



LifeWallet Acquires Assignment of Additional MSP Claims with an Overall Paid Amount Exceeding \$10.6 billion Comprised of Over 450,000 Medicare Members and Announces it Secured a Waiver of Acceleration on a Second Loan Agreement in the Event of a Negative Going Concern

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MIAMI, Oct. 02, 2024 (GLOBE NEWSWIRE) -- MSP Recovery, Inc. d/b/a LifeWallet (NASDAQ: LIFW) ("LifeWallet" or "the Company"), as previously announced on August 2, 2024, today LifeWallet entered into a definitive agreement with Hazel Partners Holdings LLC consistent with the letter agreement.¹ LifeWallet acquired the recovery rights to claims as per its assignment of additional Medicare Secondary Payer claims consisting of more than 450,000 Medicare members, as documented by health insurance plans, with an estimated total claims paid amount exceeding \$10.6 billion.²

This latest assignment of Medicare Secondary Payer claims exemplifies LifeWallet's continued progress in acquiring additional healthcare claims, paving the way for the discovery and potential recovery of improperly paid claims on the part of Medicare Payers. Because of LifeWallet's existing settlements with insurance companies, any claims pertaining to insurance companies that have already been settled, would be processed under the terms of the settlement without having to resort to costly and time-consuming litigation.

In addition to providing historic claims payment reconciliation, these claims will be onboarded onto the LifeWallet Palantir clearinghouse system, a sophisticated data analytics system created through an exclusive healthcare partnership with Palantir Technologies (NYSE: PLTR). This system utilizes the Palantir Foundry platform through the development of new technological tools and machine learning. It captures and manages healthcare data effectively, enhancing the identification of improper payments.

This further enhances LifeWallet's Chase to Pay model, utilizing its extensive legal infrastructure to enforce Primary Payer obligations through years of federal and state litigation to the extent the health insurance plans are signed. The Company continues to create reimbursement recovery solutions for health insurance plans and healthcare providers, discovering Medicare liens owed to them, capturing instances where another payer should be paying for medical bills, saving the health insurance plans money by not having to pay claims they are not responsible for, and recovering conditional payments from responsible primary payers, such as property and casualty insurers.

LifeWallet's CIO, Christopher Miranda, said of today's announcement, "This builds upon the Company's more than ten-year commitment to revolutionize the fragmented healthcare reimbursement system with data-driven solutions, resulting in improved outcomes for healthcare payers, providers, leading to improved patient care."

Waiver from Hazel Partners Holdings, LLC and Virage Capital Partners

LifeWallet also announces the waiver of a payment acceleration clause pursuant to a material credit agreement. Hazel Partners Holdings, LLC ("Hazel") agreed to waive a provision of the Second Amended and Restated Credit Agreement, as amended, that otherwise would have accelerated the payment of amounts due in the event that the Company receives a negative going concern opinion from its auditors. This waiver only applies in the event that the Company receives a negative going concern opinion for the fiscal year ending December 31, 2024. This is in addition to a previous waiver of acceleration also granted by its largest creditor, Virage Capital Partners ("Virage"). On September 6, 2024, Virage agreed to waive a provision of the Company's Master Transaction Agreement that would accelerate the payment of amounts due to Virage in the event the Company receives a negative going concern opinion from its auditors for the year ending December 31, 2024. The company continues to work on expense reductions and efforts to restructure existing debt while monitoring its deployment of cash and increasing its liquidity inflows.

Forward Looking Statements

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, including for example statements regarding potential future settlements. 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 or results and actual events may differ materially from those expressed in or suggested by the forward-looking statements. Any forward-looking statement made by the Company herein speaks only as of the date made. New risks and uncertainties come up from time to time, and it is impossible for the Company to predict or identify all such events or how they may affect it. The Company 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, the Company's ability to capitalize on its assignment agreements and recover monies that were paid by the assignors; the inherent uncertainty surrounding settlement negotiations and/or litigation, including with respect to both the amount and timing of any such results; the success of the Company's scheduled settlement mediations; the validity of the assignments of claims to the Company; negative publicity concerning healthcare data analytics and payment accuracy; and those other factors included in the Company's Annual Report 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.

About LifeWallet

Founded in 2014 as MSP Recovery, LifeWallet 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 from responsible parties. LifeWallet provides comprehensive solutions for multiple industries including healthcare, legal, and sports NIL. For more information, visit: [LIFEWALLET.COM](https://lifewallet.com).

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¹ On August 2, 2024, Subrogation Holdings, LLC, a wholly owned subsidiary of MSP Recovery, Inc. d/b/a LifeWallet (the “Company”) entered into a letter agreement (the “HPH Letter Agreement”) whereby the parties have set out the terms to amend the Second Amended and Restated Credit Agreement with Hazel Partners Holdings LLC (the “Credit Agreement”), to: (i) extend the period for the Company to draw up to \$14 million for working capital, accessible in eight tranches of \$1.75 million, that can be drawn at least one month apart, until September 2025; and (ii) provide for a \$2.0 million loan to be funded by August 31, 2024 for the purpose of acquiring additional Claims (the “New Claims”) that will further collateralize the Working Capital Credit Facility (collectively, (i) and (ii) the “Operational Collection Floor”). The parties have agreed that such amendment to the Credit Agreement shall be agreed and entered into at a later date.

² “Paid Amount” (a/k/a Medicare Paid Rate or wholesale price) means the amount paid to the provider from the health plan or insurer. This amount varies based on the party making payment. For example, Medicare typically pays a lower fee for service rate than commercial insurers. The Paid Amount is derived from the Claims data we receive from our Assignors. In the limited instances where the data received lacks a paid value, our team calculates the Paid Amount with a formula. The formula used provides rates for outpatient services and is derived from the customary rate at the 95th percentile as it appears from standard industry commercial rates or, where that data is unavailable, the Billed Amount if present in the data. These amounts are then adjusted to account for the customary Medicare adjustment to arrive at the calculated Paid Amount. Management believes that this formula provides a conservative estimate for the Medicare paid amount rate, based on industry studies which show the range of differences between private insurers and Medicare rates for outpatient services. We periodically update this formula to enhance the calculated paid amount where that information is not provided in the data received from our Assignors. Management believes this measure provides a useful baseline for potential recoveries, but it is not a measure of the total amount that may be recovered in respect of potentially recoverable Claims, which in turn may be influenced by any applicable potential statutory recoveries such as double damages or fines. Where we have to extrapolate a Paid Amount to establish damages, the calculated amount may be contested by opposing parties. The figures pertaining to Medicare Member Lives as well as the paid amount were tabulated based on the data provided by health care plans; these figures may be subject to adjustment upon further investigation of the paid amounts reflected by the health plans.