantee the loans to be provided under the Owl Rock Credit Facility pursuant to separate loan documentation;
- provides credit extensions for (i) an initial term loan in an aggregate principal amount of $25.0 million upon the closing of the Owl Rock Credit Facility, and (ii) a delayed draw term loan in an aggregate principal amount of $25.0 million, with the delayed draw term loan drawn in a period between 90 and 120 days after the closing of the Owl Rock Credit Facility upon satisfaction of certain conditions precedent;
- provides proceeds from the Owl Rock Credit Facility for working capital and the business requirements of the enterprise, and to fund acquisitions, investments and other transactions not prohibited by the loan documentation (with expected prohibitions related to, among other potential items, the use of such proceeds to pay transaction costs incurred in connection with the Business Combination);
- contains a maturity date that shall be the date that is five years after the closing of the Owl Rock Credit Facility;
- is secured by a first-priority security interest in substantially all of the assets of the Company and the subsidiary guarantors. No pledge of any equity interests in the Company shall be required by any holder of such equity interests;
- provides for interest to accrue on such loans, at the election of the Company, by reference to either (i) an alternative base rate (such loans, "ABR Loans") or (ii) an adjusted term SOFR rate (such loans, "SOFR Loans") plus an applicable margin. The adjusted term SOFR rate is expected to be determined by the applicable term SOFR for a relevant interest period plus a credit spread adjustment of 0.10%, 0.15% and 0.25% per annum for interest periods of 1, 3 and 6 months, respectively. The applicable margin for each type of loan is expected to be (i) 6.25% per annum for any ABR Loans and (ii) 7.25% per annum for any SOFR Loans, with an expected interest period for SOFR Loans of one, three or six months (or other periods if agreed by all lenders);

- provides a default rate that will accrue at 2.00% per annum over the rate otherwise applicable;
- provides for amortization payments based on the initial principal amount of the loans outstanding of 1.0% per year (0.25% due per quarter), with adjustments expected to be made to the overall amortization amount upon the incurrence of the delayed draw loans;
- contains provisions requiring mandatory prepayment of the initial term loans and delayed draw term loans with 100% of the proceeds of (i) indebtedness not permitted by the Owl Rock Credit Facility and (ii) non-ordinary course asset dispositions and settlements or payments in respect of any property, casualty insurance claims or condemnation proceedings, with the proceeds received under clause (ii) subject to certain specified reinvestment rights and procedures to be set forth in the Owl Rock Credit Facility. The Owl Rock Credit Facility permits voluntary prepayments of outstanding loans at any time;
- provides for a prepayment premium equal to (i) 4.00% of the principal amount of such loans prepaid on or prior to the first anniversary of the closing of the Owl Rock Credit Facility, (ii) 3.00% of the principal amount of such loans prepaid after the first anniversary of the closing of the Owl Rock Credit Facility but on or prior to the second anniversary of the closing of the Owl Rock Credit Facility and (iii) 2.00% of the principal amount of such loans prepaid after the second anniversary of the closing of the Owl Rock Credit Facility but on or prior to the third anniversary of the closing of the Owl Rock Credit Facility. No prepayment premium will be applicable for any such prepayment made after the third anniversary of the closing of the Owl Rock Credit Facility. The prepayment premium is expected to be applicable to voluntary prepayments and certain specified mandatory prepayment during such applicable periods;
- contains certain closing conditions that the Owl Rock Credit Facility is subject to, including (i) the consummation of the Business Combination pursuant to the terms of the Merger Agreement and (ii) satisfaction of the conditions precedent to funding of the initial term loans, which is expected to include, among others, (A) customary deliverables for financings of this type, (B) a notice of borrowing request and (C) payment of certain other specified fees. It is also expected that the funding of delayed draw term loans will be subject to certain specified conditions, including, among others, the making of representations, the absence of events of defaults and a notice of borrowing request;
- provides for financial covenants such that (i) a consolidated net leverage ratio cannot exceed 2.50 to 1.00 and (ii) a liquid asset coverage ratio cannot be less than 1.80 to 1.00;
- contains affirmative covenants related to, among other things, delivery of certain financial reports and compliance certificates, maintenance of existence, compliance with laws, payment of taxes, property and insurance matters, inspection of property, books and records, notices, collateral matters and future subsidiaries, in each case, subject to specified limitations and exceptions;
- contains negative covenants related to, among other things, incurrence of debt, creation of liens, mergers, acquisitions and certain other fundamental changes, conditions concerning the creation of new subsidiaries, conditions concerning opening of new accounts, disposition of assets, dividends and other restricted payments, transactions with affiliates, burdensome agreements, investments and limitations on lines of business, in each case, subject to specified limitations and exceptions; and
- provides for certain specified events of default upon the occurrence and continuation of certain events or conditions (subject to specified exceptions, grace periods or cure rights, as applicable) each as set forth in the Owl Rock Credit Facility, which includes, among other things, with respect to non-payment, representations and warranties, compliance with covenants, cross-default to other material indebtedness, bankruptcy and insolvency matters, ERISA matters, material judgments, collateral and perfection matters, and the occurrence of a change of control. The occurrence and continuance of an event of default that is not cured or waived will enable the agent and/or the lenders, as applicable, to accelerate the loans or take other remedial steps as provided in the Owl Rock Credit Facility and the other loan documents.

SPV Purchase and Sale

On or about June 30, 2023 the Company entered into the Abacus Investment SPV, LLC ("SPV") Purchase and Sale, including the Asset Purchase Agreement ("Policy APA"). The Company and the SPV are parties to the Policy APA. The payable obligation owing by the Company to the SPV in connection with the SPV Purchase and Sale is evidenced by a note issued by the Company under the SPV Investment Facility in an original principal amount equal to the aggregate fair market value of the acquired insurance policies. The aforementioned note has the same material terms and conditions as the other credit extensions under the SPV Investment Facility (as defined below).

Relationships

The Sponsor, members of the Company's founding team, directors or officers of Abacus Settlements and LMA or its or their affiliates are members of the SPV and thereby indirectly receive economic or other benefits from the Policy APA.

SPV Investment Facility

On or about July 5, 2023, the Company entered into a SPV Investment Facility (the "SPV Investment Facility"), between the Company, as borrower, and the SPV, as lender.

The SPV Investment Facility, among other things:

- was unsecured without collateral security expected to be provided in favor of the SPV;
- evidenced or provided for certain credit extensions to include: (i) an initial credit extension in an original principal amount of $15.0 million that is expected to be funded upon the closing of the SPV Investment Facility, (ii) a note in favor of the SPV in an original principal amount of $10.0 million to finance the purchase of the insurance policies under the Policy APA and (iii) a delayed draw credit extension in an original principal amount of $25.0 million, with the delayed draw credit extension drawn in a period between 90 and 120 days after the closing of the SPV Investment Facility upon satisfaction of certain conditions precedent (such $25.0 million delayed drawing expected to be made substantially concurrently with the delayed drawing in the same amount expected under the Owl Rock Credit Facility);
- provided proceeds from the SPV Investment Facility for payment of certain transaction expenses, general corporate purposes and any other purposes not prohibited by law (it being expected that a significant portion of the proceeds from the SPV Investment Facility will be used by the Company for purchasing insurance policies, among other purposes);
- was subordinated in right of payment to the Company's obligations under the Owl Rock Credit Facility, subject to limited specified exceptions and circumstances for permitting early payment;
- required Abacus Settlements and LMA and certain subsidiaries of Abacus Settlements and LMA to guarantee the credit extensions to be provided under the SPV Investment Facility pursuant to separate documentation;
- contained a maturity date that is at least three years after the closing of the SPV Investment Facility, subject to two automatic extensions of one year each without any amendment of the relevant documentation;
- provided for interest to accrue on the SPV Investment Facility at a rate of 12.00% per annum, payable quarterly, all of which is expected be paid in-kind by the Company by increasing the principal amount of the SPV Investment Facility owing to the SPV on each interest payment date;
- provided a default rate that will accrue at 2.00% per annum (subject to applicable subordination restrictions) over the rate otherwise applicable. If cash payment is not permitted due to applicable subordination restrictions or otherwise, such default interest shall be paid in-kind;

- provided that no amortization payments shall be required prior to maturity;
- provided for financial and other covenants no worse than those contained in the Owl Rock Credit Facility from the perspective of the Company; and
- provided for certain specified events of default (including certain events of default which are expected to be subject to grace or cure periods), with the occurrence and continuance of such events of default enabling the lender under the SPV Investment Facility to accelerate the obligations under the SPV Investment Facility, among other potential rights or remedies; and contain certain specified closing conditions. The SPV's investment resulting from credit extensions under the SPV Investment Facility is expected to be treated by the Company as debt for U.S. Generally Accepted Accounting Principles ("GAAP") accounting purposes. To the extent that multiple notes are issued under the SPV Investment Facility, it is expected that the documentation will provide flexibility for the SPV to request such notes be reissued as a single note under such facility.

Relationships

Directors and officers of the Company and significant shareholders of the Company are members of the SPV and thereby indirectly receive economic or other benefits from the SPV Investment Facility.

Risks Related to the Business of the Company

The Company's valuation of life insurance policies is uncertain as many life insurance policies' values are tied to their actual maturity date and any erroneous valuations could have a material adverse impact on the Company's business.

The valuation of life insurance policies involves inherent uncertainty (including, without limitation, the life expectancies of insureds and future increases in premium costs to keep the policies in force). There is no guarantee that the value determined with respect to a particular life settlement policy by the Company will represent the value that will be realized by the Company on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment. In addition, there can be no guarantee that such valuation accurately reflects the current present value of such life insurance policy at its actual maturity. Uncertainties as to the valuation of life insurance policies held by the Company could require adjustments to reported net asset values and could have a material adverse impact on the Company's business. Uncertainties as to the valuation may also result in the Company being less competitive in the market for originating new life settlement policies and could adversely affect the profits the Company realizes on life settlements purchased and sold.

The Company could fail to accurately forecast life expectancies. There may also be changes to life expectancies generally, resulting in people living longer in the future, which could result in a lower return on the Company's life settlement policies.

Prices for life insurance policies and annuities that may be obtained by the Company depend, in large measure, upon the life expectancy of the underlying insureds. The returns of the Company's hold portfolio is almost entirely dependent upon how accurate the actual longevity of an insured is as compared to the Company's expectation for that insured. Life expectancies are estimates of the expected longevity or mortality of an insured. In determining the life expectancy of an insured, the Company relies on medical underwriting conducted by various medical underwriting firms. The medical underwriting process underlying life expectancy estimates is highly subjective, and mortality and longevity estimates are inherently uncertain. In addition, there can be no assurance that the applicable medical underwriting firm received accurate or complete information regarding the health of an insured under a life insurance policy, or that such insured's health has not changed since the information was received. Different medical underwriting firms use different methods and may arrive at materially different mortality estimates for the same individual based on the same information, thus causing a life

insurance policy's value to vary. Moreover, as methods of calculating mortality estimates change over time, a mortality estimate prepared by any medical underwriting firm in connection with the acquisition of a life insurance policy may be different from a mortality estimate prepared by the same person at a later time. The valuation of the life insurance policies will vary depending on the dates of the related mortality estimates and the medical underwriting firms that provide the supporting information.

Other factors, including, but not limited to, better access to health care, better adherence to treatment plans, improved nutritional habits, improved lifestyle, an improved economic environment and a higher standard of living could also lead to increases in the longevity of the insureds under the life insurance policies. In addition to other factors affecting the accuracy of life expectancy estimates, improvements in medicine, disease treatment, pharmaceuticals and other medical and health services may enable insureds to live longer.

The actual longevity of an insured may be materially different than the predicted mortality estimate. If the actual maturity date of life insurance policies are longer than projected, it would delay when the Company could expect to receive a return on its investment and the Company may be unable to meet its investment objectives and goals. For example, a term life insurance policy in which the Company may invest have a stated expiration date on the date at which the underlying insured reaches a certain attained age and, beyond such date, the issuing insurance company may not be obligated to pay the face value, but rather only the cash surrender value which is usually maintained at a low value by investors, if any, in accordance with the terms of such life insurance policy. Therefore, if the underlying insured survives to the stated maturity date set forth in the terms of the life insurance policy, the issuing insurance company may only be obligated to pay an amount substantially less than the face value, which could have an adverse effect on the performance of the Company.

The medical underwriting and other firms that provide information for the Company's forecasts of life expectancies are generally not regulated by the U.S. federal or state governments, with the exception of the states of Florida and Texas, which require life expectancy providers to register with their respective offices of insurance regulation. There can be no assurance that this business will not become more broadly regulated and, if so, that any such regulation would not have a material adverse effect on the ability of the Company to establish appropriate life expectancies in connection with the purchase or sale of policies.

The Company's policy acquisitions are limited by the market availability of life insurance policies that meet the Company's eligibility criteria and purchase parameters, and failure to secure a sufficient number of quality life insurance policies could have a material adverse effect on the Company's business.

The life insurance policy secondary market has grown substantially in the past several years, however, as to whether and how it will continue to develop is uncertain. There are only a limited number of life insurance policies available in the market from time to time. There can be no assurance that the Company will be able to source life insurance policies on terms acceptable to the Company. As more investment funds flow into the market for life insurance policies, margins may be squeezed and the value of the collateral may become comparatively more expensive to purchase or subject to greater competition on the purchase side. There can be no assurance that secondary market life insurance policies will be available to the Company on satisfactory or competitive terms.

The supply of life insurance policies available in the market may be reduced by, among other things: (i) improvement in the economy, resulting in higher investment returns to insureds and other owners of life insurance policies from their investment portfolios; (ii) improvements in health insurance coverage, limiting the need of insureds to obtain funds to pay the cost of their medical treatment by selling their life insurance policies; (iii) the entry into the market of less reputable third-party brokers who submit inaccurate or false life insurance policy information to the Company; (iv) the establishment of new licensing requirements for market participants and a delay in complying or an inability to comply with such new requirements; or (v) refusal of the carrier that issued a life insurance policy to consent to its transfer. A change in the availability of life insurance policies could adversely affect the Company's ability to execute its strategy and meet its objectives.

The Company may experience increased competition from originating life insurance companies, life insurance brokers, and investment funds which could have a material adverse effect on the Company's business.

Life insurance companies have begun offering to repurchase their own in-force life insurance policies from their current policyholders by offering "enhanced cash surrender value payments" above the amount of the net cash surrender value provided under the life insurance contracts' terms and thus compete directly with the Company and other life settlement providers. The life settlements industry has challenged the legal validity of the life insurance companies' actions, and some state insurance regulators have declared that these repurchase offers are unlawful while other state insurance regulators have approved them. To the extent that life insurance companies can seek to repurchase their own in-force life insurance policies, they present competition to the Company in acquiring policies.

In addition, the Company is subject to significant competition from other life settlement brokers and investment funds for the purchase of life settlement policies. Increased competition for life settlement policies may result in the Company being unable to access the number of life settlement policies that it desires for its business at prices that it deems acceptable.

Historically, there has been a negative public perception of the life settlement industry that could affect the value and/or liquidity of the Company's investments and the life settlement industry faces political opposition from life insurance companies which could have a material adverse effect on the Company's business.

Many regulators, lawmakers and other governmental authorities, as well as many insurance companies and insurance industry organizations, are hostile to or otherwise concerned about certain aspects of the longevity-contingent asset markets. The life settlement industry and some of its participants have also been, and may continue to be, portrayed negatively in a number of widely read publications and other forms of media. These opponents regularly contend that life settlement transactions are contrary to public policy by promoting financial speculation on human life and often involve elements of fraud and other wrongdoing. Continued public opposition to the life settlement industry, as well as actual or alleged wrongdoing by participants in the industry, could have a material adverse effect on the Company and its investors, including on the value and/or liquidity of the Company's investments.

In March 2010, the American Council of Life Insurers, an insurance carrier trade association, issued a press release calling for a complete ban on life settlement securitization. While that effort was not successful, any such federal or state legislation, if passed, could have the effect of severely limiting or potentially prohibiting the continued operation of the Company's life settlement purchasing operations. All of the foregoing could adversely affect the Company's ability to execute its investment strategy and meet its investment objective.

The Company or third parties the Company relies upon could fail to accurately evaluate, acquire, maintain, track, or collect on life settlement policies, which could have a material adverse impact on the Company's revenues.

The Company relies on third party data for tracking and servicing its life settlement policies. This includes the origination and servicing of life settlement policies by the servicing and tracking agent, market counterparties and other service providers, and the Company may not be in a position to verify the risks or reliability of such third-party data and systems. Failures in the systems employed by the Company and other service providers, counterparties, and other parties could result in mistakes made in the evaluation, acquisition, maintenance, tracking and collection of life settlement policies and other longevity-linked investments. This could result in the Company overpaying for life settlement policies it acquires or underpricing life settlement policies it sells. In addition, disruptions in the Company's operations as a result of a failure in a third party system may cause the Company to suffer, among other things, financial loss, the disruption of its business, liability to third-parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Company.

There is a risk of fraud in the origination of the original life insurance policy or in subsequent sales of the life insurance policy that could adversely affect the Company's returns which could have a material adverse impact on the Company's business.

The Company faces the risk that an original owner of a life insurance policy, the related insured, the insurance agent involved in the issuance of such life insurance policy, or other party may have committed fraud, or misstated or failed to provide material information in connection with the origination or subsequent sale of that life insurance policy. While most life insurance policies may not be challenged for fraud after the end of the two-year contestability period, there may be situations where such fraud in connection with the issuance of a life insurance policy may survive the contestability period. If an issuing insurance company successfully challenges a life insurance policy acquired by the Company on the grounds of fraud, the Company may lose its entire investment in that life insurance policy. Furthermore, if the age of an insured was misstated, the Company may receive lower death benefits than expected. In addition, there may be information directly relevant to the value of a life insurance policy, including, but not limited to, information relating to the insured's medical or financial condition, to which the Company will not have access. It is not possible to verify the accuracy or completeness of each piece of information or the completeness of the overall information supplied by such parties. Any such misstatement or omission could cause the Company to rely on assumptions which turn out to be inaccurate. Additionally, there can be no assurance that the seller of a life insurance policy in the tertiary market properly acquired that policy from the former owner, or that a former beneficiary or other interested party will not attempt to challenge the validity of the transfer. The occurrence of any one or more of these factors could adversely affect the Company's performance and returns.

The Company may become subject to claims by life insurance companies, individuals and their families, or regulatory authorities which could have a material adverse impact on the Company's business.

The secondary market for life insurance policies has been subjected to allegations of fraud and misconduct as reflected in certain litigated cases. Some of these cases, some of which have been brought by regulatory authorities, involve allegations of fraud, breaches of fiduciary duty, bid rigging, non-disclosure of material facts and associated misconduct in life settlement transactions. Cases have also been brought by the life insurance companies that challenge the legality of the original issuance of the life insurance policies based on lack of insurable interest, fraud and misrepresentation grounds.

Further, both federal and U.S. state statutes safeguard an insured's private health information. In addition, insureds frequently have an expectation of confidentiality even if they are not legally entitled to it. Even if the Company properly obtains and uses otherwise private health information, but fails to maintain the confidentiality of such information, the Company may be the subject of complaints from the affected individuals, their families and relatives and, potentially, interested regulatory authorities. Because of the uncertainty of applicable laws, it is not possible to predict the outcome of those disputes. It is also possible that, due to a misunderstanding regarding the scope of consents that a transaction party possesses, the Company may request and receive from health care providers, information that it in fact did not have a right to request or receive. If the Company finds itself to be the recipient of complaints for these acts, it is not possible to predict what the results will be. This uncertainty also increases the likelihood that a transaction party may sell, or cause to be sold, life insurance policies in violation of applicable law, which could potentially result in additional costs related to defending claims or enduring regulatory inquiries, rescinding such transactions, possible legal damages and penalties and probable reduced market value of the affected life insurance policies. Each of the foregoing factors may delay or reduce the return on the policies and adversely affect the Company's business and results of operations.

Life settlements in which we invest are not currently regulated under the federal securities laws, but if deemed to be securities would require further compliance with federal and state securities laws, which could result in significant additional regulatory burdens on the Company, and limit the Company's investments, which could have an adverse impact on the Company's business and results of operations.

The origination and trading in whole, non-variable life insurance policies has historically been understood to not involve transactions in securities. However, on February 22, 2019, the United States Court of Appeals for

the Fifth Circuit in a case captioned In the Matter of Living Benefits Asset Management, LLC, vs. Kestrel Aircraft Company, Incorporated, case No. 18-10510, concluded that whole, non-variable life insurance policies, when offered for sale to an investor, were securities for purposes of the Investment Company Act. If this same conclusion were to be reached in other circuits or at the Supreme Court and extended to the Securities Act, there would be significant changes to our industry and it would materially impact the Company's ability to conduct its business.

In 2002, the Eleventh Circuit Court of Appeals reached a similar conclusion with respect to fractionalized death benefits payable under non-variable policies in SEC v. Mutual Benefits Corp., but, the District of Columbia Circuit Court of Appeals reached a contrary result with respect to fractionalized death benefits in SEC v. Life Partners which was decided in 1996. The Company does not presently transact in fractionalized death benefits, i.e. buying or selling a part of, but not all of, a life settlement policy, nor does it currently plan to transact in fractionalized death benefits.

On July 22, 2010, the SEC released a staff report that recommended that Congress clearly define life settlements to be securities, so that the investors in life settlements transactions would be protected under the U.S. federal securities laws. To date, the SEC has not made another such recommendation to Congress nor has Congress acted on the SEC staff's report. If the statutory definitions of "security" were to be amended to encompass life settlements involving non-variable life insurance policies, or if the Supreme Court or other Circuit Courts were to conclude that non-variable life insurance policies are securities for purposes of the Securities Act, the Company could become subject to additional extensive regulatory requirements under the federal securities laws. Those regulatory requirements would include the obligation to register the Company's sales and offerings of life settlements with the SEC as public offerings under the Securities Act. Also, if the resale of non-variable life insurance policies were to be considered securities, the Company's ownership of those policies as a percentage of its assets or source of income could be limited as it would likely manage its business to avoid being required to register as an "investment company" pursuant to the Investment Company Act. Those limitations could have an adverse effect on the Company's business and results of operations. Any legislation or court or regulatory interpretations leading to that regulatory change or a change in the transactions that are characterized as life settlement transactions could lead to significantly increased compliance costs and increased liability risk to the Company, and could adversely affect the Company's ability to acquire or sell life insurance policies in the future. This could materially and adversely affect the Company's business, financial condition and results of operations, which in turn could materially and adversely affect the performance of the Company.

The Company cannot assure you as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any such potential change in administration or new legislation on the Company's business, financial condition, or results of operations and consequently, any potential material and adverse effect on the performance of the Company.

The Company may be subject to certain U.S. state securities laws, and failure to comply with applicable requirements may result in fines, sanctions and rescission of purchase or sale transactions.

Certain U.S. state laws specifically characterize life settlements as securities transactions. Thus, in some U.S. states, purchases and sales of life insurance policies by the Company may be subject to applicable U.S. state blue sky laws or other U.S. state securities laws. The Company intends to comply with all applicable federal and state securities laws. However, this will not necessarily exempt the Company from compliance with U.S. federal or state broker-dealer laws. The failure to comply with applicable securities laws in connection with the purchase or sale of life settlement policies could result in the Company being subject to fines, administrative and civil sanctions and rescission of life settlement policy purchase or sales transactions. Each of the foregoing factors could materially and adversely affect the performance of the Company.

The Company could in the future be required to register as an investment company under the Investment Company Act or could have to substantively change its business model in order to fit within an applicable exemption from such registration requirement.

The Company's sales of life insurance policies and investment and financing programs of which the purchase or sale of a life insurance policy is a part are subject to an evolving regulatory landscape. Depending on the facts and circumstances attending such sales or programs, U.S. state and federal securities laws, including the Investment Company Act could be implicated, and it is possible that the Company could in the future be required to register as an investment company under the Investment Company Act. The Company would not be able to continue to operate its business as it does today if required to register as an investment company. In such event, the Company would have to substantively change its business model to avoid registration as an investment company under the Investment Company Act. If the Company were re quired to change its business model in order to fit within an exemption from registration, it would have a material adverse effect on the performance of the Company.

The Company faces privacy and cyber security risks related to its maintenance of proprietary information, including information regarding life settlement policies and the related insureds, and any adverse impact related to such risks could have a material adverse impact on the Company's business.

The Company relies on data processing systems to price and close transactions, to evaluate investments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Company's activities. Further, the Company relies on information systems to store sensitive information about the Company, its affiliates, and its investments, including life settlement policies and information about the related insured individuals and others. While the Company is not aware of security breaches or proceedings related to the processing of information, the loss or improper access, use or disclosure of the Company's proprietary information can adversely impact the Company. For example, the Company could suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Company.

Additionally, the Company collects information related to life insurance, including nonpublic personal information ("NPI") and protected health information ("PHI"), and information from its website, such as contact information and high-level policy information. The Company also collects information from its employees, such as standard HR information, and business contact information from third party employees. The Company shares information with its service providers, and has entered into non-disclosure and business association agreements, where appropriate. Although the Company has, and believes that each service provider has, procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches, such measures cannot guarantee absolute security.

Furthermore, the techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently with increasing sophistication and may be difficult to detect for long periods of time. For example, hardware or software acquired from third parties may contain defects in design or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Company may be susceptible to compromise, leading to a breach of the Company's network and/or business interruptions. The Company's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats.

The Company is subject to U.S. privacy laws and regulations. Failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of operations; reputational harm; loss of revenue or profits; and other adverse business consequences.

Due to the type of information the Company collects, including personal, medical, and financial information on the underlying insureds, and the nature of its services, the Company is subject to privacy laws. In the United States, federal, state and local governments have enacted numerous data privacy and security laws to address privacy, data protection and collection, and the processing and disclosure of certain types of information. Obligations related to these laws are quickly changing, becoming increasingly stringent and creating regulatory uncertainty. In addition, these obligations may be subject to differing applications and interpretations, which can

result in inconsistency or conflict among jurisdictions. Among these laws, the Company is likely subject to the Telephone Consumer Protection Act ("TCPA"), Controlling Assault of Non-Solicited Pornography and Marketing Act of 2003, the Gramm-Leach Bliley Act ("GLBA") and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

The Company may be considered a financial institution under the GLBA, and is subject to the GLBA through the NPI it collects. The GLBA regulates, among other things, the use of certain information about individuals (NPI) in the context of the provision of financial services. The GLBA includes both a "Privacy Rule," which imposes obligations on financial institutions relating to the use or disclosure of NPI, and a "Safeguards Rule," which imposes obligations on financial institutions, and indirectly, their service providers, to implement and maintain physical, administrative and technological measures to protect the security of NPI.

The Company has certain business components that are subject to HIPAA. HIPAA imposes privacy, security and breach notification obligations on "covered entities" and "business associates." Furthermore, HIPAA requires "covered entities" and "business associates" to develop and maintain policies with respect to the protection of PHI. If in violation of HIPAA, the Company may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations. HIPAA also authorizes state Attorneys Generals to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue the Company in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

Because of the complexity of the various data privacy laws the Company may be subject to, compliance can be costly. The Company has taken general steps to comply with data privacy and security laws. For example, the Company has implemented a number of policies, including policies regarding access controls, customer data privacy, secure data disposal, and incident response and risk assessments. Despite these efforts, the Company may at times fail in its efforts due to the complexity and evolving nature of these laws. Failure to comply with relevant data privacy laws could negatively impact the Company's operations, including subject the Company to possible government enforcement actions which could result in investigations, fines, penalties, audits, inspection, litigation, additional reporting requirements and/or oversight.

The Company's business may be subject to additional or different government regulation in the future, which could have a material adverse impact on the Company's business.

The Company is currently licensed and operating in 49 states. Increased regulation (whether promulgated under insurance laws or any other applicable law) and regulatory oversight of and changes in law applicable to life settlements may restrict the ability of the Company to carry on its business as currently conducted. This could also impose additional administrative burdens on the Company, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

There is currently no direct legal authority regarding the proper federal tax treatment of life settlements and potential future rulings from the IRS may have significant tax consequences on the Company.

There is no direct legal authority regarding the proper U.S. federal income tax treatment of life settlements, and the Company does not plan to request a ruling from the IRS. Consequently, significant aspects of the tax treatment of the Company's assets are uncertain, and the IRS or a court might not agree with the Company's treatment of life settlements as prepaid financial contracts that are not debt. If the IRS were successful in asserting an alternative treatment, the tax consequences of ownership and disposition of life settlements could be materially and adversely affected. In addition, in 2007, the U.S. Treasury Department and the IRS released a notice requesting public comments on various issues regarding the U.S. federal income tax treatment of "prepaid

forward contracts" and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in life settlements, possibly with retroactive effect.

There have been lawsuits in various states questioning whether a purchaser of a life insurance policy has the requisite "insurable interest" in the policy which would permit the purchaser to collect the insurance benefits and an adverse finding in any of these lawsuits could have a material adverse effect on the Company's business.

All states require that the initial purchaser of a new life insurance policy insuring the life of another individual have an insurable interest in that individual's life at the time of the original issuance of the policy. An "insurable interest" is an economic stake in an event for which a person or entity purchases an insurance policy. An insurance policy may only be initially purchased by a person or entity who has an insurable interest in the insured. For example, if a spouse purchases an insurance policy on his or her spouse or a company purchases an insurance policy on an employee. In addition, some states may require that the Company have an insurable interest in the insured. Whether an insurable interest exists in the context of the purchase of a life insurance policy is critical because in the absence of a valid insurable interest, life insurance policies are unenforceable under the laws of most states. Where a life insurance policy has been issued to a policy holder without an insurable interest in the life of the insured, the life insurance company may not be required to pay the face value under the policy and may also be entitled to retain the premiums paid. Generally, there are two forms of insurable interest in the life of an individual, familial and financial. Additionally, an individual is deemed to have an insurable interest in his or her own life. Insurable interest is determined at the inception of the policy. The definition of exactly what constitutes "insurable interest" tends to vary by state. Some cases have also been initiated by life insurance companies, challenging the legality of the original issuance of policies on insurable interest grounds and asserting that such policies constitute "Stranger-Originated Life Insurance" or "STOLI," which is defined as a practice or plan to initiate a life insurance policy for a third-party investor who, at the time of policy origination, has no insurable interest in the insured. Some states (such as Utah and New York) permit the heirs and beneficiaries of an insured to recover the face value under such STOLI policies rather than the policy owner which lacked insurable interest.

While the Company does not believe it has invested in any STOLI polices, and has policies and procedures in place to identify potential STOLI policies, there can be no guarantee that the Company will identify all STOLI policies. As such, the Company may acquire certain life insurance policies that may be deemed by an issuing insurance company to be STOLI policies, whether purposefully, if the Company deems such life insurance policy to be an attractive investment even after taking into account the insurable interest risk, or inadvertently, where the true nature of such life insurance policy is not discovered prior to its acquisition by the Company. Should an issuing insurance company successfully challenge the validity of a life insurance policy acquired by the Company, the Company will lose its investment in such life insurance policy. Furthermore, the Company will also suffer losses if a family member of an insured is successful in asserting a claim that he or she, and not the Company, is entitled to the face value payable under a life insurance policy.

The failure of the Company to accurately and timely track and pay premium payments on the life insurance policies it holds could result in the lapse of such policies which would have a material adverse impact on the Company's business.

In order to realize on its investment in life insurance policies, the Company must ensure that the life insurance policies remain in force until they mature or are sold by the Company. Failure by the Company to pay premiums on the life insurance policies when due will result in termination or "lapse" of the life insurance policies and will result in the loss of the Company's investment in such life insurance policies.

The originating life insurance company may increase the cost of insurance premiums, which would adversely affect the Company's returns.

For any life insurance policies that may be obtained by the Company, the Company will be responsible for maintaining the policies, including paying insurance premiums. If a life insurance company increases the cost of

insurance charged for any of the life insurance policies held by the Company, the amounts required to be paid for insurance premiums due for these life insurance policies may increase, requiring the Company to incur additional costs for the life insurance policies which may reduce the value of such life insurance policies and consequently affect the returns available on such policies.

Life insurance companies have in the past materially increased the cost of insurance charges. There can be no assurance that life insurance policies acquired by the Company will not be subject to cost of insurance increases. If any such life insurance policies are affected by a cost of insurance increase, the value of such life insurance policy may be materially reduced and the Company may decide or may be forced to allow such life insurance policy to lapse, resulting in a loss to the Company.

In the event an insurance company experiences significantly higher than anticipated expenses associated with operation and/or policy administration, or, in some instances, lower investment returns, the insurance company may have the right to increase the charges to each of its policy owners, but not beyond guaranteed maximums. While the insurance companies did not specify the reason for the increases, it is generally believed that the low interest rate environment was a significant contributing factor in the decision to raise the cost of insurance.

The Company may not be able to liquidate its life insurance policies which could have a material adverse effect on the Company's business.

In the ordinary course of its business, the Company engages in the purchase and sale of life insurance policies. The liquidation value of these life insurance policies is important where, for example, it becomes necessary to sell life insurance policies from the Company's hold portfolio in order to meet the Company's cash flow needs, including the payment of future premiums.

In many cases liquidations may not be a viable option to meet the Company's liquidity because of, among other things: (1) the lack of a market for such life insurance policies at the time; (2) the uncertainties surrounding the liquidation value of an individual life insurance policy; (3) the extensive amount of time and effort it might take to sell a life insurance policy; (4) the effect excessive sales of life insurance policies may have on transactions and future cash flows; and (5) the tax consequences.

The Company assumes the credit risk associated with life insurance companies and may not be able to realize the full value of insurance company payouts which could have a material adverse effect on the Company's profits.

The Company will assume the credit risk associated with life insurance policies issued by various life insurance companies. The failure or bankruptcy of any such life insurance company could have a material adverse impact on the Company's ability to achieve its investment objectives. A life insurance company's business tends to track general economic and market conditions that are beyond its control, including extended economic recessions, interest rate changes, the subprime lending market crisis or changes in investor perceptions regarding the strength of insurers generally and the life insurance policies or annuities they offer. Adverse economic factors and volatility in the financial markets may have a material adverse effect on a life insurance company's business obligation to pay the face value of policies.

The insolvency of any insurance company or a downgrade in the ratings of an insurance company could have a material adverse impact on the value of the related life insurance policies, the collectability of the related face value, cash surrender value or other amounts agreed to be paid by such insurance company. In the event that a life insurance carrier becomes insolvent or is placed into receivership, most state guaranty associations place a $300,000 or lower cap on face value for policies per insured. In addition to the limitations on the amount of coverage, which vary by state, there are limitations on who may make claims under such coverage and the

Company may not be eligible to make claims under U.S. state guarantee funds as most U.S. state guarantee fund laws were enacted with the stated goal of assisting policyholders residing in such states. Even if available to the Company, guarantee fund coverage limits are typically smaller than the face values of some of the life insurance policies that the Company will acquire. There can be no assurance that as more life settlement transactions are undertaken, legislators will not adopt additional restrictions on the availability of U.S. state guaranty funds.

The Company's success is dependent upon the services of its experienced management and talented employees. If the Company is unable to retain management and/or key employees, its ability to compete could be harmed.

The success of the Company is dependent upon the talents and efforts of highly skilled individuals employed by the Company and the Company's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate experienced management, talented investment professionals and other employees. Most of the shares registered for sale by the Registration Statement of which this Prospectus is a part are owned by our founders who are also key members of management of the Company.

There can be no assurance that the Company's management and professionals will continue to be associated with the Company, and the failure to attract or retain such professionals could have a material adverse effect on the Company's ability to execute on its business plan. Competition in the financial services industry for qualified management and employees is intense and there is no guarantee that, if lost, the talents of the Company's professionals could be replaced.

The Company's intellectual property rights may not adequately protect the Company's business.

To be successful, the Company must protect its technology, know-how and brand through means, such as trademarks, trade secrets, patents, copyrights, service marks, contractual restrictions, and other intellectual property rights and confidentiality procedures. Despite the Company's efforts to implement these protections, they may not adequately protect its business for a variety of reasons, including:

- inability to successfully register or obtain patents and other intellectual property rights for important innovations that sufficiently protect the full scope of such innovations;
- inability to maintain appropriate confidentiality and other protective measures to establish and maintain the Company's trade secrets;
- uncertainty in, and evolution of, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights;
- potential invalidation of the Company's intellectual property rights through administrative processes or litigation; and
- other practical, resource, or business limitations on the Company's ability to detect and prevent infringement or misappropriation of our rights and to enforce our rights.

Litigation may be necessary to enforce the Company's intellectual property or proprietary rights, protect the Company's trade secrets, or determine the validity and scope of proprietary rights claimed by others. Any litigation, whether or not resolved in the Company's favor, could result in significant expense to the Company, and divert the time and efforts of the Company's technical and management personnel. If the Company is unable to prevent third parties from infringing upon, violating or misappropriating the Company's intellectual property or is required to incur substantial expenses defending the Company's intellectual property rights, the Company's business, financial condition and results of operations may be materially adversely affected.

The Company may become subject to intellectual property disputes, which are costly and may subject the Company to significant liability and increased costs of doing business.

The Company may in the future become subject to intellectual property disputes. The Company's success depends, in part, on the Company's ability to operate without infringing, misappropriating or otherwise violating

the intellectual property rights of third parties. However, the Company may not be aware that its practices are infringing, misappropriating or otherwise violating third-party intellectual property rights, and such third parties may bring claims against the Company or its business partners alleging such infringement, misappropriation or violation.

Any claims of intellectual property infringement, even those without merit, may be time-consuming and expensive to resolve, divert management's time and attention, cause the Company to cease using or incorporating the asserted challenged intellectual property rights expose it to other legal liabilities, or require it to enter into licensing agreements to obtain the right to use a third party's intellectual property. Although the Company carries general liability insurance, it may not cover potential claims of this type or may not be adequate to indemnify the Company for all liability that may be imposed. The Company cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on the Company's business, financial condition, or results of operations.

Even if the claims do not result in litigation or are resolved in the Company's favor, these claims, and the time and resources necessary to resolve them, could divert the resources of the Company's management and harm the Company's business and results of operations.

The ongoing COVID-19 pandemic, along with rising interest rates and inflation, may disrupt the ability of the Company and its providers to originate life settlement policies which could have a material adverse impact on the Company's financial position.

The COVID-19 pandemic disrupted the global economy in several ways, some of which are still unfolding. COVID-19, or any outbreak of contagious diseases and other adverse public health developments, particularly in the United States, could have a material and adverse effect on our business operations. These could include disruptions or restrictions on our ability to source life settlement policies, as well as temporary closures of our facilities and the facilities of our third-party service providers. Any disruption or delay of our third-party service providers would likely impact our operating results. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of the United States and throughout the world, resulting in an economic downturn that could affect demand for the life insurance policies and significantly impact the Company's operating results.

We have identified material weaknesses in our internal control over financial reporting. And, prior to the Business Combination, we were not timely in filing our Form 10-K for the year ended December 31, 2022 and our Form 10-Q for the quarter ended March 31, 2023. If our remediation of the material weaknesses are not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations.

In connection with the audit of our financial statements for Abacus and LMA for the years ended December 31, 2022 and 2021, we identified the same material weakness in our internal control over financial reporting for both Abacus and LMA. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses for both entities related to members of executive management having access to post to the general ledger; members of finance having inappropriate information technology access to the general ledger; and journal entry users having the ability to post to the general ledger without formal review or approval. The material weaknesses did not result in a misstatement to our financial statements.

We are taking steps to remediate the material weaknesses and, as it related to executive management and information technology access to the general ledger, LMA and Abacus revoked the inappropriate privileges before 2022 year-end. We have also hired a new qualified accounting resource and are in the process of enhancing and formalizing our accounting, business operations and information technology policies, procedures

and controls. We have engaged outside resources to enhance our business documentation process, provide company-wide training and to help with management's self-assessment and testing of internal controls. We are implementing a new accounting system in 2023 that will require the appropriate approval of journal entries in our accounting system and are currently working with outside advisors to ensure proper segregation of duties and put mitigating controls in place. However, we are still in the process of implementing these steps and cannot assure investors that these measures will significantly improve or remediate the material weaknesses described above.

In addition, prior to the Business Combination, the Company (then known as East Resources Acquisition Company), was not timely in filing its Form 10-K for the year ended December 31, 2022 and its Form 10-Q for the quarter ended March 31, 2023.

We may in the future discover additional material weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

Risks Related to Being a Public Company

The market price of our notes may be volatile or may decline regardless of our operating performance. You may lose some or all of your investment.

The trading price of our notes may be volatile. The securities markets have recently experienced extreme volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your notes at an attractive price due to a number of factors such as the following:

- the impact of the COVID-19 pandemic on our financial condition and the results of operations;
- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry compared to market expectations;
- conditions that impact demand for our products and/or services;
- future announcements concerning our business, our clients' businesses or our competitors' businesses;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- the market's reaction to our reduced disclosure and other requirements as a result of being an "emerging growth company" under the Jumpstart Our Business Startups Act (the "JOBS Act");
- the size of our public float;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations which adversely affect our industry or us;
- privacy and data protection laws, privacy or data breaches, or the loss of data;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in senior management or key personnel;
- issuances, exchanges or sales, or expected issuances, exchanges or sales of our capital stock;

- changes in our dividend policy;
- adverse resolution of new or pending litigation against us; and
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from inflation, natural disasters, terrorist attacks, acts of war and responses to such events.

These broad market and industry factors may materially reduce the market price of the notes, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our notes is low. As a result, you may suffer a loss on your investment.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of management from our business regardless of the outcome of such litigation.

If we do not develop and implement all required accounting practices and policies, we may be unable to provide the financial information required of a U.S. publicly traded company in a timely and reliable manner.

The implementation of all required accounting practices and policies and the hiring of additional financial staff has increased and may continue to increase our operating costs and requires our management to devote significant time and resources to such implementation. If we fail to develop and maintain effective internal controls and procedures and disclosure procedures and controls, we may be unable to provide financial information and required SEC reports that are timely and reliable. Any such delays or deficiencies could harm us, including by limiting our ability to obtain financing, either in the public capital markets or from private sources and damaging our reputation, which in either cause could impede our ability to implement our growth strategy. In addition, any such delays or deficiencies could result in our failure to meet the requirements for continued listing of our notes on NASDAQ.

Our ability to timely raise capital in the future may be limited, or may be unavailable on acceptable terms, if at all. Our failure to raise capital when needed could harm our business, operating results and financial condition. Debt issued to raise additional capital may reduce the cash flow available to make required payments with respect to the notes and affect our ability to execute our investment strategy or impact the value of our investments.

We have funded our operations since inception primarily through our origination, active management and holding of life settlement policies. We cannot be certain when or if our operations will generate sufficient cash to fund our ongoing operations or the growth of our business.

We intend to continue to make investments to support our business and may require additional funds. Additional financing may not be available on favorable terms, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results and financial condition. If we incur debt, the debt holders could have rights senior to holders of the notes to make claims on our assets.

The Company has a series of warrants outstanding (collectively the “Warrants”), which include: (i) warrants (the “Private Placement Warrants”) originally issued in connection the Company’s initial public offering (the “Company IPO”) to purchase up to 7,120,000 shares of the Company’s common stock, par value $0.0001 per share (the “Common Stock”), issuable upon the exercise, at an exercise price of $11.50 per share; (ii) warrants issued in connection with the Closing of the Business Combination to purchase up to 1,780,000 shares of our Common Stock issuable upon the exercise, at an exercise price of $11.50 per share; (iii) warrants (the “Public Warrants”) issued in connection with the Company IPO to purchase up to 17,250,000 shares of Common Stock, at an exercise price of $11.50 per share, of the public warrants. We receive no capital until the Warrants are exercised, which do not expire until 2028. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

We are an "emerging growth company." The reduced public company reporting requirements applicable to emerging growth companies may make our notes less attractive to investors.

We qualify as an "emerging growth company," as defined in the JOBS Act. While we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These provisions include: (1) an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, (2) not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, (3) reduced disclosure obligations regarding executive compensation arrangements in our periodic reports, registration statements and proxy statements and (4) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide will be different than the information that is available with respect to other public companies that are not emerging growth companies. In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as we are an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected to irrevocably opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time public companies adopt the new or revised standard. This may make comparison of our financial statements with another emerging growth company that has not opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We cannot predict whether investors will find our notes less attractive if we rely on these exemptions. If some investors find our notes less attractive as a result, there may be a less active trading market for our notes. The market price of our notes may be more volatile.

We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year following the fifth anniversary of the date of the completion of the Company IPO, (2) in which we have total annual gross revenue of at least $1.235 billion, (3) the date on which we have, during the immediately preceding three-year period, issued more than $1.0 billion in non-convertible debt securities, or (4) the end of any fiscal year in which the market value of our Common Stock held by non-affiliates is at least $700 million as of the end of the second quarter of that fiscal year.

Our management has limited experience in operating a public company.

Our executive officers have limited experience in the management of a publicly traded company. Our management team may not successfully or effectively manage its transition to a public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of the Company. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal controls over financial reporting required of public companies in the United States. The development and implementation of the standards and controls necessary for the Company to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. It is possible that the Company will be required to expand its employee base and hire additional employees to support its operations as a public company which will increase its operating costs in future periods.

In addition, prior to the Business Combination, the Company (then known as East Resources Acquisition Company), was not timely in filing its Form 10-K for the year ended December 31, 2022 and its Form 10-Q for the quarter ended March 31, 2023.

USE OF PROCEEDS

The net proceeds received from the sale of the notes are estimated to be approximately $, after deducting the discounts and commissions payable to the underwriters and $ of estimated offering expenses payable by us. The net proceeds received will be used to repay approximately $ in principal amount of indebtedness with an interest rate of % under our Credit Agreement, dated as of July 5, 2023 and to retire that Credit Agreement. Any remainder will be used primarily to refinance other outstanding indebtedness and for general corporate purposes.

CAPITALIZATION OF ABACUS AND ITS CONSOLIDATED SUBSIDIARIES

The following table sets forth the unaudited capitalization of Abacus and its consolidated subsidiaries as of June 30, 2023 on an actual basis and on an as adjusted basis to give effect to the sale of the notes. This table should be read in conjunction with the financial statements of Abacus and its subsidiaries in the prospectus.

	As of June 30, 2023	
	Actual	As Adjusted
	(Dollars in thousands — unaudited)	
LONG-TERM DEBT[1]	66,165	66,165
% Fixed Rate Senior Notes due 2028 offered hereby	$ —	$ 69,000
Other Long-Term Debt	—	—
TOTAL LONG-TERM DEBT	$ 66,165	$ 135,165
STOCKHOLDERS' EQUITY	$	$
Common stock, par value $0.0001 per share; 200,000,000 authorized shares; 62,961,688 and 50,369,350 issued and outstanding, respectively	6	6
Additional paid-in capital		
Retained earnings	188,642	188,642
Accumulated other comprehensive income	877	877
Accumulated other comprehensive income (loss), net	(29,382)	(29,382)
Non-Controlling interest	356	356
TOTAL SHAREHOLDERS' EQUITY	$ 160,499	$ 160,499
TOTAL CAPITALIZATION	$ 226,664	$ 295,664

(1) Long-term debt consists of debt with a maturity of one year or more at the time it is incurred. These amounts are presented at the gross principal amounts outstanding and exclude unamortized debt issuance costs and purchase accounting adjustments.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Introduction

The Company and its subsidiaries are providing the following unaudited pro forma condensed combined financial information to aid you in your analysis of the financial aspects of the Company. The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X and should be read in conjunction with the accompanying notes.

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2023 combines the unaudited condensed statement of operations of East Resources Acquisition Company for the six months ended June 30, 2023, the unaudited condensed statement of operations of LMA for the six months ended June 30, 2023, and the unaudited condensed statement of operations of Abacus Settlements for the six months ended June 30, 2023. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 combines the audited statement of operations of East Resources Acquisition Company for the year ended December 31, 2022, the audited statement of operations of LMA for the year ended December 31, 2022, and the audited statement of operations of Abacus Settlements for the year ended December 31, 2022, giving effect to the Business Combination as if it had been consummated on January 1, 2022, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes, which are included elsewhere in this prospectus and incorporated by reference into the prospectus to which this Unaudited Pro Forma Condensed Combined Financial Information is attached:

- The historical unaudited condensed financial statements of East Resources Acquisition Company as of and for the six months ended June 30, 2023, and the historical audited financial statements of East Resources Acquisition Company as of and for year ended December 31, 2022;
- The historical unaudited condensed financial statements of LMA as of and for the six months ended June 30, 2023, and the historical audited financial statements of LMA as of and for the year ended December 31, 2022; and
- The historical unaudited condensed financial statements of Abacus Settlements as of and for the six months ended June 30, 2023, and the historical audited financial statements of Abacus Settlements as of and for the year ended December 31, 2022.

The foregoing historical financial statements have been prepared in accordance with GAAP. The pro forma adjustments reflect transaction accounting adjustments related to the Business Combination, which is discussed in further detail below. The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not purport to represent the Company's consolidated results of operations or consolidated financial position that would actually have occurred had the Business Combination been consummated on the dates assumed or to project the Company's consolidated results of operations or consolidated financial position for any future date or period.

The unaudited pro forma condensed combined financial information should also be read together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and other financial information included elsewhere in this prospectus.

Description of the Business Combination

On August 30, 2022, East Resource Acquisition Company entered into an Agreement and Plan of Merger, as amended on October 14, 2022 (the "Merger Agreement"), with Abacus Settlements, LMA, Abacus Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("Abacus Merger Sub") and LMA Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary

of the Company ("LMA Merger Sub" and, together with Abacus Settlements, LMA and Abacus Merger Sub, the "Merger Subs"), pursuant to which, among other things and subject to the terms and conditions contained in the Merger Agreement, Abacus Merger Sub merged with and into Abacus Settlements, with Abacus Settlements surviving the merger as a wholly owned subsidiary of East Resource Acquisition Company (the "Abacus Merger"), and LMA Merger Sub merged with and into LMA, with LMA surviving the merger as a wholly owned subsidiary of East Resource Acquisition Company (the "LMA Merger" and, together with the Abacus Merger, the "Merger" and, along with the other transactions contemplated by the Merger Agreement, the "Business Combination"). In connection with the closing of the Merger (the "Closing"), East Resource Acquisition Company was renamed Abacus Life, Inc.

On October 14, 2022, East Resource Acquisition Company entered into the First Amendment to the Merger Agreement with Abacus Settlements, LMA and the Merger Subs, which modified certain terms and conditions contained within the Merger Agreement.

On April 20, 2023, East Resource Acquisition Company entered into the Second Amendment to the Merger Agreement with Abacus Settlements, LMA and the Merger Subs, which modified certain terms and conditions contained within the Merger Agreement.

Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, on June 30, 2023, the Business Combination was consummated.

Accounting for the Business Combination

The Business Combination has been accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, East Resource Acquisition Company has been treated as the "acquired" company for financial reporting purposes. This determination was primarily based on the LMA shareholders having a relative majority of the voting power of the Post-Combination Company, the LMA shareholders having the authority to appoint a majority of directors on the Board of Directors, and senior management of LMA comprising the majority of the senior management of the Post-Combination Company. LMA was then determined to be the "acquirer" for financial reporting purposes based on the relative size of LMA as compared to Abacus Settlements, represented by their revenue, equity, gross profit and net income. Accordingly, for accounting purposes, the financial statements of the combined entity represent a continuation of the financial statements of LMA with the LMA Merger being treated as the equivalent of LMA issuing stock for the net assets of East Resource Acquisition Company, accompanied by a recapitalization. The net assets of East Resource Acquisition Company have been stated at historical cost, with no goodwill or other intangible assets recorded.

The Abacus Settlements Merger has been accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Abacus Settlements have been recorded at estimated fair value as of the acquisition date. The excess of the purchase price over the estimated fair values of the net assets acquired, if applicable, has been recognized as goodwill.

Basis of Pro Forma Presentation

The historical financial information has been adjusted to give pro forma effect to the transaction accounting required for the Business Combination. The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an accurate understanding of the Company upon Closing.

The unaudited pro forma condensed combined financial information is for illustrative purposes only. The financial results may have been different had East Resource Acquisition Company always been combined with LMA and Abacus Settlements (together, the "Companies"). You should not rely on the unaudited pro forma condensed combined financial information as being indicative of the historical results that would have been achieved had East Resource Acquisition Company and the Companies always been combined or the future results that the Company will experience.

Abacus Settlements and LMA were related parties, although they were determined not to be under common control. As such, an adjustment was applied to the statement of operations for the year ended December 31, 2022 to remove activity that would be considered intercompany activity and eliminated upon consolidation. This activity represented revenue for Abacus Settlements and cost of sales for LMA in the amount of $2.3 million for the year ended December 31, 2022, respectively. Abacus Settlements and LMA have not had any historical relationship with East Resource Acquisition Company prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between East Resource Acquisition Company and either the Company or Abacus Settlements and LMA.

Unaudited Pro Forma Condensed Combined Statement of Operations
Six Months Ended June 30, 2023
(In thousands)

	(1) ERES Historical	(2) Abacus Life, Inc. Historical	(3) Transaction Adjustments		(4) Pro Forma Combined ERES and LMA (1) + (2) + (3)	(5) Transaction Adjustments - Abacus Acquisition		Pro Forma Combined (4) + (5)
Revenue	—	21,585			21,585			21,585
Cost of sales	—	1,463			1,463			1,463
Gross profit	—	20,122	—		20,122	—		20,122
Formation and operating costs	2,109	—			2,109			2,109
Sales and marketing	—	1,413			1,413			1,413
General and administrative expenses	13,144	1,274	10,084	(BB)	24,502			24,502
Unrealized gain on life settlement policies	—	—			—			—
Unrealized loss on investments	—	(798)			(798)			(798)
Loss on change in fair value of debt	—	2,399			2,399			2,399
Amortization expense	—	—			—	3,237	(HH)	3,237
Depreciation	—	2			2			2
Total operating expenses	15,253	4,290	10,084		29,627	3,237		32,864
Loss from Operations	(15,253)	15,832	(10,084)		(9,505)	(3,237)		(12,742)
Other income (expense):								
Change in fair value of warrant liability	18,828	—	(6,408)	(CC)	12,420			12,420
Interest income	15	7			22			22
Interest expense	—	(941)	(1,500)	(EE)	(4,534)			(4,534)
			(1,465)	(FF)				
			(628)	(GG)				
Interest earned on marketable securities held in Trust Account	745	—	(745)	(AA)	—			—
Other income (expense)	(2,702)	(22)			(2,724)			(2,724)
Total other income (expense)	16,886	(956)	(10,746)		5,184	—		5,184
Net income before provision for income taxes	1,633	14,876	(20,830)		(4,321)	(3,237)		(7,558)
(Provision for)/Benefit from income taxes	(52)	(528)	2,723	(DD)	2,143	820	(DD)	2,963
Net income	1,581	14,348	(18,107)		(2,178)	(2,417)		(4,595)
Net income attributable to noncontrolling interest	—	(487)			(487)			(487)
Net income / (loss) attributable to members / shareholders	1,581	14,835	(18,107)		(1,691)	(2,417)		(4,108)
Basic and diluted weighted average shares outstanding, Class A common stock subject to possible redemption								
Basic and diluted net income per share, Class A common stock subject to possible redemption								
Basic and diluted weighted average shares outstanding, Non-redeemable common stock								
Basic and diluted net income per share, Non-redeemable common stock								
Basic and diluted weighted average shares outstanding, Class A common stock		50,438,921						50,438,921
Basic and diluted net loss per share, Class A common stock		0.29						(0.09)

Unaudited Pro Forma Condensed Combined Statement of Operations
Year Ended December 31, 2022
(in thousands)

	(1) ERES Historical	(2) LMA Historical	(3) Transaction Adjustments		(4) Pro Forma Combined ERES and LMA (1) + (2) + (3)	(5) Abacus Settlements Acquisition	(6) Transaction Adjustments – Abacus Settlements Acquisition		Pro Forma Combined (4) + (5) + (6)
Revenue	—	44,713	(2,268)	(II)	42,445	25,203			67,648
Cost of Sales	—	6,245	(2,268)	(II)	3,977	16,561			20,538
Gross profit	—	38,468	—		38,468	8,642	—		47,110
Formation and operating costs	11,722	—			11,722	—			11,722
Sales and marketing	—	2,596			2,596	—			2,596
General and administrative expenses	—	1,066	20,168	(LL)	21,234	8,674			29,908
Loss (gain) on change in fair value of debt	—	91			91	—			91
Unrealized loss (gain) on investments	—	1,046			1,046	—			1,046
Other operating expenses	—	—			—	—			—
Amortization expense	—	—			—	—	6,474	(SS)	6,474
Depreciation	—	4			4	12			16
Total operating expenses	11,722	4,803	20,168		36,693	8,686	6,474		51,853
Loss from operations	(11,722)	33,665	(20,168)		1,775	(44)	(6,474)		(4,743)
Other income (expense):									
Change in fair value of warrant liability	9,336	—	(6,794)	(KK)	2,542	—			2,542
Change in fair value of forward purchase agreement liability	600	—			600	—			600
Interest income	10	2			12	3			15
Interest (expense)	—	(43)	(3,000)	(OO)	(6,404)	(9)			(6,413)
			(2,104)	(PP)		—			—
			(1,257)	(QQ)		—			—
Interest earned on marketable securities held in Trust Account	672	—	(672)	(JJ)	—	—			—
Consulting income	—	—			—	—			—
Other income/(expense)	513	(347)			166	—			166
Total other income	11,131	(388)	(13,827)		(3,084)	(6)	—		(3,090)
Net income before provision for income taxes	(591)	33,277	(33,995)		(1,309)	(50)	(6,474)		(7,833)
(Provision for)/Benefit from income taxes	(53)	(890)	1,671	(MM)	(7,295)	(2)	1,539	(MM)	(5,758)
			(8,023)	(NN)					
Net income / (loss)	(644)	32,387	(40,347)		(8,604)	(52)	(4,935)		(13,591)
Net income / (loss) attributable to noncontrolling interest	—	705			705				705
Net income / (loss) attributable to members / share	(644)	31,682	(40,347)		(9,309)	(52)	(4,935)		(14,296)
Basic and diluted weighted average shares outstanding, Class A common stock subject to possible redemption	23,637,084								
Basic and diluted net income per share, Class A common stock subject to possible redemption	(0.02)								
Basic and diluted weighted average shares outstanding, Non-redeemable common stock	8,625,000								
Basic and diluted net income per share, Non-redeemable common stock	(0.02)								
Basic and diluted weighted average shares outstanding, Class A common stock		50,369,350							50,438,921
Basic and diluted net loss per share, Class A common stock		0.63							(0.27)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The pro forma adjustments have been prepared as if the Business Combination had been consummated on January 1, 2022, the beginning of the earliest period presented in the unaudited pro forma condensed combined statement of operations.

The LMA Merger is expected to be accounted for using the reverse recapitalization method of accounting, with no goodwill or other intangible assets recorded in accordance with GAAP. Accordingly, for accounting purposes, the financial statements of the Company represent a continuation of the financial statements of LMA with the acquisition being treated as the equivalent of LMA issuing stock for the net assets of ERES, accompanied by a recapitalization. The net assets of East Resource Acquisition Company have been stated at historical cost, with no goodwill or other intangible assets recorded.

The Abacus Settlements Merger is expected to be accounted for using the acquisition method of accounting in accordance with GAAP. Accordingly, for accounting purposes, the identified assets and liabilities of Abacus Settlements have been recorded at their estimated fair values as of the acquisition date. The excess of the purchase price over the estimated fair values of the net assets acquired, if applicable, has been recognized as goodwill.

The pro forma adjustments represent management's estimates based on information available as of the date of this prospectus and incorporated by reference into the prospectus to which this Unaudited Pro Forma Condensed Combined Financial Information is attached and are subject to change as additional information becomes available and additional analyses are performed. Management considers this basis of presentation to be reasonable under the circumstances.

2. Adjustments and Assumptions to the Unaudited Pro Forma Condensed Combined Statement of Operations for the six months ended June 30, 2023

The adjustments included in the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2023 are as follows:

(AA) Reflects the elimination of interest earned on marketable securities held in the Trust Account.

(BB) Reflects recurring compensation expense due to a non-pro-rata distribution to one of the existing owners of the Companies, which vests in two equal tranches over the period of 25 months and 30 months, respectively, following Closing and which is subject to forfeiture prior to vesting. The negotiations related to the draft Restriction Agreement governing these shares, attached to this prospectus as Annex I, were considered to be concluded as of January 12, 2023, and this was determined to be the grant date of these incentive shares. The compensation expense amount was calculated using East Resource Acquisition Company's closing stock price on the grant date. This adjustment is expected to result in a permanent difference between book and taxable income, and as such, no income tax benefit has been reflected herein related to this adjustment.

(CC) Represents the elimination of the change in fair value of the ERES's public warrants for the six months ended June 30, 2023 as a result of the reclassification of these warrants and the forfeiture of 20% of ERES's Private Placement Warrants. This adjustment is expected to result in a permanent difference between book and taxable income, and as such, no income tax benefit has been reflected herein related to this adjustment.

(DD) Represents the pro forma adjustment to taxes as a result of adjustments to the income statement for the six months ended June 30, 2023, which was calculated using the statutory income tax rate of 26.5%. Adjustments that were expected to result in permanent differences between book and taxable income, as noted herein, were not included in the calculation of the tax impact of pro forma adjustments.

(EE) Reflects the interest expense related to the issuance of new debt, calculated based on an interest rate of 12%.

(FF) Reflects the interest expense related to the issuance of debt by Blue Owl, calculated based on an interest rate of 725 basis points over SOFR. A change in SOFR of 1/8 of a percent would not result in a significant increase or decrease in interest expense for the six months ended June 30, 2023.

(GG) Reflects the interest expense related to the incremental issuance under the promissory note with the Sponsor, which is subject to a fixed interest rate of 12%, for the six months ended June 30, 2023.

(HH) Reflects the incremental amortization expense related to intangibles. These intangibles include customer relationships, internally developed and used technology, and non-compete agreements, which were previously not present within Abacus Settlements' historical financial statements and were adjusted to fair value based on the purchase price allocation. The amortization expense for intangibles was calculated on a straight-line basis using the estimated remaining useful lives of the assets, which varied among the different intangibles.

3. Adjustments and Assumptions to the Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2022

The adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 are as follows:

(II) Reflects the elimination of activity between LMA and Abacus Settlements for the year ended December 31, 2022 that, following the Business Combination, would be considered intercompany activity and eliminated upon consolidation. This activity was historically recorded as revenue for Abacus Settlements and as cost of sales for LMA.

(JJ) Reflects the elimination of interest earned on marketable securities held in the Trust Account.

(KK) Represents the elimination of the change in fair value of the ERES's public warrants for the year ended December 31, 2022 as a result of the reclassification of these warrants and the forfeiture of 20% of ERES's Private Placement Warrants. This adjustment is expected to result in a permanent difference between book and taxable income, and as such, no income tax benefit has been reflected herein related to this adjustment.

(LL) Reflects recurring compensation expense due to a non-pro-rata distribution to one of the existing owners of the Companies, which vests in two equal tranches over the period of 25 months and 30 months, respectively, following Closing and which is subject to forfeiture prior to vesting. The negotiations related to the draft Restriction Agreement governing these shares, attached to this prospectus as Annex I, were considered to be concluded as of January 12, 2023, and this was determined to be the grant date of these incentive shares. The compensation expense amount was calculated using East Resource Acquisition Company's closing stock price on the grant date. This adjustment is expected to result in a permanent difference between book and taxable income, and as such, no income tax benefit has been reflected herein related to this adjustment.

(MM) Represents the pro forma adjustment to taxes as a result of adjustments to the income statement for the year ended December 31, 2022, which was calculated using the statutory income tax rate of 26.5%. Adjustments that were expected to result in permanent differences between book and taxable income, as noted herein, were not included in the calculation of the tax impact of pro forma adjustments.

(NN) Reflects the tax impact of transitioning the Companies from pass-through entities for tax purposes to taxable entities for the year ended December 31, 2022.

(OO) Reflects the interest expense related to the debt issued as part of a capital contribution, calculated based on an interest rate of 12%.

(PP) Reflects the interest expense related to the issuance of debt by Blue Owl, calculated based on an interest rate of 725 basis points over SOFR. A change in SOFR of 1/8 of a percent would not result in a significant increase or decrease in interest expense for the year ended December 31, 2022.

(QQ) Reflects the interest expense related to the incremental issuance under the promissory note with the Sponsor, which is subject to a fixed interest rate of 12%, for the year ended December 31, 2022.

(RR) Reflects the incremental amortization expense related to intangibles. These intangibles include customer relationships, internally developed and used technology, and non-compete agreements, which were previously not present within Abacus Settlements' historical financial statements and were adjusted to fair value based on the purchase price allocation. The amortization expense for intangibles was calculated on a straight-line basis using the estimated remaining useful lives of the assets, which varied among the different intangibles.

4. Earnings per Share Information

The pro forma weighted average shares calculations have been performed for the six months ended June 30, 2023 and the year ended December 31, 2022 using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination, assuming the transaction occurred on January 1, 2022. As the Business Combination is being reflected as if it had occurred at the beginning of the periods presented, the calculation of weighted average share outstanding for both basic and diluted earnings per share assumes that the shares issued relating to the Business Combination have been outstanding for the entire periods presented. As such, historical weighted average common shares outstanding—basic and diluted for the six months ended June 30, 2023 were determined to appropriately approximate the pro forma weighted average common shares outstanding — basic and diluted for the pro forma periods presented.

(In thousands, except share and per share data)	Three Months Ended	Year Ended December 31,
Pro forma net income	$ (4,595)	$ (13,591)
Pro forma weighted average Class A Common Stock outstanding—basic and diluted	50,438,921	50,438,921
Pro forma Class A Common Stock income per share	$ (0.09)	$ (0.27)

The above calculation excludes the effects of potentially dilutive shares from the computation of diluted net income per share as the effect would have an antidilutive impact under the treasury stock method. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net profit per share attributable to common shareholders of the Company is the same.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company is composed of two principal operating subsidiaries, LMA and Abacus Settlements. The following sets forth management's discussion and analysis of financial condition and results of operations of the Company and its operating subsidiaries.

Business Combination

The Company was formed under the laws of the State of Delaware on May 22, 2020 as a blank check company for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. The Business Combination was effectuated using cash from the proceeds of the Company IPO and the sale of the Private Placement Warrants, our capital stock, debt or a combination of cash, stock and debt. On August 30, 2022, the Company entered into the Merger Agreement, and the Business Combination was consummated on June 30, 2023.

Prior to the Business Combination, the Company neither engaged in any operations (other than searching for a business combination after the Company IPO) nor generated any revenues to date. Our only activities from May 22, 2020 (inception) through June 30, 2023 were organizational activities, those necessary to prepare for the Initial Public Offering, described below, and, subsequent to the Initial Public Offering, identifying a target company for a Business Combination and completing such Business Combination.

Longevity Market Assets

Overview

LMA directly acquires life insurance policies in a mutually beneficial transaction for both us and the underlying insured. With meaningful support from our proprietary risk rating heat map, we consistently evaluate policies (at origination and throughout the lifecycle) to generate essentially uncorrelated risk adjusted returns. Additionally, we provide a range of services for owners of life settlement assets.

Upon acquiring a policy, we have the option to either (i) trade that policy to a third-party institutional investor (i.e., generating a spread on each trade) or (ii) hold that policy on our balance sheet until maturity (i.e., paying the premiums over time and receiving the final claim / payout). This process is predicated on driving the best economics for LMA and we categorize this revenue as "Trading" or "Active management revenue."

Additionally, LMA provides a wide range of services to owners and purchasers of life settlements assets (i.e., acquired policies). More specifically, LMA provides consulting, valuation, actuarial services, and performs administrative work involved in keeping a policy in force and at the premium level most advantageous to the owner. We have experience servicing a large number of policies for highly sophisticated institutions, including policies for large institutional life settlement funds. We generate revenue on these services by charging a base servicing fee of approximately 0.5% of total asset value of the portfolio. We categorize this revenue as "Servicing" or "Portfolio servicing revenue."

In 2021, we shifted our focus from a service based only business model and began directly acquiring life insurance policies. Our first purchase under the expanded model was in June 2021, and the revenue related to that purchase is included in the Active management revenue line item in the accompanying financial statements for the period ended December 31, 2022. We have seen rapid growth in this segment as we have continued to dedicate capital and resources towards our marketing and diversified origination channels. Such items are appropriately reflected in the operating expenses section of the accompanying financial statements for the period ended June 30, 2023.

LMA was formed as Abacus Life Services, LLC in the state of Florida in February 2017. Subsequently, in February 2022, we changed our name to Longevity Market Assets, LLC. We are headquartered in Orlando, Florida.

Our Business Model

As mentioned in the above Overview section, LMA generates revenue in two main ways. The first is through our active portfolio management strategy ("Active management revenue"), whereby we can (i) generate a spread on traded policies, (ii) hold policies on our balance sheet (paying premiums over time and receiving the payout/claim), or (iii) generate unrealized gains or losses on policies purchased by our structured note offerings: LMATT Series 2024, Inc., LMATT Growth Series 2.2024, Inc., LMATT Growth and Income Series 1.2026, Inc., and LMA Income Series, LP using the proceeds from the debt offerings with the intention to hold to maturity. The second is through our portfolio and policy servicing activities, whereby we provide a range of services to life settlement asset owners.

Active management revenue derives from buying and selling policies; and the receipt of death benefits proceeds on policies we hold where the insured dies. Of the purchased policies, some are purchased with the intent to hold to maturity, while others are held for trading to be sold for a gain. We elect to account for each investment in life settlement contracts using either the investment method or the fair value method. Once the accounting method is elected for each policy, it cannot be changed. LMA accounts for life settlement policies purchased through the structured note and fund offerings on a fair value basis, and life settlement policies that we intend to trade in the near term at cost plus premiums paid. At the time that this election was made, this was the result of a cost-benefit analysis: because of our intention to hold the instruments for a relatively short period, we believed that the investment method provided a more cost-effective method of accounting for the instruments and did not believe that, in the course of the short period, the fair value would differ materially from the accumulated cost. For the life settlement policies accounted for under the fair value method, these policies are part of the collateral consideration for the market linked structured notes issued under LMX Series, LLC and LMA Series, LLC subsidiaries where quarterly valuations are a condition of the private placement memorandum. Given that there is a valuation requirement stipulated in the notes, management has elected to use the fair value method for these policies as the information is readily available and also captures the change in fair value within the income statement when those changes occur as opposed to when the policies mature given management's intention to hold them to maturity. For policies held at fair value, changes in fair value are reflected in operations in the period the change is calculated. Under the investment method, investments in contracts are recorded at investment price plus all initial direct costs. Continuing costs (e.g., policy premiums, statutory interest and direct external costs, if any) to keep the policy in force are capitalized. Gains/losses on sales of such are recorded at the time of sale or maturity. Under the fair value method, we record the initial investment of the transaction price and remeasure the investment at fair value at each subsequent reporting period. Changes in fair value are reported in revenue when they occur including those related to life insurance proceeds (policy maturities) and premium payments. Upon sale of a life settlement contract, we record revenue (gain/loss) for the difference between the agreed-upon purchase price with the buyer, and the carrying value of the contract.

Generating Portfolio servicing revenue involves the provision of services to one affiliate by common ownership, and third parties, which own life insurance policies. Portfolio servicing revenue is derived from services related to maintaining these settled policies pursuant to agreement with investors in settled policies ("Service Agreement(s)"). Additionally, also included in servicing revenue are fees for limited consulting services related to the evaluation of policies that we perform for third parties. Portfolio servicing revenue is recognized ratably over the life of the Service Agreements, which range from one month to ten years. The duties performed by the Company under these arrangements are considered a single performance obligation that is satisfied ratably as the customer simultaneously receives and consumes the benefit provided by us. As such, revenue is recognized for services provided for the corresponding month.

Portfolio servicing revenue also consists of revenue related to consulting engagements. We provide services for the owners of life settlement contracts who are often customers of the servicing business line, or customers of

Abacus Settlements. These consulting engagements are comprised of valuation, actuarial services, and overall policy assessments related to life settlement contracts and are short-term in nature. The performance obligations are typically identified as separate services with a specific deliverable or a group of deliverables to be provided in tandem, as agreed to in the engagement letter or contract. Each service provided under a contract is considered as a performance obligation and revenue is recognized at a point in time when the deliverable or group of deliverables is transferred to the customer.

Key Factors Affecting Our Performance

The markets for our consulting and portfolio servicing are affected by economic, regulatory, and legislative changes, technological developments, and increased competition from established and new competitors. We believe that the primary factors in selecting LMA include reputation, the ability to provide measurable increases to shareholder value and return on investment, global scale, quality of service and the ability to tailor services to each client's specific needs. In that regard, with our ability to leverage the technology we develop, we are focused on developing and implementing data and analytic solutions for both internal operations and for maintaining industry standards and meeting client needs.

Results of Operations

The following tables set forth our results of operations for the periods presented. The period-to-period comparison of financial results is not indicative of future results:

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2023	2022	2022	2021
Portfolio Servicing Revenue						
Related party servicing revenue	$ 329,629	$ 419,253	$ 543,076	$ 620,159	$ 818,300	$ 699,884
Portfolio servicing revenue	24,737	169	46,981	370,169	652,672	380,102
Total Portfolio servicing revenue	354,366	419,422	590,057	990,328	1,470,972	1,079,986
Active management revenue						
Investment income from life insurance policies held using investment method	8,263,499	5,965,466	16,655,833	13,980,466	37,828,829	120,000
Change in fair value of life insurance policies (policies held using fair value method)	2,760,900	2,014,013	4,339,084	3,305,505	5,413,751	—
Total active management revenue	11,024,399	7,979,479	20,994,917	17,285,971	43,242,580	120,000
Total Revenue	11,378,765	8,398,901	21,584,974	18,276,299	44,713,552	1,199,986
Cost of revenues (excluding depreciation stated below)	973,400	666,119	1,462,950	2,086,075	6,245,131	735,893
Gross Profit	10,405,365	7,732,782	20,122,024	16,190,224	38,468,421	464,093
Operating expenses						
Sales and marketing	683,841	1,019,498	1,412,845	1,649,498	2,596,140	—
General, administrative and other	577,539	5,499	1,274,431	646,705	1,066,403	101,406
Unrealized loss (gain) on investments	(672,936)	1,039,022	(798,156)	1,054,975	90,719	—
Loss on change in fair value of debt	1,445,229	333,879	2,398,662	375,513	1,045,623	—
Other operating expenses					—	493,849
Depreciation expense	1,098	1,098	2,141	2,141	4,282	2,447
Total operating expenses	2,034,771	2,398,996	4,289,923	3,728,832	4,803,167	597,702

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2023	2022	2022	2021
Operating income	8,370,594	5,333,786	15,832,101	12,461,392	33,665,254	(133,609)
Other (expense) income						
Other income (expense)	121,601	(127,455)	(21,651)	(242,247)	(347,013)	—
Interest (expense)	(584,075)	—	(941,458)	—	(41,324)	—
Interest income	—	—	7,457	—	—	—
Net income before provision for income taxes	7,908,120	5,206,331	14,876,449	12,219,145	33,276,918	(133,609)
Provision for income taxes	(1,184,571)	(120,132)	(528,104)	(296,806)	(889,943)	
Net income	6,723,549	5,086,199	14,348,345	11,922,339	32,386,975	(133,609)
Less: Net income (loss) attributable to noncontrolling interest	(26,596)	406,641	(487,303)	406,641	704,699	(148,155)
Net income attributable to Abacus Life, Inc.	$ 6,750,145	$ 4,679,558	$ 14,835,648	$ 11,515,698	$ 31,682,275	$ 14,546

Revenue

Related Party Services

We have a related-party relationship with Nova Trading (US), LLC (“Nova Trading”), a Delaware limited liability company and Nova Holding (US) LP, a Delaware limited partnership (“Nova Holding” and collectively with Nova Trading, the “Nova Funds”) as some of the owners of Abacus Life, Inc. and certain members of management jointly own 11% of the Nova Funds. We enter into service agreements with the owners of life settlement contracts and are responsible for maintaining the policies, managing processing of claims in the event of death of the insured and ensuring timely payment of optimized premiums computed to derive maximum return on maturity of the policy. We neither assume the ownership of the contracts nor undertake the responsibility to make the associated premium payments. The duties that we perform under these arrangements are considered a single performance obligation that is satisfied over time and revenue is recognized for services provided for the corresponding time period. We earn servicing revenue related to policy and administrative services on behalf of Nova Funds portfolio (the “Nova Portfolio”). The servicing fee is equal to 50 basis points (0.50%) times the monthly invested amount in policies held by Nova Funds divided by 12.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Related party servicing revenue	$ 329,629	$ 419,253	$(89,624)	(21.4)%

Related party servicing revenue decreased by $89,624, or 21%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease in related party servicing revenue is primarily due to the joint venture (“JV”) owning less policies at June 30, 2023. Total policy count for the Nova Portfolio was 353 and 413 for the periods ended June 30, 2023 and June 30, 2022, respectively. This translated to total invested dollars of $151,738,261 and $162,162,124 as of June 30, 2023 and June 30, 2022, respectively.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Related party servicing revenue	$ 543,076	$ 620,159	$(77,083)	(12.4)%

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Portfolio servicing revenue	$ 24,737	$ 169	$ 24,568	14,537.3%

Portfolio servicing revenue increased by $24,568, or 14,537%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in portfolio servicing revenue is primarily attributable to servicing more external funds during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. There were zero non-recurring consulting projects in Q2, 2023.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Portfolio servicing revenue	$ 46,981	$ 370,169	$(323,188)	(87.3)%

Portfolio servicing revenue decreased by $323,188, or 87%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease in portfolio servicing revenue is primarily attributable to a reduction in the non-recurring consulting projects in 2023.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Related party servicing revenue	$818,300	$699,884	$118,416	17%

Related party servicing revenue increased by $118,416, or 17%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in related party servicing revenue is primarily attributable to the increase in size of the Nova Portfolio, both in policy count and invested dollars. Total policy count for the Nova Portfolio was 392 and 231 for the periods ended December 31, 2022 and December 31, 2021, respectively. This translated to total invested dollars of $155,451,161 and $76,016,669 as of December 31, 2022 and December 31, 2021, respectively.

Active management revenue

Active management revenue is generated by buying, selling, and trading policies and maintaining policies through to receipt of maturity or death benefits. Policies are accounted for under both the investment method and fair value method. We have elected on an instrument-by-instrument basis to account for these policies under the investment method, pursuant to ASC 323-30-25-2. Abacus Life, Inc. engages in direct buying and selling of life settlement policies whereby each potential policy is independently researched to determine if it would be a profitable investment. Policies purchased under Abacus Life, Inc. are typically purchased with the intention to sell within twelve months and are measured for under the investment method given that the purchase dates are recent, and policies turn fairly quickly. Policies purchased under LMATT Series 2024, Inc. or LMATT Growth Series 2.2024, Inc. (the “LMATT subsidiaries”) are measured under the fair value method and will either be sold or held until the policies mature. Upon sale of a life settlement contract, the company will record revenue (gain/loss) for the difference between the agreed-upon purchase price with the buyer, and the carrying value of the contract.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Active management revenue				
Policies accounted for under the investment method	$ 8,263,499	$5,965,466	$2,298,033	38.5%
Policies accounted for under the fair value method	2,760,900	2,014,013	746,887	37.1%
Total active management revenue	$11,024,399	$7,979,479	$3,044,920	38.2%

Total active management revenue increased by $3,044,920, or 38%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in active management revenue was primarily attributable to maturities of policies accounted for under the investment method. As of June 30, 2023, Abacus Life, Inc. holds 167 policies, of which 122 are accounted for under the fair value method and 45 are accounted for using the investment method (cost, plus premiums paid). Policies recorded under the investment

method represent those policies purchased by Abacus Life, Inc. with the intent to sell within the next 12 months. Policies recorded under the investment method resulted in a revenue increase in of $2,298,033, or 39%. Aggregate face value of policies accounted for using the investment method is $39,520,877 as of June 30, 2023, with a corresponding carrying value of approximately $9,889,610. Additional information regarding policies accounted for under the investment method is as follows:

	Three Months Ended June 30,	
	2023	2022
Investment method:		
Policies bought	79	52
Policies sold	88	20
Policies matured	0	0
Average realized gain (loss) on policies sold	16.7%	11.1%
Number of external counter parties that purchased policies	11	3

Policies accounted for under the fair value method, resulted in a revenue increase of $746,887, which was driven primarily by a realized gain on the sale of 22 policies of $1,297,702 for the three months ended June 30, 2023. In the three months period ended June 30, 2023, an unrealized gain of $2,126,723 was recorded on 54 policies purchased. For the policies held at fair value, the unrealized gain on policies of $2,126,723 represents a change in fair value of the aforementioned policies. Abacus Life, Inc. realized a gain of $1,297,702 for the three months ended June 30, 2023 for 9 policies that sold that were included in the change in fair value of life insurance policies held using the fair value method and made premium payments of $663,424, which were also included in the same line item. Additional information regarding policies accounted for under the fair value method is as follows:

	Three Months Ended June 30,	
	2023	2022
Fair value method:		
Policies bought	54	31
Policies sold	9	—
Policies matured	1	—
Average realized gain (loss) on policies sold	14.7%	—
Number of external counter parties that purchased policies	3	—

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Active management revenue				
Policies accounted for under the investment method	$16,655,833	$13,980,466	$2,675,367	19%
Policies accounted for under the fair value method	4,339,084	3,305,505	1,033,579	31%
Total active management revenue	$20,994,917	$17,285,971	$3,708,946	21%

Total active management revenue increased by $3,708,946, or 21%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The increase in active management revenue was primarily attributable to an increase in policy sales and maturities. As of June 30, 2023, Abacus Life, Inc. holds 167 policies, of which 122 are accounted for under the fair value method and 45 are accounted for using the investment method (cost, plus premiums paid). Policies recorded under the investment method represent those policies purchased by Abacus Life, Inc. with the intent to sell within the next 12 months. Policies recorded under the investment method resulted in an increase of $2,675,367, or 19%. Aggregate face value of policies accounted

for using the investment method is $39,520,877 as of June 30, 2023, with a corresponding carrying value of approximately $9,889,610. Additional information regarding policies accounted for under the investment method is as follows:

	Six Months Ended June 30,	
	2023	2022
Investment method:		
Policies bought	165	80
Policies sold	127	48
Policies matured	2	0
Average realized gain (loss) on policies sold	16.3%	13.5%
Number of external counter parties that purchased policies	15	4

Policies accounted for under the fair value method, with the intention to hold to maturity, resulted in an increase in revenue of $1,033,579 driven primarily by a realized gain on life settlement policies of $1,898,958 for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. Aggregate face value of policies held at fair value is $195,205,585 as of June 30, 2023, with a corresponding fair value of $56,685,617. For the policies held at fair value, the unrealized gain recorded on 69 purchased policies as of $3,319,588 represents a change in fair value of the aforementioned policies. Abacus Life, Inc. realized a gain of $ 1,898,958 for the six months ended June 30, 2023 for 11 sold policies that were included in the change in fair value of life insurance policies held using the fair value method and made premium payments of $879,461, which were also included in the same line item. Additional information regarding policies accounted for under the fair value method is as follows:

	Six Months Ended June 30,	
	2023	2022
Fair value method:		
Policies bought	69	32
Policies sold	11	—
Policies matured	1	—
Average realized gain (loss) on policies sold	10.4%	—
Number of external counter parties that purchased policies	5	—

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Active management revenue				
Policies accounted for under the investment method	$37,828,829	$ 120,000	$37,708,829	31,424%
Policies accounted for under the fair value method	5,413,751	—	5,413,751	—
Total active management revenue	$43,242,581	$ 120,000	$43,122,581	35,935%

Active management revenue increased by $43,122,581, or 35,935%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in Active management revenue was primarily attributable to LMA making a strategic shift and re-organizing the business to include an active management segment. This shift in business model occurred in 2021. As of December 31, 2022, LMA holds 53 policies, of which 35 are accounted for under the fair value method and 18 are accounted for using the investment method (cost, plus premiums paid). Policies recorded under the investment method represent those policies purchased by LMA with the intent to sell within the next 12 months. Policies recorded under the investment method resulted in

an increase of $37,708,829. Aggregate face value of policies accounted for using the investment method is $42,330,000 as of December 31, 2022, with a corresponding carrying value of approximately $8,716,111. Additional information regarding policies accounted for under the investment method is as follows:

	Years Ended December 31,	
	2022	2021
Investment method		
Policies bought	145	1
Policies sold	127	1
Policies matured	2	—
Average realized gain (loss) on policies sold	17%	40%
Number of external counter parties that purchased policies	25	1
Life insurance proceeds received	2	—

Policies accounted for under the fair value method, with the intention to hold to maturity, resulted in an increase in revenue of $5,413,751 driven primarily by an unrealized gain on policies of $5,742,377 for the year ended December 31, 2022 compared to the year ended December 31, 2021. Aggregate face value of policies held at fair value is $40,092,154 as of December 31, 2022, with a corresponding fair value of $13,809,352. For the policies held at fair value, the unrealized gain on policies of $5,742,377 represents a change in fair value of the aforementioned policies. LMA realized a gain of $105,000 for the year-ended December 31, 2022 for two policies that had matured that were included in the change in fair value of life insurance policies held using the fair value method and made premium payments of $433,626, which were also included in the same line item. Additional information regarding policies accounted for under the fair value method is as follows:

	Years Ended December 31,	
	2022	2021
Fair value method		
Policies bought	32	—
Policies sold	—	—
Policies matured	2	—
Average realized gain (loss) on policies sold	—	—
Number of external counter parties that purchased policies		
Life insurance proceeds received	2	—

Cost of Revenues (Excluding Depreciation) and Gross Profit

Cost of revenues (excluding depreciation) primarily consists of payroll costs for employees who service policies and consulting expenses for discretionary commissions directly related to active management trading revenue. Cost of revenues excludes depreciation expense as Abacus Life, Inc. does not hold any material property and equipment that is directly used to support the servicing or trading of life settlement policies. The payroll costs related to policy servicing are for recurring and non-recurring projects where the time incurred for servicing policies is measurable and directly correlates to revenue earned. Similarly, consulting expenses are for discretionary commissions earned directly related to revenue generated as part of the Active management revenue stream.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Cost of revenue (excluding depreciation)	$ 973,400	$ 666,119	$307,281	46%

Cost of revenues (excluding depreciation) increased by $307,281, or 46%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in cost of revenues is primarily due to an increase of payroll expenses related to increased headcount and changes to various benefit packages in 2023.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Cost of revenue (excluding depreciation)	$1,462,950	$2,086,075	$(623,125)	(30)%

Cost of revenues (excluding depreciation) decreased by $623,125, or 30%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease in cost of revenues is primarily due to a $1,057,735 decrease in consulting expenses primarily represents discretionary commissions for individuals directly related to active management trading revenue and bonuses paid out during the first quarter of 2022. The bonuses and commissions did not recur during 2023. The decrease in consulting expenses offset by a $427,380 increase in wages related to policy servicing activity as a result of increased headcount of 4 people and changes to various benefit packages in 2023.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Cost of revenue (excluding depreciation)	$6,245,131	$735,893	$5,509,238	749%

Cost of revenues (excluding depreciation) increased by $5,509,238, or 749%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in cost of revenues is primarily due to a $5,012,394 increase in consulting expenses which represent primarily discretionary commissions for individuals directly related to active management trading revenue along with various due diligence and consulting fees. There was also a $708,727 increase in wages related to policy servicing activity as a result of increased headcount and changes to various benefit packages in 2022, offset by a $211,883 decrease in policy serving.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Gross profit	$10,405,366	$7,732,782	$2,672,584	35%

Gross profit increased by $2,672,584, or 35%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in gross profit is due to the decrease in the cost of revenue by $307,281, or 46% which was attributable to reductions in consulting expenses. The expansion of the active management business resulted in increased revenues of $3,044,920, or 38%, of the total increase in revenues of $2,979,864 or 35%.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Gross profit	$20,122,024	$16,190,224	$3,931,800	24%

Gross profit increased by $3,931,800, or 24%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The increase in gross profit is primarily due to decrease of cost of revenue by $623,125, or 30% and the expansion of the active management business which resulted in increased revenues of $ 3,708,946 , or 21%, of the total increase in revenues of $3,308,675, or 18%, offset by a decrease of portfolio servicing revenue of $323,188, or 87%.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Gross profit	$38,468,422	$464,093	$38,004,329	8,189%

Gross profit increased by $38,004,329, or 8,189%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in gross profit is primarily due to the expansion of the active service management services which resulted in increased revenues of $43,049,541, or 99%, of the total increase in revenues of $43,122,581, offset by an increase in cost of revenues of 5,509,238.

Operating Expenses

Sales and Marketing Expenses

Sales and marketing expenses primarily consist of advertising and marketing related expenses**.**

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Sales and marketing expenses	$ 683,841	$ 1,019,498	$(335,657)	(33)%

Sales and marketing expenses decreased by $335,657 or 333% for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease in sales and marketing expense was attributable to reduction in advertising costs.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Sales and marketing expenses	$1,412,845	$1,649,498	$(236,653)	(14)%

Sales and marketing expenses decreased by $236,653, or 14% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The decrease is attributable to reduction in advertising costs. The increase in 2022 was attributable to marketing of the new active management segment. Sales and marketing expense relates to sponsoring a sports organization and are not directly attributable to revenue generating activity, therefore these expenses do not represent cost of revenue.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Sales and marketing expenses	$2,596,140	$ —	$2,596,140	— %

Sales and marketing expenses increased by $2,596,140, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in 2022 is attributable to marketing of the new active management segment. Sales and marketing expense relates to sponsoring a sports organization and are not directly attributable to revenue generating activity, therefore these expenses do not represent cost of revenue.

General, Administrative, and Other

General, administrative, and other primarily consists of compensation and benefits related costs associated with our finance, legal, human resources, information technology, and administrative functions. General, administrative and other costs also consist of third-party professional service fees for external legal, accounting and other consulting services, rent and lease charges, insurance costs, and software expense.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
General, administrative and other	$ 577,539	$ 5,499	$572,040	10,403%

General, administrative, and other increased by $572,040, or 10,403%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase of $284,588 and $40,060 in general, administrative and other of is related to launching the new income funds: LMA Income Series, LP and LMA Income Series II GP LLC, respectively, which did not exist during the three months ended June 30, 2022. The

remaining difference is attributable to other various consolidated entities pertaining to policy servicing and administrator expenses, accounting, legal, and bank fees as we finalized the SPAC.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
General, administrative and other	$1,274,431	$646,705	$627,726	97%

General, administrative, and other increased by $627,726, or 97%, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in general, administrative and other is related to various expenses, including but not limited to increases in payroll related expense (excluding payroll expenses wages) of $245,842, an increase in Errors and Omissions insurance of $55,250, an increase in medical record consulting expense of $132,688 and an increase of $31,000 in software expenses. Additionally, $341,064 in general, administrative and other expenses were recorded in LMA Income Series, LP and LMA Income Series II GP LL pertaining to policy servicing and administrator expenses, accounting, legal, and bank fees.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
General, administrative and other	$1,066,403	$101,406	$964,997	952%

General, administrative, and other increased by $964,997, or 952%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in general, administrative and other is related to various expenses, including but not limited to increases in payroll expense and payroll related expense of $242,628, an increase in legal expense of $83,644, and an increase in rent expense of $31,561. Additionally, $384,374 in general, administrative and other expenses were recorded in various consolidated entities pertaining to consulting charges, administrator expenses, accounting, legal, and bank fees.

Depreciation

Depreciation expense consists primarily of depreciation on property and equipment purchased and leasehold improvements made. The property at Abacus Life, Inc. currently consists of furniture, fixtures and leasehold improvements for the office and are not directly used to support the servicing or trading of life settlement policies.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Depreciation	$ 1,098	$ 1,098	$ —	— %

Depreciation is consistent for the three months ended June 30, 2023 and June 30, 2022 as no purchases of property and equipment were made in 2023.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Depreciation	$ 2,141	$ 2,141	$ —	— %

Depreciation is consistent for the six months ended June 30, 2023 and June 30, 2022 as no purchases of property and equipment were made in 2023.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Depreciation	$ 4,282	$ 2,447	$ 1,835	75%

Depreciation increased by $1,835, or 75%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The $1,835 increase in depreciation is primarily due to the acquisition of furniture and fixtures in 2022 and the incremental depreciation expense that accompanies its acquisition.

Unrealized Loss (Gain) on Investments

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Unrealized loss (gain) on investments	$ (672,936)	$ 1,039,022	$(1,711,958)	(165)%

Unrealized loss on investments increased by $1,711,958 for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The primary cause of this increase driven by changes in fair value of put and call options. During the three months ended June 30, 2023, the unrealized loss was $467,701, $186,470, $15,289, and $3,475 for LMATT Series 2024 Inc., LMATT Growth Series Inc., and LMATT Growth, Income Series Inc. and Longevity Market Assets, LLC, respectively.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Unrealized loss (gain) on investments	$(798,156)	$1,054,975	$(1,853,131)	(176)%

Unrealized loss (gain) on investments increased by $1,853,131 for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. During the first and third quarters of 2022, Abacus Life, Inc., through three subsidiaries, LMATT Series 2024 Inc., LMATT Growth Series Inc., LMATT Growth and Income Series Inc., and purchased S&P 500 call options and sold S&P 500 put options through a broker as an economic hedge related to the market-indexed instruments described below. The primary cause of this decrease pertains to $540,818, $230,231, $23,632, and $3,475 respectively, which represents a change in fair value of those options and is classified as an unrealized loss on investments within the results of operations.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Unrealized loss on investments	$1,045,623	$ —	$1,045,623	— %

Unrealized loss on investments increased by $1,045,623 for the year ended December 31, 2022 compared to the year ended December 31, 2021. During the first and third quarters of 2022, LMA, through three subsidiaries, LMATT Series 2024 Inc., LMATT Growth Series Inc., and LMATT Growth and Income Series Inc., purchased S&P 500 put and call options through a broker as an economic hedge related to the market-indexed instruments described below. The primary cause of this increase pertains to $971,281, $68,965, and $5,377, respectively, which represents a change in fair value of those options and is classified as an unrealized loss on investments within the results of operations.

Loss on Change in Fair Value of Debt

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Loss on change in fair value of debt	$ 1,445,229	$ 333,879	$1,111,350	333%

Loss on change in fair value of debt increased by $1,111,350 for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase is primarily attributable to changes in the risk-free fair value of LMATT debt.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Loss on change in fair value of debt	$2,398,662	$ 375,513	$2,023,149	539%

Loss on change in fair value of debt increased by $2,023,149 for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase is primarily attributable to changes in the risk-free fair value of LMATT debt.

On March 31, 2022, LMATT Series 2024, Inc., which the Company consolidates for financial reporting, issued $10,166,900 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Series (LMATTS) 2024, are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes haves a feature to protect debt holders from market downturns, up to 40%. Any subsequent losses below the 40% threshold will reduce the notes on a one-to-one basis. As of June 30, 2023, $9,866,900 of the principal amount remained outstanding. The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of June 30, 2023, the fair value of the LMATT Series 2024, Inc. notes was $9,621,141. The notes are secured by the assets of the issuing entities, which includes cash, S&P 500 options, and life settlement policies totaling $11,195,701 as of June 30, 2023. The note agreements do not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing companies are considered as collateral. There are also no restrictive covenants associated with the notes with which the entities must comply.

On September 16, 2022, LMATTS Series 2.2024, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $2,333,391 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Growth Series 2.2024, Inc. (“LMATTSTM Series 2.2024, Inc.”) are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to provide upside performance participation that is capped at 120% of the performance of the S&P 500. A separate layer of the notes has a feature to protect debt holders from market downturns by up to 20% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 20%, the investments will experience all subsequent losses on a one-to-one basis. As of June 30, 2023, the entire principal amount remained outstanding. The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of June 30, 2023, the fair value of the LMATT Series 2.2024, Inc. notes was $3,446,527. The notes are secured by the assets of the issuing entity, LMATT Series 2.2024, Inc., which includes cash, S&P 500 options, and life settlement policies totaling $3,331,872 as of June 30, 2023. The notes agreement do not restrict the trading of life settlement contracts prior to maturity of the notes, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the notes with which the entity must comply.

Additionally, on September 16, 2022, LMATT Growth and Income Series 1.2026, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $400,000 in market-indexed private placement notes. LMATTSTM Growth and Income Series 1.2026, Inc. are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2026, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to provide upside performance participation that is capped at 140% of the performance of the S&P 500. A separate layer of the notes has a feature to protect debt holders from market downturns by up to 10% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 10%, the investments will experience all subsequent losses on a one-to-one basis. These notes also include a 4% dividend feature that will be paid annually. As of June 30, 2023, the entire principal amount remained outstanding. The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of June 30, 2023, the fair value of the LMATT Growth and Income Series 1.2026, Inc., notes was $459,533. The notes are secured by the assets of the issuing entity, LMATT Growth and Income Series 1.2026, Inc., which includes cash, S&P 500 options, and life settlement policies totaling $517,218 as of June 30, 2023. The notes agreement does not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the notes with which the entity must comply. See additional fair value considerations within the Fair Value footnote.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Change in fair value of debt	$ 90,719	$ —	$90,719	— %

Loss on change in fair value of debt increased by $90,719 for the year ended December 31, 2022 compared to the year ended December 31, 2021.

On March 31, 2022, LMATT Series 2024, Inc., which the Company consolidates for financial reporting, issued $10,166,900 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Series (LMATTS) 2024, are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes haves a feature to protect debt holders from market downturns, up to 40%. Any subsequent losses below the 40% threshold will reduce the notes on a one-to-one basis. As of December 31, 2022, $9,886,900 of the principal amount remained outstanding. The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of December 31, 2022, the fair value of the LMATT Series 2024, Inc. notes was $8,067,291. The notes are secured by the assets of the issuing entities, which includes cash, S&P 500 options, and life settlement policies totaling $12,200,797 as of December 31, 2022. The note agreements do not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing companies are considered as collateral. There are also no restrictive covenants associated with the notes with which the entities must comply.

On September 16, 2022, LMATTS Series 2.2024, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $2,333,391 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Growth Series 2.2024, Inc. (“LMATTSTM Series 2.2024, Inc.”) are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to provide upside performance participation that is capped at 120% of the performance of the S&P 500. A separate layer of the notes has a feature to protect debt holders from market downturns by up to 20% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 20%, the investments will experience all subsequent losses on a one-to-one basis. As of December 31, 2022, the entire principal amount remained outstanding. The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of December 31, 2022, the fair value of the LMATT Series 2.2024, Inc. notes was $2,354,013. The notes are secured by the assets of the issuing entity, LMATT Series 2.2024, Inc., which includes cash, S&P 500 options, and life settlement policies totaling $3,246,756, as of December 31, 2022. The note agreements do not restrict the trading of life settlement contracts prior to maturity of the notes, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the notes with which the entity must comply.

Additionally, on September 16, 2022, LMATT Growth and Income Series 1.2026, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $400,000 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Growth and Income Series 1.2026, Inc (“LMATTSTM Growth and Income Series 1.2026, Inc.”) are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2026, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to provide upside performance participation that is capped at 140% of the performance of the S&P 500. A separate layer of the notes has a feature to protect debt holders from market downturns by up to 10% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 10%, the investments will experience all subsequent losses on a one-to-one basis. These notes also include a 4% dividend feature that will be paid annually. As of December 31, 2022, the entire principal amount remained outstanding. The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of December 31, 2022, the fair value of the LMATT Growth and Income Series

1.2026, Inc., notes were $400,000. The notes are secured by the assets of the issuing entity, LMATT Growth and Income Series 1.2026, Inc., which includes cash, S&P 500 options, and life settlement policies totaling $752,236, as of December 31, 2022. The note agreement does not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the notes with which the entity must comply. See additional fair value considerations within the Fair Value footnote.

Other Operating Expenses

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Other operating expense	$ —	$ 493,849	$(493,849)	— %

Other operating expense decreased by $493,849, for the year ended December 31, 2022 compared to the year ended December 31, 2021. This decrease in other operating expense consisted primarily of legal, bank, and consulting expenses related to the start-up for LMATT Series 2024 Inc. which occurred in 2021.

Other Income (Expense)

Other income (expense) consists of working capital support that Abacus Life, Inc. provides to two life settlement Providers through a contractual agreement (the “Strategic Services and Expenses Support Agreement” or “SSES”). Abacus Life, Inc. entered into the SSES with the Providers and simultaneously acquired an option to purchase the outstanding equity ownership of the Providers, upon the achievement by the Providers of certain financial targets. For the years ended December 31, 2022 and December 31, 2021, the Providers were considered to be VIEs, but were not consolidated in our interim condensed consolidated financial statements as we do not hold a controlling financial interest in the Providers.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Other income (expense)	$ 121,601	$ (127,455)	$ 249,056	(195.4)%
Interest (expense)	(584,075)	—	(584,075)	— %
Interest income	—	—	—	— %

Other income (expense) decreased by $249,056, for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The increase in other income is driven by reduction of excess return expense of $184,795 at LMA Income Series, LP for the three months ended June 30, 2023. As noted above, LMA Income Series, LP did not exist during the three months ended June 30, 2022. The remaining difference is attributable to dividend income of $4,063 at LMA Income Series GP and other income at Regional Investment Services for the three months ended June 30, 2023.

Interest (expense) increased by $584,075, for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The increase in interest expense is driven by the dividend of 6.5% required to be paid out by the LMA Income Series to its limited partner investors. The remaining increase is attributable to interest expense at LMATT Growth & Income Series Inc.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Other income (expense)	$ (21,651)	$(242,247)	$ 220,596	(91.1)%
Interest (expense)	(941,458)	—	(941,458)	100%
Interest income	7,457	—	7,457	100%

Other income (expense) decreased by $220,596, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in other income is driven by reduction of excess return expense of $212,526. $29,721 was paid to the Providers during the six months ended June 30, 2023, compared to $242,247 paid during the six months ended June 30, 2022. The remaining difference is attributable to dividend income of $8,125 at LMA Income Series GP and other income at Regional Investment Services for the six months ended June 30, 2023.

Interest (expense) increased by $941,458, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in interest expense is driven primarily by $713,149 and $220,309 accrued interest payments relating to LMA Income Series LP LLC and LMA Income Series II LP, respectively, along with $8,000 in interest expense for LMATT Growth & Income Series, Inc. for the six months ended June 30, 2022.

Interest income increased by $7,457, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in interest income is driven by interest on proceeds from policies that matured in the first three months of 2023.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Other (expense)/income	$(347,013)	$ —	$(347,013)	— %
Interest (expense)	(42,798)	—	(42,798)	— %
Interest income	1,474	—	1,474	— %

Other (expense)/income increased by $347,013, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in other (expense) is driven by an increase in SSES paid to the Providers described above of $347,013.

Interest (expense) increased by $42,798, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in interest expense is driven primarily by a $26,587 accrued interest payment relating to LMA Income Series LP along with $11,111 and $5,100 in interest expense for LMA and LMATT Growth & Income Series, Inc. for the year ended December 31, 2022.

Interest income increased by $1,474, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease in interest income is driven by increases in bank interest.

Provision for income taxes

As the Company elected to file as an S corporation for federal and Florida state income tax purposes, the Company incurred no federal or Florida state income taxes, except for income taxes recorded related to LMATT Series 2024, Inc. (“LMATT”), a Delaware C corporation and wholly owned subsidiary of LMX Series, LLC (“LMX”), which Abacus Life, Inc. consolidates. Accordingly, tax expense has historically been attributable to tax expense for LMATT Series 2024, Inc. However, the Business Combination resulted in changes to the tax status of certain entities which impacted the provision for income taxes by $1,383,692.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Provision for income taxes	$(1,184,571)	$ (120,132)	$(1,064,439)	886%

Provision for income taxes increased by $1,064,439, or 886% for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. Our effective income tax rate for the three months ended June 30, 2023 and three months June 30, 2022, was 15% and 12%, respectively. The Company’s effective tax rate as of June 30, 2022 differed from the statutory rate of 21% due to state taxes and the release of the valuation

allowance. The higher provision for income taxes for the three months ended June 30, 2023 is mainly related to Longevity Market Assets LLC taxable income of $7,081,252 resulting in $1,203,190 of provision for income taxes from the change in tax status upon the Business Combination.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Provision for income taxes	$(528,104)	$(296,806)	$(231,298)	78%

Provision for income taxes increased by $231,298, or 78% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. Our effective income tax rate for the six months ended June 30, 2023, and six months ended June 30, 2022, was 3.6% and 18%, respectively. The Company's effective tax rate as of June 30, 2022 differed from the statutory rate of 21% due to the impact of state income taxes and valuation allowance released, as there was sufficient evidence of the Company's ability to generate future taxable income at June 30, 2022. The existence of non-taxable flow-through entities within the Company as well as a change in tax status of certain entities upon the Business Combination caused the effective tax rate to be significantly lower than the statutory rate. The higher provision for income taxes for the six months ended June 30, 2023 is related to Longevity Market Assets LLC (LMA) taxable income of $13,876,206 resulting in $1,203,190 of provision for income taxes, offset by LMATT Series 2024, Inc. net taxable loss of $2,118,344 resulting in $536,894 of income tax benefit and LMATT Growth & Income Series, Inc. net taxable loss of $303,328 resulting in $76,878 of income tax benefit and LMATT Growth Series, Inc. net taxable loss of $954,095 resulting in $241,815 of income tax benefit.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Income tax expense	$(889,943)	$ —	$(889,943)	— %

Income tax expense decreased by $889,943 for the year ended December 31, 2022 compared to the year ended December 31, 2021. Our effective income tax rate for the year ended December 31, 2022 and year ended December 31, 2021 was 22.22% and 0.0%, respectively. The difference in the effective tax rate for the year ended December 31, 2021 and year ended December 31, 2021 is related to LMX's taxable income of $3,088,732 resulting in $657,673 of income tax expense, LMATT Growth Series, Inc. taxable income of $562,263 resulting in $142,505 of income tax expense, and LMATT Growth & Income Series, Inc. taxable income of $358,658 resulting in $90,902 of income tax expense.

Results of Operations—Segment Results

Abacus Life, Inc. organizes its business into two reportable segments (i) portfolio servicing and (ii) active management, which generate revenue in different manners. During 2021, we primarily focused on the Portfolio Servicing business. At the end of June 2021, we underwent a change in our business to focus on active management services in addition to portfolio servicing.

This segment structure reflects the financial information and reports used by Abacus Life, Inc.'s management, specifically its chief operating decision maker (CODM), to make decisions regarding Abacus Life, Inc.'s business, including resource allocations and performance assessments as well as the current operating focus in accordance with ASC 280, Segment Reporting. Abacus Life, Inc.'s CODM is the Chief Executive Officer of Abacus Life, Inc.

The portfolio servicing segment generates revenues by providing policy services to customers on a contract basis. The active management segment generates revenues by buying, selling and trading policies and maintaining policies through to death benefit. Abacus Life, Inc.'s reportable segments are not aggregated.

The following tables provide supplemental information on revenue and profitability by operating segment:

Portfolio Servicing

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Total revenue	$ 354,366	$ 419,422	(65,056)	(16)%
Gross profit	(76,705)	280,303	(357,008)	(127)%

Total revenue for the portfolio servicing segment decreased by $65,056, or 16% for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease in portfolio servicing revenue is primarily attributable to a decrease in the non-recurring consulting projects in Portfolio servicing revenue. Gross profit from our portfolio servicing segment decreased by $357,008 or 127%, for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The decrease in gross margin is primarily due to increases in total cost of revenue of $359,132, or 258% and the reduction of revenue by $65,056, or 16%.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Total revenue	$ 590,057	$ 990,327	$(400,270)	(40)%
Gross profit	(166,128)	668,752	(834,880)	(125)%

Total revenue for the portfolio servicing segment decreased by $400,270 or 40% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The decrease in portfolio servicing revenue is primarily attributable to decrease in the non-recurring consulting projects in Portfolio servicing revenue. Gross profit from our portfolio servicing segment decreased by $834,880, or 125%, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The decrease in gross margin is primarily due to increases in total cost of revenue of $434,610, or 135% and the reduction of revenue by $400,270, or 40%.

Total revenue for the portfolio servicing segment increased by $390,987, or 36%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in Portfolio servicing revenue is primarily attributable to $118,416 in increased related party servicing revenue and $272,570 in Portfolio servicing revenue. Gross profit from our portfolio servicing segment decreased $105,858, or 26%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease in gross margin is primarily due to an increase in total cost of revenue of $496,844 partially offset by increases in revenue of $390,987.

Active Management

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Total revenue	$11,024,399	$7,979,479	3,044,920	38.2%
Gross profit	10,482,070	7,452,479	3,029,591	40.7%

Total revenue for the active management segment increased by $3,044,920, or 38% for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. Gross profit from our active management segment increased $3,029,591, or 41% for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The increase in active management revenue and gross profit was primarily attributable to the increase in revenue of $3,044,920 and decrease in cost of revenue from 7% of revenue to 5% of revenue.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Total revenue	$20,994,917	$17,285,971	3,708,946	21.5%
Gross profit	20,288,152	15,521,471	4,766,681	30.7%

Total revenue for the active management segment increased by $3,708,946, or 22% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. Gross profit from our active management segment increased $4,766,681, or 31% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in Active management revenue and gross profit was primarily attributable to the increase in revenue of $3,708,946 and decrease in cost of revenue from 10% of revenue to 3% of revenue. The decrease in cost of revenue of approximately $1,073,064 was related to the decrease in consulting bonus expenses.

	Twelve Months Ended December 31,			
	2022	2021	$ Change	% Change
Total revenue	$ 43,242,581	$ 120,000	$ 43,122,581	35.934%

Total revenue for the active management segment increased by $43,122,581 for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in Active management revenue was primarily attributable to LMA making a strategic shift and re-organizing the business to focus on active management services in addition to portfolio servicing at the end of September 2021.

Key Business Metrics and Non-GAAP Financial Measures

The consolidated financial statements of Abacus Life, Inc. have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and are prepared in accordance with U.S. GAAP. We monitor key business metrics and non-GAAP financial measures that assist us in evaluating our business, measuring our performance, identifying trends and making strategic decisions. We have presented the following non-GAAP measures, their most directly comparable GAAP measure, and key business metrics:

Adjusted EBITDA

Non-GAAP Measure	**Comparable GAAP Measure**
Adjusted EBITDA	Net Income

Adjusted EBITDA is net income adjusted for depreciation expense, income tax and other non-cash and 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 Life, Inc.'s control. These unusual items may include proceeds from the PPP loan, payments made as part of Abacus Life, Inc.'s expense support commitment, loss on the change in fair value of debt, S&P 500 put and call options that were entered into as an economic hedge related to the debt (described as the unrealized loss on investments), and other non-recurring items. Management plans to terminate the agreement for the expense support commitment within the next twelve months. As such, management has deemed this to be non-recurring item. Adjusted EBITDA should not be determined as substitution for net income (loss), cash flows provided (used in) operating, investing, and financing activities, operating income (loss), or other metrics prepared in accordance with U.S. GAAP.

Management believes the use of Adjusted EBITDA assists investors in understanding the ongoing operating performance by presenting comparable financial results between periods. We believe that by removing the impact of depreciation and amortization and excluding certain non-cash charges, amounts spent on interest and taxes and certain other non-recurring charges that are highly variable from year to year, Adjusted EBITDA provides our investors with performance measures that reflect the impact to operations from trends in changes in revenue, policy values and operating expenses, providing a perspective not immediately apparent from net income and operating income. The adjustments we make to derive the non-GAAP measure of Adjusted EBITDA exclude items which may cause short-term fluctuations in net income and operating income and which we do not consider to be the fundamental attributes or primary drivers of our business.

The following table presents a reconciliation of Adjusted EBITDA to the most comparable GAAP financial measure, net income (loss), on a historical basis for the periods indicated below:

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2023	2022	2022	2021
Net income	$6,723,549	$5,086,199	$14,348,345	$11,922,339	$32,386,975	$(133,609)
Depreciation expense	1,098	1,098	2,141	2,141	4,284	2,447
Interest Income	584,075	—	934,001	—	(1,474)	—
Income tax	1,184,571	120,132	528,104	296,806	889,943	—
Other income (expense)	(121,601)	127,455	21,651	242,247	389,811	485,405
Loss on change in fair value of debt	1,445,229	333,879	2,398,662	375,513	90,718	—
Unrealized loss (gain) on investments	(672,936)	1,039,022	(798,156)	1,054,975	1,045,623	—
Adjusted EBITDA	$9,143,985	$6,707,785	$17,434,748	$13,894,021	$34,805,879	$ 354,243
Adjusted EBITDA Margin	80.4%	79.9%	80.8%	76.0%	77.8%	29.5%
Net Income Margin	59.1%	60.6%	66.5%	65.2%	72.4%	-11.1%

Adjusted EBITDA for the three months ended June 30, 2023 was $9,143,985 compared to $6,707,785 for the three months ended June 30, 2022. The increase of $2,436,200, or 36% in adjusted EBITDA is primarily due to the increase of $1,637,350, or 32% in net and comprehensive income and the increase of $1,111,350, or 333% in gain on change in fair value of debt. There is an offset in unrealized loss on investments of $672,936.

Adjusted EBITDA for the six months ended June 30, 2023 was $17,434,748 compared to $13,894,021 for the six months ended June 30, 2022. The increase of $3,540,727, or 25% in adjusted EBITDA is primarily due to the expansion of the active management services which resulted in increased revenues of $3,708,946, or 21% and the increase of $2,023,149, or 539% in gain on change in fair value of debt.

Adjusted EBITDA for the year ended December 31, 2022 was $34,805,879 compared to $354,243 for the year ended December 31, 2021. The increase in adjusted EBITDA is primarily due to the expansion of the active management services which resulted in increased revenues of $43,122,581, offset by an increase in cost of revenues of $38,110,187 for active management sales.

We monitor the following key business metrics: (i) number of policies serviced, (ii) value of policies serviced, and (iii) total invested dollars. Servicing revenue involves the provision of services to one affiliate by common ownership and third parties which own life insurance policies. The number of policies and the value of policies serviced represents the volume and dollar value of policies over which the above services are performed. Total invested dollars represent the acquisition cost plus premiums paid by the policy. We use the aforementioned metrics to assess business operations and provide concrete benchmarks that provide a clear snapshot of growth between the periods under consideration. Please refer to the following Key Business Metrics below:

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Key business metric				
Number of policies serviced	819	441	378	85.7%
Value of policies serviced ($)	1,823,437,795	650,461,869	1,172,975,926	180.3%
Total invested dollars ($)	678,400,432	167,374,107	511,026,325	305.3%

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Key business metric				
Number of policies serviced	421	379	42	11%
Value of policies serviced ($)	649,842,091	600,651,852	49,190,239	8%
Total invested dollars ($)	163,939,204	153,378,077	10,561,127	7%

Liquidity and Capital Resources

Abacus Life, Inc. has financed operations since our inception primarily through customer payments, debt issuances, and net proceeds from equity financings in the form of capital contributions from our limited liability company members. Our principal uses of cash and cash equivalents in recent periods have been funding our operations as Abacus Life, Inc. must actively manage its working capital and the associated cash requirements when servicing policies while also effectively utilizing cash and other sources of liquidity to purchase additional policies. As of June 30, 2023, our principal sources of liquidity was cash totaling $20,611,122. During the six months ended June 30, 2023, Abacus Life, Inc. had a net income attributable to Abacus Life, Inc. of $14,348,345 and during the six months ended June 30, 2022, Abacus Life, Inc. had a net income attributable to Abacus Life, Inc. of $11,515,698. During the six months ended June 30, 2023, and 2022, Abacus Life, Inc. had a net cash used in operations of $38,364,171 and $4,751,170, respectively.

As described above, Abacus Life, Inc. has entered into an SSES with the Providers. Since inception of the SSES on January 1, 2021 through December 31, 2021, Abacus Life, Inc. had incurred $120,000 related to initial funding of operations, and $0 related to expenses. As of June 30, 2023, Abacus Life, Inc. did not incurred related expenses to fund the deficits. Additionally, the Providers reimbursed Abacus Life, Inc. for the initial funding of $120,000 but have not reimbursed other expenses paid by Abacus Life, Inc. on behalf of the Providers in 2022. For the three months and six months ended June 30, 2023, the Providers were considered to be VIEs, but were not consolidated in our consolidated financial statements due to a lack of the power criterion or the losses/benefits criterion.

Our future capital requirements will depend on many factors, including our revenue growth rate and, the expansion of our active management and portfolio activities. Abacus Life, Inc. may, in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies. Abacus Life, Inc. may be required to seek additional equity or debt financing.

Cash Flows from our operations

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2022	2021
Net cash used in operating activities	$ (38,364,171)	$ (4,751,170)	$ 10,693,252	$ (139,168)
Net cash used in investing activities	(7,060,627)	(250,000)	(3,704,654)	(275,346)
Net cash provided by financing activities	35,983,097	7,744,154	22,961,795	381,663

Operating Activities

During the six months ended June 30, 2023, our operating activities used $38,364,171 of net cash as compared to $4,751,170 of net cash used from operating activities during the six months ended June 30, 2022. The increase in net cash used from operating activities during the six months ended June 30, 2023 compared to the six months ended June 30, 2022, was primarily due to purchases of $39,556,677 life settlement policies at fair value and $11,374,605 life settlement policies at cost during the six months ended June 30, 2023 compared to purchases of $7,211,509 life settlement polices at fair value and $7,204,753 life settlement polices at cost during the six months ended in June 30, 2022.

During the year ended December 31, 2022, our operating activities generated $10,693,252 of net cash as compared to net cash used from operating activities of $139,168 during the year ended December 31, 2021. The increase in net cash from operating activities during 2022 compared to 2021 was primarily due to the increased net income, which was primarily attributable to increases in Active management revenue.

Investing Activities

During the six months ended June 30, 2023, investing activities used $7,060,627 of net cash as compared to $250,000 net cash used during the six months ended June 30, 2022. $7,060,627 of net cash used in investing activities during the six months ended June 30, 2023 was related to payments of $6,760,627 due from affiliates and $300,000 of net cash was used for the purchase of other investments. $250,000 of net cash used in investing activities during the six months ended June 30, 2022 was related to the purchase of other investments.

During the year ended December 31, 2022, investing activities used $3,704,645 of net cash as compared to $275,346 during the year ended December 31, 2021. Net cash used in investing activities during the year ended December 31, 2022 was related to purchase of available-for-sale investments, other investments and the increase in the amounts due from affiliates during the year. Net cash used in investing activities during the year ended December 31, 2021 was related to purchase of available-for-sale investments and the purchase of property and equipment during the year, along with amounts due from affiliates of $2,904,646.

Financing Activities

During the six months ended June 30, 2023, financing activities generated $35,983,097 of net cash as compared to $7,744,154 of net cash generated during the six months ended June 30, 2022. The increase of $28,238,943 in net cash generated in financing activities during the six months ended June 30, 2023 compared to June 30, 2022, was related to the proceeds of $25,000,000 received from the SPV Purchase and Sale Note as well as $35,206,351 from the issuance of debt certificates, offset by $23,533,072 of capital distributions to members during June 30, 2023.

During the year ended December 31, 2022, financing activities generated $22,961,795 of net cash as compared to net cash generated of $381,663 during the year ended December 31, 2021. Net cash generated in financing activities during the year ended December 31, 2022 was related to the increase in amount for issuance of debt securities of $ 30,028,640, partially offset by amount due to affiliates of $666,845 and distributions to members of $6,400,000. Net cash generated in financing activities during the year ended December 31, 2021 was related to the increase in the amounts due to members of $781,663, partially offset by distributions to members of $400,000.

Contractual Obligations and Commitments

Our significant contractual obligations as of June 30, 2023, include three notes, LMATTS™ 2024, LMATTS™ 2.2024, and LMATTS™ 1.2026. The $10,166,900 LMATTS™ 2024 notes are a market-indexed instrument designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 40%. Any subsequent losses below the 40% threshold will reduce the notes. The notes do not pay interest to the holders. As of June 30, 2023, $9,866,900 of the principal amount remained outstanding.

The $2,333,391 LMATTS™ 2.2024 notes are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 20%. Any subsequent losses below the 20% threshold will reduce the notes. The notes do not pay interest to the holders. As of June 30, 2023, the entire principal amount remained outstanding.

The $400,000 LMATTS™ 1.2026 notes are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2026, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 10%. Any subsequent losses below the 10% threshold will reduce the notes. The notes pay annual interest of 4% on invested capital to the holders. As of June 30, 2023, the entire principal amount remained outstanding.

Additionally, LMA Income Series, GP, LLC, wholly owned and controlled by that LMA Series, LLC, formed a limited partnership, LMA Income Series, LP and issued partnership interests to limited partners in a private placement offering. The initial term of the offering is three years with the ability to extend for two additional one-year periods at the discretion of the general partner, LMA Income Series, GP, LLC. The limited partners will receive an annual dividend of 6.5% paid quarterly and 25% of returns in excess of a 6.5% internal rate of return capped at a 15% net internal rate of return. The General Partner will receive 75% of returns in excess of a 6.5% internal rate of return to limited partners then 100% in excess of a 15% net internal rate of return. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the year ended December 31, 2022, and interim condensed consolidated financial statements for the three and six months ended June 30, 2023.

During the six months ended June 30, 2023, LMA Income Series II, GP, LLC, wholly owned and controlled by that LMA Series, LLC, formed a limited partnership, LMA Income Series II, LP and issued partnership interests to limited partners in a private placement offering. The initial term of the offering is three years with the ability to extend for two additional one-year periods at the discretion of the general partner, LMA Income Series II, GP, LLC. The limited partners will receive annual dividends equal to the Preferred Return Amounts as follows: Capital commitment less than $500,000, 7.5%; between $500,000 and $1,000,000, 7.75%; over $1,000,000, 8%. Thereafter, 100% of the excess to be paid to the General Partner. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the three and six months ended June 30, 2023.

The private placement offerings proceeds for both LMA Income Series, LP and LMA Income Series II, LP will be used to acquire an actively managed large and diversified portfolio of financial assets. Abacus Life, Inc. elected to account for the secured borrowings at fair value under the collateralized financing entity guidance within ASC 810-10-30. As of June 30, 2023, the fair value of the LMA Income Series, LP secured borrowing was $22,124,676. As of June 30, 2023, the fair value of the LMA Income Series II, LP secured borrowing was $20,041,851.

Additionally, Abacus Life, Inc. has operating lease obligations, which are included as liabilities on our balance sheet, for our office space. As of June 30, 2023, operating lease obligations were $244,425 with $227,561 due in less than one year and $16,864 due within one to three years, which are comprised of the minimum commitments for our office space.

Critical Accounting Policies and Estimates

Abacus Life, Inc. has prepared our consolidated financial statements in accordance with GAAP. Our preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities and related disclosures at the date of the financial statements, as well as revenue and expense recorded during the reporting periods. Abacus Life, Inc. evaluates our estimates and judgments on an ongoing basis. Abacus Life, Inc. bases our estimates on historical experience and or other relevant assumptions that Abacus Life, Inc. believes to be reasonable under the circumstances. Actual results may differ materially from management’s estimates.

While our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements contained herein, Abacus Life, Inc. believes the following accounting policies to be critical to the judgments and estimates used in the preparation of our financial statements.

Longevity Market Assets Target-Term Series (LMATTSTM) Note

On March 31, 2022, LMATT Series 2024, Inc., which Abacus Life, Inc. consolidates for financial reporting, issued approximately $10,166,900 in market-indexed private placement notes. The notes, LMATTSTM 2024, are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 40%. Any subsequent losses below the 40% threshold will reduce the notes. The notes do not pay interest to the holders. As of June 30, 2023, $9,866,900 of the principal amount remained outstanding.

On September 16, 2022, LMATT Growth Series, Inc., which Abacus Life, Inc. consolidates for financial reporting, issued approximately $2,333,391 in market-indexed private placement notes. The notes, LMATTS™ 2.2024, are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 20%. Any subsequent losses below the 20% threshold will reduce the notes. The notes do not pay interest to the holders. As of June 30, 2023, the entire principal amount remained outstanding.

On September 16, 2022, LMATT Growth and Income Series, Inc., which Abacus Life, Inc. consolidates for financial reporting, issued approximately $400,000 in market-indexed private placement notes. The notes, LMATTS™ 1.2026, are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 10%. Any subsequent losses below the 10% threshold will reduce the notes. The notes pay an annual 4% interest rate on invested capital to the holders. As of June 30, 2023, the entire principal amount remained outstanding.

Abacus Life, Inc. has elected the fair value option in accounting for the instruments. Fair value is determined using Level 3 inputs. The valuation methodology is based on the Black-Scholes-Merton option-pricing formula and a discounted cash flow analysis. Inputs to the Black-Scholes-Merton model include (i) the S&P 500 Index price, (ii) S&P 500 Index volatility, (iii) a risk-free rate based on data published by the US Treasury, and (iv) a term assumption based on the contractual term of the LMATT™ note. The discounted cash flow analysis includes a discount rate that is based on the implied discount rate assumption developed by calibrating a valuation model to the purchase price on the initial investment date. The implied discount rate is evaluated for reasonableness by benchmarking it to yields on actively traded comparable securities.

For the three months ended June 30, 2023, Abacus Life, Inc. has recognized a loss of $620,085 and a loss of $765,591 for the LMATTS™ 2024, Inc. notes and LMATTS™ Growth Series, Inc. notes respectively on the change in fair value fair value of the debt resulting from risk-free valuation scenarios, which is included within loss on change in fair value of debt within the interim Condensed Consolidated Statement of Operations. For the six months ended June 30, 2023, Abacus Life, Inc. has recognized a loss of $1,305,293 and a loss of $1,033,816 for the LMATTS™ 2024, Inc. notes and LMATTS™ Growth Series, Inc. notes, respectively on the change in fair value fair value of the debt resulting from risk-free valuation scenarios, which is included within loss on change in fair value of debt within the interim Condensed Consolidated Statement of Operations.

Longevity Market Assets Income Series, LP

On November 30, 2022, LMA Income Series, GP, LLC, wholly owned and controlled by that LMA Series, LLC, which Abacus Life, Inc. consolidates, formed a limited partnership, LMA Income Series, LP and issued partnership interests to limited partners in a private placement offering. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the year ended December 31, 2022. The limited partners will receive an

annual dividend of 6.5% paid quarterly and 25% of returns in excess of a 6.5% internal rate of return capped at 9% which would require a 15% net internal rate of return. The General Partner will receive 75% of returns in excess of a 6.5% internal rate of return to limited partners then 100% in excess of a 15% net internal rate of return. The general partner committed $250,000, with the limited partners contributing $17,428,349. Additional limited partner contributions of $4,461,095 were raised in the first quarter of 2023 bringing the total deposit amount to $22,139,444.

The private placement offerings proceeds were used to acquire an actively managed large and diversified portfolio of financial assets. Abacus Life, Inc., through its consolidated subsidiaries, serves as the portfolio manager for the financial asset portfolio, which includes investment sourcing and monitoring. In this role, Abacus Life, Inc. has the unilateral ability to acquire and dispose of any of the above investments. Abacus Life, Inc. elected to account for the secured borrowing at fair value under the collateralized financing entity guidance within ASC 810-10-30. As of June 30, 2023, the fair value of the secured borrowing, not including the $250,000 committed from the general partner, was $22,124,676 and there was no gain or loss recognized.

Longevity Market Assets Income Series II, LP

On January 31, 2023, LMA Series, LLC, a wholly owned subsidiary of the Company, signed an Operating Agreement to be the sole member of a newly created general partnership, LMA Income Series II, GP, LLC. Subsequent to that, LMA Income Series II, GP, LLC formed a limited partnership, LMA Income Series II, LP and issued partnership interests to limited partners in a private placement offering. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series II, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the three months ended June 30, 2023. The limited partners will receive annual dividends equal to the preferred return amounts as follows: Capital commitment less than $500,000, 7.5%; between $500,000 and $1,000,000, 7.75%; over $1,000,000, 8%. Thereafter, 100% of the excess to be paid to the General Partner.

The private placement offerings proceeds were used to acquire an actively managed large and diversified portfolio of financial assets. Abacus Life, Inc., through its consolidated subsidiaries, serves as the portfolio manager for the financial asset portfolio, which includes investment sourcing and monitoring. In this role, Abacus Life, Inc. has the unilateral ability to acquire and dispose of any of the above investments. Abacus Life, Inc. elected to account for the secured borrowing at fair value under the collateralized financing entity guidance within ASC 810-10-30. As of June 30, 2023, the fair value of the secured borrowing, not including the commitment from the general partner, was $20,041,851 and there was no gain or loss recognized.

Valuation of Life Insurance Policies

Abacus Life, Inc. accounts for its holdings of life insurance settlement policies at fair value in accordance with ASC 325-30, Investments in Insurance Contracts. Any resulting changes in estimates are reflected in operations in the period the change becomes apparent.

Abacus Life, Inc. follows ASC 820, Fair Value Measurements and Disclosures, in estimating the fair value of its life insurance policies, which defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-level, fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Abacus Life, Inc.’s valuation of life settlements is considered to be Level 3, as there is currently no active market where Abacus Life, Inc. is able to observe quoted prices for identical assets. Abacus Life, Inc.’s valuation model incorporates significant inputs that are not observable.

The aggregate face value of policies held at fair value is approximately $195,205,585 as of June 30, 2023, with a corresponding fair value of approximately $56,685,617. Aggregate face value of policies accounted for using the investment method is $39,520,877 as of June 30, 2023, with a corresponding carrying value of approximately $9,889,610.

Credit Exposure to Insurance Companies

The following table provides information about the life insurance issuer concentrations that exceed 10% of total face value or 10% of total fair value of the Company's life insurance policies as of June 30, 2023:

Carrier	Percentage of Face Value	Percentage of Fair Value	Carrier Rating
American General Life Insurance Company	14.0%	11.0%	A
ReliaStar Life Insurance Company	6.0%	12.0%	A
Lincoln National Life Insurance Company	14.0%	12.0%	A

The Company reviews the composition of its portfolio with respect to the concentration of life insurance carriers on an ongoing basis. In addition, as a general policy, the Company typically invests in life insurance policies issued by "A-" rated or better life insurance carriers.

Equity Investments in Privately-Held Companies

Equity investments without readily determinable fair values include our investments in privately-held companies in which Abacus Life, Inc. holds less than a 20% ownership interest and does not have the ability to exercise significant influence. Abacus Life, Inc. determines fair value using level 3 inputs under the measurement alternative. These investments are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

In addition, Abacus Life, Inc. monitors these investments to determine if impairment charges are required based primarily on the financial condition and near-term prospects of these companies. As of June 30, 2023, Abacus Life, Inc. did not identify any impairment indicators and determined that the carrying value of $1,600,000 is the fair value for these equity investments in privately held companies, given that there have been no observable price changes.

Available-For-Sale Securities

Abacus Life, Inc. has investments in securities that are classified as available-for-sale securities, and which are reflected on the Consolidated Balance Sheets at fair value. These securities solely consist of a convertible promissory note in a private company that was entered into an arms-length. Abacus Life, Inc. determines the fair value using unobservable inputs by considering the initial investment value, next round financing, and the likelihood of conversion or settlement based on the contractual terms in the agreement. Unrealized gains and losses on these investments are included as a separate component of accumulated other comprehensive loss, net of tax, on the Consolidated Balance Sheets. Abacus Life, Inc. classifies its available-for-sale securities as short-term or long-term based on the nature of the investment, its maturity date and its availability for use in current operations. Abacus Life, Inc. monitors its available-for-sale securities for possible other-than-temporary impairment when business events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. As of June 30, 2023, Abacus Life, Inc. evaluated the fair value of its investment and determined that the fair value approximates the carrying value of $1,000,000, and no unrealized gains and losses were recorded.

Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

JOBS Act Election

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable.

Abacus Life, Inc. has irrevocably elected to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, Abacus Life, Inc., as an emerging growth company, will adopt the new or revised standard at the time public companies adopt the new or revised standard. As a result, following the consummation of the Business Combination, Abacus Life, Inc. will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

Abacus Settlements

Overview

Abacus Settlements originates life insurance policy settlement contracts as a licensed life settlement provider on behalf of third-party institutional investors (“Financing Entities”) interested in investing in the life settlement asset class. Specifically, Abacus Settlements originates policies through three primary origination channels (Agents/Financial Advisors, Direct-to-Consumers, Life Settlement Brokers and Third-Party Intermediaries), screens them for eligibility by verifying that the policy is in force, obtaining consents and disclosures, and submitting cases for life expectancy estimates. This process is characterized as our origination services, which averages a fee of approximately 2% of face value (“Origination Revenue”).

Our Business Model

As a life settlement provider, Abacus Settlements serves as a purchaser of outstanding life insurance policies. When serving as a purchaser, Abacus Settlements’ primary purpose in the transaction is to connect buyers and sellers through an origination process. The origination process is core to Abacus Settlements’ business and drives its economics. Abacus Settlements averages approximately 2% of face value in origination fees on policies and has developed three high quality origination channels which include agents and financial advisors, direct to consumer, life settlements brokers and third-party intermediaries. Generally, diversification across multiple origination channels lowers average policy acquisition cost and increases estimated returns. Abacus Settlements finds sellers through its origination channels using strategic marketing practices in its core markets, with the purpose of finding policy owners who want to capitalize on their investments prior to death by extracting value from their policies through the sale of such policies to Financing Entities.

Key Factors Affecting Our Performance

Our operations and financial performance are impacted by economic factors affecting the industry, including:

Opportunities in the Life Settlements Industry

Within the life settlements industry, there is significant policy value that lapses on an annual basis. Currently, the life settlements industry only captures a narrow portion of the potential market leaving significant

runway for future growth for industry participants. With the anticipation of growth in total face value of life insurance policies, we believe we are well positioned to capitalize on the overall market growth. Abacus is currently conducting business in 49 states and the District of Columbia. The company holds viatical settlement and or life settlement provider licenses in forty-three (43) of those jurisdictions. Abacus also conducts business in seven (7) jurisdictions which do not currently have life and or viatical settlement provider licensing requirements. Abacus conducts business where is it legally allowed to across the United States. The only state Abacus is not currently conducting business in is Alaska and there are no current plans to procure a license.

Our ability to originate policies is essential to scale our business over time. In order to support this expected growth, we continue to invest in our technology and marketing infrastructure. In general, we expect our efforts will continue to focus on driving education and awareness of life settlements. In order to meet this growing demand, we have increased our total headcount by 18% since December, 2022, and anticipate a total of 36% growth of our total headcount from December 31, 2022 to December 31, 2024, of which 18% has already been captured.

Macroeconomic Changes

Global macroeconomic factors, including regulatory policies, unemployment, changes in retirement savings, the cost of healthcare, inflation, and tax rate changes impact demand for our origination services. These factors evolve over time and while these changes have not currently made any significant impact on performance, these trends may shift the timing and volume of transactions, or the number of customers using our origination services.

Components of Results of Operations

Results of Operations

The following tables set forth our results of operations for each of the periods indicated, and we presented and expressed the relationship of certain line items as a percentage of revenue for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

The following tables set forth our historical results for the periods indicated, and the changes between periods:

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2023	2022	2022	2021
Origination Revenue	$ 1,689,088	$ 743,388	$ 3,252,738	$ 3,185,068	$ 7,050,007	$ 4,906,374
Related-party revenue	5,195,602	4,948,528	9,931,938	9,829,596	18,153,456	17,685,770
Total Revenue	6,884,690	5,691,916	13,184,676	13,014,664	25,203,463	22,592,144
Cost of revenue	1,505,333	956,625	2,734,949	3,265,313	5,538,470	2,678,029
Related party cost of revenue	3,392,647	2,615,307	6,558,354	5,522,312	11,022,535	11,527,312
Gross Profit	1,986,710	2,119,984	3,891,373	4,227,039	8,642,458	8,386,803
Operating expenses						
General, administrative and other	2,297,577	2,208,051	4,848,580	3,948,358	8,674,425	7,439,549
Depreciation expense	2,561	3,048	5,597	5,988	12,165	10,139
Total operating expenses	2,300,138	2,211,099	4,854,177	3,954,346	8,686,590	7,449,688

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2023	2022	2022	2021
Income (loss) from operations	(313,428)	(91,115)	(962,804)	272,693	(44,132)	937,115
Other income (expense)						
Interest income	1,193	599	1,917	1,147	2,199	11,500
Interest (expense)	(5,863)	—	(11,725)	—	(8,817)	—
Other income	—	273	—	273	273	50,000
Total other income (expense)	(4,670)	872	(9,808)	1,420	(6,345)	61,500
Income (loss) before income taxes	(318,098)	(90,243)	(972,612)	274,113	(50,477)	998,615
Provision for income taxes	—	—	2,289	1,325	2,018	1,200
Net income attributable to Abacus Life, Inc.	$ (318,098)	$ (90,243)	$ (974,901)	$ 272,788	$ (52,495)	$ 997,415

Origination Revenue

Abacus recognizes revenue from origination activities by acting as a provider of life settlements and viatical settlements by representing investors that are interested in purchasing life settlements on the secondary or tertiary market. Revenue from origination services consists of fees negotiated for each purchase and sale of a policy to an investor, which also include any agent and broker commissions received and the reimbursement of transaction costs.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Origination revenue	$ 1,689,088	$ 743,388	$945,700	127%

Revenue increased by $945,700, or 127%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This increase was primarily attributable to higher pricing on the sale of broker policies arising from various factors such as policy death benefits, cash surrender values, life expectancy and policyholder age pertaining to the policies sold. These factors resulted in an increase of the commission fee paid to Abacus.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Origination revenue	$3,252,738	$3,185,068	$67,670	2%

Revenue increased by $67,670, or 2%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The increase in revenue is primarily attributable to an increase in agent and client direct sales during 2023, which is driven by higher face values on the policies originated and higher commission flows, partially offset by a decrease in broker sales. The agent, broker, and client direct sales are all in line with normal, recurring business.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Origination revenue	$7,050,007	$4,906,374	2,143,633	44%

Revenue increased by $2,143,633, or 44%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in revenue is primarily attributable to an increase in agent and broker

sales during 2022 of $489,687 and $1,681,175, which is driven by higher face values on the policies originated, partially offset by a decrease in client direct sales of $63,297. The agent, broker, and client direct sales are all in line with normal, recurring business.

Related Party Revenue

Abacus has a related party relationship with the Nova Funds as the owners of Abacus jointly own 11% of the Nova Funds. Pricing for origination fees are governed by origination contracts that have been negotiated by both parties and are considered to be arms-length and consistent with origination fees charged to third party customers. For its origination services to the Nova Funds, Abacus earns origination fees equal to the lesser of (i) 2% of the net death benefit for the policy or (ii) $20,000.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Related Party Revenue	$5,195,602	$4,948,529	$247,073	5%

For the three months ended June 30, 2023 and June 30, 2022, Abacus has originated 38 and 92 policies, respectively, for the Nova Funds with a total value of approximately $56,688,680 and $102,307,954 respectively. This decrease in the origination of Nova Fund policies was partially offset by increases in origination services to LMA. For the three months ended June 30, 2023 and June 30, 2022, Abacus has originated 69 and 8 policies, respectively, for LMA with a total value of approximately $114,999,768 and $31,200,000, respectively.

Related party revenue decreased by $247,073, or 5%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease in related party revenue is primarily attributable to decrease in Nova origination sales and transaction fee reimbursement of $2,176,724 and $1,196,167, partially offset by increased LMA originations services of $3,438,539.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Related Party Revenue	$9,931,938	$9,829,596	$102,342	1%

For the six months ended June 30, 2023 and June 30, 2022, Abacus has originated 72 and 183 policies, respectively, for the Nova Funds with a total value of approximately $96,674,080 and $282,804,838, respectively. This decrease in the origination of Nova Fund policies was partially offset by increases in origination services to LMA. For the six months ended June 30, 2023 and June 30, 2022, Abacus has originated 103 and 8 policies, respectively, for LMA with a total value of approximately $192,685,578 and $31,200,000, respectively.

Related party revenue decreased by $102,342 or 1%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease in related party revenue is primarily attributable to a decrease in Nova origination sales and transaction fee reimbursement of $4,770,057 and $1,284,679, partially offset by increased LMA originations services of $6,324,441.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Related Party Revenue	$18,153,456	$17,685,770	$467,686	3%

For the years ended December 31, 2022 and December 31, 2021, Abacus Settlements originated 333 and 313 policies, respectively, for the Nova Funds with a total value of approximately $87,143,005 and $106,633,792, respectively. Related party revenue increased by $467,686, or 3%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in related party revenue is primarily attributable to increased agent and direct client sales of $3,627,939, partially offset by decreased broker

sales during 2022 of $3,160,223. There was an increase in origination policies of 16% in 2022, with origination fees increasing 13%.

Cost of Revenue, Related Party Cost of Revenue, and Gross Margin

Cost of revenue is primarily comprised of third-party commissions, which includes third-party sales and marketing commission fees, as well as transaction costs that are reimbursed as part of the origination activity and depreciation and amortization expense. Abacus receives an origination fee plus any commission to be paid from the purchaser for its part in arranging the life settlement transactions. Out of that fee income, Abacus pays commissions to the licensed representative of the seller, if one is required. Commission expense is recorded at the same time revenue is recognized and is included within cost of revenue. Depreciation expense consists of depreciation of property and equipment assets, which are computer equipment. Amortization expense consists primarily of amortization of capitalized costs incurred for the development of internal use software. The costs incurred exclusively consist of fees incurred from an external consulting firm during the development stage of the project and is amortized on the straight-line basis over an estimated useful life of three years.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Cost of revenue	$1,505,333	$ 956,625	$ 548,708	57%
Related party cost of revenue	3,392,647	2,615,307	777,340	30%
Gross Profit	1,986,710	2,119,984	(133,274)	(6)%
Gross Margin	29%	37%		

Cost of revenue increased by $548,708 or 57%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in cost of revenue is primarily due to increases in sales-agents commission expenses of $838,577, partially offset by a decrease in marketing origination payout and consulting fees.

Related party cost of revenue increased by $777,340 or 30%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in related party cost of revenue is primarily attributable to an increase in LMA agent commission expenses of $2,245,314 partially offset by a decrease in the originations of policies sold to Nova Fund of $1,478,661.

Gross profit decreased by $133,274 or 6%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Gross margin decreased to 29% for the three months ended June 30, 2023 compared to 37% for the three months ended June 30, 2022. The decrease in gross profit and gross margin is primarily due to the increased commission expense per related party policy and correspondingly the decrease in gross margin due to a greater portion of the profit margin allocated to the licensed agent or broker.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Cost of revenue	$2,734,949	$3,265,313	$ (530,364)	(16)%
Related party cost of revenue	6,558,354	5,522,312	1,036,042	19%
Gross Profit	3,891,373	4,227,039	(335,666)	(8)%
Gross Margin	30%	32%		

Cost of revenue decreased by $530,364, or 16%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease in cost of revenue is primarily due to decreases in sales-agents commission expenses and marketing origination payout.

Related party cost of revenue increased by $1,036,042, or 19%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The increase in related party cost of revenue is primarily

attributable to increase in LMA agent commission expenses of $4,634,216 partially offset by a decrease in the originations of policies sold to Nova Fund of $3,368,361.

Gross profit decreased by $335,666, or 8%, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. Gross margin decreased to 30% for the six months ended June 30, 2023, compared to 32% for the six months ended June 30, 2022. The decrease in gross profit and gross margin is primarily due to the increased commission expense per related party policy and correspondingly the decrease in gross margin due to a greater part of the profit margin allocated to the licensed agent or broker.

	Years Ended December 31,			
	2022	2021	$ Change	% Change
Cost of revenue	$ 5,538,470	$ 2,678,029	2,860,441	107%
Related party cost of revenue	11,022,535	11,527,312	(504,777)	-4%
Gross Profit	8,642,458	8,386,803	255,656	3%
Gross Margin	34%	37%		-8%

Cost of revenue increased by $2,860,441, or 107%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in cost of revenue is primarily due to increases in agent commission expenses of $1,570,908 due to increases in agent and broker origination revenue, which is driven by increased origination activity and an increase in the face value of policies sold to third parties. There was also an increase in life expectancy report fees of $470,883 which is driven off of increases in agent and broker activity during 2022.

Related party cost of revenue decreased by $504,777, or 4%, for the year ended December 31, 2022 compared to the year ended December 30, 2021. The decrease in related party cost of revenue is primarily attributable to decreases in agent commission expenses of $569,229 as a result of decrease in the total face value of policies sold to the Nova funds, which agent commission expense is primarily based off of.

Gross profit increased by $255,656, or 3%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. Gross margin decreased to 34% for the year ended December 31, 2022 compared to 37% for the year ended December 31, 2021. The increase in gross profit and decrease in gross margin is primarily due to a decrease in client direct sales of 12%, as no agent commission needs to be paid for client direct sales, so the margins are much higher than agent and broker origination sales which increased by 16% in 2022.

Operating Expenses

Operating expenses is comprised of general and administrative expenses as well as depreciation expense.

General and administrative expenses include compensation, payroll, advertising, marketing, rent, insurance, recruitment, trade shows, telephone & internet, licenses, and other professional fees.

Depreciation expense consists of depreciation of property and equipment assets, which are computer equipment, office furniture and lease improvement.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
General and administrative expenses	$2,297,577	$2,208,444	$89,133	4%
Depreciation expense	2,561	3,048	(487)	(16)%

General and administrative expenses increased by $89,133, or 4%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in general and administrative expenses are primarily due to increases in payroll expenses of $180,520 for administration support as a result of higher

employee headcounts, and compensation raises, partially offset by a decrease in payroll expenses of $11,963 for the sales department. There was an increase in marketing expenses of $80,723 due to increased spending in internet advertising. There was also an increase of $57,000 in sponsorships. Rent and office expense also increased by $15,508 and $34,812 respectively. Salaries and payroll expense, as a percentage of total revenue, represented 23% and 25% for the three months ended June 30, 2023 and 2022, respectively.

Depreciation expense decreased by $487, or 16%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease in depreciation expense is primarily due to the declining book value of obsolescent furniture in normal course of business operations.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
General and administrative expenses	$4,848,580	$3,948,358	$900,222	23%
Depreciation expense	5,597	5,988	(391)	(7)%

General and administrative expenses increased by $900,222, or 23%, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in general and administrative expenses are primarily due to increases in payroll expenses of $138,944 for the sales department and $479,068 for administration support as a result of higher employee headcounts, and compensation raises. There was an increase in marketing expenses of $186,987 due to increased spending in internet advertising. There was also an increase of $125,500 in sponsorships. Rent and office expense also increased by $41,271 and $71,688 respectively. Salaries and payroll expense, as a percentage of total revenue, represented 24% and 19% for the six months ended June 30, 2023 and 2022, respectively.

Depreciation expense decreased by $391, or 7%, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The decrease in the expense is primarily due to the declining book value of obsolescent furniture in normal course of business operations.

	Year Ended December 31,			
	2022	2021	$ Change	% Change
General and administrative expenses	$8,674,425	$7,439,549	$1,234,876	17%
Depreciation expense	12,165	10,139	2,026	20%

General and administrative expenses increased by $1,234,876, or 17%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in general and administrative expenses are primarily due to increases in payroll expenses as a result of higher employee headcounts as there was an increase of 40% during 2022, and compensation raises. There was an increase in marketing expenses due to increased television ads and radio commercials, as well as increased spending in internet advertising. Salaries and payroll expense, as a percentage of total revenue, represented 21% and 18% for the years ended December 31, 2022 and 2021, respectively.

Depreciation expense increased by $2,026, or 20%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in the expense is primarily due to an increase in the purchase of depreciable assets. The majority of the purchases are computer equipment.

Other income (expense)

Other income (expense) includes interest income, consulting income, and other income. Interest income represents the interest earned on Abacus' certificates of deposits. Consulting income represents income earned on various origination consulting services performed. Other income comprises of income from credit card cash rewards.

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Interest income	$ 1,193	$ 599	$ 594	99%
Interest (expense)	(5,863)	—	(5,863)	(100)%
Other income	—	273	(273)	(100)%

Interest income increased by $594, or 99%, for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The increase in interest income is primarily due to favorable changes in interest rate terms for the Abacus certificate of deposit.

Interest expense increased by $5,863, or 100% for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The increase in interest expense is primarily due to the amortization of the deferred financing fees.

Other income decreased by $273, or 100% for the three months ended June 30, 2023, compared to the three months ended June 30, 2022. The decrease in other income is primarily due to none collected credit card cash rewards during 2023.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Interest income	$ 1,917	$ 1,147	$ 770	67%
Interest (expense)	(11,725)	—	(11,725)	(100)%
Other income	—	273	(273)	(100)%

Interest income increased by $770, or 67%, for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in interest income is primarily due to favorable changes in interest rate terms for the Abacus certificate of deposit.

Interest expense increased by $11,725, or 100% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The increase in interest expense is primarily due to the amortization of the deferred financing fees.

Other income decreased by $273 or 100% for the six months ended June 30, 2023, compared to the six months ended June 30, 2022. The decrease in other income is primarily due to none collected credit card cash rewards during 2023.

	Years ended December 31,			
	2022	2021	$ Change	% Change
Interest income	$ 2,199	$11,500	$ (9,301)	-81%
Interest (expense)	(8,817)	—	(8,817)	100%
Other income	273	50,000	(49,727)	-99%

Interest income decreased by $9,301, or 81%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease in interest income is primarily due to an unfavorable change in interest rate terms for Abacus Settlements certificate of deposit.

Interest expense increased by $8,817 or 100% for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in interest expense is primarily due to a fee for the certificate of deposit of $1,000 as well as amortized deferred financing fees of $7,817 for the year ended December 31, 2022.

Other income decreased by $49,727, or 99%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease in other income is primarily due to a decrease in consulting income as the Company serviced a policy during 2021 for $50,000 that did not occur for the year ended December 31, 2022.

Provision for Income Taxes

	Three Months Ended June 30,			
	2023	2022	$ Change	% Change
Provision for income taxes	$ —	$ —	$ —	— %

Provision for income taxes reflected no change for the three months ended June 30, 2023 compared to the three months ended June 30, 2022.

	Six Months Ended June 30,			
	2023	2022	$ Change	% Change
Provision for income taxes	$ 2,289	$ 1,325	$ 964	73%

Provision for income taxes increased by $964, or 73%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. These amounts are primarily LLC annual report filing fees within the various states.

	Years ended December 31,			
	2022	2021	$ Change	% Change
Provision for income taxes	$(2,018)	$(1,200)	$ (818)	68%

Provision for income taxes decreased by $818 or 68%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. These amounts are primarily LLC annual report filing fees within the various states.

Business Segments

Operating as a centrally led life insurance policy intermediary, Abacus' Chief Executive Officer is the Chief Operating Decision Maker (CODM) who allocates resources and assesses financial performance. As a result of this management approach, Abacus is organized as a single operating segment. The CODM reviews performance and allocates resources based on the total originations, total corresponding revenue generated for the period, gross profit, and adjusted EBITDA.

Key Business Metrics and Non-GAAP Financial Measures

Management uses non-GAAP financial measures, in conjunction with GAAP financial measures, as an integral part of managing our business and to, among other things: (i) monitor and evaluate the performance of our business operations and financial performance; (ii) facilitate internal comparisons of the historical operating performance of our business operations; (iii) review and assess the operating performance of our management team; (iv) analyze and evaluate financial and strategic planning decisions regarding future operating investments; and (v) plan for and prepare future annual operating budgets and determine appropriate levels of operating investments.

We monitor the following key business metrics and non-GAAP financial measures that assist us in evaluating our business, measuring our performance, identifying trends and making strategic decisions. As such, we have presented the following non-GAAP measure, their most directly comparable U.S. GAAP measure, and key business metrics:

Non-GAAP Measure	**Comparable U.S. GAAP Measure**
Adjusted EBITDA	Net Income

Adjusted EBITDA is net income adjusted for depreciation expense, provision for income taxes, interest income, and non-recurring items that in our judgement significantly impact the period-over-period assessment of performance and operating results. Adjusted EBITDA should not be construed as an indicator of our operating performance, liquidity, or cash flows provided by or used in operating, investing, and financing activities, as there may be significant factors or trends that it fails to address. We caution investors that non-GAAP financial information departs from traditional accounting conventions. Therefore, its use can make it difficult to compare current results with results from other reporting periods and with the results of other companies.

Management believes the use of Adjusted EBITDA measures assists investors in understanding the ongoing operating performance by presenting comparable financial results between periods. We believe that by removing the impact of depreciation and amortization, amounts spent on interest and taxes and certain other non-recurring income and charges that are highly variable from year to year, Adjusted EBITDA provides our investors with performance measures that reflect the impact to operations from trends in changes in revenue and operating expenses, providing a perspective not immediately apparent from net income and operating income. The adjustments we make to derive the non-GAAP measure of Adjusted EBITDA exclude items which may cause short-term fluctuations in net income and operating income and which we do not consider to be the fundamental attributes or primary drivers of our business.

The following table illustrates the reconciliations from net income to adjusted EBITDA for the three months ended June 30, 2023, and 2022 and for the six months ended June 30, 2023, and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,		Twelve Months Ended December 31,	
	2023	2022	2023	2022	2022	2021
Net income	$(318,098)	$(90,243)	$(974,901)	$272,788	$(52,495)	$997,415
Depreciation expense	2,561	3,048	5,597	5,988	12,165	10,139
Interest Income	(1,193)	(599)	(1,917)	(1,147)	(2,199)	(11,500)
Income tax	—	—	2,289	1,325	2,018	1,200
Other income (expense)	5,863	—	11,725	—	8,818	—
Adjusted EBITDA	$(310,867)	$(87,794)	$(957,207)	$278,954	$(31,694)	$997,254

Adjusted EBITDA for the three months ended June 30, 2023 was $(310,867) compared to $(87,794) for the three months ended June 30, 2022. This decrease was attributable to lower revenues and gross profit during second quarter of 2023 as well as increased general and administrative costs including payroll, legal and marketing expenses for three months ended June 30, 2023.

Adjusted EBITDA for the six months ended June 30, 2023, was $(957,207), compared to $278,594 for the six months ended June 30, 2022. This decrease was attributable to higher costs of revenue primarily driven by higher commission expense during 2023 as well as increased general and administrative costs and interest expense for the six months ended June 30, 2023.

Adjusted EBITDA for the year ended December 31, 2022 was ($31,694), compared to $997,254 for the year ended December 31, 2021. This decrease was attributable to higher costs of revenue primarily driven by higher

commission expense during 2022 as well as increased general and administrative costs including payroll and marketing for the year ended December 31, 2022.

We monitor the following key business metrics such as the number of policies originated year-over-year in measuring our performance. Origination revenues represent fees negotiated for each purchase and sale of a policy to an investor. The number of policy originations represents the volume of policies over which the above origination services are performed. The number of policy originations directly correlates with origination revenues allowing management to evaluate fees earned upon each transaction. There are no estimates, assumptions, or limitations specific to the number of policy originations.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Number of Policy Originations	141	135	4%	253	259	(2)%

	Years Ended December 31,		
	2022	2021	% Change
Number of Policy Originations	$ 487	$ 445	9%

Liquidity and Capital Resources

We have financed operations since our inception primarily through customer payments and net proceeds from equity financings in the form of capital contributions from our members. Our principal (uses) of cash and cash equivalents in recent periods have been funding our operations. As of June 30, 2023 and June 30, 2022, our principal sources of liquidity were cash, cash equivalents, and restricted cash totaling $808,226 and $1,439,522, respectively, and we had retained earnings of $509,953 and $2,251,914, respectively. During the three months ended June 30, 2023, we had a net (loss) of $(318.098), and net cash provided by operations of $20,655. During the six months ended June 30, 2023, we had a net (loss) of $(974,901), and net cash (used) by operations of $24,292. We believe our existing cash, cash equivalents, restricted cash, proceeds from equity financings will be sufficient to fund anticipated cash requirements for the next twelve months.

Our future capital requirements will depend on many factors, including our revenue growth rate, the expansion of our sales and marketing activities, the timing and extent of spending to support product development efforts. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies. We may be required to seek additional equity or debt financing. The additional debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations.

Cash Flows

Cash Flows for the Six Months Ended June 30, 2023 and 2022:

The following table summarizes our cash flows for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
Net cash (used) in operating activities	(24,292)	(452,367)
Net cash (used) in investing activities	(182,528)	(35,687)
Net cash (used) in financing activities	(443,694)	(671,726)

Cash Flows for the Years Ended December 31, 2022 and 2021

The following table summarizes our cash flows for the years ended December 31, 2022 and 2021:

	Years Ended December 31,	
	2022	2021
Net cash provided by (used in) operating activities	$(383,291)	$1,342,763
Net cash (used) in investing activities	(64,011)	(241,528)
Net cash (used) in financing activities	(693,259)	(354,577)

Operating Activities

During the six months ended June 30, 2023, our operating activities (used) $(24,292) of net cash as compared to net cash (used) in operating activities of $(452,367) during the six months ended June 30, 2022. The decrease in net cash from operating activities during six months ended June 30, 2023, compared to six months ended June 30, 2022, was primarily due to decreases in contract liabilities. The timing of revenue recognition, customer billing, and cash collection can result in billed accounts receivable, unbilled revenue (contract assets), and deferred revenues (contract liabilities). This decrease in contract liabilities was partially offset by decreases in net income and certificate of deposit.

During the year ended December 31, 2022, our operating activities (used) $(383,291) of net cash as compared to net cash provided from operating activities of $1,342,763 during the year ended December 31, 2021. The decrease in net cash from operating activities during 2022 compared to 2021 was primarily due to decreases in contract liabilities. The timing of revenue recognition, customer billing, and cash collection can result in billed accounts receivable, unbilled revenue (contract assets), and deferred revenues (contract liabilities). This decrease in contract liabilities was partially offset by increases in related party receivables.

Investing Activities

During the six months ended June 30, 2023, investing activities (used) $(182,528) of net cash as compared to net cash (used) in investing activities of $(35,687) during the six months ended June 30, 2022. The change in cash (used) in investing activities was primarily attributable to the purchases of property, plant, and equipment for $108,394. Net cash (used) in investing activities also increased due to an increase in accounts receivable for expenses related to the Merger and payments to members / affiliates as a result of payroll true up with the LMA entity for shared employees.

During the year ended December 31, 2022, investing activities (used) $(64,011) of net cash as compared to net cash (used) in investing activities of $(241,528) during the year ended December 31, 2021. The change in cash (used) in investing activities was primarily attributable to the amortization of the marketplace development software acquired during December 31, 2021, partially offset by purchases of property, plant, and equipment.

Financing Activities

During the six months ended June 30, 2023, financing activities (used) $(443,694) of net cash as compared to $(671,726) during the six months ended June 30, 2022. Net cash (used) in financing activities during the six months ended June 30, 2023, was primarily related to the distribution to members of $442,283. Net cash (used) in financing activities for the six months ended June 30, 2022, was primarily related to a distribution to members of $659,869, offset by a $11,857 change in due from members and affiliates.

During the year ended December 31, 2022, financing activities (used) $(693,259) of net cash as compared to $(354,577) during the year ended December 31, 2021. The change in cash (used) in financing activities was primarily attributable to the distributions to members of $(659,363) partially offset by an inflow of $980 for amounts due to members and affiliates of $10,877.

Contractual Obligations and Commitments

Our contractual obligations as of June 30, 2023, which are included as liabilities on our balance sheet, include operating lease obligations of $190,521 with $177,873 due in less than one year and $12,648 due within one to three years, which are comprised of the minimum commitments for our office space.

Critical Accounting Policies and Estimates

We have prepared our financial statements in accordance with GAAP. Our significant accounting policies are described in more detail in Note 2 to our financial statements contained herein. While our preparation of these financial statements requires us to make estimates, assumptions and judgments from time to time that may affect the reported amounts of assets, liabilities and related disclosures, as of the date of these financial statements, we have not identified any estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty which have had or are reasonably likely to have a material impact on the financial condition or results of operations.

Related Party Receivables

Related party receivables include fees to be reimbursed to Abacus from life expectancy reports, assisted physician services and escrow services incurred on policies that related party financing entities purchase as part of the origination agreement with Abacus. Related party receivables are stated at their net realizable value. All of the outstanding receivables of $5,710 as of June 30, 2023 were collected in July, 2023 and 55% of these fees as of June 30, 2022 were collected in July, 2022. Abacus provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all receivables. The estimated losses are based upon historical collection experience coupled with a review of the current status of all existing receivables. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is remote. There is no allowance for doubtful accounts as of, June 30, 2023, or June 30, 2022.

Intangible Assets

Intangible assets are stated at cost, less accumulated amortization, and consist of capitalized costs incurred for the development of internal use software. The costs incurred exclusively consist of fees incurred from an external consulting firm during the development stage of the project and are subject to capitalization under ASC 350-40, Internal-Use Software. The software is amortized on the straight-line basis over an estimated useful life of 3 years. Abacus reviews definite-lived intangible assets and other long-lived assets for impairment at least annually or whenever an event occurs that indicates the carrying amount of an asset may not be recoverable. No impairment was recorded for the three months ending June 30, 2023, and 2022 or for the six months ending June 30, 2023, and 2022.

Revenue Recognition

Abacus recognizes revenue from origination activities by acting as a provider of life settlements and viatical settlements representing investors that are interested in purchasing life settlements on the secondary or tertiary market. Revenue from origination services consists of fees negotiated for each purchase and sale of a policy to an investor, which also include any agent and broker commissions received and the reimbursement of transaction costs.

Abacus' revenue-generating arrangements are within the scope of Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers. Abacus originates life settlements policies with third parties that include settlement brokers, life insurance agents, and direct consumers or policyholders. Abacus then provides the administration services needed to initiate the transfer of the life settlement policies to investors in

exchange for an origination fee. Such transactions are entirely performed through an escrow agent. In these arrangements, the customer is the investor, and Abacus has a single performance obligation to originate a life settlement policy for the investor. The consideration transferred upon each policy is negotiated directly with the investor by Abacus and is dependent upon the policy death benefits held by each life settlement policy. The revenue is recognized when the performance obligation under the terms of the contracts with customers are satisfied. Abacus recognizes revenue from life settlement transactions when the closing has occurred and any right of rescission under applicable state law has expired (i.e., the customer obtains control over the policy and has the right to use and obtain the benefits from the policy). While rescission periods may vary by state, most states grant the owner the right to rescind the contract before the earlier of 30 calendar days after the execution date of the contract or 15 calendar days after life settlement proceeds have been sent to the owner. Purchase and sale of the policies generally occurs simultaneously, and only the fees received, including any agent and broker commissions and transaction costs reimbursed, are recorded as gross revenue.

For agent and broker commissions received and transaction costs reimbursed, Abacus has determined that they are acting as the principal in the relationship as they maintain control of the services being performed as part of performance obligation prior to facilitating the transfer of the life settlement policy to the investor.

While the origination fees are fixed amounts based on the face value of the policy death benefit, there is variable consideration present due to the owner’s rescission right. When variable consideration is present in a contract, Abacus estimates the amount of variable consideration to which it expects to be entitled at contract inception and again at each reporting period until the amount is known. Abacus applies the variable consideration constraint so that variable consideration is included in the transaction price only to the extent it is probable that a subsequent change in estimate will not result in a significant revenue reversal. While origination fees are variable due to the rescission periods, given the that the rescission periods are relatively short in nature, Abacus has concluded that such fees are fully constrained until the rescission period lapses and thus records revenue at a fixed amount based on the face value of the policy death benefit after the rescission period is over.

BUSINESS

Our Mission

Abacus' Mission: to educate every life insurance policy owner that their life insurance is personal property and, like any other asset they own, has a market value that can be monetized by selling into the secondary market.

Abacus Overview

Abacus is a leading vertically integrated alternative asset manager specializing in investing in inforce life insurance products throughout the lifecycle of a life insurance policy. Traditionally, life insurance policies are owned by individuals to insure their lives. Consistent with our mission, we educate policyholders regarding the potential to sell their policies to investors, often at a significant premium to the current cash surrender value. As an alternative asset manager, we purchase life insurance policies from consumers seeking liquidity and actively manage these policies over time via trading, holding and/or servicing. To date, we have purchased over $2.9 billion in policy value and have helped thousands of clients maximize the value of their life insurance.

As one of the leading buyers of life insurance policies in the U.S. for the last 18 years, we sit at the heart of the life settlements industry. We leverage our strong market position, highly efficient origination platform and proprietary technology to drive our revenue and profitability. Abacus and its executive team have deep experience in the life settlement industry. Using this experience, the Company has established policies and guidelines with respect to its purchase of universal life, whole life and convertible term life insurance policies. Currently, the Company principally invests in non-variable universal life insurance policies, with approximately 89% of the insurance policies, measured by face value, acquired by the Company in fiscal year 2021 being non-variable universal life policies, but the Company retains the discretion to invest in whole life or convertible term life insurance policies. These guidelines focus on the age of the insured, whether the insured is a man or a woman, the duration of the underlying life insurance policy, the expected mortality risk of the underlying life insurance policy, the projected internal rate of return of the investment in the underlying life insurance policy and the amount of the death benefit of the underlying life insurance policy. The Company excludes making investments in life insurance policies based on certain types of the primary health impairment associated with the underlying insured to ensure that all policies are purchased in accordance with established industry standards and state law requirements. The Company's guidelines are designed to allow the Company to target the life insurance policies that it believes have the most upside potential to generate attractive risk-adjusted returns to the Company through either its hold or trade portfolio. Our proven policy origination process first locates policies and screens them for eligibility for a life settlement. This process includes verifying that the policy is in force, obtaining consents and disclosures and submitting cases for life expectancy estimates, which is a process known as origination services. We generate fees on the policies we originate, which are sourced from three channels: (i) a large and growing network of financial advisors and agents, (ii) an on-going direct-to-consumer marketing campaign and (iii) a number of traditional life settlements intermediaries that submit policies to us on behalf of an advisor or client. Once identified, we utilize our proprietary "heat-map" technology platform to determine the initial risk and viability of policies. Thereafter, a purchased policy is "actively managed," whereby we consistently monitor the policy risk to optimize revenue by choosing to either (x) trade the policy to a third-party institutional investor (i.e., receive a trade spread) or (y) hold the policy over time (i.e., pay premiums and receive payout). Additionally, we service policies on behalf of third parties for which we receive fees as a percentage of the values of the policies. Our multi-faceted and dynamic revenue model is made possible by the fact that we sit at the heart of the entire life settlements industry.

Our revenue generation platform and economic model is best summarized below:

1. **Origination Fees** (on average, 2% of face value of acquired policies)
2. **Active Management** (spreads for traded policies and realized returns for held policies)
3. **Third Party Portfolio Servicing** (on average, 0.5% of total asset value)

We are currently a leader in the life settlements industry. The Company has approximately 20% market share based on our 2021 capital invested/total industry capital invested and data compiled in a 2021 report by The Deal and Life Settlements Report, a U.S. life settlements industry news source. Data for the report was aggregated from each state based on 2021 annual reporting. We have a proven track record of growth and strong asset returns. We are currently operational in 49 states, which is a key differentiator in an industry with high barriers to entry given the significant regulatory requirements. Our business is supported by a total of approximately 82 employees and an innovative leadership team members, each of whom has an average of over 20 years of experience in the U.S. life settlements industry.

Our outstanding operations and execution team are led by a seasoned management team. Jay Jackson (CEO) has worked in the investment industry for over 25 years (including at a family office, major investment firms and alternative asset managers) and pioneered the origination process and trading platform for our firm. William McCauley (CFO) has over 20-years of experience and has held Senior Finance positions for some of the largest insurance carriers (including Transamerica, MassMutual and John Hancock). In addition, we have three Managing Partners (Todd “Sean” McNealy, Kevin “Scott” Kirby and Matthew Ganovsky) who co-founded Abacus in 2004 and helped build the institutional and broker market for the entire industry. In summary, our leaders are innovators and have directly contributed to the development of the broader life settlements industry.

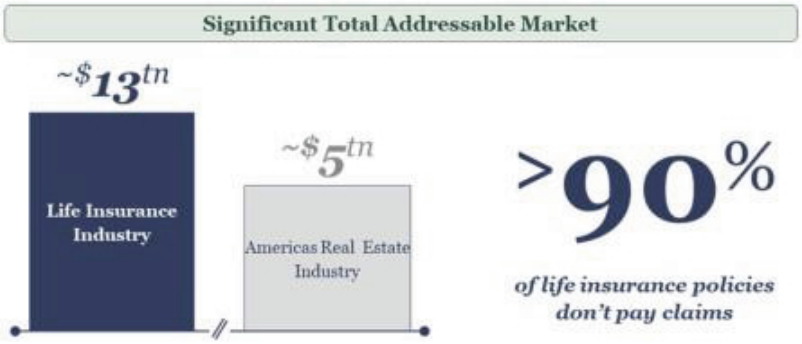
We have grown our origination business by nearly four times since 2016 and have serviced approximately $950 million in policies since October 2021. With a previous $150 million capital base from a top alternative asset manager, we have acquired nearly 1,600 policies over the past three years via our active portfolio management strategy. Within our traded portfolio, we acquired 1,245 policies and generated a 22% realized return. Within our hold portfolio, we acquired 238 policies with a 12% projected annual return and held an additional 71 policies to maturity yielding a 102% realized return. These returns demonstrate our ability to originate policies and drive meaningful economics with a scaled capital base.

Abacus Settlements was formed as a New York limited liability company in 2004 and LMA was formed in 2017 as a Florida limited liability company. In 2016, Abacus Settlements was licensed in Florida as a life settlement broker and became a Florida limited liability company. We are not an insurance company, are not licensed or regulated as an insurance company and therefore do not underwrite insurable risks for our own account.

Our Industry / Opportunity

Large Addressable Market with Meaningful Growth Potential

We operate within a large, growing and currently underpenetrated market. The U.S. life insurance industry is an approximately $13 trillion market, which is almost three times the size of the entire real estate industry in the Americas. Notably, given the scale of the overall life insurance industry, more than 90% of life insurance policies will never end up paying a claim. Approximately 75% of policyholders over the age of 65 will either cancel or allow their coverage to lapse, forfeiting the right to ever receive a payout. The life settlements industry helps solve this problem by allowing policyholders the opportunity to monetize their otherwise underutilized asset.



The combination of the large U.S. life insurance market and the high percentage of policies that never pay a claim creates a considerable opportunity for Abacus and the broader life settlements industry. Specifically, the scale of the life settlements market opportunity is $233 billion each year. However, in 2021, the life settlements industry only captured $4 billion, or approximately 2% of the annual market of lapsed life insurance policies. We believe there is a significant opportunity to increase this market penetration, primarily by driving awareness and education regarding the ability to monetize life insurance policies by utilizing our services.

Life insurance is often a senior citizen's largest asset and one that can be used to alleviate retirement challenges, but it is rarely treated in this way. This can be partially attributed to the fact that almost half of all financial advisors are not aware that selling a life insurance policy is an option for their clients. We help financial advisors and their clients understand that a life insurance policy is personal property and selling it for a fair market value is a legitimate, safe and viable choice to create more options for the future. While less than 1% of financial advisors and agents currently transact in the life settlements market, based on research conducted by the Life Insurance Settlement Association, the primary industry trade association for the U.S. life settlements industry, of which the Company is a long-standing member, we believe approximately 90% of senior citizens

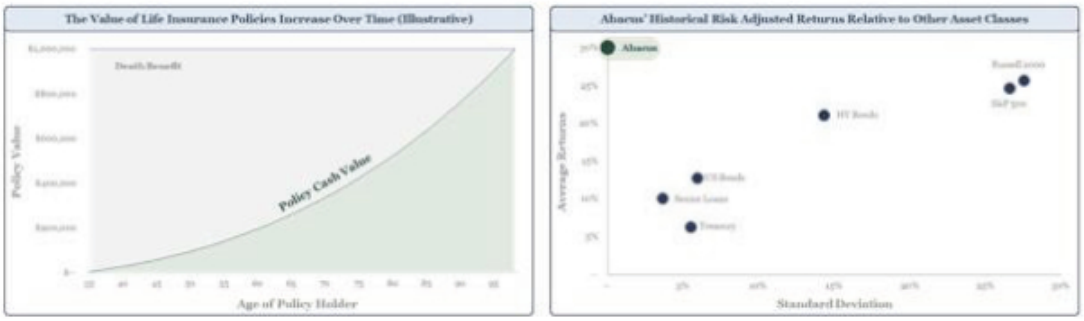
who let their life insurance policies lapse, or surrendered their policies, would have considered this alternative if they had been made aware of it before lapsing or surrendering their policies. The reference to this study can be found at the Life Insurance Settlement Association—https://www.lisa.org/life-settlements-industry-will-grow-as-more-seniors-are-informed-of-their-options-say-experts-at-lisa-conference/.

Selling a life insurance policy is a valuable transaction and for those consumers who transact, the benefits can be substantial. On average, life settlements companies pay sellers nearly eight times more than the current cash value of a policy. Selling a life insurance policy not only alleviates the requirement for a policyholder to pay premiums but creates a meaningful and immediate monetization event. Sellers use these proceeds in a variety of ways, including to support their retirement, transfer wealth and pay medical bills.

Generally Uncorrelated Alternative Asset Class with Institutional Investment Grade Counterparts

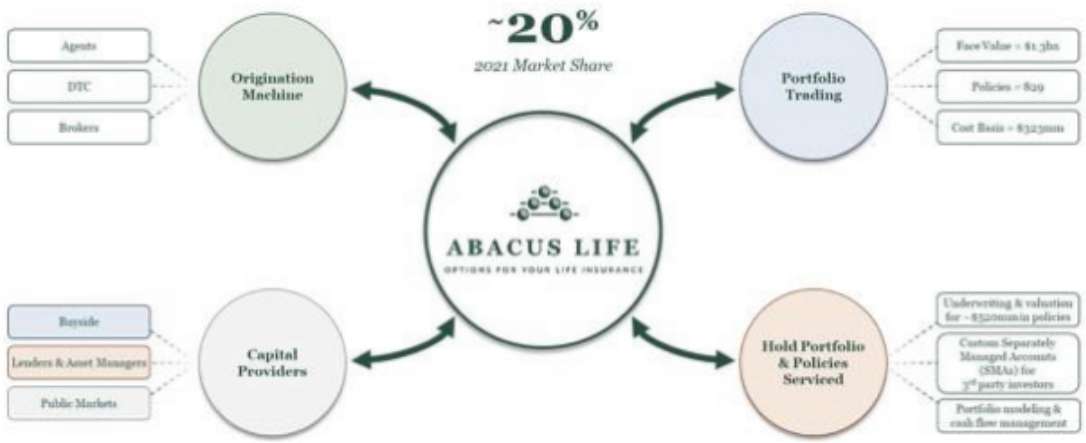
While selling life insurance policies at a fair market value can have significantly positive impacts on a person's life, it is a mutually beneficial transaction. The underlying life insurance policy is a highly attractive asset that has minimal payout risk and generally uncorrelated returns. The counterparties to these transactions are generally high-quality investment grade insurance companies. In fact, 95% of our carriers have an "A Rating" or better. Additionally, these life insurance policies are cash backed by the carriers, which means they are required to pay policy claims ahead of any other contractual obligation, including senior debt. We do not believe that there has ever been a life insurance policy issued that did not ultimately pay a claim at mortality due to the illiquidity of a carrier.

In addition to counterparty quality, this is a largely a-cyclical asset class. A life insurance policy is sometimes described as a "mortality-driven zero-coupon bond" because its underlying value will appreciate over time as it approaches maturity (i.e., as the policyholder ages). This is best demonstrated when comparing our historical risk-adjusted returns relative to other benchmark asset classes.



Our stockholders will have the opportunity to gain access to this unique asset class, which has historically been reserved for firms that can either directly originate policies or large institutional investors that can deploy meaningful amounts of capital.

We are at the Heart of the Life Settlements Industry



Abacus' Origination Model

Our "Origination Process" is core to our entire business and drives our economics. We average approximately 2% of face value in origination fees on policies and have spent the last 20 years developing three high quality origination channels (financial advisors or agents, direct to consumer and life settlements brokers).

An example of our target market includes policyholders averaging 75 years old whose insurance needs have changed, rendering their life insurance policy no longer necessary. We then focus our origination process on these targeted individuals, developing processes and procedures for identifying and screening policies that have the most potential return for the least projected cost.

We have three distinct origination channels to reach this target market.

1. ***Financial Advisor or Agent***—Our largest origination channel involves working directly with financial advisors to facilitate the sale of client policies. Since our founding, we have been at the forefront of developing this market and are now ingrained in a network of over 30,000 financial advisors. We are currently on multiple national platforms, we present at conferences, and we develop marketing tools specifically to help advisors efficiently present the benefits of this product to their clients. As we highlighted earlier, 49% of financial advisors are unaware this financial option exists and less than 1% have completed a life settlement transaction. This origination channel has driven our four times growth over the last six years, and we believe it will continue to be a priority for our future growth.

2. ***Direct to Consumer***—We have been building this channel for several years and have focused heavily on increasing broad consumer awareness and education regarding the ability to monetize life insurance policies by utilizing our services. We have been active in a variety of common direct-to-consumer advertisement channels, including radio and television advertisements in particular. In addition, we have created a unique "Policy Value Calculator" whereby individuals can receive an instant valuation on their life insurance policies. The direct-to-consumer channel has historically driven origination on smaller face value policies through our financial advisor or agent channel, thereby expanding the scope of policies we are able to value and acquire.

3. ***Traditional Life Settlements Intermediaries***—Within this channel, we engage with life settlements intermediaries or brokers who submit policies to us on behalf of an advisor or client, for which the life settlement intermediary earns a commission. We intend to slowly reduce our reliance on these intermediaries over time and focus our efforts on building out the technology required to gain access to and educate both the financial advisor and direct-to-consumer channels.

Abacus currently has a dedicated 45-person origination team with 16 sales members assigned by channel. We intend to continue to fuel origination growth by expanding our team and outreach. In order to drive awareness across all origination channels, we plan to expand our marketing and launch national television advertising campaigns.

Abacus' Policy Acquisition Process

A life settlement transaction is the process by which a third-party intermediary acquires an existing life insurance policy for an amount greater than its current cash surrender value. Upon closing of the life settlement transaction, the insured receives an immediate cash payment, and the third-party intermediary receives ownership of the policy. Thus, the third-party intermediary becomes the beneficiary of the insured's claim payout but is now solely responsible for all future premium payments. Our company functions as this third-party intermediary.

The process of acquiring a policy is highly regulated and policyholder friendly. Unique licenses are mandatory to operate and significant disclosures are required to be made available to consumers. We originate these policies through three distinct channels (i.e., financial advisors / agents, direct-to-consumer and traditional life settlements intermediaries). We first screen each policy to ensure it is eligible for a life settlement, including verifying the policy is in force, obtaining appropriate consents and disclosures, and submitting cases for medical underwriting and life expectancy estimates. In connection with this process, we use our proprietary analytics and risk-rating systems to determine an estimated market value for each individual policy.

The Company has established policies and guidelines with respect to its purchase of life insurance policies. These guidelines focus on the age of the insured, the sex of the insured, the duration of the underlying life insurance policy, the expected mortality risk of the underlying life insurance policy, the projected internal rate of return of the investment in the underlying life insurance policy and the amount of the death benefit of the underlying life insurance policy. The Company excludes making investments in life insurance policies based on certain types of the primary health impairment associated with the underlying insured to ensure that all policies are purchased in accordance with established industry standards and state law requirements.

Following the origination, underwriting and valuation processes, we formally present our proposed purchase price to the policyholder or advisor. If agreed upon, the settlement closing process begins. Appropriate closing documents are reviewed by our in-house counsel, and we send funds to an independent escrow agent. Simultaneously, change of ownership and beneficiary documentation is sent to the underlying insurance carrier. Once the changes are confirmed by the carrier, the escrow agent sends the proceeds to the appropriate party, and we become responsible for the underlying insurance policy (i.e., paying premiums and receiving claim). The proceeds from the escrow agent will also include the commission(s) we owe to the broker and / or agent as well as our fee for completing the origination services.

While the transaction is deemed closed, it is important to note that the policy owner may generally rescind the life settlement contract within 30 days from execution of the agreement or 15 days from the receipt of cash proceeds by the owner. As such, revenue is not recorded until this rescission process is over.

Once the transaction is closed, the policy enters our active portfolio management whereby we determine whether a policy should be sold to a third-party institutional investor or held on our balance sheet.

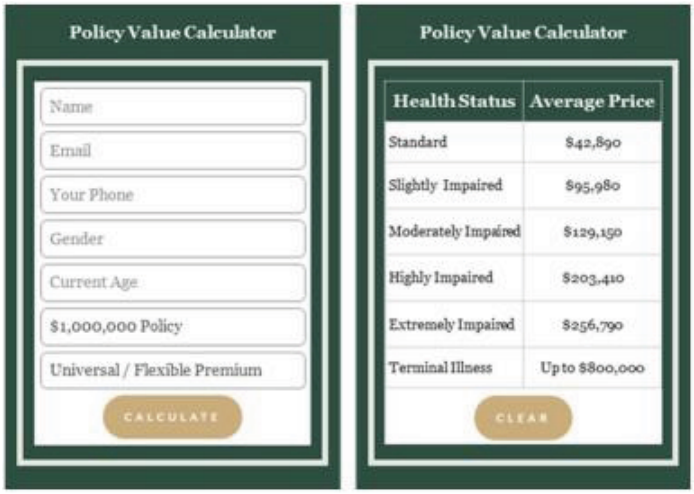
Proprietary Technology Platforms Support Our Business

We have and continue to develop a comprehensive suite of technology products that helps drive origination, underwriting and trading. Specifically, we have created:

1. ***Risk Rating Heat Map***—Using the large amount of data we have gathered over time, we have developed a proprietary risk-rating platform that measures the risk of life insurance contracts on a range from 1–5 (low–high risk, respectively). This risk score is calculated on a wide range of factors, including (i) duration and extension risk, (ii) policy face value and purchase type, (iii) policy type, (iv) carrier rating, (v) life expectancy ("LE") and LE extension ratios, (vi) age and age on LE date and (vii) survival probability. We believe this platform is a key differentiating factor relative to our competitors as it gives us a meaningful advantage when valuing and purchasing life insurance policies.

Purchase Price	Policy Type	Carrier Rating	Lead Source	Policy Face Value	Expected IRR	Life Expectancy (LE)	LE Extension Ratio	Age	Age on LE Date	Age on B/E Date	Surv Prob on B/E Date	Risk Grade
$151,500	GUL	A+	Broker	$500,000	15.60%	65	196%	72	80	90	0%	1
$150,180	UL	A	Agent	$250,000	15.50%	25	614%	67	73	86	0%	2
$150,180	UL	A	Agent	$250,000	15.50%	25	614%	67	73	86	0%	2
$556,705	UL	A+	Insured	$1,000,000	15.40%	31	903%	49	52	75	0%	3
$168,945	GUL	NR	Insured	$750,000	15.40%	91	275%	60	68	89	0%	1
$23,488	GUL	A	Broker	$100,000	15.40%	88	113%	69	76	84	1%	4
$325,000	UL	A-	Insured	$500,000	15.30%	26	527%	97	99	110	0%	1
$323,434	GUL	A+	Insured	$5,300,000	15.30%	133	92%	72	83	93	1%	2
$115,502	UL	A	Insured	$550,000	15.30%	48	125%	86	90	95	2%	2

2. ***Policy Value Creator***—Our "Policy Value Calculator" drives origination by using proprietary data to instantly value policies for both individuals and financial advisors. This easy-to-use online tool only requires four pieces of information: (i) gender, (ii) age, (iii) face value and (iv) policy type. These data points then generate a valuation range that advisors and individuals can use to quickly assess the current value of their policy. This product helps educate consumers and bridges the gap between our specific offering and the $233 billion annual market of lapsed policies.



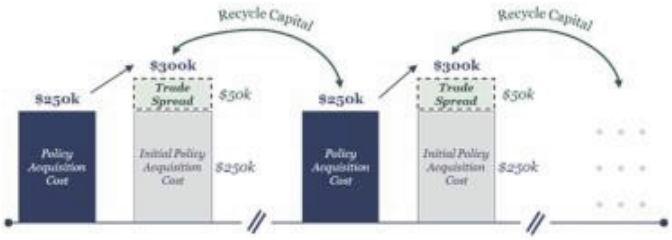
3. ***Innovations in "InsurTech"***—More recently, we have begun developing "Abacusmarketplace.com", which is a blockchain tertiary trading, servicing and valuation platform. Given we will be able to see a large suite of data gathered by this website, we believe it will help us maintain our leading market position and keep us at the heart of the life settlements industry. We added the ability for investors to directly purchase policies in the third quarter of 2023. Abacusmarketplace.com is still in the early stages of development and we do not currently expect that Abacusmarketplace.com will have a material impact on the Company's future financial results.

Active Portfolio Management Strategy

With meaningful support from our proprietary risk rating heat map, we consistently evaluate policies (at origination and throughout the lifecycle) to generate essentially uncorrelated risk adjusted returns. Upon acquiring a policy, we have the option to either (i) trade that policy to a third-party institutional investor (i.e., generating a spread on each trade) or (ii) hold that policy on our balance sheet until maturity (i.e., paying the premiums over time and receiving the final claim / payout). This process is predicated on driving the best economics for Abacus.

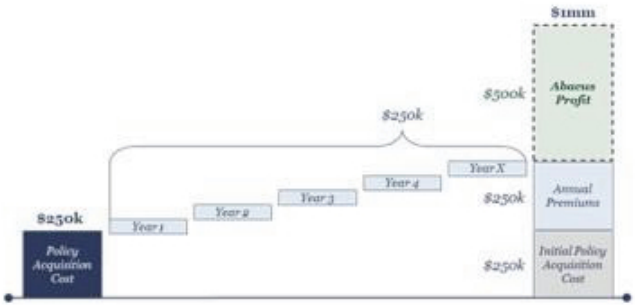
1. ***Traded Portfolio***—Our traded portfolio returns are driven by (i) the spread we generate by selling policies to third-party institutional investors and (ii) our ability to quickly recycle capital. Our trade spreads average 20% and we have historically recycled capital 3.6 times per year. These two metrics are driven by our ability to effectively originate new policies (supply) and the underlying market interest for the policies (demand).

Illustrative Revenue Model	
Initial Acquisition Cost	($250,000)
Traded Price	$300,000
Abacus Profit	**$50,000**
Abacus Spread	***20%***



2. ***Hold Portfolio***—Relative to our traded portfolio, our hold portfolio has the potential to generate a higher estimated annual return than our traded portfolio but requires approximately a 3 to 4 times greater capital investment, which is driven by the need to hold policies, rather than recycle the policies in trading, and to fund premium payments during the holding period for a policy. To the extent that we are not able to commit the required capital, we then focus efforts more on our traded portfolio. Our origination platform and proprietary risk rating heat map has allowed us to hold only what we determine to be the highest quality policies which have our lowest risk ratings. Of the 71 policies we have held to maturity ($37 million in face value), we have achieved a 102% realized return. We currently have an additional 238 policies with a projected 12% annual return ($317 million in face value). We anticipate growing the size of our hold portfolio over time as we scale our capital base. We believe there is a unique opportunity to securitize a basket of high-quality policies to sell to a third-party investor for a realized profit much sooner than contracts may actually expire.

Illustrative Revenue Model	
Initial Acquisition Cost	($250,000)
Total Premiums Paid	($250,000)
Policy Death Benefit	$1,000,000
Abacus Profit	**$500,000**
Est. Annual Return	***12%***



Policy Servicing

In addition to generating economics on the polices we directly originate and actively manage, we have a dynamic platform to service bundles of policies for a variety of third-party institutions. We generate revenue by charging a base servicing fee of approximately 0.5% of total asset value of the portfolio. We have experience servicing a large number of policies for highly sophisticated institutions, including policies for KKR and Apollo. Beyond our fees, servicing policies at scale supports our data analytics and keeps us at the heart of the life settlements industry. We have a sophisticated team of professionals solely focused on servicing these policies.

Prospects for Future Growth

Continued Maturation of the Life Settlements Industry

As described above, there is $233 billion in policy value that lapses on an annual basis. However, the life settlements industry captured only approximately 2% of the potential market in 2021, which leaves significant runway for future growth for industry participants. The total face value of life insurance policies is expected to grow from approximately $6 billion in 2022 to approximately $8 billion in 2028, which is a 5% compounded annual growth rate. Given our position at the heart of the life settlements industry, we believe that we are well positioned to capitalize on this anticipated market growth.

Focus on Growing our Origination Process

Our ability to originate policies is essential to scale our business over time. In order to support this expected growth, we continue to invest in our technology and marketing infrastructure. In general, we expect our efforts will continue to focus on driving education and awareness of life settlements. In order to meet this growing demand, we have increased our total employee headcount by 23% over the last twelve months and we anticipate a 50% increase in our headcount by 2024.

Continued Innovation in Technology

Using technology to improve our analytics, market liquidity and velocity of capital use is a key priority. Certain key technology elements are:

1. ***Analytics (Abacus Analytics)***—the standard pricing and valuation platform for policy valuation and portfolio assessment that we believe will allow us to obtain visibility into every transaction in the industry.

2. ***Liquidity (Abacusmarketplace.com)***—tertiary trading, servicing and valuation platform (added direct purchase in 2023). Abacusmarketplace.com is a proprietary technology platform that has been designed in order to facilitate tertiary trading, servicing and valuation for the life settlement industry. This platform is intended to increase the trading volume for the entire industry by removing intermediaries and improving the efficiency and security of the transactions. The Company expects to realize future revenue through licensing agreements with Abacusmarketplace.com. However, Abacusmarketplace.com is still in the early stages of development, and we do not currently expect that Abacusmarketplace.com will have a material impact on the Company's future financial results. With blockchain technology, we expect that there will be increased comfort that the documents are secure on a private blockchain, which we believe will facilitate faster closing times. The blockchain technology to be used is still in the early stages of development and is currently not a material part of the Company's business. We believe that Abacusmarketplace.com could be a leader in the industry and will allow an investor to fully understand how it may impact future business strategies and financial results.

3. ***Velocity (Lapetus Life Event Solutions, AgingIQ and BlockCerts)***—key partnerships and tools that complement and enhance our core analytics platforms.

    a. Lapetus Life Event Solutions—partnership between Abacus and Lapetus Solutions, Inc. to build and develop current life expectancy tables based on our 18 years of data. This information includes tens of thousands of unique datapoints, aiding more accurate predictions of mortality experience related to several demographics including age, income and location.

    b. AgingIQ—lifespan prediction tool utilizing our mortality database. This tool explores how people can extend their lifespans and healthspans by adjusting current lifestyle related decisions (financial, healthy living and education).

    c. BlockCerts—partnership utilizing BlockCerts Web 4.0 technology to lead the next generation of life insurance and annuity purchases using blockchain capabilities. The resulting benefit includes cost reductions, enhanced data security and a competitive edge in the origination marketplace.

Access to Capital Markets Provides More Attractive Financing

We believe that as a publicly traded company, we will have access to a lower cost of capital, which will optimize our per policy revenue and allow us to fund additional investment in infrastructure. Additionally, as discussed in more detail below, we plan to begin increasing our balance sheet hold portfolio, which we believe will drive higher long-term returns.

Transitioning Our Business Model as Our Capital Base Scales

As our capital base scales, we aim to increase the proportion of policies that we hold on our balance sheet so that the policies we hold and the policies we trade each comprise 50% of our business model. One of the most obvious benefits to a larger hold portfolio is that it increases the predictability of returns (i.e., held policies will likely increase in value over time, largely independent of trading market conditions). Additionally, with a larger hold portfolio, there is a unique opportunity to begin securitizing policies. In the long-term, we believe securitized portfolios can drive an even lower cost of capital and can be sold in scale to third parties at a significant multiple.

Proven Ability to Deploy Capital and Scale

Over the past few years, we managed a $150 million capital base via a joint venture with a large alternative asset manager. This joint venture was terminated on the Closing Date. Under GAAP the financial results of the entire joint venture are not included in our financial statements as the joint venture is not under common control and neither Abacus nor LMA have a direct ownership interest or investment in the joint venture. The financial impacts of the joint venture recognized in the financial statements solely relate to the services provided by Abacus and LMA to the joint venture and are discussed in the respective related party transaction notes in the financial statements. However, our track record shows our ability to operate and generate highly attractive returns. The joint venture produced $21.6 million and $27.4 million in revenue and $16.2 million and $22.5 million in net income for fiscal year ended December 31, 2021 and December 31, 2020, respectively. We believe that becoming a publicly traded company will allow us to more effectively deploy capital to scale our business.

Over the past six years, we have grown our total originations by approximately four times. Within our traded portfolio we have acquired 1,245 policies for a total face value of $1.9 billion, generating a 22% realized return per policy. Within our hold portfolio, we have acquired 309 policies, with 238 policies currently on our balance sheet with a projected annual return of 12% and 71 policies that have matured and generated a realized return of 102%.

Beyond our traded and held portfolios, we have serviced approximately $950 million in policies over the last twelve months (including assets for KKR and Apollo). Additionally, we have underwritten and valued approximately $520 million of policies on behalf of third parties.

It is currently expected that the Company will require approximately thirty-five million dollars ($35,000,000) to fund its operations over the next 12 months. The Company believes that its funds from operations will provide sufficient funds to continue its operations for the foreseeable future.

Business Combination

On August 30, 2022, East Resource Acquisition Company entered into the Merger Agreement with the Merger Subs, pursuant to which, among other things and subject to the terms and conditions contained in the Merger Agreement, Abacus Merger Sub merged with and into Abacus Settlements, with Abacus Settlements surviving the Abacus Merger as a wholly owned subsidiary of East Resource Acquisition Company, and LMA Merger Sub merged with and into LMA, with LMA surviving the LMA Merger as a wholly owned subsidiary of East Resource Acquisition Company. In connection with the Closing of the Merger, East Resource Acquisition Company was renamed Abacus Life, Inc.

Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, on June 30, 2023, the Business Combination was consummated.

Our Employees

As of July 25, 2023, we had eighty-four (84) employees, none of whom are subject to any collective bargaining agreement or represented by a labor union. All of our employees are based in the United States. To date, we have not experienced any work stoppages and we consider our employee relations to be good. We believe that our employees are critical to our long-term success, and in 2019, we were ranked a top 3 place to work in Orlando based on employee reviews.

The core of our business is driven by our ability to successfully originate new policies. We have built a highly experienced forty-five (45) person team dedicated solely on the origination and policy acquisition process. Specifically, we have a (i) sixteen (16) person sales team, (ii) ten (10) person team of acquisition managers and case processors, (iii) fifteen (15) person team focused on policy evaluation and closing processes (i.e., contracts,

legal and accounting) and (iv) four (4) person team supporting our broad marketing and information technology efforts. In addition, we have a fourteen (14) person team that supports our active portfolio management and portfolio servicing efforts. Specifically, we have (a) three (3) actuarial review and financial analysts, (b) three (3) contract and accounting professionals, (c) six (6) servicing specialists and (d) two (2) institutional traders. While our employees have a wide range of roles and responsibilities, we have spent the last 19 years building a highly efficient model.

Customers

As of December 31, 2021, we have served over 3,000 customers with operations in forty-nine (49) states. Abacus maintains a broad customer base with a balance of policy origination across three distinct channels described above.

Our customers include institutional investors seeking to invest in life settlement assets as well as life settlement policy sellers. During the years ended December 31, 2021 and 2020, our largest origination customer based on revenue accounted for 33% and 35% of our revenue, respectively, and our ten largest customers together accounted for 80% and 81% of our revenue, respectively.

In May of 2019, Abacus owners and certain executives of Abacus formed a joint venture with KKR called Nova Trading and Nova Holding (funds that KKR invested money in and Abacus provided investment and trading services). These related party funds, Nova Trading and Nova Holding, are collectively called the “Nova Funds.” Following the Business Combination, Abacus does not intend to continue its relationship with the Nova Funds or provide management services to the Nova Funds. While the Company does not intend to continue its joint venture relationship with the Nova Funds after the expiration of this joint venture following the Business Combination, the Company expects to retain KKR as a client. For the fiscal years ended December 31, 2021 and December 31, 2020, the Nova Funds generated $21.6 million and $27.4 million in revenue and $16.2 million and $22.5 million in net income, respectively. For the percent of revenue that the Nova Funds contributed to Abacus, please refer to the footnote disclosures on page F-115-F-116 of the Abacus Audited Financials for fiscal years ended December 31, 2021 and December 31, 2020.

Intellectual Property

Our business depends, in part, on our ability to develop and maintain the proprietary aspects of its core technology. We rely on patents and trademarks to protect our intellectual property.

As of October 14, 2022, we own one pending United States patent application relating to market-linked investment vehicles secured by non-correlated or low-correlated assets, and we have been issued a federal registration for our “Abacus Settlements” trademark. We also hold various domain names for websites that we use in our business. Additionally, we have developed and maintain proprietary software for our internal use to aid in pricing, valuation and risk analysis of life settlement policies.

Regulatory Overview

We are subject to various laws, regulations and licensing requirements in the United States which may expose us to liability, increase costs or have other adverse effects that could harm our business. These laws and regulations include, but are not limited to, data privacy and data localization, healthcare, insurance, copyright or similar laws, anti-spam, consumer protection, employment and taxation. Compliance with such laws can require changes to our business practices and significant management time and effort. Additionally, as we continue to develop and improve consumer-facing products and services, and as those offerings grow in popularity, the risk that additional laws and regulations will impact our business will continue to increase. We believe that we are in material compliance with all such laws, regulations and licensing requirements.

Data Privacy Laws and Regulations

Because we receive, use, transmit, disclose and store personal data, we are subject to numerous state and federal laws and regulations that address privacy, data protection and the collection, storing, sharing, use, transfer, disclosure and protection of certain types of data. We are subject to the TCPA which restricts the making of telemarketing calls and the use of automatic telephone dialing systems. Violators of the TCPA face regulatory enforcement action, substantial civil penalties, injunctions, and in some states, private lawsuits for damages.

Privacy and data security regulation in the U.S. is rapidly evolving. For example, California enacted the California Consumer Privacy Act ("CCPA"), which came into force in 2020. The CCPA and related regulations give California residents expanded rights to access and request deletion of their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used and shared. The CCPA allows for the California Attorney General to impose civil penalties for violations, as well as providing a private right of action for certain data breaches. California voters also recently passed the California Privacy Rights Act ("CPRA"), which will take effect on January 1, 2023. The CPRA significantly modifies the CCPA, including by imposing additional obligations on covered companies and expanding California consumers' rights with respect to certain personal information. The CCPA's restrictions on "sales" of personal information may restrict our use of cookies and similar technologies for advertising purposes, as well as increasing our compliance costs and potential liability. The CCPA excludes information covered by the Gramm-Leach-Bliley Act, the Driver's Privacy Protection Act, the Fair Credit Reporting Act and the California Financial Information Privacy Act from the CCPA's scope, but the CCPA's definition of "personal information" is broad and may encompass other information that we maintain.

The passage of the CCPA likely marked the beginning of a trend toward more stringent privacy legislation in the U.S., and multiple states have enacted or proposed similar laws. For example, in 2020, Nevada enacted SB 220 which restricts the "selling" of personal information and, in 2021, Virginia passed the Consumer Data Protection Act which is set to take effect on January 1, 2023 and creates new privacy rights for Virginia residents. There is also discussion in Congress of new comprehensive federal data protection and privacy law to which we likely would be subject if it is enacted.

Various regulators are interpreting existing state consumer protection laws to impose evolving standards for the online collection, use, dissemination and security of other personal data. Courts may also adopt the standards for fair information practices which concern consumer notice, choice, security and access. Consumer protection laws require us to publish statements that describe how we handle personal information and choices individuals may have about the way we handle their personal data.

Our failure to comply with these privacy laws or regulations could expose us to significant fines and penalties imposed by regulators and has in the past and could in the future expose us to legal claims by buyers, or other relevant stakeholders. Some of these laws, such as the CCPA, permit individual or class action claims for certain alleged violations, increasing the likelihood of such legal claims. Similarly, many of these laws require us to maintain an online privacy policy, terms of service and other informational pages that disclose our practices regarding the collection, processing and disclosure of personal information. If these disclosures contain any information that a court or regulator finds to be inaccurate, we could also be exposed to legal or regulatory liability. Any such proceedings or violations could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or demanding injunctive relief, divert management's time and attention, increase our costs of doing business and materially adversely affect our reputation.

Insurance Laws and Regulations

We operate as a life settlement producer in forty-nine (49) states. We have a strong track record with each state in which we are licensed and have not had any reportable incidents. Our in-house counsel and compliance staff reviews every life insurance policy we consider acquiring for compliance with applicable state regulations.

We file an annual report with each state in which it operates and each state has the ability to request an audit at its discretion. Currently, 42 states have regulations that support the sale of life insurance policies to a third party, like our Company. Each state also has its own policyholder-facing disclosure requirements that we comply with in the ordinary course of its business.

We focus on acquiring and trading non-variable, non-fractionalized life insurance policies. These life insurance policies are deemed to be personal property of the owner based upon the Supreme Court decision *Grigsby v. Russell* in 1911. Furthermore, non-variable, non-fractionalized life insurance policies are not deemed to be securities under the federal securities laws, and so the Company is not required to register as an investment adviser or an investment company under the Investment Advisers Act of 1940, as amended or the Investment Company Act, respectively.

The Company may, in the future, purchase some amount of variable life insurance policies or interests in the death benefit of underlying life insurance policies. The Company has recently acquired a limited purpose broker dealer, which the Company intends to license to engage in transactions for variable and fractionalized life insurance policies. Abacus expects that any transactions in variable or fractionalized life insurance policies will represent less than 20% of the life insurance policies acquired by the Company at any time. The Company does not, and does not in the future intend to, engage in any life insurance securitization.

Facilities

Our corporate headquarters is located at 2101 Park Center Drive, Suite 170, Orlando, Florida 32835 and our telephone number is 800-561-4148. The headquarters consists of 6,812 square feet of “Class A” office space pursuant to a lease that expires in June 2024. We also sublease additional office space in Orlando, Florida, which consists of approximately 3,000 square feet of space pursuant to a sublease that expires in October 2023. We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Legal Proceedings

We are not currently a party to any material legal proceedings. However, in the ordinary course of business we may be subject from time to time to various claims, lawsuits and other legal and administrative proceedings. Some of these claims, lawsuits and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions or relief. We intend to recognize provisions for claims or pending litigation when we determine that an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates. Additionally, any such claims, lawsuits and proceedings, whether or not successful, could damage our reputation and business.

MANAGEMENT

Management and Board of Directors

The following sets forth certain information, as of July 25, 2023, concerning the executive officers and members of the board of directors of the Company. Each of the Company's officers is appointed for a term of one year, or until earlier removed or replaced. Messrs. Gusky and McNealy were appointed to serve as Class I directors, with terms expiring at the Company's annual meeting of stockholders to be held in 2024; Mr. Katwijk and Mmes. Schulte and Radka were appointed to serve as Class II directors, with terms expiring at the Company's annual meeting of stockholders to be held in 2025; and Messrs. Jackson and Corbett were appointed to serve as Class III directors, with terms expiring at the Company's annual meeting of stockholders to be held in 2026.

Name	Age	Title
Jay Jackson	51	Chief Executive Officer and Director
Matthew Ganovsky	58	Co-Founder and President
Kevin Scott Kirby	56	Co-Founder and President
Sean McNealy	57	Co-Founder, President and Director
William McCauley	51	Chief Financial Officer
Adam Gusky	48	Director
Karla Radka	54	Director
Cornelis Michiel van Katwijk	56	Director
Thomas W. Corbett, Jr.	73	Director
Mary Beth Schulte	58	Director

Executive Officers

Jay Jackson—Chief Executive Officer and Director

Mr. Jackson is the President and Chief Executive Officer of Abacus. He joined Abacus Settlements in 2016 as President & Chief Executive Officer and has also served as Chief Executive Officer of LMA since June 2019. His strategic business development and creation of innovative new processes and efficiencies has propelled Abacus forward. Mr. Jackson is an industry thought leader relating to longevity and senior finances; he co-authored the book "Pursuing Wealthspan." Mr. Jackson also serves as a current member of the Orlando Mayor's Committee on Livability and Healthy Aging and serves as an Executive Board Member for the Senior Resource Alliance, an agency of the Florida Department of Elder Affairs. Mr. Jackson began his career at Franklin Templeton Investments, where he served as vice president for more than a decade. Prior to joining Abacus, Mr. Jackson co-founded and managed the Fayerweather Street Life Fund, as well as the Cambridge Life Management origination platform for FDO Partners, a $3 billion quantitative investment firm founded by Harvard Business School Professor Ken Froot. We believe that Mr. Jackson is qualified to serve on the board of directors of the Company due to his current role as Chief Executive Officer of Abacus and his 20 years of experience in the financial services and life settlement industry.

Sean McNealy—Co-Founder, President and Director

Mr. McNealy is the Co-Founder and President of Abacus. Mr. McNealy has been a leader in the life settlements industry for over 16 years with extensive industry experience in marketing and capital markets. Along with the other two Managing Partners, he co-founded Abacus Settlements in 2004, and has served as Co-Founder and President of Abacus since that date. Mr. McNealy has written numerous articles about the life settlement industry that have been published in various trade magazines, and has presented to many large insurance broker consortiums, producer groups and key national accounts. In 1991, he graduated from the University of Central Florida with a Bachelor of Science in Marketing. We believe that Mr. McNealy is qualified to serve on the board of directors of the Company due to his current role as President of Abacus and experience in the life settlement industry.

William McCauley—Chief Financial Officer

Mr. McCauley currently serves as the Chief Financial Officer of LMA. Upon the closing of the Business Combination, Mr. McCauley began serving as the Chief Financial Officer of the Company. From January 2020 through May 2022, Mr. McCauley served as the Chief Financial Officer of Abacus Settlements, where he managed financial activities and developed financing models. Prior to joining Abacus, he served as the Chief Financial Officer at IFP Advisors, LLC, a registered investment adviser and broker, where he was responsible for all financial activities of the company and was involved in both debt and equity financing. Mr. McCauley also served as a Director of Finance at McKinsey & Company from January 2017 until May 2018, where he was responsible for the financial statements of more than 30 start-up businesses. Mr. McCauley received his Bachelor of Science in Accounting from Bentley University and his MBA from Babson College.

Matthew Ganovsky—Co- Founder and President

Mr. Ganovsky has been a leader in the life settlements industry for over 25 years with extensive industry experience. He co-founded Abacus Settlements, in 2004, and has served as Co-Founder and Managing Partner of Abacus since that date. Mr. Ganovsky manages our broker division, with involvement in more than 3,000 transactions. Upon the closing of the Business Combination, Mr. Ganovsky began serving as the President of the Company. Mr. Ganovsky received his degree in Hospitality and Real Estate from Valencia College.

Kevin Scott Kirby—Co- Founder and President

Mr. Kirby co-founded Abacus Settlements, in 2004, and has served as Co-Founder and Managing Partner of Abacus since that date. Upon the closing of the Business Combination, Mr. Kirby began serving as the President of the Company. Mr. Kirby has held a Life and Annuity license in the state of Florida since 2006. He received his Bachelor of Science in Business Administration in Business Management from the University of Central Florida**.**

Independent Board Members

Karla Radka—Director

Ms. Radka has been the President and Chief Executive Officer of Senior Resource Alliance, a non-profit agency for the Florida Department of Elder Affairs, since 2019. Ms. Radka previously held leadership roles at Goodwill Industries of Central Florida, where she served as Chief Operating Officer from 2015 through 2019, Florida Family Care, and Community Based Care of Central Florida, a child welfare non-profit. She also founded Public Allies Central Florida, a nationally recognized program, and served as its executive director until 2014. Ms. Radka received her Bachelor of Science and Master of Science in Counseling from Central Christian University. She also later received a mini-MBA at Rollins College Crummer Graduate School of Business. We believe that Ms. Radka is qualified to serve on the board of directors of the Company due to her relevant experience as the Chief Executive Officer of Senior Resource Alliance, a non-profit that assists seniors in everyday living and a division of the Department of the Elder Affairs in Florida.

Thomas W. Corbett, Jr.—Director

Mr. Corbett has been the principal member of Corbett Consulting, LLC since 2015 and, from 2011 to 2015, served as the Governor of Pennsylvania. He has also served as Pennsylvania's Attorney General and as the US Attorney for the Western District of Pennsylvania. Mr. Corbett received a Bachelor of Arts in political science from Lebanon Valley College and a Juris Doctor from St. Mary's University Law School. He was a member of the board of directors for Composites Consolidation Company LLC from 2015 to 2016 and was a member of the board for Animal Friends of Pittsburgh until 2019. Mr. Corbett has served as a member of the Company Board since July 2020. In addition, he currently serves on the board of the Variety Club, The Children's Charity Pittsburgh. We believe that Mr. Corbett is qualified to serve on the board of directors of the Company due to his extensive leadership and risk management experience as former Governor of Pennsylvania and former Pennsylvania State Attorney General, as well as his service on other public company boards of directors.

Cornelis Michiel van Katwijk—Director

Cornelis Michiel van Katwijk is the former Chief Financial Officer, Treasurer, Director & Executive Vice President at Transamerica Life Insurance Co. (Iowa) and the former Treasurer & Senior Vice President at Transamerica Advisors Life Insurance Company of New York where he was employed from September 2012 through September 2021. He also served on the board of Transamerica Advisors Life Insurance Co. He previously held the position of Group Treasurer at Aegon NV and Chief Financial Officer at AEGON USA LLC (a subsidiary of Aegon NV). Mr. van Katwijk received an MBA from the University of Rochester and an undergraduate degree from Nyenrode Business Universiteit. We believe that Mr. van Katwijk is qualified to serve on the board of directors of the Company due to former roles as the Chief Financial Officer of Transamerica and financial leadership positions at Aegon NV and AEGON USA LLC.

Adam Gusky—Director

Mr. Gusky has served as the Chief Investment Officer of East Management Services, LP, an affiliate of East Sponsor, LLC, since the inception of East Management Services in 2010. At East Management Services, Mr. Gusky was responsible for all financial due diligence for acquisitions, and he was in charge of the reserve-based lending facility. He also developed and implemented the corporate hedging strategy. Mr. Gusky currently serves on the Board of Directors of Rand Capital Corporation, a publicly traded business development company, where East Asset Management made a control investment. Mr. Gusky received his Bachelor of Arts in History and his MBA from Duke University. We believe that Mr. Gusky is qualified to serve on the board of directors of the Company due to his role as the Chief Investment Officer of East Management Services and his history as an investor in both public and private companies.

Mary Beth Schulte—Director

Ms. Schulte has been a Certified Public Accountant for over 30 years and is currently the Chief Financial Officer of Attivo Partners. In this role, Ms. Schulte is responsible for providing CFO strategy and accounting services to promote business development to primarily early stage companies. Ms. Schulte formerly served as a Director at Anders CPAs & Advisors until 2022, as well as a Principal at UHY Advisors MO, Inc. from 2015 to 2020. Ms. Schulte also currently serves on the Board of Directors of Richard A. Chaifetz School of Business – St. Louis University, Capital Innovators, Cultivation Capital and Arch Grants. Ms. Schulte received her MBA and Bachelor of Science in Business Administration for Accounting from the Richard A. Chaifetz School of Business – St. Louis University. We believe that Ms. Schulte is qualified to serve on the board of directors of the Company due to her prior experience as a Chief Financial Officer of a public company and a Certified Public Accountant.

Corporate Governance

Our corporate governance is structured in a manner the Company believes closely aligns our interests with those of our stockholders. Notable features of this corporate governance include:

- we have independent director representation on our audit, compensation and nominating committees, and our independent directors will meet regularly in executive sessions without the presence of our corporate officers or non-independent directors;
- at least one of our directors will qualify as an “audit committee financial expert” as defined by the SEC; and
- we have implemented a range of other corporate governance best practices, including implementing a robust director education program.

Composition of the Board of Directors

Our business and affairs are managed under the direction of our board of directors. Our board of directors is staggered in three classes, with two (2) directors in Class I (Adam Gusky and Sean McNealy), three (3) directors

in Class II (Cornelis Michiel van Katwijk, Mary Beth Schulte and Karla Radka) and two (2) directors in Class III (Thomas W. Corbett, Jr. and Jay Jackson).

Board Committees

Our board of directors directs the management of our business and affairs, as provided by Delaware law, and conducts its business through meetings of the board of directors and standing committees. We have a standing audit committee, nominating committee and compensation committee. In addition, from time to time, special committees may be established under the direction of the board of directors when necessary to address specific issues.

Audit Committee

Our audit committee is responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management;
- reviewing, with our independent registered public accounting firm, the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the quarterly and annual financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- reviewing our policies on risk assessment and risk management;
- reviewing related person transactions; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

Our audit committee consists of Mary Beth Schulte, Karla Radka and Cornelis Michiel van Katwijk, with Ms. Schulte serving as chair. Rule 10A-3 of the Exchange Act and NASDAQ rules require that our audit committee be composed entirely of independent members. Our board of directors has affirmatively determined that Ms. Schulte, Ms. Radka and Mr. van Katwijk each meets the definition of “independent director” for purposes of serving on the audit committee under Rule 10A-3 of the Exchange Act and NASDAQ rules. Each member of our audit committee also meets the financial literacy requirements of NASDAQ listing standards. In addition, our board of directors has determined that Ms. Schulte and Mr. van Katwijk will each qualify as an “audit committee financial expert,” as such term is defined in Item 407(d)(5) of Regulation S-K. Our board of directors has adopted a written charter for the audit committee, which is available on our corporate website at https://abacuslife.com/. The information on any of our websites is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Compensation Committee

Our compensation committee is responsible for, among other things:

- reviewing and approving the corporate goals and objectives, evaluating the performance of and reviewing and approving (either alone or, if directed by the board of directors, in conjunction with a

majority of the independent members of the board of directors) the compensation of our Chief Executive Officer;

- overseeing an evaluation of the performance of and reviewing and setting or making recommendations to our board of directors regarding the compensation of our other executive officers;
- reviewing and approving or making recommendations to our board of directors regarding our incentive compensation and equity-based plans, policies and programs;
- reviewing and approving all employment agreement and severance arrangements for our executive officers;
- making recommendations to our board of directors regarding the compensation of our directors; and
- retaining and overseeing any compensation consultants.

Our compensation committee consists of Mary Beth Schulte, Karla Radka and Cornelis Michiel van Katwijk, with Ms. Schulte serving as chair. Our board of directors has affirmatively determined that Ms. Schulte, Ms. Radka and Mr. van Katwijk each meets the definition of "independent director" for purposes of serving on the compensation committee under NASDAQ rules, and are "non-employee directors" as defined in Rule 16b-3 of the Exchange Act. Our board of directors has adopted a written charter for the compensation committee, which is available on our corporate website at https://abacuslife.com/. The information on any of our websites is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Nominating Committee

Our nominating committee is responsible for, among other things:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- overseeing succession planning for our Chief Executive Officer and other executive officers;
- periodically reviewing our board of directors' leadership structure and recommending any proposed changes to our board of directors;
- overseeing an annual evaluation of the effectiveness of our board of directors and its committees; and
- developing and recommending to our board of directors a set of corporate governance guidelines.

Our nominating committee consists of Karla Radka, Mary Beth Schulte and Thomas W. Corbett, Jr. with Ms. Radka serving as chair. Our board of directors has affirmatively determined that Ms. Radka, Ms. Schulte and Mr. Corbett, Jr. each meets the definition of "independent director" under NASDAQ rules. Our board of directors has adopted a written charter for the nominating committee, which is available on our corporate website at https://abacuslife.com/. The information on any of our websites is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Risk Oversight

Our board of directors is responsible for overseeing our risk management process. Our board of directors focuses on our general risk management strategy, the most significant risks facing us and oversees the implementation of risk mitigation strategies by management. Our audit committee is also responsible for discussing our policies with respect to risk assessment and risk management. Our board of directors believes its administration of its risk oversight function has not negatively affected our board of directors' leadership structure.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

Upon completion of the Business Combination, we adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code is posted on our corporate website at https://abacuslifesettlements.com/. In addition, we have posted on our website all disclosures that are required by law or NASDAQ listing standards concerning any amendments to, or waivers from, any provision of the code. The information on any of our websites is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Compensation of Directors and Officers

The Company's executive compensation program is consistent with Abacus Settlements' and LMA's compensation policies and philosophies in effect prior to the Business Combination, which are designed to:

- attract, retain and motivate senior management leaders who are capable of advancing our mission and strategy and ultimately, creating and maintaining our long-term equity value. Such leaders must engage in a collaborative approach and possess the ability to execute our business strategy in an industry characterized by competitiveness and growth;
- reward senior management in a manner aligned with our financial performance; and
- align senior management's interests with our equity owners' long-term interests through equity participation and ownership.

Decisions with respect to the compensation of our executive officers, will be made by the compensation committee of our board of directors.

EXECUTIVE AND DIRECTOR COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the "2022 Summary Compensation Table" below. As an emerging growth company, Abacus complies with the executive compensation disclosure rules applicable to "smaller reporting companies," as such term is defined in the rules promulgated under the Securities Act, which require compensation disclosure for our principal executive officer and our two most highly compensated executive officers other than our principal executive officer. In 2022, our "named executive officers" and their positions were as follows:

- Jay Jackson, Founder, President and Chief Executive Officer;
- Sean McNealy, Founder and President; and
- Matthew Ganovsky, Founder and President.
- Kevin Scott Kirby, Founder and President.

2022 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the year ended December 31, 2022.

Name	Principal Position	Year	Salary ($)	All other compensation ($)(1)	Total ($)
Jay Jackson	Chief Executive Officer	2022	210,000	28,846	238,846
Sean McNealy	President	2022	210,000	—	210,000
Matthew Ganovsky	President	2022	210,000	—	210,000
K. Scott Kirby	President	2022	210,000	—	210,000

(1) Other compensation reflects medical insurance paid on behalf of the named executive officers.

Narrative to the Summary Compensation Table

2022 Annual Base Salary

Abacus pays the named executive officers a base salary to compensate them for services rendered to Abacus. The base salary payable to the named executive officers is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. For fiscal year 2022, the named executive officers' annual base salaries were as follows: Mr. Jackson: ($210,000); Mr. McNealy: ($210,000); Mr. Ganovsky: ($210,000); and Mr. Kirby: ($210,000).

Annual Bonus

As of December 31, 2022, Abacus did not pay any annual bonuses to its named executive officers.

Equity Compensation

As of December 31, 2022, Abacus had no equity compensation plans or outstanding equity awards.

In connection with the Business Combination, the Company has adopted, the Incentive Plan in order to facilitate the grant of cash and equity incentives to directors, employees, including named executive officers, and consultants to help attract and retain the services of these individuals.

The Incentive Plan

The purpose of the Incentive Plan is to provide a means through which Abacus and its affiliates may attract, retain and motivate persons who make (or are expected to make) important contributions by providing these

individuals with equity ownership opportunities and/or equity-linked compensatory opportunities. Equity awards and equity-linked compensatory opportunities are intended to motivate high levels of performance and align the interests of directors, employees and consultants with those of stockholders by giving directors, employees and consultants the perspective of an owner with an equity or equity-linked stake in Abacus and provide a means of recognizing their contributions to our success. The board of directors believes that equity awards are necessary for Abacus to remain competitive in its industry and are essential to recruiting and retaining highly qualified employees.

Summary of the Incentive Plan

This section summarizes certain principal features of the Incentive Plan. The summary is qualified in its entirety by reference to the complete text of the Incentive Plan.

Eligibility and Administration

Our employees, consultants and directors may be eligible to receive awards under the Incentive Plan. As of June 30, 2023, Abacus has 82 employees, four (4) non-employee directors and no other individual service providers who may be eligible to receive awards under the Incentive Plan.

The Incentive Plan provides that it will be administered by a committee of, and appointed by, the board of directors of Abacus that shall be composed of two or more independent directors, and which shall be subject to the limitations imposed under the Incentive Plan, Section 16 of the Exchange Act, stock exchange rules and other applicable laws. The compensation committee of the board of directors was appointed to administer the Incentive Plan.

The committee will have the authority to take all actions and make all determinations under the Incentive Plan, to construe the Incentive Plan and award agreements and to prescribe rules and regulations relating to the administration of the Incentive Plan as it deems necessary or advisable. The committee will also have the authority to determine which eligible directors, employees and consultants receive awards, grant awards and set the terms and conditions of all awards under the Incentive Plan, including any vesting and vesting acceleration provisions, subject to the conditions and limitations in the Incentive Plan. The compensation committee will make determinations as to awards grants under the Incentive Plan at the time of hiring of a participant and, annually, following the release of material non-public information.

Shares Available for Awards

The aggregate number of shares that may be issued under the Plan shall be equal to 5% of the issued and outstanding common stock of the Company. The aggregate number of shares with respect to which incentive stock options may be granted under the Incentive Plan shall be equal to 5% of the issued and outstanding common stock of the Company. The aggregate fair market value compensation on the date of grant of an award made to a non-employee director during a calendar year shall be determined by the committee and shall not exceed $75,000 per calendar year.

If an award under the Incentive Plan is forfeited, expires unexercised or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, immediately be used again for new grants under the Incentive Plan. Any shares that are the subject of awards under the Incentive Plan which are exchanged for awards that do not involve shares shall also again immediately become available to be issued pursuant to awards granted under the Incentive Plan. If shares are withheld to satisfy tax obligations with respect to an option or a stock appreciation right, such shares shall not again be available for issuance under the Incentive Plan. If shares are tendered in payment of an option price of an option or the exercise price of a stock appreciation right, such shares shall not be available for issuance under the Incentive Plan.

Awards granted under the Incentive Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or

similar corporate transaction will not reduce the shares available for grant under the Incentive Plan, nor shall such shares subject to substitute awards again be available for grant under the Incentive Plan to the extent of any forfeiture, expiration, or cash settlement under an award.

Awards

The Incentive Plan provides for the grant of stock options, stock appreciation rights ("SARs"), restricted stock awards, performance awards, phantom stock awards, restricted stock unit awards ("RSUs") and stock awards. Certain awards under the Incentive Plan may constitute or provide for payment of "nonqualified deferred compensation" under Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the Incentive Plan will be evidenced by award agreements, which will detail the terms and conditions of awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of Abacus common stock, but the applicable award agreement may provide for cash settlement of any award. A brief description of each award type follows.

- *Stock Options and SARs*. Stock options provide for the purchase of shares of our Common Stock in the future at an exercise price set on the grant date. Incentive stock options, in contrast to non-qualified stock options, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. Unless otherwise determined by the compensation committee, the exercise price of a stock option or SAR may not be less than 100% of the fair market value of the underlying share on the grant date (or 110% in the case of incentive stock options granted to certain significant stockholders), except with respect to certain substitute awards granted in connection with a corporate transaction. Unless otherwise determined by the compensation committee, the term of a stock option or SAR may not be longer than ten years (or five years in the case of incentive stock options granted to certain significant stockholders).
- *Restricted Stock*. Restricted stock is an award of non-transferable shares of our Common Stock that are subject to certain vesting conditions and other restrictions.
- *Performance Awards*. A Performance Award under the Incentive Plan is an award of rights subject to vesting and transferability restrictions generally based upon the attainment of performance goals as the committee may determine, payment of which may be made in cash or shares of our Common Stock, as specified in the holder's Performance Award agreement. The Incentive Plan provides that a performance goal may be based on one or more business criteria that apply to the holder, one or more of our business units, or us as a whole.
- *Phantom Stock*. Phantom Stock Awards under the Incentive Plan are awards of rights to receive the value of shares of our Common Stock that are subject to certain vesting conditions. Following the end of the vesting period for a Phantom Stock Award (or at such other time as may be provided in a Phantom Stock Award agreement), the holder of a Phantom Stock Award will be entitled to receive payment of cash, our Common Stock, or a combination thereof as determined by the committee, in an amount not exceeding the maximum value of the Phantom Stock Award, based on the then vested value of the award.
- *Restricted Stock Units*. RSUs are contractual promises to deliver shares of our Common Stock in the future or an equivalent in cash and other consideration determined by the committee, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our Common Stock prior to the delivery of the underlying shares (i.e., dividend equivalent rights). The terms and conditions applicable to RSUs will be determined by the committee, subject to the conditions and limitations contained in the Incentive Plan.

- *Stock Awards*. Stock awards are awards of fully vested shares of our Common Stock.
- *Dividend Equivalents*. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our Common Stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of the dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the committee.

Certain Transactions

The compensation committee has broad discretion to take action under the Incentive Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our Common Stock, such as stock dividends (other than ordinary cash dividends), stock splits, spinoffs, recapitalizations, mergers, acquisitions, combinations, exchange of shares, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the committee will make equitable adjustments to the Incentive Plan and outstanding awards.

No Repricing

Except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that reduces the exercise price of any stock option or SAR, or cancels any stock option or SAR that has an exercise price that is greater than the then-current fair market value of Common Stock in exchange for cash, other awards or stock options or SARs with an exercise price per share that is less than the exercise price per share of the original stock options or SARs.

Transferability

An Incentive Stock Option is not transferable other than by will or the laws of descent and distribution, and may be exercised during the employee's lifetime only by the employee or such employee's guardian or legal representative. All other awards under the Incentive Plan are not transferable other than by will or the laws of descent and distribution, pursuant to a qualified domestic relations order, or with the consent of the committee (as to certain family transfers, or otherwise).

Plan Amendment and Termination

The board of directors may amend or terminate the Incentive Plan at any time; however, no amendment may impair the rights of a participant with respect to an award outstanding under the Incentive Plan without the consent of the affected participant. Further, the board of directors may not, without the consent of the stockholders, amend the Incentive Plan to increase the maximum aggregate number of shares that may be issued under the Incentive Plan or change the class of individuals eligible to receive awards under the Incentive Plan or amend or eliminate the restrictions on repricing of awards. No awards may be granted under the Incentive Plan after its termination.

Material U.S. Federal Income Tax Consequences

The following is a general summary under current law of the Internal Revenue Code (the "Code") principal U.S. federal income tax consequences related to awards under the Incentive Plan. Deductions described below may be limited by Section 162(m) of the Code. This summary deals with the general federal income tax principles that apply and is provided only for general information. Phantom Stock, and certain other awards that may be granted pursuant to the Incentive Plan, could be subject to additional taxes unless they are designed to comply with certain restrictions set forth in Section 409A of the Code and guidance promulgated thereunder.

Some kinds of taxes, such as state, local and foreign income taxes and federal employment taxes, are not discussed. This summary is not intended as tax advice to participants, who should consult their own tax advisors.

- *Restricted Stock*. The recipient of a Restricted Stock award generally will not realize taxable income at the time of grant, and we generally will not be entitled to a deduction at that time, assuming that the restrictions constitute a substantial risk of forfeiture for federal income tax purposes. When the risk of forfeiture with respect to the stock subject to the award lapses, the holder generally will realize ordinary income in an amount equal to the fair market value of the shares of our Common stock at such time less the amount paid for the stock (if any), and, subject to Section 162(m), we will be entitled to a corresponding deduction. All dividends and distributions (or the cash equivalent thereof) with respect to a Restricted Stock award paid to the holder before the risk of forfeiture lapses generally will also be compensation income to the holder when paid and, subject to Section 162(m) as discussed below, deductible as such by us. Notwithstanding the foregoing, the holder of a Restricted Stock award may elect under Section 83(b) of the Code to be taxed at the time of grant of the Restricted Stock award based on the fair market value of the shares of our Common Stock on the date of the award less the amount paid for the stock (if any), in which case (a) subject to Section 162(m), we will be entitled to a deduction at the same time and in the same amount, (b) dividends paid to the recipient during the period the forfeiture restrictions apply will be taxable as dividends and will not be deductible by us and (c) there will be no further federal income tax consequences when the risk of forfeiture lapses. Such election must be made not later than 30 days after the grant of the Restricted Stock award, and is irrevocable.
- *Restricted Stock Unit Awards*. The grant of a Restricted Stock Unit Award ("RSU Award") under the Incentive Plan generally will not result in the recognition of any U.S. federal taxable income by the recipient or a deduction for us at the time of grant. At the time an RSU Award is settled the recipient will generally recognize ordinary income and, subject to Section 162(m) of the Code, we will be entitled to a corresponding deduction. Generally, the measure of the income and the deduction will be based on the number of shares of common stock issued in settlement of the RSU Award multiplied by the value of our Common Stock at the time the RSU Award is settled.
- *Stock Awards*. The recipient of a Stock Award generally will realize taxable ordinary income at the time of grant in an amount equal to the fair market value of the shares of our Common Stock on the date of the award, and, subject to Section 162(m) of the Code, we will be entitled to a corresponding deduction.
- *Incentive Stock Options*. Incentive Stock Options are subject to special federal income tax treatment. No federal income tax is imposed on the optionee upon the grant or the exercise of an Incentive Stock Option if the optionee does not dispose of the shares acquired pursuant to the exercise within the two-year period beginning on the date the option was granted or within the one-year period beginning on the date the option was exercised (collectively, the "holding period"). In such event, we would not be entitled to any deduction for federal income tax purposes in connection with the grant or exercise of the option or the disposition of the shares so acquired. With respect to an Incentive Stock Option, the difference between the fair market value of the stock on the date of exercise and the exercise price must generally be included as an item of adjustment for purposes of the optionee's alternative minimum taxable income for the year in which such exercise occurs. However, if the optionee exercises an Incentive Stock Option and disposes of the shares received in the same year and the amount realized is less than the fair market value of the shares on the date of exercise, then the amount included in alternative minimum taxable income will not exceed the amount realized over the adjusted basis of the shares.
- Upon disposition of the shares received upon exercise of an Incentive Stock Option after the holding period, any appreciation of the shares above the exercise price should constitute long-term capital gain. If an optionee disposes of shares acquired pursuant to his or her exercise of an Incentive Stock Option prior to the end of the holding period, the optionee will be treated as having received, at the time of

disposition, compensation taxable as ordinary income. In such event, and subject to Section 162(m) of the Code, we may claim a deduction for compensation paid at the same time and in the same amount as compensation is treated as received by the optionee. The amount treated as compensation is the excess of the fair market value of the shares at the time of exercise (or in the case of a sale in which a loss would be recognized, the amount realized on the sale if less) over the exercise price; any amount realized in excess of the fair market value of the shares at the time of exercise would be treated as short-term or long-term capital gain, depending on the holding period of the shares.

- *Non-statutory Stock Options and Stock Appreciation Rights*. Generally, no federal income tax is imposed on the optionee upon the grant of a Non-statutory Stock Option or a SAR, and we are not entitled to a tax deduction by reason of such grant. Generally, upon the exercise of a Non-statutory Stock Option, the optionee generally will be treated as receiving compensation taxable as ordinary income in the year of exercise in an amount equal to the excess of the fair market value of the shares of stock at the time of exercise over the option price paid for such shares. In the case of the exercise of a SAR, the holder generally will be treated as receiving compensation taxable as ordinary income in the year of exercise in an amount equal to the cash received or the fair market value of the shares distributed to the optionee. Upon the exercise of a Non-statutory Stock Option or a SAR, and subject to Section 162(m) of the Code, we may claim a deduction for compensation paid at the same time and in the same amount as compensation income is recognized by the optionee assuming any federal income tax reporting requirements are satisfied.
- *Performance Awards, Phantom Stock Awards and Stock Awards.* An individual who has been granted a Performance Award, a Phantom Stock Award or a Stock Award generally will not realize taxable income at the time of grant, and we will not be entitled to a deduction at that time. Whether such an award is paid in cash or shares of Common Stock, the individual generally will have taxable compensation and, subject to Section 162(m) of the Code, we generally will have a corresponding deduction. The measure of such income and deduction will be based on the amount of any cash paid and the fair market value of any shares of our Common Stock either at the time the award is paid or at the time any restrictions on the shares subsequently lapse, depending on the nature, if any, of the restrictions imposed and whether the individual elects to be taxed without regard to any such restrictions.
- *Section 162(m)*. Generally, Section 162(m) of the Code precludes a public corporation from taking a deduction for annual compensation in excess of $1,000,000 paid to its covered employees (as defined in Section 162(m) of the Code).

Section 409A of the Code

Certain types of awards under the Incentive Plan may constitute, or provide for, a deferral of compensation subject to Section 409A of the Code. Unless certain requirements set forth in Section 409A of the Code are complied with, holders of such awards may be taxed earlier than would otherwise be the case (e.g., at the time of vesting instead of the time of payment) and may be subject to an additional 20% penalty tax (and, potentially, certain interest, penalties and additional state taxes). To the extent applicable, the Incentive Plan and awards granted under the Incentive Plan are intended to be structured and interpreted in a manner intended to either comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance that may be issued under Section 409A of the Code. To the extent determined necessary or appropriate by the committee, the Incentive Plan and applicable award agreements may be amended to further comply with Section 409A of the Code or to exempt the applicable awards from Section 409A of the Code.

Retirement Plans

Abacus currently maintains a 401(k) retirement savings plan for its employees, including its named executive officers, who satisfy certain eligibility requirements. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees. The Code allows eligible

employees to defer a portion of their compensation, within prescribed limits, through contributions to the 401(k) plan. Abacus believes that providing a vehicle for tax-deferred retirement savings though its 401(k) plan adds to the overall desirability of its executive compensation package and further incentivizes its employees, including its named executive officers, in accordance with our compensation policies. Abacus did not make any matching contributions under the 401(k) plan with respect to 2022.

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our employee benefit plans and programs, including medical and dental benefits and life insurance, to the same extent as our other full-time employees, subject to the terms and eligibility requirements of those plans. Abacus provides perquisites on a case-by-case basis when it believes it is necessary to attract or retain a named executive officer.

No Tax Gross-Ups

Abacus has no obligations to make gross-up payments to cover named executive officers' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by Abacus.

Executive Compensation Arrangements

The named executive officers were not party to or covered by any employment or severance arrangements for 2021 or 2022. In connection with the Business Combination, Abacus entered into employment agreements with its named executive officers. These agreements provide for at-will employment and generally include the named executive officer's initial base salary, standard benefit plan eligibility and other terms and conditions of employment with Abacus. The terms of each of these employment agreements provide for a term of 36 months with 12-month renewals if not terminated at least 90 days before the expiration date. The agreements also provide for payments in the event of certain terminations of employment, including a higher severance payment if a termination occurs in connection with a change in control event. The terms of each of these employment agreements include a cell-phone reimbursement to the named executive officers.

Under the terms of each of these employment agreements, if the executive is terminated without cause or resigns for good reason, and timely executes a release of claims against Abacus, he or she will receive the greater of one year of continued base salary or continued salary for the balance of the then-current employment term. The employment agreements also include non-competition and non-solicitation covenants in favor of Abacus for a period of one year after the executive's termination of employment.

Managers

Our named executive officers did not receive any compensation in their role as managers of the Company in 2022.

PRINCIPAL SECURITYHOLDERS

The following table and accompanying footnotes set forth information with respect to the beneficial ownership of Common Stock, as of June 30, 2023, after the completion of the Business Combination, for (1) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (2) each member of the Board, and (3) each of our named executive officers.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. Shares of Common Stock issuable pursuant to options or warrants are deemed to be outstanding for purposes of computing the beneficial ownership percentage of the person or group holding such options or warrants but are not deemed to be outstanding for purposes of computing the beneficial ownership percentage of any other person.

As of June 30, 2023 after the completion of the Business Combination, there were outstanding 62,961,688 shares of Common Stock.

Unless otherwise noted in the footnotes to the following table, and subject to applicable community property laws, the persons and entities named in the table have sole voting and investment power with respect to their beneficially owned shares of Common Stock.

Name of Beneficial Owners	Number of Shares of Common Stock Beneficially Owned	Percentage of Outstanding Common Stock
5% Stockholders:		
East Sponsor, LLC (1)	15,735,000(2)	24.8%
Terry Pegula	15,735,000(2)	24.8%
Jay Jackson	13,293,750	21%
K. Scott Kirby	13,293,750	21%
Matthew Ganovsky	13,293,750	21%
Sean McNealy	13,293,750	21%
Directors and Named Executive Officers:		
Jay Jackson	13,293,750	21%
Kevin Scott Kirby	13,293,750	21%
Matthew Ganovsky	13,293,750	21%
Sean McNealy	13,293,750	21%
Adam Gusky	2,452	*
Karla Radka	—	—
Cornelis Michiel van Katwijk	—	—
Thomas M. Corbett, Jr.	10,000	*
Mary Beth Schulte	—	—

* Less than 1%

(1) East Sponsor, LLC is the record holder of the shares of Common Stock and the Private Placement Warrants reported herein. East Asset Management, LLC is the managing member of East Sponsor, LLC. Trusts controlled by Terrence M. Pegula are the sole members of East Asset Management, LLC. As such, Mr. Pegula may be deemed to have or share beneficial ownership of the shares of Common Stock and the Private Placement Warrants held directly by East Sponsor, LLC. Mr. Pegula disclaims any beneficial ownership of the reported shares of Common Stock and the Private Placement Warrants other than to the extent of any pecuniary interest he may have therein, directly or indirectly. The business address of East Sponsor, LLC is c/o East Asset Management, LLC, 7777 NW Beacon Square Boulevard, Boca Raton, Florida 33487.

(2) Consists of (i) 8,615,000 shares of Common Stock and (ii) 7,180,000 Private Placement Warrants to purchase the same number of shares of Common Stock that are exercisable within 60 days of the date hereof.

Warrant Forfeiture Agreement

On the Closing Date of the Business Combination, the Company and Sponsor entered into the Warrant Forfeiture Agreement (the "Warrant Forfeiture Agreement"), pursuant to which Sponsor forfeited 1,780,000 of the Private Placement Warrants held by Sponsor. The above description of the Warrant Forfeiture Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Warrant Forfeiture Agreement.

Registration Rights Agreement

On the Closing Date of the Business Combination, certain stockholders of the Company and certain holders of limited liability company interests in Abacus Settlements and LMA entered into that certain Amended and Restated Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has agreed to register for resale, pursuant to Rule 415 under the Securities Act, certain shares of Common Stock and other equity securities of the Company that are held by the parties thereto from time to time. Pursuant to the Registration Rights Agreement, the Company agreed to file a shelf registration statement registering the resale of the Common Stock (including those held as of the effective time or issuable upon future exercise of the Private Placement Warrants) and the Private Placement Warrants (the "Registrable Securities") under the Registration Rights Agreement within 30 days of the closing of the Business Combination. The Holders may request to sell all or any portion of their Registrable Securities in an underwritten offering (the "Underwritten Shelf Takedown") so long as the total offering price is reasonably expected to exceed $20,000,000. The Sponsor may not demand more than two Underwritten Shelf Takedowns, the Holders (other than the Sponsor) may not demand more than two Underwritten Shelf Takedowns and the Company shall not be obligated to participate in more than four Underwritten Shelf Takedowns, in the aggregate, in any 12-month period. The Company also agreed to provide customary "piggyback" registration rights, subject to certain requirements and customary conditions. The Registration Rights Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the stockholders against certain liabilities. The above description of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Registration Rights Agreement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Registration Rights Agreement

Following the closing of the Business Combination, the Company, and certain stockholders of the Company entered into an Amended and Restated Registration Rights Agreement, pursuant to which the Company will agree to register for resale, pursuant to Rule 415 under the Securities Act, certain shares of Company Class A Common Stock and other equity securities of the Company that are held by the parties thereto from time to time. Pursuant to the Registration Rights Agreement, the Company agreed to file a shelf registration statement registering the resale of the Class A Common Stock (including those held as of the effective time or issuable upon future exercise of the Private Placement Warrants) and the Private Placement Warrants (the "Registrable Securities") under the Registration Rights Agreement within 30 days of the closing of the Business Combination. The holders may request to sell all or any portion of their Registrable Securities in an underwritten offering (an "Underwritten Shelf Takedown") so long as the total offering price is reasonably expected to exceed $20,000,000. The sponsor may not demand more than two Underwritten Shelf Takedowns, the holders (other than the sponsor) may not demand more than two Underwritten Shelf Takedowns and the Company shall not be obligated to participate in more than four Underwritten Shelf Takedowns, in the aggregate, in any 12-month period. The Company also agreed to provide customary "piggyback" registration rights, subject to certain requirements and customary conditions. The Registration Rights Agreement also provides that the Company will pay certain expenses relating to such registrations and indemnify the stockholders against certain liabilities.

Procedures with Respect to Review and Approval of Related Person Transactions

The board of directors of the Company recognizes the fact that transactions with related persons present a heightened risk of conflicts of interests (or the perception thereof). The board of directors has adopted a written policy on transactions with related persons that is in conformity with the requirements for issuers having publicly held common stock that is listed on Nasdaq. Under the policy, the Company's legal team will be primarily responsible for developing and implementing processes and procedures to obtain information regarding related persons with respect to potential related person transactions and then determining, based on the facts and circumstances, whether such potential related person transactions do, in fact, constitute related person transactions requiring compliance with the policy. If the legal team determines that a transaction or relationship is a related person transaction requiring compliance with the policy, the Company's general counsel will be required to present to the audit committee all relevant facts and circumstances relating to the related person transaction. The audit committee will be required to review the relevant facts and circumstances of each related person transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the related person's interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of the Company's code of business conduct and ethics, and either approve or disapprove the related person transaction. If advance audit committee approval of a related person transaction requiring the audit committee's approval is not feasible, then the transaction may be preliminarily entered into by management upon prior approval of the transaction by the chair of the audit committee, subject to ratification of the transaction by the audit committee at the audit committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. If a transaction was not initially recognized as a related person transaction, then, upon such recognition, the transaction will be presented to the audit committee for ratification at the audit committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. The Company's management will update the audit committee as to any material changes to any approved or ratified related person transaction and will provide a status report at least annually of all then current related person transactions. No director will be permitted to participate in approval of a related person transaction for which he or she is a related person.

DESCRIPTION OF THE NOTES

The following summary description sets forth certain terms and provisions of the notes, and to the extent inconsistent therewith replaces the description of the general terms and provisions of the notes set forth in the prospectus, to which we refer you. Because this description is a summary, it does not describe every aspect of the notes. The following summary does not purport to be complete and is subject to and is qualified in its entirety by reference to all of the provisions of the notes and the indenture, including the definitions therein.

The indenture will be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and you should refer to the Trust Indenture Act for provisions that apply to the notes.

General

The notes will be issued under an indenture, to be entered into prior to the issuance of the notes, which we refer to as the base indenture, between us and U.S. Bank Trust Company, National Association, as trustee, which we refer to as the trustee, as supplemented by a supplemental indenture, which we refer to as the first supplemental indenture, to be dated as of the date of initial issuance of the notes. We refer to the base indenture and the first supplemental indenture, collectively, as the indenture. This description of the notes is subject to and qualified in its entirety by reference to the indenture and the forms of notes. The notes will be represented by one or more global notes registered in the name of Cede & Co., as nominee of DTC, as depositary, in minimum denominations of $25 or any amount in excess thereof that is an integral multiple of $25. See "*Book-Entry Issuance—Book-Entry System*."

The notes will be our senior unsecured obligations. No recourse will be had for the payment of principal of or interest on any note, for any claim based thereon, or otherwise in respect thereof, against any shareholder, employee, agent, officer or director as such, past, present or future, of us or of any successor person. The notes will not contain any provision that would provide protection to the holders of the notes against a sudden and dramatic decline in credit quality resulting from a merger, takeover, recapitalization, or similar restructuring of us or our subsidiaries or significant sales of our capital stock by holders of such stock or any other event involving us or our subsidiaries that may adversely affect our credit quality, except as set forth under *"- Offer to Repurchase Upon a Change of Control Repurchase Event."*

Principal Amount; Maturity and Interest

The Company will issue the notes offered by this prospectus in an initial aggregate principal amount of $60,000,000 (or up to $69,000,000 aggregate principal amount if the underwriters' overallotment option to purchase additional notes is exercised in full). The notes will mature on September 30, 2028.

The notes will be denominated in U.S. dollars and all payments of principal and interest thereon will be paid in U.S. dollars. The notes do not have the benefit of a sinking fund.

Interest will be paid to the person in whose name a note is registered at the close of business on the 15th calendar day (whether or not a Business Day) preceding the related date an interest payment is due with respect to such note; *provided* that if the notes are global notes held by DTC, the record date for such notes will be the close of business on the Business Day preceding the applicable interest payment date; *provided* further that interest payable on the maturity of the principal of the notes or (subject to the exceptions described under the heading "— *Optional Redemption of the Notes*") any redemption date will be paid to the person to whom principal is paid.

Interest on the notes will accrue from and including the date the notes are issued (the "issue date") or from and including the most recent interest payment date (whether or not such interest payment date was a Business Day) for which interest has been paid or provided for with respect to the notes to, but excluding, the next interest

payment date, redemption date or the maturity date, as the case may be. Each of these periods is referred to as an "interest period" for the notes. Interest not punctually paid or duly made available for payment with respect to an interest period, if any, will be paid instead to the person in whose name the note is registered on a special record date rather than on the regular record date.

If any interest payment, any redemption date or the maturity date falls on a day that is not a Business Day, then payment of any interest, principal or premium payable on such date will be postponed to the next succeeding Business Day, with the same force and effect as if made on the date such payment was due, and no interest or other payment will accrue as a result of such delay.

For purposes of this description of the notes, the term "Business Day" means any day that is not a Saturday or Sunday and that is not a day on which banking institutions are generally authorized or obligated by law or executive order to close in The City of New York or on which the corporate trust office of the trustee is closed for business.

Interest Rate Periods

During the period from, and including, the issue date, the notes will bear interest at the rate of % per annum. Interest will be payable quarterly, in arrears, on March 30, June 30, September 30 and December 30 of each year, beginning on December 30, 2023 and ending on the maturity date. The notes will mature on September 30, 2028. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

No Additional Amounts

In the event that any payment on the notes is subject to withholding of any U.S. federal income tax or other tax or assessment (as a result of a change in law or otherwise), we will not pay additional amounts with respect to such tax. For a discussion relating to certain U.S. federal income tax consequences of the ownership and disposition of the notes for non-U.S. holders, see "*Material U.S. Federal Income Tax Consequences—Tax Consequences to Non-U.S. Holders*."

Optional Redemption of the Notes

The notes will be redeemable at our option, in whole or in part, at any time and from time to time, on or after September 30, 2025, upon not less than 15 days nor more than 60 days written notice to holders prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the notes to be redeemed plus accrued and unpaid interest otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption. We must provide notice to the trustee of any redemption no later than 5 days prior to when notice is sent to holders, unless some shorter period is reasonably agreed to by us and the trustee. A notice of redemption may be made subject to the satisfaction of certain conditions set forth therein, and may be revoked if such conditions are not satisfied.

If the notes are held in book-entry form through DTC, we may provide notice in any manner permitted or required by DTC.

Prior to any redemption date, we will deposit with the trustee or a paying agent an amount of money sufficient to pay the redemption price of, and (except if the redemption date is an interest payment date) accrued interest on, the notes which are to be redeemed on such date.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes called for redemption. If fewer than all of the notes of any series are to be redeemed, the particular notes to be redeemed will be selected by us, not more than 60 days prior to the redemption date, from the outstanding notes not previously called for redemption, in compliance with the policies and procedures of the

trustee and the requirements of DTC, as applicable, *provided* that the unredeemed portion of the principal amount of any note will be in an authorized denomination (which will not be less than the minimum authorized denomination) for such note.

In addition, we may at any time purchase notes by tender, in the open market or by private agreement, subject to applicable law.

The notes will not be subject to repayment at the option of the holder at any time prior to the maturity date, except as set forth under *"- Offer to Repurchase Upon a Change of Control Repurchase Event."*

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (as defined below) occurs, unless we have exercised our option to redeem the notes as described under "*— Optional Redemption of the Notes*," each holder of notes will have the right, at such holder's option, to require that we repurchase for cash all of such holder's notes, or any portion thereof, on a date specified by us that is not less than 20 calendar days nor more than 35 calendar days following the date on which we deliver notice of such Change of Control Repurchase Event, at a purchase price equal to 100% of the principal amount of notes to be repurchased, plus accrued and unpaid interest thereon, if any, to, but excluding, the date of repurchase, pursuant to the offer described below. On or before the 20th calendar day after the occurrence of a Change of Control Repurchase Event, we shall provide to all holders of the notes and the trustee notice of the occurrence of such Change of Control Repurchase Event and of the purchase right at the option of the holders arising as a result thereof. Simultaneously with providing such notice, we shall publish this information in a newspaper of general circulation in The City of New York or publish the information on our website or through such other public medium as we may use at that time. The notice shall, if given prior to the date of consummation of the Change of Control Repurchase Event, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

Notwithstanding the foregoing, interest due on an interest payment date falling on or prior to a repurchase date will be payable to holders at the close of business on the record date for such interest payment date.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the indenture by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered pursuant to our offer;
- deposit with the paying agent an amount equal to the aggregate repurchase price in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the trustee the notes properly accepted, together with an officers' certificate stating the aggregate principal amount of notes being repurchased by us and requesting that such notes be cancelled.

The paying agent will promptly send to each holder of notes properly tendered the purchase price for the notes, and the trustee will promptly authenticate and send (or cause to be transferred by book entry) to each holder a new note equal in principal amount to any unrepurchased portion of any notes surrendered; *provided* that each new note will be in a minimum principal amount of $25 and integral multiples of $25 in excess thereof.

Notwithstanding anything to the contrary in the foregoing, we will not be required to purchase, or to make an offer to purchase, the notes upon a Change of Control Repurchase Event if a third party makes the offer in the manner, at the times, and otherwise in compliance with the requirements set forth in the indenture applicable to an offer by us to purchase the notes upon a Change of Control Repurchase Event, and such third party purchases all notes validly tendered and not withdrawn upon such offer in the manner and otherwise in compliance with such requirements.

There can be no assurance that sufficient funds will be available at the time of any Change of Control Repurchase Event to make required repurchases of notes tendered. Our failure to repurchase the notes upon a Change of Control Repurchase Event would result in an Event of Default under the indenture.

"Change of Control Repurchase Event" means the occurrence of any of the following:

(1) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act), files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of our common stock representing more than 50% of the voting power of our common stock;

(2) the consummation of (x) any consolidation, merger, amalgamation, scheme of arrangement or other binding share exchange or reclassification or similar transaction between us and another person, in each case pursuant to which our common stock shall be converted into cash, securities or other property, other than a transaction (i) that results in the holders of all classes of our common stock immediately prior to such transaction owning, directly or indirectly, as a result of such transaction, more than 50% of the surviving corporation or transferee or the parent thereof immediately after such event, or (ii) effected solely to change our jurisdiction of formation or to form a holding company for us and that results in a share exchange or reclassification or similar exchange of the outstanding common stock solely into common shares of the surviving entity or (y) any sale or other disposition in one transaction or a series of transactions of all or substantially all of our assets to another person;

(3) our shareholders approve any plan or proposal for the liquidation or dissolution of us (other than in a transaction described in clause (2) above); or

(4) our common stock ceases to be listed on the Nasdaq Capital Market, the Nasdaq Global Select Market, the Nasdaq Global Market or the New York Stock Exchange (or any of their respective successors).

Ranking of the Notes

The notes will be our senior unsecured obligations and will rank equal in right of payment to our other existing or future senior unsecured obligations.

As of , 2023, we had approximately $ million in principal amount of other senior unsecured long-term debt outstanding, pro forma for our repayment of the amounts due under our Credit Agreement, $ million of which is subordinated in right of payment to the notes. The notes will be effectively subordinated to all of our future secured indebtedness to the extent of the value of our assets securing such indebtedness. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the notes or to provide us with funds to pay our obligations, whether by dividends, distributions, loans or other payments.

Our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise will generally be subject to the prior claims of creditors of that subsidiary. The notes are our obligations and not those of our subsidiaries and, as such, will be structurally subordinated to all of the existing and future indebtedness and other liabilities of our subsidiaries.

The notes will be senior in right of payment to any unsecured and subordinated indebtedness of ours that is subordinated in right of payment to the notes.

Events of Default; Waivers

The following events will be "Events of Default" under the indenture with respect to the notes:

- Default for 30 days in any interest payment in respect of the notes;
- Default in any principal or premium payment at maturity of the notes, including a redemption or repurchase date;
- Default in the performance or breach of any covenant or warranty of ours in the indenture for 90 days after the receipt of a notice of default;
- Default by us under any bond, debenture, note or other evidence of indebtedness for money borrowed by us having an aggregate principal amount outstanding of at least $10,000,000, whether such indebtedness now exists or is created or incurred in the future, which default (i) constitutes a failure to pay an aggregate principal amount of such indebtedness, individually or in the aggregate for all such indebtedness, in excess of $10,000,000, when due and payable after the expiration of any applicable grace period or (ii) results in such indebtedness becoming due or being declared due and payable prior to the date on which it otherwise would have become due and payable without, in the case of clause (i), such indebtedness having been discharged or, in the case of clause (ii), such indebtedness having been discharged or such acceleration having been rescinded or annulled; *provided*, that for purposes of the indenture, the term "indebtedness" shall not include any indebtedness or obligations of subsidiaries of us that is guaranteed by us; and
- Our bankruptcy, insolvency or reorganization.

If an Event of Default relating to the notes has occurred and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes of such series may declare the principal amount of the notes to be due and payable immediately. No such declaration is required, however, with respect to an Event of Default triggered by bankruptcy, insolvency or reorganization. Subject to certain conditions, this declaration may be annulled by the holders of a majority in principal amount of the notes. In addition, the holders of a majority in principal amount of notes of all affected series (voting as one class except in the case of Events of Default regarding a default in any principal, premium or interest payment or deposit of any sinking fund, as to which each series so affected will vote as a separate class) may waive any past default with respect to the notes of such series. The trustee shall not be deemed to have knowledge or notice of the occurrence of any default or event of default, unless a responsible trust officer of the trustee shall have received written notice from us or a holder describing such default or event of default and stating that such notice is a notice of default or event of default.

Modification and Waiver

Without the consent of any holders of any notes, we, when authorized by a board resolution, and the trustee, at any time and from time to time, may enter into one or more supplemental indentures, in form satisfactory to the trustee, for any of the following purposes:

- to evidence the succession of another person to us and the assumption by any such successor of the covenants of us in the indenture and in the notes; or
- to add to the covenants of us for the benefit of the holders of all or any series of debt securities, including the notes (and if such covenants are to be for the benefit of less than all series of debt securities, stating that such covenants are expressly being included solely for the benefit of such series), or to surrender any right or power conferred upon us pursuant to the indenture; or
- to add any additional Events of Default for the benefit of the holders of all or any series of debt securities (and if such additional Events of Default are to be for the benefit of less than all series of debt securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series); or

- to add to or change any of the provisions of the indenture to such extent as will be necessary to permit or facilitate the issuance of debt securities, including the notes, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of notes in uncertificated form; or
- to add to, change or eliminate any of the provisions of the indenture in respect of one or more series of debt securities under the indenture, provided that any such addition, change or elimination (i) will neither (A) apply to any such securities of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the holder of any such securities with respect to such provision or (ii) will become effective only when there is no such securities outstanding; or
- to secure the notes or provide for guarantees of the notes; or
- to establish the form or terms of debt securities of any series under the indenture as permitted pursuant thereto; or
- to evidence and provide for the acceptance of appointment under the indenture by a successor trustee with respect to the debt securities of one or more series, including the notes, and to add to or change any of the provisions of the indenture as will be necessary to provide for or facilitate the administration of the trusts thereunder by more than one trustee; or
- to comply with any requirements of the SEC in connection with qualifying the indenture under the Trust Indenture Act; or
- to cure any ambiguity, to correct or supplement any provision in the indenture which may be defective or inconsistent with any other provision therein; or
- to supplement any of the provisions of the indenture to the extent necessary to permit or facilitate the defeasance and discharge of any series of debt securities pursuant to the indenture; *provided* that any such action will not adversely affect the interests of the holders of securities of any series in any material respect; or
- to make provisions with respect to conversion or exchange rights of holders of securities of any series; or
- to add, delete from or revise the conditions, limitations or restrictions on issue, authentication and delivery of securities; or
- to conform the terms of the notes or the indenture with the description set forth in this prospectus or with the requirements of the Trust Indenture Act; or
- to make any other provisions with respect to matters or questions arising under the indenture, provided that such action pursuant to this clause will not adversely affect the interests of the holders of debt securities of any series, including the notes, in any material respect.

With the consent of the holders of not less than a majority in principal amount of the outstanding notes of each series affected by such supplemental indenture, by act of such holders delivered to us and the trustee, we, when authorized by a board resolution, and the trustee may enter into one or more supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or of modifying in any manner the rights of the holders of notes of such series under the indenture; *provided*, *however*, that no such supplemental indenture will, without the consent of the holder of each outstanding note affected thereby:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any note, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of any note which would be due and payable upon a declaration of acceleration of the maturity thereof pursuant to the terms of the indenture, adversely

affect any right of repayment at the option of the holder of any security, or change any place of payment where any note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date), or

- reduce the percentage in principal amount of the outstanding notes of any series, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of the indenture or certain defaults thereunder and their consequences) provided for in the indenture, or
- modify any of the provisions of this paragraph or certain provisions of the indenture relating to waivers of past defaults and waivers of certain covenants, except to increase any such percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding note affected thereby; *provided*, *however*, that this clause will not be deemed to require the consent of any holder with respect to changes in the references to "the trustee" and concomitant changes in this paragraph, or the deletion of this proviso, in certain circumstances.

A supplemental indenture which changes or eliminates any covenant or other provision of the indenture which has expressly been included solely for the benefit of one or more particular series of debt securities, or which modifies the rights of the holders of debt securities of such series with respect to such covenant or other provision, will be deemed not to affect the rights under the indenture of the holders of debt securities of any other series.

In connection with any modification, amendment, supplement or waiver in respect of the indenture or the notes, we must deliver to the trustee an officers' certificate and an opinion of counsel, each stating (i) that such modification, amendment, supplement or waiver is authorized or permitted pursuant to the terms of the indenture and the notes, (ii) that all related conditions precedent to such modification, amendment, supplement or waiver have been complied with; and (iii) that such supplemental indenture will be valid and binding upon us in accordance with its terms.

Consolidation, Merger and Sale of Assets

The indenture will provide that we may not consolidate with or merge into another person or convey, transfer or lease our properties and assets substantially as an entirety to another person or permit any person to consolidate with or merge into us or convey, transfer or lease its properties and assets substantially as an entirety to us unless: (i) in case we will consolidate with or merge into another person or convey, transfer or lease our properties and assets substantially as an entirety to another person, the person formed by the consolidation or into which we are merged or the person which acquires by conveyance or transfer, or which leases the properties and assets of us substantially as an entirety, (a) is a corporation organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and (b) expressly assumes by supplemental indenture, executed and delivered to the trustee, the due and punctual payment of the principal of and any premium and interest on all the notes and the performance or observance of every covenant of the indenture on the part of us to be performed or observed; and (ii) immediately after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default will have occurred and be continuing under the indenture, and we have delivered to the trustee an officers' certificate and an opinion of counsel as required by the indenture.

Trustee

The notes will be issued under the base indenture as supplemented by the first supplemental indenture by and between us and U.S. Bank Trust Company, National Association, as trustee. U.S. Bank Trust Company, National Association, in each of its capacities, including without limitation as trustee, security registrar, and paying agent, assumes no responsibility for the accuracy or completeness of the information contained in this document or the

related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

Defeasance and Discharge

The defeasance provisions of the indenture will apply to the notes. The "defeasance" provisions of the indenture provide that we may terminate some of our obligations with respect to any series of notes by depositing with the trustee as trust funds a combination of money and U.S. government obligations sufficient to pay the principal of or premium, if any, and interest on, the securities of such series as they come due. Defeasance is permitted only if, among other things, we deliver to the trustee an officers' certificate and opinion of counsel on the terms described in the indenture.

The indenture also provides that we are entitled to cause the indenture to cease to be of further effect (a "satisfaction and discharge"), with certain limited exceptions, if (i) either (a) all securities under the indenture, with certain exceptions, have been delivered to the trustee for cancellation or (b) all such securities not delivered to the trustee for cancellation (x) have become due and payable or (y) will become due and payable at their stated maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the trustee and us (in the case of (x), (y), or (z) above) has deposited or caused to be deposited with the trustee as trust funds money sufficient to pay the principal of or premium, if any, and interest on, such securities as they come due or are to be redeemed, (ii) we have paid or caused to be paid all other sums payable under the indenture by us and (iii) we have delivered the trustee an officers' certificate and opinion of counsel stating that all conditions precedent provided for in the indenture relating to the satisfaction and discharge of the indenture have been complied with.

Further Issuances

The amount of notes we can issue under the indenture is unlimited. We will issue notes in the initial aggregate principal amount of $60,000,000 (or up to $69,000,000 aggregate principal amount if the underwriters' overallotment option to purchase additional notes is exercised in full). However, we may, without your consent and without notifying you, create and issue further notes, which notes may be consolidated and form a single series with either series of notes offered by this prospectus and may have the same terms as to interest rate, maturity, covenants or otherwise; *provided* that if any such additional notes are not fungible with the notes for U.S. federal income tax purposes, such additional notes will have a separate CUSIP or other identifying number.

Notices

Notices to holders of notes will be given by first-class mail to the addresses of such holders as they appear in the note register. Where notices are to be provided to a holder of a global security, the notice will be deemed sufficiently given if provided to the depositary for such security pursuant to its applicable procedures.

Governing Law

The notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.

Miscellaneous

We or our affiliates may from time to time purchase any of the notes that are then outstanding by tender, in the open market or by private agreement.

BOOK-ENTRY ISSUANCE

Book-Entry System

The notes will be represented by global securities that will be deposited and registered in the name of DTC or its nominee. This means that, except in limited circumstances, you will not receive certificates for the notes. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the notes through either DTC, if they are a participant, or indirectly through organizations that are participants in DTC.

The notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each issuance of the notes, in the aggregate principal amount thereof, and will be deposited with DTC. Interests in the notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC").

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's Ratings Services' rating of AA+. The DTC rules applicable to its participants are on file with the SEC. More information about DTC can be found at *www.dtcc.com.*

Purchases of the notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the notes on DTC's records. The ownership interest of each actual purchaser of each security, or the "Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and interest payments on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC nor its nominee, the trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the trustee, but disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us or to the trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered. We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for its accuracy.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes the material U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of the notes by a U.S. Holder or a Non-U.S. Holder (each as defined below).

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated under the Code, judicial authority and administrative rulings and practice, all of which are subject to change and differing interpretation. Any such change or interpretation may be applied retroactively and may affect the accuracy of the statements and conclusions set forth in this prospectus. This summary addresses only tax consequences to investors that purchase the notes pursuant to this prospectus at their offering price and hold them as "capital assets" within the meaning of Section 1221 of the Code. This summary does not discuss all of the tax consequences that may be relevant to particular investors or to investors subject to special treatment under the U.S. federal income tax laws (such as insurance companies, financial institutions, tax-exempt persons, partnerships or other pass-through entities (and persons holding the notes through a partnership or other pass-through entity), retirement plans, regulated investment companies, dealers in securities or currencies, traders in securities who elect to apply a mark-to-market method of accounting, persons holding the notes as part of a "straddle," "constructive sale," or a "conversion transaction" for U.S. federal income tax purposes, or as part of some other integrated investment or risk reduction transaction, "passive foreign investment companies," "controlled foreign corporations," expatriates or U.S. Holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar). This summary also does not discuss any tax consequences arising under the laws of any state, local, foreign or other tax jurisdiction or any tax consequences arising under U.S. federal tax laws other than U.S. federal income tax laws. Furthermore, this summary does not discuss any tax consequences arising under the Foreign Account Tax Compliance Act (including the Treasury Regulations promulgated thereunder and any intergovernmental agreements entered into in connection therewith) nor any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. The term "holder" as used in this section refers to a beneficial holder of the notes and not the record holder.

Persons considering the purchase of the notes should consult their own tax advisors concerning the application of U.S. federal tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of the notes arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, a "U.S. Holder" means:

- a citizen or resident of the United States;
- a corporation or other entity or arrangement taxable as a corporation created or organized in or under the laws of the United States or any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds notes, the tax treatment of such partnership and a partner thereof will generally depend on the status of the partner and upon the activities of the partner and the partnership. Persons who are partners in a partnership, or other entity or arrangement treated as a partnership for U.S. federal income tax purposes, holding notes should consult their tax advisors.

Certain Additional Payments

In certain circumstances under "Description of the Notes" such as a Change of Control or Optional Redemption, we may be obligated to make payments in excess of stated interest and the principal amount of the notes. Although not free from doubt, we intend to take the position that the notes should not be treated as contingent payment debt instruments despite the possibility of these additional payments. This position is based in part on assumptions regarding the likelihood, as of the date of issuance of the notes, that such additional payments will have to be paid. Our position that the contingencies described above are remote is binding on a holder unless such holder discloses its contrary position in the manner required by applicable Treasury Regulations. If the IRS successfully challenged our position, then the notes could be treated as contingent payment debt instruments, in which case holders could be required to accrue interest income at a rate higher than the stated interest rate on the notes and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, redemption, or other taxable disposition of a note. Holders are urged to consult their tax advisors regarding the potential application of the contingent payment debt instrument rules to the notes and the consequences thereof. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

U.S. Federal Tax Consequences to U.S. Holders

It is anticipated, and this discussion assumes, that the issue price of the notes will be equal to the stated principal amount or, if the issue price is less than the stated principal amount, the difference will be a *de minimis* amount (as set forth in the applicable Treasury Regulations).

Taxation of Interest

Interest on the notes will be taxable to a U.S. Holder as ordinary interest income. A U.S. Holder must report this income either when it accrues or is received, depending on the holder's method of accounting for U.S. federal income tax purposes.

Original Issue Discount

The notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes. The stated redemption price at maturity of the notes may exceed their issue price by an amount that equals or exceeds the statutory de minimis amount for U.S. federal income tax purposes (as described below). In such event, the notes will be treated for U.S. federal income tax purposes as issued with OID in an amount equal to such excess, and beneficial owners of notes that are subject to U.S. federal income taxation generally will be required to include the OID in gross income (as ordinary income) as it accrues (on a constant yield-to-maturity basis) for U.S. federal income tax purposes in advance of the receipt of cash payment thereof and regardless of such beneficial owner's regular method of accounting for U.S. federal income tax purposes. Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods. If the difference between a note's stated redemption price at maturity and its issue price is less than the de minimis threshold of one quarter of 1 percent (i.e., 0.25%) of the stated principal amount multiplied by the number of complete years to maturity, then the note will be under the de minimis threshold and will not be treated as having OID.

Treatment of Dispositions of Notes

Upon the sale, exchange, retirement or other taxable disposition of a note, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount received on such disposition (other than amounts received in respect of accrued and unpaid interest, which will be taxable as ordinary income to the extent not previously included in income) and the U.S. Holder's tax basis in the note. A U.S. Holder's tax basis in a note generally will be the cost of the note. Gain or loss realized on the sale, exchange, retirement or other taxable disposition of a note generally will be capital gain or loss, and will be long-term capital gain or loss if, at the time of such sale, exchange, retirement or other taxable disposition, the U.S. Holder has held the note for more than one year.

Long-term capital gains generally are taxed at reduced rates for individuals and certain other non-corporate U.S. Holders. The ability to deduct capital losses is subject to limitation under U.S. federal income tax laws. Net long-term capital gain recognized by a non-corporate U.S. Holder is generally taxed at preferential rates.

Medicare Tax

A U.S. Holder that is an individual, estate, or a trust that does not fall into a special category of trusts that is exempt from such tax will be subject to an additional 3.8% Medicare tax on the lesser of (1) the U.S. Holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. Holder's modified gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000 depending on the individual's circumstances). Net investment income generally includes interest income and net gains from the disposition of the notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. Holder that is an individual, estate, or trust should consult its tax advisor regarding the applicability of this tax to its income and gains in respect of its investment in the notes.

U.S. Federal Tax Consequences to Non-U.S. Holders

The following is a general discussion of U.S. federal income consequences of the purchase, beneficial ownership and disposition of the notes by a holder that is a beneficial owner of notes (other than a partnership or other pass-through entity) that is not a U.S. Holder (a "Non-U.S. Holder").

Taxation of Interest

Subject to the discussion below under "*—U.S. Information Reporting Requirements and Backup Withholding Tax Applicable to U.S. Holders and Non-U.S. Holders*," a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax in respect of interest income on the notes (including OID) if each of the following requirements is satisfied:

- the interest is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (or, in the case of an income tax treaty resident, is not attributable to a permanent establishment of the Non-U.S. Holder in the United States);
- the Non-U.S. Holder provides to the applicable withholding agent a properly completed and executed Internal Revenue Service ("IRS") Form W-8BEN or IRS Form W-8BEN-E, as applicable, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating, among other things, that the Non-U.S. Holder is not a U.S. person, and the payor does not have actual knowledge or reason to know that such holder is a U.S. person. If a note is held through a securities clearing organization, bank or another financial institution that holds customers' securities in the ordinary course of its trade or business, this requirement is satisfied if (i) the Non-U.S. Holder provides such a form to the organization or institution, and (ii) the organization or institution, under penalties of perjury, certifies to the applicable withholding agent that it has received such a form from the beneficial owner or another intermediary and furnishes the applicable withholding agent with a copy thereof;
- the Non-U.S. Holder is not a bank whose receipt of interest on the notes is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of such non-U.S. holder's trade or business;
- the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Company's stock within the meaning of the Code and applicable Treasury Regulations; and
- the Non-U.S. Holder is not a "controlled foreign corporation" that is actually or constructively related to the Company.

If these conditions are not met, a 30% withholding tax will apply to interest income on the notes, unless one of the following two exceptions is satisfied. The first exception is that an applicable income tax treaty reduces or eliminates such tax, and a Non-U.S. Holder claiming the benefit of that treaty provides to the applicable withholding agent a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable IRS Form) and the payor does not have actual knowledge or reason to know that such holder is a U.S. person. The second exception is that the interest is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the Non-U.S. Holder in the United States) and the Non-U.S. Holder provides an appropriate statement to that effect on an IRS Form W-8ECI (or other applicable IRS Form). In the case of the second exception, such Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to all income from the notes in the same manner as U.S. Holders, as described above. Additionally, in such event, Non-U.S. Holders that are corporations could be subject to an additional "branch profits" tax on such income. Non-U.S. Holders eligible for an exemption from or reduced rate of U.S. federal withholding tax under an applicable income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim with the IRS. Non-U.S. Holders should consult their own tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the requirements for claiming any such benefits.

Treatment of Dispositions of Notes

Subject to the discussion below under "*—U.S. Information Reporting Requirements and Backup Withholding Tax Applicable to U.S. Holders and Non-U.S. Holders*," and except with respect to accrued and unpaid interest (which will be treated as described above under "*U.S. Federal Tax Consequences to Non-U.S. Holders—Taxation of Interest*," generally, a Non-U.S. Holder will not be subject to U.S. federal income tax on gain realized upon the sale, exchange, retirement or other disposition of a note unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the non-U.S. holder in the United States); or
- such holder is an individual present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition and certain other conditions are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such Non-U.S. Holder were a U.S. person. A Non-U.S. Holder that is a corporation also may be subject to an additional "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) of its "effectively connected earnings and profits" for the taxable year, subject to certain adjustments.

Gain described in the second bullet point above generally will be subject to U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty), but may be offset by U.S. source capital losses, if any, of the Non-U.S. Holder.

FATCA

Under Sections 1471 through 1474 of the Code, Treasury regulations promulgated thereunder and applicable administrative guidance (collectively, "FATCA"), a 30% U.S. federal withholding tax will generally apply to payments of interest on the notes made to (i) a foreign financial institution (whether such foreign financial institution is a beneficial owner or an intermediary), unless such institution undertakes either under an agreement with the U.S. Department of Treasury or an intergovernmental agreement between the jurisdiction in which it is a resident and the U.S. Department of Treasury to generally identify accounts held by certain U.S. persons and non-U.S. entities with substantial U.S. owners, annually report certain information about such accounts and withhold 30% on payments made to non-compliant foreign financial institutions and certain other account holders or such institution qualifies for an exemption from these rules or (ii) a non-financial foreign entity

(whether such non-financial foreign entity is a beneficial owner or an intermediary), unless such entity provides the paying agent with a certification that it does not have any substantial United States owners or a certification identifying the direct and indirect substantial United States owners of the entity and meets certain other specified requirements or such entity qualifies for an exemption under these rules.

While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other disposition of the notes (including retirement or redemption) on or after January 1, 2019, proposed Treasury Regulations have been issued that, if finalized, will eliminate FATCA withholding on payments of gross proceeds entirely. Although these Treasury regulations are not final, the preamble to these Treasury regulations indicates that taxpayers may rely on them pending their finalization.

Prospective investors are urged to consult their own tax advisors regarding the application of FATCA to the notes.

U.S. Information Reporting Requirements and Backup Withholding Tax Applicable to U.S. Holders and Non-U.S. Holders

Information reporting generally will apply to payments of interest on the notes and to the proceeds of a sale or other taxable disposition of a note paid to a U.S. Holder unless the U.S. Holder is an exempt recipient. U.S. federal backup withholding (currently, at a rate of 24% for payments made before January 1, 2026) generally will apply to such payments if the U.S. Holder fails to provide the applicable withholding agent with a properly completed and executed IRS Form W-9 providing such U.S. Holder's correct taxpayer identification number and certifying that such U.S. Holder is not subject to backup withholding, or to otherwise establish an exemption.

Generally, we must report annually to the IRS and to each Non-U.S. Holder the amount of interest paid to such Non-U.S. Holder and the amount of tax, if any, withheld with respect to such payments. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty.

U.S. backup withholding tax (currently, at a rate of 24% for payments made before January 1, 2026) is imposed on certain payments to persons that fail to furnish the information required under the U.S. information reporting rules. Interest paid to a non-U.S. Holder generally will be exempt from backup withholding if the non-U.S. holder provides the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or otherwise establishes an exemption (and the applicable withholding agent does not have actual knowledge or reason to know that such holder is a U.S. person or that the conditions of any exemption are not in fact satisfied).

Under Treasury Regulations, the payment of proceeds from the disposition of a note by a Non-U.S. Holder effected at a U.S. office of a broker generally will be subject to information reporting and backup withholding, unless the Non-U.S. Holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable IRS Form W-8), certifying such Non-U.S. Holder's non-U.S. status and such broker does not have actual knowledge or reason to know that such Non-U.S. Holder is a U.S. person, or otherwise establishes an exemption. The payment of proceeds from the disposition of notes by a Non-U.S. Holder effected at a non-U.S. office of a U.S. broker or a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting (but not backup withholding) unless such Non-U.S. Holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable IRS Form W-8), certifying such Non-U.S. Holder's non-U.S. status and such broker does not have actual knowledge or reason to know that such evidence is false, or otherwise establishes an exemption. Backup withholding will apply if the disposition is subject to information reporting and the broker has actual knowledge that the Non-U.S. Holder is a U.S. person.

Backup withholding is not an additional tax and may be refunded or credited against the holder's U.S. federal income tax liability, provided that certain required information is timely furnished to the IRS. The information

reporting requirements may apply regardless of whether withholding is required. Copies of the information returns reporting such interest and withholding may be made available to the tax authorities in foreign countries under the provisions of a tax treaty or agreement. Holders should consult their own tax advisors regarding the effect, if any, of these rules with respect to their particular situation.

The preceding discussion of material U.S. federal income tax considerations is for general information only and is not tax advice. We urge you to consult your own tax advisor with respect to the particular tax consequences to you of an investment in the notes, including the possible effect of any pending legislation or proposed regulations.

UNDERWRITING

We are offering the notes described in this prospectus through a number of underwriters. We have entered into an underwriting agreement dated the date of this prospectus with the underwriters listed below. Piper Sandler & Co. is acting as representative of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement between the Company and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite its name below.

Name of Underwriter	Principal Amount of Notes
Piper Sandler & Co.	
Total	

The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of a non-defaulting underwriter may also be increased or the offering may be terminated. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriting agreement provides that the obligations of the underwriters to purchase the notes are subject to approval of legal matters by counsel to the underwriters and certain other conditions, including the receipt by the underwriters of officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. Investors must pay for the notes purchased in this offering on or about , 2023.

Commissions and Discounts

An underwriting discount of % per note will be paid by us. This underwriting discount will also apply to any notes purchased pursuant to the overallotment option. The underwriters have advised us that they propose initially to offer the notes to the public at the public offering price on the cover of this prospectus and to certain other Financial Industry Regulatory Authority, Inc. members at that price less a concession not in excess of $ per note. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per note.

The following table shows the total underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. The information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	Per Note	Without Option	With Option
Public offering price	$	$	$
Underwriting discounts and commissions	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discounts and commissions, are estimated at $ and are payable by us. We have agreed to reimburse the underwriters for their reasonable and documented out-of-pocket expenses incurred in connection with the transactions, including their legal fees and expenses, marketing, syndication and travel expenses; *provided*, that such fees and expenses, including legal fees

and legal expenses, will not exceed $155,000 without the prior written consent of the Company and will be reimbursed through Piper Sandler & Co.

Overallotment Option

We have granted an option to the underwriters to purchase up to an additional $ aggregate principal amount of the notes offered hereby at the public offering price, less the underwriting discounts and commissions, within 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a principal amount of additional notes proportionate to that underwriter's initial principal amount reflected in the table above.

No Sales of Similar Securities

We have agreed not to directly or indirectly offer, sell, short sell or otherwise dispose of, or enter into any agreement to offer, sell, short sell or otherwise dispose of, any debt securities issued or guaranteed by us or other securities convertible into or exchangeable or exercisable for debt securities issued or guaranteed by us or derivative of debt securities issued or guaranteed by us for a period of 30 days after the date of this prospectus without first obtaining the written consent of Piper Sandler & Co. This consent may be given at any time without public notice.

Listing

The notes are a new issue of securities with no established trading market. We intend to list the notes on NASDAQ and will use our reasonable best efforts to maintain such listing. We expect trading in the notes on NASDAQ to begin within 30 days after the issue date under the trading symbol " ." Currently there is no public market for the notes.

We have been advised by certain of the underwriters that they presently intend to make a market in the notes after completion of the offering as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the notes and any such market-making may be discontinued at any time in the sole discretion of the underwriters without any notice. Accordingly, no assurance can be given as to the liquidity of, or development of a public trading market for, the notes. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

Price Stabilization and Short Positions

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include overallotment, covering transactions and stabilizing transactions, which may have the effect of stabilizing or maintaining the market price of the notes at a level above that which might otherwise prevail in the open market. Overallotment involves sales of securities in excess of the aggregate principal amount of securities to be purchased by the underwriters in the offering, which creates a short position for the underwriters. Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of securities made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Any of these activities may cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be affected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time without any notice relating thereto.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past and may provide from time to time in the future in the ordinary course of their business certain commercial banking, financial advisory, investment banking and other services to us or our affiliates for which they have received or will be entitled to receive separate fees. In particular, the underwriters or their affiliates may execute transactions with us, on behalf of us or our affiliates. In addition, after the offering period for the sale of the notes, the underwriters or their affiliates may act as arrangers, underwriters or placement agents for companies whose securities are sold to or whose loans are syndicated to us or our affiliates.

The underwriters or their affiliates may also trade in our securities or other financial instruments related thereto for their own accounts or for the account of others and may extend loans or financing directly or through derivative transactions to us or our affiliates.

After the date of this prospectus, the underwriters and their affiliates may from time to time obtain information regarding our subsidiaries or us that may not be available to the general public. Any such information is obtained by the underwriters and their affiliates in the ordinary course of its business and not in connection with the offering of the notes. In addition, the underwriters or their affiliates may develop analyses or opinions related to us and may engage in competitive activities. There is no obligation on behalf of these parties to disclose their respective analyses, opinions or purchase and sale activities regarding us to our noteholders or any other persons.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The principal business address of the representative for the underwriters is Piper Sandler & Co., Piper Sandler & Co., 1251 Avenue of the Americas, 6th Floor, New York, NY 10020.

Alternative Settlement Cycle

It is expected that delivery of the notes will be made against payment therefor on or about , 2023, which is the fifth business day following the date hereof (such settlement cycle being referred to as “T+5”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on any date prior to the second business day before delivery thereof will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their own advisors.

Other Jurisdictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the notes offered by this prospectus in any jurisdiction where action for that purpose is

required. The notes offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such notes be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restriction relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy the notes offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

LEGAL MATTERS

Certain legal matters in connection with the notes offered by this prospectus will be passed upon for the Company by Locke Lord LLP, New York, New York. Legal matters in connection with the notes offered hereby will be passed upon for the underwriters by Alston & Bird LLP, New York, New York.

EXPERTS

The consolidated financial statements included in this prospectus and the related consolidated financial statement schedules included elsewhere in the Registration Statement as of December 31, 2022 and 2021 have been audited by Marcum LLP, an independent registered public accounting firm with respect to the Company prior to the Business Combination (then known as East Resources Acquisition Company) upon the authority of said firm as experts in accounting and auditing.

The financial statements for Abacus Settlements included in this prospectus and elsewhere in the Registration Statement have been so included in reliance upon the report of Grant Thornton LLP, an independent registered public accounting firm, upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements for LMA included in this prospectus and elsewhere in the Registration

Statement have been so included in reliance upon the report of Grant Thornton LLP, an independent registered public accounting firm, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act of 1933 with respect to the notes offered in this document. As permitted by the rules and regulations of the SEC, this prospectus does not contain all the information set forth in the registration statement. Such information is available through the SEC's web site on the internet at http://www.sec.gov. The statements contained in this prospectus as to the contents of any contract or other document filed as an exhibit to the registration statement are, of necessity, brief descriptions thereof and are not necessarily complete.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance with the Exchange Act we file reports and other information with the SEC. The Company's SEC filings are available through the SEC's web site on the internet at http://www.sec.gov. We also maintains a website at https://abacuslife.com where information about Abacus can be obtained. The information contained on the Abacus web site is not part of nor is it incorporated by reference into this prospectus.

EAST RESOURCES ACQUISITION COMPANY

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
East Resources Acquisition Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of East Resources Acquisition Company (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in stockholders' deficit and cash flows for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph—Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. Additionally, if the Company is unable to complete a Business Combination by the close of business on July 27, 2023, the Company will cease all operations except for the purpose of liquidating. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2020.

Houston, TX
April 17, 2023

EAST RESOURCES ACQUISITION COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash	$ 86,572	$ 853,130
Prepaid expenses	64,914	91,625
Total Current Assets	151,486	944,755
Cash and securities held in Trust Account	99,222,704	345,048,888
Total Assets	**$ 99,374,190**	**$ 345,993,643**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities—Accrued expenses	$ 9,227,518	$ 144,254
Current liabilities—Note payable to related party	4,924,356	1,500,000
Income taxes payable	52,485	
Deferred underwriting fee payable	—	12,075,000
Forward purchase agreement liability	—	1,600,000
Warrant liability	4,576,250	13,911,800
Total Liabilities	**18,780,609**	**29,231,054**
Commitments		
Class A common stock subject to possible redemption, $0.0001 par value; 9,718,972 and 34,500,000 shares at $10.18 and 10.00 per share at December 31, 2022 and December 31, 2021, respectively	98,983,437	345,000,000
Stockholders' Deficit		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Class A common stock, $0.0001 par value; 200,000,000 shares authorized; 0 issued and outstanding (excluding 34,500,000 shares subject to possible redemption)	—	—
Class B common stock, $0.0001 par value; 20,000,000 shares authorized; 8,625,000 shares issued and outstanding	863	863
Additional paid-in capital	24,137	24,137
Accumulated deficit	(18,414,856)	(28,262,411)
Total Stockholders' Deficit	**(18,389,856)**	**(28,237,411)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 99,374,190**	**$ 345,993,643**

The accompanying notes are an integral part of the consolidated financial statements.

EAST RESOURCES ACQUISITION COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Formation and operating costs	$ 11,722,287	$ 1,382,681
Loss from operations	**(11,722,287)**	**(1,382,681)**
Other income (expense):		
Change in fair value of warrant liability	9,335,550	15,899,200
Change in fair value of forward purchase agreement liability	600,000	1,300,000
Gain on deferred underwriting fees waiver	513,188	—
Interest earned—bank	10,031	62
Interest earned on marketable securities held in Trust Account	672,439	22,784
Other income (expense), net	**11,131,208**	**17,222,046**
Income before provision for income taxes	(591,079)	15,839,365
Income tax expense	52,485	—
Net Income (Loss)	**$ (643,564)**	**$ 15,839,365**
Basic and diluted weighted average shares outstanding, Class A common stock subject to possible redemption	23,637,084	34,500,000
Basic and diluted net loss per share, Class A common stock subject to possible redemption	**$ (0.02)**	**$ 0.37**
Basic and diluted weighted average shares outstanding, Non-redeemable common stock	8,625,000	8,625,000
Basic and diluted net income per share, Non-redeemable common stock	**$ (0.02)**	**$ 0.37**

The accompanying notes are an integral part of the consolidated financial statements.

EAST RESOURCES ACQUISITION COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

	For the year ended December 31, 2022						
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance—January 1, 2022	—	$ —	8,625,000	$ 863	$ 24,137	$(28,262,411)	$(28,237,411)
Net income	—	—	—	—	—	(643,564)	(643,564)
Deferred underwriting fees waiver	—	—	—	—	—	11,561,812	11,561,812
Termination of forward purchase agreement	—	—	—	—	—	1,000,000	1,000,000
Remeasurement of Class A common stock to redemption value	—	—	—	—	—	(2,070,693)	(2,070,693)
Balance—December 31, 2022	—	**$ —**	**8,625,000**	**$ 863**	**$ 24,137**	**$(18,414,856)**	**$(18,389,856)**

	For the year ended December 31, 2021						
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance—January 1, 2021	**—**	$ —	8,625,000	$ 863	$ 24,137	$(44,101,776)	$(44,076,776)
Net income	—	—	—	—	—	15,839,365	15,839,365
Balance—December 31, 2021	**—**	**$ —**	**8,625,000**	**$ 863**	**$ 24,137**	**$(28,262,411)**	**$(28,237,411)**

The accompanying notes are an integral part of the consolidated financial statements.

EAST RESOURCES ACQUISITION COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cash Flows from Operating Activities:		
Net income (loss)	$ (643,564)	$ 15,839,365
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Amortization of prepaid insurance	425,144	236,417
Change in fair value of warrant liability	(9,335,550)	(15,899,200)
Change in fair value of forward purchase agreement liability	(600,000)	(1,300,000)
Gain on deferred underwriting fees waiver	(513,188)	—
Interest earned on marketable securities held in Trust Account	(672,439)	(22,784)
Changes in operating assets and liabilities:		
Prepaid insurance	(398,433)	(93,292)
Income taxes payable	52,485	—
Accrued expenses	9,083,264	2,939
Net cash used in operating activities	**(2,602,281)**	**(1,236,555)**
Cash Flows from Investing Activities:		
Trust Account withdrawal for redemption of Class A shares	248,087,256	—
Payment into Trust Account	(1,924,356)	—
Trust Account withdrawal for payment of taxes	335,723	
Net cash provided by investing activities	**246,498,623**	**—**
Cash Flows from Financing Activities:		
Redemption of Class A Common Stock	(248,087,256)	—
Proceeds from note payable—Related Party	3,424,356	1,500,000
Net cash provided by (used in) financing activities	**(244,662,900)**	**1,500,000**
Net Change in Cash	**(766,558)**	**263,445**
Cash—Beginning	**853,130**	**589,685**
Cash—Ending	**$ 86,572**	**$ 853,130**
Non-cash investing and financing activities:		
Remeasurement of Class A common stock subject to possible redemption to redemption value	**$ 2,070,693**	**$ —**
Termination of forward purchase agreement	**$ 1,000,000**	**$ —**
Deferred underwriting fee payable	**$ (12,075,000)**	**$ —**

The accompanying notes are an integral part of the consolidated financial statements.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

East Resources Acquisition Company (the "Company") is a newly organized blank check company incorporated in Delaware on May 22, 2020 for the purpose of effecting a merger, capital stock exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the "Business Combination"). While the Company may pursue an acquisition opportunity in any business, industry, sector or geographical location, it intends to focus its search for a target business in the energy industry in North America. The Company is an emerging growth company and, as such, the Company is subject to all of the risks associated with emerging growth companies.

As of December 31, 2022, the Company had not commenced any operations. All activity for the year ended December 31, 2022 relates to the Company's formation, its initial public offering ("Initial Public Offering"), which is described below, and, subsequent to the Initial Public Offering, identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generated non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering until June 2022, when the investments in the trust account (the "Trust Account") holding the proceeds were liquidated to thereafter be held in cash.

The registration statement for the Company's Initial Public Offering was declared effective on July 22, 2020. On July 27, 2020, the Company consummated the Initial Public Offering of 30,000,000 units (the "Units" and, with respect to the shares of Class A common stock included in the Units sold, the "Public Shares"), at $10.00 per Unit, generating gross proceeds of $300,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 8,000,000 Private Placement Warrants at a price of $1.00 per Private Placement Warrant in a private placement to East Sponsor, LLC (the "Sponsor"), generating gross proceeds of $8,000,000, which is described in Note 4.

On August 25, 2020, the underwriters exercised their over-allotment option in full, resulting in an additional 4,500,000 Units issued for total gross proceeds of $45,000,000. In connection with the underwriters' exercise of their over-allotment option in full, the Company also consummated the sale of an additional 900,000 Private Placement Warrants at $1.00 per Private Placement Warrant, generating total proceeds of $900,000. A total of $45,000,000 was deposited into the Trust Account, bringing the aggregate proceeds held in the Trust Account to $345,000,000.

Transaction costs amounted to $19,840,171, consisting of $6,900,000 of underwriting fees, $12,075,000 of deferred underwriting fees and $865,171 of other offering costs.

Following the closing of the Initial Public Offering on July 27, 2020 and the exercise of the over-allotment option on August 25, 2020, an amount of $345,000,000 ($10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrants was placed in a trust account (the "Trust Account") located in the United States and invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund meeting certain conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the Trust Account to the Company's stockholders, as described below. The investments in the Trust Account were liquidated in June 2022 to thereafter be held in cash.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of the Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward completing a Business Combination. The Company must complete its initial Business Combination with one or more target businesses that together have a fair market value equal to at least 80% of the net assets held in the Trust Account (excluding the amount of any deferred underwriting commissions held in the Trust Account) at the time of the agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the issued and outstanding voting securities of the target or otherwise acquires a controlling interest in the target business sufficient for it not to be required to register as an investment company under the Investment Company. There is no assurance that the Company will be able to successfully effect a Business Combination.

The Company will provide its stockholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company. The stockholders will be entitled to redeem their shares for a pro rata portion of the amount held in the Trust Account (initially $10.00 per share), calculated as of two business days prior to the completion of a Business Combination, including any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations. There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants.

In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least $5,000,001 upon consummation of such Business Combination and a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required under applicable law or stock exchange listing requirements and the Company does not decide to hold a stockholder vote for business or other reasons, the Company will, pursuant to its Certificate of Incorporation (the "Certificate of Incorporation"), conduct the redemptions pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents containing substantially the same information as would be included in a proxy statement with the SEC prior to completing a Business Combination. If the Company seeks stockholder approval in connection with a Business Combination, the holders of the Founder Shares have agreed to vote their Founder Shares (as defined in Note 5) and any Public Shares purchased in or after the Initial Public Offering in favor of approving a Business Combination and to waive their redemption rights with respect to any such shares in connection with a stockholder vote to approve a Business Combination. However, in no event will the Company redeem its Public Shares in an amount that would cause its net tangible assets to be less than $5,000,001. In such case, the Company would not proceed with the redemption of its Public Shares and the related Business Combination, and instead may search for an alternate Business Combination. Additionally, each public stockholder may elect to redeem its Public Shares, without voting, and if they do vote, irrespective of whether they vote for or against a proposed Business Combination.

Notwithstanding the foregoing, if the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Company's Certificate of Incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 20% of the Public Shares without the Company's prior written consent.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

The Sponsor has agreed (a) to waive its redemption rights with respect to any Founder Shares and Public Shares held by it in connection with the completion of a Business Combination and (b) not to propose an amendment to the Certificate of Incorporation (i) to modify the substance or timing of the Company's obligation to redeem 100% of the Public Shares if the Company does not complete a Business Combination within the Combination Period (as defined below) or (ii) with respect to any other provision relating to stockholders' rights or pre-initial Business Combination activity, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment and (iii) to waive its rights to liquidating distributions from the Trust Account with respect to the Founder Shares if the Company fails to complete a Business Combination. The Company will have until July 27, 2023 (or such earlier time that the Company elects not to deposit additional funds into the Trust Account, as described below) to complete a Business Combination (the "Combination Period"). If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than 10 business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in each case to its obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

The Sponsor has agreed to waive its liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Sponsor acquires Public Shares in or after the Proposed Initial Public Offering, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 5) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit ($10.00).

The Sponsor has agreed that it will be liable to the Company, if and to the extent any claims by a third party for services rendered or products sold to the Company, or by a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (1) $10.00 per Public Share or (2) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account nor will it apply to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than the Company's independent public accountants), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

On July 25, 2022, the Company convened a special meeting of stockholders at which a proposal to extend the date by which the Company has to complete a Business Combination from July 27, 2022 to January 27, 2023 (the "First Extension Amendment Proposal") was approved. In connection with the special meeting, the Company provided the stockholders the opportunity to redeem all or a portion of their Class A common stock, and stockholders holding 24,781,028 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. Consequently, approximately $248,087,256 (approximately $10.01 per share) was removed from the Trust Account to pay such redeeming holders. Additionally, in connection with the approval of the First Extension Amendment Proposal, the Company issued a promissory note (the "First Extension Note") in the principal amount of up to $1,924,356 to the Sponsor, pursuant to which the Sponsor agreed to loan the Company up to $1,924,356. The First Extension Note bears no interest and is repayable in full upon the earlier of (a) the date of consummation of the Company's Business Combination or (b) the date of liquidation of the Company. In order to further extend the period the Company has to complete a Business Combination beyond the 27th of a given month, an additional $320,726 was to be deposited into the Trust Account commencing on July 27, 2022 and on the 27th of each subsequent month, or portion thereof, for each additional month that the Company requires to complete a Business Combination from July 27, 2022 until January 27, 2023. As of December 31, 2022, $1,924,356 has been deposited into Trust Account by our Sponsor.

On August 30, 2022, the Company, LMA Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("LMA Merger Sub"), Abacus Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("Abacus Merger Sub"), Longevity Market Assets, LLC, a Florida limited liability company ("LMA") and Abacus Settlements, LLC, a Florida limited liability company ("Abacus") entered into an Agreement and Plan of Merger, as amended on October 14, 2022 (as it may be further amended, supplemented or otherwise modified from time to time in accordance with its terms, the "Merger Agreement"), pursuant to which, subject to the satisfaction or waiver of certain conditions precedent in the Merger Agreement, (i) LMA Merger Sub will merge with and into LMA, with LMA surviving such merger as a direct wholly owned subsidiary of the Company (the "LMA Merger") and (ii) Abacus Merger Sub will merge with and into Abacus, with Abacus surviving such merger as a direct wholly owned subsidiary of the Company (the "Abacus Merger" and, together with the LMA Merger and the other transactions contemplated by the Merger Agreement, the "Proposed Business Combination"). The Proposed Business Combination is expected to be consummated in the first half of 2023, subject to the fulfillment of certain conditions. Subject to the terms of the Merger Agreement, the aggregate merger consideration with respect to the holders of issued and outstanding limited liability company interests in LMA and Abacus will consist of approximately $531.8 million, payable in a number of newly issued shares of Class A common stock at a deemed value of $10.00 per share, with a portion of the aggregate merger consideration payable in cash upon the satisfaction of certain conditions. For additional information regarding the Merger Agreement, see the Company's Current Reports on Form 8-K filed on August 30, 2022 and October 14, 2022, and the Company's preliminary proxy statement (as amended, the "Proxy Statement"), initially filed with the Securities and Exchange Commission (the "SEC") on October 14, 2022.

On January 20, 2023, the Company convened a special meeting of stockholders at which a proposal to extend the date by which the Company has to complete a Business Combination from January 27, 2023 to July 27, 2023 (the "Second Extension Amendment Proposal") was approved. In connection with the special meeting, stockholders were provided an opportunity to redeem all or a portion of their Class A common stock, and stockholders holding 6,862,925 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. Consequently, approximately $70,070,464 (approximately $10.21 per share) was removed from the Trust Account to pay such redeeming holders. Additionally, in connection with the approval of the Second Extension Amendment Proposal, the Company

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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issued a promissory note (the "Second Extension Note") in the principal amount of up to $565,497 to the Sponsor, pursuant to which the Sponsor agreed to loan us up to $565,497. The Second Extension Note bears no interest and is repayable in full upon the earlier of (a) the date of consummation of Company's Business Combination or (b) the date of liquidation of the Company. In order to further extend the period the Company has to complete a Business Combination beyond the 27th of a given month until July 27, 2023, the Sponsor will deposit an additional $94,250 into the Trust Account commencing on January 27, 2023 and on the 27th of each subsequent month until July 27, 2023. As of April 17, 2023, $282,750 has been deposited into Trust Account by the Sponsor for the second extension.

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Going Concern Considerations

As of December 31, 2022, the Company had $86,572 in cash and a working capital deficiency of $14,052,873.

Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to acquire, and structuring, negotiating and consummating the Business Combination. The Company may need to raise additional capital through loans or additional investments from its Sponsor, stockholders, officers, directors, or third parties. The Company's officers, directors and Sponsor may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. In addition, the Company may have to liquidate if the Business Combination is not completed by July 27, 2023.

The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all or that it will complete a Business Combination prior to the expiration of the Combination Period. The Company is in the process of preparing and finalizing the Proxy Statement with the SEC for the purpose of soliciting stockholder approval of the Proposed Business Combination at a special meeting of the Company's stockholders as promptly as possible. If the Proposed Business Combination is approved at a special meeting for such purpose, the Company would consummate the Proposed Business Combination shortly thereafter. These conditions raise substantial doubt about the Company's ability to continue as a going concern through one year from the issuance of these financial statements. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for financial information and in accordance with the instructions to Article 8 of Regulation S-X promulgated under the Securities Act. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected to irrevocably opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, will adopt the new or revised standard at the time public companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another emerging growth company that has not opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial

statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. In June 2022, the Company liquidated all investments held in the Trust Account to thereafter be held in the form of cash in the Trust Account.

Marketable Securities Held in Trust Account

Prior to the liquidation of investments in the Trust Account, the Company's portfolio of investments was comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. When the Company's investments held in the Trust Account are comprised of U.S. government securities, the investments are classified as trading securities and are recognized at fair value. When the Company's investments held in the Trust Account are comprised of money market funds, the investments are recognized at fair value. Gains and losses resulting from the change in fair value of these securities are included in gain on investments held in the Trust Account in the accompanying unaudited condensed statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information.

At December 31, 2022, substantially all of the assets held in the Trust Account were held in cash, as further explained in Note 1 above. At December 31, 2021, substantially all of the assets held in the Trust Account were held in money market funds, which primarily invest in U.S. Treasury Bills.

Class A Common Stock Subject to Possible Redemption

The Company accounts for its shares of Class A common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Shares of Class A common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's Class A common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, Class A common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders' equity section of the Company's balance sheet.

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At December 31, 2022 and December 31, 2021, the Class A common stock reflected in the condensed balance sheets is reconciled in the following table:

Gross Proceeds	$ 345,000,000
Less:	
Proceeds allocated to Public Warrants	(14,662,500)
Proceeds allocated to FPA liability	(1,000,000)
Class A common stock issuance costs	(18,978,817)
Plus:	
Remeasurement of carrying value to redemption value	34,641,317
Class A common stock subject to possible redemption at December 31, 2021	$ 345,000,000
Redemption of Class A common stock	(248,087,256)
Remeasurement of carrying value to redemption value	146,337
Contribution to trust account for extension	1,924,356
Class A common stock subject to possible redemption at December 31, 2022	$ 98,983,437

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, “Derivatives and Hedging”. The Company’s derivative instruments are recorded at fair value and re-valued at each reporting date, with changes in the fair value reported in the Statement of Operations. Derivative assets and liabilities are classified on the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date. The Company has determined the warrants and the forward contract for additional warrants are derivatives. As the financial instruments meet the definition of a derivative the warrants and the forward contract for additional warrants are measured at fair value at issuance and at each reporting date in accordance with ASC 820, Fair Value Measurement, with changes in fair value recognized in the Statement of Operations in the period of change.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, “Income Taxes.” Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to

be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of December 31, 2022 and 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax. Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and inhibit the Company's ability to complete a Business Combination.

Net Income (Loss) per Common Share

The Company complies with accounting and disclosure of FASB ASC Topic 260, "Earnings Per Share." Net income per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period, excluding common stock shares subject to forfeiture. The Company has not considered the effect of the warrants sold in the Initial Public Offering and private placement to purchase an aggregate of 26,150,000 shares in the calculation of diluted loss per share, since the inclusion of such warrants would be anti-dilutive.

The Company's statements of operations include a presentation of income per share for common shares subject to possible redemption in a manner similar to the two-class method of income per share. Net income per common share, basic and diluted, for Common stock subject to possible redemption is calculated by dividing the proportionate share of income on earnings, net of applicable franchise and income taxes, by the weighted average number of Common stock subject to possible redemption outstanding over the period. Net loss is allocated evenly on a pro rata basis between Class A and Class B based on weighted average number of shares of common stock outstanding over the period.

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Consistent with ASC Topic 480-10-S99-3A, accretion associated with the redeemable shares of Class A common stock is excluded from earnings per share as the redemption value approximates its fair value. The calculation of diluted income per common share does not consider the effect of the warrants issued since the exercise of the warrants are contingent upon the occurrence of future events. However, the diluted earnings per share calculation includes the shares subject to forfeiture from the first day of the interim period in which the contingency on such shares was resolved.

The following table reflects the calculation of basic and diluted net income (loss) per common share (in dollars, except per share amounts):

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Net earnings (loss)	$ (643,564)	$15,839,365
Net earnings attributable to shareholders	$ (643,564)	$ 1,956,991
Redeemable Class A Common Stock		
Numerator: Earnings (loss) allocable to Redeemable Class A Common Stock	$ (471,513)	$12,671,492
Denominator: Weighted Average Share Outstanding, Redeemable Class A Common Stock	23,637,084	34,500,000
Basic and diluted net earnings per share, Redeemable Class A	**$ (0.02)**	**$ 0.37**
Non-Redeemable Class A and Class B Common Stock		
Numerator: Earnings (loss) allocable to Non-Redeemable Class A and Class B Common Stock	$ (172,051)	$ 3,167,873
Denominator: Weighted Average Non-Redeemable Class A and Class B Common Stock	8,625,000	8,625,000
Basic and diluted net loss per share, Non-Redeemable Class A and Class B	**$ (0.02)**	**$ 0.37**

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of $250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

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Fair Value Measurements

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Reclassification

Certain prior period amounts have been reclassified to conform to current presentation.

Recent Accounting Standards

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2022 for public business entities that meet the definition of a Securities SEC filer, excluding entities eligible to be smaller reporting companies as defined by the SEC and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company has adopted the standard on January 1, 2022 and has assessed that it had no impact on the accounting of the Company.

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Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

NOTE 3. PUBLIC OFFERING

Pursuant to the Initial Public Offering, the Company sold 34,500,000 Units, which includes the full exercise by the underwriters of their over-allotment option on August 25, 2020, in the amount of 4,500,000 Units, at a purchase price of $10.00 per Unit. Each Unit consists of one share of Class A common stock and one-half of one redeemable warrant ("Public Warrant"). Each whole Public Warrant entitles the holder to purchase one share of Class A common stock at a price of $11.50 per share, subject to adjustment (see Note 8).

NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 8,900,000 Private Placement Warrants at a price of $1.00 per Private Placement Warrant, for an aggregate purchase price of $8,900,000. Each Private Placement Warrant is exercisable for one share of Class A common stock at a price of $11.50 per share, subject to adjustment (see Note 8). The proceeds from the sale of the Private Placement Warrants were added to the net proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Warrants held in the Trust Account will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

NOTE 5. RELATED PARTY TRANSACTIONS

Founder Shares

On June 1, 2020, the Sponsor purchased 8,625,000 shares (the "Founder Shares") of the Company's Class B common stock, par value $0.0001 per share (the "Class B common stock"), for an aggregate price of $25,000. The Founder Shares will automatically convert into Class A common stock on a one-for-one basis at the time of the Company's initial Business Combination and are subject to certain transfer restrictions. The Founder Shares included up to an aggregate of 1,125,000 shares subject to forfeiture to the extent that the over-allotment option was not exercised in full or in part by the underwriters so that the Founder Shares would represent 20% of the Company's issued and outstanding shares after the Initial Public Offering. In July 2020, Sponsor transferred 10,000 founder shares to Thomas W. Corbett, Jr., one of our independent director nominees. As a result of the underwriters' election to fully exercise their over-allotment option on August 25, 2020, 1,125,000 Founder Shares are no longer subject to forfeiture.

The Company's Founder Shares are subject to transfer restrictions pursuant to lock-up provisions in a letter agreement with the Company entered into by the initial stockholders, and officers and directors. Those lock-up provisions provide that such securities are not transferable or salable until the earlier to occur of: (1) one year after the completion of the initial Business Combination, or (2) subsequent to the initial Business Combination if the Company completes a liquidation, merger, stock exchange or other similar transaction that results in all of the public stockholders having the right to exchange their Public Shares for cash, securities or other property. Notwithstanding the foregoing, the Sponsor has the right to transfer its ownership in the Founder Shares at any time, and to any transferee, to the extent that the Sponsor determines, in good faith, that such transfer is necessary to ensure that it and/or any of its parents, subsidiaries or affiliates are in compliance with the Investment Company Act of 1940. Further, and notwithstanding the foregoing, if subsequent to the initial

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Business Combination the reported last sale price of the common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial Business Combination, all of the Founder Shares will be released from the lock-up. Any permitted transferees will be subject to the same restrictions and other agreements of the initial stockholders with respect to any Founder Shares.

As noted above, prior to the closing of the IPO, our Sponsor transferred 10,000 Founder Shares to our independent directors in recognition of and as compensation for their future services to the Company. The transfer of Founder Shares to these directors is within the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The fair value of the 10,000 shares granted to our independent directors was $61,173 or $6.12 per share. Compensation expense related to the Founder Shares is recognized only when the performance condition (i.e. the remediation of the lock-up provision) is probable of achievement under the applicable accounting literature. Stock-based compensation would be recognized at the date the lock-up provisions have been remediated, or are probable to be remediated, in an amount equal to the number of Founder Shares times the grant date fair value per share (unless subsequently modified) less the amount initially received for the transfer of the Founder Shares. As of December 31, 2021, the Company has not yet entered into any definitive agreements in connection with any Business Combination and as such, the lock-up provisions have not been remediated and are not probable to be remediated. Any such agreements may be subject to certain conditions to closing, such as, for example, approval by the Company's shareholders. As a result, the Company determined that, taking into account that there is a possibility that a Business Combination might not happen, no stock-based compensation expense should be recognized until the Business Combination occurs.

Administrative Support Agreement

The Company entered into an agreement, commencing on July 24, 2020 through the earlier of the Company's consummation of a Business Combination and its liquidation, to pay two affiliates of the Sponsor $10,000 each, per month, for office space and administrative support services. For the years ended December 31, 2022 and 2021, the Company incurred and paid $240,000.

Related Party Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor, members of the Company's founding team or any of their affiliates may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans" or "Note"). In August 2021, the Sponsor committed to provide the Company up to an aggregate of $1,500,000 in loans for working capital purposes. The Note does not bear interest and is repayable in full upon consummation of a Business Combination. If the Company does not complete a Business Combination, the Note shall not be repaid and all amounts owed under it will be forgiven. As of December 31, 2022 and December 31, 2021, there was a balance of $1,500,000 under this loan. Subsequent to the reporting period, on January 31, 2023, the Sponsor agreed to loan us up to an additional $1,500,000 under this loan. Upon the consummation of a Business Combination, the holder of the Note (or a permitted assignee) shall have the option, but not the obligation, to convert all or a portion of the unpaid principal balance of the Note into that number of Working Capital Warrants equal to the principal amount of the Note so converted divided by $1.50. The conversion option should be bifurcated and accounted for as a derivative in accordance with ASC 815. However, the exercise price of the underlying warrants was greater than the warrant fair value as of December 31, 2022, and when the Note was drawn on. The Company believes that the likelihood of the Sponsor's exercise of the option to convert the Note to warrants is de minimis. As a result, the Company recorded zero liability related to the conversion option.

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The terms of the Working Capital Warrants will be identical to the terms of the warrants issued by the Company to the Sponsor in a private placement that took place simultaneously with the Company's Initial Public Offering. The Note is subject to customary events of default, the occurrence of which automatically trigger the unpaid principal balance of the Note and all other sums payable with regard to the Note becoming immediately due and payable. As of December 31, 2022 and 2021, there was a balance of $1,500,000 under this loan.

Sponsor Loans

On February 15, 2021, the Sponsor committed to provide the Company up to an aggregate of $500,000 in loans for working capital purposes. These loans will be non-interest bearing, unsecured and will be repaid upon the consummation of a Business Combination. If the Company does not consummate a Business Combination, all amounts loaned to the Company in connection with these loans will be forgiven except to the extent that the Company has funds available to it outside of its Trust Account. As of December 31, 2022 and 2021, the outstanding balance of the loan is $0. On June 24, 2020, the Sponsor agreed to loan the Company an aggregate of up to $300,000 to cover expenses related to the Initial Public Offering pursuant to a promissory note (the "Note"). The Note was non-interest bearing and payable on the earlier of August 31, 2020 or the completion of the Initial Public Offering. The outstanding balance under the Note of $97,126 was repaid at the closing of the Initial Public Offering on July 27, 2020. Affiliates of the Company and of the Sponsor advanced the Company an aggregate of $265,763 to cover expenses related to the Initial Public Offering. The advances were non-interest bearing and due on demand. The outstanding advances of $265,763 were repaid at the closing of the Initial Public Offering on July 27, 2020.

On July 25, 2022, in connection with the approval of the First Extension Amendment Proposal, the Company issued the Extension Note in the principal amount of up to $1,924,356 to the Sponsor, pursuant to which the Sponsor agreed to loan the Company up to $1,924,356. The First Extension Note bears no interest and is repayable in full upon the earlier of (a) the date of the consummation of the Company's Business Combination, or (b) the date of the liquidation of the Company. The maturity date of the First Extension Note may be accelerated upon the occurrence of an Event of Default (as defined therein). Any outstanding principal under the First Extension Note may be prepaid at any time by the Company, at its election and without penalty, provided, however, that the Sponsor shall have a right to first convert such principal balance as described in Section 17 of the First Extension Note upon notice of such prepayment. If a Business Combination is not completed and the Company winds up, there will not be sufficient assets to repay the First Extension Note and it will be worthless. As of December 31, 2022, $1,924,356 had been deposited into Trust Account by the Sponsor to extend the period the Company has to complete a Business Combination from July 27, 2022 to January 27, 2023.

Upon the consummation of a Business Combination, the holder of the Note (or a permitted assignee) shall have the option, but not the obligation, to convert up to $1,500,000 or a portion of the unpaid principal balance of the Note into that number of Working Capital Warrants equal to the principal amount of the Note so converted divided by $1.50. The conversion option should be bifurcated and accounted for as a derivative in accordance with ASC 815. However, the exercise price of the underlying warrants was greater than the warrant fair value as of December 31, 2022, and when the Note was drawn on. The Company believes that the likelihood of the Sponsor's exercise of the option to convert the Note to warrants is de minimis. As a result, the Company recorded zero liability related to the conversion option.

On September 29, 2022, the Sponsor agreed to loan the Company an aggregate of $1,500,000 to cover expenses related to the Business Combination and other operating activities until the consummation of the initial business combination, this is a separate $1,500,000 than the convertible note discussed above. This note bears no interest and is repayable in full upon the earlier of (a) the date of the consummation of the Company's initial

business combination, or (b) if the initial business combination does not occur this note will not be repaid. As of December 31, 2022 $1,500,000 was outstanding on this loan.

NOTE 6. COMMITMENTS

Registration Rights

Pursuant to a registration rights agreement entered into on July 23, 2020, the holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of the Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and upon conversion of the Founder Shares) are entitled to registration rights. The holders of these securities will be entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of a Business Combination. However, the registration rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lockup period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriters were paid a cash underwriting discount of $6,900,000 in the aggregate. In addition, the underwriters were entitled to a deferred fee of $0.35 per Unit, or $12,075,000. The deferred fee was to become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

On November 25, 2022, the Company received a letter providing notice from Wells Fargo Securities, LLC. (“Wells Fargo”), waiving any entitlement to their portion of the $12,075,000 deferred underwriting fee that accrued from Wells Fargo’s participation as the underwriters of the Initial Public Offering and their right of first refusal to act as co-placement agents in connection with any equity or debt financing transaction (including any investment banking and financial advisory services) related to the Business Combination. Such waiver reduces the estimated expenses of the Business Combination by $12,075,000. A portion of deferred underwriting discount previously recorded in the additional paid-in capital is recorded as a recovery in the additional paid-in capital and a portion previously expensed is recorded as a recovery in the statement of operations in year ended December 31, 2022.

Forward Purchase Agreement

On July 2, 2020, the Company entered into a forward purchase agreement pursuant to which East Asset Management, LLC (“East Asset Management”), an affiliate of the Sponsor, agreed to purchase an aggregate of up to 5,000,000 units (the “forward purchase units”), consisting of one share of Class A common stock (the “forward purchase shares”) and one-half of one warrant to purchase one share of Class A common stock (the “forward purchase warrants”), for $10.00 per unit, or an aggregate maximum amount of $50,000,000, in a private placement that will close simultaneously with the closing of a Business Combination. East Asset Management was too purchase a number of forward purchase units that would result in gross proceeds to the Company necessary to enable the Company to consummate a Business Combination and pay related fees and expenses, after first applying amounts available to the Company from the Trust Account (after paying the deferred underwriting discount and giving effect to any redemptions of Public Shares) and any other financing source

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obtained by the Company for such purpose at or prior to the consummation of a Business Combination, plus any additional amounts mutually agreed by the Company and East Asset Management to be retained by the post-business combination company for working capital or other purposes. East Asset Management's obligation to purchase forward purchase units was, among other things, be conditioned on the Business Combination (including the target assets or business, and the terms of the Business Combination) being reasonably acceptable to East Asset Management and on a requirement that such initial Business Combination is approved by a unanimous vote of the Company's board of directors. In determining whether a target is reasonably acceptable to East Asset Management, the Company expected that East Asset Management would consider many of the same criteria as the Company will consider but would also consider whether the investment is an appropriate investment for East Asset Management. The Forward Purchase Agreement is treated as a level 3 financial instrument under ASC 820. This agreement was terminated on December 2, 2022. Please refer to Note 10 for additional information.

Trust Extension

On July 25, 2022, the Company convened a special meeting of stockholders at which the First Extension Amendment Proposal was approved, extending the date by which the Company has to complete a Business Combination from July 27, 2022 to January 27, 2023. In connection with the special meeting, the Company provided the stockholders the opportunity to redeem all or a portion of their Class A common stock, and stockholders holding 24,781,028 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. Consequently, approximately $248,087,256 (approximately $10.01 per share) was removed from the Trust Account to pay such redeeming holders. Additionally, in connection with the approval of the First Extension Amendment Proposal, the Company issued the First Extension Note in the principal amount of up to $1,924,356 to the Sponsor, pursuant to which the Sponsor agreed to loan the Company up to $1,924,356. The First Extension Note bears no interest and is repayable in full upon the earlier of (a) the date of the consummation of the Company's Business Combination or (b) the date of the liquidation of the Company. In order to further extend the period the Company has to complete a Business Combination beyond July 27, 2022, an additional $320,726 was deposited into the Trust Account commencing on July 27, 2022 and on the 27th of each subsequent month, or portion thereof, for each additional month that the Company requires to complete a Business Combination from July 27, 2022 until January 27, 2023.

Business Combination

On August 30, 2022, the Company, LMA Merger Sub, Abacus Merger Sub, LMA and Abacus, entered into (the Merger Agreement), pursuant to which, subject to the satisfaction or waiver of certain conditions precedent in the Merger Agreement, (i) LMA Merger Sub will merge with and into LMA, with LMA surviving such merger as a direct wholly owned subsidiary of the Company and (ii) Abacus Merger Sub will merge with and into Abacus, with Abacus surviving such merger as a direct wholly owned subsidiary of the Company. The Proposed Business Combination is expected to be consummated in the first half of 2023, subject to the fulfillment of certain conditions. Subject to the terms of the Merger Agreement, the aggregate merger consideration with respect to the holders of issued and outstanding limited liability company interests in LMA and Abacus will consist of approximately $531.8 million, payable in a number of newly issued Company Class A common stock at a deemed value of $10.00 per share, with a portion of the aggregate merger consideration payable in cash upon the satisfaction of certain conditions.

In conjunction with the Business Combination certain legal and advisory fees have been incurred and will become due at closing of the Business Combination. The Company has accrued approximately $3.1 million in

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such legal fees and $4.8 million in advisory fees, these amounts are reflected in the consolidated financial statements as of December 31, 2022.

NOTE 7. STOCKHOLDERS' EQUITY

Preferred Stock—The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of $0.0001 per share with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of December 31, 2022 and December 31, 2021, there were no shares of preferred stock issued or outstanding.

Class A Common Stock—The Company is authorized to issue 200,000,000 shares of Class A common stock with a par value of $0.0001 per share. At December 31, 2022 and December 31, 2021, there was 0 shares of Class A common stock issued and outstanding, excluding the 9,718,972 and 34,500,000 shares of Class A common stock subject to possible redemption at December 31, 2022 and December 31, 2021, respectively. In connection with the special meeting convened on July 25, 2022 related to the First Extension Amendment Proposal, stockholders totaling 24,781,028 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds held in the Trust Account.

Class B Common Stock—The Company is authorized to issue 20,000,000 shares of Class B common stock with a par value of $0.0001 per share. As of December 31, 2022 and December 31, 2021, there was 8,625,000 shares of Class B common stock issued and outstanding.

Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. Holders of the Class A common stock and holders of the Class B common stock will vote together as a single class on all matters submitted to a vote of the Company's stockholders, except as required by law.

The Class B common stock are identical to the shares of Class A common stock included in the Units sold in the Initial Public Offering, and holders of Class B common stock have the same stockholder rights as public stockholders, except that (i) the Class B common stock are subject to certain transfer restrictions, as described in more detail below, (ii) the Sponsor, officers and directors have entered into a letter agreement with the Company, pursuant to which they have agreed (A) to waive their redemption rights with respect to any Class B common stock and any Public Shares held by them in connection with the completion of a Business Combination and (B) to waive their rights to liquidating distributions from the Trust Account with respect to any Class B common stock held by them if the Company fails to complete a Business Combination within the Combination Period, although they will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares they hold if the Company fails to complete a Business Combination within the Combination Period, (iii) the Class B common stock will automatically convert into shares of Class A common stock at the time of a Business Combination, on a one-for-one basis, subject to adjustment pursuant to certain anti-dilution rights and (iv) are subject to registration rights. If the Company submits a Business Combination to the public stockholders for a vote, the Sponsor has agreed to vote any Class B common stock held by it and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination.

With certain limited exceptions, the shares of Class B common stock are not transferable, assignable or salable (except to the Company's officers and directors and other persons or entities affiliated with the Sponsor, each of whom will be subject to the same transfer restrictions) until the earlier of (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, (x) if the last sale price of the Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period

commencing at least 150 days after a Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the stockholders having the right to exchange their shares of common stock for cash, securities or other property.

NOTE 8. WARRANT LIABILITY

Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination and (b) 12 months from the closing of the Proposed Offering. The Public Warrants will expire five years from the completion of a Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of Class A common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable and the Company will not be obligated to issue a share of Class A common stock upon exercise of a warrant unless the share of Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 20 business days after the closing of a Business Combination, it will use its commercially reasonable efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. The Company will use its commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the issuance of the shares of Class A common stock issuable upon exercise of the warrants is not effective by the 60th business day after the closing of a Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption. In addition, if the shares of Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of the Public Warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company elects to do so, the Company will not be required to file or maintain in effect a registration statement, but it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Redemption of Warrants for Cash—Once the warrants become exercisable, the Company may redeem the outstanding Public Warrants for cash:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days’ prior written notice of redemption to each warrant holder; and

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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- if, and only if, the last sale price of the Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. However, the Company will not redeem the warrants unless an effective registration statement under the Securities Act covering the shares of Class A common stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock is available throughout the 30-day redemption period, except if the warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act.

Redemption of Warrants for Shares of Class A Common Stock—Once the warrants become exercisable, the Company may redeem the outstanding warrants for shares of Class A common stock:

- in whole and not in part;
- at a price equal to a number of shares of Class A common stock to be determined by reference to the agreed table set forth in the warrant agreement based on the redemption date and the "fair market value" of the Class A common stock;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the last sale price of the Class A common stock equals or exceeds $10.00 per share (as adjusted per share splits, share dividends, reorganizations, recapitalizations and the like) on the trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

The exercise price and number of shares of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, except as described below, the warrants will not be adjusted for issuance of Class A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

In addition, if (x) the Company issues additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than $9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to the Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the completion of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's shares of Class A common stock during the 20 trading day period starting on the trading day prior to the day on which the Company completes a Business Combination (such price, the "Market Value") is below $9.20 per share, the exercise price of the Public Warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

Value and the Newly Issued Price, and the $10.00 and $18.00 per share redemption trigger prices described above adjacent to "Redemption of Warrants For Cash" and "Redemption of Warrants For Shares of Class A Common Stock" will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that (x) the Private Placement Warrants and the shares of Class A common stock issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions, (y) the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees and (z) the Private Placement Warrants and the shares of Class A common stock issuable upon exercise of the Private Placement Warrants will be entitled to registration rights. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

NOTE 9. INCOME TAX

The Company's net deferred tax assets are as follows:

Description	December 31, 2022	December 31, 2021
Deferred tax assets		
Net operating loss carryforward	$ —	$ 57,440
Startup and organizational expenses	753,230	322,752
Total deferred tax assets	753,230	380,192
Valuation Allowance	(753,230)	(380,192)
Deferred tax assets, net of allowance	$ —	$ —

The income tax provision consists of the following:

Description	December 31, 2022	December 31, 2021
Federal		
Current	41,592	—
Deferred	(243,908)	(380,192)
State and Local		
Current	10,893	—
Deferred	(129,130)	—
Change in valuation allowance	373,038	380,192
Income tax provision	$ 52,485	$ —

As of December 31, 2022 and December 31, 2021, the Company had $0, and $273,522 of U.S. federal net operating loss carryovers, which do not expire, available to offset future taxable income, respectively.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax

assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the years ended December 31, 2022 and 2021, the change in the valuation allowance was $373,038 and $380,192, respectively.

A reconciliation of the federal income tax rate to the Company's effective tax rate is as follows:

Description	December 31, 2022	December 31, 2021
Statutory federal income tax rate	21.0%	21.0%
State taxes, net of federal tax benefit	20.39%	— %
Merger costs	(358.38)%	— %
Change in fair value of warrants	331.68%	(21.1)%
Change in fair value of forward purchase agreement liability	21.32%	(1.7)%
Deferred underwriting fees	18.23%	— %
Valuation allowance	(63.11)%	1.8%
Income tax provision	(8.87)%	(0.0)%

The Company files income tax returns in the U.S. federal jurisdiction and is subject to examination by the various taxing authorities. The Company's tax returns since inception remain open to examination by the taxing authorities. The Company considers Florida to be a significant state tax jurisdiction.

NOTE 10. FAIR VALUE MEASUREMENTS

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022 and December 31, 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	December 31, 2022	Level	December 31, 2021
Assets:				
Marketable securities held in Trust Account	1	99,222,704	1	345,048,888
Liabilities:				
Warrant Liability—Public Warrants	1	3,018,750	1	9,177,000
Warrant Liability—Private Placement Warrants	2	1,557,500	2	4,734,800
Forward Purchase Agreement Liability	3	—	3	1,600,000

The Public Warrants and Private Placement Warrants (collectively, the "Warrants") and forward purchase agreement were accounted for as liabilities in accordance with ASC 815-40 and are presented separately in the condensed balance sheets. The warrant liabilities and forward purchase agreement liability are measured at fair value at inception and on a recurring basis, with changes in fair value presented separately in the condensed statements of operations.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The following table presents the roll forward for the Level 3 Derivative liabilities as of December 31, 2022 and 2021:

Level 3 Derivative liabilities as of December 31, 2021	$ 1,600,000
Change in fair value of forward purchase agreement	(600,000)
Cancelation of forward purchase agreement	(1,000,000)
Level 3 Derivative liabilities as of December 31, 2022	$ —
Level 3 Derivative liabilities as of December 31, 2020	$ 13,046,000
Change in fair value of Private Placement Warrants	(5,411,200)
Change in fair value of forward purchase agreement	(1,300,000)
Transfer from Level 3 to Level 2 derivative—Private Placement Warrants	(4,734,800)
Level 3 Derivative liabilities as of December 31, 2021	$ 1,600,000

The subsequent measurements of the Public Warrants after the detachment of the Public Warrants from the Units on September 14, 2020 were classified as Level 1 due to the use of an observable market quote in an active market. For periods subsequent to the detachment of the Public Warrants from the Units, the close price of the Public Warrant price will be used as the fair value as of each relevant date. The Private Placement Warrants are considered to be a Level 2 fair value measurement and are valued the same as Public Warrant even though they are not traded on the market. The Private Placement Warrants were considered a Level 3 fair value measurement prior to Quarterly period ended September 30, 2021 using a binomial lattice model. The binomial lattice model's primary unobservable input utilized in determining the fair value of the Warrants is the expected volatility of the common stock. The expected volatility as of the Initial Public Offering date was derived from observable public warrant pricing on comparable 'blank-check' companies without an identified target.

The following table presents the changes in the fair value of warrant liabilities:

	Private Placement	Public	Warrant Liabilities
Investment liabilities as of December 31, 2021	$ 4,734,800	$ 9,177,000	$ 13,911,800
Change in valuation inputs or other assumptions	(3,177,300)	(6,158,250)	(9,335,550)
Investment liabilities as of December 31, 2022	$ 1,557,500	$ 3,018,750	$ 4,576,250
Derivative liabilities as of December 31, 2020	$ 10,146,000	$ 19,665,000	$ 29,811,000
Change in valuation inputs or other assumptions	(5,411,200)	(10,488,000)	(15,899,200)
Fair value as of December 31, 2021	$ 4,734,800	$ 9,177,000	$ 13,911,800

The forward purchase agreement was valued using the publicly traded price of the Company's Units, based upon the fact that the Forward Purchase Units are equivalent to the Company's publicly traded Units, and the publicly traded price of the Units considered (i) the market's expectation of an initial Business Combination and (ii) the Company's redemption of the common stock within the Units at $10.00 per shares if an initial Business Combination does not occur. The forward purchase agreement was terminated on December 2, 2022.

EAST RESOURCES ACQUISITION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

The following table presents the quantitative information regarding Level 3 fair value measurements of the forward purchase agreement:

	December 31, 2021
Unit price	$ 10.31
Term to initial business combination (in years)	0.5
Risk-free rate	0.19%
Dividend yield	0.0%

The following table presents the changes in the fair value of the forward purchase agreement liability:

Fair value as of December 31, 2021	$ 1,600,000
Change in fair value	(600,000)
Cancelation of forward purchase agreement	(1,000,000)
Fair value as of December 31, 2022	$ —
Fair value as of December 31, 2020	2,900,000
Change in fair value	(1,300,000)
Fair value as of December 31, 2021	$ 1,600,000

NOTE 11. SUBSEQUENT EVENTS

The Company evaluates subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

On January 20, 2023, the Company convened a special meeting of stockholders at which the Second Extension Amendment Proposal to extend the date by which the Company has to complete a Business Combination from January 27, 2023 to July 27, 2023 was approved. In connection with the special meeting, stockholders were provided an opportunity to redeem all or a portion of their Class A common stock, and stockholders holding 6,862,925 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. Consequently, approximately $70,070,464 (approximately $10.21 per share) was removed from the Trust Account to pay such redeeming holders. Additionally, in connection with the approval of the Second Extension Amendment Proposal, the Company issued the Second Extension Note in the principal amount of up to $565,497 to the Sponsor, pursuant to which the Sponsor agreed to loan us up to $565,497. The Second Extension Note bears no interest and is repayable in full upon the earlier of (a) the date of consummation of Company's Business Combination or (b) the date of liquidation of the Company. In order to further extend the period the Company has to complete a Business Combination beyond the 27th of a given month until July 27, 2023, the Sponsor will deposit an additional $94,250 into the Trust Account commencing on January 27, 2023 and on the 27th of each subsequent month until July 27, 2023. As of April 17, 2023, $282,750 has been deposited into Trust Account by the Sponsor.

Abacus Settlements, LLC d/b/a Abacus Life

Financial Statements as of and for the Years Ended December 31, 2022, and 2021, and
Report of Independent Registered Public Accounting Firm

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Members
Abacus Settlements, LLC d/b/a Abacus Life

Opinion on the financial statements

We have audited the accompanying balance sheets of Abacus Settlements, LLC d/b/a Abacus Life (a Florida limited liability company) (the "Company") as of December 31, 2022 and 2021, the related statements of operations and comprehensive (loss) income, changes in members' equity, and cash flows for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Grant Thornton LLP

We have served as the Company's auditor since 2022.

Philadelphia, Pennsylvania
February 17, 2023

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE
BALANCE SHEETS

AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,458,740	$ 2,599,302
Related party receivables	402,749	590,371
Other receivables	122,455	40,000
Prepaid expenses	216,150	305,516
Other current assets	15,633	—
Total current assets	2,215,727	3,535,189
PROPERTY AND EQUIPMENT—Net	72,218	33,303
INTANGIBLE ASSETS—Net	148,933	214,071
OTHER ASSETS:		
Operating right-of-use asset	300,866	367,508
Due from members and affiliates	1,448	16,536
State security deposits	206,873	206,640
Certificate of deposit	262,500	918,750
Other non-current assets	7,246	—
Total other assets	778,933	1,509,434
TOTAL ASSETS	$ 3,215,812	$ 5,291,997
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	$ 36,750	$ —
Accrued payroll and other expenses	541,866	510,846
Operating lease liabilities- current portion	214,691	135,321
Contract liability—deposits on pending settlements	322,150	1,678,791
Due to members	1,411	11,857
Total current liabilities	1,116,869	2,336,815
Operating lease liabilities- noncurrent portion	87,806	232,187
Total liabilities	$ 1,204,675	$ 2,569,002
COMMITMENTS AND CONTINGENCIES (NOTE 7)		
MEMBERS' EQUITY:		
Common units; $10 par value; 400 common units issued and outstanding at December 31, 2022 and 2021	4,000	4,000
Additional paid-in capital	80,000	80,000
Retained earnings	1,927,137	2,638,995
Total members' equity	2,011,137	2,722,995
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 3,215,812	$ 5,291,997

See accompanying notes to financial statements.

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE

STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
ORIGINATION REVENUE	$ 7,050,007	$ 4,906,374
RELATED PARTY REVENUE	18,153,456	17,685,770
Total revenue	25,203,463	22,592,144
COST OF REVENUE	5,538,470	2,678,029
RELATED PARTY COST OF REVENUE	11,022,535	11,527,312
Total cost of revenue	16,561,005	14,205,341
GROSS PROFIT	8,642,458	8,386,803
OPERATING EXPENSES:		
General and administrative expenses	8,674,425	7,439,549
Depreciation expense	12,165	10,139
Total operating expenses	8,686,590	7,449,688
(LOSS) INCOME FROM OPERATIONS	(44,132)	937,115
OTHER (EXPENSE) INCOME:		
Interest income	2,199	11,500
Interest (expense)	(8,817)	0
Consulting income	273	50,000
Total other (expense)/ income	(6,345)	61,500
(LOSS) INCOME BEFORE INCOME TAXES	(50,477)	998,615
INCOME TAX EXPENSE	2,018	1,200
Net (loss) income and comprehensive (loss) income	$ (52,495)	$ 997,415
WEIGHTED-AVERAGE UNITS USED IN COMPUTING NET INCOME (LOSS) PER UNIT:		
Basic	400	400
Diluted	400	400
NET INCOME (LOSS) PER UNIT:		
Basic earnings per unit	$ (131.24)	$ 2,493.54
Diluted earnings per unit	$ (131.24)	$ 2,493.54

See accompanying notes to financial statements.

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (52,495)	$ 997,415
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	25,184	18,651
Amortization expense	80,138	12,593
Amortization of deferred financing fees	7,817	—
Non-cash lease expense	1,631	—
Changes in operating assets and liabilities:		
Related party receivables	187,622	(456,240)
Other receivables	(82,455)	(40,000)
Prepaid expenses	89,366	(58,316)
Other non-current assets	(7,246)	
Accounts payable	36,750	—
Accrued payroll and other expenses	31,020	(4,349)
Contract liability—deposits on pending settlements	(1,356,641)	610,541
State security deposit	(233)	(32)
Certificate of deposit	656,250	262,500
Net cash (used in)/ from operating activities	(383,291)	1,342,763
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(64,099)	—
Purchase of intangible asset	(15,000)	(226,664)
Change in due from members and affiliates	15,088	(14,864)
Net cash (used in) investing activities	(64,011)	(241,528)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financing fees	(23,450)	—
Change in due to members	(10,446)	3,639
Distributions to members	(659,363)	(358,216)
Net cash (used in) financing activities	(693,259)	(354,577)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,140,562)	746,658
CASH AND CASH EQUIVALENTS—Beginning of year	2,599,302	1,852,644
CASH AND CASH EQUIVALENTS—End of year	$ 1,458,740	$ 2,599,302

See accompanying notes to financial statements.

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Common units		Additional	Retained	Total
	Units	Amount	Paid-in Capital	Earnings	Members' Equity
BALANCE—January 1, 2021	400	$4,000	$ 80,000	1,999,796	2,083,796
Net income	—	—	—	997,415	997,415
Distributions	—	—	—	(358,216)	(358,216)
BALANCE—December 31, 2021	400	4,000	80,000	2,638,995	2,722,995
Net (loss)	—	—	—	(52,495)	(52,495)
Distributions	—	—	—	(659,363)	(659,363)
BALANCE—December 31, 2022	400	$4,000	$ 80,000	$1,927,137	$ 2,011,137

See accompanying notes to financial statements.

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Abacus Settlements, LLC d/b/a Abacus Life (the "Company") was formed in 2004 in the state of New York. In 2016, the Company obtained its licensure in Florida and re-domesticated to that state.

The Company acts as a purchaser of outstanding life insurance policies on behalf of investors ("financing entities") by locating policies and screening them for eligibility for a life settlement, including verifying that the policy is in force, obtaining consents and disclosures, and submitting cases for life expectancy estimates, also known as origination services. When the sale of a policy is completed, this is deemed "settled" and the policy is then referred to as either a "life settlements," in which the insured's life expectancy is greater than two years or "viatical settlements," in which the insured's life expectancy is less than two years.

The Company is not an insurance company, and therefore does not underwrite insurable risks for its own account.

On August 30, 2022, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with East Resources Acquisition Company ("ERES"), which was subsequently amended on October 14, 2022 and April 20, 2023. As part of the Merger Agreement, the total transaction value is $618,000,000, where the holders of the Company's common units together with the holders of Longevity Markets Assets, LLC ("LMA"), a commonly owned affiliate, will receive aggregate consideration of approximately $531,800,000, payable in a number of newly issued shares of ERES Class A common stock, par value $0.0001 per share ("ERES Class A common stock"), with a value ascribed to each share of ERES Class A common stock of $10.00 and, to the extent the aggregate transaction proceeds exceed $200.0 million, at the election of the Company's and LMA's members, up to $20.0 million of the aggregate consideration will be payable in cash to the Company's and LMA's members. The transaction is expected to close in Q2 2023, subject to shareholder approval and customary closing conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements are presented in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates—The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of financial statements and the reports amounts of revenue and expenses during the reporting periods. Company's estimates, judgments and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from the estimates. Estimates are used when accounting for revenue recognition and related costs, the selection of useful lives of property and equipment, impairment testing, valuation of other receivables, income taxes and legal reserves.

Going Concern—Management evaluates at each annual and interim period whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are issued. Management's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued. Management has concluded that there are no conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date these financial statements were issued.

Cash and Cash Equivalents—Cash and cash equivalents include short-term and all highly-liquid debt instruments purchased with an original maturity of three months or less.

Related party receivables—Related party receivables include fees to be reimbursed to the Company from life expectancy reports, assisted physician services and escrow services incurred on policies that related party financing entities purchase as part of the origination agreement with the Company. Related party receivables are stated at their net realizable value. Approximately, three-quarters of the outstanding receivables as of December 31, 2022 were collected in January 2023 and half of these fees as of December 31, 2021 were collected in January 2022. The Company recognizes allowances for credit losses equal to the estimated collection losses that will be incurred in collection of all receivables. Management determines the allowance for credit losses based on a review of outstanding receivables, historical collection experience, current economic conditions, and reasonable and supportable forecasts. Account balances are charged off against the allowance for credit losses when deemed uncollectible (after all means of collection have been exhausted and the potential for recovery is deemed remote). The Company does not have any material allowance for credit losses as of December 31, 2022 or December 31, 2021. Refer to Note 12—Related Party Transactions for additional information.

Other receivables—Other receivables include origination fees for policies in which the recission period has ended, but the funds have not been received yet from financing entities. These fees were collected in the subsequent month.

The Company provides an allowance for credit losses equal to the estimated collection losses that will be incurred in collection of all receivables. Management determines the allowance for credit losses based on a review of outstanding receivables, historical collection experience, current economic conditions, and reasonable and supportable forecasts. Account balances are charged off against the allowance for credit losses after all means of collection have been exhausted and the potential for recovery is deemed remote. The Company does not have any material allowance for credit losses as of December 31, 2022 or December 31, 2021.

If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company did not record material allowance for credit losses as of December 31, 2022 and December 31, 2021, respectively.

Concentrations—All of the Company's revenues are derived from life settlement transactions in which the Company represents financing entities that purchased existing life insurance policies. One financing entity, a company in which the Company's members' own interests, represented 60% and 76% of the Company's revenues in 2022 and 2021, respectively. The Company works with licensed life settlement brokers and agents who represent the sellers. No single broker or agent represented the sellers for over 10% of the Company's life settlement commission expense in 2022 and 2021.

The Company maintains cash deposits with a major bank which from time to time may exceed federally insured limits. The Company periodically assesses the financial condition of the institution and believes that the risk of loss is minimal. For accounts receivable, the Company is exposed to credit risk in the event of nonpayment by customers to the extent of the amounts recorded on the accompanying Balance Sheet. The Company extends different levels of credit to its customers and maintains allowance for credit loss accounts based upon the expected collectability of accounts receivable. The Company's procedures for determining this allowance includes evaluating individual customer receivables, considering a customer's financial condition, monitoring credit history and current economic conditions, using historical experience applied to an aging of accounts, and reasonable and supportable forecasts.

Property and Equipment—Net—Property and equipment, net is stated at cost less accumulated depreciation. Depreciation expense is recognized over the useful lives of the assets using the straight-line method. The estimated useful life of each asset category is as follows:

	Years
Computer equipment	5
Office furniture	5

Expenditures for repairs and maintenance are charged to expense in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts. The difference between the net book value of the assets and proceeds from disposal is recognized as a gain or loss on disposal, which is included in other income), in the statements of operations and comprehensive (loss) income.

Property and equipment are tested for recoverability whenever events or changes in circumstance indicate that their carrying amounts may not be recoverable. An impairment loss is recognized if the carrying amount of property and equipment is not recoverable and exceeds its fair value. Recoverability is determined based on the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. There were no impairments recognized during the years ended December 31, 2022 and 2021, respectively. Property and equipment to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Intangible Assets—Net—Intangible assets are stated at cost, less accumulated amortization, and consist of capitalized costs incurred for the development of internal use software. The costs incurred exclusively consist of fees incurred from an external consulting firm during the development stage of the project and are subject to capitalization under Accounting Standards Codification ("ASC") 350-40, *Internal-Use Software*. The software is amortized on the straight-line basis over an estimated useful life of 3 years. Company reviews definite-lived intangible assets and other long-lived assets for impairment whenever an event occurs that indicates the carrying amount of an asset may not be recoverable. No impairment was recorded for the years ended December 31, 2022 and 2021.

State security deposit and Certificate of Deposit—As a requirement of the licensing process, the Company is required to maintain a security deposit with a depository bank for the New Jersey Department of Banking and Insurance. The Company maintains a money market account in TD Wealth (NJ) to comply with these requirements. Additionally, a deposit was made with the Florida Department of Financial Services to meet a similar requirement in the state of Florida. Further, Bank of America required the Company to purchase a certificate of deposit as collateral for an irrevocable letter of credit, which supports the bonds that are required by certain states for licensing. As these deposits cannot be withdrawn due to regulatory requirements, they are not short term in nature and are classified as noncurrent assets on the balance sheets.

Fair Value Measurements—The following fair value hierarchy is used in selecting inputs for those assets and liabilities measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's assumptions (unobservable inputs). The Company evaluates these inputs and recognizes transfers between levels, if any, at the end of each reporting period. The hierarchy consists of three levels:

Level 1—Valuation based on quoted market prices in active markets for identical assets or liabilities;

Level 2—Valuation based on inputs other than Level 1 inputs that are observable for the assets or liabilities either directly or indirectly;

Level 3—Valuation based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and supported by little or no observable market activity.

The carrying values of the Company's financial assets and liabilities, including cash and cash equivalents, premiums, commissions and fees receivable, premiums payable and accrued expenses and other current liabilities, approximate their fair values because of the short period of time to maturity and liquidity of those instruments.

Revenue Recognition—The Company recognizes revenue from origination activities by acting as a provider of life settlements and viatical settlements representing investors that are interested in purchasing life settlements on the secondary or tertiary market. Revenue from origination services consists of fees negotiated for each purchase and sale of a policy to an investor, which also include any agent and broker

commissions received and the reimbursement of transaction costs. For revenue disaggregation based upon the source of the policy, see disclosure in Note 8—Revenue.

The Company's revenue-generating arrangements are within the scope of ASC 606, *Revenue from Contracts with Customers*. The Company originates life settlements policies with third parties that include settlement brokers, life insurance agents, and direct consumers or policyholders. The Company then provides the administration services needed to initiate the transfer of the life settlement policies to investors in exchange for an origination fee. Such transactions are entirely performed through an escrow agent. In these arrangements, the customer is the investor, and the Company has a single performance obligation to originate a life settlement policy for the investor. The consideration transferred upon each policy is negotiated directly with the investor by the Company and is dependent upon the policy death benefits held by each life settlement policy. The revenue is recognized when the performance obligation under the terms of the contracts with customers are satisfied. The Company recognizes revenue from life settlement transactions when the closing has occurred and any right of rescission under applicable state law has expired (i.e., the customer obtains control over the policy and has the right to use and obtain the benefits from the policy). While rescission periods may vary by state, most states grant the owner the right to rescind the contract before the earlier of 30 calendar days after the execution date of the contract or 15 calendar days after life settlement proceeds have been sent to the owner. Purchase and sale of the policies generally occurs simultaneously, and only the fees received, including any agent and broker commissions and transaction costs reimbursed, are recorded as gross revenue.

For agent and broker commissions received and transaction costs reimbursed, the Company has determined that it is acting as the principal in the relationship as it maintains control of the services being performed as part of performance obligation prior to facilitating the transfer of the life settlement policy to the investor.

While the origination fees are fixed amounts based on the face value of the policy death benefit, there is variable consideration present due to the owners recission right. When variable consideration is present in a contract, the Company estimates the amount of variable consideration to which it expects to be entitled at contract inception and again at each reporting period until the amount is known. The entity applies the variable consideration constraint so that variable consideration is included in the transaction price only to the extent it is probable that a subsequent change in estimate will not result in a significant revenue reversal. While origination fees are variable due to the recission periods, given that the recission periods are relatively short in nature, the Company has concluded that such fees are fully constrained until the rescission period lapses and thus records revenue at a fixed amount based on the face value of the policy death benefit after the recission period is over.

Cost to Obtain or Fulfill Contracts—Costs to obtain or fulfill contracts include commissions for brokers or agents under specific agreements that would not be incurred without a contract being signed and executed. The Company has elected to apply the ASC 606 'practical expedient' which allows us to expense these costs as incurred if the amortization period related to the resulting asset would be one year or less. The Company has no instances of contracts that would be amortized for a period greater than a year, and therefore has no contract costs capitalized for these arrangements.

Contract Balances—The timing of revenue recognition, customer billing and cash collection can result in billed accounts receivable, unbilled receivables (contract assets), and deferred revenues (contract liabilities). Contract liabilities consist of deposits on pending settlements, where origination fees and commissions were received from policies that had closed in December, but the right of rescission period had not expired as of December 31.

Commissions—The Company receives a fee from the purchaser for their part in arranging the life settlement transactions. Out of that fee income, the Company pays commissions to the licensed representative of the seller, if one is required. Commission expense is recorded at the same time revenue is recognized and is included in the accompanying statements of operations and comprehensive (loss) income as cost of sales.

Segment—Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its President and Chief Executive Officer. The Company has determined that it operates in one operating segment and one reportable segment, as the CODM reviews financial information presented for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Income Taxes—The Company is taxed as an S-corporation for U.S. federal income tax purposes as provided in Section 1362(a) of the Internal Revenue Code. As such, the Company's income or loss and credits are passed through to the members and reported on their individual Federal income tax return. The Company is required to file tax returns in most of the states in which it does business. Not all of the states recognize S-corporations as pass-through entities, and the Company is taxed at the corporate level. Accordingly, the Company pays income taxes to those states that do not treat S corporations as pass-through entities for tax purposes. The income tax expense or benefit is based on taxable income allocated to the states that do not recognize S-corporations as pass-through entities.

The Company records uncertain tax positions in accordance with ASC 740, *Income Taxes*, on the basis of a two-step process whereby: (i) management determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position, and (ii) for those tax positions that meet the more likely than not recognition threshold, management recognizes the largest amount of tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties as a component of income tax expense. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Advertising—All advertising expenditures incurred by the Company are charged to expense in the period to which they relate and are included in general and administrative expenses on the accompanying statements of operations and comprehensive (loss) income. Advertising expense totaled $1,414,828 and $1,803,000 for the years ended December 31, 2022 and 2021, respectively.

Leases—The Company accounts for its leases in accordance with ASC 842, *Leases*. A contract is or contains a lease if there is identified property, plant and equipment that is either explicitly or implicitly specified in the contract and the lessee has the right to control the use of the property, plant and equipment throughout the contract term, which is based on an evaluation of whether the lessee has the right to direct the use of the property, plant and equipment.

In April 2022, the Company entered into an agreement to lease additional office space in Orlando, Florida from a vendor. The lease commenced on May 1, 2022 and goes through October 30, 2023.

Historically, the Company's lease portfolio consisted of a single lease of office space in Orlando, Florida, which is accounted for as an operating lease. In April 2021, the lease was modified to expand the office space leased by the Company and also extend the term of the lease through July 31, 2024. The Company is responsible for utilities, maintenance, taxes and insurance, which are variable payments based on a reimbursement to the lessor of the lessor's costs incurred. The Company excludes variable lease payments from the measurement of lease liabilities and right-of-use ("ROU") assets recognized on the Company's balance sheets. Variable lease payments are recognized as a lease expense on the Company's statements of operations and comprehensive (loss) income in the period incurred. The Company has elected the practical expedient to account for lease components and non-lease components together as a single lease component for its real estate leases noted above.

The Company has elected the short-term lease exemption, which permits the Company to not recognize a lease liability and ROU asset for leases with an original term of one year or less. Currently, the Company does not have any short-term leases. The Company's current lease includes a renewal option. The Company has determined that the renewal option is not reasonably certain of exercise based on an evaluation of

contract, market and asset-based factors, and therefore does not include periods covered by renewal options in its lease term. The Company's leases generally do not include purchase options, residual value guarantees, or material restrictive covenants.

The Company determines its lease liability and ROU by calculating the present value of future lease payments. The present value of future lease payments is discounted using the Company's incremental borrowing rate. As the Company's leases generally do not have a readily determinable implicit rate, the Company uses its incremental borrowing rate based on market yields and comparable credit ratings, adjusted for lease term, to determine the present value of fixed lease payments based on information available at the lease commencement date.

The Company does not have any finance leases, nor is the Company a lessor (or sublessor).

See Note 14 for additional disclosures related to leases.

Earnings Per Unit—The Company has only one class of equity. Basic net (loss) income per unit is calculated by dividing net (loss) income by the weighted average number of units outstanding during the applicable period. If the number of units outstanding increases as a result of a unit dividend or unit split or decreases as a result of a reverse unit split, the computations of basic net (loss) income per unit are adjusted retroactively for all periods presented to reflect that change in capital structure. If such changes occur after the close of the reporting period but before issuance of the financial statements, the per-units computations for that period and any prior-period financial statements presented are based on the new number of units.

3. SEGMENT REPORTING

Operating as a centrally-led life insurance policy intermediary, the Company's President and Chief Executive Officer is the CODM who allocates resources and assesses financial performance based on financial information presented for the Company as a whole. As a result of this management approach, the Company is organized as a single operating segment.

4. PROPERTY AND EQUIPMENT—NET

Property and equipment, net consists of the following:

	2022	2021
Computer equipment	$ 91,993	$ 45,172
Office furniture	68,778	54,069
Leasehold improvement	2,569	—
Total property and equipment	163,340	99,241
Less: accumulated depreciation	(91,122)	(65,938)
Property and equipment—net	$ 72,218	$ 33,303

Depreciation expense recorded for property and equipment was $25,184 and $18,651, of which $13,019 and $8,512 has been included in cost of sales, for the years ended December 31, 2022 and 2021, respectively.

5. INTANGIBLE ASSETS—NET

Intangible assets—net, consist of the following:

	2022	2021
Software	$241,664	$226,664
Less: accumulated amortization	92,731	12,593
Intangible assets—net	$148,933	$214,071

Amortization expense for the year ended December 31, 2022 and 2021 amounted to $80,138 and $12,593, respectively, and has been included in cost of sales.

6. ACCRUED PAYROLL AND OTHER EXPENSES

The Company's accrued payroll and other expenses were as follows:

	2022	2021
Accrued payroll	$224,168	$188,529
Accrued credit card fees	235,680	172,189
Other expenses	82,018	150,128
Total accrued payroll and other expenses	$541,866	$510,846

7. COMMITMENTS AND CONTINGENCIES

Legal Proceedings—The Company is a defendant in a lawsuit brought by a third party. The third party seeks to rescind a viatical settlement contract regarding a $4 million life insurance policy as the third party contends that the subject transaction documents were inconsistent with Delaware law and therefore the rescission provisions of the transaction documents were not enforceable. The trial is expected to begin in April 2023. The Company believes it has acted properly and in accordance with applicable state law and regulations. Legal counsel feels that a favorable outcome is likely for the Company; therefore, no liability has been accrued on the accompanying balance sheets. Although the Company believes there is no merit to this case, there is a five (5) million-dollar errors and omissions insurance policy in place with a $50,000 deductible per occurrence, which would limit any exposure to the Company.

Letter of credit—The Company entered into a one-year letter of credit agreement in August 2022 to support bonding requirements associated with state insurance licenses and provide the Company the ability to borrow up to $1,012,500 related to state penal bonds. The letter of credit has variable interest based on Wall Street Journal Prime rates, beginning at 6.5%. Interest is only due on the outstanding principal amount. The Company did not draw on the letter of credit during 2022, as such $0 was outstanding as of December 31, 2022. The Company incurred $23,450 of financing fees associated with establishing the letter of credit, which have been capitalized in other current assets and amortized over the stated term.

8. REVENUE

Remaining performance obligation—The Company is recognizing revenue at a point in time when the closing has occurred and any right of rescission under applicable state law has expired. As of December 31, 2022 and 2021, there are $322,150 and $1,678,791 in revenues allocated to performance obligations to be satisfied, of which all are expected to be recognized as revenue in the following year when the right of rescission has expired.

Disaggregated Revenue—The following table presents a disaggregation of the Company's revenue by major sources for the years ended December 31, 2022 and 2021:

	2022	2021
Agent	$ 12,156,552	$ 7,668,256
Broker	9,938,808	11,378,713
Client direct	3,108,103	3,545,175
Total	$ 25,203,463	$ 22,592,144

Contract Balances—The balances of contract liabilities arising from contracts with customers for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Contract liabilities—beginning of year	$ 1,678,791	$ 1,068,250
Additions to Contract Liabilities	322,150	1,678,791
Recognition of revenue deferred in the prior year	(1,678,791)	(1,068,250)
Contract liabilities—end of year	$ 322,150	$ 1,678,791

9. INCOME TAXES

Since the Company elected to file as an S-corporation for Federal and State income tax purposes, the Company incurred no Federal or State income taxes. Accordingly, tax expense is attributable to minimum state tax payments that are due regardless of their S-corporation status and income position.

The components of expense for income taxes for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
State income taxes:		
Current	$2,018	$1,200
Deferred	—	—
Expense for income taxes	$2,018	$1,200

This expense solely relates to state minimum tax for state taxes that have been paid and settled during the respective years shown above.

For the years ended December 31, 2022 and 2021, the income tax expense differs from the provision that would result from applying state statutory tax rates to the income before income taxes due to the Company's S-corporation election. A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

Tax at federal statutory rate	21.00%	21.00%
State taxes, net of federal benefit	(4.00)	0.12
U.S. income attributable to pass-through entity	(21.00)	(21.00)
Effective income tax rate	(4.00)%	0.12%

The Company did not have any unrecognized tax benefits relating to uncertain tax positions at December 31, 2022 and 2021 and did not recognize any interest or penalties related to uncertain tax position at December 31, 2022 and 2021.

Given the company's S-Corporation status, temporary book and tax differences do not create a deferred tax asset or liability on the balance sheets. Accordingly, an assessment of realizability of any deferred tax asset balances is not relevant.

On March 27, 2020, the CARES Act was enacted. The CARES Act includes provisions, among others, addressing the carryback of net operating losses for specific periods, refunds of alternative minimum tax credits, temporary modifications to the limitations placed on the tax deductibility of net interest expenses, and technical amendments for qualified improvement property. Additionally, the CARES Act provides for various payroll incentives, including PPP loans, refundable employee retention tax credits, and the deferral of the employer-paid portion of social security payroll taxes.

10. RETIREMENT PLAN

The Company had a 401(k) Safe Harbor and Discretionary Profit-Sharing Plan (the Plan) with a service provider until May 30, 2021, at which time the Company switched to Paychex's Retirement Services 401(k) Profit Sharing Plan. All eligible employees are able to participate in voluntary salary reduction contributions to the Profit-Sharing Plan. All employees who have completed one year of service with the Company are eligible to receive employer matching contributions. The Company may match contributions to the Profit-Sharing Plan, up to 4% of compensation. For the years ended December 31, 2022 and 2021, the Company made a discretionary contribution of $0 and $100,000 to the Profit Sharing Plan, respectively.

11. MEMBERS' EQUITY

The Company is authorized to issue up to 400 units of par value common units. Holders of the Company's common units are entitled to one vote for each share. At December 31, 2022 and 2021, there were 400 shares of common units issued and outstanding. Holders of the common units were entitled to receive, in the event of a liquidation, dissolution or winding up, ratably the assets available for distribution to the unit holders after payment of all liabilities.

12. RELATED PARTY TRANSACTIONS

Due from members and affiliates includes $1,448 and $16,536 of short-term advances to affiliates with no stated terms at December 31, 2022 and 2021, respectively. Due to members and affiliates includes $1,411 and $11,857 of distributions owed to members at December 31, 2022 and 2021, respectively.

The Company has a related party relationship with Nova Trading (US), LLC ("Nova Trading"), a Delaware limited liability company and Nova Holding (US) LP, a Delaware limited partnership ("Nova Holding" and collectively with Nova Trading, the "Nova Funds") as the owners of the Company jointly own 11% of the Nova Funds. For the years ended December 31, 2022 and December 31, 2021, the Company has originated 333 and 313 policies, respectively, for the Nova Funds with a total value of $87,143,005 and $106,633,792. For its origination services to the Nova Funds, the Company earns origination fees equal to the lesser of (i) 2% of the net death benefit for the policy or (ii) $20,000 in addition to agent and broker commissions and reimbursements for transaction expenses, where the Company has determined that it is acting as the principal. For the years ended December 31, 2022 and December 31, 2021, revenue earned and contracts originated are as follows:

	December 31, 2022	December 31, 2021
Origination fee revenue	$ 6,586,922	$ 6,158,458
Commissions and transaction reimbursement revenue	$ 8,656,885	$ 11,093,512
Total revenue	$ 15,243,806	$ 17,251,970
Cost	87,143,005	106,633,792
Face value	481,648,010	459,217,638
Total policies	333	313
Average Age	75	78

The Company also has two other affiliated investors that it provides origination services for. Total revenue earned related to the other affiliated investors was $2,909,650 and $433,800, respectively of which $2,268,150 and $0 related to LMA, for the years ended December 31, 2022 and December 31, 2021, respectively. Total cost of sales were $2,365,650 and $433,800 for the other affiliated investors for the years ended December 31, 2022 and December 31, 2021, respectively.

In addition, at December 31, 2022 and 2021, there were $175,194 and $590,371, respectively, in expense reimbursements due from the Nova funds, which are included as related party receivables in the accompanying balance sheets.

13. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION.

For the years ended December 31, 2022 and December 31, 2021, respectively, supplemental cash flow information and supplemental disclosure of non-cash investing and financing activity consists of the following:

	2022	2021
Supplemental cash flow information:		
Cash paid for income taxes	$ 0	$ 1,200
Supplemental disclosure of non-cash investing and financing activity:		
Distributions owed to the members	1,411	11,857

14. LEASES

The Company's ROU assets and lease liabilities for its operating leases consisted of the following amounts as of December 31, 2022 and 2021:

	As of December 31, 2022	2021
Assets		
Operating lease right-of-use asset	$300,866	$367,508
Liabilities		
Operating lease liability, current	214,691	135,321
Operating lease liability, noncurrent	87,806	232,187
Total operating lease liabilities	$302,497	$367,508

The Company recognizes lease expense for its operating leases within general and administrative expenses on the Company's statements of operations and comprehensive (loss) income. The Company's lease expense for the periods presented consisted of the following:

	Year Ended December 31, 2022	2021
Operating lease cost	$190,183	$ 126,178
Variable lease cost	9,403	10,756
Total lease cost	$199,586	$ 136,935

The following table shows supplemental cash flow information related to lease activities for the periods presented:

	Year Ended December 31, 2022	2021
Cash paid for amounts included in the measurement of the lease liability		
Operating cash flows from operating leases	201,478	126,178
ROU assets obtained in exchange for new lease liabilities	123,541	417,076

The table below shows a weighted-average analysis for lease term and discount rate for all operating leases as of December 31, 2022 and 2021:

	As of December 31, 2022	2021
Weighted-average remaining lease term (in years)	1.41	2.58
Weighted-average discount rate	3.71%	3.36%

Future minimum noncancelable lease payments under the Company's operating leases on an undiscounted basis reconciled to the respective lease liability at December 31, 2022 are as follows:

	Operating Leases
2023	221,182
2024	88,543
2025	—
2026	—
2027	—
Thereafter	—
Total operating lease payments (undiscounted)	$ 309,726
Less: Imputed interest	(7,229)
Lease liability as of December 31, 2022	$ 302,497

15. SUBSEQUENT EVENTS

The Company has evaluated its subsequent events through February 17, 2023, the date that the financial statements were available to be issued.

* * * * * *

Abacus Settlements, LLC d/b/a Abacus Life

Unaudited Condensed Financial Statements as of June 30, 2023 and December 31, 2022 and for the Six Months Ended June 30, 2023, and 2022

ABACUS SETTLEMENTS, LLC D/B/A ABACUS LIFE

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ABACUS LIFE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2023 AND DECEMBER 31, 2022

	June 30, 2023 (unaudited)	December 31, 2022 (unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 20,611,122	$ 30,052,823
Accounts receivable	192,595	10,448
Related party receivable	78,310	198,364
Due from affiliates	10,473,748	2,904,646
Other receivables	21,252	—
Prepaid expenses and other current assets	829,595	116,646
Total current assets	32,206,622	33,282,927
Property and equipment, net	177,931	18,617
Intangible assets, net	32,900,000	—
Goodwill	140,287,000	—
Operating right-of-use assets	240,816	77,011
Life settlement policies, at cost	9,889,610	8,716,111
Life settlement policies, at fair value	56,685,617	13,809,352
Available for sale securities, at fair value	1,000,000	1,000,000
Other investments	1,600,000	1,300,000
Due from members and affiliates	75,582	—
State security deposit	206,873	—
Certificate of deposit	262,500	—
Other assets, at fair value	1,801,886	890,829
TOTAL ASSETS	$ 277,334,437	$ 59,094,847
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accrued expenses	$ 524,400	$ —
Accounts payable	401,500	40,014
Operating lease liabilities—current portion	227,561	48,127
Due to members and affiliates	10,415,154	263,785
Due to owners	717,429	—
Contract liabilities—deposits on pending settlements	981,217	—
Accrued transaction costs	182,571	908,256
Other current liabilities	258,759	42,227
Income taxes payable	185,831	—
Total current liabilities	13,894,422	1,302,409
SPV purchase and sale note	25,000,000	—
Long-term debt, at fair value	66,165,396	28,249,653
Operating lease liabilities—noncurrent portion	16,864	29,268
Deferred tax liability	9,320,240	1,363,820
Warrant liability	2,438,600	—
TOTAL LIABILITIES	116,835,522	30,945,150
COMMITMENTS AND CONTINGENCIES (11)		
SHAREHOLDERS' EQUITY (DEFICIT)		
Class A common stock, $0.0001 par value; 200,000,000 authorized shares; 62,961,688 and 50,369,350 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	6,296	5,037
Additional paid-in capital	188,641,886	704,963
Retained earnings/(accumulated deficit)	(29,382,362)	25,487,323
Accumulated other comprehensive income	877,306	1,052,836
Non-controlling interest	355,789	899,538
Total shareholders' equity (deficit)	160,498,915	28,149,697
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	$ 277,334,437	$ 59,094,847

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABACUS LIFE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
REVENUES:				
Portfolio servicing revenue				
Related party servicing revenue	$ 329,629	$ 419,253	$ 543,076	$ 620,159
Portfolio Servicing revenue	24,737	169	46,981	370,169
Total portfolio servicing revenue	354,366	419,422	590,057	990,328
Active management revenue				
Investment Income from life insurance policies held using investment method	8,263,499	5,965,466	16,655,833	13,980,466
Change in fair value of life insurance policies (policies held using fair value method)	2,760,900	2,014,013	4,339,084	3,305,505
Total active management revenue	11,024,399	7,979,479	20,994,917	17,285,971
Total revenues	11,378,765	8,398,901	21,584,974	18,276,299
COST OF REVENUES (excluding depreciation stated below)				
Cost of revenue	973,400	666,119	1,462,950	2,086,075
Total cost of revenue	973,400	666,119	1,462,950	2,086,075
Gross Profit	10,405,365	7,732,782	20,122,024	16,190,224
OPERATING EXPENSES:				
Sales and marketing	683,841	1,019,498	1,412,845	1,649,498
General and administrative expenses	577,539	5,499	1,274,431	646,705
Loss on change in fair value of debt	1,445,229	333,879	2,398,662	375,513
Unrealized loss (gain) on investments	(672,936)	1,039,022	(798,156)	1,054,975
Depreciation	1,098	1,098	2,141	2,141
Total operating expenses	2,034,771	2,398,996	4,289,923	3,728,832
Operating Income	$ 8,370,594	$ 5,333,786	$ 15,832,101	$ 12,461,392
OTHER INCOME (EXPENSE)				
Interest (expense)	(584,075)	—	(941,458)	—
Interest income	—	—	7,457	—
Other income (expense)	121,601	(127,455)	(21,651)	(242,247)
Total other income (expense)	(462,474)	(127,455)	(955,652)	(242,247)
Net income before provision for income taxes	7,908,120	5,206,331	14,876,449	12,219,145
Provision for income taxes	(1,184,571)	(120,132)	(528,104)	(296,806)
NET INCOME	6,723,549	5,086,199	14,348,345	11,922,339
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	(26,596)	406,641	(487,303)	406,641
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS	6,750,145	4,679,558	14,835,648	11,515,698
EARNINGS PER SHARE:				
Basic and diluted weighted average shares outstanding[(1)]	50,507,728	50,369,350	50,438,921	50,369,350
Basic and diluted net income per share	0.13	0.09	0.29	0.23
NET INCOME	6,723,549	5,086,199	14,348,345	11,922,339
Other comprehensive income, net of tax:				
Change in fair value of debt	(119,663)	2,017,559	(231,976)	2,017,559
Comprehensive income	6,603,886	7,103,758	14,116,369	13,939,898
Comprehensive income (loss) attributable to non-controlling interests	(56,111)	1,011,909	(543,749)	1,011,909
Comprehensive income attributable to Abacus Life Inc.	6,659,997	6,091,849	14,660,118	12,927,989

(1) Both the number of shares outstanding and their par value have been retrospectively recast for all prior periods presented to reflect the par value of the outstanding stock of the Abacus Life Inc. as a result of Business Combination.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABACUS LIFE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022

	Class A Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount					
BALANCE AS OF MARCH 31, 2022[1]	50,369,350	$ 5,037	$ 704,963	$ 4,951,188	$ —	$ (148,155)	$ 5,513,033
Distributions	—	—	—	(310,000)	—	—	(310,000)
Other Comprehensive Income	—	—	—	—	1,412,291	605,268	2,017,559
Net Income	—	—	—	4,679,558	—	406,641	5,086,199
BALANCE AS OF JUNE 30, 2022[1]	50,369,350	$ 5,037	$ 704,963	$ 9,320,746	$ 1,412,291	$ 863,754	$ 12,306,791

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount					
BALANCE AS OF MARCH 31, 2023[1]	50,369,350	$ 5,037	$ 704,963	$ 33,572,826	$ 967,454	$ 411,900	$ 35,662,180
Distributions	—	—	—	(34,451,607)	—	—	(34,451,607)
Deferred transaction costs	—	—	—	(10,841,551)	—	—	(10,841,551)
Public warrants	—	—	4,726,500	(3,765,600)	—	—	960,900
Merger with East Resources Acquisition Company	12,592,338	1,259	17,849,091	(20,646,575)	—	—	(2,796,225)
Acquisition of Abacus Settlements, LLC	—	—	165,361,332	—	—	—	165,361,332
Other Comprehensive Income	—	—	—	—	(90,148)	(29,515)	(119,663)
Net Income	—	—	—	6,750,145	—	(26,596)	6,723,549
BALANCE AS OF JUNE 30, 2023	62,961,688	$ 6,296	$ 188,641,886	$ (29,382,362)	$ 877,306	$ 355,789	$ 160,498,915

(1) Both the number of shares outstanding and their par value have been retrospectively recast for all prior periods presented to reflect the par value of the outstanding stock of the Abacus Life Inc. as a result of the successful Business Combination.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABACUS LIFE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Class A Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount					
BALANCE AS OF DECEMBER 31, 2021[1]	50,369,350	$ 5,037	$ 704,963	$ 205,048	$ —	$ (148,155)	$ 766,893
Distributions	—	—	—	(2,400,000)	—	—	(2,400,000)
Other comprehensive income	—	—	—	—	1,412,291	605,268	2,017,559
Net Income	—	—	—	11,515,698	—	406,641	11,922,339
BALANCE AS OF JUNE 30, 2022[1]	50,369,350	$ 5,037	$ 704,963	$ 9,320,746	$ 1,412,291	$ 863,754	$ 12,306,791

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Shareholders' Equity
	Shares	Amount					
BALANCE AS OF DECEMBER 31, 2022 [1]	50,369,350	$ 5,037	$ 704,963	$ 25,487,323	$ 1,052,836	$ 899,538	$ 28,149,697
Distributions	—	—	—	(34,451,607)	—	—	(34,451,607)
Deferred transaction costs	—	—	—	(10,841,551)	—	—	(10,841,551)
Public warrants	—	—	4,726,500	(3,765,600)	—	—	960,900
Merger with East Resources Acquisition Company	12,592,338	1,259	17,849,091	(20,646,575)		—	(2,796,225)
Acquisition of Abacus Settlements, LLC	—	—	165,361,332	—	—	—	165,361,332
Other Comprehensive Income	—	—	—	—	(175,530)	(56,446)	(231,976)
Net Income	—	—	—	14,835,648	—	(487,303)	14,348,345
BALANCE AS OF JUNE 30, 2023	62,961,688	$ 6,296	$ 188,641,886	$ (29,382,362)	$ 877,306	$ 355,789	$ 160,498,915

(1) Both the number of shares outstanding and their par value have been retrospectively recast for all prior periods presented to reflect the par value of the outstanding stock of the Abacus Life Inc. as a result of the successful Business Combination.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABACUS LIFE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Six Months Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 14,348,345	$ 11,922,339
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	2,141	2,141
Unrealized (gain) loss on investments	(798,156)	1,054,975
Unrealized gain on policies	(3,319,588)	(3,305,505)
Loss on change in fair value of debt	2,398,662	375,513
Deferred income taxes	252,659	999,927
Non-cash lease expense	384	—
Changes in operating assets and liabilities:		
Accounts receivable	(182,147)	—
Related party receivable	125,764	(77,657)
Prepaid expenses and other current assets	(193,462)	(1,379,579)
Other noncurrent assets	(105,655)	—
Accounts payable	361,486	—
Accrued transaction costs	(725,685)	—
Other current liabilities	402,363	72,938
Life Settlement Policies purchased, at fair value	(39,556,677)	(7,211,509)
Life Settlement Policies purchased, at cost	(11,374,605)	(7,204,753)
Net cash used in operating activities	(38,364,171)	(4,751,170)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(300,000)	(250,000)
Due from affiliates	(6,760,627)	—
Net cash used in investing activities	(7,060,627)	(250,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of debt certificates	35,206,351	9,463,779
Transaction costs	(10,841,551)	—
Capital distribution to members	(23,533,072)	(2,400,000)
Proceeds from receipt of SPV purchase and sale note	25,000,000	—
Due to members and affiliates	10,151,369	680,375
Net cash provided by financing activities	35,983,097	7,744,154
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,441,701)	2,742,984
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	30,052,823	102,421
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 20,611,122	$ 2,845,405

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABACUS LIFE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Organization and Merger

Abacus Life, Inc. ("the Company") was formerly known as East Resources Acquisition Company ("ERES"), a blank check company incorporated in Delaware on May 22, 2020. Abacus Life, Inc. conducts its business through its wholly-owned, consolidated subsidiaries, primarily Abacus Settlements LLC ("Abacus") and Longevity Market Assets, LLC ("LMA"), which are incorporated in the state of Delaware (collectively, the "Companies"). On June 30, 2023, (the "Closing Date"), ERES, Longevity Market Assets, LLC and Abacus Settlements, LLC consummated the combining of the Companies as contemplated by the Merger Agreement dated as of August 30, 2022 (as amended on October 14, 2022 and April 20, 2023) with LMA Merger Sub, LLC, a wholly owned subsidiary of ERES ("LMA Merger Sub"), Abacus Merger Sub, LLC, a wholly owned subsidiary of ERES ("Abacus Merger Sub"), LMA and Abacus Settlements, LLC ("Legacy Abacus" and, together with LMA, the "Legacy Companies"). Pursuant to the Merger Agreement, on June 30, 2023, (i) LMA Merger Sub merged with and into LMA, with LMA surviving such merger (the "LMA Merger") and (ii) Abacus Merger Sub merged with and into Legacy Abacus, with Legacy Abacus surviving such merger (the "Abacus Merger" and, together with the LMA Merger, the "Mergers" and, along with the other transactions contemplated by the Merger Agreement, the "Business Combination") and the Legacy Companies became direct wholly owned subsidiaries of Abacus and ERES changed its name to Abacus Life, Inc.

The condensed consolidated assets, liabilities and statements of operations and comprehensive income prior to the Business Combination are those of legacy LMA. The stocks and corresponding capital amounts and income per stock, prior to the Business Combination, have been retroactively restated based on stocks reflecting the exchange ratio established in the Business Combination.

The equity structure has been recast in all comparative periods up to the Closing Date to reflect the number of shares of the Company's common stock, $0.0001 par value per share, issued to legacy LMA's stockholders in connection with the Business Combination. As such, the shares and corresponding capital amounts and earnings per share related to legacy LMA common stock prior to the Business Combination have been retroactively recast as shares reflecting the exchange ratio of 0.8 established in the Business Combination.

Business Activity

The Company, through its LMA subsidiary, is a provider of services pertaining to life insurance settlements and offers policy servicing to owners and purchasers of life settlement assets, as well as consulting, valuation, and actuarial services. The Company is also engaged in buying and selling of life settlement policies in which it uses its own capital, and purchases life settlement contracts with the intent to either hold to maturity to receive the associated death claim payout or to sell to another purchaser of life settlement contracts for a gain on the sale.

The Company, through its Abacus subsidiary, also is an originator of outstanding life insurance policies as a licensed life settlement provider on behalf of investors ("Financing Entities"). Abacus locates and screens policies for eligibility as a commercially desirable life settlement, including verifying that the policy is in force, obtaining consents and disclosures, and submitting cases for life expectancy estimates, also known, collectively, as origination services. When the sale of a policy is completed, this is deemed "settled" and the policy is then referred to as either a "life settlement" in which the insured's life expectancy is greater than two years or "viatical settlement," in which the insured's life expectancy is less than two years. The Company is not an insurance company, and therefore the Company does not underwrite insurable risks for its own account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—In connection with the Business Combination, the Merger is accounted for as a reverse recapitalization with ERES in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Under U.S. GAAP, ERES has been treated as the "acquired" company for financial reporting purposes. This determination was primarily based on the LMA shareholders having a relative majority of the voting power of the Company, the LMA shareholders having the authority to appoint a majority of directors on the Board of Directors, and senior management of LMA comprising the majority of the senior management of the post-combination Company. LMA was then determined to be the "acquirer" for financial reporting purposes based on the relative size of LMA as compared to Abacus, represented by their revenue, equity, gross profit and net income. Accordingly, for accounting purposes, the financial statements of the combined entity will represent a continuation of the financial statements of LMA with the LMA Merger being treated as the equivalent of LMA issuing stock for the net assets of ERES, accompanied by a recapitalization. The net assets of ERES will be stated at historical cost, with no goodwill or other intangible assets recorded.

The Abacus Merger will be accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of Abacus will be recorded at estimated fair value as of the acquisition date. The excess of the purchase price over the estimated fair values of the net assets acquired, if applicable, will be recognized as goodwill.

As a result of the Business Combination, the Company evaluated if ERES, Abacus, or LMA is the predecessor for accounting purposes.

In considering the foregoing principles of predecessor determination and in light of the Company's specific facts and circumstances, management determined that LMA and Abacus are dual predecessors for accounting purposes. The financial statement presentation for Abacus Life, Inc. includes the purchase accounting effects of the Abacus Merger as of the Closing Date with the financial statements of LMA as the comparative period. The predecessor financial statements for Abacus are included separately within this report.

The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and are prepared in accordance with U.S. GAAP.

Unaudited Condensed Consolidated Financial Statements—The condensed consolidated financial statements have been prepared on a basis consistent with the audited annual financial statements as of and for the year ended December 31, 2022, and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of June 30, 2023, and the condensed consolidated statements of operations and comprehensive income for the three months and six months ended June 30, 2023 and 2022, respectively, and the condensed consolidated statements of cash flows for the six months ended June 30, 2023 and 2022, respectively. The condensed consolidated statements of operations and comprehensive income for the three months and six months ended June 30, 2023, are not necessarily indicative of the results to be expected for the full year ending December 31, 2023, or any other period. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes for Abacus for the year ended December 31, 2022, and the financial statements and notes for LMA for the year ended December 31, 2022. All references to financial information as of and for the periods ended June 30, 2023, and 2022 in the notes to condensed consolidated financial statements are unaudited.

Refer to this note in the LMA annual financial statements for the full list of the Company's significant accounting policies. The details in those notes have not changed, except as discussed below and as a result of normal adjustments in the interim periods.

Consolidation of Variable Interest Entities—For entities in which the Company has variable interests, the Company first evaluates whether the entity meets the definition of a variable interest entity ("VIE") or a

voting interest entity ("VOE"). If the entity is a VIE, the Company focuses on identifying whether it has the power to direct the activities that most significantly impact the VIE's economic performance and whether it has the obligation to absorb losses or the right to receive benefits from the VIE. If the Company is the primary beneficiary of a VIE, the assets, liabilities, and results of operations of the VIE will be included in the Company's condensed consolidated financial statements. The proportionate share not owned by the Company is recognized as noncontrolling interest and net income attributable to noncontrolling interest on the condensed consolidated balance sheets and condensed consolidated statements of operations and comprehensive income, respectively. If the entity is a VOE, the Company evaluates whether it has the power to control the VOE through a majority voting interest or through other arrangements.

Accounting Standards Codification ("ASC") Topic 810, *Consolidations*, requires the Company to separately disclose on its condensed consolidated balance sheets the assets of consolidated VIEs and liabilities of consolidated VIEs as to which there is no recourse against the Company. As of June 30, 2023, total assets and liabilities of consolidated VIEs were $57,577,034 and $52,474,820, respectively. As of December 31, 2022, total assets and liabilities of consolidated VIEs were $30,073,972 and $27,116,762, respectively.

On January 1, 2021, the Company entered into an option agreement with two commonly owned full-service origination, servicing, and investment providers (the "Providers"), in which the Company agreed to fund certain capital needs with an option to purchase the outstanding equity ownership of the Providers (the "Option Agreement").

The Company accounted for its investment in the call options under the Option Agreement as an equity security, pursuant to ASC 321. In arriving at this accounting conclusion, the Company first considered whether the call options met the definition of a derivative pursuant to ASC 815 and concluded that the options do not provide for net settlement and accordingly are not a derivative. The Company also concluded that the call options do not provide the Company with a controlling financial interest in the legal entity pursuant to ASC 810. The call options include material contingencies prior to exercisability that the Company does not anticipate will be resolved; additionally, the call options are in a legal entity for which the share price has no readily determinable fair value. The Company's basis in the call options, pursuant to ASC 321, is zero and accordingly the call options are not reflected in the statement of financial position.

The Company provided $0 and $127,455 of funding for the three months ended June 30, 2023 and June 30, 2022, respectively and provided $29,721 and $242,247 of funding for the six months ended June 30, 2023 and June 30, 2022, respectively which is included in other (expense) income on the condensed consolidated statements of operations and comprehensive income. See Note 11, Commitments and Contingencies.

For the period ended June 30, 2023, and for the year ended December 31, 2022, the Providers were considered to be VIEs, but were not consolidated in the Company's condensed consolidated financial statements due to a lack of the power criterion or the losses/benefits criterion. As of June 30, 2023, the unaudited financial information for the unconsolidated VIEs are as follows: held assets of $318,178 and liabilities of $450 and held assets of $483,167 and liabilities of $184,621, respectively. As of December 31, 2022, the unaudited financial information for the unconsolidated VIEs are as follows: held assets of $126,040 and liabilities of $0 and held assets of $861,924 and liabilities of $358,586, respectively.

On October 4, 2021, the Company entered into an operating agreement with LMX Series, LLC ("LMX") and three other unaffiliated investors to obtain a 70% ownership interest in LMX, which was newly formed in August 2021. LMX had no operating activity prior to the operating agreement being signed. LMX has a wholly owned subsidiary, LMATT Series 2024, Inc., a Delaware C corporation. While the Company and three other investors each contributed $100 to LMX, the Company directs the most significant activities by managing the investment offerings, and sponsoring and creating structured investment grade insurance liabilities, and thus was provided a 70% ownership interest. LMX is a VIE and the Company is the primary beneficiary of LMX. The Company has included the results of LMX and its subsidiaries in its condensed consolidated financial statements for the period ended June 30, 2023.

On March 3, 2022, the Company obtained an 80% ownership interest in Longevity Market Advisors, LLC ("Longevity Market Advisors"). The Longevity Market Advisors legal entity was established primarily for

the purpose of acquiring the assets of a broker/dealer, Regional Investment Services, Inc. (“RIS”), an Ohio corporation. Longevity Market Advisors is a VIE and the Company is the primary beneficiary of Longevity Market Advisors. The purchase price payable in exchange for RIS was $60,000. The Company evaluated whether this represented a business combination or an asset acquisition under ASC 805. While the purchase of the RIS represents a business, it was further determined that as RIS was purchased for the primary reason of being registered by the Financial Industry Regulatory Authority (“FINRA”). As there are no tangible or intangible assets of value from the RIS that would meet the capitalization criteria that have standalone value, the Company has expensed the purchase in general and administrative costs. Upon closing of the transaction, Longevity Market Advisors will comprise 100% of the ownership structure of RIS, and RIS will be a wholly owned subsidiary. The Company has included the results of Longevity Market Advisors in its condensed consolidated financial statements for the period ended June 30, 2023.

On November 30, 2022, LMA Series, LLC, a wholly owned subsidiary of the Company, signed an Operating Agreement to be the sole member of a newly created general partnership, LMA Income Series, GP, LLC. Subsequent to that, LMA Income Series, GP, LLC formed a limited partnership, LMA Income Series, LP and issued partnership interests to limited partners in a private placement offering. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its condensed consolidated financial statements for the six months ended June 30, 2023.

On January 31, 2023, LMA Series, LLC, a wholly owned subsidiary of the Company, signed an Operating Agreement to be the sole member of a newly created general partnership, LMA Income Series II, GP, LLC. Subsequent to that, LMA Income Series II, GP, LLC formed a limited partnership, LMA Income Series II, LP and issued partnership interests to limited partners in a private placement offering. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series II, LP and thus has fully consolidated the limited partnership in its condensed consolidated financial statements for the six months ended June 30, 2023.

Noncontrolling Interest—Noncontrolling interest represents the share of consolidated entities owned by third parties. At the date of formation or upon acquisition, the Company recognizes noncontrolling interest on the condensed consolidated balance sheets at an amount equal to the noncontrolling interest’s proportionate share of the relative fair value of any assets and liabilities acquired. Noncontrolling interest is subsequently adjusted for the noncontrolling shareholder’s additional contributions, distributions, and the shareholder’s share of the net earnings or losses of each respective consolidated entity.

Net income of a consolidated entity is allocated to noncontrolling interests based on the noncontrolling shareholder’s ownership interest during the period. The net income or loss that is not attributable to the Company is reflected in net income (loss) attributable to noncontrolling interests in the condensed consolidated statements of operations and comprehensive income.

Use of Estimates—The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities at the date of financial statements, and the reports amounts of revenue and expenses during the reporting periods. Company’s estimates, judgments, and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from the estimates. Estimates are used when accounting for revenue recognition and related costs, purchase price allocation, the selection of useful lives of property and equipment, valuation of other receivables, valuation of life settlement policies, valuation of other investments and available-for-sale securities, valuation of long-term debt, impairment testing, income taxes, and legal reserves.

Life Insurance Settlement Policies—The Company accounts for its holdings of life insurance settlement policies in accordance with ASC 325-30, *Investments in Insurance Contracts*. The Company accounts for life settlement policies purchased that we intend to hold to maturity at fair value and life settlement policies that we intend to trade in the near term at cost plus premiums paid.

The Company follows ASC 820, *Fair Value Measurements and Disclosures*, in estimating the fair value of its life insurance policies held at fair value. ASC 820 defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-level, fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company's valuation of life settlements is considered to be Level 3, as there is currently no active market where we are able to observe quoted prices for identical assets. The Company's valuation model incorporates significant inputs that are not observable. See Note 10, "Fair Value Measurements." For policies held at fair value, changes in fair value are reflected in operations in the period the change is calculated.

For policies held under the investment method, the Company tests the impairment if we become aware of information indicating that the carrying value plus undiscounted future premiums of a policy may not be recoverable. This information is gathered initially through extensive underwriting procedures at purchase of the settlement contract, as well as through periodic underwriting review that include medical reports and life expectancy evaluations. The policies held by the Company using the investment method are expected to be owned for a shorter-term, and are actively marketed to potential buyers. The market feedback received through these interactions provides the Company with information related to a potential impairment. If a policy is determined to be impaired, the Company will adjust the carrying value to the fair value determined through the impairment analysis.

The Company accounts for cash proceeds from sale and maturity of life insurance settlement policies, as well as cash outflows for premium payments, as operating activities within the condensed consolidated statements of cash flows.

Cost of Revenues—Cost of revenue represents the direct costs associated with fulfilling the Company's obligations to its customers, primarily policy servicing and consulting expense.

Income Taxes—The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, the provision for income taxes represents income taxes paid or payable (or received or receivable) for the current year plus the change in deferred taxes during the year. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid, and result from differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when enacted.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not (greater than 50%) that a tax benefit will not be realized. In evaluating the need for a valuation allowance, management considers all potential sources of taxable income, including income available in carryback periods, future reversals of taxable temporary differences, projections of taxable income, and income from tax planning strategies, as well as all available positive and negative evidence. Positive evidence includes factors such as a history of profitable operations, projections of future profitability within the carryforward period, including from tax planning strategies, and the Company's experience with similar operations. Existing favorable contracts are additional positive evidence. Negative evidence includes items such as cumulative losses, projections of future losses, or carryforward periods that are not long enough to allow for the utilization of a deferred tax asset based on existing projections of income. Deferred tax assets for which no valuation allowance is recorded may not be realized upon changes in facts and circumstances, resulting in a future charge to establish a valuation allowance. Existing valuation allowances are re-examined under the same standards of positive and negative evidence. If it is determined that it is more likely than not that a deferred tax asset will be realized, the appropriate amount of the valuation allowance, if any, is released.

Deferred tax assets and liabilities are also remeasured to reflect changes in underlying tax rates due to law changes and the granting and lapse of tax holidays.

Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded when such benefits meet a more likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, which means that the statute of limitations has expired or the appropriate taxing authority has completed their examination even though the statute of limitations remains open. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Concentrations—Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, and available-for-sale securities. The Company maintains its cash in bank deposit accounts with high-quality financial institutions, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on its cash and cash equivalents. For accounts receivable, the Company is exposed to credit risk in the event of nonpayment by customers to the extent of the amounts recorded on the accompanying condensed consolidated balance sheets. The Company extends different levels of credit to its customers and maintains allowance for doubtful accounts based upon the expected collectability of accounts receivable. The Company's procedures for determining this allowance includes evaluating individual customer receivables, considering a customer's financial condition, monitoring credit history and current economic conditions, and using historical experience applied to an aging of accounts.

Two related party customers accounted for 12% and 13% of the total balance of accounts receivable and related party receivables as of June 30, 2023, and two related party customers accounted for 75% and 16% of the total accounts receivable as of December 31, 2022, respectively. The largest receivables balances are from related parties where exposed credit risk is low. As such, there is no allowance for doubtful accounts as of June 30, 2023, and December 31, 2022.

One customer accounted for 27% of active management revenue for the three months ended June 30, 2023. Two related party customers each accounted for 20% and 20% of the portfolio servicing revenue for the three months ended June 30, 2023. One customer accounted for 26% of the total revenues for the three months ended June 30, 2022.

One customer accounted for 29% of active management revenue, while 16% of revenue related to 2 policies that matured that were accounted for under the investment method and 1 policy that matured that was accounted for under the fair-value method for the six months ended June 30, 2023. Two related party customers each accounted for 25% and 27% of the portfolio servicing revenue for the six months ended June 30, 2023. One customer accounted for 71% of the total revenues for the six months ended June 30, 2022.

Warrants—The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480") and ASC 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, whether they meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of equity at the time of issuance. For issued or modified warrants

that do not meet all the criteria for equity classification, the warrants are required to be recorded as liabilities at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the condensed consolidated statements of operations and comprehensive income.

3. BUSINESS COMBINATION

Merger consideration conveyed of $531.8 million was allocated between the Companies based on relative values derived through both the discounted cash flow method within the income approach and the guideline public company method within the market approach. Within the discounted cash flow method, the present values of cash flows reasonably expected to be produced by the Companies from their operations were summed to produce an estimate of the Companies' business enterprise values on a controlling, marketable basis. The cash flows used in the discounted cash flow analysis were discounted at the weighted average cost of capital of 14.5% for LMA and 16.5% for Abacus. The discounted cash flow method resulted in a business enterprise value range of $380.0 million to $460.0 million for LMA and $180.0 million to $195.0 million for Abacus. Within the market approach, Company applied the guideline public company method, which employs market multiples derived from market prices of stocks of Companies that are engaged in the same or similar lines of business as the Companies and that are actively traded on a free and open market. The guideline public company method resulted in a business enterprise value range of $400.0 million to $440.0 million for LMA and $180.0 million to $190.0 million for Abacus. Management concluded on a business enterprise value of $165.4 million for Abacus and $366.4 million for LMA based upon the relative fair value of the Companies allocated to the consideration transferred.

The preliminary purchase price was allocated among the identified assets to be acquired. The primary area of the acquisition accounting that is not yet finalized is our estimate of the impact of acquisition accounting on deferred income taxes. An estimate of deferred income taxes has been recorded in the Company's books based on information available as of June 30, 2023. As the initial acquisition accounting is based on our preliminary assessments, actual values may differ when final information becomes available. We believe that the information gathered to date provides a reasonable basis for estimating the preliminary values of deferred taxes recorded. We will continue to evaluate this item until it is satisfactorily resolved and adjust our acquisition accounting accordingly, within the allowable measurement period, as defined by ASC 805, *Business Combinations*. Transaction costs incurred as a result of the Business Combination were recognized within retained earnings/(accumulated deficit) on the condensed consolidated balance sheet ending June 30, 2023.

All valuation procedures related to existing assets as no new assets were identified as a result of procedures performed. Goodwill was recognized as a result of the acquisition, which represents the excess fair value of consideration over the fair value of the underlying net assets, largely arising from the extensive industry expertise that has been established by Abacus. This was considered appropriate based on the determination that the Abacus Merger would be accounted for as a business acquisition under ASC 805.

Net Assets Identified	Fair Value
Intangibles	$ 32,900,000
Goodwill	140,287,000
Current Assets	1,280,100
Non-Current Assets	901,337
Deferred Tax Liabilities	(8,310,966)
Accrued Expenses	(524,400)
Other Liabilities	(1,171,739)
Total Fair Value	$ 165,361,332

Value Conveyed	Amount
Abacus Purchase Consideration	$ 165,361,332
LMA Business Enterprise Value	$ 366,388,668
Total Consideration	$ 531,750,000

Intangible assets were comprised of the following:

Asset Type	Fair Value	Useful Life	Valuation Methodology
Customer Relationships-Agents	$ 12,600,000	5 years	Multi-period excess earnings method
Customer Relationships-Financing Entities	11,000,000	8 years	Multi-period excess earnings method
Internally Developed and Used Technology-APA	1,600,000	2 years	Relief from royalty method
Internally Developed and Used Technology-Marketplace	100,000	3 years	Replacement cost method
Trade Name	900,000	Indefinite	Relief from royalty method
Non-Compete Agreements	4,000,000	2 years	With and without method
State Insurance Licenses	2,700,000	Indefinite	Replacement cost method
Total Fair Value	$ 32,900,000		

Useful lives for customer relationships were developed using attrition data for agents and financing entities which resulted in a useful life of 5 years and 8 years, respectively. Estimates over the useful lives of internally developed and used technology contemplates the period in which the Company expects to utilize the technology and the length of time the technology is expected to maintain recognition and value in the market without significant investment.Non-compete agreements have a useful life commensurate with the executed non-compete agreements in place as a result of the Business Combination.

The supplemental pro forma financial information in the table below summarizes the combined results of operations for the Business Combination as if the Companies were combined as of January 1, 2022. The unaudited supplemental pro forma financial information as presented below is for illustrative purposes and does not purport to represent what the results of operations would actually have been if the business combinations occurred as of the date indicated or what the results would be for any future periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Proforma revenue	$ 18,263,455	$ 14,090,817	$ 34,769,650	$ 31,290,963
Proforma net income	6,432,047	4,589,315	13,373,444	11,788,486

4. LIFE INSURANCE SETTLEMENT POLICIES

As of June 30, 2023, the Company holds 167 life settlement policies, of which 122 are accounted for under the fair value method and 45 are accounted for using the investment method (cost, plus premiums paid). Aggregate face value of policies held at fair value is $195,205,585 as of June 30, 2023, with a corresponding fair value of $56,685,617. Aggregate face value of policies accounted for using the investment method is $39,520,877 as of June 30, 2023, with a corresponding carrying value of $9,889,610.

As of December 31, 2022, the Company held 53 life settlement policies, of which 35 were accounted for under the fair value method and 18 were accounted for using the investment method (cost, plus premiums paid). Aggregate face value of policies held at fair value was $40,092,154 as of December 31, 2022, with a corresponding fair value of $13,809,352. Aggregate face value of policies accounted for using the investment method was $42,330,000 as of December 31, 2022, with a corresponding carrying value of $8,716,111.

At June 30, 2023, the Company did not have any contractual restrictions on its ability to sell policies, including those held as collateral for the issuance of long-term debt. See Note 13, “Long-Term Debt.”

Life expectancy reflects the probable number of years remaining in the life of a class of persons determined statistically, affected by such factors as heredity, physical condition, nutrition, and occupation. It is not an estimate or an indication of the actual expected maturity date or indication of the timing of expected cash flows from death benefits. The following tables summarize the Company’s life insurance policies grouped by remaining life expectancy as of June 30, 2023:

Policies Carried at Fair Value—

Remaining Life Expectancy (Years)	Policies	Face Value	Fair Value
0-1	0	$ —	$ —
1-2	10	12,314,000	6,855,769
2-3	11	16,886,778	10,530,949
3-4	10	33,631,467	9,174,200
4-5	13	18,755,193	7,564,469
Thereafter	78	113,618,147	22,560,230
	122	$ 195,205,585	$ 56,685,617

Policies accounted for using the investment method—

Remaining Life Expectancy (Years)	Number of Life Insurance Policies	Face Value	Carrying Value
0-1	0	$ —	$ —
1-2	0	—	—
2-3	2	4,400,000	2,131,679
3-4	4	4,100,000	1,281,524
4-5	4	1,362,000	518,736
Thereafter	35	29,658,877	5,957,671
	45	$39,520,877	$9,889,610

Estimated premiums to be paid by the Company for its portfolio accounted for using the investment method during each of the five succeeding calendar years and thereafter as of June 30, 2023, are as follows:

2023 remaining	$ 1,024,151
2024	1,243,423
2025	1,310,936
2026	1,044,640
Thereafter	3,288,619
Total	$ 7,911,769

The Company is required to pay premiums to keep its portion of life insurance policies in force. The estimated total future premium payments could increase or decrease significantly to the extent that actual mortalities of insureds differ from the estimated life expectancies.

For policies accounted for under the investment method, the Company has not been made aware of information causing a material change to assumptions relating to the timing of realization of life insurance settlement proceeds. We have also not been made aware of information indicating impairment to the carrying value of policies.

5. PROPERTY AND EQUIPMENT—NET

Property and equipment—net composed of the following:

	June 30, 2023	December 31, 2022
Computer equipment	$144,202	$ —
Furniture and fixtures	34,300	19,444
Leasehold improvements	8,299	5,902
Property and equipment—gross	186,801	25,346
Less: accumulated depreciation	(8,870)	(6,729)
Property and equipment—net	$177,931	$ 18,617

Depreciation expense for the three months ended June 30, 2023 and 2022, was $1,098 and $1,098, respectively and depreciation expense for the six months ended June 30, 2023, and 2022, was $2,141 and $2,141, respectively.

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill of $140,287,000 was recognized as a result of the Business Combination, which represents the excess fair value of consideration over the fair value of the underlying net assets, largely arising from the extensive industry expertise that has been established by Abacus. This was considered appropriate based on the determination that the Abacus Merger would be accounted for as a business acquisition under ASC 805. The estimates of fair value are based upon preliminary valuation assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. Refer to footnote 3 for further details.

The changes in goodwill by reportable segments were as follows:

	Abacus Settlements, LLC
Goodwill at January 1, 2022	$ —
Additions	—
Goodwill at June 30, 2022	$ —
Goodwill at January 1, 2023	$ —
Additions	140,287,000
Goodwill at June 30, 2023	$ 140,287,000

Intangible Assets Acquired comprised of the following:

Asset Type	Fair Value	Useful Life	Valuation Methodology
Customer Relationships—Agents	$ 12,600,000	5 years	Multi-period excess-earnings method
Customer Relationships—Financial Relationships	11,000,000	8 years	Multi-period excess-earnings method
Internally Developed and Used Technology—APA	1,600,000	2 years	Relief from Royalty Method
Internally Developed and Used Technology—Market Place	100,000	3 years	Replacement Cost Method
Trade Name	900,000	Indefinite	Relief from Royalty Method
Non-Compete Agreements	4,000,000	2 years	With or Without Method
State Insurance Licenses	2,700,000	Indefinite	Replacement Cost Method
	$ 32,900,000		

7. AVAILABLE-FOR-SALE SECURITIES, AT FAIR VALUE

Convertible Promissory Note—The Company holds a convertible promissory note in a separate unrelated insurance technology company. In November 2021, the Company purchased a $250,000 note and then purchased an additional note in January 2022 for $250,000 as part of the Tranche 5 offering ("Tranche 5 Promissory Note"). The Tranche 5 Promissory Note pays 6% interest per annum. The Tranche 5 Promissory Note matures on November 12, 2023 ("Maturity Date") and will be paid in full as to outstanding principal and accrued interest on the Maturity Date unless the Tranche 5 Promissory Note converts prior to the 2023 Maturity Date. Conversion into preferred shares occurs if the technology company engages in an additional equity financing event that yields gross cash proceeds in excess of $1,000,000 ("Next Equity Financing").

In October 2022, the Company purchased an additional convertible promissory note in the same unrelated insurance technology company for $500,000 as part of the Tranche 6 offering ("Tranche 6 Promissory Note" and collectively, the "Convertible Promissory Notes"). The Tranche 6 Promissory Note pays eight percent (8)% interest per annum and matures September 30, 2024 ("2024 Maturity Date") and will be paid in full as to outstanding principal and accrued interest on the 2024 Maturity Date unless the Tranche 6 Promissory Note converts prior to the 2024 Maturity Date. Conversion into preferred shares occurs if the technology company engages in an additional equity financing event that yields gross cash proceeds in excess of $5,000,000 ("Next Round Securities").

The Company applies the available-for-sale method of accounting for its investment in the Convertible Promissory Note, which is a debt investment. The Convertible Promissory Note does not qualify for either the held-to-maturity method due to the Convertible Promissory Note's conversion rights or the trading securities method because the Company holds the Convertible Promissory Note as a long-term investment. The Convertible Promissory Notes are measured at fair value at each reporting period-end. Unrealized gains and losses are reported in other comprehensive income until realized. As of December 31, 2022 and June 30, 2023, the Company evaluated the fair value of its investment and determined that the fair value approximates the carrying value of $1,000,000 and there was no unrealized gain or loss recorded.

8. OTHER INVESTMENTS AND OTHER NONCURRENT ASSETS

Other Investments:

Convertible Preferred Stock Ownership—The Company owns convertible preferred stock in two entities, further described below.

On July 22, 2020, the Company purchased 224,551 units of an unrelated insurance technology company's Series Seed Preferred units for $750,000 ("Seed Units"). During December 2022, the Company agreed to purchase 119,760 Series Seed Preferred Units for $400,000 in cash consideration by way of eight monthly payments of $50,000 starting December 15, 2022, resulting in a total of $950,000 investment as of March 31, 2023 and $1,100,000 investment as of June 30, 2023. Upon conversion, the Seed Units held by the Company would represent 8.6% control in the technology company.

On December 21, 2020, the Company purchased 207,476 shares of a separate unrelated insurance technology company's Series B-1 preferred stock for $500,000 ("Preferred Shares"). The Preferred Shares are convertible into voting common stock of insured consent at the option of the Company. Upon conversion, the Preferred Shares would represent less than 1% control in the technology company.

The Company applies the measurement alternative for its investments in the Seed Units and Preferred Shares because these investments are of an equity nature, and the Company does not have the ability to exercise significant influence over operating and financial policies of entities even in the event of conversion of the Seed Units or Preferred Shares. Under the measurement alternative, the Company records the investment based on original cost, less impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the investee. The Company's share of income or loss of such companies is not included in the Company's condensed

consolidated statements of operations and comprehensive income. The Company tests its investments for impairment whenever circumstances indicate that the carrying value of the investment may not be recoverable. No impairment of investments occurred for the three and six months ended June 30, 2023 and 2022.

Other Noncurrent Assets- at fair value:

S&P Options—The Company is long S&P 500 call options and short S&P 500 put options which were purchased and sold through a broker as an economic hedge related to the market-indexed debt instruments included in the long-term debt note. The value is based on shares owned and quoted market prices in active markets. Changes in fair value are recorded in the Unrealized Loss on Investments line item on the condensed consolidated statements of operations and comprehensive income.

9. CONSOLIDATION OF VARIABLE INTEREST ENTITIES

The Company consolidates VIEs for which it is the primary beneficiary or VOEs for which it controls through a majority voting interest or other arrangement. See Note 2 for more information on how the Company evaluates an entity for consolidation.

The Company evaluated any entity in which it had a variable interest upon formation to determine whether the entity should be consolidated. The Company also evaluated the consolidation conclusion during each reconsideration event, such as changes in the governing documents or additional equity contributions to the entity. During the six months ended June 30, 2023, the Company's consolidated VIEs, LMA Income Series II LP, LMX Series LLC (LMATT Series 2024, Inc.), Longevity Market Advisors, Regional Investment Services and LMA Income Series, LP, had total assets of $57,577,034 and liabilities of $52,474,820. For the year ended December 31, 2022, the Company's consolidated VIEs, LMATT Series 2024, Inc., Longevity Market Advisors, Regional Investment Services and LMA Income Series, LP, had total assets and liabilities of $30,073,972 and $27,116,762, respectively. The Company did not deconsolidate any entities during the period ended June 30, 2023, or during the year ended December 31, 2022.

As of June 30, 2023, the Company held total assets of $801,345 and liabilities of $185,071, in unconsolidated VIEs. As of December 31, 2022, the Company held total assets of $987,964 and liabilities of $358,586 in unconsolidated VIEs.

10. SEGMENT REPORTING

Segment Information—The Company organizes its business into two reportable segments (1) Portfolio Servicing and (2) Active Management, which generate revenue in different manners.

This segment structure reflects the financial information and reports used by the Company's management, specifically its chief operating decision maker (CODM), to make decisions regarding the Company's business, including resource allocations and performance assessments, as well as the current operating focus in compliance with ASC 280, *Segment Reporting*. The Company's CODM is the President and Chief Executive Officer.

The Portfolio Servicing segment generates revenues by providing policy services to customers on a contract basis.

The Active Management segment generates revenues by buying, selling, and trading policies and maintaining policies until receipt of death benefits. The Company's reportable segments are not aggregated.

The Company's method for measuring profitability on a reportable segment basis is gross profit. The CODM does not review asset information related to investments nor expenditures incurred for long-lived assets given the Company's investments are recognized using the measurement alternative, and the Company's long-lived assets are immaterial to the condensed consolidated financial statements.

Revenue related to the Company's reporting segments for the three-month and six-month periods ended June 30, 2023, and June 30, 2022, is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Portfolio servicing	$ 354,366	$ 419,422	$ 590,057	$ 990,328
Active management	11,024,399	7,979,479	20,994,917	17,285,971
Total revenue	$ 11,378,765	$ 8,398,901	$ 21,584,974	$ 18,276,299

Information related to the Company's reporting segments for the three-month and six-month periods ended June 30, 2023 and June 30, 2022 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Portfolio servicing	$ (76,705)	$ 280,303	$ (166,128)	$ 668,752
Active management	10,482,070	7,452,479	20,288,152	15,521,472
Total gross profit	10,405,365	7,732,782	20,122,024	16,190,224
Sales and marketing	(683,841)	(1,019,498)	(1,412,845)	(1,649,498)
General, administrative and other	(577,539)	(5,499)	(1,274,431)	(646,705)
Depreciation	(1,098)	(1,098)	(2,141)	(2,141)
Other (expense) income	121,601	(127,455)	(21,651)	(242,247)
Interest expense	(584,075)	—	(934,001)	—
Loss on change in fair value of debt	(1,445,229)	(333,879)	(2,398,662)	(375,513)
Unrealized gain (loss) on investments	672,936	(1,039,022)	798,156	(1,054,975)
Provision for income taxes	(1,184,571)	(120,132)	(528,104)	(296,806)
Less: Net loss attributable to non-controlling interests	26,596	(406,641)	487,303	(406,641)
Net income attributable to Abacus Life, Inc.	$ 6,750,145	$ 4,679,558	$ 14,835,648	$ 11,515,698

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings—Occasionally, the Company may be subject to various proceedings such as lawsuits, disputes, or claims. The Company assesses these proceedings as they arise and accrues a liability when losses are probable and reasonably estimable. Although legal proceedings are inherently unpredictable, the Company is currently not aware of any matters that, if determined adversely to the Company, would individually, or taken together, have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

Commitment—The Company has entered into a Strategic Services and Expenses Support Agreement ("Expense Support Agreement") with two commonly owned full-service origination, servicing, and investment Providers in exchange for an option to purchase the outstanding equity ownership of the Providers. Pursuant to the Expense Support Agreement, Abacus Life, Inc. provides financial support and advice for the expenses of the Providers incurred in connection with their life settlement transactions businesses and the Providers are required to hire a life settlement transactions operations employee of an affiliate of Abacus Life, Inc. No later than December 1 of each calendar year, Abacus Life, Inc. provides a budget for the Providers, in which Abacus Life, Inc. commits to extend financial support for all operating expenses up to the budgeted amount. "Operating Expenses" for purposes of the Expense Support Agreement means all annual operating expenses of the Providers incurred in the ordinary course of business, excluding the premiums paid for the Providers insurance coverages that are allocable to the insurance coverage

provided to Institutional Life Holdings, LLC, which owns all the outstanding membership interests of the Providers if unrelated to the Providers settlement business.

For the three months ended June 30, 2023, Abacus Life, Inc. did not incur expenses related to the Expense Support Agreement. For the six months ended June 30, 2023, Abacus Life, Inc. incurred $29,721 of expenses, related to the Expense Support Agreement, which is included in the Other (expense) line of the condensed consolidated statements of operations and comprehensive income and have not been reimbursed by the Providers.

12. FAIR VALUE MEASUREMENTS

The Company determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Recurring Fair Value Measurements—The assets and liabilities measured at estimated fair value on a recurring basis and their corresponding placement in the fair value hierarchy are presented in the tables below.

	Fair Value Hierarchy			
As of June 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Life settlement policies	$ —	$ —	$ 56,685,617	$ 56,685,617
Available-for-sale securities, at fair value	—	—	1,000,000	1,000,000
Other investments	—	—	1,600,000	1,600,000
S&P 500 options	1,794,640	—	—	1,794,640
Other assets	7,246	—	—	7,246
Total assets held at fair value	$ 1,801,886	$ —	$ 59,285,617	$ 61,087,503
Liabilities:				
Long-term debt	$ —	$ —	$ 66,165,396	$ 66,165,396
Private placement warrants	—	—	2,438,600	2,438,600
Total liabilities held at fair value:	$ —	$ —	$ 68,603,996	$ 68,603,996

As of December 31, 2022	Fair Value Hierarchy Level 1	Level 2	Level 3	Total
Assets:				
Life settlement policies	$ —	$ —	$ 13,809,352	$ 13,809,352
Available-for-sale securities, at fair value	—	—	1,000,000	1,000,000
Other investments	—	—	1,300,000	1,300,000
S&P 500 options	890,829	—	—	890,829
Total assets held at fair value	$ 890,829	$ —	$ 16,109,352	$ 17,000,181
Liabilities:				
Long-term debt	$ —	$ —	$ 28,249,653	$ 28,249,653
Total liabilities held at fair value:	$ —	$ —	$ 28,249,653	$ 28,249,653

Life Settlement Policies—The Company separately accounts for each owned life settlement policy using either the fair value method, or investment method (cost, plus premiums paid). The valuation method is chosen upon contract acquisition and is irrevocable.

For policies carried at fair value, the Company utilizes valuation services of a third-party actuarial firm, who values the contracts using Level 3 unobservable inputs, including actuarial assumptions, such as life expectancies and cash flow discount rates. The valuation model is based on a discounted cash flow analysis and is sensitive to changes in the discount rate used. The Company utilized a discount rate of 16% at June 30, 2023 and 12% at December 31, 2022, respectively, for policy valuation, which is based on economic and company-specific factors.

Subsequent to the reporting date, the Company sold 3 policies carried at fair value. As of June 30, 2023, the Company valued these 3 policies using the price at the time of sale. Valuing these 3 policies using the takeout price resulted in a decrease in valuation of $231,775 compared to the third-party valuation.

For life settlement policies carried using the investment method, the Company measures these at the cost of the policy plus premiums paid. The policies accounted for using the investment method totaled $9,889,610 at June 30, 2023 and $8,716,111 at December 31, 2022, respectively.

Discount Rate Sensitivity—Changes in the 16% discount rate on the death benefit and premiums used to estimate the policies issued under LMATT Series 2024 Inc., LMATT Growth Series 2.2024 Inc., LMATT Growth and Income Series 1.2026, Inc., LMA Income Series, LP and LMA Income Series II, LP (“LMATT Policies”) fair value has been analyzed. If the discount rate increased or decreased by 2 percentage points and the other assumptions used to estimate fair value remained the same, the change in estimated fair value as of June 30, 2023, would be as follows:

As of June 30, 2023 Rate Adjustment	Fair Value	Change in Fair Value
+2%	$ 53,987,508	$ (2,698,109)
No change	56,685,617	
-2%	59,857,879	3,172,262

Credit Exposure to Insurance Companies—The following table provides information about the life insurance issuer concentrations that exceed 10% of total face value or 10% of total fair value of the Company’s life insurance policies as of June 30, 2023:

Carrier	Percentage of Face Value	Percentage of Fair Value	Carrier Rating
American General Life Insurance Company	14.0%	11.0%	A
ReliaStar Life Insurance Company	6.0%	12.0%	A
Lincoln National Life Insurance Company	14.0%	12.0%	A

The following table provides a roll forward of the fair value of life insurance policies for the six months-ended June 30, 2023:

Fair value at December 31, 2022	$ 13,809,352
Policies purchased	58,543,580
Realized gain (loss) on matured/sold policies	1,898,958
Premiums paid	(879,462)
Unrealized gain(loss) on held policies	3,319,588
Change in estimated fair value	4,339,084
Matured/sold policies	(20,885,861)
Premiums paid	879,462
Fair value at June 30, 2023	$ 56,685,617

Long-Term Debt—See Note 13, “Long-Term Debt” for background information on the market-indexed debt. The Company has elected the fair value option in accounting for the instruments. Fair value is determined using Level 3 inputs. The valuation methodology is based on the Black-Scholes-Merton option-pricing formula and a discounted cash flow analysis. Inputs to the Black-Scholes-Merton model include (i) the S&P 500 Index price, (ii) S&P 500 Index volatility, (iii) a risk-free rate based on data published by the US Treasury, and (iv) a term assumption based on the contractual term of the LMATT Notes. The discounted cash flow analysis includes a discount rate that is based on the implied discount rate developed by calibrating a valuation model to the purchase price on the initial investment date. The implied discount rate is evaluated for reasonableness by benchmarking it to yields on actively traded comparable securities.

The total change in fair value of the debt resulted in a gain of $1,602,042. This gain is comprised of $90,148, net of tax, which is included within accumulated other comprehensive income and $29,515 net of tax, which is included in equity of noncontrolling interests resulting from risk-adjusted valuation scenarios. The Company recognized a loss of $1,445,229 on the change in fair value of the debt resulting from risk-free valuation scenarios, which is included within Change in fair value of debt within the condensed consolidated statement of operations and comprehensive income for the three months ended June 30, 2023.

The total change in fair value of the debt resulted in a gain of $2,705,918. This gain is comprised of $175,530, net of tax, which is included within accumulated other comprehensive income and $56,446 net of tax, which is included in equity of noncontrolling interests resulting from risk-adjusted valuation scenarios. The Company recognized a loss of $2,398,662 on the change in fair value of the debt resulting from risk-free valuation scenarios, which is included within Change in fair value of debt within the condensed consolidated statement of operations and comprehensive income for the six months ended June 30, 2023.

The following table provides a roll forward of the fair value of the issued notes for the six months ended June 30, 2023:

Fair value at December 31, 2022	$ 28,249,653
Debt issued to third parties	35,209,825
Unrealized loss on change in fair value (risk-free)	2,398,662
Unrealized gain on change in fair value (credit-adjusted)	307,256
Change in estimated fair value	2,705,918
Fair value at June 30, 2023	$ 66,165,396

Private Placement Warrants—Simultaneously with the closing of the Initial Public Offering, ERES consummated the sale of 8,900,000 warrants (the “Private Placement Warrants”) to East Sponsor, LLC (the

"Sponsor"), which included the sale of an additional 900,000 Private Placement Warrants in connection with the full exercise by the underwriters of their over-allotment option on August 25, 2020, at a price of $1.00 per Private Placement Warrant, for an aggregate purchase price of $8,900,000. Each Private Placement Warrant is exercisable for one share of Class A common stock at a price of $11.50 per share, subject to adjustment.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that (x) the Private Placement Warrants and the shares of Class A common stock issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions, (y) the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees and (z) the Private Placement Warrants and the shares of Class A common stock issuable upon exercise of the Private Placement Warrants will be entitled to registration rights. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

Private Placement Warrants were accounted for as liabilities in accordance with ASC 815-40. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented separately in the condensed consolidated statements of operations.

The Private Placement Warrants were considered a Level 3 fair value measurement using a binomial lattice model in a risk-neutral framework. The binomial lattice model's primary unobservable input utilized in determining the fair value of the Private Placement Warrants is the expected volatility of the common stock. The implied volatility as of the reporting date was derived from observable public warrant traded price provided by Bloomberg LP.

The following table presents the key assumptions in the analysis:

	Private Placement Warrants
Expected implied volatility	de minimis
Risk-free interest rate	4.09%
Term to expiration	5.0 years
Exercise price	$ 11.50
Common Stock Price	$ 10.03
Dividend Yield	—%

Other Noncurrent Assets: S&P 500 Options—In February 2022, LMATT Series 2024, Inc., which the Company consolidates for financial reporting, purchased and sold S&P 500 call and put options through a broker. The Company purchased and sold additional S&P 500 call options through a broker in June 2022 through their 100% owned and fully consolidated subsidiaries LMATT Growth Series 2.2024, Inc. and LMATT Growth and Income Series 1.2026, Inc. The options are exchange traded, and fair value is determined using Level 1 inputs of quoted market prices as of the condensed consolidated balance sheets dates. Changes in fair value are classified as unrealized (gain)/loss on investments within the condensed consolidated statements of operations and comprehensive income.

Financial Instruments Measured at Fair Value on a Nonrecurring Basis—The following financial assets, composed of equity securities without readily determinable fair values, are adjusted to fair value when observable price changes are identified, or an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Available-for-Sale Investment—The Convertible Promissory Note is classified as an available-for-sale security. Available-for-sale investments are subsequently measured at fair value. Unrealized holding gains

and losses are excluded from earnings and reported in other comprehensive income until realized. The Company determines fair value of its available-for-sale investments using unobservable inputs by considering the initial investment value, next round financing, and the likelihood of conversion or settlement based on the contractual terms in the agreement. The Company initially purchased a $250,000 convertible promissory note from the issuer in 2021 and then on January 7, 2022, the Company purchased an additional $250,000 convertible promissory note from the same issuer and then an additional $500,000 in October 2022. As of June 30, 2023 and December 31, 2022, the Company evaluated the fair value of its Promissory Note and determined that the fair value approximates the carrying value of $1,000,000 and $1,000,000, respectively.

Other Investments—The Company determines fair value using Level 3 inputs under the measurement alternative. These investments are recorded at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Impairment is assessed qualitatively. As of June 30, 2023, and December 31, 2022, the Company did not identify any impairment indicators and determined that the carrying value of $1,600,000 and $1,300,000 is the fair value for these equity investments in privately held companies, given that there have been no observable price changes.

Financial Instruments Where Carrying Value Approximates Fair Value—The carrying value of cash, cash equivalents, accounts receivables, and due to affiliates approximates fair value due to the short-term nature of their maturities.

13. LONG-TERM DEBT

Long-term debt comprises of the following:

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Cost	Fair value	Cost	Fair value
Market-indexed notes:				
LMATT Series 2024, Inc.	$ 9,866,900	$ 9,621,141	$ 9,866,900	$ 8,067,291
LMATT Series 2.2024, Inc.	2,333,391	3,446,527	2,333,391	2,354,013
LMATT Growth & Income Series 1.2026, Inc	400,000	459,553	400,000	400,000
Secured borrowing:				
LMATT Income Series, LP	21,889,444	22,124,676	17,428,349	17,428,349
LMATT Income Series II, LP	20,041,851	20,041,851	—	—
Unsecured borrowing:				
Sponsor PIK Note	10,471,648	10,471,648	—	—
Total long-term debt	$ 65,003,234	$ 66,165,396	$ 30,028,640	$ 28,249,653
SPV purchase and sale note	$ 25,000,000	$ 25,000,000	—	—

Sponsor PIK Note

On the June 30, 2023, in connection with the consummation of the Business Combination and as contemplated by the Merger Agreement, East Sponsor, LLC, a Delaware limited liability company (“Sponsor”), made an unsecured loan to the Company in the aggregate amount of $10,471,648 (the “Sponsor PIK Note”). The Sponsor PIK Note matures on June 30, 2028 (the “Maturity Date”) and may be prepaid at any time in accordance with its terms without any premium or penalty.

LMATT Series 2024, Inc. Market-Indexed Notes:

On March 31, 2022, LMATT Series 2024, Inc., which the Company consolidates for financial reporting, issued $10,166,900 in market-indexed private placement notes. The note, titled the Longevity Market Assets

Target-Term Series (LMATTS) 2024, is a market-indexed instrument designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the note in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The note has a feature to protect debt holders from market downturns, up to 40%. Any subsequent losses below the 40% threshold will reduce the note on a one-to-one basis. As of June 30, 2023, $9,866,900 of the principal amount remained outstanding.

The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of June 30, 2023, the fair value of the LMATT Series 2024, Inc. notes were $9,621,141.

The notes are secured by the assets of the issuing entities, which includes cash, S&P 500 options, and life settlement policies totaling $11,195,701 as of June 30, 2023. The notes' agreements do not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing companies are considered as collateral. There are also no restrictive covenants associated with the notes with which the entities must comply.

LMATT Series 2.2024, Inc. Market-Indexed Notes:

On September 16, 2022, LMATTS Series 2.2024, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $2,333,391 in market-indexed private placement notes. The note, titled the Longevity Market Assets Target-Term Growth Series 2.2024, Inc. ("LMATTSTM Series 2.2024, Inc.") is a market-indexed instrument designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the note in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The note has a feature to provide upside performance participation that is capped at 120% of the performance of the S&P 500. A separate layer of the note has a feature to protect debt holders from market downturns by up to 20% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 20%, the investment will experience all subsequent losses on a one-to-one basis. . As of June 30, 2023, the entire principal amount remained outstanding.

The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of June 30, 2023, the fair value of the LMATT Series 2.2024, Inc. notes were $3,446,527.

The notes are secured by the assets of the issuing entity, LMATT Series 2.2024, Inc., which includes cash, S&P 500 options, and life settlement policies totaling $3,331,872 as of June 30, 2023. The note agreements do not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the note with which the entity must comply.

LMATT Growth and Income Series 1.2026, Inc. Market-Indexed Notes:

Additionally, on September 16, 2022, LMATTS Growth and Income Series 1.2026, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $400,000 in market-indexed private placement notes. The note, titled the Longevity Market Assets Target-Term Growth and Income Series 1.2026, Inc ("LMATTSTM Growth and Income Series 1.2026, Inc.") is a market-indexed instrument designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the note in 2026, the principal, plus the return based upon the S&P 500 Index must be paid. The note has a feature to provide upside performance participation that is capped at 140% of the performance of the S&P 500. A separate layer of the note has a feature to protect debt holders from market downturns by up to 10% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 10%, the investment will experience all subsequent losses on a one-to-one basis. This note also includes 4% dividend feature that will be paid annually. As of June 30, 2023, the entire principal amount remained outstanding.

The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of June 30, 2023, the fair value of the LMATT Growth and Income Series 1.2026, Inc., notes were $459,553.

The notes are secured by the assets of the issuing entity, LMATTS Growth and Income Series 1.2026, Inc., which includes cash, S&P 500 options, and life settlement policies totaling $517,218 as of June 30, 2023. The note agreements do not restrict the trading of life settlement contracts prior to maturity of the note, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the note with which the entity must comply.

See additional fair value considerations within Note 12. “Fair Value Measurements.”

LMA Income Series, LP and LMA Income Series, GP LLC Secured Borrowing

LMA Income Series, GP, LLC, wholly owned and controlled by that LMA Series, LLC, formed a limited partnership, LMA Income Series, LP and issued partnership interests to limited partners in a private placement offering. The initial term of the offering is three years with the ability to extend for two additional one-year periods at the discretion of the general partner, LMA Income Series, GP, LLC. The limited partners will receive an annual dividend of 6.5% paid quarterly and 25% of returns in excess of a 6.5% internal rate of return capped at 9% which would require a 15% net internal rate of return. The General Partner will receive 75% of returns in excess of a 6.5% internal rate of return to limited partners then 100% in excess of a 15% net internal rate of return.

It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the six months ended June 30, 2023.

The private placement offerings proceeds will be used to acquire an actively managed large and diversified portfolio of financial assets. LMA, through its consolidated subsidiaries, serves as the portfolio manager for the financial asset portfolio, which includes investment sourcing and monitoring. In this role, LMA has the unilateral ability to acquire and dispose of any of the above investments. As the partnership does not represent a business in accordance with ASC 810 and is a consolidated subsidiary that only holds financial assets, this represents a transfer subject to ASC 860-10. As the financial assets are not transferred outside the consolidated group, the proceeds from the offering shall be classified as a liability unless it meets the definition of a participating interest and the derecognition criteria in ASC 860 are met. The transferred interest did not meet the definition of a participating interest as LMA possesses the unilateral ability to direct the sale of the financial assets (ASC 860-10-50-6A(d)). In accordance with ASC 860-30-25-2, as the transfer of the financial assets did not meet the definition of a participating interest, LMA shall recognize the proceeds received from the offering as a secured borrowing.

LMA elected to account for the secured borrowing at fair value under the collateralized financing entity guidance within ASC 810-10-30. As of June 30, 2023, the fair value of the secured borrowing was $22,124,676.

LMA Income Series II, LP and LMA Income Series II, GP LLC Secured Borrowing

LMA Income Series II, GP, LLC, wholly owned and controlled by that LMA Series, LLC, formed a limited partnership, LMA Income Series II, LP and issued partnership interests to limited partners in a private placement offering. The initial term of the offering is three years with the ability to extend for two additional one-year periods at the discretion of the general partner, LMA Income Series II, GP, LLC. The limited partners will receive annual dividends equal to the Preferred Return Amounts as follows: Capital commitment less than $500,000, 7.5%; between $500,000 and $1,000,000, 7.75%; over $1,000,000, 8%. Thereafter, 100% of the excess to be paid to the General Partner.

It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the three and six months ended June 30, 2023.

The private placement offerings proceeds will be used to acquire an actively managed large and diversified portfolio of financial assets. LMA, through its consolidated subsidiaries, serves as the portfolio manager for the financial asset portfolio, which includes investment sourcing and monitoring. In this role, LMA has the unilateral ability to acquire and dispose of any of the above investments. As the partnership does not represent a business in accordance with ASC 810 and is a consolidated subsidiary that only holds financial assets, this represents a transfer subject to ASC 860-10. As the financial assets are not transferred outside the consolidated group, the proceeds from the offering shall be classified as a liability unless it meets the definition of a participating interest and the derecognition criteria in ASC 860 are met. The transferred interest did not meet the definition of a participating interest as LMA possesses the unilateral ability to direct the sale of the financial assets (ASC 860-10-50-6A(d)). In accordance with ASC 860-30-25-2, as the transfer of the financial assets did not meet the definition of a participating interest, LMA shall recognize the proceeds received from the offering as a secured borrowing.

LMA elected to account for the secured borrowing at fair value under the collateralized financing entity guidance within ASC 810-10-30. As of June 30, 2023, the fair value of the secured borrowing was $20,041,851.

SPV Purchase and Sale

On July 5, 2023, the Company entered into an Asset Purchase Agreement (the “Policy APA”) to acquire certain insurance policies with an aggregate fair market value of $10.0 million from Abacus Investment SPV, LLC, a Delaware limited liability company (“SPV”), in exchange for a payable obligation owing by the Company to the SPV (such acquisition transaction under the Policy APA, the “SPV Purchase and Sale”).

The payable obligation owing by the Company to the SPV in connection with the SPV Purchase and Sale is evidenced by a note issued by the Company under the SPV Investment Facility (the “SPV Purchase and Sale Note”) in an original principal amount equal to the aggregate fair market value of the acquired insurance policies. The SPV Purchase and Sale Note has the same material terms and conditions as the other credit extensions under the SPV Investment Facility (as defined below).

SPV Investment Facility

On July 5, 2023, the Company entered into that certain SPV Investment Facility (the “SPV Investment Facility”), between the Company, as borrower, and the SPV, as lender.

The SPV Investment Facility, among other things:

- requires certain subsidiaries of the Company to guarantee the credit extensions provided under the SPV Investment Facility pursuant to separate documentation
- is unsecured without collateral security provided in favor of the SPV and subordinated in right of payment to the Company’s obligations under the Owl Rock Credit Facility, subject to limited specified exceptions and circumstances for permitting early payment;
- provides for certain credit extensions in an aggregate principal amount of $25.0 million, including: (i) an initial credit extension in an original principal amount of $15.0 million that was funded upon the closing of the SPV Investment Facility, and (ii) the SPV Purchase and Sale Note in favor of the SPV in an original principal amount of $10.0 million to finance the purchase of the insurance policies under the Policy APA;
- provides proceeds from the SPV Investment Facility for payment of certain transaction expenses, general corporate purposes and any other purposes not prohibited by the agreement or applicable law;

- matures on July 5, 2026, three years after the closing of the SPV Investment Facility, subject to two automatic extensions of one year each without any amendment of the relevant documentation, but also subject to applicable subordination restrictions in relation to the Owl Rock Credit Facility;
- provides for interest to accrue on the SPV Investment Facility at a rate of 12.00% per annum, payable quarterly, all of which is to be paid in-kind by the Company by increasing the principal amount of the SPV Investment Facility owing to the SPV on each interest payment date;
- provides a default rate that will accrue at 2.00% per annum (subject to applicable subordination restrictions) over the rate otherwise applicable. If cash payment is not permitted due to applicable subordination restrictions or otherwise, such default interest shall be paid in-kind;
- provides that no amortization payments shall be required prior to maturity;
- contains financial and other covenants substantially similar and not materially worse than those contained in the Owl Rock Credit Facility from the perspective of the Company; and
- provides for certain specified events of default (including certain events of default subject to grace or cure periods), with the occurrence and during the continuance of such events of default enabling the lender under the SPV Investment Facility to accelerate the obligations under the SPV Investment Facility, among other rights or remedies, subject to applicable subordination restrictions.

The SPV's investment resulting from credit extensions under the SPV Investment Facility is treated by the Company as debt for U.S. GAAP accounting purposes. While the timing of the Policy APA and SPV Investment Facility occurred on July 5, 2023, such amounts are included within the condensed consolidated balance sheet as cash was received prior to June 30, 2023.

14. SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 200,000,000 shares of common stock, par value $0.0001 per share, and 1,000,000 shares of preferred stock, par value $0.0001 per share. No shares of preferred stock are issued or outstanding. Holders of the Company's common stock are entitled to one vote for each share. As of June 30, 2023, there were 62,961,688 shares of common stock issued and outstanding. Holders of shares were entitled to receive, in the event of a liquidation, dissolution or winding up, ratably the assets available for distribution to the shareholders after payment of all liabilities.

The equity structure has been recast in all comparative periods up to the Closing Date to reflect the number of shares of the Company's common stock, $0.0001 par value per share, issued to legacy LMA's stockholders in connection with the Business Combination. As such, the shares and corresponding capital amounts and earnings per share related to legacy LMA common stock prior to the Business Combination have been retroactively recast as shares reflecting the exchange ratio of 0.8 established in the Business Combination. As of December 31, 2022, this resulted in 50,369,350 shares of common stock issued and outstanding.

Public Warrants

As of June 30, 2023, the Company has 17,250,000 Public Warrants outstanding. Each redeemable whole Public Warrant entitles the holder thereof to purchase one share of common stock at a price of $11.50 per full share, subject to adjustment as described. The Public Warrants represent a freestanding financial instrument as it is traded on the NASDAQ under the symbol "ABLLW" and legally detachable and separately exercisable from the related underlying shares of the Company's common stock. Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination and (b) 12 months from the closing of the Proposed Offering. The Public Warrants will expire five years from the completion of a Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of Class A common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable and the Company will not be obligated to issue a share of Class A common stock upon exercise of a warrant unless the share of Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

Redemption of Warrants for Cash—Once the warrants become exercisable, the Company may redeem the outstanding Public Warrants for cash:

- in whole and not in part;
- at a price of $0.01 per Public Warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the last sale price of the Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If and when the Public warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. However, the Company will not redeem the warrants unless an effective registration statement under the Securities Act covering the shares of Class A common stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock is available throughout the 30-day redemption period, except if the warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act.

Redemption of Warrants for Shares of Class A Common Stock—Once the Public warrants become exercisable, the Company may redeem the outstanding warrants for shares of Class A common stock:

- in whole and not in part;
- at a price equal to a number of shares of Class A common stock to be determined by reference to the agreed table set forth in the warrant agreement based on the redemption date and the "fair market value" of the Class A common stock;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the last sale price of the Class A common stock equals or exceeds $10.00 per share (as adjusted per share splits, share dividends, reorganizations, recapitalizations and the like) on the trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

In addition, if (x) the Company issues additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of the Company's initial Business Combination at an issue price or effective issue price of less than $9.20 per share (with such issue price or effective issue price to be determined in good faith by our board of directors), (y) the volume weighted average trading price of the Company's common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates its initial Business Combination (such price, the "Market Price") is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of Market Price and the newly issued price. Further, the $10.00 and $18.00 per share redemption trigger prices will be adjusted to be equal to 100% and 180%, respectively, of the higher of the market value and the newly issued price.

If the Company elects to redeem all of the Public Warrants or the common stock is at the time of any exercise of a Public Warrant not listed on a national securities exchange, management has the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. In such event, each holder would pay the exercise price by surrendering the whole warrants for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the difference between the exercise price of the warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. However, in no instance can the warrant holder unilaterally decide to exercise its Public Warrant on a cashless basis.

Upon the Business Combination, the Company accounted for the Public Warrants issued with the IPO as equity instruments. The Company accounted for the warrant as an expense of the IPO resulting in a charge directly to stockholders' equity. The Company estimates that the fair value of the warrants upon the Business Combination is approximately $4.73 million, or $0.274 per Public Warrant, using the binomial lattice model. The fair value of the warrants is estimated as of the date of grant using the following assumptions: (1) risk-free interest rate of 4.09%, (2) term to expiration of 5.0 years, (3) exercise price of $11.50 and (4) stock price of $10.03.

15. EMPLOYEE BENEFIT PLAN

The Company has a defined contribution plan in the U.S. intended to qualify under Section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer up to 100% of their annual compensation on a pretax basis. For the year ended December 31, 2022, the Company elected to match 50% of employee contributions up to a maximum of 4% of eligible employee compensation. For the three months ended June 30, 2023 and 2022, the Company recognized expenses related to the 401(k) Plan amounting to $13,075 and $2,577, respectively and for the six months ended June 30, 2023 and 2022, the Company recognized expenses related to the 401(k) Plan amounting to $25,315 and $8,048, respectively.

16. INCOME TAXES

Before June 30, 2023, the Company elected to file as an S corporation for Federal and state income tax purposes, the Company incurred no Federal or state income taxes, except for income taxes recorded related to some of their consolidated variable interest entities and subsidiaries which are taxable C corporations. These VIE's and subsidiaries include LMATT Series 2024, Inc., the wholly owned subsidiary of LMX, which is consolidated into LMA as a VIE, as well as LMATT Growth Series 2.2024, Inc., a wholly owned subsidiary of LMATT Growth Series, Inc., and LMATTS Growth and Income Series 1.2026, Inc., a wholly owned subsidiary of LMATT Growth and Income Series, Inc., all of which are 100% owned subsidiaries and fully consolidated. Accordingly, the provision for income taxes was attributable to amounts for LMATT Series 2024, Inc, LMATT Growth Series, Inc. and LMATT Growth and Income Series, Inc.

For the three months ended June 30, 2023 and 2022, the Company recorded provision for income taxes of $1,184,571 and $120,132, respectively. The effective tax rate is 15.0% for the three months ended June 30, 2023. The effective rate for the three months ended June 30, 2022 was 12.0% due to the impact of state income taxes and the release of the Company's valuation allowance, as there was sufficient evidence of the Company's ability to generate future taxable income at June 30, 2022.

For the six months ended June 30, 2023 and 2022, the Company recorded provision for income taxes of $528,104 and $296,806, respectively. The effective tax rate is 3.6% for the six months ended June 30, 2023. The existence of non-taxable flow-through entities within the Company as well as a change in tax status of certain entities upon the Business Combination caused the effective tax rate to be significantly lower than

the statutory rate. The effective rate for the six months ended June 30, 2022 was 18% due to the impact of state income taxes and the release of the Company's valuation allowance, as there was sufficient evidence of the Company's ability to generate future taxable income at June 30, 2022.

The Company did not have any unrecognized tax benefits relating to uncertain tax positions as of June 30, 2023, and December 31, 2022, and did not recognize any interest or penalties related to uncertain tax positions as of June 30, 2023, and December 31, 2022.

17. RELATED-PARTY TRANSACTIONS

As of June 30, 2023 and December 31, 2022, $10,415,154 and $263,785, respectively, were due to members and affiliates primarily for reimbursable transaction costs as well as distributions to owners of $717,429 as a part of the Business Combination as of June 30, 2023. As of June 30, 2023 and December 31, 2022, $10,473,748 and $2,904,646 was due from affiliates, respectively. The amount to be received as of June 30, 2023 is due from the Sponsor as part of the Sponsor PIK Note. Additionally, the SPV purchase and sale note for $25,000,000 as of June 30, 2023 was also recorded as a related party transaction given the transfer of cash and policies between the Company and the SPV. Refer to footnote 13 for more information.

The Company has a related-party relationship with Nova Trading (US), LLC ("Nova Trading"), a Delaware limited liability company and Nova Holding (US) LP, a Delaware limited partnership ("Nova Holding" and collectively with Nova Trading, the "Nova Funds"). The Company also earns service revenue related to policy and administrative services on behalf of Nova Funds. The servicing fee is equal to 50 basis points (0.50%) times the monthly invested amount in policies held by Nova Funds divided by 12. The Company earned $197,629 and $205,224, respectively, in service revenue related to Nova Funds for the three months ended June 30, 2023 and 2022 and earned $411,076 and $406,129, respectively, in service revenue related to Nova Funds for the six months ended June 30, 2023 and 2022.

Prior to the Merger, LMA used Abacus to originate life settlement policies that it accounts for under the investment method. For the three and six months ended June 30, 2023, the Company incurred $837,975 and $1,627,975, respectively in origination costs for life settlement policies that were originated by Abacus. These costs are capitalized on the condensed consolidated balance sheets as life settlement policies, at cost.

As of June 30, 2023, and December 31, 2022, there were $72,600 and $196,289, respectively owed from the Nova Funds, which are included as related-party receivables in the accompanying condensed consolidated balance sheets.

18. LEASES

The Company's right-of-use assets and lease liabilities for its operating lease consisted of the following amounts as of June 30, 2023 and December 31, 2022:

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
Assets:		
Operating lease right-of-use assets	$ 240,816	$ 77,011
Liabilities:		
Operating lease liability, current	227,561	48,127
Operating lease liability, non-current	16,864	29,268
Total lease liability	$ 244,425	$ 77,395

The Company recognizes lease expense for its operating leases within general, administrative, and other expenses on the Company's condensed consolidated statements of operations and comprehensive income. The Company's lease expense for the periods presented consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating lease cost	$12,471	$11,921	$24,942	$23,842
Variable lease cost	7,704	612	8,925	1,223
Total lease cost	$20,175	$12,533	$33,867	$25,065

The following table shows supplemental cash flow information related to lease activities for the periods presented:

	Six Months Ended June 30,	
	2023	2022
Cash paid for amounts included in the measurement of the lease liability		
Operating cash flows from operating leases	$ 24,557	$ 23,842
ROU assets obtained in exchange for new lease liabilities	—	—

The table below shows a weighted-average analysis for lease terms and discount rates for all operating leases for the periods presented:

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
Weighted-average remaining lease term (in years)	1.00	1.58
Weighted-average discount rate	3.54%	3.36%

Future minimum noncancellable lease payments under the Company's operating leases on an undiscounted basis reconciled to the respective lease liability at June 30, 2023 are as follows:

	Operating leases
Remaining of 2023	$130,176
2024	118,057
2025	—
2026	—
2027	—
Thereafter	—
Total operating lease payments (undiscounted)	248,233
Less: Imputed interest	(3,808)
Lease liability as of June 30, 2023	$244,425

19. EARNINGS PER SHARE

Basic earnings per share represents income available to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the reported period. Net income per ordinary share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the period. The Company has not considered the effect of the Public and Private Placement Warrants to purchase an aggregate of 26,150,000 shares in the calculation of diluted income per ordinary share, since the

average market price of the Company's Class A common shares for the three and six months ended June 30, 2023 was below the warrants' $11.50 exercise price. As a result, diluted income per share is the same as basic net income per share for the period presented.

Basic and diluted weighted average shares outstanding and earnings per share were as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income attributable to Longevity Market Assets	$ 6,750,145	$ 4,679,558	$ 14,835,648	$ 11,515,698
Weighted-average shares used in computing net income per share, basic and diluted	50,507,728	50,369,350	50,438,921	50,369,350
Basic and diluted earnings per share:	$ 0.13	$ 0.09	$ 0.29	$ 0.23

20. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions from the condensed consolidated balance sheet date through the date at which the condensed consolidated financial statements were issued.

Owl Rock Credit Facility

On July 5, 2023 (the "Owl Rock Closing Date"), the Company entered into that certain Credit Agreement (the "Owl Rock Credit Facility"), among the Company, as borrower, the several banks and other persons from time to time party thereto (the "Owl Rock Lenders"), and Owl Rock Capital Corporation, as administrative and collateral agent for the Owl Rock Lenders thereunder.

The Owl Rock Credit Facility, among other things:

- requires the Company and certain subsidiaries of the Company to guarantee the loans provided under the Owl Rock Credit Facility pursuant to separate loan documentation;
- provides credit extensions for (i) an initial term loan in an aggregate principal amount of $25.0 million upon the closing of the Owl Rock Credit Facility and (ii) optional delayed draw term loans (which can be drawn on multiple drawing dates) in an aggregate principal amount of up to $25.0 million available for one hundred eighty (180) days after the Owl Rock Closing Date (the "Delayed Draw Term Loan Availability Period"), subject to the requirement that on each delayed draw date, the liquid asset coverage ratio shall not be less than 1.80 to 1.00, together with other specified conditions to drawings, the proceeds of which may be used for working capital and the business requirements of the enterprise, and to fund acquisitions, investments and other transactions permitted by the loan documentation;
- provides a delayed draw commitment fee rate of 0.50% per annum applicable to undrawn commitments during the Delayed Draw Term Loan Availability Period
- matures on July 5, 2028, the date that is five years after the closing of the Owl Rock Credit Facility;
- is secured by a first-priority security interest in substantially all of the assets of the Company and the subsidiary guarantors. No pledge of any equity interests in the Company is required by any holder of such equity interests;
- provides for interest to accrue on the loans drawn under the Owl Rock Credit Facility at the election of the Company, by reference to either (i) an alternative base rate (such loans, "ABR Loans") or (ii) an adjusted term SOFR rate (such loans, "SOFR Loans") plus an applicable margin. The adjusted term SOFR rate is determined by the applicable term SOFR for a relevant interest period plus a credit spread adjustment of 0.10%, 0.15% and 0.25% per annum for interest periods of one, three and six months,

respectively. The applicable margin for each type of loan is (i) 6.25% per annum for any ABR Loans and (ii) 7.25% per annum for any SOFR Loans, with interest periods for SOFR Loans of one, three or six months (or other periods if agreed by all lenders);

- provides a default rate that will accrue at 2.00% per annum over the rate otherwise applicable;
- provides for amortization payments based on the initial principal amount of the loans outstanding of 1.0% per year (0.25% due per quarter), with adjustments made to the overall amortization amount upon the incurrence of any delayed draw loans;
- contains provisions requiring mandatory prepayment of the initial term loans and delayed draw term loans with 100% of the proceeds of (a) indebtedness not permitted by the Owl Rock Credit Facility and (b) certain specified asset dispositions and payments (including in respect of settlements) in respect of property, casualty insurance claims or condemnation proceedings, with the proceeds received under this clause (b) subject to certain specified reinvestment rights and procedures set forth in the Owl Rock Credit Facility. The Owl Rock Credit Facility permits voluntary prepayments of outstanding loans at any time;
- provides for a prepayment premium equal to (a) 4.00% of the principal amount of such loans prepaid on or prior to the first anniversary of the closing of the Owl Rock Credit Facility, (b) 3.00% of the principal amount of such loans prepaid after the first anniversary of the closing of the Owl Rock Credit Facility but on or prior to the second anniversary of the closing of the Owl Rock Credit Facility and (c) 2.00% of the principal amount of such loans prepaid after the second anniversary of the closing of the Owl Rock Credit Facility but on or prior to the third anniversary of the closing of the Owl Rock Credit Facility. No prepayment premium will be applicable for any such prepayment made after the third anniversary of the closing of the Owl Rock Credit Facility. The prepayment premium is applicable to voluntary prepayments and certain specified mandatory prepayment during such applicable periods;
- provides for financial covenants such that (i) a consolidated net leverage ratio cannot exceed 2.50 to 1.00 as of the last day of any fiscal quarter and (ii) a liquid asset coverage ratio cannot be less than 1.80 to 1.00;
- contains affirmative covenants related to, among other things, delivery of certain financial reports and compliance certificates, maintenance of existence, compliance with laws, material contracts, payment of taxes, property and insurance matters, inspection of property, books and records, notices, collateral matters and future subsidiaries, in each case, subject to specified limitations and exceptions;
- contains an affirmative representation and corresponding covenant that the Company and certain subsidiaries of the Company do not, and will not during the term of the Owl Rock Facility (or if the term of the Owl Rock Credit Facility continues for longer than a year, during the Company's and certain subsidiaries of the Company's most recent fiscal year), derive more than fifteen percent (15%) of their aggregate gross revenues from securities related activities;
- contains negative covenants related to, among other things, incurrence of debt, creation of liens, mergers, acquisitions and certain other fundamental changes, conditions concerning the creation of new subsidiaries, conditions concerning opening of new accounts, disposition of assets, dividends and other restricted payments, prepayment of certain indebtedness, transactions with affiliates, investments and limitations on lines of business, in each case, subject to specified limitations and exceptions; and
- provides for certain specified events of default upon the occurrence and during the continuation of certain events or conditions (subject to specified exceptions, grace periods or cure rights, as applicable) each as set forth in the Owl Rock Credit Facility, which includes among other things, defaults with respect to nonpayment, breaches of representations and warranties, failure to comply with covenants, cross-default to other material indebtedness, bankruptcy and insolvency matters, ERISA matters, material judgments, collateral and perfection matters, the occurrence of a change of control and subordination matters with respect to certain specified indebtedness. The occurrence and continuance of an event of default that is not cured or waived will enable the agent and/or the lenders, as applicable, to accelerate the loans or take other remedial steps as provided in the Owl Rock Credit Facility and the other loan documents.

ABACUS SETTLEMENTS, LLC

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Origination revenue	$1,689,088	$ 743,388	$ 3,252,738	$ 3,185,068
Related party revenue	5,195,602	4,948,528	9,931,938	9,829,596
Total revenue	6,884,690	5,691,916	13,184,676	13,014,664
Cost of revenue	1,505,333	956,625	2,734,949	3,265,313
Related party cost of revenue	3,392,647	2,615,307	6,558,354	5,522,312
Total cost of revenue	4,897,980	3,571,932	9,293,303	8,787,625
Gross Profit	1,986,710	2,119,984	3,891,373	4,227,039
OPERATING EXPENSES:				
General and administrative expenses	2,297,577	2,208,051	4,848,580	3,948,358
Depreciation	2,561	3,048	5,597	5,988
Total operating expenses	2,300,138	2,211,099	4,854,177	3,954,346
Income (Loss) from operations	(313,428)	(91,115)	(962,804)	272,693
OTHER INCOME (EXPENSE)				
Interest income	1,193	599	1,917	1,147
Interest (expense)	(5,863)	—	(11,725)	—
Other income	—	273	—	273
Total other income (expense)	(4,670)	872	(9,808)	1,420
Income (Loss) before provision for income taxes	(318,098)	(90,243)	(972,612)	274,113
Provision for income taxes	—	—	2,289	1,325
NET INCOME (LOSS) AND COMPREHENSIVE	$ (318,098)	$ (90,243)	$ (974,901)	$ 272,788
WEIGHTED-AVERAGE UNITS USED IN COMPUTING NET INCOME (LOSS) PER UNIT:				
Basic	$ 400	400	400	400
Diluted	$ 400	400	400	400
NET INCOME/(LOSS) PER UNIT:				
Basic earnings per unit	$ (795.25)	$ (225.61)	$ (2,437.25)	$ 681.97
Diluted earnings per unit	$ (795.25)	$ (225.61)	$ (2,437.25)	$ 681.97

See accompanying notes to interim condensed consolidated financial statements.

ABACUS SETTLEMENTS, LLC

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THREE MONTHS ENDED JUNE 30, 2023 AND 2022

	Common units		Additional	Retained	
	Units	Amount	Paid-In Capital	Earnings	Total
BALANCE—March 31, 2023	400	$4,000	$ 80,000	$1,270,334	$1,354,334
Net income	—	—	—	(318,098)	(318,098)
Distributions	—	—	—	(442,283)	(442,283)
BALANCE—June 30, 2023	400	$4,000	$ 80,000	$ 509,953	$ 593,953

	Common units		Additional	Retained	
	Units	Amount	Paid-In Capital	Earnings	Total
BALANCE—December 31, 2022	400	$4,000	$ 80,000	$1,927,137	2,011,137
Net loss	—	—	—	(974,901)	(974,901)
Distributions	—	—	—	(442,283)	(442,283)
BALANCE—June 30, 2023	400	$4,000	$ 80,000	$ 509,953	$ 593,953

See accompanying notes to interim condensed financial statements.

ABACUS SETTLEMENTS, LLC

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Common units		Additional	Retained	
	Units	Amount	Paid-In Capital	Earnings	Total
BALANCE—December 31, 2021	400	$4,000	$ 80,000	$2,638,995	$2,722,995
Net income	—	—	—	272,788	272,788
Distributions	—	—	—	(659,869)	(659,869)
BALANCE—June 30, 2022	400	$4,000	$ 80,000	$2,251,914	$2,335,914

	Common units		Additional	Retained	
	Units	Amount	Paid-In Capital	Earnings	Total
BALANCE—December 31, 2022	400	$4,000	$ 80,000	$1,927,137	2,011,137
Net loss	—	—	—	$ (974,901)	(974,901)
Distributions	—	—	—	$ (442,283)	(442,283)
BALANCE—June 30, 2023	400	$4,000	$ 80,000	$ 509,953	$ 593,953

See accompanying notes to interim condensed financial statements.

ABACUS SETTLEMENTS, LLC

UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Six Months Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (974,901)	$ 272,788
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation expense	19,157	10,751
Amortization expense	40,278	37,952
Amortization of deferred financing fees	11,725	—
Non-cash lease expense	1,210	—
Changes in operating assets and liabilities:		
Related party receivables	397,039	—
Other receivables	101,203	(202,491)
Prepaid expenses	(198,643)	71,038
Other current assets	(26,211)	(20,111)
Certificate of deposit	—	656,250
Accrued payroll and other expenses	(17,466)	155,994
Contract liability—deposits on pending settlements	659,067	(1,427,291)
Accounts payable	(36,750)	(7,247)
Net cash used in operating activities	(24,292)	(452,367)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(108,394)	(32,212)
Purchase of intangible asset	—	(15,000)
Due to/from members and affiliates	(74,134)	11,525
Net cash used in investing activities	(182,528)	(35,687)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Due to members	(1,411)	(11,857)
Distributions to members	(442,283)	(659,869)
Net cash used in financing activities	(443,694)	(671,726)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(650,514)	(1,159,780)
CASH AND CASH EQUIVALENTS:		
Beginning of period	1,458,740	2,599,302
End of period	$ 808,226	$ 1,439,522

See accompanying notes to interim condensed financial statements.

ABACUS SETTLEMENTS, LLC

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Abacus Settlements, LLC d/b/a Abacus Life (the "Company") was formed in 2004 in the state of New York. In 2016, the Company obtained its licensure in Florida and re-domesticated to that state. On June 13, 2023, the Company re-domesticated to Delaware.

The Company acts as a purchaser of outstanding life insurance policies ("Provider") on behalf of investors ("Financing Entities") by locating policies and screening them for eligibility for a life settlement, including verifying that the policy is in force, obtaining consents and disclosures, and submitting cases for life expectancy estimates, also known as origination services. When the sale of a policy is completed, this is deemed "settled" and the policy is then referred to as either a "life settlement" in which the insured's life expectancy is greater than two years or "viatical settlement," in which the insured's life expectancy is less than two years.

The Company is not an insurance company, and therefore the Company does not underwrite insurable risks for its own account. On August 30, 2022, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with East Resources Acquisition Company ("ERES"), which was subsequently amended on October 14, 2022. As part of the Merger Agreement, the holders of the Company's common units together with the holders of Longevity Markets Assets, LLC ("LMA"), a commonly owned affiliate, will receive aggregate consideration of approximately $531,750,000, payable in a number of newly issued shares of ERES Class A common stock, par value $0.0001 per share ("ERES Class A common stock"), with a value ascribed to each share of ERES Class A common stock of $10.00 and, to the extent the aggregate transaction proceeds exceed $200.0 million, at the election of the Company's and LMA's members, up to $20.0 million of the aggregate consideration will be payable in cash to the Company's and LMA's members. The transaction closed on June 30, 2023 upon shareholder approval and customary closing conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed balance sheet as of June 30, 2023, was derived from amounts included in the Company's annual financial statements for the year ended December 31, 2022. Such amounts are included within the condensed consolidated financial statements of Abacus Life, Inc. Capitalized terms used herein without definition have the meanings ascribed to them in the Company's financial statements for the year ended December 31, 2022. Refer to this note in the annual financial statements for the full list of the Company's significant accounting policies. The details in those notes have not changed except as discussed below and as a result of normal adjustments in the interim periods.

Basis of Presentation—The accompanying condensed financial statements are presented in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

Unaudited Condensed Financial Statements—The condensed financial statements have been prepared on a basis consistent with the audited annual financial statements as of and for the year ended December 31, 2022, and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of June 30, 2023, and the condensed results of its operations and comprehensive income/(loss) and cash flows for the three and six months ended June 30, 2023 and 2022. The condensed results of operations and comprehensive income/(loss) and cash flows for the period January 1, 2023 to June 30, 2023, are not necessarily indicative of the results to be expected for the full year ending December 31, 2023, or any other period.

Use of Estimates—The preparation of US GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of financial statements and the reports amounts of revenue and expenses during the reporting periods. Company's estimates, judgments, and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from the estimates. Estimates are used when accounting for revenue recognition and related costs, the selection of useful lives of property and equipment, impairment testing, valuation of other receivables from clients, income taxes, and legal reserves.

Going Concern—Management evaluates at each annual and interim period whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are issued. Management's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued. Management has concluded that there are no conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date these financial statements were issued.

Other receivables—Other receivables include origination fees for policies in which the recission period has ended, but the funds have not been received yet from financing entities. These fees were collected in the subsequent month.

The Company provides an allowance for credit losses equal to the estimated collection losses that will be incurred in collection of all receivables. Management determines the allowance for credit losses based on a review of outstanding receivables, historical collection experience, current economic conditions, and reasonable and supportable forecasts. Account balances are charged off against the allowance for credit losses after all means of collection have been exhausted and the potential for recovery is deemed remote. The Company does not have any material allowance for credit losses as of June 30, 2023 or December 31, 2022.

If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company did not record material allowance for credit losses as of June 30, 2023, and December 31, 2022, respectively.

Concentrations—All of the Company's revenues are derived from life settlement transactions in which the Company represents Financing Entities that purchased existing life insurance policies. One financing entity, a company in which the Company's members own interests, represented 23% and 66% of the Company's revenues in six months ended June 30, 2023 and 2022, respectively. The Company originates policies through three different channels: Direct to Consumer, Agent, and Broker. Two brokers represented the sellers for over 10% of the Company's life settlement commission expense during the period six months ended June 30, 2023. No brokers represented the sellers for over 10% of the Company's life settlement commission expense during the period six months ended June 30, 2022. The Company maintains cash deposits with a major financial institution, which from time to time may exceed federally insured limits. The Company periodically assesses the financial condition of the institution and believes that the risk of loss is minimal.

Advertising—All advertising expenditures incurred by the Company are charged to expense in the period to which they relate and are included in general and administrative expenses on the accompanying condensed statements of operations and comprehensive income/(loss). Advertising expense totaled $367,418 and $286,695 for three months ended June 30, 2023 and 2022, respectively. Advertising expense totaled $741,789 and $554,802 for six months ended June 30, 2023 and 2022, respectively.

3. SEGMENT REPORTING

Operating as a centrally led life insurance policy intermediary, the Company's president and chief executive officer is the chief operating decision maker who allocates resources and assesses financial performance

based on financial information presented for the Company as a whole. As a result of this management approach, the Company is organized as a single operating segment.

4. REVENUE

Disaggregated Revenue—The following table presents a disaggregation of the Company's revenue by major sources for three months ended June 30, 2023 and 2022, and for six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Agent	$ 3,334,402	$ 2,717,512	$ 7,143,016	$ 5,690,701
Broker	2,809,499	2,247,953	4,675,973	5,727,970
Client direct	740,789	726,451	1,365,687	1,595,993
Total	$ 6,884,690	$ 5,691,916	$ 13,184,676	$ 13,014,664

5. INCOME TAXES

Since the Company elected to file as an S corporation for federal and State income tax purposes, the Company incurred no federal or state income taxes. Accordingly, provision for income taxes is attributable to minimum state tax payments that are due regardless of their S corporation status and income position.

For the three months ended June 30, 2023 and 2022, the company did not record provision for income taxes. For the six months ended June 30, 2023 and 2022, the company recorded provision for income taxes of $2,289 and $1,325, respectively, which consist of state minimum taxes for state taxes that have been paid and settled during the period. The effective tax rate was approximately (0.24%) for the six months ended June 30, 2023, compared to 0.48% for the six months ended June 30, 2022.

Given the company's S Corporation status, temporary book and tax differences do not create a deferred tax asset or liability on the balance sheets. Accordingly, an assessment of realizability of any deferred tax asset balances is not relevant.

6. RETIREMENT PLAN

The Company provides a defined contribution plan to its employees, Abacus Settlements LLC 401(k) Profit Sharing Plan & Trust (the "Plan"). All eligible employees are able to participate in voluntary salary reduction contributions to the Profit-Sharing Plan. All employees who have completed one year of service with the Company are eligible to receive employer-matching contributions. The Company may match contributions to the Plan, up to 4% of compensation. For the three months ended June 30, 2023 and 2022, and for six months ended June 30, 2023 and 2022, the Company made no discretionary contribution to the Plan.

7. RELATED-PARTY TRANSACTIONS

The Company has a related-party relationship with Nova Trading (US), LLC ("Nova Trading"), a Delaware limited liability company and Nova Holding (US) LP, a Delaware limited partnership ("Nova Holding" and collectively with Nova Trading, the "Nova Funds") as the owners of Abacus jointly own 11% of the Nova Funds. For the three months ended June 30, 2023 and 2022, the Company originated 38 and 92 policies, respectively, for the Nova Funds with a total value of $56,688,680 and $102,307,954, respectively. For six months ended June 30, 2023 and 2022, the Company originated 72 and 183 policies, respectively, for the Nova Funds with a total value of $96,674,080 and $282,804,838, respectively. For its origination services to the Nova Funds, the Company earns origination fees equal to the lesser of (i) 2% of the net death benefit for

the policy or (ii) $20,000. For three months ended June 30, 2023 and 2022, and for six months ended June 30, 2023 and 2022, revenue earned, and contracts originated are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Origination fee revenue	$ 1,504,532	$ 4,164,107	$ 2,952,837	$ 8,569,034
Transaction reimbursement revenue	75,332	152,221	140,960	306,361
Total	$ 1,579,864	$ 4,316,328	$ 3,093,797	$ 8,875,395
Cost	$ 5,290,504	$ 25,201,256	$ 11,656,637	$ 50,738,202
Face value	56,688,680	102,307,954	96,674,080	282,804,838
Total policies	38	92	72	183
Average Age	0	1	75	75

In addition to the Nova Funds, the Company also has another affiliated investor that they provide origination services for. Total revenue earned related to the other affiliated investor was $3,615,738 and $589,700, of which $3,615,739 and $470,200 related to LMA for the three months ended June 30, 2023 and 2022, respectively. Total cost of sales related to the other affiliated investor was $2,623,201 and $363,700, of which $2,623,201 and $326,200 related to LMA for three months ended June 30, 2023 and 2022, respectively.

Total revenue earned related to the other affiliated investor was $6,838,141 and $911,700, of which $6,794,641 and $470,200 related to LMA, for the six months ended June 30, 2023 and 2022, respectively. Total cost of sales related to the other affiliated investor was $5,020,603 and $612,700, of which $5,012,103 and $326,200 related to LMA for the six months ended June 30, 2023 and 2022, respectively. In addition, there is a related party receivable due from LMA related to transaction expenses of $19,246 and $0 as of June 30, 2023 and 2022, respectively, which is included as due from members and affiliates in the accompanying condensed balance sheets.

8. SUBSEQUENT EVENT

On June 30, 2023, the Company consummated the merger with LMA. The Company has evaluated its subsequent events through August 14, 2023, the date that the financial statements were issued and determined that there were no events that occurred that required disclosure.

Longevity Market Assets, LLC

Consolidated Financial Statements as of and for the Years Ended December 31, 2022 and 2021, and Report of Independent Registered Public Accounting Firm

LONGEVITY MARKET ASSETS, LLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Members
Longevity Market Assets, LLC

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Longevity Market Assets, LLC (a Florida limited liability company) and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive income (loss), changes in members' equity, and cash flows for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Grant Thornton LLP

We have served as the Company's auditor since 2022.

Philadelphia, Pennsylvania
March 24, 2023

LONGEVITY MARKET ASSETS, LLC

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 30,052,823	$ 102,420
Accounts receivable	10,448	—
Related party receivable	198,364	67,491
Due from affiliates	2,904,646	—
Prepaid expenses and other current assets	116,646	24,905
Total current assets	33,282,927	194,816
PROPERTY AND EQUIPMENT—Net	18,617	22,899
OTHER ASSETS		
Operating right-of-use asset	77,011	122,503
Life settlement policies, at cost	8,716,111	—
Life settlement policies, at fair value	13,809,352	—
Available for sale securities, at fair value	1,000,000	250,000
Other investments	1,300,000	1,250,000
Other non-current assets, at fair value	890,829	—
TOTAL ASSETS	$ 59,094,847	$ 1,840,218
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 40,014	$ —
Due to affiliates	263,785	930,630
Operating lease liabilities- current portion	48,127	45,107
Accrued transaction costs	908,256	—
Other current liabilities	42,227	20,192
Total current liabilities	1,302,409	995,929
Long-term debt, at fair value	28,249,653	—
Operating lease liabilities- noncurrent portion	29,268	77,396
Deferred tax liability	1,363,820	—
TOTAL LIABILITIES	30,945,150	1,073,325
COMMITMENTS AND CONTINGENCIES (Note 9)		
MEMBERS' EQUITY:		
Common units, $10.00 par value; 5,000 common units issued and outstanding at December 31, 2022 and 2021	50,000	50,000
Additional paid-in capital	660,000	660,000
Retained earnings	25,487,323	205,048
Accumulated other comprehensive income	1,052,836	—
Non-controlling interest	899,538	(148,155)
Total members' equity	28,149,697	766,893
TOTAL LIABILITIES AND EQUITY	$ 59,094,847	$ 1,840,218

The accompanying notes are an integral part of these consolidated financial statements.

LONGEVITY MARKET ASSETS, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUES:		
Portfolio servicing revenue		
Related party servicing revenue	$ 818,300	$ 699,884
Portfolio Servicing revenue	652,672	380,102
Total portfolio servicing revenue	1,470,973	1,079,986
Active management revenue		
Investment Income from life insurance policies held using investment method	37,828,829	120,000
Change in fair value of life insurance policies (policies held using fair value method)	5,413,751	—
Total active management revenue	43,242,581	120,000
Total revenues	44,713,553	1,199,986
COST OF REVENUES (Excluding depreciation stated below)	6,245,131	735,893
Gross profit	38,468,422	464,093
OPERATING EXPENSES:		
Sales and marketing	2,596,140	—
General, administrative and other	1,066,403	101,406
Change in fair value of debt	90,719	—
Unrealized loss on investments	1,045,623	—
Other operating expenses	—	493,849
Depreciation	4,282	2,447
Total operating expenses	4,803,168	597,702
Operating income (loss)	33,665,255	(133,609)
OTHER (EXPENSE) INCOME		
Interest (expense), net	(41,324)	—
Other (expense)	(347,013)	—
Total other (expense) income	(388,337)	—
Net income (loss) before tax	33,276,917	(133,609)
Income tax expense	889,943	—
NET INCOME (LOSS)	32,386,975	(133,609)
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	704,699	(148,155)
NET INCOME ATTRIBUTABLE TO LONGEVITY MARKET ASSETS, LLC	$31,682,275	$ 14,546
EARNINGS PER UNIT:		
Basic earnings per unit	$ 6,477.39	$ 2.91
Diluted earnings per unit	$ 6,477.39	$ 2.91
Weighted average shares outstanding—basic	5,000	5,000
Weighted average shares outstanding—diluted	5,000	5,000
NET INCOME	32,386,975	—
Other comprehensive income, net of tax:		
Change in fair value of debt	1,395,829	—
Comprehensive income before non-controlling interests	33,782,804	—
Less: Net income attributable to non-controlling interests	704,699	—
Less: Comprehensive income attributable to non-controlling interests	342,994	—
Comprehensive income attributable to Longevity Market Assets, LLC	$32,735,111	—

The accompanying notes are an integral part of these consolidated financial statements.

LONGEVITY MARKET ASSETS, LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Common Units		Additional Paid-In Capital	Retained Earnings	Non-Controlling Interests	Accumulated Other Comprehensive Income	Total Members' Equity
	Units	Amount					
BALANCE AS OF DECEMBER 31, 2021	1,000	$50,000	$660,000	$ 590,502	$ —	—	$ 1,300,502
Distributions	—	—	—	(400,000)	—	—	$ (400,000)
Net income (loss)	—	—	—	14,546	(148,155)	—	$ (133,609)
BALANCE AS OF DECEMBER 31, 2021	1,000	50,000	660,000	205,048	(148,155)	—	766,893
Distributions	—	—	—	(6,400,000)	—	—	$ (6,400,000)
Other Comprehensive Income	—	—	—	—	342,994	1,052,836	$ 1,395,829
Net income	—	—	—	31,682,275	704,699	—	$ 32,386,975
BALANCE AS OF DECEMBER 31, 2022	5,000	$50,000	$660,000	$ 25,487,323	$ 899,538	$ 1,052,836	$ 28,149,697

LONGEVITY MARKET ASSETS, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 32,386,975	$ (133,609)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	4,282	2,447
Unrealized loss on investments	1,045,623	—
Unrealized (gain) on policies	(5,742,377)	—
Change in fair value of debt	90,719	—
Income tax expense	889,943	—
Non-cash lease expense	383	—
Changes in operating assets and liabilities:		
Accounts receivable	(10,448)	—
Related party receivable	(130,873)	(11,047)
Other receivable	—	18,315
Prepaid expenses	(91,741)	(23,738)
Other noncurrent assets	(1,936,452)	—
Accounts payable	40,014	—
Accrued transaction costs	908,256	—
Other current liabilities	22,035	8,463
Life Settlement Policies purchased, at fair value	(8,066,975)	—
Life Settlement Policies purchased, at cost	(8,716,111)	—
Net cash provided by/(used in) operating activities	10,693,254	(139,169)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	—	(25,346)
Purchase of available for sale securities	(750,000)	(250,000)
Purchase of other investments, at cost	(50,000)	—
Due from affiliates	(2,904,646)	—
Net cash (used in) investing activities	(3,704,646)	(275,346)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long term debt, at fair value	30,028,640	—
Due to affiliates	(666,845)	781,663
Member capital distribution	(6,400,000)	(400,000)
Net cash provided by/(used in) financing activities	22,961,795	381,663
NET INCREASE (DECREASE) IN CASH	29,950,403	(32,852)
CASH AT THE BEGINNING OF THE YEAR	102,420	135,272
CASH AT THE END OF THE YEAR	$ 30,052,823	$ 102,420

The accompanying notes are an integral part of these consolidated financial statements.

LONGEVITY MARKET ASSETS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

1. DESCRIPTION OF BUSINESS

Longevity Market Assets, LLC (together with its subsidiaries, the "Company" or "LMA") was formed in February 2017 as Abacus Life Services, LLC in the state of Florida and subsequently changed its name in February 2022. The Company is a provider of services pertaining to life insurance settlements and offers policy servicing to owners and purchasers of life settlement assets, as well as consulting, valuation, and actuarial services. The Company offers value to the owners of life settlements by monitoring and maintaining the policy, and performing all administrative work involved to keep the policy in force and at the premium level most advantageous to the owner.

The Company is also engaged in buying and selling of life settlement policies in which it uses its own capital, and purchases life settlement contracts with the intent to either hold to maturity to receive the associated death claim payout, or to sell to another purchaser of life settlement contracts for a gain on the sale. The Company is headquartered in Orlando, Florida.

On August 30, 2022, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with East Resources Acquisition Company ("ERES"), which was subsequently amended on October 14, 2022 and April 20, 2023. As part of the Merger Agreement, the total transaction value is $618,000,000, where the holders of the Company's common units together with the holders of Abacus Settlements, LLC ("Abacus"), a commonly owned affiliate, will receive aggregate consideration of approximately $531,800,000, payable in a number of newly issued shares of ERES Class A common stock, par value $0.0001 per share ("ERES Class A common stock"), with a value ascribed to each share of ERES Class A common stock of $10.00 and, to the extent the aggregate transaction proceeds exceed $200.0 million, at the election of the Company's and Abacus's members, up to $20.0 million will be payable in cash to the Company's and Abacus's members. The transaction is expected to close in Q2 2023, subject to shareholder approval and customary closing conditions. The Company has accrued $908,226 of legal, advisory and audit fees related to the pending merger transaction, which have been included in Accrued Transaction Costs on the Consolidated Balance Sheets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These statements include the financial statements of Longevity Market Assets, LLC and its wholly owned and controlled subsidiaries and subsidiaries in which the Company holds a controlling financial interest or is the primary beneficiary. Intercompany transactions and accounts have been eliminated in consolidation.

Consolidation of Variable Interest Entities—For entities in which the Company has variable interests, the Company first evaluates whether the entity meets the definition of a variable interest entity ("VIE") or a voting interest entity ("VOE"). If the entity is a VIE, the Company focuses on identifying whether it has the power to direct the activities that most significantly impact the VIE's economic performance and whether it has the obligation to absorb losses or the right to receive benefits from the VIE. If the Company is the primary beneficiary of a VIE, the assets, liabilities, and results of operations of the variable interest entity will be included in the Company's consolidated financial statements. The proportionate share not owned by the Company is recognized as Noncontrolling interest and Net income (loss) attributable to noncontrolling interest on the Consolidated Balance Sheets and Consolidated Statements of Operations and Comprehensive (Loss) Income, respectively. If the entity is a VOE, the Company evaluates whether it has the power to control the VOE through a majority voting interest or through other arrangements.

Accounting Standards Codification (“ASC”) Topic 810, *Consolidations*, requires the Company to separately disclose on its Consolidated Balance Sheets the assets of consolidated VIEs and liabilities of consolidated VIEs as to which there is no recourse against the Company. As of December 31, 2022, total assets and liabilities of consolidated VIEs is $30,073,972 and $27,116,762, respectively. As of December 31, 2021, total assets and liabilities of consolidated VIEs is $400 and $0, respectively.

On October 4, 2021, the Company entered into an Operating Agreement with LMX Series, LLC (“LMX“) and three other unaffiliated investors to obtain a 70% ownership interest in LMX, which was newly formed in August 2021. LMX had no operating activity prior to the Operating Agreement being signed. LMX has a wholly owned subsidiary, LMATT Series 2024, Inc., a Delaware C-Corporation. While the Company and three other investors each contributed $100 to LMX, the Company directs the most significant activities by managing the investment offerings, and sponsoring and creating structured investment grade insurance liabilities, and thus was provided a 70% ownership interest. LMX is a VIE and the Company is the primary beneficiary of LMX. The Company has included the results of LMX and its subsidiaries in its consolidated financial statements for the year ended December 31, 2022.

On March 3, 2022, the Company formed Longevity Market Advisors, LLC (“Longevity Market Advisors”), which the Company has an 80% ownership interest in. The Longevity Market Advisors legal entity was established primarily for the purpose of acquiring the assets of a broker/dealer, Regional Investment Services, Inc. (“RIS”), an Ohio corporation. Longevity Market Advisors is a VIE and the Company is the primary beneficiary of Longevity Market Advisors. The purchase price in exchange for RIS was $60,000. The Company evaluated whether this represented a business combination or an asset acquisition under ASC 805. While the purchase of RIS represents a business, it was further determined that as RIS was purchased for the primary reason of being registered by the Financial Industry Regulatory Authority (“FINRA”). As there are no tangible or intangible assets of value from RIS that would meet the capitalization criteria that have standalone value, the Company has expensed the purchase in general and administrative costs. Upon closing of the transaction, Longevity Market Advisors will comprise 100% of the ownership structure of RIS, and RIS will be a wholly owned subsidiary. The Company has included the results of Longevity Market Advisors and its subsidiaries in its consolidated financial statements for the year ended December 31, 2022.

On November 30, 2022, LMA Series, LLC, a wholly owned subsidiary of the Company, signed an Operating Agreement to be the sole member of a newly created general partnership, LMA Income Series, GP, LLC. Subsequent to that, LMA Income Series, GP, LLC formed a limited partnership, LMA Income Series, LP and issued partnership interests to limited partners in a private placement offering. It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the year ended December 31, 2022.

Non-Consolidated Variable Interest Entities—On January 1, 2021, the Company entered into an option agreement with two commonly owned full-service origination, servicing and investment providers (“the Providers”) in which the Company agreed to fund certain capital needs with an option to purchase the outstanding equity ownership of the Providers.

The Company accounted for its investment in the call options as an equity security, pursuant to ASC 321. In arriving at this accounting conclusion, the Company first considered whether the call option met the definition of a derivative pursuant to ASC 815 and concluded that it did not as the instrument does not provide for net settlement and accordingly is not a derivative. The Company also concluded that the call option does not provide the Company with a controlling financial interest in the legal entity pursuant to ASC 810. The call option includes material contingencies prior to exercisability that the Company does not anticipate will be resolved; additionally, the call option is in a legal entity for which the share price has no readily determinable fair value. The Company’s basis in the call option, pursuant to ASC 321, is zero and accordingly the call option is not reflected in the statement of financial position.

The Company provided $347,013 of funding for the year ended December 31, 2022 which is included in Other (Expense) Income on the Consolidated Statements of Operations and Comprehensive Income (Loss) and $120,000 of funding for the year ended December 31, 2021 which was repaid in full by the Providers during that same year. See Note 9, “Commitments and Contingencies.”

For the years ended December 31, 2022 and 2021, the Providers were considered to be VIEs, but were not consolidated in the Company’s consolidated financial statements due to a lack of the power criterion or the losses/benefits criterion. For the year ended December 31, 2022, the unaudited financial information for the unconsolidated VIE’s are as follows: held assets of $126,040 and liabilities of $0 and held assets of $861,924 and liabilities of $358,586, respectively. As of December 31, 2021, unaudited financial information for the non-consolidated VIEs were as follows: held assets of $122,279 and liabilities of $0 and held assets of $474,288 and liabilities of $2,218, respectively.

Noncontrolling Interest—Noncontrolling interest represents the share of consolidated entities owned by third parties. At the date of formation or upon acquisition, the Company recognizes noncontrolling interest on the Consolidated Balance Sheets at an amount equal to the noncontrolling interest’s proportionate share of the relative fair value of any assets and liabilities acquired. Noncontrolling interest is subsequently adjusted for the noncontrolling shareholder’s additional contributions, distributions, and the shareholder’s share of the net earnings or losses of each respective consolidated entity.

Net income of a consolidated entity is allocated to noncontrolling interests based on the noncontrolling shareholder’s ownership interest during the period. The net income or loss that is not attributable to the Company is reflected in Net income (loss) attributable to noncontrolling interests in the Consolidated Statement of Operations and Comprehensive Income (Loss).

Use of Estimates— The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of financial statements and the report’s amounts of revenue and expenses during the reporting periods. The Company’s estimates, judgments and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from the estimates. Estimates are used when accounting for revenue recognition and related costs, the selection of useful lives of property and equipment, valuation of other receivables, valuation of other investments, valuation of life settlement policies, valuation of available for sale securities, impairment testing, income taxes and legal reserves.

Life Insurance Settlement Policies—The Company accounts for its holdings of life insurance settlement policies in accordance with ASC 325-30, *Investments in Insurance Contracts*. The Company accounts for life settlement policies purchased that it intends to hold to maturity at fair value and life settlement policies that it intends to trade in the near term at cost plus premiums paid.

The Company follows ASC 820, *Fair Value Measurements and Disclosures*, in estimating the fair value of its life insurance policies held at fair value. ASC 820 defines fair value as an exit price representing the amount that would be received if an asset were sold or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-level, fair value hierarchy that prioritizes the inputs used to measure fair value. Level 1 relates to quoted prices in active markets for identical assets or liabilities. Level 2 relates to observable inputs other than quoted prices included in Level 1. Level 3 relates to unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company’s valuation of life settlements is considered to be Level 3, as there is currently no active market where it is able to observe quoted prices for identical assets. The Company’s valuation model incorporates significant inputs that are not observable. See Note 10, “Fair Value Measurements.” For policies held at fair value, changes in fair value are reflected in operations in the period the change is calculated.

For policies held under the investment method, the Company tests the impairment if it becomes aware of information indicating that the carrying value plus undiscounted future premiums of a policy may not be recoverable. This information is gathered initially through extensive underwriting procedures at purchase of the settlement contract, as well as through periodic underwriting review that includes medical reports and life expectancy evaluations. The policies held by the Company using the investment method are expected to be owned for a shorter-term and are actively marketed to potential buyers. The market feedback received through these interactions provides the Company with information related to a potential impairment. If a policy is determined to be impaired, the Company will adjust the carrying value to the fair value determined through the impairment analysis.

The Company accounts for cash proceeds from sale and maturity of life insurance settlement policies, as well as cash outflows for premium payments, as operating activities within the Consolidated Statements of Cash Flows.

Going Concern—Management evaluates at each annual and interim period whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Management's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the consolidated financial statements are issued. Management has concluded that there are no conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date these consolidated financial statements were issued.

Cash and Cash Equivalents—Cash and cash equivalents include short-term and all highly-liquid debt instruments purchased with an original maturity of three months or less.

Fair Value Measurements—The following fair value hierarchy is used in selecting inputs for those assets and liabilities measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's assumptions (unobservable inputs). The Company evaluates these inputs and recognizes transfers between levels, if any, at the end of each reporting period. The hierarchy consists of three levels:

Level 1—Valuation based on quoted market prices in active markets for identical assets or liabilities.

Level 2—Valuation based on inputs other than Level 1 inputs that are observable for the assets or liabilities either directly or indirectly.

Level 3—Valuation based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and supported by little or no observable market activity.

The Company's financial instruments consist of cash, cash equivalents, accounts receivables, due to affiliates, equity investments in privately held companies, S&P options, life settlement policies, available for sale securities, market-indexed debt and secured borrowings. Cash, cash equivalents, accounts receivables, and due to affiliates are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date.

Equity investments in privately held companies without readily determinable fair values are recognized at fair value on a nonrecurring basis when observable price changes from orderly transactions for identical or similar investments become available. Available-for-sale securities are measured at fair value using inputs that are not readily determinable. Unrealized holding gains and losses are excluded from earnings and reported in other comprehensive income until realized.

S&P options are recognized at fair value using quoted market prices in active markets, with changes in fair value included in net income. Market-indexed debt is measured on a quarterly basis, with qualifying changes in fair value recognized in net income, except for the portion of the total change in the fair value of the liability that results from a change in the instrument-specific credit risk, which is separately included in

other comprehensive income in accordance with ASC 825-10-45-5. The measurement approach for life settlement policies is included above within the Life Settlement Policies disclosure.

Related party receivables—Related party receivable are amounts owed to the Company by related party customers for services delivered. Management regularly reviews customer accounts for collectability and will record an allowance for these accounts when deemed necessary. Management determines the allowance for credit losses based on a review of outstanding receivables, historical collection experience, current economic conditions, and reasonable and supportable forecasts. Related party receivables are charged off against the allowance for credit losses when deemed uncollectible (after all means of collection have been exhausted and the potential for recovery is deemed remote). Recoveries of related party receivables previously written off are recorded when received. Due to the nature of operations, related party receivables are due primarily from parties which the Company serves. As a result, management deems all amounts due to be collectable. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company did not record material allowance for credit losses as of December 31, 2022 and December 31, 2021, respectively.

Other Investments—Equity investments without readily determinable fair values include the Company's investments in privately-held companies in which the Company holds less than a 20% ownership interest and does not have the ability to exercise significant influence. The Company measures these investments at cost, and these investments are adjusted through net earnings when they are deemed to be impaired or when there is an adjustment from observable price changes (referred to as the "measurement alternative"). These investments are included in other investments on the financial statements, at cost on the Consolidated Balance Sheets. In addition, the Company monitors these investments to determine if impairment charges are required based primarily on the financial condition and near-term prospects of these companies.

Available-For-Sale Securities—The Company has investments in securities that are classified as available-for-sale securities, and which are reflected on the Consolidated Balance Sheets at fair value. These securities solely consist of a convertible promissory note in a private company that was entered into at arms-length. The Company determines the fair value using unobservable inputs by considering the initial investment value, next round financing, and the likelihood of conversion or settlement based on the contractual terms in the agreement. If any unrealized gains and losses on these investments are incurred, these would be included as a separate component of accumulated other comprehensive loss, net of tax, on the Consolidated Balance Sheets. The Company classifies its available-for-sale securities as short-term or long-term based on the nature of the investment, its maturity date and its availability for use in current operations. The Company monitors the fair value of the securities fall below amortized cost basis. Credit losses identified are reflected in the allowance for credit losses and any credit losses reversed are recognized in earnings. As of December 31, 2022 and 2021, the fair value of the securities were determined to materially approximate amortized cost basis, thus no unrealized gains or losses were recorded, and the Company did not record any allowance for credit losses. The Company writes off uncollectible accrued interest receivable balances in a timely manner. The Company did not have material accrued interest on its available-for-sale securities as of December 31, 2022 and December 31, 2021.

Other Noncurrent Assets, at fair value— The other noncurrent assets balance consists of S&P 500 put and call options that were purchased through a broker as an economic hedge related to the market-indexed instruments that are included in Long-Term Debt. The Company records these options at fair value and recognizes changes in fair value as part of net income.

Concentrations—Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable and available-for-sale securities. The Company maintains its cash in bank deposit accounts with high-quality financial institutions which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on its cash and cash equivalents. For accounts receivable, the Company is exposed to credit risk in the event of nonpayment by customers to the extent of the amounts recorded on the accompanying Consolidated Balance Sheets. The Company extends

different levels of credit to its customers and maintains allowance for doubtful accounts based upon the expected collectability of accounts receivable. The Company's procedures for determining this allowance includes evaluating individual customer receivables, considering a customer's financial condition, monitoring credit history and current economic conditions, and using historical experience applied to an aging of accounts.

Two related party customers accounted for 75% and 16% of the total accounts receivable as of December 31, 2022 and two related party customers accounted for 51% and 49% as of December 31, 2021. The largest receivables balances are from related parties where exposed credit risk is low. As such, there is no allowance for doubtful accounts as of December 31, 2022 and December 31, 2021.

One customer accounted for 51% of active management revenue, while 22% of revenue related to two policies that matured that were accounted for under the investment method for the year ended December 31, 2022. Two related party customers each accounted for 28% of the portfolio servicing revenue for the year ended December 31, 2022. Three customers accounted for 29%, 29% and 20% of the total revenues for the year ended December 31, 2021, respectively.

Property and Equipment, Net—Property and equipment are stated at cost less accumulated depreciation and are depreciated on a straight-line basis over the following estimated useful lives:

	Estimated Useful Life
Furniture and fixtures	5 years
Leasehold improvements	Shorter of remaining lease term or estimated useful life

Expenditures for maintenance and repairs that do not extend the useful lives of property and equipment are expensed as incurred. Upon retirement or sale of assets, the cost and related accumulated depreciation are written off and any resulting gain or loss is reflected in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss).

Property and equipment are tested for recoverability whenever events or changes in circumstance indicate that their carrying amounts may not be recoverable. An impairment loss is recognized if the carrying amount of property and equipment is not recoverable and exceeds its fair value. Recoverability is determined based on the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. There were no impairments recognized during the years ended December 31, 2022 and 2021, respectively. Property and equipment to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Revenue Recognition—The Company generally derives its revenue from life settlement servicing and consulting activities (Portfolio Servicing Revenue) and life settlement trading activities (Active Management Revenue).

Portfolio Servicing Revenue—Portfolio servicing is comprised of servicing activities and consulting activities. The Company enters into service agreements with the owners of life settlement contracts and is responsible for maintaining the policy, manages processing of claims in the event of death of the insured and ensuring timely payment of optimized premiums computed to derive maximum return on maturity of the policy. The company neither assumes the ownership of the contracts nor undertakes the responsibility to make the premium payments, which remains with the owner of the policy. These service arrangements have contractual terms typically ranging from one-month to ten years and include fixed charges within its contracts as part of the total transaction price which are recognized on gross basis. To the extent that variable consideration is not constrained, the Company includes an estimate of the variable amount, as appropriate, within the total transaction price and updates its assumptions over the duration of the contract. Variable consideration has not been material. The duties performed by the company under these arrangements are considered as a single performance obligation that is satisfied on a monthly basis as the customer simultaneously receives and consumes the benefit provided by the Company as the Company performs the service. As such, revenue is recognized for services provided for the corresponding month.

Under consulting engagements, the Company provides services typically for the owners of life settlement contracts who are often customers of the servicing business line, or customers of Abacus. These consulting engagements are comprised of valuation, actuarial services, and overall policy assessments related to life settlement contracts and are short-term in nature. The performance obligations are typically identified as separate services with a specific deliverable or a group of deliverables to be provided in tandem, as agreed to in the engagement letter or contract. Each service provided under a contract is considered as a performance obligation and revenue is recognized at a point in time when the deliverable or group of deliverables is transferred to the customer.

Active Management Revenue—The Company also engages in buying and selling life settlement policies whereby each potential policy is independently researched to determine if it would be a profitable investment. Some of the policies are purchased with the intent to hold to maturity, while others are held for trading to be sold for a gain. The Company elects to account for each investment in life settlement contracts using either the investment method or the fair value method. Once the accounting method is elected for each policy, it cannot be changed. Under the investment method, investments in contracts are based on the initial investment at the purchase price plus all initial direct costs. Continuing costs (e.g., policy premiums, statutory interest and direct external costs, if any) to keep the policy in force are capitalized. Under the fair value method, the company will record the initial investment of the transaction price and remeasures the investment at fair value at each subsequent reporting period. Changes in fair value are reported on earnings when they occur. Upon sale of a life settlement contract, the company will record revenue (gain/loss) for the difference between the agreed-upon purchase price with the buyer, and the carrying value of the contract.

Other Consideration— Payment terms and conditions vary by contract type, although terms generally require payment within 30 days of the invoice date. In certain arrangements, the Company receives payment from a customer either before or after the performance obligation has been satisfied; however, the Company's contracts do not contain a significant financing component.

Cost to Obtain and Fulfill Contracts— Costs to obtain contracts solely relate to commissions for brokers agents and employees who are directly involved in buying and selling policies as part of the active management revenue stream. The Company has elected to apply the ASC 606, *Revenue from Contracts with Customers*, 'practical expedient' which allows us to expense these costs as incurred if the amortization period related to the resulting asset would be one year or less. The Company has no significant instances of contracts that would be amortized for a period greater than a year, and therefore has no contract costs capitalized for these arrangements.

Segments— Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is the President and Chief Executive Officer ("CEO"). The Company has determined that it operates in two operating segments and two reportable segments, portfolio servicing and active management as the CODM reviews financial information presented for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Income Taxes— The Company is taxed as an S-corporation for U.S. federal income tax purposes as provided in Section 1362(a) of the Internal Revenue Code with the exception of three consolidated entities that are Delaware C-corporations. These VIEs and subsidiaries include LMATT Series 2024, Inc., the wholly owned subsidiary of LMX Series, LLC., which is consolidated into LMA as a VIE, as well as LMATT Growth Series 2.2024, Inc., a wholly owned subsidiary of LMATT Growth Series, Inc., and LMATT Growth and Income Series 1.2026, Inc., a wholly owned subsidiary of LMATT Growth and Income Series, Inc., which are all included in the consolidated financial statements. As such, the Company's income or loss and credits are passed through to the members and reported on their individual federal income tax return. The three C-corporations file federal returns and in the state of Florida, where the businesses operates.

For LMATT Series 2024, Inc., taxes on earnings are based on pretax financial accounting income (losses).

The Company records uncertain tax positions in accordance with ASC 740, *Income Taxes*, on the basis of a two-step process whereby: (i) management determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position, and (ii) for those tax positions that meet the more likely than not recognition threshold, management recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. There are currently no uncertain tax positions.

The Company recognizes interest and penalties as a component of income tax expense. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Leases— The Company accounts for its leases in accordance with ASC 842, *Leases*. A contract is or contains a lease if there is identified property, plant and equipment that is either explicitly or implicitly specified in the contract and the lessee has the right to control the use of the property, plant and equipment throughout the contract term, which is based on an evaluation of whether the lessee has the right to direct the use of the property, plant and equipment.

The Company has one lease for office space in Orlando, Florida that is accounted for as an operating lease and goes through July 31, 2024. The Company is responsible for utilities, maintenance, taxes and insurance, which are variable payments based on a reimbursement to the lessor of the lessor's costs incurred. The Company excludes variable lease payments from the measurement of lease liabilities and right-of-use ("ROU") assets recognized on the Company's Consolidated Balance Sheets. Variable lease payments are recognized as a lease expense on the Company's Consolidated Statements of Operations and Comprehensive Income in the period incurred. The Company has elected the practical expedient to account for lease components and non-lease components together as a single lease component for its real estate lease noted above.

The Company has elected the short-term lease exemption, which permits the Company to not recognize a lease liability and ROU asset for leases with an original term of one year or less. Currently the Company does not have any short-term leases. The Company's current lease includes a renewal option. The Company has determined that the renewal option is not reasonably certain of exercise based on an evaluation of contract, market and asset-based factors, and therefore does not include periods covered by renewal options in its lease term. The Company's leases generally do not include purchase options, residual value guarantees, or material restrictive covenants.

The Company determines its lease liability and ROU by calculating the present value of future lease payments. The present value of future lease payments is discounted using the Company's incremental borrowing rate. As the Company's leases generally do not have a readily determinable implicit rate, the Company uses its incremental borrowing rate based on market yields and comparable credit ratings, adjusted for lease term, to determine the present value of fixed lease payments based on information available at the lease commencement date.

The Company does not have any finance leases, nor is the Company a lessor (or sublessor).

See Note 16 for additional disclosures related to leases.

Earnings Per Unit—The Company has only one class of equity for net income (loss)per unit. Basic net income per unit is calculated by dividing net income by the weighted average number of units outstanding during the applicable period. If the number of units outstanding increases as a result of a stock dividend or stock split or decreases as a result of a reverse stock split, the computations of basic net income per unit are adjusted retroactively for all periods presented to reflect that change in capital structure. If such changes occur after the close of the reporting period but before issuance of the financial statements, the per-unit computations for that period and any prior-period financial statements presented are based on the new number of units.

3. LIFE INSURANCE SETTLEMENT POLICIES

As of December 31, 2022, the Company holds 53 life settlement policies, of which 35 are accounted for under the fair value method and 18 are accounted for using the investment method (cost, plus premiums paid). Aggregate face value of policies held at fair value is approximately $40,092,154 as of December 31, 2022, with a corresponding fair value of approximately $13,809,352. Aggregate face value of policies accounted for using the investment method is $42,330,000 as of December 31, 2022, with a corresponding carrying value of approximately $8,716,111.

As of December 31, 2021, the Company did not own life settlement policies. As such, information herein has been presented only for the Consolidated Balance Sheets, dated as of December 31, 2022.

As of December 31, 2022, the Company did not have any contractual restrictions on its ability to sell policies, including those held as collateral for the issuance of long-term debt. See Note 11, “Long-Term Debt.”

Life expectancy reflects the probable number of years remaining in the life of a class of persons determined statistically, affected by such factors as heredity, physical condition, nutrition, and occupation. It is not an estimate or an indication of the actual expected maturity date or indication of the timing of expected cash flows from death benefits. The following tables summarize the Company’s life insurance policies grouped by remaining life expectancy as of December 31, 2022:

Policies Carried at Fair Value—

Remaining Life Expectancy (Years)	Number of Life Insurance Policies	Face Value	Fair Value
0-1	—	$ —	$ —
1-2	1	200,000	160,000
2-3	11	3,085,549	2,274,406
3-4	1	2,200,000	1,406,451
4-5	1	1,000,000	526,416
Thereafter	21	33,606,605	9,442,079
	35	$40,092,154	$13,809,352

Policies accounted for using the investment method—

Remaining Life Expectancy (Years)	Number of Life Insurance Policies	Face Value	Carrying Value
0-1	1	$ 3,000,000	$1,220,000
1-2	1	500,000	327,683
2-3	2	2,000,000	1,039,088
3-4	1	500,000	260,000
4-5	2	3,850,000	845,000
Thereafter	11	32,480,000	5,024,340
	18	$42,330,000	$ 8,716,111

Estimated premiums to be paid by the Company for its portfolio accounted for using the investment method during each of the five succeeding calendar years and thereafter as of December 31, 2022, are as follows:

2023	$ 799,201
2024	896,961
2025	895,559
2026	981,749
2027	1,096,323
Thereafter	4,197,118
Total	$ 8,866,912

The Company is required to pay premiums to keep its portion of life insurance policies in force. The estimated total future premium payments could increase or decrease significantly to the extent that actual mortalities of insureds differ from the estimated life expectancies.

For policies accounted for under the investment method, the Company has not been made aware of information causing a material change to assumptions relating to the timing of realization of life insurance settlement proceeds. The Company has also not been made aware of information indicating impairment to the carrying value of policies.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net comprised of the following:

	As of December 31, 2022	As of December 31, 2021
Furniture and fixtures	$ 19,444	$ 19,444
Leasehold improvements	5,902	5,902
Property and equipment—gross	25,346	25,346
Less: accumulated depreciation	(6,729)	(2,447)
Property and equipment—net	$ 18,617	$ 22,899

Depreciation expense for the years ended December 31, 2022 and 2021 was $4,282 and $2,447, respectively.

5. AVAILABLE-FOR-SALE SECURITIES, AT FAIR VALUE

Convertible Promissory Notes—The Company holds convertible promissory notes in a separate unrelated insurance technology company. In November 2021, the Company purchased a $250,000 note and then purchased an additional note in January 2022 for $250,000 as part of the Tranche 5 offering (“Tranche 5 Promissory Note”). The Tranche 5 Promissory Note pays six percent (6%) interest per annum. The Tranche 5 Promissory Note matures November 12, 2023 (“2023 Maturity Date”) and will be paid in full as to outstanding principal and accrued interest on the 2023 Maturity Date unless the Tranche 5 Promissory Note converts prior to the 2023 Maturity Date. Conversion into preferred shares occurs if the technology company engages in an additional equity financing event that yields gross cash proceeds in excess of $1,000,000 (“Next Equity Financing”).

In October 2022, the Company purchased an additional convertible promissory note in the same unrelated insurance technology company for $500,000 as part of the Tranche 6 offering (“Tranche 6 Promissory Note” and collectively with the Tranche 5 Promissory Note, the “Convertible Promissory Notes”). The Tranche 6 Promissory Note pays eight percent (8%) interest per annum and matures September 30, 2024 (“2024 Maturity Date”) and will be paid in full as to outstanding principal and accrued interest on the 2024

Maturity Date unless the Tranche 6 Promissory Note converts prior to the 2024 Maturity Date. Conversion into preferred shares occurs if the technology company engages in an additional equity financing event that yields gross cash proceeds in excess of $5,000,000 (“Next Round Securities”).

The Company applies the available-for-sale method of accounting for its investment in the Convertible Promissory Notes which are debt investments. The Convertible Promissory Notes do not qualify for either the held-to-maturity method due to the Convertible Promissory Notes’ conversion rights or the trading-securities method because the Company holds the Convertible Promissory Notes as a long-term investment. The Convertible Promissory Notes are measured at fair value at each reporting-period end. Unrealized gains and losses are reported in other comprehensive income until realized. As of December 31, 2022, the Company evaluated the fair value of its investment and determined that the fair value approximates the carrying value of $1,000,000 and there was no unrealized gain or loss recorded.

6. OTHER INVESTMENTS AND OTHER NONCURRENT ASSETS

Other Investments:

Convertible Preferred Stock Ownership—The Company owns convertible preferred stock in two entities, further described below:

On July 22, 2020, the Company purchased 224,551 units of an unrelated insurance technology company’s Series Seed Preferred units for $750,000 (“Seed Units”). Upon conversion, the Seed Units held by the Company would represent 8.1% control in the technology company. During December 2022, the Company purchased an incremental 14,970 of Series Seed Preferred units for $50,000 and had a total of $800,000 investment as of December 31, 2022.

On December 21, 2020, the Company purchased 207,476 shares of a separate unrelated insurance technology company’s Series B-1 preferred stock for $500,000 (“Preferred Shares”). The Preferred Shares are convertible into voting common stock of the technology company at the option of the Company. Upon conversion, the Preferred Shares would represent less than 1% control in the technology company.

The Company applies the measurement alternative for its investments in the Seed Units and Preferred Shares because these investments are of an equity nature, and the Company does not have the ability to exercise significant influence over operating and financial policies of entities even in the event of conversion of the Seed Units or Preferred Shares. Under the measurement alternative, the Company records the investment based on original cost less impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the investee. The Company’s share of income or loss of such companies is not included in the Company’s Consolidated Statements of Operations and Comprehensive Income (Loss). The Company tests its investments for impairment whenever circumstances indicate that the carrying value of the investment may not be recoverable. No impairment of investments occurred for the years ended December 31, 2022 and 2021.

Other Noncurrent Assets- at fair value:

S&P Options—The Company owns S&P 500 put and call options that were purchased through a broker as an economic hedge related to the market-indexed debt instruments included in the long-term debt note. The value is based on shares owned and quoted market prices in active markets. Changes in fair value are recorded in the Unrealized Loss on Investments line item on the income statement.

7. CONSOLIDATION OF VARIABLE INTEREST ENTITIES

The Company consolidates VIEs for which it is the primary beneficiary or VOEs for which it controls through a majority voting interest or other arrangement. See Note 2, “Summary of Significant Accounting Policies” for more information on how the Company evaluates an entity for consolidation.

The Company evaluated any entity in which it had a variable interest upon formation to determine whether the entity should be consolidated. The Company also evaluated the consolidation conclusion during each reconsideration event, such as changes in the governing documents or additional equity contributions to the entity. During the year ended December 31, 2022, the Company consolidated LMX, Longevity Market Advisors and LMA Income Series, LP, which had total assets and liabilities of $30,073,972 and $27,116,762, respectively. For the year ended December 31, 2021, the Company consolidated LMX, which had total assets and liabilities of $400 and $0, respectively. The Company did not deconsolidate any entities during the years ended December 31, 2022 or December 31, 2021.

For the year ended December 31, 2022, the Company held total assets of $987,964 and liabilities of $358,586, in unconsolidated VIEs. As of December 31, 2021, the Company held total assets of $596,567 and liabilities of $2,218 in unconsolidated VIEs.

8. SEGMENT REPORTING

Segment Information—The Company organizes its business into two reportable segments (1) Portfolio Servicing and (2) Active Management, which generate revenue in different manners.

This segment structure reflects the financial information and reports used by the Company's management, specifically its CODM, to make decisions regarding the Company's business, including resource allocations and performance assessments as well as the current operating focus in compliance with *ASC 280, Segment Reporting*. The Company's CODM is the President and CEO of the Company.

The Portfolio Servicing segment generates revenues by providing policy services to customers on a contract basis.

The Active Management segment generates revenues by buying, selling and trading policies and maintaining policies through to death benefit. The Company's reportable segments are not aggregated.

The Company's method for measuring profitability on a reportable segment basis is gross profit. The CODM does not review asset information related to investments nor expenditures incurred for long-lived assets given the Company's investments are recognized on a cost basis and the Company's long-lived assets are immaterial to the consolidated financial statements.

Information related to the Company's reporting segments for the years ended December 31, 2022 and December 31, 2021 is as follows:

	As of December 31, 2022	As of December 31, 2021
Portfolio Servicing	$ 1,470,973	$ 1,079,986
Active Management	43,242,581	120,000
Total Revenue	$ 44,713,553	$ 1,199,986
Portfolio Servicing	$ 300,235	$ 406,093
Active Management	38,168,187	58,000
Gross profit	$ 38,468,422	$ 464,093
Sales and Marketing	$ (2,596,140)	$ —
General, administrative and other	(1,066,403)	(101,406)
Other operating expenses	—	(493,849)
Depreciation	(4,282)	(2,447)
Other expense	(347,013)	—
Interest (expense)	(42,798)	
Interest income	1,474	
Change on fair value of debt	(90,719)	—
Unrealized gain(loss) on investments	(1,045,623)	—
Income tax expense	(889,943)	—
Net loss attributable to non-controlling interest	(704,699)	148,155
Net income attributable to Longevity Market Assets, LLC	$ 31,682,275	$ 14,546

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings—Occasionally, the Company may be subject to various proceedings, lawsuits, disputes, or claims. The Company investigates these claims as they arise and accrues a liability when losses are probable and reasonably estimated. Although claims are inherently unpredictable, the Company is currently not aware of any matters that, if determined adversely to the Company, would individually or taken together, have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

Commitment— The Company has entered into a Strategic Services and Expenses Support Agreement ("Expense Support Agreement") with two commonly owned full-service origination, servicing, and investment providers (the "Providers") in exchange for an option to purchase the outstanding equity ownership of the Providers. Pursuant to the Expense Support Agreement, LMA provides financial support and advice for the expenses of the Providers incurred in connection with their life settlement transactions businesses and the Providers are required to hire a life settlement transactions operations employee of an affiliate of LMA. No later than December 1 of each calendar year, LMA provides a budget for the Providers, in which LMA commits to extend financial support for all operating expenses up to the budgeted amount. "Operating Expenses" for purposes of the Expense Support Agreement means all annual operating expenses of the Providers incurred in the ordinary course of business, excluding the premiums paid for the Providers insurance coverages that are allocable to the insurance coverage provided to Institutional Life Holdings, LLC, which owns all the outstanding membership interests of the Providers if unrelated to the Providers' settlement businesses.

Since inception of the Expense Support Agreement on January 1, 2021 through December 31, 2021, LMA had incurred $120,000 related to initial funding of operations, which were subsequently reimbursed and $0

related to expenses. For the year ended December 31, 2022, LMA incurred $347,013 of expenses related to the Expense Support Agreement, which is included in the Other Expense line of the Consolidated Statements of Operations and Comprehensive Income (Loss) and have not been reimbursed by the Providers.

10. FAIR VALUE MEASUREMENTS

The Company determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Recurring Fair Value Measurements—The assets and liabilities measured at estimated fair value on a recurring basis and their corresponding placement in the fair value hierarchy are presented in the tables below.

As of December 31, 2022	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Assets:				
Life settlement policies	$ —	$ —	$ 13,809,352	$ 13,809,352
Available-for-sale securities, at fair value	—	—	1,000,000	1,000,000
Other Investments	—	—	1,300,000	1,300,000
S&P 500 options	890,829	—	—	890,829
Tot assets held at fair value	$ 890,829	$ —	$ 16,109,352	$ 17,000,181
Liabilities:				
Long-term debt	$ —	$ —	$ 28,249,653	$ 28,249,653

As of December 31, 2021	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Assets:				
Life settlement policies	$ —	$ —	$ —	$ —
Available-for-sale securities, at fair value	—	—	250,000	250,000
Other investments	—	—	1,250,000	1,250,000
Other non-current assets	—	—	—	—
Tot assets held at fair value	$ —	$ —	$1,500,000	$1,500,000
Liabilities:				
Long-term debt	$ —	$ —	$ —	$ —

Life Settlement Policies—The Company separately accounts for each owned life settlement policy using either the fair value method, or the investment method (cost, plus premiums paid). The valuation method is chosen upon contract acquisition and is irrevocable.

For policies carried at fair value, the Company utilizes valuation services of third-party actuarial firm, who value the contracts using Level 3 unobservable inputs, including actuarial assumptions, such as life expectancies and cash flow discount rates. The valuation model is based on a discounted cash flow analysis and is sensitive to changes in the discount rate used. The Company utilizes a discount rate of 12% for policy valuation, which is based on economic and company-specific factors.

For life settlement policies carried using the investment method, the Company measures these at the cost of the policy plus premiums paid. The policies accounted for using the investment method totaled $8,716,111 at December 31, 2022 and $0 at December 31, 2021.

Discount Rate Sensitivity—Changes in the 12% discount rate on the death benefit and premiums used to estimate the policies issued under LMATT Series 2024, Inc ("LMATT Policies") fair value has been analyzed. If the discount rate increased or decreased by 2 percentage points and the other assumptions used to estimate fair value remained the same, the change in estimated fair value as of December 31, 2022, would be as follows:

As of December 31, 2022 Rate Adjustment	Fair Value	Change in Fair Value
+2%	$ 12,376,891	$ (1,432,461)
No change	13,809,352	—
-2%	15,571,704	1,762,352

Credit Exposure to Insurance Companies—The following table provides information about the life insurance issuer concentrations that exceed 10% of total death benefit or 10% of total fair value of the Company's life insurance policies as of December 31, 2022:

Carrier	Face Value	Fair Value	Rating
American General Life Insurance Company	17%	15%	A
John Hancock Life Insurance Company	31	30	A+
ReliaStar Life Insurance Company	5	10	NR
Principal Life	10	10	A+
Securian Life Insurance Company	12	4	A+

The following table provides a roll forward of the fair value of life insurance as of December 31, 2022:

Fair value at December 31, 2021	$ —
Policies purchased	8,161,975
Realized gain on matured/sold policies	105,000
Premius Paid	(433,626)
Unrealized gain on held policies	5,742,377
Change in estimated fair value	5,413,751
Matured/sold policies	(200,000)
Premiums paid	433,626
Fair value at December 31, 2022	$ 13,809,352

Long-Term Debt—See Note 11, "Long-Term Debt" for background information on the market-indexed debt. The Company has elected the fair value option in accounting for the instruments. Fair value is determined using Level 3 inputs. The valuation methodology is based on the Black-Scholes-Merton option-pricing formula and a discounted cash flow analysis. Inputs to the Black-Scholes-Merton model include (i) the S&P 500 Index price, (ii) S&P 500 Index volatility, (iii) a risk-free rate based on data published by the US Treasury, and (iv) a term assumption based on the contractual term of the LMATT Notes. The discounted cash flow analysis includes a discount rate that is based on the implied discount rate developed

by calibrating a valuation model to the purchase price on the initial investment date. The implied discount rate is evaluated for reasonableness by benchmarking it to yields on actively traded comparable securities.

The total change in fair value of the debt resulted in a gain of $1,778,987. This comprises of a gain of $1,052,836, net of tax, which is included within accumulated other comprehensive income and $342,994, net of tax, which is included in equity of noncontrolling interests resulting from risk-adjusted valuation scenarios and a recognized a loss of $90,719 on the change in fair value of the debt resulting from risk-free valuation scenarios, which is included within *Change in fair value of debt* within the Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2022.

The following table provides a roll forward of the fair value of the issued as of December 31, 2022:

Fair value at December 31, 2021	$ —
Debt issued to third parties	$ 30,028,640
Unrealized loss on change in fair value (risk-free)	90,719
Unrealized (gain) on change in fair value (credit-adjusted)	(1,869,706)
Change in estimated fair value	(1,778,987)
Fair value at December 31, 2022	$ 28,249,653

Other Noncurrent Assets: S&P 500 Options— In February 2022, LMATT Series 2024, Inc., which the Company consolidates for financial reporting, purchased and sold S&P 500 call and put options through a broker. The Company purchased and sold additional S&P 500 call options through a broker in September 2022 through their 100% owned and fully consolidated subsidiaries, LMATT Growth Series 2.2024, Inc. and LMATT Growth & Income Series 1.2026, Inc. The options are exchange traded, and fair value is determined using Level 1 inputs of quoted market prices as of the Consolidated Balance Sheets date. Changes in fair value are classified as Unrealized gain/loss on investments within the Consolidated Statements of Operations and Comprehensive Income (Loss).

Financial Instruments Measured at Fair Value on a Nonrecurring Basis—The following financial assets, composed of equity securities without readily determinable fair values, are adjusted to fair value when observable price changes are identified, or an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Available-for-Sale Investment—The Convertible Promissory Notes are classified as an available-for-sale securities. Available-for-sale investments are subsequently measured at fair value. Unrealized holding gains and losses are excluded from earnings and reported in other comprehensive income until realized. The Company determines fair value of its available-for-sale investments using unobservable inputs by considering the initial investment value, next round financing, and the likelihood of conversion or settlement based on the contractual terms in the agreement. The Company initially purchased a $250,000 convertible promissory note from the issuer in 2021 and then on January 7, 2022, the Company purchased an additional $250,000 convertible promissory note from the same issuer and then an additional $500,000 in October 2022. As of December 31, 2022 and 2021, the Company evaluated the fair value of its Convertible Promissory Notes and determined that the fair value approximates the carrying value of $1,000,000 and $250,000, respectively.

Other Investments—The Company determines fair value using Level 3 inputs under the measurement alternative. These investments are recorded at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Impairment is assessed qualitatively. As of December 31, 2022 and 2021, the Company did not identify any impairment indictors and determined that the carrying value of $1,300,000 and $1,250,000, respectively, is the fair value for these equity investments in privately held companies, given that there have been no observable price changes.

Long-Term Debt – LMATT 1.2026 Issuance—The Company has issued $400,000 in market-indexed notes, which include participation in S&P 500 index returns and offer downside market protection. See additional information in the Long-Term Debt footnote. The company evaluates the fair value of the note using Level 3 unobservable inputs. As of December 31, 2022, the Company evaluated the fair value of the note and determined that the fair value approximates the carrying value of $400,000.

Financial Instruments Where Carrying Value Approximates Fair Value—The carrying value of cash, cash equivalents, accounts receivables, and due to affiliates approximates fair value due to the short-term nature of their maturities.

11. LONG-TERM DEBT

Long-term debt comprises of the following:

	December 31, 2022		December 31, 2021	
	Cost	Fair value	Cost	Fair value
Market-indexed notes:				
LMATT Series 2024, Inc.	$ 9,866,900	$ 8,067,291	$ —	$ —
LMATT Series 2.2024, Inc.	2,333,391	2,354,013	—	—
LMATT Growth & Income Series 1.2026, Inc	400,000	400,000	—	—
Secured borrowing:				
LMATT Income Series, LP	17,428,349	17,428,349	—	—
Total long-term debt	$30,028,640	$28,249,653	$ —	$ —

LMATT Series 2024, Inc. Market-Indexed Notes:

On March 31, 2022, LMATT Series 2024, Inc., which the Company consolidates for financial reporting, issued $10,166,900 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Series (LMATTS) 2024, are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to protect debt holders from market downturns, up to 40%. Any subsequent losses below the 40% threshold will reduce the notes on a one-to-one basis. As of December 31, 2022, $9,886,900 of the principal amount remained outstanding.

The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of December 31, 2022, the fair value of the LMATT Series 2024, Inc. notes was $8,067,291.

The notes are secured by the assets of the issuing entities, which includes cash, S&P 500 options, and life settlement policies totaling $12,200,797 as of December 31, 2022. The notes agreements do not restrict the trading of life settlement contracts prior to maturity of the notes, as total assets of the issuing companies are considered as collateral. There are also no restrictive covenants associated with the notes with which the entities must comply.

LMATT Series 2.2024, Inc. Market-Indexed Notes:

On September 16, 2022, LMATTS Series 2.2024, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $2,333,391 in market-indexed private placement notes. The LMATTSTM Series 2.2024, Inc. are market-indexed instruments designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2024, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to provide upside performance

participation that is capped at 120% of the performance of the S&P 500. A separate layer of the notes have a feature to protect debt holders from market downturns by up to 20% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 20%, the investments will experience all subsequent losses on a one-to-one basis. As of December 31, 2022, the entire principal amount remained outstanding.

The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of December 31, 2022, the fair value of the LMATT Series 2.2024, Inc. notes was $2,354,013.

The notes are secured by the assets of the issuing entity, LMATT Series 2.2024, Inc., which include cash, S&P 500 options, and life settlement policies totaling $3,246,756 as of December 31, 2022. The notes agreement does not restrict the trading of life settlement contracts prior to maturity of the notes, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the notes with which the entity must comply.

LMATT Growth and Income Series 1.2026, Inc. Market-Indexed Notes:

Additionally, on September 16, 2022, LMATT Growth and Income Series 1.2026, Inc., a 100% owned subsidiary which the Company consolidates for financial reporting issued $400,000 in market-indexed private placement notes. The notes, titled the Longevity Market Assets Target-Term Growth and Income Series 1.2026, Inc (“LMATTSTM Growth and Income Series 1.2026, Inc.”) are market-indexed instrument designed to provide upside performance exposure of the S&P 500 Index, while limiting downward exposure. Upon maturity of the notes in 2026, the principal, plus the return based upon the S&P 500 Index must be paid. The notes have a feature to provide upside performance participation that is capped at 140% of the performance of the S&P 500. A separate layer of the notes have a feature to protect debt holders from market downturns by up to 10% if the index price experiences a loss during the investment period. After the underlying index has decreased in value by more than 10%, the investment will experience all subsequent losses on a one-to-one basis. These notes also include a 4% dividend feature that will be paid annually. As of December 31, 2022, the entire principal amount remained outstanding.

The notes are held at fair value, which represents the exit price, or anticipated price to transfer the liability to a third party. As of December 31, 2022, the fair value of the LMATT Growth and Income Series 1.2026, Inc. notes was $400,000.

The notes are secured by the assets of the issuing entity, LMATT Growth and Income Series 1.2026, Inc., which include cash, S&P 500 options, and life settlement policies totaling $752,236 as of December 31, 2022. The notes agreement does not restrict the trading of life settlement contracts prior to maturity of the notes, as total assets of the issuing company are considered as collateral. There are also no restrictive covenants associated with the notes with which the entity must comply.

See additional fair value considerations within the Fair Value footnote.

LMA Income Series, LP and LMA Income Series, GP, LLC Secured Borrowing

LMA Income Series, GP, LLC, wholly owned and controlled by that LMA Series, LLC, formed a limited partnership, LMA Income Series, LP and issued partnership interests to limited partners in a private placement offering. The initial term of the offering is three years with the ability to extend for two additional one-year periods at the discretion of the general partner, LMA Income Series, GP, LLC. The limited partners will receive an annual dividend of 6.5% paid quarterly and 25% of returns in excess of a 6.5% internal rate of return capped at a 15% net internal rate of return. The General Partner will receive 75% of returns in excess of a 6.5% internal rate of return to limited partners then 100% in excess of a 15% net internal rate of return.

It was determined that LMA Series, LLC is the primary beneficiary of LMA Income Series, LP and thus has fully consolidated the limited partnership in its consolidated financial statements for the year ended December 31, 2022.

The private placement offerings proceeds will be used to acquire an actively managed large and diversified portfolio of financial assets. LMA, through its consolidated subsidiaries, serves as the portfolio manager for the financial asset portfolio, which includes investment sourcing and monitoring. In this role, LMA has the unilateral ability to acquire and dispose of any of the above investments. As the partnership does not represent a business in accordance with ASC 810 and is a consolidated subsidiary that only holds financial assets, this represents a transfer subject to ASC 860-10. As the financial assets are not transferred outside the consolidated group, the proceeds from the offering shall be classified as a liability unless it meets the definition of a participating interest and the derecognition criteria in ASC 860 are met. The transferred interest did not meet the definition of a participating interest as LMA possesses the unilateral ability to direct the sale of the financial assets (ASC 860-10-50-6A(d)). In accordance with ASC 860-30-25-2, as the transfer of the financial assets did not meet the definition of a participating interest, LMA shall recognize the proceeds received from the offering as a secured borrowing.

LMA elected to account for the secured borrowing at fair value under the collateralized financing entity guidance within ASC 810-10-30. As of December 31, 2022, the fair value of the secured borrowing was $17,428,349.

12. MEMBERS' EQUITY

The Company is authorized to issue up to 5,000 units of par value common units. Holders of the Company's common units are entitled to one vote for each share. At December 31, 2022 and 2021, there were 5,000 units issued and outstanding. Holders of the common units were entitled to receive, in the event of a liquidation, dissolution or winding up, ratably the assets available for distribution to the stockholders after payment of all liabilities.

13. EMPLOYEE BENEFIT PLAN

The Company has a defined contribution plan in the U.S. intended to qualify under Section 401 (k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer up to 100% of their annual compensation on a pre-tax basis. For the years ended December 31, 2022 and 2021, the Company elected to match 50% of employee contributions up to a maximum of 4% of eligible employee compensation. For the years ended December 31, 2022 and 2021, the Company recognized expenses related to the 401(k) Plan amounting to $22,559 and $8,368, respectively.

14. INCOME TAXES

As the Company elected to file as an S-corporation for federal and state income tax purposes, the Company incurred no federal or state income taxes, except for income taxes recorded related to some of their consolidated variable interest entities and subsidiaries which are taxable C corporations. These VIEs and subsidiaries include LMATT Series 2024, Inc., the wholly owned subsidiary of LMX Series, LLC, which is consolidated into LMA as a VIE, as well as LMATT Growth Series 2.2024, Inc., a wholly owned subsidiary of LMATT Growth Series, Inc., and LMATT Growth and Income Series 1.2026, Inc., a wholly owned subsidiary of LMATT Growth and Income Series, Inc., all of which are 100% owned subsidiaries and fully consolidated. Accordingly, tax expense (benefit) is attributable to amounts for LMATT Series 2024, Inc, LMATT Growth Series, Inc. and LMATT Growth and Income Series, Inc.

The components of provision for income taxes are as follows:

	December 31, 2022	December 31, 2021
Current provision:		
Federal	$ —	$ —
State	—	—
Foreign	—	—
Total current tax	—	—
Deferred provision (benefit):		
Federal	737,376	—
State	152,567	—
Foreign	—	—
Total deferred tax	889,943	—
Provision for income taxes	$ 889,943	—

For the years ended December 31, 2022 and 2021, the income tax expense differs from the provision that would result from applying federal and state statutory tax rates to income before income taxes due to the Company's S-corporation election recognized for federal and state purposes.

For LMATT Series 2024, Inc., LMATT Growth Series, Inc. and LMATT Growth and Income Series, Inc., the Company recognized $889,943 of provision related to income taxes for the year ended December 31, 2022. For the year ended December 31, 2021, the Company recognized no provision related to income taxes for LMATT Series 2024, Inc. because the Company incurred operating losses and maintained a full valuation allowance against its net deferred tax assets.

The effective income tax rate differs from the federal statutory income tax rate applied to the profit loss before provision for income taxes due to the following:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Income tax benefit computed at federal statutory rate	$ 6,988,153	$ (28,058)
Effect of pass through entities	$ (6,147,068)	$ (75,650)
State taxes, net of federal benefit	174,024	(21,458)
Valuation allowance	(125,166)	125,166
Income tax benefit at effective tax rate	$ 889,943	$ —

The effects of temporary differences that give rise to significant portions of the deferred tax assets are as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Deferred tax assets:		
Net operating loss carryforwards	$ 167,554	$ 125,166
Basis Difference in Life Insurance Contracts	$ 109,903	
Other	—	—
Gross deferred tax assets	277,457	125,166
Less: valuation allowance	—	(125,166)
Total deferred tax assets	277,457	—
Deferred tax liabilities:		
Unrealized Gain	(1,641,277)	—
Other	—	—
Gross deferred tax liabilities	(1,641,277)	—
Deferred tax liabilities—net of allowance	$ (1,363,820)	$ —

The components of the Company's net deferred tax assets are subject to realizability analysis in accordance with ASC 740. The establishment of a valuation allowance is based on consideration of all available evidence, both positive and negative, concerning the expectation of future realization, including, among other items: historical operating results; forecasts of future operations; the duration of statutory carryforward periods; experience with tax attributes expiring unused; and future reversals of existing taxable temporary differences and tax planning alternatives. In making such judgments, greater weight is given to evidence that can be objectively verified. Based on this analysis, the Company determined that sufficient positive evidence existed as of December 31, 2022 to support releasing the valuation allowance recorded against net operating loss tax attributes at December 31, 2021.

The Company has $661,092 of Federal Net Operating Losses and $661,092 State Net Operating Losses that can be carried forward indefinitely. The Federal Net Operating Losses may be used to offset 80% of taxable income in a given year.

The Company did not have any unrecognized tax benefits relating to uncertain tax positions at December 31, 2022 and 2021 and did not recognize any interest or penalties related to uncertain tax position at December 31, 2022 and 2021. The Company does not anticipate that changes in its unrecognized tax benefits will have a material impact on the Consolidated Statements of Operations and Comprehensive Income during 2023.

15. RELATED PARTY TRANSACTIONS

As of December 31, 2022 and 2021, $263,785 and $930,630 of due to affiliates, respectively, were payable to the companies in which Company's members own interest. As of December 31, 2022 and 2021, $2,904,646 and $0 of due from affiliates, respectively, were receivable from the companies in which the Company's members own interest or are currently in negotiations with. The majority of the due from affiliate amount represents transaction costs incurred by the Company related to the planned business combination in which ERES has committed to reimburse the Company upon consummation of the merger.

The Company has a related party relationship with Nova Trading (US), LLC ("Nova Trading"), a Delaware limited liability company, and Nova Holding (US) LP, a Delaware limited partnership ("Nova Holding" and collectively with Nova Trading, "Nova Funds"), as the owners of the Company jointly own 11% of the

Nova Funds. The Company also earns service revenue related to policy and administrative services on behalf of Nova Funds. The annual servicing fee is equal to 50 basis points (0.50%) times the invested amount in policies held by Nova Funds. The servicing fee is billed monthly. The Company earned $818,300 and $699,884, respectively, in service revenue related to Nova Funds for the years ended December 31, 2022 and December 31, 2021.

The Company also uses Abacus to originate life settlement policies that it accounts for under the investment method. For the year ended December 31, 2022, the Company incurred $2,268,150 in origination expenses for life settlement policies that are included as part of active management revenue, given that revenue is presented on a net basis.

At December 31, 2022 and 2021, there were $196,289 and $67,491, respectively, in expense reimbursements owed from the Nova funds, which are included as related party receivables in the accompanying balance sheets.

16. LEASES

In April 2021, the Company entered into an agreement to lease office space in Orlando, Florida from a related party. The lease is classified as an operating lease and goes through July 31, 2024. The Company does not have any other leasing activities.

The Company's ROU assets and lease liabilities for its operating leases consisted of the following amounts as of December 31, 2022 and 2021:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Assets:		
Operating lease right-of-use assets	$ 77,011	$ 122,503
Liabilities:		
Operating lease liability, current	48,127	45,107
Operating lease liability, non-current	29,268	77,396
Total lease liability	—	—
	77,395	122,503

The Company recognizes lease expense for its operating leases within general, administrative, and other expenses on the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). The Company's lease expense for the periods presented consisted of the following:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating lease cost	$ 48,784	$ 19,868
Variable lease cost	3,664	1,019
	52,449	20,887

The following table shows supplemental cash flow information related to lease activities for the periods presented:

Cash paid for amounts included in the measurement of the lease liability		
Operating cash flows from operating leases	$ 48,399	$ 19,868
ROU assets obtained in exchange for new lease liabilities	—	$ 139,025

The table below shows a weighted-average analysis for lease terms and discount rates for all operating leases for the periods presented:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Weighted-average remaining lease term (in years)	1.58	2.58
Weighted-average discount rate	3.36%	3.36%

Future minimum noncancelable lease payments under the Company's operating leases on an undiscounted basis reconciled to the respective lease liability at December 31, 2022 are as follows:

	Operating leases
2023	$ 49,855
2024	29,514
2025	—
2026	—
2027	—
Thereafter	—
Total operating lease payments (undiscounted)	79,369
Less: Imputed interest	(1,974)
Lease liability as of December 31, 2022	$ 77,395

17. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions from the balance sheet date through March 24, 2023, the date at which the financial statements were issued.

* * * * * *

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities to any person in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. Information contained on our web site is not part of this prospectus.

The table of contents is located on the inside of the front cover of this prospectus.

% Fixed Rate Senior Notes due 2028

ABACUS LIFE, INC.

PROSPECTUS

, 2023

Piper Sandler

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The table below sets forth the costs and expenses payable by us in connection with the issuance and distribution of the securities being registered. All amounts are estimated, except for the SEC registration fee. All costs and expenses are payable by us.

SEC Registration Fee	$7,603.80
FINRA Filing Fees	$ *
Legal Fees and Expenses	$ *
Accounting Fees and Expenses	$ *
Miscellaneous Expenses	$ *
Total	$ *

* These fees are calculated based on the securities offered and the number of issuances and accordingly cannot be defined at this time.

We will bear all costs, expenses and fees in connection with the registration of the securities, including with regard to compliance with state securities or “blue sky” laws. All amounts are estimates except the SEC registration fee.

Item 14. Indemnification of Directors and Officers.

Section 145 of the DGCL authorizes a court to award, or a corporation’s board of directors to grant, indemnity to officers, directors and other corporate agents in terms sufficiently broad to permit such indemnification under certain circumstances and subject to certain limitations.

Our charter and bylaws, as they will be in effect upon the completion of this offering, provide that we will indemnify our directors and officers, and may indemnify our employees and agents, to the fullest extent permitted by Delaware law, including in circumstances in which indemnification is otherwise discretionary under Delaware law.

In addition, we have entered into separate indemnification agreements with our directors and executive officers which requires us, among other things, to indemnify them against certain liabilities which may arise by reason of their status as directors or officers. We will also maintain director and officer liability insurance.

These indemnification provisions may be sufficiently broad to permit indemnification of our officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

In addition, the employment agreements that we have entered into require the Company to indemnify any executive who is made a party or is threatened to be made a party to any action, suit or proceeding because he or she is or was a director or officer of the Company, subject to certain conditions. In such case, the Company will provide for the advancement of expenses.

Item 15. Recent Sales of Unregistered Securities.

On June 30, 2023, at the Closing of the Business Combination pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), as described in the Company's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on June 5, 2023, as supplemented, Jay Jackson, Sean McNealy, Matthew Ganovsky, and Kevin Scott Kirby received Common Stock of the Company as consideration for the common units of LMA and Abacus Settlements.

Item 16. Exhibits and Financial Statement Schedules.

(a) *List of Exhibits.* See the Exhibit Index filed as part of this Registration Statement.

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
2.1*	Agreement and Plan of Merger, dated as of August 30, 2022, by and among East Resources Acquisition Company, LMA Merger Sub, LLC, Abacus Merger Sub, LLC, Longevity Market Assets, LLC and Abacus Settlements, LLC, incorporated by reference from the Company's Form 8-K filed August 30, 2022.
2.2	First Amendment to Agreement and Plan of Merger, dated as of October 14, 2022, by and among East Resources Acquisition Company, LMA Merger Sub, LLC, Abacus Merger Sub, LLC, Longevity Market Assets, LLC and Abacus Settlements, LLC, incorporated by reference from the Company's Form 8-K filed October 14, 2022.
2.3	Second Amendment to Agreement and Plan of Merger, dated as of April 20, 2023, by and among East Resources Acquisition Company, LMA Merger Sub, LLC, Abacus Merger Sub, LLC, Longevity Market Assets, LLC and Abacus Settlements, LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-39403) filed with the SEC on April 20, 2023), incorporated by reference from the Company's Form 8-K filed April 20, 2023.
3.1	Second Amended and Restated Certificate of Incorporation of Abacus Life, Inc., incorporated by reference from the Company's 8-K filed July 6, 2023.
3.2	Amended and Restated Bylaws of Abacus Life, Inc., incorporated by reference from the Company's Form 8-K filed July 6, 2023.
3.3	Form of Base Indenture.
3.4	Form of Supplemental Indenture.
4.1	Specimen Common Stock Certificate, incorporated by reference from the Company's Form S-1 filed July 2, 2020.
4.2	Specimen Warrant Certificate, incorporated by reference from the Company's Form S-1 filed July 2, 2020.
4.3	Warrant Agreement, dated July 23, 2020 between East Resources Acquisition Company and Continental Stock Transfer & Trust Company, as warrant agent, incorporated by reference from the Company's Form 8-K filed July 27, 2020.
4.4	Unsecured Promissory Note, dated as of June 30, 2023, issued to Sponsor, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
4.5	Amended and Restated Unsecured Promissory Note, dated as of July 5, 2023, issued to East Asset Management, LLC, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
4.6	Credit Agreement, dated as of July 5, 2023, among Abacus Life, Inc., as borrower, the several lenders from time to time party thereto, Owl Rock Capital Corporation, as administrative agent and collateral agent, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
4.7	Asset Purchase Agreement, dated as of July 5, 2023, between Abacus Investment SPV, LLC, as seller, and Abacus Life, Inc., as purchaser, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
4.8	Form of Fixed Rate Senior Notes (included in Exhibit 3.4)

Exhibit Number	Description
4.9	SPV Investment Facility, dated July 5, 2023, between Abacus Life, Inc., as borrower, and Abacus Investment SPV, LLC, as lender, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
4.10	Unsecured Promissory Note for funds drawn under the SPV Investment Facility, dated as of July 5, 2023, issued to Abacus Investment SPV, LLC, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
4.11	Unsecured Promissory Note for value of polices received under the SPV Investment Facility, dated as of July 5, 2023, issued to Abacus Investment SPV, LLC, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
5.1	Opinion of Locke Lord LLP Regarding the Legality of the Securities Being Registered.
10.1	Warrant Forfeiture Agreement, dated as of June 30, 2023, by and among East Resources Acquisition Company and Sponsor incorporated by reference from the Company's Form 8-K filed July 6, 2023.
10.2	Amended and Restated Registration Rights Agreement, dated as of June 30, 2023, by and among the Company, Sponsor, certain equityholders of East Resources Acquisition Company named therein and certain equityholders of the LMA and Legacy Abacus named therein, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
10.3	Letter Agreement, dated as of July 23, 2020, among the Company, its officers and directors and the Sponsor, incorporated by reference from the Company's Form 8-K filed July 27, 2020.
10.4	Sponsor Support Agreement, dated as of August 30, 2022, by and among the East Resources Acquisition Company, Sponsor, LMA and Legacy Abacus, incorporated by reference from the Company's Form 8-K filed August 30, 2022.
10.5	Company Support Agreement, dated as of August 30, 2022, by and among East Resources Acquisition Company, LMA, Legacy Abacus and the other parties signatory thereto, incorporated by reference from the Company's Form 8-K filed August 30, 2022.
10.6	Form of Indemnification Agreement, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
10.7	Abacus Life, Inc. 2023 Long-Term Equity Incentive Plan, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
10.8	Form of Restricted Stock Unit Award granted under the Abacus Life, Inc. 2023 Long-Term Equity Incentive Plan, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
10.9	Form of Option Award granted under the Abacus Life, Inc. 2023 Long-Term Equity Incentive Plan, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
10.10	Form of Employment Agreement incorporated by reference from the Company's Form S-1 filed July 26, 2023
14.1	Code of Business Conduct and Ethics of Abacus Life, Inc., incorporated by reference from the Company's Form 8-K filed July 6, 2023.
21.1	Subsidiaries of the Company, incorporated by reference from the Company's Form 8-K filed July 6, 2023.
23.1	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm re: Abacus Settlements, LLC.
23.2	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm re: Longevity Market Assets, LLC.
23.3	Consent of Marcum LLP, Independent Registered Public Accounting Firm.

Exhibit Number	Description
23.4	Consent of Locke Lord LLP (included in Exhibit 5.1).
24.1**	Power of Attorney (included in the signature page)
25.1	Form T-1 Statement of Eligibility under Trust Indenture Act of 1939, as amended, of the trustee under the Indenture
107**	Filing Fee Table

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Abacus Life, Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.
** Previously Filed

(b) *Financial Statement Schedules.* The following financial statement schedules are filed as a part of this registration statement beginning on page F-1 of the prospectus:

The following documents are filed as part of this prospectus:

(1) Financial Statements:

(2) Financial Statement Schedules:

None.

(3) Exhibits

The exhibits listed in the following index are filed, furnished, or incorporated by reference as part of this prospectus.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

A. That, for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

B. That, for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

E. That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Orlando, State of Florida, on September 29, 2023.

ABACUS LIFE, INC.

By: /s/ Jay J. Jackson
Jay J. Jackson
Chairman of the Board,
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jay J. Jackson Jay J. Jackson	Director, President and Chief Executive Officer (Principal Executive Officer)	September 29, 2023
/s/ William H. McCauley William H. McCauley	Chief Financial Officer (Principal Financial Officer)	September 29, 2023
/s/ Adam Gusky* Adam Gusky	Director	September 29, 2023
/s/ Karla Radka* Karla Radka	Director	September 29, 2023
/s/ Cornelis Michiel van Katwijk* Cornelis Michiel van Katwijk	Director	September 29, 2023
/s/ Thomas W. Corbett, Jr.* Thomas W. Corbett, Jr.	Director	September 29, 2023
/s/ Mary Beth Schulte* Mary Beth Schulte	Director	September 29, 2023
/s/ Todd Sean McNealy* Todd Sean McNealy	Director	September 29, 2023

*By /s/ Jay Jackson
Jay Jackson
As Attorney-in-Fact

Exhibit 1.1

ABACUS LIFE, INC.

$[●]

[●]% Fixed Rate Senior Notes due 2028

UNDERWRITING AGREEMENT

[•], 2023

Piper Sandler & Co., As representative of the several Underwriters

c/o Piper Sandler & Co.
1251 Avenue of the Americas, 6th Floor
New York, New York 10020

Ladies and Gentlemen:

Abacus Life, Inc., a Delaware corporation (the "**Company**"), confirms its agreements with Piper Sandler & Co. ("**Piper Sandler**") and each of the other underwriters named in Exhibit A hereto (each, an "**Underwriter**," and collectively, the "**Underwriters**," which term shall also include any underwriter substituted as provided in Section 7 hereof), for whom Piper Sandler is acting as the representative (in such capacity, the "**Representative**"), (i) with respect to the issuance and sale by the Company of $[●] aggregate principal amount (the "**Initial Securities**") of the Company's [●]% Fixed Rate Senior Notes due 2028 (the "**Notes**"), and the purchase by the Underwriters, acting severally and not jointly, of the aggregate principal amount of Initial Securities set forth opposite their respective names in Exhibit A hereto, and (ii) with respect to the grant by the Company to the Underwriters of the option described in Section 2(b) hereof to purchase all or any part of $[●] aggregate principal amount of Notes (the "**Option Securities**") to cover over-allotments, if any. The Initial Securities to be purchased by the Underwriters and all or any part of the Option Securities are hereinafter called, collectively, the "**Securities**."

The Company has filed, pursuant to the Securities Act of 1933, as amended (collectively with the rules and regulations of the Commission promulgated thereunder, the "**1933 Act**"), with the U.S. Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-1 (File No. 333-274553) relating to the Securities.

The registration statement, as amended, including the exhibits and schedules thereto, at the time it first became effective, including all documents filed as a part thereof, and all documents (if any) incorporated therein by reference, and including any information contained in a prospectus subsequently filed with the Commission pursuant to Rule 424 under the 1933 Act ("**Rule 424**") with respect to the offer, issuance and/or sale of the Securities and deemed to be a part of the registration statement at the time of effectiveness pursuant to Rule 430A under the 1933 Act ("**Rule 430A**"), and also including any registration statement relating to the Securities filed pursuant to Rule 462(b) under the 1933 Act (a "**Rule 462(b) Registration Statement**"), is hereinafter referred to as the "**Registration Statement**." Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted information pursuant to Rule 430A that was used after such effectiveness and prior to the execution and delivery of this Agreement (including all documents (if any) incorporated therein by reference) is hereinafter referred to as a "**Preliminary Prospectus**,". The prospectus in the form first used to confirm sales of the Securities (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the 1933 Act) is hereinafter referred to as the

"**Prospectus**." Any reference herein to the Registration Statement, the Preliminary Prospectus, or the Prospectus shall be deemed to refer to and include any supplements or amendments thereto, filed with the Commission after the date of filing of the Prospectus under Rule 424 and prior to the termination of the offering of the Securities by the Underwriters. The Notes will be issued under an indenture, to be dated [•], 2023 (the "**Base Indenture**"), as supplemented by a supplemental indenture (the "**Supplemental Indenture**" and, together with the Base Indenture, the "**Indenture**"), to be dated [•], 2023, between the Company and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The Notes will be issued as fully registered securities to Cede & Co. (or such other name as may be requested by an authorized representative of The Depository Trust Company ("**DTC**")), as nominee of DTC.

All references in this Agreement to the Registration Statement, the Prospectus or any amendments or supplements to any of the foregoing shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**"). In consideration of the mutual agreements contained herein and of the interests of the parties in the transactions contemplated hereby, the parties hereby agree as follows:

1. Representations and Warranties.

(a) *Representations and Warranties by the Company*. The Company represents and warrants to each Underwriter as of the date hereof, as of the Applicable Time defined in Section 1(a)(1) hereof, as of the Closing Date referred to in Section 2(c) hereof, and as of each Option Closing Date (if any) referred to in Section 2(b) hereof, and agrees with each Underwriter, as follows:

(1) Compliance with Registration Requirements. The Company meets the requirements for use of Form S-1 under the 1933 Act. The Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are threatened by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the effective time of the Registration Statement (including the deemed effective date with respect to the Underwriters pursuant to Rule 430A or otherwise under the 1933 Act) and at the Closing Date (and, if any Option Securities are purchased, at each Option Closing Date), the Registration Statement and any amendments or supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act, and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus, together with any amendments or supplements thereto, at their respective times of issuance and at the Closing Date, complied and will comply in all material respects with the requirements of the 1933 Act. Neither the Prospectus nor the Prospectus as amended or supplemented, at the time the Prospectus or any such amendment or supplement was issued and at the Closing Date (and, if any Option Securities are purchased, at each Option Closing Date), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

As of the Applicable Time, the Statutory Prospectus (as defined below) did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Registration Statement contains, and the Prospectus and any amendments or supplements thereto contain and will contain, all statements which are required to be stated therein by, and conform and will conform to the requirements of, the 1933 Act and the Trust Indenture Act of 1939, as amended (collectively with the rules and regulations of the Commission promulgated thereunder, the "TIA").

As used in this subsection and elsewhere in this Agreement:

"**Applicable Time**" means [•] [a.m.]/[p.m.] (Eastern time) on [•], 2023, or such other time as agreed by the Company and the Underwriters.

"**Statutory Prospectus**" as of any time means the prospectus that is included in the Registration Statement immediately prior to that time, together with the pricing terms set forth in Exhbit B hereto.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement, the Prospectus or any amendments or supplements thereto made in reliance upon and in conformity with written information furnished to the Company by any Underwriter expressly for use therein, it being understood and agreed that the only such information is that described in Section 6(a).

The Preliminary Prospectus complied when so filed in all material respects with the 1933 Act, and the Prospectus delivered to the Underwriters for use in connection with the offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

The Company has not, directly or indirectly, distributed and will not distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement, the Statutory Prospectus and the Prospectus or other materials, if any, permitted by the 1933 Act.

(2) Independent Accountants. The accounting firms that certified the financial statements and supporting schedules included or incorporated by reference in the Registration Statement, the Statutory Prospectus and the Prospectus are independent public accountants as required by the 1933 Act.

(3) Financial Statements. The financial statements included or incorporated by reference in the Registration Statement, the Statutory Prospectus and the Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated Subsidiaries (as defined below) at the dates indicated; said financial statements have been prepared in conformity with generally accepted accounting principles ("**GAAP**") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein. No other financial statements are required to be set forth in the Registration Statement, the Statutory Prospectus or the Prospectus under the 1933 Act. The interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement, the Statutory Prospectus and the Prospectus fairly present in all material respects the required information and have been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(4) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Registration Statement, the Statutory Prospectus or the Prospectus, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or other event or development that would prevent the consummation of the transactions contemplated hereby and under the Indenture and the Securities (a "**Material Adverse Effect**"), (B) there have been no transactions entered into by the Company or its Subsidiaries, other than those arising in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered as one enterprise and (C) there has been no dividend or other distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(5) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Statutory Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement, the Indenture and the Securities; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(6) Good Standing of Subsidiaries. Each "significant subsidiary" of the Company (as such term is defined in Rule 1-02(w) of Regulation S-X) and any other subsidiaries of the Company that in the aggregate would constitute a significant subsidiary (each, a "**Subsidiary**" and, collectively, the "**Subsidiaries**") has been duly organized and is validly existing as an entity in good standing under the laws of the jurisdiction of its formation, has such entity power and authority to own, lease and operate its properties and to conduct its business as described in the Statutory Prospectus and the Prospectus and is duly qualified as a foreign entity to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the Registration Statement, the Statutory Prospectus and the Prospectus, all of the issued and outstanding equity interests or capital stock, respectively, of each such Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable (to the extent applicable) and is owned by the Company, directly or through a Subsidiary, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding equity interests or shares of capital stock, respectively, of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary.

(7) Capitalization. The authorized, issued and outstanding shares of capital stock of the Company is as set forth in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (except for subsequent issuances, if any, pursuant to this Agreement or pursuant to separate offerings, reservations, agreements or employee benefit plans referred to in the Statutory Prospectus and the Prospectus or pursuant to the exercise of convertible or exchangeable securities, options or warrants referred to in the Statutory Prospectus and the Prospectus). The issued and outstanding shares of capital stock in the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock in the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(8) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(9) Authorization and Description of Securities. The Securities have been duly authorized for issuance and sale by the Company to the Underwriters pursuant to this Agreement and the Indenture. The information set forth under the caption "Description of the Notes" in the Registration Statement, the Statutory Prospectus and the Prospectus, insofar as such statements purport to summarize provisions of the Company's certificate of incorporation and bylaws or Delaware law, the Indenture and the Securities, fairly and accurately summarize such provisions in all material respects. The Indenture and the Securities materially conform to the description thereof contained in the Registration Statement, the Statutory Prospectus and the Prospectus. The form of the Securities will conform to the Indenture and the listing requirements for the Nasdaq Capital Market ("**Nasdaq**").

(10) Authorization of Indenture. The Base Indenture and the Supplemental Indenture have been duly authorized by the Company, and at the Closing Date, will be duly executed and delivered by the Company and, when duly authorized, executed and delivered by the Trustee, will constitute legal, valid and binding agreements of the Company, enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles. The Securities have been duly authorized by the Company for sale to the Underwriters pursuant to this Agreement and, when executed and delivered by the Company and authenticated by the Trustee pursuant to the provisions of the Indenture relating thereto, against payment of the consideration set forth in this Agreement, will constitute legal, valid and binding agreements of the Company enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles. The Indenture at the Closing Date will have been duly qualified under the TIA.

(11) Absence of Defaults and Conflicts. Neither the Company nor any of its Subsidiaries is in violation of its organizational documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of its Subsidiaries is subject (collectively, "**Agreements and Instruments**") except for such defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Indenture and the Securities and the consummation of the transactions contemplated herein and therein and in the Registration Statement, the Statutory Prospectus and the Prospectus (including the issuance and sale of the Securities, and the use of the proceeds from the sale of the Securities as described in the Statutory Prospectus and the Prospectus under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder have been duly authorized by all necessary action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its Subsidiaries pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of (i) the provisions of the organizational documents of the Company or any of its Subsidiaries or (ii) any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their assets, properties or operations, except in the case of clause (ii) only, for such violations that would not result in a Material Adverse Effect. As used herein, a "**Repayment Event**" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its Subsidiaries.

(12) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of its Subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any of its Subsidiaries' contractors, which, in either case, would result in a Material Adverse Effect.

(13) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its Subsidiaries, which is required to be disclosed in the Registration Statement (other than as disclosed therein), or which, if determined adversely to the Company, would result in a Material Adverse Effect or materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder; the aggregate of all pending legal or governmental proceedings to which the Company or any of its Subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, would not result in a Material Adverse Effect.

(14) Possession of Intellectual Property. The Company and each of its Subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, software and design licenses, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "**Intellectual Property**") necessary to conduct their respective businesses as described in the Statutory Prospectus and the Prospectus, and neither the Company nor any of its Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(15) Cybersecurity. (A) (i) The Company and each of its Subsidiaries have materially complied and are presently in material compliance with all internal and external privacy policies, contractual obligations, industry standards, applicable laws, statutes, judgments, orders, rules and regulations of any court or arbitrator or other governmental or regulatory authority and any other legal obligations, in each case, relating to the collection, use, transfer, import, export, storage, protection, disposal and disclosure by the Company or any of its Subsidiaries of personal, personally identifiable, household, sensitive, confidential or regulated data ("**Data Security Obligations**", and such data, "**Data**"); (ii) the Company or any of its Subsidiaries has not received any notification of or complaint regarding and is unaware of any other facts that, individually or in the aggregate, would reasonably indicate material non-compliance with any Data Security Obligation; and (iii) there is no action, suit or proceeding by or before any court or governmental agency, authority or body pending or, to the knowledge of the Company, threatened alleging non-compliance with any Data Security Obligation that would, singly or in the aggregate, result in a Material Adverse Effect. (B) The Company and its Subsidiaries have used reasonable efforts to establish and maintain, and have established, maintained, implemented and materially complied with, reasonable information technology, information security, cyber security and data protection controls, policies and procedures, including oversight, access controls, encryption, technological and physical safeguards and business continuity/disaster recovery and security plans that are designed to protect against and prevent breach, destruction, loss, unauthorized distribution, use, access, disablement, misappropriation or modification, or other compromise or misuse of or relating to any information technology system or Data used in connection with the operation of the Company's and its Subsidiaries' businesses ("**Breach**"). To the knowledge of the Company, there has been no such Breach that would, singly or in the aggregate, result in a Material Adverse Effect, and the Company and its Subsidiaries have not been notified of and have no knowledge of any event or condition that would reasonably be expected to result in, any such Breach that would, singly or in the aggregate, result in a Material Adverse Effect.

(16) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder or under the Indenture or the Securities, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, the Indenture and the Securities, except such as have been already obtained or as may be required under the 1933 Act or the Securities Exchange Act of 1934, as amended (collectively with the rules and regulations of the Commission promulgated thereunder, the "**1934 Act**" or state securities or blue sky laws or as may be required by Financial Industry Regulatory Authority ("**FINRA**") or required by Nasdaq in connection with the listing of the Securities.

(17) Absence of Manipulation. None of the Company or any of its affiliates has taken, nor will take, directly or indirectly, any action which is designed to or which has constituted or which would reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(18) Possession of Licenses and Permits. The Company and its Subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct their business as described in the Statutory Prospectus and the Prospectus, except where the failure so to possess would not, singly or in the aggregate, result in a Material Adverse Effect; the Company and its Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, result in a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except where the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, result in a Material Adverse Effect; and neither the Company nor any of its Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(19) Title to Property. None of the Company or its Subsidiaries owns any real property. Each of the Company and its Subsidiaries hold a good and valid leasehold estate in all of the leases and subleases material to the business of the Company and its Subsidiaries, free and clear of all liens, except such as (a) are described in the Statutory Prospectus and the Prospectus or (b) do not, singly or in the aggregate, materially and adversely affect the value of such property or do not materially interfere with the use made and proposed to be made of such property by the Company and its Subsidiaries, respectively. All of the leases and subleases material to the business of the Company and its Subsidiaries, considered as one enterprise, and under which the Company or any of its Subsidiaries holds properties described in the Statutory Prospectus and the Prospectus, are in full force and effect, and neither the Company nor any of its Subsidiaries has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of its Subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(20) Investment Company Act. The Company is not required, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Statutory Prospectus and the Prospectus will not be required, to register as an "investment company" under the Investment Company Act of 1940, as amended.

(21) Environmental Laws. Except as described in the Registration Statement, the Statutory Prospectus and the Prospectus or as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any applicable judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (B) the Company and its Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violations, investigations or proceedings relating to any applicable Environmental Law against the Company or any of its Subsidiaries and (D) to the knowledge of the Company, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its Subsidiaries relating to Hazardous Materials or any Environmental Laws.

(22) Registration Rights. Other than those registration rights contained in agreements filed as exhibits to the Company's reports filed under the 1934 Act or as disclosed in the Registration Statement, the Statutory Prospectus and the Prospectus (which registration rights are either not applicable to the offering contemplated by this Agreement or with respect to which waivers have been obtained), there are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act.

(23) Accounting Controls. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (E) the interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement, the Statutory Prospectus and the Prospectus fairly present in all material respects the required information and are prepared in accordance with the Commission's rules and guidelines applicable thereto. Except as described in the Statutory Prospectus and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially adversely affect, the Company's internal control over financial reporting.

(24) Disclosure Controls and Procedures. The Company maintains disclosure controls and procedures that are effective to perform the functions for which they were established and are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

(25) Compliance with the Sarbanes-Oxley Act. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply in all material respects with all applicable provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof.

(26) Payment of Taxes. The Company has timely filed all federal, state, local and foreign tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect), whether or not arising from transactions in the ordinary course of business, except as described in the Statutory Prospectus and the Prospectus, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business, except as described in the Statutory Prospectus and the Prospectus. All such returns are true and correct in all material respects.

(27) Insurance. The Company and its Subsidiaries carry or are entitled to the benefits of insurance, with reputable and, to the knowledge of the Company, financially sound insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its Subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(28) ERISA Compliance. Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") maintained or contributed to by the Company or any Subsidiary or for which the Company or any Subsidiary or any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of corporations or group of trades or business (whether or not incorporated) under common control within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "**Code**") that includes the Company or any Subsidiary) would have any liability (each, a "**Plan**") has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to, ERISA and the Code, except for noncompliance that could not reasonably be expected to result in material liability to the Company and its Subsidiaries taken as a whole; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan (excluding transactions effected pursuant to a statutory or administrative exemption) that could reasonably be expected to result in a material liability to the Company and its Subsidiaries taken as a whole; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, as applicable, has been satisfied (without taking into account any waiver thereof or extension of any amortization period) and is reasonably expected to be satisfied in the future (without taking into account any waiver thereof or extension of any amortization period) except as could not reasonably be expected to result in material liability to the Company and its Subsidiaries taken as a whole; (iv) the fair market value of the assets of each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan) except as could not reasonably be

expected to result in material liability to the Company and its Subsidiaries taken as a whole; (v) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur with respect to any Plan subject to Title IV of ERISA that either has resulted, or could reasonably be expected to result, in material liability to the Company and its Subsidiaries taken as a whole; (vi) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guaranty Corporation ("**PBGC**"), in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan," within the meaning of Section 4001(a)(3) of ERISA); and (vii) there is no pending audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the PBGC or any other governmental agency or any foreign regulatory agency with respect to any Plan maintained by the Company or any Subsidiary or, to the knowledge of the Company and the Operating Partnership, any other Plan, that could reasonably be expected to result in material liability to the Company and its Subsidiaries taken as a whole. A material increase in the aggregate amount of contributions required to be made to all Plans by the Company and its Subsidiaries in the current fiscal year of the Company compared to the amount of such contributions made in the Company's most recently completed fiscal year has not occurred or is not reasonably likely to occur.

(29) No Personal Loans. As of the date hereof, there are no outstanding personal loans made, directly or indirectly, by the Company to any director or executive officer of the Company.

(30) Foreign Corrupt Practices Act. None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offense under any other applicable anti-bribery or anti-corruption laws, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and its Subsidiaries and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(31) Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and the applicable money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(32) OFAC. None of the Company, any of its Subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company or any of its Subsidiaries is currently the subject or target of any U.S. sanctions administered or enforced by the United States Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department, the United Nations Security Council, the European Union, Her Majesty's Treasury Department, or other relevant sanctions authority (collectively, "**Sanctions**"), nor is the Company or any of its Subsidiaries located, organized or resident in a country or territory that is the subject of Sanctions; and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of or business with any person, or in a country or territory that, at the time of such financing, is the subject of Sanctions or in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as an underwriter, advisor, investor or otherwise) of Sanctions. The Company and each of its Subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(33) Finder's Fees. The Company has not incurred any liability for any finder's fees or similar payments in connection with the transactions herein contemplated, except as may otherwise exist with respect to the Underwriters pursuant to this Agreement.

(b) *Officers' Certificates*. Any certificate signed by any officer of the Company or its Subsidiaries delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

2. Purchase Sale and Delivery of the Securities.

(a) On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Company hereby agrees to sell to the Underwriters, severally and not jointly, the respective aggregate principal amount of Initial Securities set forth opposite the name of the Underwriter in Exhibit A hereto, and each Underwriter, severally and not jointly, agrees to purchase the respective aggregate principal amount of Initial Securities set forth opposite the name of such Underwriter on Exhibit A hereto, plus any additional aggregate principal amount of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 7 hereof, subject to such adjustments among the Underwriters as the Representative in its sole discretion shall make to eliminate any sales or purchases of fractional Securities, in each case at a purchase price of [•]% of the aggregate principal amount (the "**Purchase Price**").

(b) ln addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase all or any portion of the Option Securities at a price equal to the Purchase Price (without giving effect to any accrued interest from the Closing Date to the applicable Option Closing Date). The option hereby granted will expire at 11:59 P.M. New York City time) on the 30th day after the date hereof and may be exercised on up to three occasions in whole or in part only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial Securities upon notice by the Representative to the Company setting forth the aggregate principal amount of Options Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (an "**Option Closing Date**") shall be determined by the Representative, but shall not be earlier than two or later than five full business days after the exercise of said option, unless otherwise agreed upon by the Company and the Representative, nor in any event prior to the Closing

Date. If the option is exercised as to all or any portion of the Option Securities, the Company will sell to the Underwriters that proportion of the aggregate principal amount of Option Securities then being purchased, and each of the Underwriters, acting severally and not jointly, will purchase that proportion of the aggregate principal amount of Option Securities then being purchased, which the aggregate principal amount of Initial Securities set forth in Exhibit A opposite the name of such Underwriter, plus any additional aggregate principal amount of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 7 hereof, bears to the aggregate principal amount of Initial Securities, subject in each case to such adjustments as the Representative in its discretion shall make to eliminate any sales or purchases of fractional Securities.

(c) Payment of the purchase price for, and delivery of any certificates for, the Initial Securities shall be made at the offices of Locke Lord LLP, 200 Vesey Street, 20th Floor, New York, New York 10281 or at such other place as shall be agreed upon by the Representative and the Company, at 9:00 a.m. (New York City time) on [•], 2023 (unless postponed in accordance with the provisions of Section 7 hereof), or such other time not later than ten business days after such date as shall be agreed upon by the Representative and the Company (such time and date of payment and delivery being herein called "**Closing Date**").

ln addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the Purchase Price for, and delivery of any certificates for, such Option Securities shall be made at 9:00 a.m. (New York City time) at the above-mentioned offices, or at such other place as shall be agreed upon by the Representative and the Company, on each Option Closing Date.

Payment shall be made to the Company by wire transfer of immediately available funds to a single bank account designated by the Company against delivery to the Representative for the respective accounts of the Underwriters of the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. The Representative, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Date or the relevant Option Closing Date, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

(d) Certificates for the Initial Securities and the Option Securities, if any, shall be in such denominations and registered in such names as the Representative may request in writing at least two full business days before the Closing Date or the relevant Option Closing Date, as the case may be.

3. Expenses. The Company covenants and agrees to pay the reasonable costs and expenses relating to the following matters: (i) the preparation, printing or reproduction and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto) and the Prospectus, and each amendment or supplement to either of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, the Statutory Prospectus, and the Prospectus, and all amendments or supplements to any of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Securities; (iii) the costs and expenses incurred by the Company arising out of the marketing of the sale of the Securities to investors; (iv) the preparation, printing, authentication, issuance and delivery of the Securities; (v) the printing (or reproduction) and delivery of this Agreement, any blue sky memorandum and all closing documents printed (or reproduced) and delivered in connection with the offering of the Securities; (vi) the listing of the Securities on Nasdaq; (vii) any registration or qualification

of the Securities for offer and sale under the securities or blue sky laws of the several states (including filing fees); (viii) any filings required to be made with FINRA (including filing fees); (ix) all reasonable and documented out-of-pocket expenses incurred by the Underwriters in connection with the transactions contemplated hereby, including legal fees and expenses, marketing, syndication and travel expenses; *provided*, that such fees and expenses, including legal fees and legal expenses, shall not exceed $[•] without the prior written consent of the Company and shall be reimbursed through the Representative; (x) the fees and expenses of the Company's accountants and the fees and expenses of counsel for the Company; (xi) the fees and expenses of the Trustee; and (xii) all other reasonable costs and expenses incurred by the Company.

4. Agreements of the Company. The Company agrees with the Underwriters that:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement to the Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished the Representative a copy for its review prior to filing and will not file any such proposed amendment or supplement or Rule 462(b) Registration Statement to which the Representative reasonably objects. Subject to the foregoing sentence, if the Registration Statement has become or becomes effective pursuant to Rule 430A under the 1933 Act, or filing of the Prospectus is otherwise required under Rule 424, the Company will cause the Prospectus, properly completed, and any supplement thereto to be filed in a form approved by the Representative with the Commission pursuant to Rule 424 within the time period prescribed and will provide evidence satisfactory to the Representative of such timely filing. The Company will promptly advise the Representative (1) when the Prospectus, and any supplement thereto, will have been filed (if required) with the Commission pursuant to Rule 424 or when any Rule 462(b) Registration Statement will have been filed with the Commission, (2) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement will have been filed or become effective, (3) of any request by the Commission or its staff for any amendment of the Registration Statement or any Rule 462(b) Registration Statement, or for any supplement to the Prospectus or for any additional information, (4) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or, to the knowledge of the Company, threatening of any proceeding for that purpose, and (5) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) The Company will comply with the requirements of Rule 430A and will notify the Representative immediately, and confirm the notice in writing, of (i) the effectiveness of any post-effective amendment to the Registration Statement or any new registration statement relating to the Securities or the filing of any supplement or amendment to the Prospectus, (ii) the receipt of any comments from the Commission, (iii) any request by the Commission for any amendment to the Registration Statement or the filing of a new registration statement or any amendment or supplement to the Prospectus or for additional information, (iv) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or such new registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will promptly effect the filings required under Rule 424, in the manner and within the time periods required by Rules 424 and 430A, notify the Representative of the filing thereof; and take such steps as it deems necessary to ascertain promptly whether the Prospectus transmitted for filing under Rule 424 was received for filing by the Commission and, in the event that it was not, it will promptly file the Prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(c) If at any time when the Prospectus is required by the 1933 Act or the 1934 Act to be delivered in connection with sales of the Securities, any event will occur or condition will exist as a result of which it is necessary, in the reasonable opinion of outside counsel to the Underwriters or the Company, to amend the Registration Statement in order that the Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or to amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it will be necessary, in the reasonable opinion of such outside counsel, at any such time to amend the Registration Statement, to file a new registration statement, or to amend or supplement the Prospectus in order to comply with the requirements of the 1933 Act, the Company will (i) promptly prepare and file with the Commission, such amendment, supplement or new registration statement as may be necessary to correct such statement or omission or to comply with such requirements, provided that the Company shall not make any filing to which the Representative reasonably objects, (ii) use its best efforts to have such amendment or new registration statement declared effective as soon as practicable, and (iii) furnish to the Representative, without charge, such number of copies of such amendment, supplement or new registration statement as the Representative may reasonably request.

(d) The Company will cooperate with the Representative in endeavoring to qualify the Securities for sale under the securities laws of such jurisdictions as the Representative may reasonably have designated in writing and will make such applications, file such documents, and furnish such information as may be reasonably required for that purpose; provided the Company will not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction where it is not now so qualified or required to file such a consent. The Company will, from time to time, prepare and file such statements, reports, and other documents, as are or may be required to continue such qualifications in effect for so long a period as the Representative may reasonably request for distribution of the Securities.

(e) The Company will deliver to, or upon the order of, the Representative, from time to time, as many copies of any Statutory Prospectus as the Representative may reasonably request. The Company will deliver to, or upon the order of, the Representative during the period when delivery of a Prospectus is required under the 1933 Act, as many copies of the Prospectus in final form, or as thereafter amended or supplemented, as the Representative may reasonably request. The Company will deliver to the Representative at or before the Closing Date, a copy of the signed Registration Statement and all amendments thereto including all exhibits filed therewith, and will deliver to the Representative such number of copies of the Registration Statement (including such number of copies of the exhibits filed therewith that may reasonably be requested) and of all amendments thereto, as the Representative may reasonably request.

(f) The Company will comply with the 1933 Act and the 1934 Act so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and the Prospectus.

(g) If the Statutory Prospectus is being used to solicit offers to buy the Securities at a time when the Prospectus is not yet available to prospective purchasers and any event will occur as a result of which, in the judgment of the Company or in the reasonable opinion of the Underwriters, it becomes necessary to amend or supplement the Statutory Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or to make the statements therein not conflict with the information contained in the Registration Statement then on file, or if it is necessary at any time to amend or supplement the Statutory Prospectus to comply with any applicable law, the Company will promptly notify the Underwriters and prepare, file with the Commission (if required) and furnish to the Underwriters and any dealers an appropriate amendment or supplement to the Statutory Prospectus.

(h) The Company will make generally available to its security holders, as soon as it is practicable to do so, an earnings statement or statements (which need not be audited), which will satisfy the requirements of Section 11(a) of the 1933 Act and Rule 158 under the 1933 Act.

(i) No offering, sale, short sale or other disposition of any debt securities issued or guaranteed by the Company or other securities convertible into or exchangeable or exercisable for debt securities issued or guaranteed by the Company or derivative of debt securities issued or guaranteed by the Company (or agreement for such) will be made for a period of 30 days after the date of the Prospectus, directly or indirectly, by the Company, otherwise than hereunder or with the prior written consent of the Representative.

(j) The Company will apply the net proceeds of its sale of the Securities as set forth in the Registration Statement, the Statutory Prospectus and the Prospectus.

(k) The Company will cooperate with the Representative and use its commercially reasonable efforts to permit the offered Securities to be eligible for clearance and settlement through the facilities of DTC.

(l) The Company will maintain a trustee, paying agent and registrar for the Notes.

(m) The Company will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, the stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Securities, except as may be allowed by law.

(n) The Company, during the period when the Prospectus is required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1933 Act and the 1934 Act within the time periods required by such act, rule or regulation. To the extent the distribution of Securities has been completed, the Company will not be required to provide the Underwriters with reports it is required to file with the Commission under the 1934 Act.

(o) The Company will use commercially reasonable efforts to maintain a rating by a "nationally recognized statistical rating organization" as defined in Section 3(a)(62) of the 1934 Act ("**NRSRO**") while any Notes remain outstanding.

(p) The Company will use its reasonable best efforts to effect within thirty (30) days of the Closing Date and to maintain the listing of the Notes on Nasdaq.

5. Conditions to the Underwriters' Obligations. The obligations of the Underwriters to purchase the Securities on the Closing Date and the Option Securities, if any, on the applicable Option Closing Date are subject to the accuracy, as of the Applicable Time, the Closing Date or the Option Closing Date, as the case may be, of the representations and warranties of the Company contained herein, and to the performance by the Company of the covenants and obligations hereunder and to the following additional conditions:

(a) The Registration Statement shall have become effective and the Prospectus shall have been filed as required by Rules 424 or 430A, as applicable, within the time period prescribed by, and in compliance with the 1933 Act, and any request of the Commission for additional information (to be included in the Registration Statement or otherwise) shall have been disclosed to the Representative and complied with to its reasonable satisfaction. No stop order suspending the effectiveness of the Registration Statement, as amended from time to time, shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been taken or, to the knowledge of the Company, shall be contemplated or threatened by the Commission and no injunction, restraining order or order of any nature by a Federal or state court of competent jurisdiction shall have been issued as of the Closing Date that would prevent the issuance of the Securities.

(b) The Representative shall have received from Locke Lord LLP, counsel for the Company, an opinion and a negative assurance letter, each dated the Closing Date or the Option Closing Date, as the case may be, addressed to the Representative in form and substance reasonably satisfactory to the Representative.

(c) The Representative shall have received from Alston & Bird LLP, counsel to the Representative, an opinion and a negative assurance letter, each dated the Closing Date or the Option Closing Date, as the case may be, addressed to the Underwriters, in form and substance reasonably satisfactory to the Representative.

(d) The Representative shall have received, on each of the date hereof, the Closing Date and, if applicable, the Option Closing Date, a letter dated the date hereof, the Closing Date or the Option Closing Date, as the case may be, in form and substance satisfactory to the Representative, of each of Grant Thornton LLP and Marcum LLP, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters (or as otherwise accepted by the Representative), delivered in accordance with Statement of Auditing Standards No. 72 (or any successor standard), with respect to the financial statements and certain financial and statistical information contained in the Registration Statement, the Statutory Prospectus and the Prospectus.

(e) The Company shall have furnished to the Representative, on the Closing Date and, if applicable, the Option Closing Date, as the case may be, a certificate substantially in the form of Exhibit C.

(f) The Company and the Trustee shall have executed and delivered each of the Base Indenture, the Supplemental Indenture and the Securities.

(g) The Company shall have furnished to the Representative such further certificates and documents as the Representative may reasonably require for the purpose of enabling the Underwriters to pass upon the issuance and sale of the Securities as herein contemplated.

(h) The application for listing of the Securities shall have been submitted to Nasdaq.

(i) At the Closing Date, the Securities shall be rated at least BBB by Egan-Jones Ratings Company and since the execution of this Agreement, there shall not have been any decrease in the rating of any debt of the Company by any NRSRO, or any written notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change, and no such organization shall have publicly announced it has under surveillance or review any such rating.

If any of the conditions hereinabove provided for in this Section 5 shall not have been fulfilled when and as required by this Agreement to be fulfilled, the obligations of the Underwriters hereunder may be terminated by the Representative by notifying the Company of such termination in writing at or prior to the Closing Date or the Option Closing Date, as the case may be.

In such event, the Company and the Underwriters shall not be under any obligation to each other (except to the extent provided in Sections 4 and 7 hereof).

6. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless the Underwriters, the directors, officers, employees and agents of the Underwriters and each person who controls the Underwriters within the meaning of either Section 15 of the l933 Act or Section 20 of the 1934 Act:

(i) Against any and all loss, liability, claim, damage and expense whatsoever, arising out of any untrue or alleged untrue statement of a material fact contained in the Registration Statement for the Securities as originally filed or in any amendment thereof (and including any post-effective amendment), the Statutory Prospectus or the Prospectus or in any testing-the-waters materials authorized in writing by or prepared by the Company to be used in connection with the public offering of the Securities (or any amendment or supplement to any of the foregoing), or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Representative), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative expressly for use in the Registration Statement (or any amendment thereto), or the Statutory Prospectus or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: (i) their names and (ii) the third and fourth sentences of the fifth paragraph, the first and second sentences of the eleventh paragraph and the twelfth through fourteenth paragraphs of text, in each case, under the caption “Underwriting.”

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company and its directors, officers who sign the Registration Statement, and each person who controls the Company within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, to the same extent, as the indemnity from the Company to the Underwriters set forth in Section 6(a)(i) and the provision thereto, but only with reference to written information relating to the Underwriters furnished to the Company by or on behalf of the Underwriters specifically for inclusion in the documents referred to in the foregoing indemnity. The Underwriters agree to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any loss. claim, damage, liability or action to which they are entitled to indemnification pursuant to this Section 6(b). This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 6, such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing. No indemnification provided for in Section 6 shall be available to any party who shall fail to give notice as provided in this Section 6(c) if the party to whom notice was not given was unaware of the proceeding to which such notice would have related and was materially prejudiced by the failure to give such notice, but the failure to give such notice shall not relieve the indemnifying party or parties from any liability which it or they may have to the indemnified party for contribution or otherwise than on account of the provisions of Section 6. In case any such proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party and shall pay as incurred the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel at its own expense. Notwithstanding the foregoing, the indemnifying party shall pay as incurred (or within 30 days of presentation) the fees and expenses of the counsel retained by the indemnified party in the event (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (iii) the indemnifying party shall have failed to assume the defense and employ counsel acceptable to the indemnified party within a reasonable period of time after notice of commencement of the action. Such firm shall be designated in writing by the Representative in the case of parties indemnified pursuant to Section 6(a) and by the Company in the case of parties indemnified pursuant to Section 6(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. In addition, the indemnifying party will not, without the prior written consent of the indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding of which indemnification may be sought hereunder (whether or not any indemnified party is an actual or potential party to such claim, action or proceeding) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action or proceeding and does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 6 is unavailable to or insufficient to hold harmless an indemnified party under Section 6(a) or (b) above in respect of any losses, liabilities, claims, damages or expenses (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other, from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case, as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Underwriters, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 6(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 6(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Section 6(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6(d), (i) no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions applicable to the Securities purchased by such Underwriter and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7. Default by One or More Underwriters. If one or more of the Underwriters shall fail on the Closing Date or an Option Closing Date to purchase the Securities which it or they are obligated to purchase under this Agreement (the "**Defaulted Securities**"), the Representative shall use reasonable efforts, within 36 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representative shall not have completed such arrangements within such 36-hour period, then:

(a) if the aggregate principal amount of Defaulted Securities does not exceed 10% of the aggregate principal amount of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters; or

(b) if the aggregate principal amount of Defaulted Securities exceeds 10% of the aggregate principal amount of Securities to be purchased on such date, this Agreement or, with respect to any Option Closing Date which occurs after the Closing Date, the obligation of the Underwriters to purchase and of the Company to sell the Option Securities that were to have been purchased and sold on such Option Closing Date, shall terminate without liability on the part of any non-defaulting underwriter.

No action taken pursuant to this Section 7 shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of an Option Closing Date which is after the Closing Date, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, the Representative shall have the right to postpone the Closing Date or the relevant Option Closing Date, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the Statutory Prospectus or Prospectus or in any other documents or arrangements. As used herein, the term "**Underwriter**" includes any person substituted for an Underwriter under this Section 7.

8. Termination. This Agreement may be terminated by the Representative by notice to the Company (a) at any time prior to the Closing Date or any Option Closing Date (if different from the Closing Date and then only as to Option Securities) if any of the following has occurred: (i) since the respective dates as of which information is given in the Registration Statement, the Statutory Prospectus and the Prospectus, any material adverse change or any development involving a prospective material adverse change in or affecting the earnings, business, properties, assets, rights, operations, condition (financial or otherwise) or prospects of the Company and the Subsidiaries taken as a whole, whether or not arising in the ordinary course of business, which in the judgment of the Representative is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, (ii) any outbreak or escalation of hostilities or declaration of war or national emergency or other national or international calamity or crisis (including, without limitation, an act of terrorism) or change in economic or political conditions, if the effect of such outbreak, escalation, declaration, emergency, calamity, crisis or change on the financial markets of the United States that would, in the judgment of the Representative, be material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, (iii) suspension of trading in securities generally on the New York Stock Exchange or Nasdaq or limitation on prices (other than limitations on hours or numbers of days of trading), (iv) the declaration of a banking moratorium by United States or New York State authorities or (v) the suspension of trading of any security of the Company by Nasdaq, the Commission or any other governmental authority; or (b) as provided in Section 6 of this Agreement.

9. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company or its respective officers and of the Underwriters set forth in or made pursuant to this Agreement shall survive delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company, the Underwriters or any of their respective officers, directors, employees, agents or controlling persons referred to in Section 7 hereof. The provisions of Section 3, Section 6, Section 9, Section 13, Section 15 and Section 16 shall survive the termination or cancellation of this Agreement.

10. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) For purposes of this Section 10, a "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 184l(k). "Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). "Default Right" has the meaning assigned to that term, in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title 11 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

11. Notices. All communications hereunder will be in writing and effective only on receipt, and will be mailed (postage prepaid, certified or registered mail, return receipt requested), delivered or transmitted by any standard form of telecommunication:

(a) if to the Underwriters:

Piper Sandler & Co.
1251 Avenue of the Americas, 6th Floor
New York, New York 10020
Attention: Equity Capital Markets

with a copy to Piper Sandler General Counsel at

1251 Avenue of the Americas, 6th Floor
New York, New York 10020
(email: LegalCapMarkets@psc.com)

with an additional copy to:

Alston & Bird LLP
90 Park Avenue
New York, New York 10016
Attention: Michael J. Kessler (which copy shall not constitute notice)

(b) if to the Company:

Abacus Life, Inc.
2101 Park Center Drive, Suite 170
Orlando, Florida 32835
Attention: Dani Theobald

with an additional copy to:

Locke Lord LLP
111 South Wacker Drive
Suite 4100
Chicago, IL 60606
Attention: Thomas V. Bohac(which copy shall not constitute notice)

12. Successors. This Agreement has been and is made solely for the benefit of the Underwriters, the Company, and their respective successors, executors, administrators, heirs and assigns, and the officers, directors and controlling persons referred to herein, and no other person will have any right or obligation hereunder. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign merely because of such purchase.

13. No Fiduciary Duty. The Company hereby acknowledges that (a) the offering and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Underwriters and any affiliate through which an Underwriter may be acting, on the other, (b) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether any Underwriter has advised or is currently advising the Company on related or other matters), and (c) the Company's engagement of the Underwriters in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that the Company is solely responsible for making its own judgments in connection with the offering (irrespective of whether any Underwriter has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that any Underwriter has rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

14. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters with respect to the subject matter hereof.

15. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

16. Waiver of Jury Trial. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

17. Counterparts. This Agreement may be signed in two or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

18. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

19. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

[Remainder of Page intentional) Blank]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof.

Very truly yours,

Abacus Life, Inc.

By: _____
Name: _____
Title: _____

[Signature Page to Underwriting Agreement]

The foregoing Agreement is hereby confirmed and accepted as of the date first-written above.

Piper Sandler & Co.

By: _____
Name: _____
Title: _____

For itself and as Representative of the Underwriters named in Exhibit A hereto

[Signature Page to Underwriting Agreement]

EXHIBIT A

Name of Underwriter	Principal Amount of Initial Securities
Piper Sandler & Co.	
[•]	
Total	

EXHIBIT B

ORALLY CONVEYED PRICING INFORMATION

1. Public offering price: $
2. Interest rate: %
3. Date interest starts accruing:
4. Initial aggregate principal amount being offered:
5. Net proceeds to the Company, before expenses:

EXHIBIT C

Exhibit 3.3

ABACUS LIFE, INC., ISSUER

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, TRUSTEE

SENIOR DEBT SECURITIES

INDENTURE

Dated as of [ ] [ ], 2023

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ABACUS LIFE, INC.
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NOTE: This shall not, for any purpose, be deemed to be part of the Indenture.

INDENTURE, dated as of [ ] [ ], 2023, between ABACUS LIFE, INC., a corporation duly incorporated and existing under the laws of the State of Delaware (the "Company"), having its principal office at 2101 Park Center Drive, Suite 170, Orlando, Florida 32835 and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as Trustee (the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes, or other evidences of indebtedness (the "Securities"), to be issued in one or more series as provided in this Indenture.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of any series of the Securities, as follows:

ARTICLE I
Definitions and Other Provisions of General Application

Section 1.1 Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used in this Indenture which are defined in the Trust Indenture Act, either directly or by reference to the Trust Indenture Act, have the meanings assigned to them in the Trust Indenture Act;

(3) all accounting terms not otherwise defined in this Indenture have the meanings assigned to them in accordance with accounting principles generally accepted in the United States, and, except as otherwise expressly provided in this Indenture, the term "accounting principles generally accepted in the United States" with respect to any computation required or permitted under this Indenture shall mean such accounting principles as are generally accepted in the United States at the date of such computation; and

(4) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture.

"Act", when used with respect to any Holder, has the meaning specified in Section 1.4(a).

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the foregoing.

“Applicable Procedures” means, with respect to any matter at any time, the policies and procedures of the Depositary, if any, that are applicable to such matter at such time.

“Authenticating Agent” means any Person authorized by the Trustee pursuant to Section 6.14 to act on behalf of the Trustee to authenticate Securities of one or more series.

“Authorized Officer” means any officer of the Company designated by or pursuant to a Board Resolution to take certain actions as specified in this “Indenture.

“Board of Directors” means either the board of directors of the Company or any other duly authorized committee of that board.

“Board Resolution” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors, or by action of an Authorized Officer designated as such pursuant to a resolution of the Board of Directors, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Business Day”, when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday, and Friday which is not a Saturday, Sunday or a day on which banking institutions are authorized or required to be closed in the State of New York.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Request’’ or “Company Order” means a written request or order signed in the name of the Company by its Chairman, a Vice Chairman, its President, its Chief Financial Officer, or a Vice President, and by its Treasurer, an Assistant Treasurer, its Controller, an Assistant Controller, its Secretary, or an Assistant Secretary, and delivered to the Trustee.

“Corporate Trust Office” means the office of the Trustee at [100 Wall Street, 6th Floor, New York, New York 10005, Attention: Global Corporate Trust Services], or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Company).

“Covenant Defeasance” has the meaning specified in Section 13.3.

“Defaulted Interest” has the meaning specified in Section 3.7.

“Defeasance” has the meaning specified in Section 13.2.

"Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depositary for such series by the Company pursuant to Section 3.1, which Person shall be a clearing agency registered under the Exchange Act.

"DTC" means The Depository Trust Company and its successors.

"Event of Default" has the meaning specified in Section 5.1.

"Exchange Act" means the Securities Exchange Act of 1934, as amended now or in the future and any successor statute.

"Global Security" means a Security bearing the legend prescribed in Section 2.2 evidencing all or part of a series of Securities, which is executed by the Company and authenticated and delivered by the Trustee to the Depositary for such series or its nominee, and registered in the name of such Depositary or nominee.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more supplemental indentures entered into pursuant to the applicable provisions of this Indenture, including, for all purposes of this Indenture and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of each particular series of Securities established as contemplated by Section 3.1.

"Interest Payment Date", with respect to any Security, means the Stated Maturity of an installment of interest on such security.

"Maturity", when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable in accordance with its terms or the terms of this Indenture, whether at the Stated Maturity or by declaration of acceleration, call for redemption, or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman, the Chief Executive Officer, a Vice Chairman, the President, the Chief Financial Officer, or a Vice President, and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary, or an Assistant Secretary, of the Company, and delivered to the Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 10.4 shall be the principal executive, financial, or accounting officer of the Company.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for or an employee of the Company or an Affiliate of the Company, or other counsel reasonably acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount of such Security to be due and payable upon a declaration of acceleration of the Maturity of such Security pursuant to Section 5.2.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities previously authenticated and delivered under this Indenture, except:

(1) Securities previously cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Securities for whose payment or redemption money in the necessary amount has been previously deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; *provided* that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision for such redemption satisfactory to the Trustee has been made;

(3) Securities which have been paid pursuant to Section 3.6 or in exchange for or in lieu of which other securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a protected purchaser, as such term is defined in Section 8-303 of the Uniform Commercial Code of New York, in whose hands such Securities are valid obligations of the Company;

(4) Securities which have been defeased pursuant to Section 13.2; and

(5) Securities not deemed outstanding pursuant to Section 13.3;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent, or waiver under this Indenture, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal that would be due and payable as of the date of such determination upon acceleration of its maturity pursuant to Section 5.2, (ii) if, as of such date, the principal amount payable at the Stated Maturity of a Security is not determinable, the principal amount of such Security which shall be deemed to be Outstanding shall be the amount as specified or determined as contemplated by Section 3.1, and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (in either case other than in such Affiliate's or obligor's fiduciary capacity) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor. Upon the written request of the Trustee, the Company shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Securities, if any, known by the Company to be owned or held by or for the account of the Company, or any other obligor of the Company on the Securities or any Affiliate of the Company or such obligor, and, subject to the provisions of Section 6.1, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

"Paying Agent" means the Trustee or any other Person authorized by the Company (including the Company) to pay or deliver the principal of or any premium or interest on any Securities on behalf of the Company.

"Periodic Offering" means an offering of Securities of any series from time to time, the specific terms of which Securities, including, without limitation, its rate or rates of interest, if any, its Stated Maturity, and redemption provisions, if any, with respect to such Securities are to be determined by the Company or its agents upon the issuance of such Securities.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, or government or any agency or political subdivision of any government.

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of and any premium and interest on the Securities of that series are payable as specified as contemplated by Section 3.1.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.6 in exchange for or in lieu of a mutilated, destroyed, lost, or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost, or stolen Security.

"Record Date" means either Regular Record Date or Special Record Date as the context requires.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date (whether or not a Business Day) specified for that purpose as contemplated by Section 3.1.

"Responsible Officer", when used with respect to the Trustee, means any vice president, any assistant treasurer, any trust officer or assistant trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 3.5.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 3.7.

"Stated Maturity", when used with respect to any Security or any installment of principal or interest on such Security, means the date specified in such Security as the fixed date on which the principal of such security or such installment of principal or interest is due and payable.

"Subsidiary" means a Person more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, managers, trustees or equivalent of such Person, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee under this Indenture, and if at any time there is more than one such Person, "Trustee", as used with respect to the Securities of any series, shall mean the Trustee with respect to Securities of that series.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as in force at the date as of which this Indenture was executed; *provided, however*, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939, as so amended.

"U.S. Government Obligation" has the meaning specified in Section 13.4.

"Vice President", when used with respect to the Company, means any duly appointed vice president (but shall not include any assistant vice president), whether or not designated by a number or a word or words added before or after the title "vice president".

"Wholly Owned Subsidiary" means any Subsidiary all of whose outstanding voting stock (other than directors' qualifying shares) shall at the time be owned by the Company or one or more of its Wholly Owned Subsidiaries.

Section 1.2 Compliance Certificates and Opinions.

Upon any application to or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by an officer of the Company, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion (other than the Officers' Certificate delivered under Section 10.4 of this Indenture) with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the related definitions;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.3 Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to its matters upon which the certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.4 Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided or permitted by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as otherwise expressly provided in this Indenture, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is expressly required by this Indenture, to the Company. Such instrument or instruments (and the action embodied in and evidenced by such instrument or instruments) are sometimes referred to as the “Act” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

Without limiting the generality of the foregoing, a Holder, including a Depositary that is a Holder of a Global Security, may make, give, or take, by a proxy or proxies, duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver, or other action provided or permitted in this Indenture to be made, given, or taken by Holders, and a Depositary that is a Holder of a Global Security may provide its proxy or proxies to the beneficial owners of interest in any such Global Security.

(b) The fact and date of the execution by any Person of any such instrument, writing, certification or proxy may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument, writing, certification or proxy acknowledged to him its execution. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument, writing, certification or proxy, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver, or other action, or to vote on any action, authorized, or permitted to be given or taken by Holders of Securities of such series. If not set by the Company prior to the first solicitation of a Holder of Securities of such series made by any Person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 7.1) prior to such first solicitation or vote, as the case may be. With regard to any record date for action to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give, take, or vote on the relevant action.

(d) The ownership of Securities shall be proved by the Security Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver, or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer of, in exchange for, or in lieu of such Security in respect of anything done, omitted, or suffered to be done by the Trustee or the Company in reliance on such action, whether or not notation of such action is made upon such Security.

(f) Without limiting the foregoing, a Holder entitled to give or take any action under this Indenture with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any different part of such principal amount.

Section 1.5 Notices. Etc.to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver, or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose under this Indenture if made, given, furnished, or filed in writing and delivered in person, mailed by first-class mail or sent by telecopier transmission or electronic mail (in pdf format) to or with the Trustee, as follows (or at any other address previously furnished in writing to the Company by the Trustee):

100 Wall Street, 6th Floor
New York, New York 10005
Attention: Global Corporate Trust Services

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose under this Indenture (unless otherwise expressly provided in this Indenture) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company, Attention: General Counsel.

Section 1.6 Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise expressly provided in this Indenture) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not

later than the latest date (if any), and not earlier than the earliest date (if any). prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event. and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent Lo the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose under this Indenture.

Where this Indenture provides for notice of any event to a Holder of a Global Security, such notice shall be sufficiently given if given to the Depositary for such Security (or its designee), pursuant to its Applicable Procedures, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice.

Section 1.7 Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies, or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 1.8 Effect of Headings and Table of Contents.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction of this Indenture.

Section 1.9 Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.10 Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired by such invalid, illegal, or unenforceable provision.

Section 1.11 Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the Holders of Securities, the parties to this Indenture and their successors any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.12 Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York.

Section 1.13 Waiver of Jury Trial.

EACH OF THE COMPANY, THE HOLDERS BY THEIR ACCEPTANCE OF THE SECURITIES, AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 1.14 Force Majeure.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including, without limitation, strikes, work stoppage, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes, epidemics, pandemics, acts of God, acts or provisions of any present or future law or regulation or governmental authority, fire, communication line failures, earthquakes, civil unrest, local or national disturbance or disaster, and the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility; it being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 1.15 Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities, other than a provision of the Securities of any series which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date, or Redemption Date, or at the Stated Maturity; *provided* that, no interest shall accrue with respect to the payment due on such date for the period from and after such Interest Payment Date, Redemption Date, or Stated Maturity, as the case may be.

Section 1.16 Submission to Jurisdiction.

The Company hereby irrevocably submits to the jurisdiction of any New York State court sitting in the Borough of Manhattan in the City of New York or any federal court sitting in the Borough of Manhattan in the City of New York in respect of any suit, action or proceeding arising out of or relating to this Indenture and the Securities, and irrevocably accepts for itself and in respect of its property, generally and unconditionally, jurisdiction of the aforesaid courts.

ARTICLE II
Security Forms

Section 2.1 Forms Generally.

The Securities of each series shall be in substantially such form (not inconsistent with this Indenture) as shall be established by or pursuant to one or more Board Resolutions or in one or more indentures supplemental to this Indenture, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by this Indenture, and may have such

letters, numbers, or other marks of identification and such legends or endorsements placed on them as may be required to comply with the rules of any securities exchange or Depositary therefor or as may, consistently with this Indenture, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 3.3 for the authentication and delivery of such Securities.

The definitive Securities, if any, shall be printed, lithographed, or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 2.2 Form of Legend for Global Securities.

Any Global Security authenticated and delivered under this Indenture shall bear a legend in substantially the following form:

"This Security is a Global Security within the meaning of the Indenture referred to in this Security and is registered in the name of a Depositary or its nominee. This Security may not be transferred to, or registered or exchanged for Securities registered in the name of, any Person other than the Depositary or its nominee or a successor of such Depositary or a nominee of such successor and no such transfer may be registered, except in the limited circumstances described in the Indenture. Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, this Security shall be a Global Security subject to the foregoing, except in such limited circumstances."

Section 2.3 Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

U.S. Bank Trust Company, National Association, not in its individual capacity but solely as Trustee

By: _____
Authorized Officer

ARTICLE III
The Securities

Section 3.1 Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series, and each such series shall rank equal in right of payment to all other unsecured and unsubordinated debt of the Company. There shall be established in or pursuant to a Board Resolution and, subject to Section 3.3, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental to this Indenture, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.4, 3.5, 3.6, 9.6, or 11.7 and except for any Securities which, pursuant to Section 3.3, are deemed never to have been authenticated and delivered under this Indenture);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on Regular Record Date for such interest;

(4) the date or dates on which the principal (and premium, if any) of the Securities of the series is payable;

(5) the rate or rates at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable, and the Regular Record Date for any interest payable on any Interest Payment Date;

(6) the place or places in addition to the Borough of Manhattan, The City of New York, where the principal of and any premium and interest on Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which, and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(8) the obligation, if any, of the Company to redeem, purchase, or repay Securities of the series pursuant to any mandatory redemption, sinking fund, or analogous provision or at the option of a Holder of the Security, and the period or periods within which, the price or prices at which, and the terms and conditions upon which Securities of the series shall be redeemed, purchased, or repaid, in whole or in part, pursuant to such obligation;

(9) if other than denominations of $1,000 and integral multiples in excess of such denominations, the denominations in which Securities of the series shall be issuable;

(10) if the amount of payments of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or formula, the manner in which such amounts shall be determined;

(11) if other than the principal amount of the Securities of the series, the portion of the principal amount of Securities which shall be payable upon declaration of acceleration of its Maturity pursuant to Section 5.2;

(12) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose under the Securities or this Indenture, including the principal amount which shall be due and payable upon any Maturity other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(13) the application, if any, of either or both of Section 13.2 and Section 13.3 to the Securities of the series (including, in the case of Section 13.3, the covenants and any events of Default not specified therein that arc subject thereto) and, if other than by a Board Resolution, the manner in which any election pursuant to such Sections by the Company shall be evidenced;

(14) whether the Securities of the series shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the Depositary or Depositaries for such Global Security or Global Securities (if other than DTC), and any circumstances other than those set forth in Section 3.5 in which any such Global Security may be transferred to, and registered and exchanged for, Securities registered in the name of a Person other than the Depositary for such Global Security or its nominee and in which any such transfer may be registered;

(15) any Authenticating Agents, Paying Agents, or any other agents with respect to the Securities of the series;

(16) any other covenant or warranty included for the benefit of Securities of the series in addition to (and not inconsistent with) those included in this Indenture for the benefit of Securities of all series, or any other covenant or warranty included for the benefit of Securities of the series in lieu of any covenant or warranty included in this Indenture for the benefit of Securities of all series (including any covenant contained in Article X). or any provision that any covenant or warranty included in this Indenture for the benefit of Securities of all series (including any covenant contained in Article X) shall not be for the benefit of Securities of such series, or any change to or combination of the provisions of any such covenant or warranty included in this Indenture for the benefit of Securities of all series (including any covenants contained in Article X) which applies to the Securities of such series;

(17) any addition to, deletion from, or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount of such Securities due and payable pursuant to Section 5.2; and

(18) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 9.1(5)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 3.3) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any indenture supplemental to the Indenture.

Unless otherwise provided with respect to the Securities of any series, at the option of the Company, interest on the Securities of any series that bears interest may be paid by mailing a check to the address of the Person entitled to such interest as such address shall appear in the Security Register.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

Section 3.2 Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 3.1. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of $1,000 and any integral multiples of such denominations.

Section 3.3 Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman, a Vice Chairman, the Chief Executive Officer, the President, the Chief Financial Officer, or an Executive Vice President, and by the Treasurer, an Assistant Treasurer, the Chief Accounting Officer, the Secretary, or an Assistant Secretary, of the Company. The signature of any of these officers of the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 2.1 and 3.1, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 6.1) shall be fully protected in relying upon, an Opinion of Counsel stating,

(a) if the form, of such Securities has been established by or pursuant to Board Resolution as permitted by Section 2.1, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 3.1. that such terms have been established in conformity with the provisions of this Indenture; and

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties, or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 3.1 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the above specified documents at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for in this Indenture executed by the Trustee by manual or electronic signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered under this Indenture. Notwithstanding the foregoing. if any security shall have been authenticated and delivered but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 3.9, for all purposes of this Indenture, such Security shall be deemed never lo have been authenticated and delivered under this indenture and shall never be entitled to the benefits of this Indenture.

Section 3.4 Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon receipt of a Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed. typewritten, mimeographed, or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions, and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange one or more definitive Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

Section 3.5 Registration; Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office or in any other office or agency of the Company in a Place of Payment may sometimes be collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as provided in this Indenture.

Upon surrender for registration of transfer of any Security of any series at the office or agency of the Company in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities arc so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.4, 9.6, or 11.7 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of, or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 11.3 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

Notwithstanding the foregoing and except as otherwise specified or contemplated by Section 3.1, if at any time the Depositary for the Securities of a series represented by a Global Security or Global Securities notifies the Company that it is unwilling or unable to continue as a Depositary for the Securities of such series or if at any time the Depositary for Securities of a series shall no longer be registered or in good standing under the Exchange Act or other applicable statute or regulation, the Company shall appoint a successor Depositary with respect to the Securities of such series. If a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, the Company will execute, and the Trustee, upon Company Request, will authenticate and deliver, Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the Global Security or Global Securities representing Securities of such series in exchange for such Global Security or Global Securities.

In the event that (i) the Company at any time and in its sole discretion determines that the Securities of any series issued (ii) the form of one or more Global Securities shall no longer be represented by such Global Security or Global Securities or (ii) there shall have occurred and be continuing an Event of Default or an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default with respect to the Securities of any series and the beneficial owners representing a majority in principal amount of the applicable series of Securities represented by such

Global Security or Securities advise the depository to cease acting as depository for such Global Security or Securities, the Company will execute, and the Trustee, upon Company Request, will authenticate and deliver, Securities of such series in definitive form and in an aggregate principal amount equal to the principal amount of the Global Security or Global Securities representing such series in exchange for such Global Security or Global Securities.

Upon the occurrence in respect of any Global Security of any series of any one or more of the conditions specified in the preceding two paragraphs or such other conditions as may be specified as contemplated by such series, such Global Security may be exchanged for Securities registered in the names of, and the transfer of such Global Security may be registered to, such Persons (including Persons other than the Depositary with respect to such series and its nominees) as such Depositary shall direct. Notwithstanding any other provision of this Indenture, any Security authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any Global Security shall also be a Global Security and shall bear the legend specified in Section 2.2 except for any Security authenticated and delivered in exchange for, or upon registration of transfer of, a Global Security pursuant to the preceding sentence.

None of the Trustee or agents shall have any responsibility, liability or obligation to any beneficial owner of a Global Security, a member of, or a participant in, the Depositary or other Person with respect to the accuracy of the records of the Depositary or its nominee or of any participant or member thereof, with respect to any ownership interest in the Securities or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depositary or its nominee) of any notice (including any notice of redemption) or the payment of any amount under or with respect to such Securities. All notices and communications to be given to the Holders and all payments to be made to Holders under the Securities shall be given or made only to or upon the order of the registered Holders (which shall be the Depositary or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through the Depositary subject to the applicable rules and procedures of the Depositary. The Trustee and the agents may rely and shall be fully protected in relying upon information furnished by the Depositary with respect to its members, participants and any beneficial owners. The Company, the Trustee and the agents shall be entitled to deal with the Depositary, and any nominee thereof, that is the registered Holder of any Global Security for all purposes of this Indenture relating to such Global Security (including the payment of principal, premium, if any, and interest and additional amounts, if any, and the giving of instructions or directions by or to the owner or Holder of a beneficial ownership interest in such Global Security) as the sole Holder of such Global Security and shall have no obligations to the beneficial owners thereof. None of the Company, the Trustee or any agent shall have any responsibility or liability for any acts or omissions of the Depositary with respect to such Global Security, for the records of any such Depositary, including records in respect of beneficial ownership interests in respect of any such Global Security, for any transactions between the Depositary and any participant or between or among the Depositary, any such participant and/or any Holder or owner of a beneficial interest in such Global Security, or for any transfers of beneficial interests in any such Global Security.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 3.6 Mutilated, Destroyed, Lost, and Stolen Securities.

If any mutilated Security is surrendered to the Trustee and there is delivered to the Company and the Trustee such security, indemnity or indemnity bond as may be required by them to save each of them and any agent of them harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss, or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a protected purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost, or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to such issuance and any other expenses (including the fees and expenses of the Trustee) connected with such issuance.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost, or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost, or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued under this Indenture.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Securities.

Section 3.7 Payment of Interest; Interest Rights Preserved.

Except as otherwise provided as contemplated by Section 3.1 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (“Defaulted Interest”) shall cease to be payable to the Holder on the relevance Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (I) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such

Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this Clause. At such time the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the related Special Record Date to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the related Special Record Date having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 3.8 Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee, and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 3.7) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee, nor an agent of the Company or the Trustee shall be affected by notice to the contrary.

No holder of any beneficial interest in any Global Security registered in the name of a Depositary or its nominee shall have any rights under this Indenture with respect to such Global Security, and such Depositary or nominee, as the case may be, may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the owner of such Global Security for all purposes whatsoever notwithstanding the foregoing, nothing in this Indenture shall prevent the Company, the Trustee, or any agent of the Company or the Trustee from giving effect to any written certification, proxy, or other authorization furnished by a Depositary or its nominee pursuant to this Indenture. Further, none of the Company, the Trustee, any Paying Agent, or any other agent of the Company or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in any such Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Section 3.9 Cancellation.

All Securities surrendered for payment, conversion, redemption, registration of transfer or exchange, or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated which the company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be promptly disposed of by the Trustee in accordance with its ordinary procedures.

Section 3.10 Computation of Interest.

Except as otherwise specified as contemplated by Section 3.1 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.11 CUSIP Numbers.

The Company or its designee in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee in writing of any change in CUSIP" numbers.

ARTICLE IV
Satisfaction and Discharge

Section 4.1 Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities expressly provided for in this Indenture), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either:

(A) all Securities previously authenticated and delivered (other than (i) Securities which have been destroyed, lost, or stolen and which have been replaced or paid as provided in Section 3.6 and (ii) Securities for whose payment money has previously been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.3) have been delivered to the Trustee for cancellation; or

(B) all such Securities not previously delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose cash or U.S. Government Obligations or a combination thereof in an amount (without consideration of any reinvestment of interest) sufficient to pay and discharge the entire indebtedness on such Securities not previously delivered to the Trustee for cancellation (other than Securities which have been destroyed, lost, or stolen and which have been replaced or paid as provided in Section 3.6), for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable by the Company under this Indenture; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 6.7, the obligations (if any) of the Trustee to any Authenticating Agent under Section 6.14 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of Clause (i) of this Section, the obligations of the Trustee under Section 4.2 and the last paragraph of Section 10.3 shall survive.

In the event there are Securities of two or more series under this Indenture, the Trustee shall be required to execute an instrument acknowledging satisfaction and discharge of this Indenture only if requested to do so with respect to Securities of all series as to which it is Trustee and if the other conditions of such Securities arc met. In the event there are two or more Trustees under this Indenture, then the effectiveness of any such instrument shall be conditioned upon receipt of such instruments from all such Trustees.

The Trustee, Securities Registrar and the Transfer Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer or exchange imposed under the Indenture or under applicable law with respect to any transfer or exchange of any interest in any note (including any transfers between or among participants or other beneficial owner of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirement hereof.

Section 4.2 Application of Trust Money.

Subject to the provisions of the last paragraph of Section 10.3, all money deposited with the Trustee pursuant to Section 4.1 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled to such money, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee.

ARTICLE V
Remedies

Section 5.1 Events of Default.

"Event of Default", wherever used in this Indenture with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default, whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

(l) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of all or any part of the principal of (or premium, if any, on) the Securities of that series at its Maturity; or

(3) default in the deposit of any sinking fund or analogous payment, when and as due by the terms of the Securities of that series; or

(4) default in the performance or breach of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty which has expressly been included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Indenture; or

(5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or substantially all of its assets, or ordering the winding up or liquidation of the affairs of the Company, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(6) the commencement by the Company of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or substantially all of its assets, or to an order for the winding up or liquidation of the affairs of the Company; or

(7) any other Event of Default as provided in Section 3.1 with respect to Securities of that series.

The Trustee shall not be deemed to have knowledge or notice of the occurrence of any default or Event of Default, unless a Responsible Officer of the Trustee shall have received written notice from the Company or a Holder describing such default or Event of Default and stating that such notice is a notice of default or Event of Default.

Section 5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Section 5.1(5) or 5.1(6)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may, declare the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default specified in Section 5.1(5) or 5.1(6) with respect to Securities of any series at the time Outstanding occurs, the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof), shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable.

If an Event of Default specified in Sections 5.1(5) or 5.1(6) with respect to Securities of any series then Outstanding shall have occurred and be continuing, then, in each and every such case, the principal amount and interest, if any, on all of the Securities of all series then Outstanding shall become immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

At any time after such a declaration of acceleration with respect to Securities of one or more series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as provided for below in this Article, the Holders of a majority in principal amount of the Outstanding securities of all affected series (voting as one class except in the case of Events of Default described in subsections (1), (2) and (3) of Section 5.1), as to which each series so affected will vote as a separate class), by written notice to the Company and the Trustee may waive all defaults with respect to all affected series. and may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities of all affected series. (B) the principal of (and premium, if any, on) any Securities of all affected series which have become due otherwise than by such declaration of acceleration and any interest on such Securities at the rate or rates prescribed in such Securities, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed in such Securities, and (D) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and counsel; and

(2) all Events of Default with respect to Securities of all affected series, other than the non-payment of the principal of Securities of the affected series which has become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any consequent right.

For all purposes under this Indenture, if a portion of the principal of any Original Issue Discount Securities shall have been accelerated and declared due and payable pursuant to the provisions of this Indenture, then, from and after such declaration, unless such declaration has been rescinded and annulled as provided above, the principal amount of such Original Issue Discount Securities shall be deemed, for all purposes under this Indenture, to be such portion of the principal as shall be due and payable as a result of such acceleration, and the payment of such portion of the principal as shall be due and payable as a result of such acceleration, together with interest, if any, on such portion and all other amounts owing under such Original Issue Discount Security, shall constitute payment in full of such Original Issue Discount Securities.

Section 5.3 Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days,

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at its Maturity, or

(3) default is made in the making or satisfaction of any sinking fund or analogous obligation when the same becomes due pursuant to the terms of any Security,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed in such Securities, and, in addition, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of Trustee, its agents, and counsel under Section 6.7.

If the Company fails to pay such amounts immediately upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other proper remedy.

Section 5.4 Trustee May File Proofs of Claim.

In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property, or its creditors, the Trustee (irrespective of whether the principal of the Securities of any series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal (and premium, if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 6.7.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Securities or the rights of any Holder or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; *provided, however*, the Trustee may vote on behalf of the Holders for the election of a trustee in bankruptcy or similar official and may be a member of a creditors, or other similar committee.

Section 5.5 Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production of such Securities in any related proceeding, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 5.6 Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation on such Securities of the payment if only partially paid and upon surrender of such Securities if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 6.7; and

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively.

Section 5.7 Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy under this Indenture, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under the Indenture;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb, or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner provided in this Indenture and for the equal and ratable benefit of all of such Holders (it being further understood that the Trustee does not have an affirmative duty to ascertain whether or not any action the Holders direct it to take is unduly prejudicial to other Holders).

Section 5.8 Unconditional Right of Holders to Receive Principal, Premium, and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 3.7) any interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date), and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Holder.

Section 5.9 Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions under this Indenture and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 5.10 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Securities in the last paragraph of Section 3.6, no right or remedy conferred in this Indenture upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under this Indenture or now or in the future existing at law or in equity or otherwise. The assertion or employment of any right or remedy under this Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.11 Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of or acquiescence in any such Event of Default. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 5.12 Control by Holders.

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series; provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) subject to the provisions of Section 6.1, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would be unjustly prejudicial to the Holders not joining in any such direction or would involve the Trustee in personal liability.

Section 5.13 Waiver of Past Defaults.

Subject to Section 5.2, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default under this Indenture with respect to such series and its consequences, except a default (l) in the payment of the principal of or any premium or interest on any Security of such series, or (2) in respect of a covenant or provision of this Indenture which under Article IX of this Indenture cannot be modified or amended without the consent of the Holder of each Outstanding Security of such affected series.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising from such default shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any consequent right.

Section 5.14 Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Securities by his acceptance of such Securities shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered, or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.14 shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to

any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Securities on or after the Stated Maturity or Maturities expressed in such Securities (or, in the case of redemption, on or after the Redemption Date).

ARTICLE VI
The Trustee

Section 6.1 Certain Duties and Responsibilities.

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act.

Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under this Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 6.2 Notice of Defaults.

If a default occurs under this Indenture with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default known to it as and to the extent provided by the Trust Indenture Act; *provided, however*, that in the case of any default of the character specified in Section 5.1(1) or 5.1(4) or with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence; and, *provided further*, that except in the case of default in the payment of the principal of or the interest on any of the Securities of such series, or in the payment of any sinking fund installment or analogous payment on such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors or trustees and/or committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of such series. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series. The Trustee shall not be deemed to know of any default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is such a default is received by the Trustee at the Corporate Trust Office of the Trustee. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

Section 6.3 Certain Rights of Trustee.

Subject to the provisions of Section 6.1:

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned in this Indenture shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Indenture, the Trustee (unless other evidence be specifically prescribed in this Indenture) may, in the absence of bad faith on its part, rely upon an Officers' Certificate, an Opinion of Counsel, or both;

(d) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it under this Indenture in good faith and in reliance on such advice or Opinion of Counsel;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers or perform any duties under this Indenture either directly or by or through agents or attorneys and the Trustee. shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it;

(h) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(i) in the exercise of the rights and powers vested in it by this Indenture, after an Event of Default, the Trustee shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. No provision of this Indenture shall be construed to relieve the Trustee from liability with respect to matters that are within the authority of the Trustee under this Indenture for its own negligent action, negligent failure to act or willful misconduct, except that:

(1) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(2) the Trustee shall not be liable with respect to any action taken, suffered, or omitted to be taken by it in good faith in accordance with the direction of the Company or the Holders of at least a majority in aggregate principal amount of the Outstanding Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee under this Indenture;

(3) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(j) the Trustee shall not be charged with knowledge of any default or Event of Default with respect to the Securities unless a written notice of such default or Event of Default shall have been given to a Responsible Officer of the Trustee at the Corporate Trust Office, and such notice references the Securities and this Indenture;

(k) the permissive rights of the Trustee enumerated herein shall not be construed as duties;

(I) the Trustee shall have no duty or obligation to monitor the Company's compliance with the terms of this Indenture or to ascertain or inquire as to the observance, performance of any covenant, conditions or agreements of the Company except as expressly set forth in this Indenture;

(m) in no event shall the Trustee be liable to any Holder for punitive, special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(n) the Trustee may request that the Company deliver an Officers' Certificate setting forth the names of the individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded; and

(o) the duties, responsibilities and obligations of the Trustee shall be limited to those expressly set forth herein, and no duties, responsibilities or obligations shall be inferred or implied against the Trustee, except pursuant to the Trust Indenture Act.

Section 6.4 Not Responsible for Recitals or Issuance of Securities.

The recitals contained in this Indenture and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Company of Securities or the proceeds from such Securities.

Section 6.5 May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar, or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 6.8 and 6.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar, or such other agent.

Section 6.6 Money Held in Trust.

Money held by the Trustee in trust under this Indenture need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it under this Indenture except as otherwise agreed in writing with the Company.

Section 6.7 Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Trustee from time to time such compensation as shall be agreed in writing between the Company and the Trustee for all services rendered by it under this Indenture (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided in this Indenture, to reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to its negligence or willful misconduct;

(3) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claim, liability, action, suit, cost or expense of any kind and nature whatsoever (whether brought by the Company, any holder or any third party) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the trust or trusts under this Indenture, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Indenture or enforcing the terms of this Indenture including the indemnification provided herein;

(4) to secure the Company's obligations under this Section, the Trustee shall have a lien prior to the Securities upon all money or property held or collected by the Trustee in its capacity as Trustee, except for such money and property which is held in trust to pay principal (and premium, if any) or interest on particular Securities;

(5) when the Trustee incurs any expenses or renders any services after the occurrence of an Event of Default specified in Section 5.1, such expenses and the compensation for such services arc intended to constitute expenses of administration under the United States Bankruptcy Code (Title 11 of the United States Code) or any similar Federal or State law for the relief of debtors; and

(6) the provisions of this Section 6.7 shall survive the resignation or removal of the Trustee and the termination of this Indenture.

Section 6.8 Disqualification; Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by the Trust Indenture Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series.

Section 6.9 Corporate Trustee Required: Eligibility.

There shall at all times be one (and only one) Trustee hereunder with respect to the Securities of each series, which may be Trustee hereunder for Securities of one or more other series. Each Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital

and surplus of at least $50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 6.10 Resignation and Removal: Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 6.11.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice of such resignation to the Company.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 6.8 after written request for such compliance by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 6.9 and shall fail to resign after written request by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 5.14, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the instrument of acceptance by a successor Trustee required by Section 6.11 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation or removal, the Trustee resigning or being removed may petition any court of competent jurisdiction, at the expense of the Company, for the appointment of a successor Trustee with respect to the Securities of such series.

(f) If the Trustee shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall appoint within thirty (30) days a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee

may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 6.11. If, after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, immediately upon its acceptance of such appointment in accordance with the applicable requirements of Section 6.11, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 6.11. any Holder who has been a bona fide Holder of a Security of such series for at least sixty (60) days may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(g) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Securities of such series as their names and addresses appear in the Securities Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

Section 6.11 Acceptance of Appointment by Successor.

(a) In case of the appointment of a successor Trustee under this Indenture with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge, and deliver to the Company and to the retiring Trustee an instrument accepting such appointment. Upon such delivery, the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the rights, powers, trusts, and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers, and trusts of the retiring Trustee and shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee under this Indenture.

(b) In case of the appointment under this Indenture of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee, and each successor Trustee with respect to the Securities of one or more series shall execute and deliver a supplemental indenture wherein each successor Trustee shall accept such appointment and which (l) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to the Securities of all series shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts under this Indenture by more than one Trustee, it being understood that nothing in this Indenture or in such supplemental indenture shall constitute such Trustees cotrustees of the same trust and that each such Trustee shall be trustee of a trust or trusts under this Indenture separate and apart from any trust or trusts under this Indenture administered by any other such Trustee; and, upon the execution and delivery of such supplemental indenture, the resignation or removal of the retiring Trustee shall become effective to the

extent provided in such supplemental indenture and each such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; and such retiring Trustee shall duly assign. transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee under this Indenture with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers, and trusts referred to in paragraph (a) and (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 6.12 Merger, Conversion, Consolidation, or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee under this Indenture, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties to this Indenture. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 6.13 Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

Section 6.14 Appointment of Authenticating Agent

The Trustee may appoint an Authenticating Agent or Agents (which may be an affiliate of the Company) with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer, or partial redemption or conversion, or pursuant to Section 3.6, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any of its states, or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment under this Indenture shall become vested with all the rights, powers, and duties of its predecessor, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time-to-time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed on it, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. Bank Trust Company, National Association, as Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

ARTICLE VII
Holder's Lists and Reports by Trustee and Company

Section 7.1 Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee:

(a) semi-annually, not later than June 30 and December 31 in each year, a list for each series, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of the preceding June 15 or December 15, as the case may be, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished; *provided*, that if and so long as the Trustee shall be the Security Registrar for such series, such list shall not be required to be furnished.

Section 7.2 Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.1 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

Section 7.3 Reports by Trustee.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to the Trust Indenture Act. To the extent that any such report is required by the Trust Indenture Act with respect to any 12-month period, such report shall cover the 12-month period ending May 15 and shall be transmitted (in accordance with the Trust Indenture Act) by the next succeeding July 15.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission, and with the Company. The Company will promptly notify the Trustee when any Securities are listed on any stock exchange.

Section 7.4 Reports by Company.

The Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents, and other reports, and such summaries, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Trust Indenture Act; *provided* that any such information, documents, or reports required to be filed with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission.

Delivery of such reports, information, and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee shall be entitled to rely exclusively on Officers' Certificates).

ARTICLE VIII
Consolidation, Merger, Conveyance, Transfer or Lease

Section 8.1 Company May Consolidate. Etc. Only on Certain Terms.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

(1) in case the Company shall consolidate with or merge into another Person or convey, transfer, or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation, shall be organized and validly existing under the laws of the United States of America, any of its states or the District of Columbia, and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or a Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer, or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent in this Indenture provided for relating to such transaction have been complied with.

Section 8.2 Successor Substituted.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer, or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 8.1, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer, or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company in this Indenture, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE IX
Supplemental Indentures

Section 9.1 Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more supplemental indentures, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company in this Indenture and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power conferred in this Indenture upon the Company; or

(3) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series); or

(4) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(5) to add to, change, or eliminate any of the provisions of this Indenture in respect of one or more series of Securities; *provided* that any such addition, change, or elimination (i) shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) shall become effective only when there is no such Security Outstanding; or

(6) to secure or provide for the guarantee of the Securities; or

(7) to establish the form or terms of Securities of any series as permitted by Sections 2.1 and 3.1; or

(8) to evidence and provide for the acceptance of appointment under this Indenture by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts under this Indenture by more than one Trustee, pursuant to the requirements of Section 6.11(b); or

(9) to comply with any requirements of the Commission in connection with qualifying this Indenture under the Trust Indenture Act; or

(10) to cure any ambiguity, to correct or supplement any provision in this Indenture which may be defective or inconsistent with any other provision in this Indenture, or

(11) to supplement any of the provisions of this Indenture to the extent necessary to permit or facilitate the Defeasance and discharge of any series of Securities pursuant to Sections 4.1, 13.2 and 13.3; *provided* that any such action shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or

(12) to make provisions with respect to conversion or exchange rights of Holders of Securities of any series; or

(13) to add, delete from or revise the conditions, limitations or restrictions on issue, authentication and delivery of securities; or

(14) to conform any provision in an indenture to the requirements of the Trust Indenture Act; or to conform to the text of this Indenture or the Securities to the descriptions hereof or thereof contained in any registration statement of the Company to which this Indenture is filed as an exhibit and any applicable prospectus or prospectus supplement; or

(15) to make any other provisions with respect to matters or questions arising under this Indenture; *provided* that such action pursuant to this clause (10) shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

Section 9.2 Supplemental Indentures With Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of such Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into a supplemental indenture or indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; *provided, however*, that no such supplemental indenture entered into pursuant to this Section 9.2 shall, without the consent of the Holder of each Outstanding Security affected by such supplemental indenture,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce its principal amount or rate of interest or any premium payable upon its redemption, or reduce the amount of the principal of an Original Issue Discount Security or any other Security that would be due and payable upon a declaration of acceleration of its Maturity pursuant to Section 5.2, or adversely affect any right of repayment at the option of the Holder of any Security, or change any Place of Payment where any Security or any premium or interest is payable, or impair the right to institute suit for the enforcement of any such payment on or after its Stated Maturity (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with the provisions of or defaults under this Indenture and their consequences provided for in this Indenture, or

(3) modify any of the provisions of this Section or Section 5.13 except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each affected Outstanding Security, *provided, however*, that this clause shall not be deemed to require the consent of any Holder with respect lo changes .in the references to “the Trustee” and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 6.11(b) and 9.1(8).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance of such supplemental indenture.

Section 9.3 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications of the trusts created by this Indenture, the Trustee shall be entitled to receive in addition to the documents required by Section 1.2, and (subject to Section 6.1) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate each stating (i) that the execution of such supplemental indenture is authorized or permitted by this Indenture and the Securities, (ii) that all related conditions precedent to the execution of such supplemental indenture have been complied with and (iii) that such supplemental indenture will be valid and binding upon the Company in accordance with its terms. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise.

Section 9.4 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance with such supplemental indenture, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities previously or subsequently authenticated and delivered under this Indenture shall be bound by such supplemental indenture.

Section 9.5 Conformity With Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 9.6 Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE X
Covenants

Section 10.1 Payment of Principal, Premium, and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

Section 10.2 Maintenance of Office or Agency.

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with its address, such presentations, surrenders, notices, and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company appoints the Trustee as its agent to receive all such presentations, surrenders, notices, and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

With respect to any Global Security, and except as otherwise may be specified for such Global Security as contemplated by Section 3.1. the Corporate Trust Office of the Trustee shall be the Place of Payment where such Global Security may be presented or surrendered for payment or for registration of transfer or exchange, or where successor Securities may be delivered in exchange therefore, *provided, however*, that any such payment, presentation, surrender or delivery effected pursuant to the Applicable Procedures of the Depositary for such Global Security shall be deemed to have been effected at the Place of Payment for such Global Security in accordance with the provisions of this Indenture.

Section 10.3 Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled to such principal, premium, or interest a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as provided in this Indenture and will promptly notify the Trustee of its action or failure to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to 10:00 a.m. New York City time on each due date of the principal of or any premium or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee in writing of its action or failure to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, and upon the written request of the Trustee, immediately pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium, or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall (unless otherwise required by mandatory provision of applicable escheat or abandoned or unclaimed property law) be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee, shall cease at such time; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified in such notice, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 10.4 Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date of this Indenture, an Officers' Certificate (one of the signers of which shall be the principal executive officer, principal financial officer, or principal accounting officer of the Company), stating whether or not, to the best knowledge of the signers, the Company is in default in the performance and observance of any of the terms, provisions, and conditions of this Indenture (without regard to any period of grace or requirement of notice provided under this Indenture) and, if the Company shall be in default, specifying all such defaults and their nature and status of which they may have knowledge. The Company will deliver to the Trustee written notice of the occurrence of any Event of Default within ten Business Days of the Company becoming aware of any such Event of Default.

Section 10.5 Existence.

Subject to Article VIII, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory), and franchises; *provided, however*, that the Company shall not be required to preserve any such right or franchise if the Board of Directors shall determine that its preservation is no longer desirable in the conduct of the business of the Company and that its loss is not disadvantageous in any material respect to the Holders.

Section 10.6 Calculation of Original Issue Discount.

If the Company has Outstanding any Original Issue Discount Securities, the Company shall file with the Trustee within a reasonable time after the end of each calendar year a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Securities as of the end of such year.

ARTICLE XI
Redemption of Securities

Section 11.1 Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 3.1 for Securities of any series) in accordance with this Article.

Section 11.2 Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 3.1 for such Securities. In case of any redemption at the election of the Company, the Company shall, at least 5 days prior to when notice is sent to the Holders of the Securities (unless some shorter period is reasonably agreed to by the Company and the Trustee), notify the Trustee in writing of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. ln the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

Section 11.3 Selection of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed by partial redemption (unless all of the Securities of such series and of a specified tenor are to be redeemed or such series is comprised of a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date, from the Outstanding Securities of such series not previously called for redemption, by such method in accordance with the policies and procedures of the Trustee, or in accordance with the applicable procedures of the Depositary, which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple of such denomination) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. If less than all of the Securities of such series and of a specified tenor are to be redeemed (unless such series is comprised of a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date in accordance with the applicable procedures of the Depositary from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The provisions of the preceding paragraph and this paragraph shall not apply with respect to the redemption of a series of Securities comprised of a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) of such Security.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

Section 11.4 Notice of Redemption.

The Company shall send, or cause to be sent, a notice of redemption at least 15 days but not more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at such Holder's registered address or otherwise in accordance with the procedures of the Depositary.

All notices of redemption shall state:

(1) the Redemption Date,

(2) the Redemption Price and accrued interest, if any,

(3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption of any Securities, the principal amounts) of the particular Securities to be redeemed, and that on or after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of such series in authorized denominations for an aggregate principal amount equal to the unredeemed portion will be issued,

(4) that on the Redemption Date the Redemption Price and accrued interest, if any, will become due and payable upon each such Security to be redeemed and, if applicable, that interest on such Security will cease to accrue on and after such date,

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any,

(6) that the redemption is for a sinking fund, if such is the case,

(7) the CUSIP numbers, if any, of the Securities to be redeemed, and

(8) the conditions, if any, under which (and the times at which) the notice may be revoked.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company and shall not be irrevocable.

Section 11.5 Deposit of Redemption Price.

Prior to 10:00 a.m., New York City time, on any Redemption Date specified in the notice of redemption given as provided in Section 11.4, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.3) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

Section 11.6 Securities Payable on Redemption Date.

Notice of redemption having been given in accordance with this Indenture, the Securities to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price specified in the notice, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon sun-ender of any such Security for redemption in accordance with such notice, such Security shall be paid by the company at the Redemption Price, together with accrued and unpaid interest to the Redemption Date; *provided, however*, that, unless otherwise specified as contemplated by Section 3.1, installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.7.

If any Security called for redemption shall not be so paid upon surrender for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed in the Security.

Section 11.7 Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder or bis attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE XII
Sinking Funds

Section 12.1 Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 3.1 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is referred to in this Indenture as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series is referred to in this Indenture as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 12.2. Each sinking fund payment shall be applied to the redemption of Securities of any series a provided for by the terms of Securities of such series.

Section 12.2 Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which previously have been redeemed by the Company either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, or have been otherwise acquired by the Company as permitted by such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; *provided* that such Securities to be so credited have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 12.3 Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion, if any, which is to be satisfied by payment of cash and the portion, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 12.2 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days nor more than 45 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.3 and cause notice of redemption to be given in the name of and at the expense of the Company in the manner provided in Section 11.4. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 11.6 and 11.7.

ARTICLE XIII
Defeasance and Covenant Defeasance

Section 13.1 Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance.

If, pursuant to Section 3.1, provision is made for either or both of (a) Defeasance of the Securities of a series under Section 13.2 or (b) Covenant Defeasance of the Securities of a series under Section 13.3, then the provisions of such Section or Sections, as the case may be, together with the other provisions of this Article XIII, shall be applicable to the Securities of such series, and the Company may at its option by Board Resolution or in any other manner specified as contemplated by Section 3.1, at any time, with respect to the Securities of such series, elect to have either Section 13.2 (if applicable) or Section 13.3 (if applicable) be applied to the Outstanding Securities of such series upon compliance with the conditions set forth below in this Article XIII.

Section 13.2 Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section, the Company shall be deemed to have been discharged from its obligations with respect to the Outstanding Securities of such series on and after the date the conditions precedent set forth below are satisfied ("Defeasance"). For this purpose, such Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and to have satisfied all its other obligations under such Securities and this Indenture, insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged under this Indenture: (A) the rights of Holders of Outstanding Securities of such series to receive, solely from the trust fund described in Section 13.4 as more fully set forth in such Section, payments of the principal of (any premium, if any) and interest on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 3.4, 3.5, 3.6, 6.7, 10.2, and 10.3, and such ancillary obligations, (C) the rights, powers, trusts, duties, immunities, and other provisions in respect of the Trustee under this Indenture, and (D) this Article XIII. Subject to compliance with this Article XIII, the Company may exercise its option under this Section 13.2 notwithstanding the prior exercise of its option under Section 13.3 with respect to the Securities of such series. Following a Defeasance, payment of the Securities of such series may not be accelerated because of an Event of Default.

Section 13.3 Covenant Defeasance.

Upon the Company's exercise of the above option applicable to this Section and after the date the conditions set forth below are satisfied ("Covenant Defeasance"), (I) the Company shall be released from its obligations under any covenant applicable to such Securities that is determined pursuant to Section 3.1 to be subject to this provision, and (2) the occurrence of any event specified in Section 5.1(4) (with respect to any Section applicable to such Securities that arc specified pursuant to Section 3.1 as being subject to this provision), Section 5.1(5) or(6) or determined pursuant to Section 3.1 to be subject to this provision shall not be deemed to be or result in an Event of Default. For this purpose, such Covenant Defeasance means that, with respect to the Outstanding Securities of such series, the Company may omit to comply with and shall have no liability in respect of any term, condition, or limitation set forth in any such Section or Article whether directly or indirectly by reason of any reference elsewhere in this Indenture to any such Section or Article or by reason of any reference in any such Section to any other provision in this Indenture or in any other document, but the remainder of this Indenture and such Securities shall be unaffected by such Covenant Defeasance.

Section 13.4 Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions precedent to application of either Section 13.2 or Section 13.3 to the Outstanding Securities of such series:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee which satisfies the requirements contemplated by Section 6.9 and agrees to comply with the provisions of the Indenture applicable to it as if it were the Trustee under this Indenture), as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination of such money and U.S. Government Obligations, in each case sufficient, without reinvestment, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee as previously provided) to pay and discharge, the principal of (and premium, if any) and interest on the Outstanding Securities of such series on the Maturity of such principal, any premium or interest, and any mandatory sinking fund payments or analogous payments applicable to the Outstanding Securities of such series on their due dates. Before such a deposit, the Company may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date or dates in accordance with Article XI, which shall be given effect in applying the foregoing provisions. For this purpose, "U.S. Government Obligations" means securities that are (x) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, or (y) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such U.S. Government Obligation or a specific payment of principal of or interest on any such U.S. Government Obligation held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal of or interest on the U.S. Government Obligation evidenced by such depository receipt.

(2) No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Securities of such series shall have occurred and be continuing (A) on the date of such deposit or (B) insofar as subsections 5.1(5) and (6) are concerned, at any time during the period ending on the 120th day after the date of such deposit or, if longer, ending on the day following the expiration of the longest preference period applicable to the Company under federal or state law in respect of such deposit (it being understood that the condition in this clause (B) shall not be deemed satisfied until the expiration of such period).

(3) Such Defeasance or Covenant Defeasance shall not (A) cause the Trustee for the Securities of such series to have a conflicting interest as defined in Section 6.8 or for purposes of the Trust Indenture Act with respect to any Securities of the Company or (B) result in the trust arising from such deposit to constitute, unless it is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended.

(4) Such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Company is a party or by which it is bound.

(5) Such Defeasance or Covenant Defeasance shall not cause any Securities of such series then listed on any registered national securities exchange under the Exchange Act to be delisted.

(6) In the case of an election under Section 13.2, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based on such ruling or change such opinion shall confirm that, the Holders of the Outstanding Securities of such series will not recognize income, gain, or loss for federal income tax purposes as a result of such Defeasance and will be subject to federal income tax on the same amounts, in the same manner, and at the same times as would have been the case if such Defeasance had not occurred.

(7) In the case of an election under Section 13.3, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of the Outstanding Securities of such series will not recognize income, gain, or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner, and at the same times as would have been the case if such Covenant Defeasance had not occurred.

(8) The Company shall have delivered to the Trustee an Opinion of Counsel to the effect that (subject to customary qualifications and assumptions) after the period described in Section 13.4(2). the trust fonds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization, or similar laws affecting creditors' rights generally.

(9) Such Defeasance or Covenant Defeasance shall be effected in compliance with any additional terms, conditions, or limitations which may be imposed on the company in connection with such Defeasance or Covenant Defeasance pursuant to Section 3.1.

(b) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the Defeasance under Section 13.2 or the Covenant Defeasance under Section 13.3 (as the case may be) have been complied with.

Section 13.5 Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 10.3, all money and U.S. Government Obligations (including any proceeds) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section and Section 13.6, the Trustee and any such other qualifying trustee are referred to collectively as the "Trustee") pursuant to Section 13.4 in respect of the Outstanding Securities of such series shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (but not including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due on such Securities in respect of principal (and premium, if any) and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee, or other charge imposed on or assessed against the money or U.S. Government Obligations deposited pursuant to Section 13.4 or the principal and interest received in respect of such money or U.S. Government Obligations other than any such tax, fee, or other charge which by law is for the account of the Holders of Outstanding Securities.

Anything in this Indenture to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 13.4 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification delivered to the Trustee, are in excess of the amount which would then be required to be deposited to effect an equivalent Defeasance or Covenant Defeasance.

Section 13.6 Reinstatement.

If the Trustee or the Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 13.5 by reason of any order or judgment of any court or governmental authority enjoining, restraining, or otherwise prohibiting such application, then the Company's obligations under the Securities of such series shall be revived and reinstated as though no deposit had occurred pursuant to this Article XIII until such time as the Trustee or Paying Agent is permitted to apply all such money and U.S. Government Obligations in accordance with Section 13.5; *provided, however*, that if the Company makes any payment of principal of (and premium, if any) or interest on any such Security following the reinstatement of its obligations, the Company shall be entitled, at its election, (a) to receive from the Trustee or Paying Agent, as applicable, that portion of such money or U.. Government Obligations equal to the amount of such payment, or (b) to be subrogated to the rights of the Holders of such Securities to receive such payment from the money and U.S. Government Obligations held by the Trustee or the Paying Agent.

Section 13.7 Counterparts; Electronic Signatures.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. All notices, approvals, consents, requests and any communications hereunder must be in writing (*provided* that any communication sent to the Trustee hereunder must be in the form of a document that is signed manually or by way of a digital signature provided by DocuSign (or such other digital signature provider as specified in writing to the Trustee by the authorized representative), in English. The Company agrees to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instruction, and the risk of interception and misuse by third parties.

Section 13.8 U.S.A. Patriot Act.

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable AML Law"), the Trustee is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee. Accordingly, the Company agrees to provide to the Trustee, upon the Trustee's request from time to time, such identifying information and documentation as may be available for the Company in order to enable the Trustee to comply with Applicable AML Law.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed as of the day and year first above written.

ABACUS LIFE, INC.

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

[Signature Page to Base Indenture (Senior)]

FIRST SUPPLEMENTAL INDENTURE

between

ABACUS LIFE, INC.

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

Dated as of [ ] [ ], 2023

THIS FIRST SUPPLEMENTAL INDENTURE (this "First Supplemental Indenture"), dated as of [ ] [ ], 2023, is between Abacus Life, Inc., a Delaware corporation (the "Company"), and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Except as otherwise set forth herein, all capitalized terms used herein shall have the meaning set forth in the Base Indenture (as defined below).

RECITALS OF THE COMPANY

WHEREAS, the Company and the Trustee executed and delivered an Indenture, dated as of the date hereof (the "Base Indenture" and, as supplemented by this First Supplemental Indenture, the "Indenture"), to provide for the issuance by the Company from time to time of the Securities, to be issued in one or more series as provided in the Base Indenture;

WHEREAS, the Company desires to initially issue and sell up to $60,000,000 aggregate principal amount of the Company's [ ]% Fixed Rate Senior Notes due 2028 (the "Notes");

WHEREAS, Sections 3.1 and 9.1 of the Base Indenture provide that, the Company, when authorized by or pursuant to a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental to the Base Indenture to provide for the issuance of and establish the form and terms and conditions of the Securities of any series as provided in Section 2.1 and Section 3.1 of the Base Indenture;

WHEREAS, the Company desires to establish the form and terms of the Notes and to modify, alter, supplement and change certain provisions of the Base Indenture for the benefit of the Holders of the Notes (except as may be provided in a future supplemental indenture to the Indenture (each, a "Future Supplemental Indenture")); and

WHEREAS, the Company has duly authorized the execution and delivery of this First Supplemental Indenture to provide for the issuance of the Notes and all acts and things necessary to make this First Supplemental Indenture a valid, binding, and legal obligation of the Company and to constitute a valid agreement of the Company, in accordance with its terms, have been done and performed.

NOW, THEREFORE, for and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE I
TERMS OF THE NOTES

Section 1.1. Terms of the Notes. The following terms relating to the Notes are hereby established:

(a) The Notes shall constitute a series of Securities having the title "[ ]% Fixed Rate Senior Notes due 2028". The Notes shall bear a CUSIP number of [ ] and an ISIN number of [ ], as may be supplemented or replaced from time to time.

(b) The aggregate principal amount of the Notes that may be initially authenticated and delivered under the Indenture (except for Notes authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 3.4, 3.5, 3.6, 9.6 and 11.7 of the Base Indenture) shall be $60,000,000 aggregate principal amount (up to $69,000,000 if the underwriters exercise their option to purchase additional Securities in full). Under a Board Resolution, Officers' Certificate pursuant to a Board Resolution or a Future Supplemental Indenture, the Company may from time to time, without the consent of the Holders of Notes. issue additional Notes (in any such case, "Additional Notes") having the same ranking and the same interest rate, maturity and other terms as the Notes; provided that, if such Additional Notes are not fungible with the Notes (or any other tranche of Additional Notes) for U.S. federal income tax purposes, then such Additional Notes shall have different CUSIP numbers from the Notes (and any such other tranche of Additional Notes). Any Additional Notes and the existing Notes shall constitute a single series under the Indenture, and all references to the relevant Notes herein shall include the Additional Notes unless the context otherwise requires.

(c) The entire outstanding principal of the Notes shall be payable on [September 30], 2028 unless earlier redeemed or repurchased in accordance with the provisions of the Indenture.

(d) The rate at which the Notes shall bear interest shall be [ ]% per annum. The date from which interest shall accrue on the Notes shall be [ ], 2023, or the most recent Interest Payment Date to which interest has been paid or provided for; the Interest Payment Dates for the Notes shall be March 30, June 30, September 30 and December 30 of each year, commencing on [December 30], 2023 (*provided* that, if an Interest Payment Date falls on a day that is not a Business Day, then the applicable interest payment shall be made on the next succeeding Business Day and no additional interest shall accrue as a result of such delayed payment); the initial interest period shall be the period from and including [ ], 2023, to, but excluding, the initial Interest Payment Date, and the subsequent interest periods shall be the periods from and including an Interest Payment Date to, but excluding, the next Interest Payment Date or the Stated Maturity, as the case may be; the interest so payable, and punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name the Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be March 15, June 15, September 15 or December 15 (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date. Payment of principal of (and premium, if any, on) and any such interest on the Notes shall be made at the office of the Trustee located at [100 Wall Street, 6th Floor, New York, New York 10005, Attention: Global Corporate Trust Services ([ ]% Fixed Rate Senior Notes Due 2028)] or at such other address as designated by the Trustee, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that, at the option of the Company, payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register; *provided. further, however*, that, at the request of the registered Holder, the Company will pay the principal of (and premium, if any, on) and interest, if any, on the Notes by wire transfer of immediately available funds to an account at a bank in New York, New York, on the date when such amount is due and payable and as further set forth in Section 10.1 of the Base Indenture; *provided, further, however*, that, so long as the Notes are registered to Cede & Co., such payment will be made by wire transfer in accordance with the procedures established by DTC and the Trustee. Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) The Notes shall be initially issuable in global form (each such Note, a "Global Note"). The Global Notes and the Trustee's certificate of authentication thereon shall be substantially in the form of Exhibit A to this First Supplemental Indenture. Each Global Note shall represent the aggregate principal amount of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any new Global Note reflecting the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee in accordance with Section 11.7 of the Base Indenture.

(f) The depositary for such Global Notes (the "Depositary") shall be DTC. The Security Registrar with respect to the Global Notes shall be the Trustee.

(g) The Notes shall be redeemable pursuant to Section 11.1 of the Base Indenture and as follows:

(i) The Notes shall be redeemable in whole or in part at any time or from time to time, at the option of the Company, on or after [September 30], 2025, at a Redemption Price equal to 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to, but excluding, the Redemption Date.

(ii) Notice of redemption shall be given in writing and sent to each Holder of the Notes to be redeemed, not less than fifteen (15) nor more than sixty (60) days prior to the Redemption Date, at the Holder's address appearing in the Security Register or in the case of Global Notes, in accordance with the applicable procedures of the Depository. All notices of redemption shall contain the information set forth in Section 11.4 of the Base Indenture.

(iii) Any exercise of the Company's option to redeem the Notes shall be done in compliance with the Indenture.

(iv) If the Company elects to redeem only a portion of the Notes by partial redemption, the particular Notes to be redeemed shall be selected in accordance with applicable rules and procedures of the Depository, or in the case of certificated notes, any other method in accordance with the policies and procedures of the Trustee.

(v) Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date interest shall cease to accrue on the Notes called for redemption hereunder.

(h) The Notes shall not be subject to any sinking fund pursuant to Article XII of the Base Indenture.

(i) The Notes shall be issuable in minimum denominations of $25 and integral multiples of $25 in excess thereof.

(j) Holders of the Notes shall not have the option to have the Notes repaid prior to the Stated Maturity, except in accordance with this Section 1.1(j) in connection with a Change of Control Repurchase Event.

(i) If a Change of Control Repurchase Event (as defined below) occurs, unless the Company has provided notice of the redemption of the Notes pursuant to Section 1.1(g) hereof, each Holder of Notes will have the right to require the Company to purchase some or all (in minimum principal amounts of $25 or an integral multiple of $25 in excess thereof) of such Holder's Notes pursuant to the offer described below (the "Change of Control Offer").

(ii) If a Change of Control Offer is required, within 20 days following a Change of Control Repurchase Event or, at the Company's option, prior to any Change of Control Repurchase Event, but after the public announcement of a Change of Control Repurchase Event, the Company will deliver a notice in a manner provided in Section 1.1 hereof to each Holder (with a copy to the Trustee and the Paying Agent, if other than the Trustee) describing the Change of Control Repurchase Event and offering to repurchase Notes on a specified date (the "Change of Control Payment Date") at a cash price of 100% of the principal amount of any Notes to be repurchased, plus accrued and unpaid interest thereon to, but excluding, the Change of Control Payment Date (the "Change of Control Payment") (subject to the right of Holders at the close of business on the relevant record date to receive interest due on any Interest Payment Date falling on or prior to the Change of Control Payment Date). The Change of Control Payment Date will be no earlier than twenty (20) days and no later than thirty-five (35) days from the date the notice is sent. Among other things, such notice shall state that if a Holder elects to have a Note purchased pursuant to a Change of Control Offer it will be required to surrender the Note, with any form specified in such notice, to the Person and at the address specified in the notice (or, in the case of Global Notes, to surrender the Global Note and provide the information required in accordance with the Applicable Procedures) prior to the close of business on the third Business Day prior to the Change of Control Payment Date. The Change of Control Offer shall, if given prior to the date of consummation of the Change of Control Repurchase Event, state

that the offer to repurchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the Change of Control Payment Date specified in the Change of Control Offer.

(iii) On the Change of Control Payment Date, the Company will, to the extent lawful:

(A) accept for payment all Notes properly tendered and not withdrawn pursuant to the Change of Control Offer;

(B) deposit the Change of Control Payment with the Paying Agent in respect of all Notes so accepted; and

(C) deliver to the Trustee the Notes accepted and an Officers' Certificate stating the aggregate principal amount of all Notes repurchased by the Company and requesting that such Notes be cancelled.

(iv) The Paying Agent will promptly send to each Holder of Notes properly tendered and not withdrawn the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and send, or cause to be transferred by book-entry, to each Holder a new Note in principal amount equal to any unrepurchased portion of the Notes surrendered; provided that each new Note will be in a minimum principal amount of $25 and integral multiples of $25 in excess thereof.

(v) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations to the extent those laws and regulations are applicable to any Change of Control Offer. If the provisions of any of the applicable securities laws or securities regulations conflict with the provisions of this Section 1.1(j), the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 1.1(j) by virtue of that compliance.

(vi) The Company shall not be required to make a Change of Control Offer upon a Change of Control Repurchase Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 1.1(j) applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (2) the Company has given notice of redemption pursuant to Section 1.1 hereof prior to the occurrence of the Change of Control Repurchase Event. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control Repurchase Event, subject to one or more conditions precedent, including, but not limited to, the consummation of such Change of Control, if a definitive agreement is in place for the transaction that will give rise to a Change of Control Repurchase Event at the time the Change of Control Offer is made.

(vii) "Change of Control Repurchase Event" means the occurrence of any of the following:

(A) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act), files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's common stock representing more than 50% of the voting power of the Company's common stock;

(B) the consummation of (x) any consolidation, merger, amalgamation, scheme of arrangement or other binding share exchange or reclassification or similar transaction between the Company and another person, in each case pursuant to which the Company's common stock shall be converted into cash, securities or other property, other than a transaction (i) that results in the holders of all classes of the Company's common stock immediately prior to such transaction owning, directly or indirectly, as a result of such transaction, more than 50% of the surviving corporation or transferee or the parent thereof immediately after such event, or (ii) effected solely to change the Company's jurisdiction of formation or to form a holding company for the Company and that results in a share exchange or reclassification or similar exchange of the Company's outstanding common stock solely into common shares of the surviving entity or (y) any sale or other disposition in one transaction or a series of transactions of all or substantially all of the Company's assets to another person;

(C) the Company's shareholders approve any plan or proposal for the liquidation or dissolution of the Company (other than in a transaction described in clause (B) above); or

(D) the Company's common stock ceases to be listed on the Nasdaq Capital Market, the Nasdaq Global Select Market, the Nasdaq Global Market or the New York Stock Exchange (or any of their respective successors).

ARTICLE II
REDEMPTION OF NOTES AND SUPPLEMENTAL INDENTURES

Section 2.1. Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Indenture, whether now or hereafter issued and Outstanding, in lieu of Section 11.3 of the Base Indenture the following provision will apply to the Notes:

"If fewer than all of the Notes of any series are to be redeemed, the particular Notes to be redeemed shall be selected by the Company, not more than 60 days prior to the redemption date, from the Outstanding Notes not previously called for redemption, in compliance with the policies and procedures of the Trustee and the requirements of the DTC, as applicable, or if the Notes are not held through DTC or if DTC prescribed no method of selection, by such method in compliance with the policies and procedures of the Trustee and subject to and otherwise in accordance with the procedures of the applicable Depository; *provided* that, such method complies with the rules of any national securities exchange or quotation system on which the Notes are listed, and may provide for the selection for redemption of portions (equal to the minimum authorized denomination for the Notes or any integral multiple thereof) of the principal amount of the Notes of a denomination larger than the minimum authorized denomination for the Notes; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than the minimum authorized denomination for the Notes."

Section 2.2. Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Indenture, whether now or hereafter issued and Outstanding, Section 9.2 of the Base Indenture shall be amended by adding the following to the end of the text thereof:

"In connection with any modification, amendment, supplement or waiver in respect of the Indenture or the Notes, the Company shall deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating (i) that such modification, amendment, supplement or waiver is authorized or permitted pursuant to the terms of the Indenture and the Notes, and (ii) that all related conditions precedent to such modification, amendment, supplement or waiver have been complied with; and (iii) that such supplemental indenture will be valid and binding upon the Company in accordance with its terms."

Section 2.3. Except as may be provided in a Future Supplemental Indenture, for the benefit of the Holders of the Notes but no other series of Securities under the Indenture, whether now or hereafter issued and Outstanding, Section 9.3 of the Base Indenture shall be amended by replacing the text thereof with the following:

"In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications of the trusts created by this Indenture, the Trustee shall be entitled to receive in addition to the documents required by Section 1.2, and (subject to Section 6.1) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate each stating (i) that the execution of such supplemental indenture is authorized or permitted by this Indenture and the Securities, (ii) that all related conditions precedent to the execution of such supplemental indenture have been complied with and (iii) that such supplemental indenture will be valid and binding upon the Company in accordance with its terms; *provided, however*, in the cases of clauses (i) and (ii), an Opinion of Counsel shall not be required with respect to the first supplemental indenture entered into between the Company and the Trustee if such supplemental indenture shall be entered into substantially concurrently with this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise."

ARTICLE III
EVENTS OF DEFAULTS

Section 3.1. Pursuant to Sections 3.1(17) and 5.1(7) of the Base Indenture, "Events of Default" or "Event of Default", whenever used with respect to the Notes, shall include the default by the Company under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company having an aggregate principal amount outstanding of at least $10,000,000, whether such indebtedness now exists or is created or incurred in the future, which default (i) constitutes a failure to pay an aggregate principal amount of such indebtedness, individually or in the aggregate for all such indebtedness, in excess of $10,000,000, due and payable after the expiration of any applicable grace period or (ii) results in such indebtedness becoming due or being declared due and payable prior to the date on which it otherwise would have become due and payable without, in the case of clause (i), such indebtedness having been discharged or, in the case of clause (ii), such indebtedness having been discharged or such acceleration having been rescinded or annulled; *provided* that, for purposes of this Indenture, the term "indebtedness" shall not include any indebtedness or obligations of Subsidiaries of the Company that is guaranteed by the Company.

ARTICLE IV
[RESERVED]

ARTICLE V
MISCELLANEOUS

Section 5.1. This First Supplemental Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York. This First Supplemental Indenture is subject to the provisions of the Trust Indenture Act that are required to be part of the Indenture and shall, to the extent applicable, be governed by such provisions.

Section 5.2. In case any provision in this First Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 5.3. This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same First Supplemental Indenture. The exchange of copies of this First Supplemental Indenture and of signature pages by facsimile, .pdf transmission, email or other electronic means shall constitute effective execution and delivery of this First Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile, .pdf transmission, email or other electronic means shall be deemed to be their original signatures for all purposes. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this First Supplemental Indenture or any document to be signed in connection with this First Supplemental Indenture shall be deemed to include electronic signatures (including, without limitation, any .pdf file, .jpeg file or any other electronic or image file, or any other "electronic signature" as defined under E-SIGN or ESRA, including Orbit, Adobe Fill & Sign, Adobe Sign, DocuSign, or any other similar platform identified by the Company and reasonably available at no undue burden or expense to the Trustee), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

Section 5.4. The Base Indenture, as supplemented and amended by this First Supplemental Indenture, is in all respects ratified and confirmed, and the Base Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument with respect to the Notes. All provisions included in this First Supplemental Indenture supersede any conflicting provisions included in the Base Indenture with respect to the Notes, unless not permitted by law. The Trustee accepts the trusts created by the Base Indenture, as supplemented by this First Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Base Indenture, as supplemented by this First Supplemental Indenture.

Section 5.5. The provisions of this First Supplemental Indenture shall become effective as of the date hereof.

Section 5.6. Notwithstanding anything else to the contrary herein, the terms and provisions of this First Supplemental Indenture shall apply only to the Notes and shall not apply to any other series of Securities under the Indenture, and this First Supplemental Indenture shall not and does not otherwise affect, modify, alter, supplement or change the terms and provisions of any other series of Securities under the Indenture, whether now or hereafter issued and Outstanding.

Section 5.7. The recitals contained herein and in the Notes, except the Trustee's certificate of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture, the Notes or any Additional Notes. except that the Trustee represents that it is duly authorized to execute and deliver this First Supplemental Indenture, authenticate the Notes and any Additional Notes and perform its obligations hereunder. The Trustee shall not be accountable for the use or application by the Company of the Notes or any Additional Notes or the proceeds thereof.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the date first above written.

ABACUS LIFE, INC.

By: _____
Name:
Title:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

[*Signature Page to First Supplemental Indenture*]

Exhibit A — Form of Global Note

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND SUCH CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO, OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Abacus Life, Inc.

No. [ ]
CUSIP No. [ ]
ISIN No. [ ]

[ ]% Fixed Rate Senior Notes due 2028

Abacus Life, Inc., a corporation duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of [ ] MILLION DOLLARS (U.S. $[ ]) on [September 30], 2028. and to pay interest thereon from [ ] [ ], 2023 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly on March 30, June 30, September 30, and December 30 in each year, commencing on [December 30], 2023, at the rate of [ ]% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date shall, as provided in such Indenture, be paid to the Person in whose name this Security is registered at the close of business on the Regular Record Date for such interest, which shall be the applicable March 15, June 15, September 15, or December 15, whether or not a Business Day, as the case may be, immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holders of the Notes on such Regular Record Date and may either be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture. This Security may be issued as part of a series.

Payment of the principal of (and premium, if any, on) and any such interest on this Security shall be made at the office of the Trustee located at [100 Wall Street, 6th Floor, New York, New York 10005, Attention: Global Corporate Trust Services ([ ]% Fixed Rate Senior Notes due 2028)] or at such other address as designated by the Trustee, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that, at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register; *provided, further, however*, that, at the request of the registered Holder, the Company will pay the principal of (and premium, if any, on) and interest, if any, on the Securities by wire transfer of immediately available funds to an account at a bank in New York City, on the date when such amount is due and payable and as further set forth in Section 10.1 of the Base Indenture; *provided, further, however*, that so long as this Security is registered in the name of Cede & Co., such payment shall be made by wire transfer in accordance with the procedures established by The Depository Trust Company and the Trustee.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated:

ABACUS LIFE, INC.

By: _____
Name:
Title:

Attest

By: _____
Name:
Title:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture

Dated:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: _____
Name:
Title:

[Signature Page to Global Note]

Abacus Life, Inc.

[ ]% Fixed Rate Senior Notes due 2028

This Security is one of a duly authorized issue of Securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of [ ] [ ], 2023 (herein called the "Base Indenture"), between the Company and U.S. Bank Trust Company, National Association, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Base Indenture), and reference is hereby made to the Base Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered, as supplemented by the First Supplemental Indenture, dated as of [ ] [ ], 2023, by and between the Company and the Trustee (herein called the "First Supplemental Indenture," the First Supplemental Indenture and the Base Indenture collectively are herein called the "Indenture"). In the event of any conflict between the Base Indenture and the First Supplemental Indenture, the First Supplemental Indenture shall govern and control.

This Security is one of the series designated on the face hereof, which series is initially limited in aggregate principal amount to $60,000,000 (up to $69,000,000 if the underwriters exercise their option to purchase additional Securities in full). Under a Board Resolution, Officers' Certificate pursuant to a Board Resolution or a supplemental indenture, the Company may from time to time, without the consent of the Holders of Securities, issue additional Securities (in any such case "Additional Securities") having the same ranking and the same interest rate, maturity and other terms as the Securities; *provided* that, if such Additional Securities are not fungible with the Securities (or any other tranche of Additional Securities) for U.S. federal income tax purposes, then such Additional Securities will have different CUSIP numbers from the Securities (and any such other tranche of Additional Securities). Any Additional Securities and the existing Securities will constitute a single series under the Indenture and all references to the relevant Securities herein shall include the Additional Securities unless the context otherwise requires. The aggregate amount of outstanding Securities represented hereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions.

The Securities of this series are subject to redemption in whole or in part at any time or from time to time, at the option of the Company, on or after [September 30], 2025, at a Redemption Price equal to 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued to, but excluding, the Redemption Date.

Notice of redemption shall be given in writing and sent to each Holder of the Securities to be redeemed, not less than fifteen (15) nor more than sixty (60) days prior to the Redemption Date, at the Holder's address appearing in the Security Register, or in the case of global notes, in accordance with the applicable procedures of the Depository. All notices of redemption shall contain the information set forth in Section 11.4 of the Base Indenture.

If the Company elects to redeem only a portion of the Securities by partial redemption, the particular Securities to be redeemed shall be selected in accordance with applicable rules and procedures of the Depository, or in the case of certificated notes, any other method in accordance with the policies and procedures of the Trustee, in accordance with Section 2.1 of the First Supplemental Indenture and Section 11.3 of the Base Indenture. In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date interest shall cease to accrue on the Securities called for redemption.

As provided in and subject to the provisions of the Indenture, upon the occurrence of a Change of Control Repurchase Event, the Company will make an offer purchase this Security, or any portion of this Security such that the principal amount of this Security that is not purchased equals $25 or an integral multiple of $25 in excess thereof, on the Change of Control Payment Date at a price equal to the Change of Control Payment for such Change of Control Payment Date.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein. The Trustee shall not be deemed to have knowledge or notice of the occurrence of any default or Event of Default. unless a responsible trust officer of the Trustee shall have received written notice from the Company or a holder describing such default or Event of Default and stating that such notice is a notice of default or Event of Default.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in minimum denominations of $25 and any integral multiples of $25 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company, the Trustee, or the Security Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee, or the Security Registrar and any agent of the Company, the Trustee, or the Security Registrar shall treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and none of the Company, the Trustee, the Security Registrar, or any agent thereof shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

To the extent any provision of this Security conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of New York.

Exhibit 5.1

Locke Lord LLP
Attorneys & Counselors

111 South Wacker Drive
Chicago, IL 60606
Telephone: 312-443-0700
Fax: 312-443-0336
www.lockelord.com

September 29, 2023

Abacus Life, Inc.
2101 Park Center Drive, Suite 170
Orlando, Florida 32835

Ladies and Gentlemen:

We have acted as counsel to Abacus Life, Inc., a Delaware corporation (the "Company"), in connection with the filing of a Registration Statement on Form S-1 (the "Registration Statement") with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the registration, issuance and sale under the Securities Act of the Company's Fixed Rate Senior Notes due 2028 (the "Notes"), together with any additional Notes that may be issued by the Company pursuant to Rule 462(b) under the Securities Act (as prescribed by the Commission pursuant to the Act) in connection with the offering described in the Registration Statement.

The Notes will be issued pursuant to a base indenture (the "Base Indenture"), to be entered into by and between the Company and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a first supplemental indenture (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), to be entered into by and between the Company and the Trustee, forms of which have been filed as Exhibits 3.3 and 3.4, respectively, to the Registration Statement.

In connection with this opinion, we have examined and relied upon: (a) the Registration Statement and the prospectus contained therein, (b) the Company's certificate of incorporation and bylaws, each as currently in effect, (c) the Base Indenture and Supplemental Indenture, (d) the Notes, (e) resolutions relating to the Notes adopted by the Board of Directors of the Company, and (f) originals, or copies certified to our satisfaction, of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below. In our examination we have assumed (without any independent investigation) the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of originals of such copies and the authenticity of telegraphic or telephonic confirmations of public officials and others. As to facts material to our opinion, we have relied upon (without any independent investigation) certificates or telephonic confirmations of public officials and certificates, documents, statements and other information of the Company or its representatives or officers. Further, we have assumed (without any independent investigation) that the Indenture, the Notes and any related supplemental indenture or officers' certificate establishing the terms thereof (collectively, the "Documents") will constitute legally valid and binding obligations of the parties thereto other than the Company, enforceable against each of them in accordance with their respective terms, and that the status of each of the Documents as legally valid and binding obligations of the parties will not be affected by any (i) breaches of, or defaults under, agreements or instruments, (ii) violations of statutes, rules, regulations or court or governmental orders, or (iii) failures to obtain required consents, approvals or authorizations from, or to make required registrations, declarations or filings with, governmental authorities.

Our opinions expressed below are also subject to the effect of: (a) bankruptcy, insolvency, reorganization, receivership, moratorium, avoidance, arrangement and other laws affecting contractholders' rights generally (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers); (b) the exercise of judicial discretion and the application of principles of equity, good faith, fair dealing, reasonableness, conscionability and materiality (regardless of whether the applicable agreements are considered in a proceeding in equity or at law) and the discretion of the court before which proceedings thereof may be brought; and (c) generally applicable rules of law that limit or affect the enforceability of provisions that purport to waive or require waiver of (or that otherwise purport to have the effect of waiving) procedural, judicial or substantive rights or defenses.

Based upon and subject to the foregoing, we are of the opinion that: as of the date hereof, when the Indenture has been duly authorized by all necessary corporate action of the Company and duly executed and delivered by the Company, and when the specific terms of the Notes have been duly established in accordance with the Indenture and authorized by all necessary corporate action of the Company, and the Notes have been duly executed, authenticated, issued and delivered against payment therefor in accordance with the Indenture and in the manner contemplated by the Registration Statement or the accompanying prospectus, or both, and by such corporate action, the Notes will be legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

Our opinion herein is expressed solely with respect to the General Corporation Law of the State of Delaware and the laws of the State of New York, each as in effect as of the date hereof. We express no opinion to the extent that any other laws are or may be applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation or the law, rules or regulations of the District of Columbia or any territory of the United States.

The opinion herein is limited to the matters expressly set forth in this opinion letter, and no opinion or representation is given or may be given beyond the opinions expressly set forth in this opinion letter. We consent to the reference to our firm under the heading "Legal Matters" in the prospectus forming a part of the Registration Statement, and to the filing of this opinion as Exhibit 5 to the Registration Statement. In giving this opinion, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ LOCKE LORD LLP

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated February 17, 2023, with respect to the financial statements of Abacus Settlements, LLC contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
September 29, 2023

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 24, 2023, with respect to the consolidated financial statements of Longevity Market Assets, LLC contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption “Experts.”

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
September 29, 2023

Exhibit 23.3

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Abacus Life, Inc. (formerly known as East Resources Acquisition Company) on Amendment No. 1 to Form S-1 (File No. 333-274553) of our report dated April 17, 2023, which includes an explanatory paragraph as to East Resources Acquisition Company's ability to continue as a going concern, with respect to our audits of the consolidated financial statements of East Resources Acquisition Company as of December 31, 2022 and 2021 and for the years then ended, which report appears in the Prospectus, which is part of this Registration Statement. We were dismissed as auditors on July 17, 2023 and, accordingly, we have not performed any audit or review procedures with respect to any financial statements appearing in such Prospectus for the periods after the date of our dismissal. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP
Houston, Texas
September 29, 2023

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

☐ **Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)**

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

(Exact name of Trustee as specified in its charter)

91-1821036
I.R.S. Employer Identification No.

800 Nicollet Mall **Minneapolis, Minnesota** **(Address of principal executive offices)**	**55402** **(Zip Code)**

Wally Jones
U.S. Bank Trust Company, National Association
333 Commerce Street, Suite 900
Nashville, TN 37201
(615) 251-0733
(Name, address and telephone number of agent for service)

Abacus Life, Inc.
(Issuer with respect to the Securities)

Delaware **(State or other jurisdiction of incorporation or organization)**	**85-1210472** **(I.R.S. Employer Identification No.)**
2101 Park Center Drive, Suite 170 **Orlando, Florida** **(Address of Principal Executive Offices)**	**32835** **(Zip Code)**

Debt Securities
(Title of the Indenture Securities)

FORM T-1

Item 1. **GENERAL INFORMATION.** Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*
Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*
Yes

Item 2. **AFFILIATIONS WITH THE OBLIGOR.** *If the obligor is an affiliate of the Trustee, describe each such affiliation.*
None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. **LIST OF EXHIBITS:** *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee, attached as Exhibit 1.
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the authorization of the Trustee to exercise corporate trust powers, included as Exhibit 2.
4. A copy of the existing bylaws of the Trustee, attached as Exhibit 4.
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of June 30, 2023, published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Nashville, State of Tennessee on the 27th of September, 2023.

By: /s/ Wally Jones
Wally Jones
Vice President

Exhibit 1

ARTICLES OF ASSOCIATION
OF
U. S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

For the purpose of organizing an association (the "Association") to perform any lawful activities of national banks, the undersigned enter into the following Articles of Association:

FIRST. The title of this Association shall be U. S. Bank Trust Company, National Association.

SECOND. The main office of the Association shall be in the city of Portland, county of Multnomah, state of Oregon. The business of the Association will be limited to fiduciary powers and the support of activities incidental to the exercise of those powers. The Association may not expand or alter its business beyond that stated in this article without the prior approval of the Comptroller of the Currency.

THIRD. The board of directors of the Association shall consist of not less than five nor more than twenty-five persons, the exact number to be fixed and determined from time to time by resolution of a majority of the full board of directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director shall own common or preferred stock of the Association or of a holding company owning the Association, with an aggregate par, fair market, or equity value of not less than $1,000, as of either (i) the date of purchase, (ii) the date the person became a director, or (iii) the date of that person's most recent election to the board of directors, whichever is more recent. Any combination of common or preferred stock of the Association or holding company may be used.

Any vacancy in the board of directors may be filled by action of a majority of the remaining directors between meetings of shareholders. The board of directors may increase the number of directors up to the maximum permitted by law. Terms of directors, including directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless the directors resign or are removed from office. Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualified or until there is a decrease in the number of directors and his or her position is eliminated.

Honorary or advisory members of the board of directors, without voting power or power of final decision in matters concerning the business of the Association, may be appointed by resolution of a majority of the full board of directors, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determined the number of directors of the Association or the presence of a quorum in connection with any board action, and shall not be required to own qualifying shares.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the board of directors may designate, on the day of each year specified therefor in the Bylaws, or if that day falls on a legal holiday in the state in which the

Association is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders representing two-thirds of the shares issued and outstanding. In all cases, at least 10 days' advance notice of the meeting shall be given to the shareholders by first-class mail.

In all elections of directors, the number of votes each common shareholder may cast will be determined by multiplying the number of shares he or she owns by the number of directors to be elected. Those votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by him or her.

A director may resign at any time by delivering written notice to the board of directors, its chairperson, or to the Association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by the shareholders at a meeting called to remove him or her, when notice of the meeting stating that the purpose or one of the purposes is to remove him or her is provided, if there is a failure to fulfill one of the affirmative requirements for qualification, or for cause; provided, however, that a director may not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

FIFTH. The authorized amount of capital stock of the Association shall be 1,000,000 shares of common stock of the par value of ten dollars ($10) each; but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States. The Association shall have only one class of capital stock.

No holder of shares of the capital stock of any class of the Association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the Association, whether now or hereafter authorized, or to any obligations convertible into stock of the Association, issued, or sold, nor any right of subscription to any thereof other than such, if any, as the board of directors, in its discretion, may from time to time determine and at such price as the board of directors may from time to time fix.

Transfers of the Association's stock are subject to the prior written approval of a federal depository institution regulatory agency. If no other agency approval is required, the approval of the Comptroller of the Currency must be obtained prior to any such transfers.

Unless otherwise specified in the Articles of Association or required by law, (1) all matters requiring shareholder action, including amendments to the Articles of Association must be approved by shareholders owning a majority voting interest in the outstanding voting stock, and (2) each shareholder shall be entitled to one vote per share.

Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class, on any matters requiring shareholder approval.

Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

The Association, at any time and from time to time, may authorize and issue debt obligations, whether subordinated, without the approval of the shareholders. Obligations classified as debt, whether subordinated, which may be issued by the Association without the approval of shareholders, do not carry voting rights on any issue, including an increase or decrease in the aggregate number of the securities, or the exchange or reclassification of all or part of securities into securities of another class or series.

SIXTH. The board of directors shall appoint one of its members president of this Association and one of its members chairperson of the board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the Association, and such other officers and employees as may be required to transact the business of this Association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the board of directors in accordance with the Bylaws.

The board of directors shall have the power to:

(1) Define the duties of the officers, employees, and agents of the Association.

(2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the Association.

(3) Fix the compensation and enter employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.

(4) Dismiss officers and employees.

(5) Require bonds from officers and employees and to fix the penalty thereof.

(6) Ratify written policies authorized by the Association's management or committees of the board.

(7) Regulate the manner any increase or decrease of the capital of the Association shall be made; provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the Association in accordance with law, and nothing shall raise or lower from two-thirds the percentage required for shareholder approval to increase or reduce the capital.

(8) Manage and administer the business and affairs of the Association.

(9) Adopt initial Bylaws, not inconsistent with law or the Articles of Association, for managing the business and regulating the affairs of the Association.

(10) Amend or repeal Bylaws, except to the extent that the Articles of Association reserve this power in whole or in part to the shareholders.

(11) Make contracts.

(12) Generally perform all acts that are legal for a board of directors to perform.

SEVENTH. The board of directors shall have the power to change the location of the main office to any authorized branch within the limits of the city of Portland, Oregon, without the approval of the shareholders, or with a vote of shareholders owning two-thirds of the stock of the Association for a location outside such limits and upon receipt of a certificate of approval from the Comptroller of the Currency, to any other location within or outside the limits of the city of Portland, Oregon, but not more than thirty miles beyond such limits. The board of directors shall have the power to establish or change the location of any office or offices of the Association to any other location permitted under applicable law, without approval of shareholders, subject to approval by the Comptroller of the Currency.

EIGHTH. The corporate existence of this Association shall continue until termination according to the laws of the United States.

NINTH. The board of directors of the Association, or any shareholder owning, in the aggregate, not less than 25 percent of the stock of the Association, may call a special meeting of shareholders at any time. Unless otherwise provided by the Bylaws or the laws of the United States, or waived by shareholders, a notice of the time, place, and purpose of every annual and special meeting of the shareholders shall be given by first-class mail, postage prepaid, mailed at least 10, and no more than 60, days prior to the date of the meeting to each shareholder of record at his/her address as shown upon the books of the Association. Unless otherwise provided by the Bylaws, any action requiring approval of shareholders must be effected at a duly called annual or special meeting.

TENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of the Association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount; provided, that the scope of the Association’s activities and services may not be expanded without the prior written approval of the Comptroller of the Currency. The Association’s board of directors may propose one or more amendments to the Articles of Association for submission to the shareholders.

In witness whereof, we have hereunto set our hands this 11th of June, 1997.

/s/ Jeffrey T. Grubb

Jeffrey T. Grubb

/s/ Robert D. Sznewajs

Robert D. Sznewajs

/s/ Dwight V. Board

Dwight V. Board

/s/ P. K. Chatterjee

P. K. Chatterjee

/s/ Robert Lane

Robert Lane

Exhibit 2

Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE AND FIDUCIARY POWERS

I, Michael J. Hsu, Acting Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank Trust Company, National Association," Portland, Oregon (Charter No. 23412), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking and exercise fiduciary powers on the date of this certificate.

IN TESTIMONY WHEREOF, today, July 5, 2023, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the U.S. Department of the Treasury, in the City of Washington_ District of Columbia.

Acting Comptroller of the Currency

2023-00931-C

Exhibit 4

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

AMENDED AND RESTATED BYLAWS

ARTICLE I
Meetings of Shareholders

Section 1.1. Annual Meeting. The annual meeting of the shareholders, for the election of directors and the transaction of any other proper business, shall be held at a time and place as the Chairman or President may designate. Notice of such meeting shall be given not less than ten (10) days or more than sixty (60) days prior to the date thereof, to each shareholder of the Association, unless the Office of the Comptroller of the Currency (the "OCC") determines that an emergency circumstance exists. In accordance with applicable law, the sole shareholder of the Association is permitted to waive notice of the meeting. If, for any reason, an election of directors is not made on the designated day, the election shall be held on some subsequent day, as soon thereafter as practicable, with prior notice thereof. Failure to hold an annual meeting as required by these Bylaws shall not affect the validity of any corporate action or work a forfeiture or dissolution of the Association.

Section 1.2. Special Meetings. Except as otherwise specially provided by law, special meetings of the shareholders may be called for any purpose, at any time by a majority of the board of directors (the "Board"), or by any shareholder or group of shareholders owning at least ten percent of the outstanding stock.

Every such special meeting, unless otherwise provided by law, shall be called upon not less than ten (10) days nor more than sixty (60) days prior notice stating the purpose of the meeting.

Section 1.3. Nominations for Directors. Nominations for election to the Board may be made by the Board or by any shareholder.

Section 1.4. Proxies. Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing. Proxies shall be valid only for one meeting and any adjournments of such meeting and shall be filed with the records of the meeting.

Section 1.5. Record Date. The record date for determining shareholders entitled to notice and to vote at any meeting will be thirty days before the date of such meeting, unless otherwise determined by the Board.

Section 1.6. Quorum and Voting. A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

Section 1.7. Inspectors. The Board may, and in the event of its failure so to do, the Chairman of the Board may appoint Inspectors of Election who shall determine the presence of quorum, the validity of proxies, and the results of all elections and all other matters voted upon by shareholders at all annual and special meetings of shareholders.

Section 1.8. Waiver and Consent. The shareholders may act without notice or a meeting by a unanimous written consent by all shareholders.

Section 1.9. Remote Meetings. The Board shall have the right to determine that a shareholder meeting not be held at a place, but instead be held solely by means of remote communication in the manner and to the extent permitted by the General Corporation Law of the State of Delaware.

ARTICLE II
Directors

Section 2.1. Board of Directors. The Board shall have the power to manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by the Board.

Section 2.2. Term of Office. The directors of this Association shall hold office for one year and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 2.3. Powers. In addition to the foregoing, the Board shall have and may exercise all of the powers granted to or conferred upon it by the Articles of Association, the Bylaws and by law.

Section 2.4. Number. As provided in the Articles of Association, the Board of this Association shall consist of no less than five nor more than twenty-five members, unless the OCC has exempted the Association from the twenty-five- member limit. The Board shall consist of a number of members to be fixed and determined from time to time by resolution of the Board or the shareholders at any meeting thereof, in accordance with the Articles of Association. Between meetings of the shareholders held for the purpose of electing directors, the Board

by a majority vote of the full Board may increase the size of the Board but not to more than a total of twenty-five directors, and fill any vacancy so created in the Board; provided that the Board may increase the number of directors only by up to two directors, when the number of directors last elected by shareholders was fifteen or fewer, and by up to four directors, when the number of directors last elected by shareholders was sixteen or more. Each director shall own a qualifying equity interest in the Association or a company that has control of the Association in each case as required by applicable law. Each director shall own such qualifying equity interest in his or her own right and meet any minimum threshold ownership required by applicable law.

Section 2.5. Organization Meeting. The newly elected Board shall meet for the purpose of organizing the new Board and electing and appointing such officers of the Association as may be appropriate. Such meeting shall be held on the day of the election or as soon thereafter as practicable, and, in any event, within thirty days thereafter, at such time and place as the Chairman or President may designate. If, at the time fixed for such meeting, there shall not be a quorum present, the directors present may adjourn the meeting until a quorum is obtained.

Section 2.6. Regular Meetings. The regular meetings of the Board shall be held, without notice, as the Chairman or President may designate and deem suitable.

Section 2.7. Special Meetings. Special meetings of the Board may be called at any time, at any place and for any purpose by the Chairman of the Board or the President of the Association, or upon the request of a majority of the entire Board. Notice of every special meeting of the Board shall be given to the directors at their usual places of business, or at such other addresses as shall have been furnished by them for the purpose. Such notice shall be given at least twelve hours (three hours if meeting is to be conducted by conference telephone) before the meeting by telephone or by being personally delivered, mailed, or electronically delivered. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting.

Section 2.8. Quorum and Necessary Vote. A majority of the directors shall constitute a quorum at any meeting of the Board, except when otherwise provided by law; but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice. Unless otherwise provided by law or the Articles or Bylaws of this Association, once a quorum is established, any act by a majority of those directors present and voting shall be the act of the Board.

Section 2.9. Written Consent. Except as otherwise required by applicable laws and regulations, the Board may act without a meeting by a unanimous written consent by all directors, to be filed with the Secretary of the Association as part of the corporate records.

Section 2.10. Remote Meetings. Members of the Board, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone, video or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 2.11. Vacancies. When any vacancy occurs among the directors, the remaining members of the Board may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose.

ARTICLE III
Committees

Section 3.1. Advisory Board of Directors. The Board may appoint persons, who need not be directors, to serve as advisory directors on an advisory board of directors established with respect to the business affairs of either this Association alone or the business affairs of a group of affiliated organizations of which this Association is one. Advisory directors shall have such powers and duties as may be determined by the Board, provided, that the Board's responsibility for the business and affairs of this Association shall in no respect be delegated or diminished.

Section 3.2. Trust Audit Committee. At least once during each calendar year, the Association shall arrange for a suitable audit (by internal or external auditors) of all significant fiduciary activities under the direction of its trust audit committee, a function that will be fulfilled by the Audit Committee of the financial holding company that is the ultimate parent of this Association. The Association shall note the results of the audit (including significant actions taken as a result of the audit) in the minutes of the Board. In lieu of annual audits, the Association may adopt a continuous audit system in accordance with 12 C.F.R. § 9.9(b).

The Audit Committee of the financial holding company that is the ultimate parent of this Association, fulfilling the function of the trust audit committee:

(1) Must not include any officers of the Association or an affiliate who participate significantly in the administration of the Association's fiduciary activities; and

(2) Must consist of a majority of members who are not also members of any committee to which the Board has delegated power to manage and control the fiduciary activities of the Association.

Section 3.3. Executive Committee. The Board may appoint an Executive Committee which shall consist of at least three directors and which shall have, and may exercise, to the extent permitted by applicable law, all the powers of the Board between meetings of the Board or otherwise when the Board is not meeting.

Section 3.4. Trust Management Committee. The Board of this Association shall appoint a Trust Management Committee to provide oversight of the fiduciary activities of the Association. The Trust Management Committee shall determine policies governing fiduciary activities. The Trust Management Committee or such sub-committees, officers or others as may be duly designated by the Trust Management Committee shall oversee the processes related to fiduciary activities to assure conformity with fiduciary policies it establishes, including ratifying the acceptance and the closing out or relinquishment of all trusts. The Trust Management Committee will provide regular reports of its activities to the Board.

Section 3.5. Other Committees. The Board may appoint, from time to time, committees of one or more persons who need not be directors, for such purposes and with such powers as the Board may determine; however, the Board will not delegate to any committee any powers or responsibilities that it is prohibited from delegating under any law or regulation. In addition, either the Chairman or the President may appoint, from time to time, committees of one or more officers, employees, agents or other persons, for such purposes and with such powers as either the Chairman or the President deems appropriate and proper. Whether appointed by the Board, the Chairman, or the President, any such committee shall at all times be subject to the direction and control of the Board.

Section 3.6. Meetings, Minutes and Rules. An advisory board of directors and/or committee shall meet as necessary in consideration of the purpose of the advisory board of directors or committee, and shall maintain minutes in sufficient detail to indicate actions taken or recommendations made; unless required by the members, discussions, votes or other specific details need not be reported. An advisory board of directors or a committee may, in consideration of its purpose, adopt its own rules for the exercise of any of its functions or authority.

ARTICLE IV
Officers

Section 4.1. Chairman of the Board. The Board may appoint one of its members to be Chairman of the Board to serve at the pleasure of the Board. The Chairman shall supervise the carrying out of the policies adopted or approved by the Board; shall have general executive powers, as well as the specific powers conferred by these Bylaws; and shall also have and may exercise such powers and duties as from time to time may be conferred upon or assigned by the Board.

Section 4.2. President. The Board may appoint one of its members to be President of the Association. In the absence of the Chairman, the President shall preside at any meeting of the Board. The President shall have general executive powers, and shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the office of President, or imposed by these Bylaws. The President shall also have and may exercise such powers and duties as from time to time may be conferred or assigned by the Board.

Section 4.3. Vice President. The Board may appoint one or more Vice Presidents who shall have such powers and duties as may be assigned by the Board and to perform the duties of the President on those occasions when the President is absent, including presiding at any meeting of the Board in the absence of both the Chairman and President.

Section 4.4. Secretary. The Board shall appoint a Secretary, or other designated officer who shall be Secretary of the Board and of the Association, and shall keep accurate minutes of all meetings. The Secretary shall attend to the giving of all notices required by these Bylaws to be given; shall be custodian of the corporate seal, records, documents and papers of the Association; shall provide for the keeping of proper records of all transactions of the Association; shall, upon request, authenticate any records of the Association; shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the Secretary, or imposed by these Bylaws; and shall also perform such other duties as may be assigned from time to time by the Board. The Board may appoint one or more Assistant Secretaries with such powers and duties as the Board, the President or the Secretary shall from time to time determine.

Section 4.5. Other Officers. The Board may appoint, and may authorize the Chairman, the President or any other officer to appoint, any officer as from time to time may appear to the Board, the Chairman, the President or such other officer to be required or desirable to transact the business of the Association. Such officers shall exercise such powers and perform such duties as pertain to their several offices, or as may be conferred upon or assigned to them by these Bylaws, the Board, the Chairman, the President or such other authorized officer. Any person may hold two offices.

Section 4.6. Tenure of Office. The Chairman or the President and all other officers shall hold office until their respective successors are elected and qualified or until their earlier death, resignation, retirement, disqualification or removal from office, subject to the right of the Board or authorized officer to discharge any officer at any time.

ARTICLE V
Stock

Section 5.1. The Board may authorize the issuance of stock either in certificated or in uncertificated form. Certificates for shares of stock shall be in such form as the Board may from time to time prescribe. If the Board issues certificated stock, the certificate shall be signed by the President, Secretary or any other such officer as the Board so determines. Shares of stock shall be transferable on the books of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to such person's shares, succeed to all rights of the prior holder of such shares. Each certificate of stock shall recite on its face that the stock represented thereby is transferable only upon the books of the Association properly endorsed. The Board may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the Association for stock transfers, voting at shareholder meetings, and related matters, and to protect it against fraudulent transfers.

ARTICLE VI
Corporate Seal

Section 6.1. The Association shall have no corporate seal; provided, however, that if the use of a seal is required by, or is otherwise convenient or advisable pursuant to, the laws or regulations of any jurisdiction, the following seal may be used, and the Chairman, the President, the Secretary and any Assistant Secretary shall have the authority to affix such seal:

ARTICLE VII
Miscellaneous Provisions

Section 7.1. Execution of Instruments. All agreements, checks, drafts, orders, indentures, notes, mortgages, deeds, conveyances, transfers, endorsements, assignments, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, guarantees, proxies and other instruments or documents may be signed, countersigned, executed, acknowledged, endorsed, verified, delivered or accepted on behalf of the Association, whether in a fiduciary capacity or otherwise, by any officer of the Association, or such employee or agent as may be designated from time to time by the Board by resolution, or by the Chairman or the President by written instrument, which resolution or instrument shall be certified as in effect by the Secretary or an Assistant Secretary of the Association. The provisions of this section are supplementary to any other provision of the Articles of Association or Bylaws.

Section 7.2. Records. The Articles of Association, the Bylaws as revised or amended from time to time and the proceedings of all meetings of the shareholders, the Board, and standing committees of the Board, shall be recorded in appropriate minute books provided for the purpose. The minutes of each meeting shall be signed by the Secretary, or other officer appointed to act as Secretary of the meeting.

Section 7.3. Trust Files. There shall be maintained in the Association files all fiduciary records necessary to assure that its fiduciary responsibilities have been properly undertaken and discharged.

Section 7.4. Trust Investments. Funds held in a fiduciary capacity shall be invested according to the instrument establishing the fiduciary relationship and according to law. Where such instrument does not specify the character and class of investments to be made and does not vest in the Association a discretion in the matter, funds held pursuant to such instrument shall be invested in investments in which corporate fiduciaries may invest under law.

Section 7.5. Notice. Whenever notice is required by the Articles of Association, the Bylaws or law, such notice shall be by mail, postage prepaid, e- mail, in person, or by any other means by which such notice can reasonably be expected to be received, using the address of the person to receive such notice, or such other personal data, as may appear on the records of the Association.

Except where specified otherwise in these Bylaws, prior notice shall be proper if given not more than 30 days nor less than 10 days prior to the event for which notice is given.

ARTICLE VIII
Indemnification

Section 8.1. The Association shall indemnify such persons for such liabilities in such manner under such circumstances and to such extent as permitted by Section 145 of the Delaware General Corporation Law, as now enacted or hereafter amended. The Board may authorize the purchase and maintenance of insurance and/or the execution of individual agreements for the purpose of such indemnification, and the Association shall advance all reasonable costs and expenses (including attorneys' fees) incurred in defending any action, suit or proceeding to all persons entitled to indemnification under this Section 8.1. Such insurance shall be consistent with the requirements of 12 C.F.R. § 7.2014 and shall exclude coverage of liability for a formal order assessing civil money penalties against an institution-affiliated party, as defined at 12 U.S.C. § 1813(u).

Section 8.2. Notwithstanding Section 8.1, however, (a) any indemnification payments to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), for an administrative proceeding or civil action initiated by a federal banking agency, shall be reasonable and consistent with the requirements of 12 U.S.C. § 1828(k) and the implementing regulations thereunder; and (b) any indemnification payments and advancement of costs and expenses to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, shall be in accordance with Delaware General Corporation Law and consistent with safe and sound banking practices.

ARTICLE IX
Bylaws: Interpretation and Amendment

Section 9.1. These Bylaws shall be interpreted in accordance with and subject to appropriate provisions of law, and may be added to, altered, amended, or repealed, at any regular or special meeting of the Board.

Section 9.2. A copy of the Bylaws and all amendments shall at all times be kept in a convenient place at the principal office of the Association, and shall be open for inspection to all shareholders during Association hours.

ARTICLE X
Miscellaneous Provisions

Section 10.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January in each year and shall end on the thirty-first day of December following.

Section 10.2. Governing Law. This Association designates the Delaware General Corporation Law, as amended from time to time, as the governing law for its corporate governance procedures, to the extent not inconsistent with Federal banking statutes and regulations or bank safety and soundness.

***

(February 8, 2021)

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: September 27, 2023

By: /s/ Wally Jones
Wally Jones
Vice President

Exhibit 7

U.S. Bank Trust Company, National Association
Statement of Financial Condition
as of 06/30/2023
($000's)

Assets	06/30/2023
Cash and Balances Due From Depository Institutions	$ 876,858
Securities	4,335
Federal Funds	0
Loans & Lease Financing Receivables	0
Fixed Assets	1,727
Intangible Assets	579,801
Other Assets	144,570
Total Assets	**$1,607,291**
Liabilities	
Deposits	$0
Fed Funds	0
Treasury Demand Notes	0
Trading Liabilities	0
Other Borrowed Money	0
Acceptances	0
Subordinated Notes and Debentures	0
Other Liabilities	82,010
Total Liabilities	**$82,010**
Equity	
Common and Preferred Stock	200
Surplus	1,171,635
Undivided Profits	353,446
Minority Interest in Subsidiaries	0
Total Equity Capital	**$1,525,281**
Total Liabilities and Equity Capital	**$1,607,291**