

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 21, 2024

Abacus Life, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

001-39403
(Commission
File Number)

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

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition

On March 21, 2024, Abacus Life, Inc. announced the results of its operations and its financial condition for the year ended December 31, 2023. The full text of the earnings release is included here as Exhibit 99.1 hereto.

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

Item 9.01. Financial Statement and Exhibits.

(d) Exhibits.

Exhibit Number	Exhibit Description
99.1	Earnings Release dated March 21, 2024.

SIGNATURES

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

Abacus Life, Inc.

Date: March 21, 2024

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

ABACUS LIFE REPORTS FOURTH QUARTER AND FULL YEAR 2023 RESULTS

- Fourth Quarter 2023 Total Revenue Grew 25% Year-over-Year to \$23.6 Million -

- Increased Originations Capital Deployment by 92% Year-over-Year to \$68.3 Million -

- Increased Originations Capital Deployment for Full Year 2023 by 46% to \$218.9 Million -

ORLANDO, Fla. – March 21, 2024 – Abacus Life, Inc. (“Abacus” or the “Company”) (NASDAQ: ABL), a leading buyer of life insurance policies and vertically integrated alternative asset manager specializing in specialty insurance products, today reported results for the quarter and full year ended December 31, 2023.

“We delivered another solid performance in the fourth quarter and throughout 2023, as we continued to leverage our expert team, wealth of data and innovative technology to execute on our multiple strategic growth initiatives,” said Jay Jackson, Chief Executive Officer of Abacus. “In addition to our strong results, we authorized a \$15 million stock repurchase program, which we have continued utilizing in the new year to strong effect, and successfully completed our public bond offering, retiring existing debt and reducing the interest rate we pay by approximately 275 basis points. We’ve hit the ground running thus far in 2024 as well, officially launching our technology subdivision ABL Tech and raising an additional \$25 million via our 9.875% Notes. We are well positioned to sustain our growth, to create innovative solutions for the pension fund and financial services industries through our wealth of technology and data, and ultimately to deliver long-term value to our stockholders.”

Full Year 2023 Results (on a Proforma Basis)

- Full year 2023 total revenues were \$79.6 million, an increase of 14% from the prior year, primarily driven by higher active management revenue, increased capital deployed and more policies sold directly to third parties.
 - Total revenue from the portfolio servicing segment for the full year 2023 was \$1.0 million, compared to \$1.5 million in the prior year.
- Originations capital deployment for the full year 2023 was \$218.9 million, an increase of 46% from the prior year; number of policy originations grew 30% to 633.
- GAAP net income attributable to shareholders for the full year 2023 was \$8.5 million, compared to \$31.3 million in the prior year.
- Adjusted net income for the full year 2023 was \$29.4 million, compared to \$32.4 million in the prior year.
- Adjusted EBITDA for the full year 2023 increased 13% to \$39.3 million, compared to \$34.8 million in the prior year. Adjusted EBITDA margin (a non-GAAP measure) for the full year 2023 was 49.4%, compared to 50.0% in the prior year.
- Return on invested capital (ROIC) (a non-GAAP measure defined below) for the full year 2023 was 21%.
- Return on equity (ROE) (a non-GAAP measure defined below) for the full year 2023 was 18%.

Fourth Quarter 2023 Highlights (on a Proforma Basis)

- Total revenue for the fourth quarter of 2023 grew 25% to \$23.6 million, compared to \$18.8 million in the prior-year period. The increase in the fourth quarter was primarily driven by higher active management revenue, increased capital deployed and more policies sold directly to third parties.
 - Total revenue from portfolio servicing segment for the fourth quarter of 2023 was \$0.2 million, compared to \$0.1 million in the prior-year period.
- Originations capital deployment for the fourth quarter of 2023 increased 92% to \$68.3 million, compared to \$35.5 million in the prior-year period; number of policy originations for the fourth quarter of 2023 grew 79% to 208, compared to 116 in the prior-year period.
- GAAP net loss attributable to shareholders for the fourth quarter of 2023 was \$6.2 million, compared to GAAP net income attributable to shareholders of \$10.1 million in the prior-year period, primarily driven by a non-cash expense related to employee stock compensation of \$6.2 million, loss on fair value of

warrant liability of \$3.3 million, a one-time charge of \$3.1 million related to debt extinguishment, and public company expenses incurred in the fourth quarter of 2023 that were not recorded in the prior-year period.

- Adjusted net income for the fourth quarter of 2023 was \$5.9 million, compared to \$11.0 million in the prior-year period.
- Adjusted EBITDA for the fourth quarter of 2023 was \$11.0 million, compared to \$11.1 million in the prior-year period. Adjusted EBITDA margin (a non-GAAP measure) for the fourth quarter of 2023 was 46.7%, compared to 52.4% in the prior-year period.
- Annualized return on invested capital (ROIC) (a non-GAAP measure defined below) for the fourth quarter of 2023 was 17%.
- Annualized Return on equity (ROE) (a non-GAAP measure defined below) for the fourth quarter of 2023 was 18%.
- Total operating expenses for the fourth quarter of 2023 were \$20.0 million, compared to \$4.4 million in the prior-year period. Operating expenses for the fourth quarter of 2023 included \$6.2 million in non-cash employee stock compensation, which was not recorded in the prior-year period.

Liquidity and Capital

As of December 31, 2023, the Company had cash and cash equivalents of \$25.6 million, balance sheet policy assets of \$124.0 million and outstanding long-term debt of \$89.1 million.

From the commencement of the Company's \$15 million stock repurchase program previously announced on December 12, 2023 (the "Repurchase Program") through March 19, 2024, Abacus has repurchased 725,166 shares of its common stock at an average price of \$11.20 on the open market at a total cost of approximately \$8.1 million. As of March 19, 2024, the Company has \$6.9 million of availability under the Repurchase Program, which expires on June 10, 2025, unless sooner suspended or discontinued.

Webcast and Conference Call

A webcast and conference call to discuss the Company's results will be held today beginning at 5:00 p.m. (Eastern Time). A live webcast of the conference call will be available on Abacus' investor relations website at ir.abacuslife.com. The dial-in number for the conference call is (877) 407-9716 (toll-free) or (201) 493-6779 (international). Please dial the number 10 minutes prior to the scheduled start time. A webcast replay of the call will be available at ir.abacuslife.com for one year following the call.

Non-GAAP Financial Information

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

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

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

Annualized return on invested capital (ROIC), a non-GAAP measure, is defined as Adjusted net income for the quarter divided by the result of Total Assets less Intangible assets, net, Goodwill and Current Liabilities

multiplied by four. ROIC is not a measure of financial performance under GAAP. We believe ROIC should be considered in addition to, not as a substitute for, operating income or loss, net income or loss, cash flows provided by or used in operating, investing and financing activities or other income statement or cash flow statement line items reported in accordance with GAAP.

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

Forward-Looking Statements

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

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

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

About Abacus

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

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

www.Abaculife.com

Contact:

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Abacus Life Public Relations

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ABACUS LIFE, INC. Consolidated Balance Sheets

	December 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 25,588,668	\$ 30,052,823
Equity securities, at fair value	2,252,891	—
Accounts receivable	2,149,111	10,448
Accounts receivable, related party	79,509	198,364
Due from affiliates	1,007,528	2,904,646
Prepaid expenses and other current assets	699,127	116,646
Total current assets	31,776,834	33,282,927
Property and equipment, net	400,720	18,617
Intangible assets, net	29,623,130	—
Goodwill	140,287,000	—
Operating right-of-use assets	1,893,659	77,011
Life settlement policies, at cost	1,697,178	8,716,111
Life settlement policies, at fair value	122,296,559	13,809,352
Available-for-sale securities, at fair value	1,105,935	1,000,000
Other investments, at cost	1,650,000	1,300,000
Other assets	998,945	—
Equity securities, at fair value	96,107	890,829
TOTAL ASSETS	\$ 331,826,067	\$ 59,094,847
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 13,029,632	\$ —
Accrued expenses	4,354,225	—
Accounts payable	—	40,014
Operating lease liabilities	118,058	48,127
Due to affiliates	5,236	263,785
Due to former members	1,159,712	—
Contract liabilities, deposits on pending settlements	507,000	—
Accrued transaction costs	—	908,256
Other current liabilities	3,400,734	42,227
Income taxes payable	751,734	—
Total current liabilities	23,326,331	1,302,409
Long-term debt, related party	37,653,869	—
Long-term debt	89,137,013	28,249,653
Operating lease liabilities	1,796,727	29,268
Deferred tax liability	9,199,091	1,363,820
Warrant liability	6,642,960	—
TOTAL LIABILITIES	167,755,991	30,945,150
COMMITMENTS AND CONTINGENCIES (11)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.0001 par value; 1,000,000 authorized shares authorized; none issued or outstanding	—	—
Class A common stock, \$0.0001 par value; 200,000,000 authorized shares; 63,388,823 and 50,369,350 shares issued, respectively	6,339	5,037
Treasury stock - at cost; 146,650 and — shares, respectively	(1,283,062)	—
Additional paid-in capital	199,826,278	704,963
(Accumulated deficit) retained earnings	(34,726,135)	25,487,323
Accumulated other comprehensive income	108,373	1,052,836
Non-controlling interest	138,283	899,538
Total shareholders' equity (deficit)	164,070,076	28,149,697
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$ 331,826,067	\$ 59,094,847

ACUS LIFE, INC. Proforma Condensed Consolidated Statement of Operations

	YTD Sept 2023	Q4 2023	Full Year	
			2023	2022
REVENUES:				
Portfolio servicing revenue				
Related party service revenue	\$ 711,975	\$ 66,703	\$ 778,678	\$ 818,299
Portfolio servicing	102,651	120,845	223,496	652,673
Total Portfolio servicing revenue	814,626	187,548	1,002,174	1,470,972
Active management revenue				
method	18,473,597	(492,610)	17,980,987	37,828,829
method)	28,242,105	21,766,926	50,009,031	5,263,751
Total Active management revenue	46,715,702	21,274,316	67,990,018	43,092,580
Originations revenue				
Related Party origination revenue	3,391,814	240,455	3,632,269	18,146,493
Originations	5,018,438	1,943,228	6,961,666	7,056,970
Total Origination revenue	8,410,252	2,183,683	10,593,935	25,203,463
Total Revenues	55,940,580	23,645,547	79,586,127	69,767,015
COST OF REVENUES (excluding depreciation and amortization stated below)				
Related party cost of revenue	6,566,335	91,475	6,657,810	11,631,129
Cost of revenue	7,604,875	1,520,994	9,125,869	11,325,000
Total Cost of revenue	14,171,210	1,612,469	15,783,679	22,956,129
Gross Profit	41,769,370	22,033,078	63,802,448	46,810,886
OPERATING EXPENSES:				
Sales and marketing	3,116,999	1,788,748	4,905,747	2,596,140
General, administrative and other	15,961,962	15,369,189	31,331,151	9,971,247
(Gain) loss on change in fair value of debt	309,865	2,046,193	2,356,058	90,719
Unrealized loss (gain) on investments	(491,356)	(877,755)	(1,369,111)	1,045,623
Depreciation and amortization expense	1,702,591	1,712,934	3,415,525	18,588
Total Operating expenses	20,600,061	20,039,309	40,639,370	13,722,317
Operating Income	\$ 21,169,309	\$ 1,993,769	\$ 23,163,078	\$ 33,088,569
OTHER INCOME (EXPENSE)				
Change in fair value of warrant liability	(943,400)	(3,260,960)	(4,204,360)	-
Interest (expense)	(3,632,420)	(6,246,126)	(9,878,546)	(51,615)
Interest income	73,200	523,481	596,681	3,672
Other income (expense)	(1,565)	(144,879)	(146,444)	(346,740)
Total other income (expense)	(4,504,185)	(9,128,484)	(13,632,669)	(394,683)
Net income before provision for income taxes	16,665,124	(7,134,715)	9,530,409	32,693,886
Income tax expense	2,240,708	(769,885)	1,470,823	656,904
NET INCOME	14,424,416	(6,364,830)	8,059,586	32,036,982
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	(339,692)	(142,447)	(482,139)	704,699
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS	\$ 14,764,108	\$ (6,222,383)	\$ 8,541,725	\$ 31,332,283

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

	Full Year	
	2023	2022
Net income attributable to Abacus Life, Inc.	\$ 9,516,626	\$ 31,682,275
Net income attributable to non-controlling interests	(482,139)	704,699
Amortization expense	3,364,167	—
Stock compensation expense	10,768,024	—
Change in fair value of warrant liability	4,204,360	—
Tax impact of items listed above	2,069,993	—
Adjusted Net Income	\$ 29,441,031	\$ 32,386,974
Weighted-average shares of Class A common stock outstanding	56,951,414	50,369,350
Earnings Per Share	\$ 0.17	\$ 0.63
Adjusted Earnings Per Share	\$ 0.52	\$ 0.64

ABACUS LIFE, INC. Proforma Adjusted EBITDA

	Full Year	
	2023	2022
Net Income excluding non-controlling interests	\$ 9,034,487	\$ 32,386,974
Depreciation and Amortization	3,409,928	4,282
Interest expense	9,866,821	42,798
Interest income	(594,764)	(1,474)
Income tax expense	1,468,535	889,943
Stock compensation	10,768,024	—
Other (Income) / Expenses	146,443	347,013
Change in fair value of warrant liability	4,204,360	—
Change in fair value of debt	2,356,058	90,719
Unrealized loss / (gain) on investments	(1,369,112)	1,045,623
Adjusted EBITDA	\$ 39,290,780	\$ 34,805,878
Proforma Revenue	\$ 79,586,127	\$ 69,767,015
Proforma Adjusted EBITDA Margin	49.37%	49.89%
Proforma Net Income Margin	36.99%	46.42%

ABACUS LIFE, INC. Proforma Segment Revenue

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

	For the Period Ended December 31, 2023	
Total Assets	\$	331,826,067
Less:		
Intangible assets, net		(29,623,130)
Goodwill		(140,287,000)
Current Liabilities		(23,326,331)
Total Invested Capital	\$	138,589,606

Adjusted Net income	\$	29,441,031
Adjusted Annualized ROIC		21%

ABACUS LIFE, INC. Return on Equity (ROE)

	For the Period Ended December 31, 2023	
Total Shareholder Equity	\$	164,070,076
Proforma Adjusted Net income	\$	29,441,031
Adjusted Annualized ROE		18%