



MSP Recovery, Now Doing Business as LifeWallet, Entered into a Term Sheet for the Monetization of a Portion of Its Company-owned Assignor Interests as a New Source of Monetization for \$275 Million, and Payment of \$48 Million in Servicing Fees for 2023

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CORAL GABLES, Fla., Jan. 02, 2023 (GLOBE NEWSWIRE) -- MSP Recovery, Inc. (**NASDAQ: MSPR**) ("MSPR", "MSP Recovery", the "Company," or "LIFW"), which [recently announced that it will begin doing business as LifeWallet in 2023](#) and that its ticker symbol will change to "LIFW" at the beginning of 2023, today announced that the Company entered into a term sheet relating to the sale of a portion of its Company owned Assignor Interests, as defined and as further described below, and certain other transactions (the "Term Sheet").

In the ordinary course of its business, LIFW acquires assignments of recoveries from health insurance payors, healthcare providers and others, and uses its proprietary multi-level data analytics system to identify and then works to secure recoveries from responsible parties. LIFW typically obtains the assignment of all of the claim rights and pays out 50% of such recoveries (the "Assignor Interest") as a contingent payment and retains the other 50% (the "MSPR Recovery Proceeds"). In certain circumstances, LIFW has acquired the assignor's 50% interest up-front by purchasing the assignor's contractual right to collect at the time of recovery. LIFW has been able to establish a price for these purchases that inures to the benefit of LIFW by monetizing these claims at a much higher rate than paid by the Company. Today, LIFW announces that it entered into a Term Sheet relating to the sale of \$275 million worth of select healthcare claims recovery interests (the "MSP Claims") and the receipt of another \$48 million in servicing fees related to the MSP Claims that LIFW is selling, therefore indicating that these claims, upon signing the definitive documents described herein, will be monetized at a much higher rate than they are purchased for. The Term Sheet also provides for the Company to acquire certain claims for \$330 million that pertain to the entire claim rights, as well as certain Assignor Interests.

"Throughout the 2022 fiscal year, we have been expanding our portfolio of recoverable claims and adding to our potential revenue streams through innovation and the expansion of our capabilities," added John H. Ruiz, the CEO of the Company. "These deals demonstrate that there is significant value in the variety of ways in which MSPR's assets can be monetized. Additionally, with the launch of additional technological tools and business lines, LIFW is able to utilize its proprietary systems to monetize its different platforms while aiming at maximizing its revenue and ultimate bottom line with tools that the industry needs. We have experienced a strong acceptance of our tools by the Healthcare Industry in various applications. We are excited that we have been able to develop tools faster than we anticipated, although we have a very unique business model the industry and the general public is starting to understand as each day passes. Perhaps one of the biggest reasons why LIFW is now known nationwide is because of our work in the NIL space with college athletes. The public awareness of LIFW has reached high levels as a result of our ground-breaking NIL deals."

LIFW also announced today that it is in negotiations to sign contracts that the Company expects would generate approximately \$25-30 million during the 2023 fiscal year with respect to the [previously announced launch](#) of its national lawyer referral service on the LifeWallet platform from lawyers seeking to participate and have access to this innovative service. In addition to patients, medical providers and healthcare payers, the LifeWallet application will also provide resources for attorneys and their clients – facilitating the processing of claims by lawyers that ultimately may also represent beneficiaries who have suffered physical or mental injuries for which Medicare or Medicaid has paid. "Prior to the creation of MSP (LIFW) I practiced law as to individual cases as well as class actions and MDL litigation. As a result, I know what lawyers need to increase efficiency and reduce costs. The systems developed by LIFW are a great asset to law firms and lawyers across the world as they seek to process claims. The LifeWallet systems also allows for the management of cases in large scale with LifeWallet's proprietary systems. A system designed by lawyers for lawyers."

With respect to the financial projections, the transactions and Term Sheet described above, there are certain risks and uncertainties. Accordingly, such financial projections may not be achieved and some or all of the transactions contemplated by the Term Sheet or described above may not be consummated on the terms described herein or at all.

Prior announcements by the Company of advancements in the development of its unique ecosystem and expanded capabilities, have included among other things:

- In partnership with Tokenology, MSPR completed development of cutting-edge blockchain technology, which allows for the creation of an expansive ledger for all historical and real-time medical claims transactions in the MSP Recovery and LifeWallet ecosystems (see May 20, 2022 press release titled "[Polygon Partners with Tokenology and MSP Recovery to Tokenize Healthcare Claims On-Chain](#)").
- A cornerstone of this technology is the integration of biometrics directly into the ledger, as a key verification element of every transaction. This technology is being piloted with key provider partner Cano Health (NYSE: CANO). This allows MSPR to put the patient at the center of the flow of medical claims, providing unprecedented levels of transparency and accuracy. (see August 4, 2022 press release titled "[MSP Recovery Announces LifeWallet Implementation Program at Cano Health Medical Centers](#)").

- In addition, MSP Recovery's partnership with Palantir (NYSE: PLTR) and the utilization of its Foundry platform has resulted in the creation of one of the most advanced healthcare analytics tools in existence (see October 11, 2021 press release titled "[MSP Recovery and Palantir Partner to Transform Connectivity Across the U.S. Healthcare System](#)"). This tool provides key metrics for providers and payers through the granular analysis of medical claims data which reveals information on payer rules, billing cycles, fraud analysis, and delivers insights into reducing labor hours, increasing efficiencies, and eliminating waste through the discovery of improper payments and potential recoveries.

"We are excited to continue innovating and disrupting the healthcare system and believe that we have great momentum heading into 2023," said Ruiz.

About MSP Recovery

Founded in 2014, MSP Recovery has become a Medicare, Medicaid, commercial, and secondary payer reimbursement recovery leader, disrupting the antiquated healthcare reimbursement system with data-driven solutions to secure recoveries against responsible parties. MSP Recovery provides the healthcare industry with comprehensive compliance solutions, while innovating technologies to help save lives. For more information, visit: www.msprecovery.com

Disclosure as it Relates to the Term Sheet

The Term Sheet creates a legally binding obligation on the parties to the Term Sheet solely to the following extent: such parties will work to finalize negotiations, and agree, in their sole discretion, and enter into the definitive documents related to the transactions contemplated by the Term Sheet within 30 days or such other date as mutually agreed by such parties. None of the transactions contemplated by the Term Sheet or by such definitive documents shall be consummated unless and until the definitive documents are executed and delivered by all relevant parties, and the relevant closing conditions set forth therein are satisfied or waived.

Forward Looking Statement

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements may generally be identified by the use of words such as "anticipate," "believe," "expect," "intend," "plan" and "will" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. As a result, these statements are not guarantees of future performance and actual events may differ materially from those expressed in or suggested by the forward-looking statements. Any forward-looking statement made by MSPR in this press release, its reports filed with the Securities and Exchange Commission (the "SEC") and other public statements made from time-to-time speak only as of the date made. New risks and uncertainties come up from time to time, and it is impossible for MSPR to predict or identify all such events or how they may affect it. MSPR has no obligation, and does not intend, to update any forward-looking statements after the date hereof, except as required by federal securities laws. Factors that could cause these differences include, but are not limited to, MSPR's ability to capitalize on its assignment agreements and recover monies that were paid by the assignors; litigation results; the validity of the assignments of claims to MSPR; the inability to successfully expand the scope of MSPR's claims or obtain new data and claims from MSPR's existing assignor base or otherwise; MSPR's failure to innovate and develop new solutions, or the failure of those solutions to be adopted by MSPR's existing and potential assignors; negative publicity concerning healthcare data analytics and payment accuracy; the ability of LifeWallet powered by MSPR to implement its Health Safety Technology and school security technology, and those other factors included in MSPR's Annual reports on Form 10-K, Quarterly Reports on Form 10-Q and other reports filed by it with the SEC. These statements constitute the Company's cautionary statements under the Private Securities Litigation Reform Act of 1995.

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